



Committee: CABINET

Date: TUESDAY, 2 DECEMBER 2025

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

Lancaster City Council welcomes members of the public to attend meetings. However, space in the public gallery is limited to 30 seats due to Fire Regulations. The seats are allocated on a first come, first served basis and no standing is permitted. Meetings are livestreamed please click [here](#) to join the Teams meeting.

A G E N D A

1. Apologies

2. Minutes

To receive as a correct record the minutes of Cabinet held on Tuesday, 21 October 2025 (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 & Scrutiny - Pre-Decision Scrutiny Protocol** (Pages 5 - 12)

Report of Overview & Scrutiny Committee – the Chair of the Overview & Scrutiny Committee has been invited to present this report.

Reports

7. **Fly Tipping Strategy** (Pages 13 - 81)

(Cabinet Member with Special Responsibility Councillor Hart)

Report of Chief Officer Environment and Place

8. **Lancaster Business Improvement District - Renewal Ballot and Draft Delivery Plan Proposal** (Pages 82 - 114)

(Cabinet Member with Special Responsibility Councillor Peter Jackson)

Report of Chief Officer Sustainable Growth (report published 27.11.25)

9. **Lancaster City Council's Progress to Net Zero** (Pages 115 - 150)

(Cabinet Member with Special Responsibility Councillor Riches)

Report of Chief Officer – Planning and Climate Change

10. **Establishment of a Planning Policy Cabinet Advisory Group** (Pages 151 - 157)

(Cabinet Member with Special Responsibility Councillor Tyldesley)

Report of Chief Officer – Planning and Climate Change

11. **Local Council Tax Support Scheme (2026/27)** (Pages 158 - 169)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Assistant Director (Head of Revenues and Benefits)

12. **Delivering Our Priorities: Q2 2025/26** (Pages 170 - 191)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Chief Executive & s151 Officer

13. **Projects and Performance: Q2 2025-26** (Pages 192 - 204)

14. **Strategic Risk Register** (Pages 205 - 225)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Chief Executive

Whilst this report is public it contains an exempt appendix and the press and public may need to be excluded if Cabinet members are minded to refer to the restricted information.

15. **Medium Term Financial Strategy Update** (Pages 226 - 245)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Chief Finance Officer (report published on 27.11.25)

16. **Treasury Management Mid-Year Review 2025/26** (Pages 246 - 266)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Chief Finance Officer

17. **Exclusion of the Press and Public**

This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item(s) in private.

Cabinet is recommended to pass the following recommendation in relation to the following item(s):-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item(s) of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

Members are reminded that, whilst the following item(s) have been marked as exempt, it is for Cabinet itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.

18. **LIFT MODERNISATION & ASSOCIATED WORKS** (Pages 267 - 279)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Chief Officer Housing & Property

19. **EDEN PROJECT - GRANT FUNDING AGREEMENT VARIATION** (Pages 280 - 309)

(Cabinet Member with Special Responsibility Councillor Caroline Jackson)

Report of the Chief Officer Sustainable Growth (report published on 25.11.25)

Call-in has been waived on this item to enable the variation to be signed off without delay.

20. **Lancaster Canal Quarter Early Phase Housing Proposals - Progress Update and Delivery** (Pages 310 - 324)

(Cabinet Member with Special Responsibility Councillor Caroline Jackson)

Report of Chief Officer Sustainable Growth - (report published in 27.11.25)

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Caroline Jackson (Chair), Peter Jackson, Mandy Bannon, Martin Bottoms, Tim Hamilton-Cox, Paul Hart, Sally Maddocks, Sam Riches and Sue Tyldesley

(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.

MARK DAVIES,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on FRIDAY 21 NOVEMBER, 2025.



Pre-Decision Scrutiny Protocol

2nd December 2025

Report of Overview and Scrutiny Committee

PURPOSE OF REPORT

To request Cabinet to consider the recommendation from the Overview and Scrutiny Committee to adopt a Pre-Decision Scrutiny Protocol.

This report is public.

RECOMMENDATIONS OF OVERVIEW AND SCRUTINY

- (1) **That Cabinet adopt a Pre-Decision Scrutiny Protocol.**

1.0 Introduction

At its meeting on 22nd October 2025, the Overview and Scrutiny Committee considered a draft Pre-Decision Scrutiny Protocol which was presented by the Cabinet Member with responsibility for Corporate Services. Further details can be found in the report of the Senior Manager Democratic Support and Elections, attached at Appendix A.

2.0 Proposal

- 2.1** The Committee has been considering a Pre-Decision Scrutiny Protocol for quite some time. At its meeting, held on 6 September 2023, the Committee was provided with a report and a copy of the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities, previously reported to the Committee on 14 June 2023. The outcome of discussions with the relevant Cabinet Member has resulted in the draft Protocol attached at Appendix B.

- 2.2** Unfortunately due to ill health there has been a delay in progressing this matter

Options and Options Analysis (including risk assessment)

	Option 1: To adopt the Pre-Decision Scrutiny Protocol	Option 2: Not to adopt the Pre-Decision Scrutiny Protocol
Advantages	To enable effective scrutiny to be undertaken to improve the Scrutiny function as highlighted in the Peer Review and the Statutory Guidance for Overview and Scrutiny.	No benefits. This would not follow the Statutory Guidance on Scrutiny.
Disadvantages		

	There are no disadvantages.	To hamper effective scrutiny with no definitive framework for scrutiny to work within.
Risks	None	None

The Overview and Scrutiny Committee's preferred option is Option 1 – to adopt the Pre-decision Scrutiny Protocol.

3.0 Conclusion

Cabinet is requested to adopt the Pre-Decision Scrutiny Protocol at Appendix B

RELATIONSHIP TO POLICY FRAMEWORK As shown on the Overview and Scrutiny Committee report attached.	
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc) As shown on the Overview and Scrutiny report attached.	
FINANCIAL IMPLICATIONS As shown on the Overview and Scrutiny Committee report attached.	
SECTION 151 OFFICER'S COMMENTS As shown on the Overview and Scrutiny Committee report attached.	
LEGAL IMPLICATIONS As shown on the Overview and Scrutiny Committee report attached.	
MONITORING OFFICER'S COMMENTS As shown on the Overview and Scrutiny Committee report attached.	
BACKGROUND PAPERS DLUHC Overview and Scrutiny: statutory guidance for councils, combined authorities and combined county authorities – 22.04.24. To view please click here	Contact Officer: Jenny Kay – Civic and Ceremonial Democratic Support Officer. Telephone: 01524 582065 E-mail: jkay@lancaster.gov.uk

OVERVIEW AND SCRUTINY COMMITTEE

Pre-Decision Scrutiny Protocol

22 October 2025

Report of Senior Manager, Democratic Support and Elections

PURPOSE OF REPORT

To consider a report on the introduction of a Pre-Decision Scrutiny Protocol.

This report is public.

RECOMMENDATIONS

- (1) The Committee is requested to consider and comment on the content of this report and the draft Pre-Decision Scrutiny Protocol attached with a view to recommending it to Cabinet for adoption.

1. INTRODUCTION

- 1.1 The Committee asked to consider the introduction of a Cabinet – Scrutiny Protocol. Such arrangements are in place in other authorities with the aim of assisting both Cabinet and Scrutiny to work together more effectively for the good of the district.
- 1.2 At its meeting, held on 6 September 2023, the Committee was provided with a report and a copy of the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities, previously reported to the Committee on 14 June 2023.

After considering the report it was agreed:

- (1) That the Pre-Scrutiny Champion meets informally with Democratic Support Officers to consider the Forthcoming Key Decisions on a regular basis.
- (2) That the Committee consider a draft Protocol in the new Municipal Year.

- 1.3 Due to a change in Cabinet Member, this has taken a little longer than anticipated, however the current Cabinet Member with particular responsibility for Corporate Services, Councillor Maddocks, attended the last meeting of this Committee on 8 January 2025 to provide an update and receive comments from Committee members regarding elements they would wish to see in the protocol, as set out below.

2. DRAFT PROTOCOL

- 2.1 At the January meeting, the Committee put forward the following requests to the Cabinet Member:

- That Cabinet papers are circulated to the Overview and Scrutiny Committee at the same time as for Cabinet before Cabinet briefings. If the Committee wish to receive a briefing on any of the Cabinet items, this would be requested and arranged before the Cabinet meeting the following week to allow any comments or concerns to be shared with Cabinet. This replaced the request for briefings for every Cabinet meeting for the Committee in order to save officer time and resources. This involves the building in of safeguards to mitigate risks around the sharing of sensitive information with Scrutiny members.
- That a list of key initiatives for the forthcoming 12 months be shared with both Cabinet and the Overview and Scrutiny Committee (as opposed to a list of forthcoming Key Decisions for the next 12 months).
- That, as part of the consultation process, the Overview and Scrutiny Committee be consulted on all major projects as a matter of course to enable pre-decision scrutiny.

2.2 A draft protocol is now attached for the Committee to consider which addresses the issues in the first bullet point above.

2.3 The second and third bullet points above are not covered in the protocol. Regarding the list of key initiatives for the forthcoming twelve months, Cabinet met recently to discuss priorities and work initiatives and this can be fed back to the Committee by Councillor Maddocks at the meeting. Regarding Overview and Scrutiny being consulted on all major projects, project boards are set up for all major projects where Scrutiny members sit. The Committee may wish to consider adding a standing item on its agendas for Overview and Scrutiny Councillors who sit on major project boards to report back to the Committee.

3 CONCLUSION

3.1 The Committee is asked to consider the attached draft protocol with a view to recommending this to Cabinet for adoption. Member may also wish to consider adding a standing item to future agendas for Members on project boards to update the Committee on progress with major projects.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

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

LEGAL IMPLICATIONS

The Overview and Scrutiny Committee has overall responsibility for the performance of all Overview and Scrutiny functions (under the Local Government Act 2000) on behalf of the Council and ensuring its effectiveness.

There is no legal requirement for the Council to have a Protocol although it is considered best practice in the 'Overview and Scrutiny: Statutory Guidance for Councils and Combined Authorities (MHCLG)' document published in May 2019.

FINANCIAL IMPLICATIONS

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

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

None.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

DLUHC Overview and Scrutiny: statutory guidance for councils, combined authorities and combined county authorities – 22.04.24.
To view please click [here](#)

Contact Officer: Debbie Chambers
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E-mail: dchambers@lancaster.gov.uk

APPENDIX B

Overview & Scrutiny Protocol – Pre-decision Scrutiny

WHAT IS PRE-DECISION SCRUTINY?

Cabinet and Overview and Scrutiny recognise that in order for effective scrutiny to happen they need to work together for the benefit of the Council and to improve decision-making.

Decisions may be brought to scrutiny as drafts of the final cabinet report for consideration.

The range of possible outcomes may include support for a decision, a different view on the way forward, the flagging up of concerns (e.g. in relation to the consultation process), or a recommendation that the decision should be deferred pending further work etc. It does not mean that decisions will necessarily be changed or withdrawn, however it gives an opportunity for those decisions to be more informed. Pre-decision scrutiny can be viewed as non-Cabinet Members performing a 'critical friend' role in relation to the Cabinet.

Overall, pre-decision scrutiny can help the decision-making process by:

- Providing an impartial perspective – scrutiny can gather its own evidence to contribute towards the decision-making process, and consult those directly affected by the decision impartially and independently.
- Challenging assumptions and making evidence-gathering more robust –scrutiny can look at projections relating to the impact of the decision – financial, social, economic, environmental – and consider whether those projections and assumptions are justified.
- Developing realistic plans and targets – scrutiny can help to develop challenging but realistic targets that will be impartial and focused on outcomes rather than outputs.
- Securing ownership and buy-in to the final decision – engaging with scrutiny will help the executive to understand the expectations of the wider group of elected councillors and, by extension, the public.

WHAT PRE-DECISION SCRUTINY IS NOT

Pre-decision scrutiny does not replace decision-making. It is not intended to blur the lines of accountability, which will always rest with the Cabinet.

Pre-decision scrutiny is not the same as general service or policy development/formulation. Separate to pre-decision scrutiny there are occasions where scrutiny is already involved at an earlier point in the development of policy or service proposals.

WHY IS A PROTOCOL NEEDED?

The aim of this protocol is to set out an agreed way of working with the Cabinet, in line with the Council's Constitution, to facilitate the proper role of Overview and Scrutiny in respect of pre-decision scrutiny.

Protocol for pre-decision scrutiny of Cabinet items

1. Any draft cabinet reports when available are sent to members of Cabinet and Overview & Scrutiny for consideration before the decision making Cabinet.
2. Cabinet will have a briefing on the available draft reports normally 2 weeks prior to the scheduled Cabinet meeting.
3. Overview & Scrutiny may request a similar briefing on any of the available draft reports. The briefing will be no later than 2 days following any Cabinet briefing. Any request to be sent by the Chair or Vice-Chair to the Chief Executive. Late requests will not be accepted.
4. The relevant Cabinet Member, Chief Officer and/or appropriate officer(s) may attend any Overview and Scrutiny briefing to present the draft report and help answer any questions posed by members of the Committee.
5. Overview and Scrutiny will consider the draft report and identify any points it would like addressed in the final report to be presented before Cabinet, this could include any alternative recommendations which the Committee consider necessary.
6. The Chair or Vice-chair of Overview & Scrutiny will submit any feedback to the relevant Chief Officer and relevant portfolio holder either at the briefing or no later than 5pm the following day.
7. The relevant portfolio holder, in consultation with the Chief Officer, will consider any feedback/suggestions and decide whether to include comments/actions from Overview & Scrutiny in the report before publication.
8. Pre-decision scrutiny of the subject does not prevent the opportunity for call-in once the decision is made by the Cabinet.

Sensitive Information

Prior to publication of reports any information therein is to be treated as confidential and not to be disclosed.

Existing Pre- scrutiny arrangements

There is already a pre-scrutiny elected member (pre-scrutiny champion) who is responsible for monitoring the key decisions and requesting further information as necessary. This is intended to continue.

CABINET

Fly Tipping Strategy 2026 - 2031 TBC

Report of Chief Officer – Environment & Place

PURPOSE OF REPORT			
To consider, review and adopt the Fly Tipping Strategy for the district.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	31 October 2025		
This report is public			

RECOMMENDATIONS OF Cabinet Member for Environment

- (1) Approve and adopt the Fly Tipping Strategy 2026-2031 as attached within appendix 1
- (2) Note the operational action plan attached to the report in appendix 2

1.0 Introduction

- 1.1 Fly Tipping is rubbish which is placed on land without arrangements for its collections and without agreement from the local Council or landowner.
- 1.2 Fly Tipping can consider of anything from a single bag of rubbish to a van load of items and can be liquid as well as solid.
- 1.3 Under the Environment Protection Act 1990, fly tipping of any scale is illegal and therefore a criminal offence under section 33 of the Act.
- 1.4 As a district we see fly tipping ripped open by birds, animals and vermin, which creates further negative impacts on communities and leads to significant council resource requirements which can be better used elsewhere.

2.0 Background

- 2.1 Fly Tipping is a UK wide problem, with over 1.08 million cases being reported in the 2022-2023 financial year.
- 2.2 Within the same year, the Lancaster district dealt with over 3600 incidences of fly tipping. 75% of these fly tips were made up by household rubbish and other domestic items. In contrast, builders waste fly tipping only constituted approximately 5% of all incidents across the district.
- 2.3 Data available suggests that the bulk of all reported fly tipping cases originate within four political wards within the district, and half of all fly tipping in 2022-2023 originated with just 34 individual streets.
- 2.4 Fly Tipping in the year 2022-2023 cost c.£300K to manage which impacts on the Council's Medium term Financial Strategy and commits staffing resource away from other vital services which we offer to our residents and visitors.
- 2.5 The Street Cleansing service has 32 staff covering a full range of duties across the district and operates two dedicated fly tipping vehicles. The service operates a number of functions including sweeping, litter bin collections, graffiti removal, and fly tipping between the operation hours of 5.30am and 9.00pm.
- 2.6 Tackling fly tipping is complex and the current method of collection as fast as possible, is a reactive approach that is not resulting in a reduction of reported cases.
- 2.7 Whilst looking at a different approach, the authority engaged with Keep Britain Tidy, the UK leading environmental charity on matters such as fly tipping and improving quality public spaces. In 2023, the partnership undertook an interventions survey across 15 streets within the district to monitor impact and behaviours of fly tipping before, during and after interventions. For full details on this work please refer to appendix 3.
- 2.8 Interventions testing involving crime scene tape (CSI), stencilling (SIS), took place over a 13-week period, and resulted in reductions in fly tipping between 60% and 80%. Over the 13-week period, the results showed 96 fewer fly tips on targeted streets.
- 2.9 At the end of the intervention period, 300 residents were surveyed independently to assess participation in relation to the interventions. 39% of residents said they saw the CSI tape with 57% seeing the stencilling. 50% of residents saw the interventions as a way of stopping fly tipping, with three quarters of residents agreeing that the interventions showed that LCC is working hard to tackle fly tipping.
- 2.10 Operational staff were also surveyed during and after the intervention work, with feedback surrounding the interventions being positive.
- 2.11 Further testing has taken place in 2025, and interventions around value based communications in hotspot areas is coming to a close and results will be available within quarter 3 of this financial year.

- 2.12 Following this integral piece of work, Environment & Place engaged again with Keep Britain Tidy to facilitate and draft a strategy for how we face the challenge over a longer period. The strategy sets out and articulates our approach five year plan using seven workstreams:
- Ensuring all households have the means to dispose of waste correctly
 - Education first approach
 - Introduce firmer no side waste policy
 - Improving our process for recording and incorrect presentation of waste
 - Improving process for reporting fly tipping
 - Targeted and coordinated action in hotspots
 - Increased enforcement activity and presence
- 2.13 The strategy outlines how the forementioned workstreams will be measured and highlights that by 2031, we look to see a reduction in fly tipping and increased satisfaction from residents.
- 2.14 Points 1-3 of the strategy have clear links to the upcoming waste management changes and align to making positive changes following the investment in wheelie bin recycling to the majority of households within the district. Investment will also be taking place in harder to reach areas to ensure residents have the right means of disposing of waste responsibly. The changes in waste should also work to reducing residual waste and therefore side waste, which accounts for a large proportion of fly tipping across the district.
- 2.15 Operational improvements are already taking place on reporting into services following the investment and implementation of Love Clean Streets which was launched in July 2025. Monitoring engagements and efficiencies of Love Clean Streets is being monitored through service plan key performance indicators and corporate performance monitoring.
- 2.16 As outlined within the strategy, most fly tipping hot spots reoccur within a small number of streets within the district. Drawing down on experience from the intervention works with Keep Britain Tidy in 2023, we will look target these areas through engagement activity, and nudge theory testing including crime scene investigation tape and stencilling.
- 2.17 Fly tipping is a criminal offence under the Environmental Protection Act 1990. In all cases reported to the council, preliminary investigations are undertaken which involve a review of witness claims and evidence to determine whether there is realistic prospect of conviction/or as an alternative to prosecution to issue FPNs.
- 2.18 In some cases education will be appropriate, but not in all cases. For example, large scale fly tipping / environmental harm or where there is blatant disregard for the law. All enforcement action will be in line with the council's enforcement policy and reviewed on a case-by-case basis. The strategy aligns with section 6 of the corporate policy – which sets out the range of

enforcement actions

- 2.19 The government encourages a balanced approach to enforcement, and in some circumstances (e.g. domestic waste receptacle/ keeper littering from vehicles) where criminal liability would be considered disproportionate, civil penalties are available to maintain the deterrent threat of enforcement.
- 2.20 The Environmental Enforcement Team are now structured correctly to engage both civil and criminal action.
- 2.21 The service has reviewed and refreshed operational enforcement plans around the management and presentation of household waste. Following advice/education and support, and only where a section 46 notice has been issued, if problems persist, then council may issue a FPN (civil penalty).
- 2.22 There are other regulatory options to deal with waste related offending. The most adopted approach nationally is the use of Community Protection Notices (CPN), which is particularly suited to broad environmental issues and encouraged within Home Office Statutory Guidance. Where there is sufficient evidence that can support on reasonable grounds that the conduct of an individual, business or organisation:

- is having a detrimental effect on the quality of life of those in the locality;
- is persistent or continuing in nature; and
- is unreasonable.

If informal advice or education is unsuccessful, a written warning must be given prior to issuing a CPN. Failure to comply with a CPN is a criminal offence. Depending on the behaviour in question, a person can be prosecuted or a FPN can be issued for non-compliance. On land open to air, the Council may take, following the service of a CPN, remedial action without consent and recover costs.

- 2.23 In considering the most appropriate regulatory action, in all cases there must be a robust evidential basis supporting the relevant legal tests. Use of CCTV can be viewed favourably when obtaining evidence for criminal offences. Whilst it can be a valuable tool, often offenders cannot be identified and there are inevitable issues with poor imagery. Installation, appropriate site locations, installation, maintenance and upgrade costs are expensive. Use of CCTV has been previously trialled at locations across the district to tackle fly tipping offences and without the outcomes expected. The primary aim of all intervention is to change behaviours.
- 2.24 It is anticipated that key performance indications will be fed in quarterly as part of corporate performance monitoring and will use existing resources across front line teams including Waste, Street Cleansing, Environmental Enforcement and Communications.

3.0 Details of Consultation

- 3.1 As part of the strategy development, facilitated co-design workshops took place with cross party elected members, and officers from all Council services including Public Realm, Housing, Enforcement, Legal, Communications and Customer Services.
- 3.2 As part of the implementation of the strategy, engagement and education will be key to driving improvements and this consultation will be on going.
- 3.3 The draft strategy was presented to Overview & Scrutiny committee in January 2025 where the draft strategy was welcomed and noted.
- 3.4 The strategy will be delivered through a robust communications and marketing plan that will align to service delivery and resource available.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Option 1 would be for the authority not to adopt the strategy and accept that the current management of fly tipping in the district is acceptable and palatable in relation to the financial and resource needed to maintain this standard of service to residents. Whilst this would not be consistent with the authority's ambitions around improving quality public spaces, it is an option none the less given the other ambitions which the Council may chose to focus on, as outlined within the Council Plan 2024-2027
- 4.2 Option 2 is the strategy as outlined within the body of the report and appendix 1. This is planned within the current operational structures and requires minimal investment in regard to financial or staffing resource. The approach is ambitious and looks to lower fly tipping and increase resident satisfaction over a five year period.

	Option 1: Do nothing – Reactive approach	Option 2: 5 year planned approach
Advantages	<ul style="list-style-type: none"> • None identified 	<ul style="list-style-type: none"> • Publicly articulates a plan for tackling an issue close to residents • Planned, tactical approach to Fly Tipping which aligns to corporate plan • Delivered within current staffing resource •
Disadvantages	<ul style="list-style-type: none"> • No clear plan or ambition for tackling fly tipping 	5 year plan subject to changes in corporate priorities

	<ul style="list-style-type: none"> • Acceptance of a reactive approach 	<ul style="list-style-type: none"> • Risk of plan becoming outdated in local circumstances change
Risks	<ul style="list-style-type: none"> • The issue of fly tipping grows in number, and causes increased financial and resource burden • Reputational impact from residents 	<ul style="list-style-type: none"> • Reduction in fly tipping isn't realised

5.0 Officer Preferred Option (and comments)

- 5.1 The options available to the Council are outlined in paragraphs 4.1 to 4.3 of the report and all offer advantages and disadvantages. Any decision moving forward should consider a balanced approach to residents whilst taking into account the national strategy, financial position of the authority and operational efficiency.

Option 2 is the officer preferred option – to approve the proposed strategy to move towards a more planned and structured approach to Fly Tipping. It is felt that this will contribute to a smoother operation and be kinder to the public in knowing what is required on their behalf.

6.0 Conclusion

- 6.1 Should the preferred option be approved, Council services will be able to start the implementation work stream as set out in the report and look to articulate the changes to residents.

RELATIONSHIP TO POLICY FRAMEWORK

This front facing operational strategy aligns to the Environmental Protection Act 1990 and the Councils corporate enforcement policy.

CONCLUSION OF IMPACT ASSESSMENT

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

The strategy will contribute positively to reduced public health and safety and offers a consistent service to all communities regardless of socio-economic status, ethnicity or geographical location and endeavours for all to benefit from a cleaner environment.

LEGAL IMPLICATIONS

As a public authority the Council is expected to follow its policies. It may depart from its policies if it has good reason to do so. The Fly-tipping Strategy at Appendix 1 sets out an approach to enforcement. Officers should consider how the Strategy fits with its current enforcement policy – they should be consistent. If the Council adopts the Strategy officers will need to follow the policy. Failure to follow the policy with good reason could undermine enforcement action (being potentially ultra vires).

FINANCIAL IMPLICATIONS

There are no additional financial implications as a result of adopting the strategy and the costs to the Council of managing fly tipping is met from within the overall Street Cleaning budget which is £1,976,700 in 2025/26.

OTHER RESOURCE IMPLICATIONS

Human Resources:

No HR Implications in relation to this report

Information Services:

No IS implications in relation to this report.

Property:

No Property implications in relation to this report.

Open Spaces:

No negative implications resulting from this report.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has no further comments to add

BACKGROUND PAPERS

Five Year Strategy 2026-2031 – Appendix 1
Operational Action Plan – Appendix 2
KBT Intervention Report – Appendix 3

Contact Officer: Will Griffith

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E-mail: wgriffith@lancaster.gov.uk

Ref:



Lancaster City Council

Five Year Fly-tipping Strategy 2026 to 2031

Contents

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06	Introduction
14	Lancaster City Council's five-year strategy
26	Next steps

1. Foreword

1.1. Foreword from Lancaster City Council

Fly-tipping is a constant battle for local authorities. Whether it is in back streets or out in our beautiful countryside, **dumping rubbish is an environmental crime that blights our communities.**

The city council is delighted to have been able to work with Keep Britain Tidy on this new strategy to tackle fly-tipping in all its forms.

As one of the UK's leading environmental charities, their insights and evidence-based approach has been critical in developing lasting solutions that make a real difference.

By using a range of tactics to tackle the problem, the overall goal is to significantly **reduce the number of fly-tips taking place, to create better, cleaner environments for our communities.**

Much progress has already been made and this strategy marks the beginning of a further concerted effort to address the problem, but the responsibility for combating fly-tipping lies with all of us.

Only by working together will we be able we can make a real difference.

Councillor Paul Hart

Cabinet member with responsibility for environmental services

Lancaster City Council



1.2. Foreword from Keep Britain Tidy

Sadly, fly-tipping in this country has reached epidemic proportions. Local authorities are reporting **more than one million incidents of this environmental crime every year** and that is only on land for which they are responsible.

Private landowners, including thousands of farmers, are also having to deal with fly-tips that are polluting our environment in every corner of the country, and picking up the bill for clearing them, which can run into **tens of thousands of pounds**.

In addition to the significant harm fly-tipping can do to the environment, so much of the 'stuff' that is being discarded could be recycled or reused and is a scandalous waste of precious and scarce resources.

For years, environmental charity Keep Britain Tidy has been investigating fly-tipping. Why do people do it? What are the things that stop them disposing of their unwanted things correctly? How do we change behaviour?

The work we have done has led to us develop a suite of strategies and interventions that can significantly reduce fly-tipping in our communities. We have developed a strategic approach to the problem and **we are delighted to have been working with Lancaster City Council to help them tackle fly-tipping in the city.**

Allison Ogden-Newton MBE

CEO

Keep Britain Tidy

2. Introduction

2.1. What is fly-tipping?

Fly-tipping is rubbish left on the street or other land without arrangements for its collection and without agreement from the local council or landowner.

Fly-tipping can be anything from a single bag of rubbish to a whole van load of items, and can be liquid as well as solid. Fly-tipping of any scale is illegal and is therefore a criminal offence under section 33 of the Environmental Protection Act 1990 [1].

“Fly-tipping is a crime, a significant blight on local communities and a source of environmental harm. It also undermines legitimate waste businesses where unscrupulous operators undercut those operating within the law.” – Department of Environment, Food and Rural Affairs (DEFRA) [2].

Fly-tipped household waste also causes issues with litter by attracting foxes, seagulls and other vermin, who rip bags open and spread the contents. Fly-tipping and the further issues it creates negatively impacts on communities, and dealing with it is at significant cost to council budgets and resources, that could be better spent elsewhere.

[1]
<https://www.legislation.gov.uk/ukpga/1990/43/section/33>

[2]
<https://www.gov.uk/government/statistics/fly-tipping-in-england>



Everyone that produces waste has a responsibility to make sure it is disposed of responsibly - even if they have asked someone else to do this on their behalf. Those whose waste ends up being fly-tipped or are caught fly-tipping themselves in the District face a fixed penalty notice (FPN) fine of up to £400. The size of the FPN is set by local authorities and can be as high as £1000. Local authorities also have powers to stop, search and seize vehicles suspected of being used for fly-tipping.

Incorrect presentation of waste is similar to fly-tipping as it is also a waste offence and creates many of the same issues. This is when households present their domestic waste incorrectly for collection, such as leaving excess bags of rubbish next to their on collection day - also known as side waste. As well as fly-tipping, this strategy therefore aims to address incidents of side waste in the District. Where fly-tipping is referenced in the strategy, this therefore also encapsulates incorrect presentation of waste.

There are some instances when residents or businesses are asked to leave their waste on the street for collection, for example if they have arranged for the collection of a bulky waste item. It is important to recognise that this is not fly-tipping, unless it is placed out on the street outside of the agreed times.



2.2. What is the fly-tipping problem?

Fly-tipping is a significant problem for communities and local authorities across the country. Local authorities in England dealt with 1.08 million fly-tips in the year 2022-2023 [3], 60% of which involved waste from households. Of this, 16% involved black bags and 44% involved other household waste, such as old furniture, DIY materials, or items from house or shed clearances.

Lancaster City Council deals with an average of 3,600 incidents of fly-tipping every year [4]. In 2022-23, bags of household rubbish and other household items made up 75% these fly-tips. In contrast, builders waste made up a further 5% of fly-tips. We know that the bulk of fly-tipping originates from just four wards within the District, and half of all fly-tipping in 2022-23 can be attributed to just 34 individual streets. The majority of fly-tipping in the District is therefore the direct result of a minority of specific pockets of households not managing their waste correctly and it ultimately ending up on the street.

[3] <https://www.gov.uk/government/statistics/fly-tipping-in-england/local-authority-fly-tipping-enforcement-league-tables-for-england-202122>

[4] Figures based on the three year period from 2020-2023



2.3. Why are people fly-tipping?

The causes of fly-tipping are many and varied. Keep Britain Tidy research[5] shows a number of factors that appear to be driving fly-tipping behaviour across England. These include:

- **Fly-tipping is often seen as the easier and quicker option** compared with alternative, correct disposal methods which can be viewed as costly and/or slow or a 'hassle'.
- **Many fly-tippers see fly-tipping as having little or no wider impact** and do not understand the many negative consequences of fly-tipping on their local community, and the cost to taxpayers to clean it up.
- **Fly-tips are often quickly removed without feedback** to the perpetrator that their action has been classed as fly-tipping and that it may even be under investigation.
- **The perceived threat of enforcement among fly-tippers is low**; they believe they are unlikely to be caught or receive a penalty or are not aware that this could happen.
- **Some people are not aware that they are doing the wrong thing** and that their behaviour is classed as fly-tipping. Some believe that fly-tipping only relates to larger items, rather than the dumping of smaller items and household waste.
- **Many households are not managing their waste effectively**, and struggle to deal with the large amounts of waste produced by their household. They may be unaware of the services that are in place to support them dispose of their waste correctly, such as household waste and recycling centres (HWRCs) and bulky waste collections, or lack access to them (e.g. lacking vehicle access to take waste items to a HWRC).

In the District specifically, it is a combination of these factors that is driving fly-tipping behaviour. **With the causes of fly-tipping being so complex, we require a range of varied approaches to successfully address it.**

[5] <https://www.keepbritaintidy.org/beyond-tipping-point>

2.4. What has Lancaster City Council done so far?

Data

To better understand patterns of fly-tipping across the District, we have utilised geographical intelligence systems and business intelligence software. Continual monitoring of fly-tipping and usage of these systems has allowed us to identify and map fly-tipping hotspots, track the rise and fall of fly-tipping rates and the reasons behind this, and compare data sets to give us a better understanding of the problem.

Initiatives

In 2022, Lancaster City Council partnered with Keep Britain Tidy to roll out a series of tried and tested interventions to discourage fly-tipping in known hotspots. Crime Scene Investigation (CSI) Tape intervention is a feedback loop designed to break the expectation that fly-tips will be collected quickly and without repercussion, highlighting investigation and enforcement activity on street. The intervention involved leaving fly-tips in situ for five days, wrapped in CSI tape with an A4 sticker highlighting investigation/enforcement activity. Fly-tipping reduced by 59% within the 15 targets streets where it was tested, during the course of the intervention.

At the same time, we rolled out the social impact stencil (SIS) intervention, designed to tackle the perception of fly-tipping as low-impact by highlighting the social and financial impacts of fly-tipping through chalk paint stencil messages left behind where fly-tips have been cleared. In the 10 target streets where it was tested, fly-tipping dropped by 89% during the intervention period.





In 2024, we worked with Keep Britain Tidy to test new hyper-local communications aimed at further highlighting the social and financial impacts of fly-tipping. Posters installed in fly-tipping hotspots in two wards in the District communicated the cost of fly-tipping to that particular ward area in the last year, against what this money could be better spent on to benefit the community. This initiative is ongoing, with results due to be published in early 2025.

Development of the strategy

In 2023, we partnered with Keep Britain Tidy again to bring together their expertise and our local knowledge to work in partnership on the development of our five-year Fly-tipping Strategy. The strategy has been developed through engagement with relevant teams and individuals at all levels of the council, including:

- Ward Councillors
- Waste & Recycling Operatives
- Cleansing & Waste Management Officers
- Public Protection & Enforcement
- Legal Services
- Communications
- Customer Services
- Planning & Housing Strategy
- Housing Standards
- Council Housing

Representatives from across the council formed a working group that has inputted on the development of the strategy every stage. The group have approved the activity outlined in the strategy and are committed to playing their role in seeing it successfully implemented.

2.5. Who are our stakeholders?

To effectively address fly-tipping across the District and deliver this strategy, we cannot act in isolation. Fly-tipping must be tackled in partnership with multiple stakeholders, who we will continue to work collaboratively with to address the issue. These include:

- Residents
- Local businesses
- Private-rented landlords
- Student housing providers
- Local housing associations
- Lancashire County Council
- Town and Parish Councils
- Lancashire Constabulary
- Lancaster University and Students Union
- Environment Agency
- DEFRA
- Third sector / charities



3. Lancaster City Council's five-year strategy

3.1. What is our vision?

Our vision is for a future where fly-tipping no longer blights communities and local environments across the District, and all waste is dealt with responsibly and treated as a resource wherever possible. We want to see that:

- Fly-tipping is significantly reduced on our streets, alleyways and other public land
- We are building a more circular system when it comes to waste, ensuring items are reused where possible, and waste is treated as a valuable resource
- Residents are supported to better manage and correctly present their waste
- Residents take responsibility for the correct disposal of their waste and have pride in their local area
- Fly-tippers are aware that they will face firm enforcement action if they fail to engage with council requirements
- Ultimately, the District is a better place to live, work and visit

This strategy is the first step to achieving our vision. Lancaster City Council is committed to delivering the plans within the strategy over the next five years. Each year we will develop an action plan which will support the strategy, detailing the specific actions we will undertake to implement it. The action plan will outline how we will make progress on the previous year and lay the ground for further developments over the years ahead. It will be reviewed annually to incorporate learnings, successes and emerging insights gained through delivery of the strategy to date. Reviewing and improving our communications around fly-tipping is a central thread that runs through all activity in the strategy. Alongside the strategy, we will therefore produce a communications strategy in year one to outline how this will be delivered.



3.2. How will we achieve it?

All activity taking place within the five year strategy fits under one of seven strands of work, each of which are outlined in detail below. In addition, work to improve our communications around fly-tipping features within each strand of the strategy and will continue throughout all our planned activity.

The strategy and the activity within it is primarily applicable to areas where fly-tipping is problematic, and will therefore not be enacted uniformly across the District. While work under each of the strands will largely take place simultaneously, they appear in the order in which Lancaster City Council consider them to be a priority in effectively tackling fly-tipping - i.e. education, engagement, and a review of policies and procedures should be the first steps to tackling fly-tipping, before enforcement action is considered.

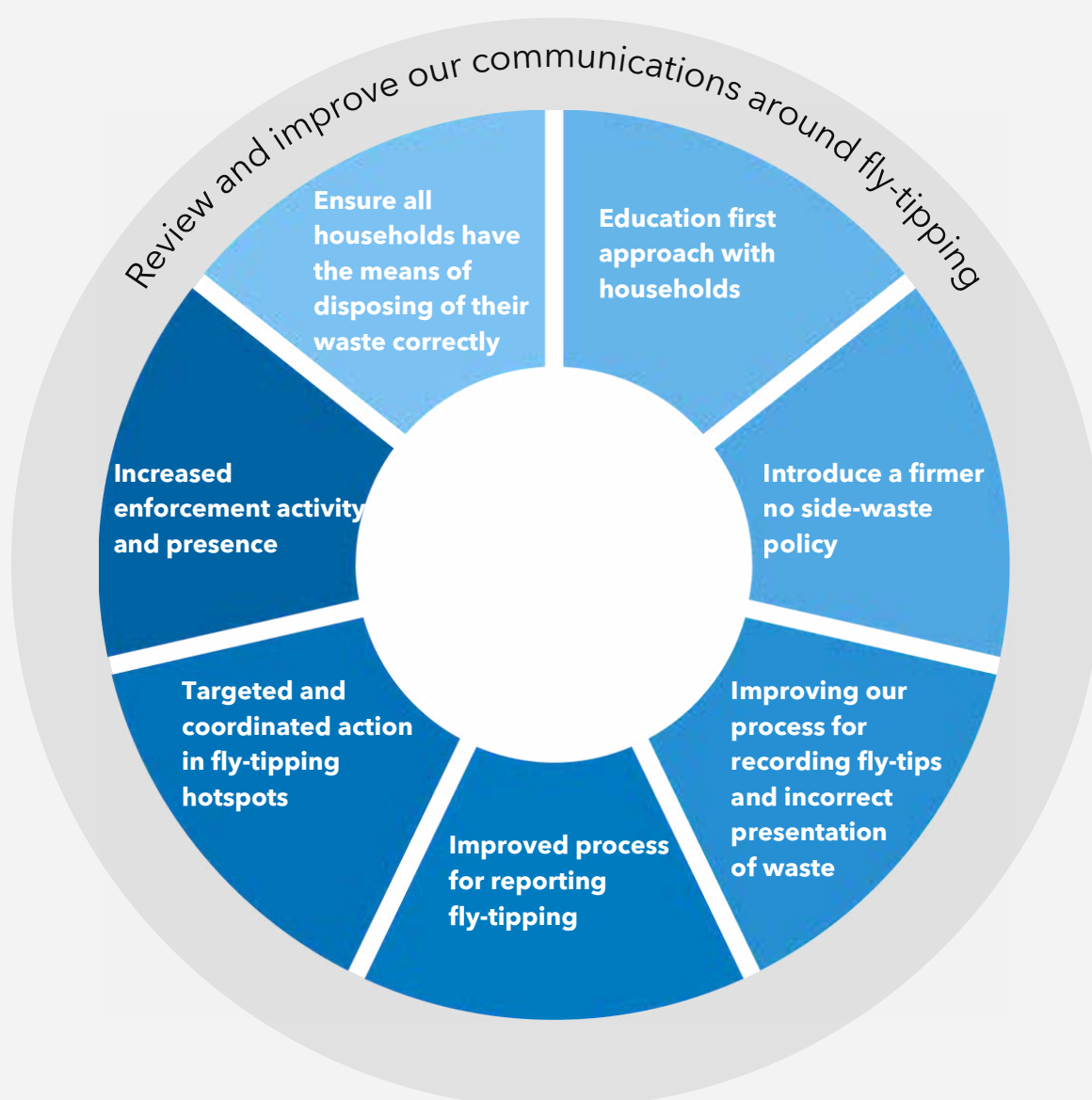


Figure 1: Seven activity strands of the fly-tipping strategy

Strand 1. Ensure all households have the means of disposing of their waste correctly

We will first ensure that residents are provided with the correct containers at their property for disposing of domestic waste and recycling. This includes assessing both the provision and capacity of containers. If households have the right containers, and use them effectively, this gives residents the best opportunity and starting point to dispose of waste correctly, separate their recycling, and prevent fly-tipping.

To do this we will:

- a. Conduct an audit of bin capacity and provision to identify properties in target areas with missing bins, or bins with inadequate capacity for the number of people living in the household. Audits will involve visual inspections, engaging with residents and engaging with landlords.
- b. Correct missing bin provision by supplying replacement containers to properties where deemed necessary (e.g. the property is within a fly-tipping hotspot).
- c. Roll out bin labelling with all containers (general waste, recycling and garden waste) stickered with their corresponding property number to ensure that the right containers remain at the right properties long-term.
- d. Review, improve and increase communications to residents to highlight correct disposal methods, such as the council's bulky waste collection service, nearby Household Waste and Recycling Centres, and how to recycle correctly.

Strand 2. Education first approach with households

We will take an education and engagement first approach to tackling fly-tipping, ensuring that residents are aware of how they should be managing and disposing of their waste and are warned of the consequences of fly-tipping before any enforcement action is considered. This element of the strategy aims to increase awareness of correct disposal, supporting households to adapt their behaviour long-term, before further action is necessary. Education will also have a focus on waste prevention, aiming to ultimately reduce the amount of waste that residents are needing to dispose of. Reviewing and improving our communications around fly-tipping is central to this strand of work.

Our education and engagement programme will involve:

- a. Providing feedback to properties where domestic waste has been presented incorrectly (e.g. where side waste is presented next to a wheeled bin) to communicate that
 - a) their waste has been presented and/or sorted incorrectly; and
 - b) how they must correct this for future collections. Feedback may include tags or stickers on bins and could be accompanied by a postcard or similar notice delivered

through the door. Our crews or officers will identify properties and leave feedback on collection days.

- b. Letters sent to residents at properties where any one of the following has occurred:
 - Waste has been presented incorrectly for collection on at least two occasions and has not been corrected following bin tagging. In persistent cases, this will include warning the resident of the potential issuing of a Section 46 notice.
 - Evidence has been recovered from a fly-tip to suggest that the waste originated from a particular property
 - Fly-tips within a prevalent hotspot area cannot be traced back to one particular property, so a group of properties within the immediate vicinity are engaged

Letters aim to quickly inform the resident, or group of residents, that the incident has been classed as fly-tipping, the council are monitoring this, what the consequences of this repeated behaviour are, and how waste should be disposed of correctly.

c. Lancaster City Council officers supplementing letter communications through door-knocking at properties (when it is deemed appropriate and where resource is being focused at any one time) where any one of the following has occurred:

- Evidence has been recovered from a fly-tip to suggest that the waste originated from a particular property
- A resident has had repeated warnings of incorrect presentation of their waste but failed to change their behaviour
- A letter has been sent to a property requesting the removal of fly-tipped waste, but the fly-tipping has remained in place
- A group of properties within the immediate vicinity of a fly-tipping hotspot have been engaged via letters but no information has come forward and the fly-tipping problem continues

Door-knocking aims to engage the resident responsible for the fly-tip, providing them with information on correct waste disposal options and potential consequences for fly-tipping and incorrect presentation of waste. For instance, they may be provided with printed materials and directing them to further online information and services. Door-knocking may also provide opportunity to gain evidence relating to a fly-tip, such as a witness statement.

- d. Include a stronger focus on waste prevention messaging in communications and community engagement, to help residents better understand the options they have to reduce waste. This will include a focus on minimising resource use, reusing and repair, and promotion of the Keep Britain Tidy hierarchy of 'have a buy less mindset, swap the way you shop, use it again and again and again, rehome it, put it in the recycling, and bin it.
- e. Conduct targeted pro-active engagement with specific audiences including landlords and the transient student population across the District. This includes continuing and broadening work around the following:
- Action to engage student landlords at key points in the academic year to support correct disposal of waste from exiting and incoming tenants (e.g. ordering replacement bins, distribution of collection calendars, charged for additional collections).
 - Use of landlord forums to engage landlords
 - Supporting and encouraging reuse of usable items left by students living off campus
 - Joined-up working across the council to identify and better support the needs of specific communities e.g. council housing tenants, residents with additional health or social needs.

Strand 3. Introduce a firmer no side-waste policy

We will review and update our policy on side-waste (excess waste left next to or on top of a wheeled bin for collection).

Our current approach to dealing with side-waste is not always implemented consistently, meaning it can be difficult for residents to know what is acceptable or not. Reviewing and updating our approach to how we deal with side-waste aims to encourage residents to use their recycling bins effectively in order to create room in their general waste bins, eliminating the need to present excess bags of waste on collection day. Communications around the updated policy will be carefully designed to increase awareness and understanding.

To do this we will:

- a. Implement and enforce a policy requiring households to place all waste and recycling inside their bins, with lids closed. Any waste presented outside of containers will not be collected. This will include crew training, requiring consistency across crews.
- b. Write to properties to inform residents about the updated no side waste policy including why this has been put in place, consequences for not adhering to it, and tips for managing waste and recycling more effectively (e.g. correct recycling, compressing items to create space in bins). This communication will take place once activity within the first two strands has been undertaken.
- c. Issue a Section 46 notice for continued incorrect presentation of waste. Residents will receive a warning letter in the first instance.

Strand 4. Improving our process for recording fly-tips and incorrect presentation waste

While we already know a great deal about the fly-tipping that takes place across the District, **we will put new processes in place to better identify repeat offenders and households who persistently present their domestic waste incorrectly**, and improve consistency in our reporting across the council. This will provide us with greater insight into where our resources should be focused, and where action should be escalated – improving our internal communication on the issue.

To do this we will:

- a. Make recording of fly-tipping consistent across crews to ensure all recorded incidents of fly-tips include the same essential information, are using the same definitions of fly-tipping and side waste, and are logging where a property has received an initial level of engagement (e.g. at what stage of the education and engagement ladder they are at).
- b. Have our officers present on collection days to record incorrect presentation of waste and fly-tipping, prior to collection. Where the issue cannot be logged against any individual property, officers will record streets/alleyways for targeting with further engagement.

Strand 5. Improved process for reporting fly-tipping

We will continue to make improvements to the process for residents to report fly-tips to the council, to ensure the correct information gets to the right team quickly, and the fly-tip and fly-tipper can be dealt with appropriately. We will work with our wider stakeholders to ensure that they are also aware of and using this reporting method.

For this strand of work we will:

- a. Introduce a simplified process for residents and elected members to report fly-tips, with improved user experience, collecting more detailed information on each reported fly-tip, helping our crews to respond appropriately and swiftly. This will include ensuring each report is submitted with a photograph and way for officers to identify the likelihood of there being evidence present.
- b. To assist with improvements to reporting mechanisms, we will explore the purchase of platform and apps for this purpose.
- c. When a report is made, we will provide information to the resident on our process for dealing with and removing fly-tipping, and what they can expect, highlighting that work is often happening even if they cannot see it, and sometimes we are unable to communicate about it until it is complete (e.g. legal action). We will also highlight the types of land where the Council cannot take action on fly-tipping (e.g. private and unadopted land) and what the resident can do in this instance. Where the resident has left their contact details, we will also provide feedback when a fly-tip that they have reported has been cleared, with a photograph of the cleared area where possible.
- d. Review and improve our communications around reporting of fly-tips to residents, businesses and other stakeholders to increase awareness and usage of the updated correct reporting mechanism.

Strand 6. Targeted and coordinated action in fly-tipping hotspots

When a fly-tipping incident or hotspot has been identified, we will prioritise and address these in a strategic way in order to maximise the impact of our resource.

We will consult our 'toolbox' of potential approaches to select and carry out the most appropriate ways to address and change fly-tipping behaviour, acknowledging that different forms of fly-tipping may require different solutions. Many of the potential approaches we will consider are focused on implementing new and innovative communications, targeted in fly-tipping hotspots, aimed at reframing how fly-tippers view their actions.

For this strand of work we will:

- a. Apply the resource of waste and recycling and enforcement officers in a targeted and coordinated way including rotating through hotspots, focusing on an agreed number per month or year.
- b. Making our responses to incidents of fly-tipping more strategic, such as through targeting repeatedly fly-tipped locations and prioritising incidents where there's likely to be evidence.
- c. Applying the resource available on a continual rotation e.g. focusing on specific areas before moving on.
- d. Each targeted and coordinated response will involve a combination of the following activity:
 - In-situ interventions to provide feedback (e.g. CSI Tape and Social Impact Stencils)
 - Door-knocking to engage residents
 - Letter to all residents on a street (e.g. after a continual fly-tipping)
 - Other through the door communications (e.g. leafleting)
 - Explore how we can utilise any other means of communication in the location

Strand 7. Increased enforcement activity and presence

Our activity on enforcement is focused on increasing the presence and threat of enforcement, as well as improving our processes for collating and handling evidence for supporting legal action.

We believe that the outcome of this strategy should be a reduction in fly-tipping, not necessarily an increase in fines. This is why we consider enforcement on fly-tipping to be the last resort, to be used where our education and engagement efforts have failed.

To ensure fly-tippers are aware they could face firm enforcement action, and where escalation to enforcement is required, we will undertake pre-planned periodic interventions to:

- a. Increase the visible presence of our officers on collection days, conducting inspections (e.g. recording fly-tipping and incorrect presentation of waste) and ensuring they are easily identifiable, to highlight who they are and the reason they are present in the area.
- b. Conduct door-knocking for gathering evidence, through our enforcement officers.
- c. Roll out the CSI tape intervention that demonstrates that a fly-tip is under investigation and has shown to successfully reduce fly-tipping in hotspots.
- d. Retrain our crews to collect evidence where appropriate and alert officers to the presence of evidence.
- e. Review, improve and increase our communications with residents across the District that raise awareness that enforcement for fly-tipping is happening.

3.3. What does success look like and how will progress be measured?

Following implementation of this strategy, by the end of 2031, we want to see:

- A significant **reduction in fly-tipping** (including instances of incorrect presentation of waste)
- A significant **increase in resident satisfaction** with the council's response to fly-tipping

For each year of the strategy, progress will be tracked against these objectives to identify the impact of the activity on fly-tipping rates and resident satisfaction, and to set ambitious targets for the year(s) ahead. The five-year strategy we will monitor the scale of fly-tipping across the District and track progress against our objectives through the following measures:

- **Number of fly-tips** (including instances of incorrect presentation of waste) recorded across the District, including within targeted hotspots and hotspots that have not yet been targeted, for means of comparison.
- **Number of fly-tips reported by residents**, acknowledging that this is likely to increase with activity to improve and raise awareness of the reporting process.
- **Number of enforcement actions**, recognising that where this figure is low, but fly-tipping rates are falling, this indicates success.
- Satisfaction and **perceptions of residents** around fly-tipping and Lancaster City Council's response
- Specific **monitoring and evaluation** of targeted interventions in hotspots



4. Next steps

Lancaster City Council's five-year fly-tipping strategy allows opportunity for the Council to move forward with our ambitious plans to tackle this vital issue. By adopting this strategy, we are committing to delivering activity that will have significant and long lasting impact on fly-tipping and communities. Accompanying annual action plans will identify key actions over the next five years that put the strategy into motion and document progress against our key measures of success.





Lancaster City Council - Operational Action Plan

Strand Ref.	No	Key Activity	Action	Potential Stakeholders Identified	Delivery Period	Status	Officer Comments
1.a		Ensure all households have the means of disposing of their waste correctly	Bin audits to assess capacity and provision	Waste Management Officers / W&R / Cleansing Crews / Letting agents / Landlords / University / Housing Assoc'n / C. Housing / Town & Parish Councils	SHORT		
1.b			Correction of missing bin provision by supplying replacement containers	Waste Management Officers / W&R	SHORT		
1.c			Roll out of clear labelling covering: i) General Waste, ii) Recycling & iii) Garden Waste	Waste Management Officers / W&R	SHORT		
1.d			Review, improve and increase communication to residents - Highlighting correct disposal methods such as: i) Usage of LCC's Bulky Waste collection service, ii) Promotion of nearby HRRWCs, iii) Information on how to recycle property, & iv) Using the services of licenced waste carriers	Waste Management Officers / W&R / Comms / Customer Services / Enforcement Officers / Comms + Customer Services re Bulky Matters (+ C.H Estate Manager promoting of this service to tenants) / Ward Cllr's engaging with their constituents / Liaise with local sellers of white goods etc to assist in promoting correct disposal	SHORT		
2.a		Education first approach with households	Provision of feedback to properties if waste presented incorrectly (i.e. side waste by wheelee bins)	Waste Management Officers / W&R / Enforcement Officers / Cleansing Crews	MEDIUM		
2.b			Letters to be sent / delivered to properties where are of the following have occurred: i) Waste presented incorrectly, on at least 2 x occasions, and has not been collected following bin tagging (if persistent, this will include warning the resident of Section 46 Notice potentially being issued), ii) Evidence has been recovered from a fly tip suggesting that the waste originated from a particular property, iii) Fly tips within a prevalent hot spot area, which cannot be traced back to a particular property, will mean that a group of properties within the immediate vicinity will be engaged with	Waste Management Officers / W&R / Enforcement Officers	MEDIUM		
2.c			Additional activities carried out by Officers, will include: door-knocking at properties (where appropriate and resource available). This may take place when any of the following has occurred: i) Evidence has been recovered from a fly tip to suggest the waste has originated from a particular property, ii) A resident has received repeated warnings of incorrect waste presentation, but failed to correct this, iii) A letter has previously been sent to the property requesting removal of fly tipped items, but this remains in situ, or, iv) A group of properties within the immediate vicinity of a fly tipping hot spot have already received letters of engagement, but no information has come forward and fly tipping continued to be an issue	Waste Management Officers / W&R / Enforcement Officers / Improvement Lead / Elected Members - Ward Cllrs	SHORT / MEDIUM		
2.d			Include a stronger focus on waste prevention messaging in communications and community engagement - providing better understanding of options available to reduce waste - i) Minimising resource used, ii) Promotion of re-use, repair initiatives such as 'buy less, swap the way you shop', re-home it, recycle it...etc)	Waste Management Officers / W&R / Enforcement Officers / Improvement Lead / Elected Members - Ward Cllrs / Comms	SHORT / MEDIUM		
2.e			Conduct targeted, proactive engagement with specific audiences i.e. landlords / letting agents / transient student population across the District via: i) Engagement of student landlords at key points in the academic year (existing / incoming tenants - appropriate waste disposal methods, replacement bin ordering, collection calendar distribution, new tenant packs. Student specific re-use of left items, working across LCC service areas to support specific communities e.g. Council Housing, Tenants, residents with add'l needs etc	Waste Management Officers / W&R / Improvement Lead / Housing Standards Manager - Landlord Forum Events / Link in with Lancaster Uni & Cumbria Uni SU's etc. Enforcement Officers / Council Housing Staff and Estate Managers / Tenant Support / C.H. Community Engagement TL	SHORT / MEDIUM		
3.a		Introduce a firmer no side-waste policy	Provide a consistent approach to dealing with 'Side Waste (excess waste left next to, or on top of a wheeled bin for collection). This will be carried out via review and updating of LCC's current policy. i) Implement & enforce a policy outlining to all households they MUST place all waste and recycling inside their bin with the lid closed. Any waste presented outside of the bin will not be collected. ii) To accompany this, crew training will be required to be undertaken to ensure compliance and consistency of approach and management.	Refuse Crews / Cleansing Crews / Waste Management Officers / W&R / Comms	SHORT / MEDIUM		
3.b			Write to properties informing residents of the updated policy and explain why this is being enforced. Consequences of non-compliance, and tips for effective management of waste will be provided, incl correct recycling, compressing of items in the bin etc. " This communication will take place following activity within Strands 1 & 2 have been undertaken "	W&R / Waste Management Officers / Enforcement Officers / Comms	SHORT / MEDIUM		
3.c			A Section 46 Notice will be issued if there is continued incorrect presentation of waste - this will follow a warning letter which will be issued in the first instance.	Enforcement Officers + Waste Management Officers	MEDIUM / LONG		
4.a		Improving our process for recording fly-tips & incorrect presentation of waste	New processes will be implemented to assist in identifying repeat offenders who continue to persistently present their waste incorrectly. Consistency of reporting across LCC will assist in focussing in on where action is required and where there may be a need to escalate. i) Recording of fly tipping to be made consistent across all LCC crews to ensure all incidents are reporting the same essential information, the same definitions of fly tipping are used, and logs kept of which properties have received an initial-level of engagement (and which stage was provided)	W&R - Refuse Crews / Cleansing Crews (data support from Data Architect) + linkage with Customer Services / 'Love Clean Streets' reporting tool / Enforcement Officers	MEDIUM / LONG		
4.b			ii) Officers to be present on collection days, enabling the recording of incorrect presentation of waste and fly tipping (prior to collection). If an incident cannot be assigned to a particular property, officer will record details of the street / alleyway for future, targeted engagement	W&R / Waste Management Officers / Cleansing Crews / Enforcement Officers	SHORT / MEDIUM		
5.a		Improved process for reporting fly-tipping	Continuous improvement of the reporting process for residents - Correct information to the right team, enabling LCC to deal with it appropriately: i) Simplified process to be implemented for residents & elected members to report fly tips, allowing detailed information including photographs to be provided, ensuring a swift and effective response from operational teams	Data Analyst / W&R / Waste Management Officers / Cleansing Crews / Enforcement Officers / Comms promotion	SHORT / MEDIUM		
5.b			ii) Exploration of improved reporting systems will take place to ensure that it is fit for purpose and enabled enhanced service delivery (via the Love Clean Streets app)	Data Analyst / Enforcement Officers / Improvement Lead	SHORT		
5.c			iii) Upon a resident report of fly tipping, an enhanced feedback loop will provide details of the process, what can be expected, and highlighting other background work being undertaken. Clarification of any land ownership considerations will be provided, if not on LCC land, how the matter may be dealt with. Direct resident responses / feedback will be provided if contact details are provided, along with photographic evidence of fly tip clearance.	Automated System notifications - dependant on whether this is via Granicus or Love Clean Streets' reporting tools	SHORT / MEDIUM / LONG		
5.d			iv) Communications relating to the reporting of fly tips to residents, businesses and other stakeholders will be provided to increase awareness and usage of the correct (updated) reporting system.	W&R / Waste Management Officers / Enforcement Officers / Comms team	SHORT / MEDIUM / LONG		

6.a	Targeted and coordinated action in fly-tipping hotspots	Should a fly tipping hot spot be identified, priority will be given to addressing this in a strategic way to maximise the impact on LCC resource. i) We will employ the resources of Waste & Recycling and Enforcement officers to work in a targeted and coordinated manner, including rotation through hotspot areas, focusing on an agreed no. per month / year.	Waste Management Officers / Enforcement Officers	MEDIUM / LONG		
6.b		ii) Develop strategic responses to fly tip incidents, via targeting of repeated fly-tipping locations and prioritising incidents where there is likely to be evidence.	Waste Management Officers / Cleansing Staff incl Crews & Supervisor / Enforcement Officers	MEDIUM / LONG		
6.c		iii) Applying resources available on a continued rotational basis allowing focus on specific areas before moving forward.	Waste Management Officers / Cleansing Staff incl Crews & Supervisor / Enforcement Officers	MEDIUM / LONG		
6.d		iv) Each targeted and coordinated response will involve a combination of the following activities: In-situ interventions to provide feedback e.g. * CSI Tape and Social Impact Stencils, * Door-knocking to engage residents, Letters to all residents on the street (e.g. following continual fly tipping), * Other, through-the-door communications e.g. leafleting, & * Explore how we can utilise any other means of communication in the location	W&R / Waste Management Officers / Cleansing Crews / Enforcement Officers / Ward Cllrs / Members	MEDIUM / LONG		
7.a	Increased enforcement activity and presence	Focusing on enforcement activity and the presence / threat of enforcement, as well as improving LCC's processes for collating and handling evidence for supporting legal action. To ensure fly tippers are aware of the potential for enforcement action, and also where enforcement escalation may be required, we will undertake the following planned, periodic interventions to achieve the following: i) Increase the visible presence of our officers on collection day, conducting inspections (e.g. record and fly tipping / incorrect waste presentation) and ensuring they are easily identifiable so as to highlight who they are and the reason they are present in the area	Waste Management Officers / Cleansing Staff incl Crews & Supervisor / Enforcement Officers	SHORT / MEDIUM / LONG		
7.b		ii) Conduct door-knocking to assist in gathering evidence, via our enforcement officers.	Enforcement Officers	MEDIUM / LONG		
7.c		iii) Roll out the CSI Tape intervention which demonstrates that a fly tip is under investigation (this has been shown to be effective in successfully reducing fly tipping in hot spots.)	Cleansing Crews / Cleansing Supervisor	MEDIUM / LONG		
7.d		iv) Retraining of crews in the collection of evidence where appropriate, and alert officers to the presence of evidence.	Cleansing Crews / Refuse Crews / Waste Management Officers / Enforcement Officers	SHORT/MEDIUM		
7.e		v) Review, improve and increase LCC communications with residents across the District to raise awareness that enforcement for fly tipping is and will be happening.	Comms / W&R / Waste Management Officers / Enforcement Officers / Legal Services / Elected Members - Ward Cllrs	SHORT		

REPORT

Lancaster Fly-tipping Interventions 2022

January 2023

Keep Britain Tidy is an independent environmental charity with three goals – to eliminate litter, improve local places and prevent waste.

We understand that we cannot reach our goals by working alone, so we work with businesses, schools, communities, individuals, government - local and national – and other charities and voluntary organisations.

We know that if people care for the environment on their own doorstep – the local park, the street in which they live, the river that runs through their area – then the environment, the community and the individual will all benefit. How can we expect people to understand and care about global environmental issues if they don't understand the importance of, or care about, their own local environment?

Keep Britain Tidy is a charity with a wealth of experience and expertise. We have been working and campaigning to eliminate litter, improve local places and prevent waste for many years. We want to share that experience and expertise with others, supporting businesses, communities, schools and government.

We fund our work by offering services and expertise to those who can benefit from them, by delivering accreditation schemes for parks, beaches, schools and public spaces and by developing relationships with partners in the corporate sector to support our research and campaign activities.

**ABOUT
KEEP
BRITAIN
TIDY.**

REPORT RELEASE SHEET

Date: 16 January 2023

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1 EXECUTIVE SUMMARY

1. Keep Britain Tidy worked with Lancaster City Council to scale two interventions to tackle fly-tipping which were originally developed in the London Borough of Newham.
2. The crime scene investigation (CSI) tape intervention tape is a feedback loop designed to break the expectation that fly-tips will be collected quickly and without repercussion, highlighting investigation and enforcement activity on street. The intervention involved leaving fly-tips in situ for five days, wrapped in CSI tape with an A4 sticker highlighting investigation/enforcement activity.
3. The social impact stencil (SIS) intervention is designed to tackle the perception of fly-tipping as low-impact by highlighting the social and financial impacts of fly-tipping through chalk paint stencil messages left behind where fly-tips have been cleared.
4. Both interventions were accompanied by communication with local residents about the correct disposal of waste with a posted letter.
5. Keep Britain Tidy provided Lancaster City Council with a bespoke package of support designed to help the council plan and deliver the interventions efficiently and effectively, and equip staff to run this programme of work in a self-sufficient manner in future.
6. The CSI tape intervention ran in 15 target streets, while the SIS intervention ran in 10 target streets. Displacement streets were also identified which are adjoining streets where incidents of fly-tipping could be a result of the intervention taking place nearby and fly-tippers avoiding the target area. Both interventions ran for 13 weeks from 16th May to 13th August 2022. A baseline was taken from already recorded fly-tipping data five weeks prior the start of the interventions, and five weeks subsequent to the intervention.
7. As the intervention period began, operational staff became enthused and started consistently recording black bags as fly-tips. This means that there is no comparable baseline data by which to establish the outcomes of the interventions. However if staff maintain this new consistent recording method, this may result in more accurate fly-tipping reporting figures.
8. Nonetheless, looking at how the total number of fly-tips per week across all intervention sites varied over the course of the intervention and post intervention periods shows positive results.
9. There is a clear trend of decreasing numbers of fly-tips per week in target streets as the intervention period progresses for both interventions:
 - CSI tape intervention – decreased from a high of 49 at the start of the intervention period to 20 by the end. This is a 59% reduction in the number of fly-tips seen in the first week of the intervention.
 - SIS intervention – decreased from a high of 75 at the start of the intervention period to a low of eight by the end. This is an 89% reduction in the number of fly-tips seen in the first week of the intervention.
 - Please note these statements represent the reduction in fly-tipping during the intervention period not an overall reduction.
10. At the end of the 13 week intervention there were a total of 96 fewer fly-tips across all 25 sites, if we assume these interventions are replicated in a further 25 sites per quarter, this could potentially result in a total of 384 fewer fly-tips in one year, diverting resources elsewhere.
11. There is a trend of a relatively consistent number of fly-tips in displacement streets as the CSI tape intervention progresses. This suggests that the CSI tape intervention did not drive fly-tipping to nearby locations, and that therefore fly-tipping was prevented. Conversely, there is a trend of the total number of fly-tips per week in displacement streets increasing slightly as the SIS intervention

progressed. This suggests that the SIS intervention may have resulted in some displacement of fly-tips.

12. In the post intervention period for both interventions, there is a trend of increasing numbers of fly-tips in target streets. However, the number of fly-tips per week for target streets is far lower than the peak number of fly-tips at the start of the intervention period for both interventions. This suggests that the interventions do have some lasting impact, but that this is time-limited.
13. Towards the end of the intervention period, 300 residents in target areas were surveyed door-to-door in order to assess perceptions in relation to interventions.
14. 39% of respondents in CSI tape areas said they saw the intervention, while 57% of respondents in SIS areas said that they saw that intervention.
15. 47% of respondents thought that the purpose of the CSI tape intervention was to stop people from fly-tipping, while 54% thought the same for the SIS intervention.
16. The majority of respondents agreed that the intervention shows the LCC is working to tackle fly-tipping – 75% in CSI tape areas and 68% in SIS areas.
17. Confidence in the effectiveness of the interventions was lower for SIS compared to CSI tape. 18% thought that the SIS intervention will result in less items of waste being dumped compared to 33% for the CSI intervention, while 14% thought that the SIS intervention will make them think twice about what to do with unwanted items in the future compared to 29% for the CSI tape intervention.
18. Feedback from operational and managerial staff about the support package surrounding the interventions was positive. Operational staff were also very positive about the difference that the CSI tape intervention had made in some of the most tough and heavily fly-tipped areas.
19. The SIS intervention was less well received by operational staff, which was supported by the perceptions survey. However, these views are not borne out in the fly-tipping data which suggests greater effectiveness of the SIS intervention compared to the CSI tape intervention.
20. A number of recommendations are presented for scaling the CSI and SIS interventions in Lancaster.
21. LCC will be provided with all presentations, documents and design files used in the project, and supplier details for the intervention materials to be able to take the interventions forward.

2 INTRODUCTION

Keep Britain Tidy is an environmental charity which aims to eradicate litter and reduce waste, improve the quality of public space and help people live more sustainably.

We develop and deliver high quality research, innovation and evidence-based services – to local authorities, government, and businesses – which contribute significantly to Keep Britain Tidy’s charitable aims.

Through our Centre for Social Innovation, Keep Britain Tidy is the only UK charity to take a systematic approach to applying behavioural insights to tackle litter and waste issues. The Centre focuses on understanding the root causes of these issues through high-quality behavioural insights research and uses this together with behavioural science to design and pilot behavioural interventions. We work together with private, public and third sector organisations, local authorities’ managerial and operational staff as well as communities, to design interventions which are cost-effective, measurable and practical to deliver. In this way, we ensure that the interventions we develop are scalable. To date, over 290 local authorities and other organisations have implemented one or more of our tested interventions.

In 2019-20, Keep Britain Tidy’s Centre for Social Innovation developed and robustly tested a series of interventions to tackle fly-tipping in partnership with the London Borough of Newham under the Better Streets programme.

Two interventions produced substantial reductions in the number of fly-tipping incidents:

- Crime scene investigation (CSI) tape intervention – leaving fly-tips in situ for a defined period of time, wrapped in CSI tape with a sticker highlighting investigation/enforcement activity, accompanied by communication with local residents and businesses about the correct disposal of waste.
 - This intervention achieved an average reduction in fly-tipping of 64% with no displacement.
- Social impact stencils (SIS) intervention – highlighting and social and financial impacts of fly-tipping through chalk paint stencil messages left behind where fly-tips had been cleared, accompanied by communication with local residents and businesses about the correct disposal of waste.
 - This intervention achieved an average reduction in fly-tipping of 67% with no displacement.

In 2022, Keep Britain Tidy sought to scale the CSI Tape and SIS Interventions by offering support to local authorities who would like to implement them as part of their work to tackle fly-tipping. Lancaster City Council (LCC) was one of the first local authorities to take up this offer. The package of support was bespoke, and was designed to help LCC plan and execute the interventions efficiently and to maximum effect, and equip staff with the expertise and skills needed to run the interventions without the need for ongoing support from Keep Britain Tidy.

This report presents the results of the interventions both in terms of fly-tipping data and residents perceptions, along with feedback from operational and managerial staff, which collectively inform recommendations for future implementation. This report is accompanied by a simple one page presentation of headline results for operational staff.

LCC will also be provided with all presentations, documents and design files used in the project, and supplier details for the intervention materials. LCC can continue to use the leaflets produced for this project, which are co-branded as Lancaster City Council and Keep Britain Tidy, as long as they are kept to the agreed design. Any future changes to the design will need to be approved by Keep Britain Tidy and we reserve the right to remove the cobranding.

3 SUPPORT PACKAGE

Keep Britain Tidy and LCC held an initial meeting remotely to discuss the insight led fly-tipping intervention work in November 2021. We worked together to tailor the CSI and SIS interventions to suit LCC's fly-tipping problem and outlined a timeline for the project.

In the weeks following the initiation meeting, Keep Britain Tidy supported LCC to review their existing fly-tipping monitoring system to identify hotspots to target and their associated displacement streets (streets adjacent to target streets where incidents of fly-tipping could be a result of the intervention taking place nearby and fly-tippers avoiding the target area). An in person workshop for key managerial staff from operations, enforcement and communications was held in March 2022 in Lancaster. The workshop had three main objectives: to better understand fly-tipping behaviour; to gain a clear understanding of the CSI and SIS interventions and what they can achieve; and to work through the practical considerations of delivering the interventions effectively in Lancaster.

Once the target areas were selected, Keep Britain Tidy delivered two similar in person workshops in April 2022 with all operational staff involved in both interventions, to not only ensure the CSI and SIS interventions were delivered effectively, but to also motivate and empower the crews to record fly-tips during the intervention and post-intervention period. This workshop included a drive-along with operational staff to locate local fly-tips to demonstrate and practice how to deliver both interventions. This workshop allowed Keep Britain Tidy to gain invaluable on-the-ground knowledge to solidify the target and displacement streets.

Keep Britain Tidy worked with LCC's communication team to design two leaflets for local residents and businesses which were co-branded as Lancaster Council and Keep Britain Tidy using the wording *"This leaflet has been produced in partnership with Keep Britain Tidy"*. The leaflets are positive communications advising residents and businesses of correct waste disposal methods. Both leaflets were due to be distributed at the start of the intervention period, but due to time constraints they were not finalised in time. As a substitute, LCC created and distributed a letter to all residents in the target intervention areas at the start of the intervention period (see section 4.3).

Keep Britain Tidy also provided two briefing documents one for the communications team/contact centre and one for members, with answers to questions likely to be asked by residents and the media.

All the intervention materials for both the interventions were delivered to LCC before the start of the intervention period. Materials quantities were regularly monitored by LCC to ensure there was enough lead-time for any replenishing of equipment. Throughout the 13 weeks of the intervention, Keep Britain Tidy regularly kept in contact with LCC for any support.

After receiving positive feedback from the managerial and crew members about the interventions, Keep Britain Tidy organised a professional photographer to take photos of both interventions in action.

Near the end of the 13 week intervention period, Keep Britain Tidy designed a survey to establish resident perceptions in relation to each intervention. Keep Britain Tidy then worked with an external surveying organisation, Feedback Market Research, to carry out door-to-door surveying of three hotspots per intervention, a total of six locations, aiming for 50 residents surveyed at each hotspot. The three hotspots per intervention were perceived to be a higher, medium and lower impact hotspots. The perception surveys took place in August - September 2022.

Once the initial fly-tipping reporting data and the perception survey reports were analysed, Keep Britain Tidy conducted interviews with operational staff and key managerial staff in October 2022 to gather their feedback on how the interventions and the implementation process worked in order to inform future delivery.

4 INTERVENTIONS

4.1 CSI tape intervention

Keep Britain Tidy research into fly-tipping behaviour revealed that there is an expectation that fly-tips will be collected quickly and without repercussion. The CSI tape intervention is a feedback loop designed to break this expectation, highlighting investigation and enforcement activity on street. The CSI tape intervention involved leaving fly-tips in situ for five days, wrapped in CSI tape with an A4 sticker highlighting investigation/enforcement activity (see figures 1 and 2). If operational staff identified any hazardous waste such as bags containing food waste or broken glass, the fly-tips were removed. This intervention was accompanied by communication with local residents about the correct disposal of waste through a posted letter at the start of the intervention period (see section 4.3). Figures 3 and 4 show the CSI tape intervention in action.

Figure 1: Tape used in the CSI tape intervention



Figure 2: Sticker used in the CSI tape intervention



Figure 3: LCC Street Cleansing staff delivering the CSI tape intervention



Figure 4: LCC Street Cleansing staff delivering the CSI tape intervention



The sites for the CSI tape intervention were carefully selected; certain streets close to the coast were unsuitable for the intervention as leaving the waste in situ for five days could create a hazard for local residents with seagulls tearing the bags apart. 15 sites were finally selected for the CSI tape intervention as shown in Table 1, with the intervention running for 13 weeks.

Table 1: Sites targeted with the CSI tape intervention

TARGET SREET	WARD	DISPLACEMENT STREETS	TARGET STREET NOTES
Grafton Place	Harbour	Byron Road, Brunswick Road	HMOs/private landlords, transient population. (Alleyways)
Sefton Road	Harbour	Heysham Road, Back Winterdyne Terrace, Bold Street	HMOs/private landlords, transient population + retail outlets (takeaways and convenience stores, cafes). (Alleyways)
Cavendish Road	Harbour	Bold Street	HMOs/private landlords, transient population + retail outlets (takeaways and convenience stores, cafes), recycling bring site. (Alleyways)
Marlborough Road	Harbour	Brunswick Road	HMOs/private landlords, transient population. (Alleyways)
Harrington Road	Harbour	Granville Road	Private landlords, transient population. (Alleyways)
Hampton Road	Harbour	Granville Road	Private landlords, transient population. (Alleyways)
Moss Road	Overton	Roundabout from Moss Road to roundabout to Wickes and back *	Rural – secluded picnic site
Lancaster Road	Overton	Downeyfield	Mix of residential and rural area
Norfolk Street	Skerton East	Owen Road, Pinfold Lane, Kent Street	HMOs/private landlords, transient population. (Alleyways)
Broadway	Skerton East	Main Street, Aldrens Lane	Mostly private/landlord properties with transient population with some retail outlets (chemist, takeaway). (Alleyways)
Gardner Road	Skerton East	Olive Road, Aldrens Lane, Laburnham Road*	HMOs/private landlords, transient population. (Alleyways)
Mainway	Skerton East	Hills Court	Council housing stock in this area. Alleyways off this main road.
Mount Avenue	Skerton East	Hill Road	HMOs/private landlords, transient population
Rylands Road	Skerton West	Morecambe Road, Whiteray Road	Mostly private/landlord properties with transient population. Alleyway
Hammerton Hill Lane	Skerton West	Cirenester Close*, Hammerton Hall Close, Shakespeare Road	Council housing estate where there are numerous issues re waste disposal. Rabbit warren of interlinking alleyways.

*These streets did not have any data recorded and were omitted from the results.

4.2 Social impact stencil intervention

Keep Britain Tidy research into fly-tipping behaviour revealed that people perceive fly-tipping as low-impact. The SIS intervention is designed to highlight the social and financial impacts of fly-tipping through chalk paint stencil messages left behind where fly-tips have been cleared (see figure 5). This was accompanied by communication with local residents about the correct disposal of waste with a posted letter (see section 4.3). Figures 6 and 7 show the SIS intervention in action.

Figure 5: Stencil used in the SIS intervention



Figure 6: LCC Street Cleansing staff delivering the SIS intervention



Figure 7: LCC Street Cleansing staff delivering the SIS intervention



10 sites were selected for the SIS intervention as shown in Table 2, with the intervention running for 13 weeks.

Table 2: Sites targeted with the SIS intervention

TARGET STREET	WARD	DISPLACEMENT STREET	TARGET STREET NOTES
Alexandra Road	Harbour/ Poulton	Cambridge Road, West Street, Parliament Street, Yorkshire Street (W)	HMOs/private landlords, transient population, retail outlets (takeaways and convenience stores). (Alleyways)
Clarendon Road East and West	Harbour	Claremont Road, Regent Road, Claremont Crescent	HMOs/private landlords, transient population, retail outlets (takeaways and convenience stores). (Alleyways)
Albert Road	Harbour	Yorkshire Street, Lancashire Street, Springfield Street	HMOs/private landlords, transient population, retail outlets (takeaways, charity shops and convenience stores). (Alleyways)
Westminster Road	Harbour	Alexandra Road*, Avondale Road	HMOs/private landlords, transient population, retail outlets (takeaways and convenience stores, cafes). (Alleyways)
Euston Grove	Poulton	Euston Road, Billy Hill*	HMOs/private landlords, transient population, retail outlets (takeaways, charity shops and convenience stores). (Alleyways)
Oxford Street	Poulton	Primrose Street, Beecham Street, Townley Street	HMOs/private landlords, transient population. (Alleyways)
Pedder Street	Poulton	Queen Street, Anderton Street*	HMOs/private landlords, transient population, retail outlets (takeaways, charity shops and convenience stores). (Alleyways)
King Street	Poulton	Wellington Terrace*, North Street*, Euston Road	HMOs/private landlords, transient population (Some retail outlets). (Alleyways)
Kensington Road	Poulton	Hanover Street, Westover Street	HMOs/private landlords, transient population. (Alleyways)
Back Lines Street*	Poulton	Lines Street, Claremont Street*, Deansgate	HMOs/private landlords, transient population, retail outlets (takeaways, charity shops and convenience stores). (Alleyways)
Back Queen Street	Poulton	Queen Street, Anderton Street*	Dog-leg alley in between areas – used frequently to fly-tip as it is tucked away. (Alleyways)

*These street did not have any data recorded and were omitted from the results.

4.3 Letter

A letter was distributed to residents in all the target areas at the start of intervention period. LCC produced this letter to reinforce that they are working to eradicate illegally dumped waste and to highlight to residents the correct way to dispose of waste.

Figure 8: LCC letter to residents distributed at the start of the intervention period



4.4 Monitoring and evaluation

LCC has an established fly-tipping reporting system in place used by operational staff to record fly-tips when they are cleared; this is done on paper and then later transferred electronically. This system includes recording the location of the fly-tip along with the waste type and size. This monitoring system continued to be used throughout the intervention. A baseline was taken from the already recorded data five weeks prior to the start of the interventions, from 11th April to 14th May 2022 (baseline period). Both interventions ran for 13 weeks from 16th May to 13th August 2022 (intervention period). After this time, both interventions ceased. Post intervention data was then taken for a five week period (post intervention period). However, no data was recorded between 15th and 19th August across all sites, and therefore the five week post intervention period ran from 22nd August to 24th September 2022.

Following the workshops for operational staff which took place towards the end of the baseline period, operational staff started to record all black bags as fly-tips during the intervention period. This was not consistently recorded prior to the interventions. The lack of comparable baseline data has created a major limitation in the data analysis, because it prevents a comparison of levels of fly-tipping in the intervention period and post intervention period with the baseline. However we are able to evaluate the changes in the level of fly-tipping during the intervention period.

Operational managers oversaw the interventions and carried out walk rounds regularly during the intervention period, supporting the crew and speaking to residents in the target areas.

Target streets were visited on the same day each week and all fly-tips identified were recorded, noting down the location, the waste size and the waste type. For all the target streets in the SIS intervention, the fly-tips were removed when first seen. For all the fly-tips located in the CSI target streets, the fly-tips were recorded but were left in situ for five days after they had been taped and stickered; the crew then revisited after five days to remove the fly-tip but did not record the fly-tip twice to avoid double counting.

Alongside this, displacement streets were monitored as normal and all fly-tips located on displacement streets were recorded and removed with no intervention work. The inclusion of displacement streets in the data allows for consideration of whether or not the interventions drive fly-tipping to nearby locations; if not it can be reasonably concluded that fly-tipping has been prevented.

Control streets were not part of the monitoring framework. Control streets are streets in the ward or wider area where no intervention takes place and are not considered to be displacement streets. Fly-tipping in control streets shows the expected results on the target streets if no intervention had taken place, i.e. it allows wider trends in fly-tipping to be seen. This is also a limitation in the data analysis.

5 RESULTS: FLY-TIPPING DATA

5.1 CSI tape intervention

Table 3 shows the total number and weekly average of fly-tips recorded across all CSI tape sites broken down by target and displacement streets and by period.

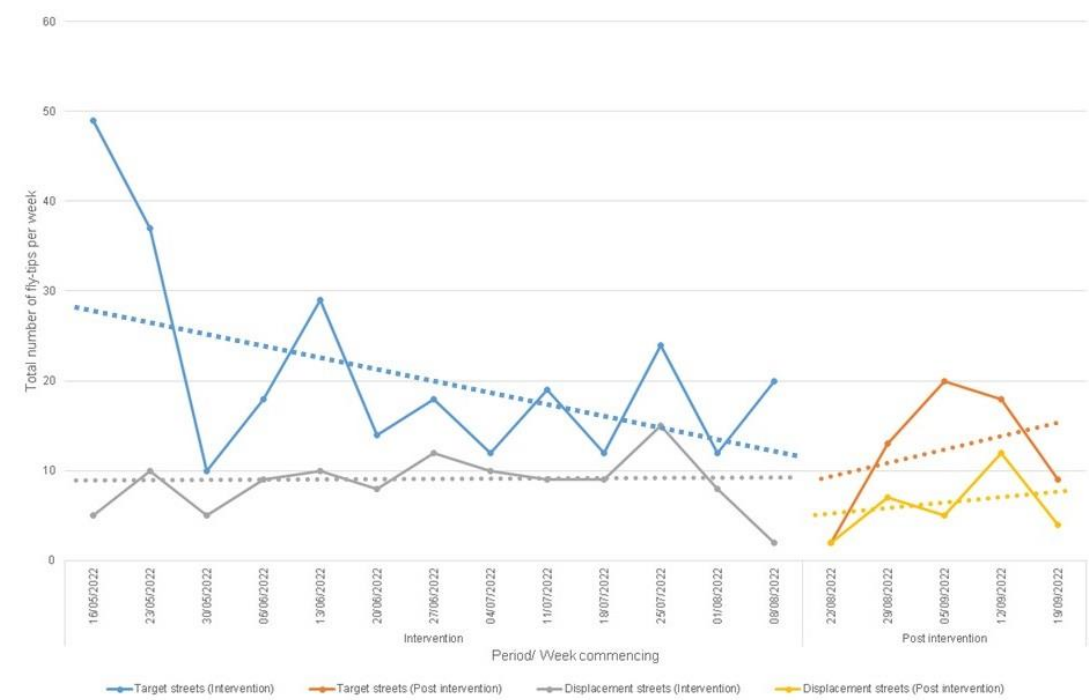
Table 3: Total number and weekly average fly-tips recorded at CSI tape intervention sites

PERIOD	NUMBER OF WEEKS	TARGET STREETS		DISPLACEMENT STREETS	
		NUMBER OF FLY-TIPS IN PERIOD	AVERAGE NUMBER OF FLY-TIPS PER WEEK	NUMBER OF FLY-TIPS IN PERIOD	AVERAGE NUMBER OF FLY-TIPS PER WEEK
Baseline	5	24	4.8	8	1.6
Intervention	13	274	21.1	112	8.6
Post intervention	5	62	12.4	30	6.0
Total		360	15.7	150	6.5

It can be seen that levels of fly-tipping spike in the intervention period. As discussed in section 4.4, the baseline is not reliable as black bags were not consistently recorded as fly-tipping during this period; this was initiated at the start of the intervention period. This makes quantified comparisons of the average number of fly-tips in different periods invalid. As such, we will focus discussion on trends during the intervention and post intervention periods.

Figure 9 shows how the total number of fly-tips per week across all CSI tape sites varied over the course of the intervention and post intervention periods. Trend lines have been added to show whether fly-tipping was generally decreasing or increasing.

Figure 9: Total number of fly-tips per week recorded at CSI tape intervention sites across the intervention and post intervention periods



As seen above, the total number of fly-tips per week in target streets decreased from a high of 49 at the start of the intervention period to 20 by the end of the 13 week intervention – although this is not the lowest level of fly-tipping seen, which was 10 in week 3. A clear trend of decreasing numbers of fly-tips is evident.

The trend line for the total number of fly-tips per week in displacement streets stays relatively consistent across the intervention period. This suggests that the CSI tape intervention did not drive fly-tipping to nearby locations, and that therefore fly-tipping was prevented.

During the post intervention period, the total number of fly-tips per week in target streets and displacement streets increases as shown by the trend lines (although this is caveated by limitation of a small number of data points). However, the number of fly-tips per week for target streets is far lower than the peak number of fly-tips at the start of the intervention period.

5.2 Social impact stencil intervention

Table 4 shows the total number and weekly average of fly-tips recorded across all SIS sites broken down by target and displacement streets and by period.

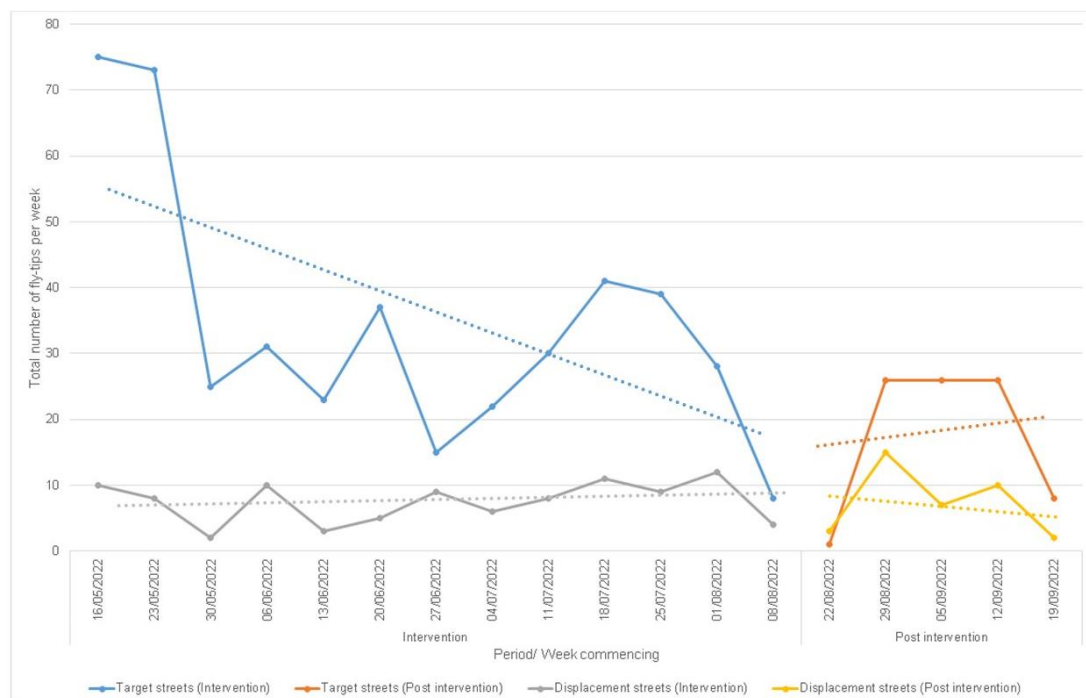
Table 4: Total number and weekly average fly-tips recorded at SIS intervention sites

PERIOD	NUMBER OF WEEKS	TARGET STREETS		DISPLACEMENT STREETS	
		NUMBER OF FLY-TIPS IN PERIOD	AVERAGE NUMBER OF FLY-TIPS PER WEEK	NUMBER OF FLY-TIPS IN PERIOD	AVERAGE NUMBER OF FLY-TIPS PER WEEK
Baseline	5	10	2.0	11	2.2
Intervention	13	447	34.4	97	7.5
Post intervention	5	87	17.4	37	7.4
Total		544	23.7	145	6.3

Again, for reasons discussed in section 5.1, we will focus discussion on trends during the intervention and post intervention periods.

Figure 10 shows how the total number of fly-tips per week across all SIS sites varied over the course of the intervention and post intervention periods. Trend lines have been added to show whether fly-tipping was generally decreasing or increasing.

Figure 10: Total number of fly-tips per week recorded at SIS intervention sites across the intervention and post intervention periods



As seen above, the total number of fly-tips per week in target streets decreased from a high of 75 at the start of the intervention period to a low of eight by the end of the 13 week intervention. A clear trend of decreasing numbers of fly-tips is evident.

The trend line for the total number of fly-tips per week in displacement streets increases slightly across the intervention period. This suggests that the SIS intervention may have resulted in some displacement of fly-tips.

During the post intervention period, the total number of fly-tips per week in target streets increases as shown by the trend line. However, the number of fly-tips per week for target streets is far lower than the peak number of fly-tips at the start of the intervention period. The total number of fly-tips per week in displacement streets decreases, although both trend lines are again caveated by limitation of a small number of data points.

6 RESULTS: SURVEYS

6.1 CSI tape intervention

A total of 150 resident perception surveys were collected for the CSI tape intervention through a door-to-door survey across three areas – between Broadway and Gardner Road, between Broadway and Norfolk Street, and off Alexander Road and Olive Road. These sites were perceived to have a mixed level of success during the intervention period.

When asked if the residents considered dumped waste a problem in their area, 65% of respondents thought dumped waste was a major problem. When asked whether they think there has been more/less/about the same number of waste dumped on the street in the last three weeks (of the intervention period), the majority of respondents (59%) considered it to be the same, while 19% considered it to be slightly and a lot less.

To better understand what residents consider as fly-tipping, they were given a list of illegal activities to identify as seen in Table 5. Leaving donations outside charity shops and next to charity bins showed the lowest perception of illegal activity.

Table 5: Perceptions of illegal activities

ILLEGAL ACTIVITIES	PERCENTAGE OF PEOPLE ABLE TO IDENTIFY THE ILLEGAL ACTIVITY
Leaving an item from your household that you no longer need outside on the street	93%
Leaving garden waste outside on public land (e.g. in a park or on a roadside) (grass clippings, hedge clippings, leaves or branches)	73%
Leaving a bag of rubbish next to a public bin	67%
Leaving an item from your household outside on the street or in a public space for a scrap dealer	61%
Leaving recyclables next to a public recycling bin (e.g. cardboard packaging)	43%
Leaving donations outside a charity shop (e.g. clothing, books or furniture,)	26%
Leaving donations next to a charity donations container/bin (e.g. clothing, books or children's toys)	24%

When asked 'Over the past 12 months which of the following services have you used to get rid of items from your household that you couldn't put into your regular waste and recycling collection bins?', 69% of respondents said they took it to the local tip/HWRC; only 8% said they used LCC's bulk waste collection and 3% said they used LCC's garden waste collection service. Interestingly, 68% of those who visited the HWRC also own or have regular access to a car.

39% of respondents said they saw the CSI tape intervention and in Table 6, we can see what respondents considered the purpose of the intervention to be. To stop people from leaving waste items on the street / reduce illegally dumped rubbish / waste / fly-tipping was most commonly recorded at 47% of responses. The 'Other' responses included 'Hazardous waste' and 'Awareness'.

Table 6: Perceptions of the purpose of the CSI tape intervention

PURPOSE OF THE CSI TAPE INTERVENTION	PERCENTAGE OF RESPONSES
To stop people from leaving waste items on the street / reduce illegally dumped rubbish / waste / fly-tipping	47%
To investigate the offence / trace the person(s) responsible	39%
To show that dumping rubbish / waste / fly-tipping is a crime	38%
To send a message to people that dumping waste / fly-tipping won't be tolerated	35%
To show that the council is doing something to tackle dumped rubbish / waste / fly-tipping	20%
To show that the council will not simply just collect illegally dumped rubbish / waste / fly-tipping	8%
Don't know	7%
Other	5%

Respondents were asked to what extent they agree or disagree to a series of statements about the CSI tape intervention. The following percentage of respondents slightly and strongly agree to the statement:

- A total of 75% agree that the intervention shows that LCC is working to tackle waste dumped on the streets
- 33% agree that the intervention will result in less items of waste being dumped
- 23% agree that the intervention has already resulted in less items of waste being dumped in the area
- 29% agree that the intervention will make them think twice about what to do with unwanted items in the future
- 55% agree that the intervention has made them realise that it is the council who often take away unwanted items
- 65% agree that the intervention made them realise that resident leaving unwanted items in public places can have a lasting effect on the local community.

Respondents were asked about their thought on the CSI tape intervention. Some were sceptical about the intervention and were not sure if it would make a difference in their community. Comments include:

"Don't think it will make a difference to people who dump rubbish."

"No one will take any notice, I've seen kids tear it [the tape] off and drape it on gates."

"Anything is worth a try but to be honest the people who are dumping won't take any notice."

There were a lot of positive comments happy to see LCC doing something to tackle waste. Comments include:

"Good idea, since they have done it, here has been less fly-tipping in the alley."

"It does make a lot of difference."

"It's been a big improvement."

Table 7 below shows the answers to "What, if anything, do you think could happen to the people responsible if they were caught leaving unwanted items or dumping waste?". The biggest perceived threat was receiving a fine with 80% of responses. The 'other' responses included 'community service' and 'prison sentence'.

Table 7: Perceptions of the consequences of fly-tipping

CONSEQUENCE OF FLY-TIPPING	PERCENTAGE OF RESPONSES
They could receive a fine	80%
They could go to court	27%
They could receive a warning letter	14%
They could get a criminal record	11%
Other	10%
Nothing	5%
Don't know	5%

When asked about the how likely they believe someone leaving unwanted items/dumping waste will get caught, a total of 74% of respondents believed it was somewhat and very unlikely.

6.2 Social impact stencil intervention

A total of 150 resident perception surveys were collected for the SIS intervention through a door-to-door survey across three areas – Harrington Road and Hampton Road, Clarendon Road, and Alexandra Road/Milano's premises. These sites were perceived to have a mixed level of success during the intervention period.

When asked if the resident considered dumped waste a problem in their area, 79% of respondents thought dumped waste was a major problem. When asked whether they think there has been more/less/about the same number of waste dumped on the street in the last three weeks (of the intervention period), the majority of respondents (69%) considered it to be the same, while 10% considered it to be slightly and a lot less.

To better understand what residents consider as fly-tipping, they were give a list of illegal activities to identify as seen in Table 8. Leaving donations outside charity shops and next to charity bins showed the lowest perception of illegal activity, similar to perceptions at the CSI tape intervention sites.

Table 8: Perceptions of illegal activities

ILLEGAL ACTIVITIES	PERCENTAGE OF PEOPLE ABLE TO IDENTIFY THE ILLEGAL ACTIVITY
Leaving an item from your household that you no longer need outside on the street	95%
Leaving an item from your household outside on the street or in a public space for a scrap dealer	75%
Leaving garden waste outside on public land (e.g. in a park or on a roadside) (grass clippings, hedge clippings, leaves or branches)	71%
Leaving a bag of rubbish next to a public bin	68%
Leaving recyclables next to a public recycling bin (e.g. cardboard packaging)	55%
Leaving donations next to a charity donations container/bin (e.g. clothing, books or children's toys)	33%
Leaving donations outside a charity shop (e.g. clothing, books or furniture)	29%

When asked 'Over the past 12 months which of the following services have you used to get rid of items from your household that you couldn't put into your regular waste and recycling collection bins?', 77% of respondents said they took the waste to the local tip/HWRC. Only 9% said they used LCC's bulky waste collection and 3% said they used LCC's garden waste collection service. The remaining 25% of respondents said they have use none of the above or have used a 'scrap dealer'.

Over half the respondents, 57% said they saw the SIS intervention and in Table 9, we can see what all the respondents considered the purpose of the intervention to be. To stop people from leaving waste items on the street / reduce illegally dumped rubbish / waste / fly-tipping was most commonly recorded at 54% of responses. The 'other' responses included 'to keep communities clean' and 'that is costs the council to clear the rubbish'.

Table 9: Perceptions of the purpose of the SIS intervention

PURPOSE OF THE SIS INTERVENTION	PERCENTAGE OF RESPONSES
To stop people from leaving waste items on the street / reduce illegally dumped rubbish / waste / fly-tipping	54%
To show that the council is doing something to tackle dumped waste / fly-tipping	47%
Other	11%
To show that it costs the council a lot of money to clear up	10%
To send a message to people that dumping waste / fly-tipping won't be tolerated	7%
Don't know	5%
To show that if people didn't dump waste on the street, there would be more money for other things that would benefit the community	4%
To show that if the council has to keep cleaning it up, they will have less money to spend on other things in our neighbourhood	3%
To show that the council has a limited budget	2%

The respondents were asked to what extent they agree or disagree to a series of statements about the SIS intervention. The following percentage of respondents slightly and strongly agree to the statement:

- A total of 68% agree that the intervention shows that LCC is working to tackle waste dumped on the streets
- 18% agree that the intervention will result in less items of waste being dumped
- 11% agree that the intervention has already resulted in less items of waste being dumped in the area
- 14% agree that the intervention will make them think twice about what to do with unwanted items in the future
- 35% agree that the intervention has made them realise that it is the council who often take away unwanted items
- 70% agree that the intervention made them realise that resident leaving unwanted items in public places can have a lasting effect on the local community.

Overall the percentages of agreement to the statement were lower than the CSI tape intervention. Residents were asked about their thought on the SIS intervention. Most were unsure if the intervention would work in their community and did not see the intervention at all. Comments include:

"Not sure I've seen it but I've seen piles of rubbish with yellow tape saying it's under investigation"

“Well if it stops all the waste being dumped that’s good but I honestly think it won’t make any difference at all”.

A few people were hopeful that the intervention would work. Comments include:

“It will I think have an effect in the long term, think it is great that people can see that the council are trying to do something about it.”

“It is a fantastic start but not worked yet.”

The below table shows the answers to “What, if anything, do you think could happen to the people responsible if they were caught leaving unwanted items or dumping waste?”. The biggest perceived threat was receiving a fine with 73% of responses. The ‘other’ responses included ‘community service’ and ‘prison sentence’ similar to the CSI intervention perception.

Table 10: Perceptions of the consequences of fly-tipping

CONSEQUENCE OF FLY-TIPPING	PERCENTAGE OF RESPONSES
They could receive a fine	73%
They could go to court	31%
They could get a criminal record	19%
Other	13%
Nothing	7%
Don’t know	7%
They could receive a warning letter	6%

When asked for comments on the interventions, a few residents complained about the graffiti aspect of the intervention. For example:

“If we did graffiti we would be fined, why should the council be allowed to do it?”

A lot of comments were residents complaining about the level of fly-tipping:

“It’s really bad sometimes it has brought rats and when they leave black bags the seagulls come and rip them apart.”

“It would be nice to see a clean street, people want to live in a nice area.”

7 LANCASTER CITY COUNCIL FEEDBACK

7.1 Operational staff feedback

The Street Cleansing team felt the CSI tape intervention worked very well. They felt the bright yellow and black colours on the tape and stickers grabbed everyone's attention and was highly visible. The crew really liked the reference line on the stickers and they used this line to write in a case number to keep track of the fly-tips. The team also felt leaving the fly-tips for five days was a good length of time for people to see the intervention. They also witnessed several people removing their fly-tips after taping with CSI tape and stickers. However, sometimes they did come back to find fly-tips with the tape and sticker taken off, particularly the stickers, which contained the reference number they had written on. The crews also felt the £400 fine reference on the stickers worked really well to increase the perceived threat of being caught fly-tipping. One of the crew members said:

"The areas we work on are some of the worst, I did not think it [CSI tape intervention] was going to work, but I was surprised it did! The result we got was good for the CSI. People were removing the fly-tips themselves."

The team did not feel the SIS intervention worked as well. They felt that people used the stencil as a collection point. They also felt that the messaging on the stencil did not work for the areas they were stencilling and that it needed to be harder hitting, as they felt the residents did not care much for their community. However, throughout the intervention residents questioned the crews as to what they were doing. This allowed them to engage in conversations about what they were trying to achieve and was mainly reciprocated with appreciation from residents. One of the crew members said:

"Once we were a more visual presence and had the time to interact and really get to know the residents it was obvious that they do care about their area being tidy, and in the whole I would say that 90% of the people reaction to what we're trying to achieve was positive."

Practically the Street Cleansing team found both intervention materials easy to use. They did note however that on windy days and back alleys, the spray paint was difficult to apply. Also on CSI tape streets, they sometimes needed more than 3m of tape per fly-tip due to the size of fly-tips they were reporting and the fear of it scattering on the street.

They felt the locations for the SIS intervention were not visible enough and majority of the streets were cobbled, so the team had to stencil the walls. This made the spray very stubborn and difficult to remove. In contrast, when the stencil was placed on the pavement it washed away with the rain. The team liked to use lots of different spray paint colours in one area to increase visibility and would recommend others do so too.

The Street Cleansing team felt supported and motivated throughout the 13 week intervention as two managers regularly monitored their streets, talking to residents about the work they were doing and they themselves saw a visible decrease in the number of fly-tips.

When asked if the face-to-face sessions prepared them for the interventions, they fed back that the workshop covered everything they needed to know and motivated them to try out the interventions.

7.2 Key managerial feedback

The Head of Services fed back that he was satisfied with the interventions, and has heard from his team that the CSI tape sites were experiencing a decrease in the level of fly-tipping. They all felt the CSI intervention had met its objective to reduce fly-tipping, increased the perceived threat of getting caught fly-tipping and increased the perception that the council is working to address fly-tipping. They also felt the SIS intervention had met its objective of highlighting to residents that fly-tipped waste does not simply disappear but has a lasting effect on the community and to raise awareness that the local council is collecting the fly-tips.

Visibility of the interventions was very important; in locations where both interventions were more visible they felt they performed better. Comments include:

“The massive one [fly-tip] cleared up in Morecambe, literally looked like it was a setup of a living room and then two days later it was all gone... People did remove them, people you could see were worried about the repercussion of this, the fact that people were walking around, tape was going on, that visibility, it was all about visibility.”

“You’ve really hit the objectives, it was visible, it did what it said on the tin and it really made people think about their action and what they have to do next.”

Managers had received complaints from residents regarding stencilling on their walls, which was removed by the graffiti team. However, spraying on the ground washed off easily.

They felt the stencil messaging could possibly work better in other areas; however, if they were to scale this intervention in Lancaster they would like to tailor the messaging to something tangible for each neighbourhood.

They felt the two managers going out regularly helped to maintain morale within the crews, especially with a 13 week intervention period. The crews and the managers were stopped regularly by residents and they felt residents wanted to feel pride over their community but it was ruined by a small group of people.

When asked about the workshop sessions, they said:

“From my perspective it did everything we expecting it to, clear and well delivered and you were able to answer any questions or any concerns... helped buy everyone in [to the interventions].”

They felt after the workshop, there was some miscommunication with the communications team in creating the leaflets for residents and businesses, which delayed leaflet production.

8 DISCUSSION AND CONCLUSIONS

Assessing the outcomes of the CSI tape and SIS interventions is usually established by comparing the average number of fly-tips per week in the baseline period against the intervention period (to see how behaviour changes during the intervention period) and post intervention period (to see how behaviour changes after the intervention). The change in how fly-tipping was recorded by crews during the intervention period, to consistently include black bags as fly-tips (which wasn't happening previously), means that there is no comparable baseline data by which to establish the outcomes of the interventions in Lancaster. Nonetheless, looking at how the total number of fly-tips per week across all intervention sites varied over the course of the intervention and post intervention periods demonstrates positive trends:

22. There is a clear trend of decreasing numbers of fly-tips in target streets as the intervention period progresses for both interventions:
 - a. With respect to the CSI tape intervention, the total number of fly-tips per week in target streets decreased from a high of 49 at the start of the intervention period to 20 by the end of the 13 week intervention. This is a 59% reduction in the number of fly-tips seen in the first week of the intervention.
 - b. With respect to the SIS intervention, the total number of fly-tips per week in target streets decreased from a high of 75 at the start of the intervention period to a low of eight by the end of the 13 week intervention. This is an 89% reduction in the number of fly-tips seen in the first week of the intervention.
 - c. Given the absence of control streets, we do not know the trends in fly-tipping behaviour elsewhere. For example, fly-tipping could have been dropping throughout Lancaster at this time. However, this is unlikely, and therefore we can conclude with relative confidence that the interventions were driving the decrease in fly-tips.
 - d. Please note that the percentage reductions in the number of fly-tips represent reductions in fly-tipping during the intervention period not an overall reduction. Overall reductions have to be based on a comparison of the average number of fly-tips per week in the baseline and intervention periods, which is not possible here.
23. There is a trend of a relatively consistent number of fly-tips in displacement streets as the CSI tape intervention progresses. This suggests that the CSI tape intervention did not drive fly-tipping to nearby locations, and that therefore fly-tipping was prevented. Conversely, there is a trend of the total number of fly-tips per week in displacement streets increasing slightly as the SIS intervention progressed. This suggests that the SIS intervention may have resulted in some displacement of fly-tips.
24. In the post intervention period for both interventions, there is a trend of increasing numbers of fly-tips in target streets. However, the number of fly-tips per week for target streets is far lower than the peak number of fly-tips at the start of the intervention period for both interventions. This suggests that the interventions do have some lasting impact, but that this is time-limited.

In terms of residents' views, 65% of respondents in CSI tape areas thought dumped waste was a major problem compared to 79% in SIS areas. In both areas, the majority of respondents thought that there had been the same numbers of fly-tips on the street in the last three weeks (59% and 69% for CSI and SIS respectively; only 19% and 10% thought it was less respectively).

39% of respondents said they saw the CSI tape intervention, while over half the respondents (57%) said they saw the SIS intervention, suggesting that visibility of the latter intervention was higher. Just under half of respondents (47%) thought that the purpose of the CSI tape intervention was to stop people from fly-tipping, while just over half of respondents (54%) thought the same for the SIS intervention.

The majority of respondents agreed that the intervention shows the LCC is working to tackle fly-tipping – 75% in CSI tape areas and 68% in SIS areas – demonstrating the value of these interventions to LCC not only in reducing fly-tipping but in being seen to take action. Confidence in the effectiveness of the interventions was lower for SIS compared to CSI tape, both in terms of wider and personal behaviour. For example, 18% thought that the SIS intervention will result in less items of waste being dumped compared

to 33% for the CSI intervention, while 14% thought that the SIS intervention will make them think twice about what to do with unwanted items in the future compared to 29% for the CSI tape intervention. The CSI tape also fared better at making residents realise it is the council who often removes unwanted items – 55% of residents agreed with this statement, compared to 35% for SIS. The SIS intervention did appear to have more of an impact in making resident realise that leaving unwanted items in public places can have a lasting effect on the local community – 70% of resident agreed with this statement compared to 65% for CIS tape.

Feedback from operational and managerial staff about the support package surrounding the interventions was positive. Operational staff were also very positive about the difference that the CSI tape intervention had made. They voiced that they felt the CSI intervention had worked in some of the most tough and heavily fly-tipped areas, and that they had seen people remove their fly-tipped waste after it had been cordoned off and stickered. The SIS intervention was less well received by operational staff. They were sceptical that the intervention had worked and believed people were using the stencils left behind as a collection point for fly-tipping. The perceptions survey also indicate that the SIS intervention was less well received by residents, particularly around perceived effectiveness in changing behaviour. However, the views of operational staff and residents are not borne out in the fly-tipping data which suggests greater effectiveness of the SIS intervention compared to the CSI tape intervention.

9 RECOMMENDATIONS

Keep Britain Tidy's recommendations for scaling the CSI tape and SIS interventions across Lancaster are as follows:

- Moving forward a consistent method of recording fly-tips (including black bags) should be recognised by all operational teams to allow a comparable baseline to be established. This is crucial in order to robustly establish the effectiveness of the interventions, and identify hotspots to be targeted by the interventions. Managerial feedback sessions also suggested that crew members move away from reporting on physical sheets and start to use electronic tablets to better record fly-tips, which we strongly support.
- Further to this, a review of the side waste policy is recommended when considering scaling these interventions, as there needs to be clear definitions of which black bags left out are to be collected as part of domestic waste collections and which are considered to be fly-tips. This will support consistent recording of fly-tips.
- The areas that were targeted with the interventions were of high deprivation and many were dominated by houses in multiple occupation (HMO) and private landlord properties. Both interventions could be trialled in less deprived areas to get a wider understanding of the different waste behaviours of residents. This can also showcase an accurate level of fly-tipping in these areas and highlight if a review of waste facilities in HMOs is needed to check if tenants have the correct provisions to deal with their waste and if landlords need to be held accountable to their duty of care. We suggest this picture is overlaid with data about use of the bulky waste service in these respective areas.
- The majority of fly-tips identified were household waste, which is a reflection of the fly-tip waste types across England's local authorities (65%) as presented in the 'Fly-tipping statistics for England, 2020 to 2021'. We would strongly recommend a leaflet for residents is distributed before scaling interventions, educating residents on the correct and alternative waste disposal methods, and what is illegal dumping. A final resident leaflet and business leaflet with 'Produced in partnership with Keep Britain Tidy' logo will be shared with LCC to use when scaling these interventions. Any changes to these leaflets will need to be approved by Keep Britain Tidy.
- All members of operational staff who are involved in clearing fly-tips should be fully trained to carry out the intervention – this includes understanding how the interventions work, and how to deliver them. We also recommend keeping enforcement, communications and other stakeholders informed of the interventions throughout the process.
- The support managers showed to operational staff helped to keep the crews motivated throughout the 13 week intervention period. During the feedback session LCC staff reiterated that supporting the crews, being visible for the team and giving it 100% helped to make the interventions successful. The additional walk rounds by managers in the target areas may also have helped reduce fly-tipping as residents saw an additional LCC presence during the interventions. However, it is recognised that this element was quite time consuming and may not always be achievable going forward. If not, then extra care should be taken to ensure operational staff feel supported and motivated. If there are concerns about the enthusiasm of the operational staff in future, LCC could consider running the intervention for shorter period time, such as six weeks.
- We anticipate that LCC may make changes to the interventions in future. These may include distributing the leaflets for residents and businesses highlighting correct disposal methods at the start of the intervention rather than the letter, making changes to the involvement of managers on the ground, and changing the duration of the intervention. If multiple changes are made at once, then LCC will not be able to identify which change had the biggest impact on effectiveness. Therefore, any changes should initially be made in isolation and within a consistent method of monitoring fly-tips.
- The use of the SIS intervention in alleyways raised issues around stencilling on walls, because the stencil was not readable on cobbled pavements. The suitability of surfaces should be a consideration in the selection of sites for the SIS intervention.

- As recommended in the managerial feedback session, the stencil message could be tailored to the area the SIS intervention takes place in, to allow the messaging to hit home with the local residents. Stencil messaging should be carefully selected.
- While both interventions reduce the numbers of fly-tips during the intervention period, this behaviour change is not permanent. However, there is risk that by continuing to run the interventions in the same areas continuously that residents may start to ignore the messages, and operational staff become weary. The London Borough of Newham has had success with a programme of targeting fly-tipping hotspots for six weeks with either the CSI or SIS intervention before moving on and returning periodically. We suggest that LCC consider a similar model.



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CABINET

Lancaster Business Improvement District - Renewal Ballot and Final Delivery Plan Proposal

02 December 2025

Report of Chief Officer Sustainable Growth

PURPOSE OF REPORT				
To provide context and information for the endorsement of proposals for a Lancaster Business Improvement District (BID) Renewal Ballot (5 February 2026) as required by the national BID statutory provisions. The report updates Members on the pre- and post- ballot issues, resource and other implications in relation to the city council's role in the BID renewal process and as a BID levy payer.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision		October 2025		
This report is public				

RECOMMENDATIONS OF Councillor Peter Jackson

- (1) The Renewal Proposals for Lancaster Business Improvement District (BID) Renewal Ballot are agreed as in compliance with the statutory requirements and are not in conflict with the council's corporate policy framework.
- (2) Formal Endorsement of Lancaster BID final Renewal Proposal policy compliance and the issue of an instruction to proceed to ballot via UK Engage is undertaken by the Chief Executive.
- (3) The current Operating Agreement and Baseline Agreement are revised to reflect any changes/amendments required between the parties and current council service provision respectively, with approval and post-ballot sign-off of the final documents delegated to the Chief Executive.

1.0 Introduction

- 1.1 Members should be aware a third term for Lancaster Business Improvement District (Lancaster BID) was voted in by local businesses in February 2021

and has been running since 1 April 2021. The renewed period agreed was for 5 years up to 31 March 2026 and Members will be broadly aware of the contribution that Lancaster BID has made to events and initiatives over the period.

- 1.2 Following implementation and progression of its work over the current term Lancaster BID is seeking renewal of the arrangements. This requires a Renewal Ballot, conducted under the same statutory provisions (The Business Improvement Districts (England) Regulations 2004) as previous term ballots. The Renewal Ballot for the fourth term is scheduled to be held from 9 January 2026 with the final day for return of ballot papers set for 5 February 2026.
- 1.3 The national BID Regulations instruct the BID proposer to notify the billing authority (the city council), of its Renewal Proposals. The billing authority must be content that Renewal Proposals meet the information content and policy tests detailed in the 2004 Regulations before it can give its formal authority and issue instructions for a ballot to proceed.
- 1.4 Lancaster BID has reviewed its activities, delivery structure and scope, consulting with current and prospective levy payers in detail over the current term. The result of this work is the Lancaster BID Renewal Proposal (**Appendix 1**). This document will be issued to all eligible levy paying voters and can be regarded as Lancaster BID's "manifesto" against which businesses eligible to pay the levy consider their vote.
- 1.5 Endorsement of the Renewal Proposals via this report and delegation of other required decisions, will allow the city council to manage its statutory obligations under the ballot process and ensure legal requirements for progression of the ballot are met in good time.

2.0 Background

- 2.1 BIDs were introduced to the UK in 2002 as a funding generating mechanism to support improvements in defined commercial areas. BIDs are based on the principle of charging an additional levy (typically 1% to 2% of rateable value) on business ratepayers in a defined area following a positive majority vote by those ratepayers – being defined as a simple "yes" majority of both the voting balance of Rateable Value and the voting hereditaments. BIDs are time-limited, running for up to 5 years before requiring a renewal vote. Local partnerships are developed to undertake work on:
 - Deciding the BID area and what improvements they want to make
 - How the implementing partnership will manage it and what it will cost
 - How long it will last
- 2.2 BID Regulations leave most of the structural arrangements to local discretion. This includes the pre- and post- Renewal Ballot details of who proposes / manages a BID and which projects / proposals are brought forward to meet local needs and aspirations. Experience over previous BID terms is that it is essential to clarify 'additionality'. That is, a positive voting outcome will be

hard to achieve if a proposal is perceived to replace what is already being delivered or is revealed to be covering for statutory service shortfalls. Best practice also advises that any BID proposal, and the levy resource ownership and implementation, remains independent of the statutory service providers. However, the council in acting as local billing authority retains and discharges certain critical administrative functions and financial responsibilities.

2.3 Before it issues instructions for a Renewal Ballot the billing authority must content itself that:

- The Renewal Proposal covers the issues laid down in BID Regulation 4 and its associated Schedule 1 - the required information compliance
- The Renewal Proposal does not conflict with the billing authority's formal policy framework.

3.0 Lancaster BID Renewal Proposal

3.1 The Renewal Proposal (**Appendix 1**) builds on the work undertaken over the current 5-year term. The content follows best practice guidelines from British BIDs, the industry recognised organisation that reviews and reports on national BID activities. It covers the following key areas:

- Reference to achievements against the original BID Business Plan with evidence of delivery and performance against the planned services.
- An analysis of the impact on the BID area and for those businesses within it.
- A clear outline of any differences between existing and proposed services and/or the previous BID area together with reasons as to why such changes have been made.

3.2 Notable features and some distinctions from the previous term's proposals are as follows:

- The renewal term proposed is 5 years, the maximum allowed under statute and will run from 1 April 2026 to 31 March 2031.
- The BID area is extended - the majority of the city centre east of the west coast main line up to the Lancaster Canal, and the Castle and Priory environs to the west are now included.
- Lancaster BID will continue to operate as a company limited by guarantee and accountable body for BID levy funds.
- The ballot period is scheduled for between 9 January 2026 and close at 5 February 2026.
- The BID levy, how it is calculated, collected and who is eligible to pay are amended as follows:
 - The threshold for BID levy eligibility is reduced to £9K
 - Levy is amended to:

2026/27	1.85%
2027/28	1.86%
2028/29	1.87%
2029/30	1.88%
2030/31	1.89%

- Total levy revenue generated is £1.75M reflective of the new levy multipliers.
- Schools are excluded from paying the levy.

3.3 The consultation process undertaken to date by Lancaster BID to evidence and secure the support from local businesses for the planned expenditure has included review and evaluation of past performance, questionnaire surveys, general meetings and events aimed at different sectors and geographical sub-areas of the city.

3.4 **Appendix 2** highlights the officer view of the Renewal Proposal's compliance with BID Regulations 4 and Schedule 1 and details some potential further information requirements or clarifications which may be required in the full proposal. It also highlights the policy fit – defined as the city council's published corporate policy framework. In summary, officers consider that the document meets the statutory information requirements and does not conflict with the council's policy framework.

3.5 For the BID to be renewed two threshold tests need to be met in the ballot:

- More than 50% of votes cast (turnout) must be in favour of the BID and:
- The positive vote must represent more than 50% of the Rateable Value (RV) of the votes cast.

It is currently estimated the proposed BID area has an RV of around £16.58M taken from 444 voting eligible +£9K RV hereditaments (the rateable unit, where each unit has one vote).

4.0 Details of Consultation

4.1 The Lancaster BID has undertaken consultation with prospective levy payers to develop its ongoing approach to its service delivery, and this has been reflected in the proposals.

5.0 Options and Options Analysis (including risk assessment)

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

	Option 1: Do nothing	Option 2: Endorse the Lancaster BID Renewal Proposals.	Option 3: Request material amendments to the draft Renewal Proposal for consideration/ endorsement at a future Cabinet meeting
Advantages	No advantages.	Timely notice that the proposals are technically sound and likely compatible with BID Regulations and	Only appropriate if the proposals have to be vetoed due to conflict with council policy and

		<p>council policy.</p> <p>Allows for minor/non-material technical amendments via scrutiny of final Renewal Proposals.</p> <p>Enables Lancaster BID to continue pre-election canvassing and marketing with confidence.</p>	<p>if extensive changes are required.</p> <p>Allows revised proposals to come forward that are compatible with council policy and regulatory requirements.</p>
Disadvantages	<p>Creates uncertainty for Lancaster BID.</p> <p>Hinders BID's pre-ballot canvassing and marketing activities.</p> <p>Delays the ballot process.</p>	No disadvantages identified.	<p>Reputational implications for the council if proposals are not endorsed without good reason.</p> <p>Potential delays to BID's pre-ballot canvassing and marketing activities.</p>
Risks	<p>If there are issues with Renewal Proposal compliance at this stage, a ballot could be delayed, impacting BID's canvassing and the council's operational planning.</p> <p>This Cabinet meeting is the last date proposals can formally be endorsed for a February ballot under statutory notifications.</p>	<p>No guarantee that the BID Renewal Ballot will be successful.</p> <p>Ongoing consultation and officer scrutiny mitigate technical risks.</p>	<p>If there are issues with compatibility with the council's policy framework, Lancaster BID must address them and prepare a compliant Final Renewal Proposal.</p> <p>Risks are as in Option 1 regarding statutory deadlines.</p>

6.0 Officer Preferred Option (and comments)

- 6.1 The Lancaster BID proposals do not conflict with any published council policies and a successful BID will continue to actively support the council's corporate objectives particularly in the areas of Economic Growth, Clean Green & Safe Places and Community Leadership. The work of Lancaster BID in canvassing opinion and consultation show a good level of support for the way the BID proposals have been shaped.
- 6.2 The amount of prior discussion between the BID proposer and the local authority before submitting the BID draft proposals to the authority has been sufficient and it is expected consultation will continue up to the submission of final proposals. The costs incurred and due in developing BID proposals, canvassing and balloting have been allowed for within the BID's current budget.
- 6.3 There are no advantages in holding over on endorsement pending Final

Proposals (Option 1) and officers consider there are no material alterations required (Option 3). The **Preferred Option** is therefore **Option 2, to endorse the Lancaster BID Renewal Proposals.**

- 6.4 It follows that an appropriate level of delegated authority is required to ensure the outstanding matters are addressed and so that Lancaster BID can move forward to ballot. As these issues are mainly technical and operational it is recommended this be undertaken through delegated decision by the Chief Executive.
- 6.5 It should be noted the city council will continue to be liable for the levy on the rateable property it occupies/holds should a ballot be successful (refer to **Financial Implications**). The city council's eligible holding in the redefined BID area currently amounts to £1.48M RV across 23 hereditaments. While this represents around 9% of the potential total RV in play (and 23 votes out of a potential 444) it should be noted that BID voter turnout has rarely exceeded 60% nationally, and below 50% is the norm.
- 5.1 The city council's rateable property holdings, both in terms of RV and number of hereditaments, could therefore be significant in determining the ballot outcome. There is no statutory prescription on how individual local authorities treat this matter of voting. Cabinet has in the past escalated the voting decision to Full Council (who previously considered a report prior to the voting period), and officers have anticipated the continuation of this arrangement.
- 5.2 The Lancaster BID Renewal Proposal has been independently developed by local business, and the group has a widely recognised mandate and identity in the commercial heart of Lancaster. However, the overall voting result, and perhaps the council's voting decision itself, depends on Lancaster BID being persuasive and clear about the planned benefits and how they will be delivered. Only if businesses and local stakeholders see true additional value in a BID will they be willing to provide their support.

7.0 Conclusion

- 7.1 The current Lancaster BID Renewal Proposal presents an opportunity for the business community to continue to deliver additional services and activity in Lancaster City Centre on its own terms. The business representatives and Lancaster BID team at the heart of the proposal have worked to ensure their proposal reflects local issues and the activities proposed will have meaningful local impact.

RELATIONSHIP TO POLICY FRAMEWORK

The Lancaster BID renewal proposals are well aligned with the Council Plan 2024–27's strategic priorities. The BID's activities support economic growth, environmental improvements, partnership working, community wellbeing, and inclusivity.

A Sustainable District (The Climate Emergency) The Council Plan aims for Lancaster to be net zero carbon by 2030, focusing on biodiversity and sustainable practices. The BID's "Green Agenda" supports this with street cleansing, graffiti removal, planters, and seasonal decorations that enhance the city centre. The BID also partners with the Council and others on sustainability, though there is room to further develop its environmental actions to fully meet council targets.

An Inclusive and Prosperous Local Economy (Community Wealth Building) The Council Plan seeks to use assets and procurement for community benefit, skills, investment, and promoting Lancaster as a destination. The BID supports a diverse business mix through events, marketing, and business support, all aimed at boosting footfall and economic activity. The BID also attracts investment and works with partners like Lancaster University and Eden North, aligning well with the Council's economic aims.

Healthy and Happy Communities (Increasing Wellbeing, Reducing Inequality) The Council Plan focuses on clean, safe neighbourhoods and access to arts, culture, and recreation. The BID delivers events, supports arts and culture, and improves public spaces. Safety is addressed through the BID Warden, police partnership, and community safety schemes. While not directly involved in housing, the BID's activities help create a cleaner, safer, and more vibrant city centre.

A Co-operative, Kind and Responsible Council (Delivering Effective Services, Taking Responsibility) The Council Plan commits to partnership working and effective service delivery. The BID is governed by a board representing city centre businesses and engages in regular consultation and collaborative projects. Its partnership with the Council, police, and others supports the Council's goal of co-operative and responsible service delivery.

CONCLUSION OF IMPACT ASSESSMENT

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

Health & Safety: The BID has sponsored events and has directly delivered events, and this is anticipated to continue in the future. All major public events planned are discussed through the local Events Safety Advisory Group (ESAG).

Equality & Diversity / Human Rights: It is assumed from nationwide BID activity, and through its continuing application within the UK, that activities properly undertaken within the BID legislation are compatible with the Human Rights Act.

Community Safety: If renewed Lancaster BID will continue to support projects which will have a positive impact on community safety/business security matters.

HR: None

Sustainability: The additionality of BID Proposals should be of benefit to the council's corporate objectives, businesses and the community.

Rural Proofing: None

LEGAL IMPLICATIONS

The Business Improvement Districts (England) Regulations 2004 prescribe the minimum requirements which must be met in order for a BID Renewal process to progress in a compliant legal manner. Consideration and approval of a final BID Renewal Proposal is a city council duty and the route for the council to discharge its responsibilities is outlined in the report.

The council, as billing authority, has the power to veto a final BID Renewal proposal where it conflicts with any locally adopted policies and/or plans. As noted in the report, use of the veto is unnecessary given the compliance check is based on Final Proposal as set out in the report.

Ballot management will be undertaken via UK Engage who will meet all the necessary prescribed statutory ballot regulations. Instructions will need to be issued by the council to initiate the ballot on approval of the BID Renewal proposal. If the ballot is to be undertaken

in January (with a closing date of February) as stated in the Draft Renewal Proposal key actions are as follows:

- Lancaster BID as the Renewal Proposer is required to notify, in writing, the Secretary of State and the relevant Billing Authority of their intention of asking the Billing Authority to put the BID Renewal Proposal to the ballot. This notice is required 12 weeks prior to the BID Proposer submitting final proposals to the billing authority for approval for balloting. This has been completed.
- On approval of a final Renewal Proposal the Chief Executive will instruct the ballot holder (UK Engage) on behalf of the council to hold a ballot – a standard letter has been drafted for issue.
- UK Engage must publish notice of the ballot - no later than 42 days before the day of the ballot (the closing day) – this is scheduled for 18 December
- The “day of the ballot” (the statutory description of the last day for return of ballots) must be at least 28 days after the date ballot papers are sent to voters and no later than 90 days after publication of the notice of the ballot. This has been set for 5 February 2021.
- The ballot holder sends ballot papers to voters with a statement on the arrangements for ballot - no later than 42 days before the day of the ballot (the closing day).

Implementation of the levy proposal by Lancaster BID (as the BID proposer) is underpinned by formal legal agreement with the council as billing authority. This Operating Agreement (OA) sets out the various procedures for the collection, payment, monitoring and enforcement of the BID levy. The current OA between the council and Lancaster BID is regarded as having provided a sound basis for the operational relationship to date and will be updated to reflect the new term if the BID renewal term is voted in. A feature of the OA is the “baseline” – a statement/measure of the existing services provided by the city council to the BID area.

Production of a baseline and its formal incorporation within the OA (as a “Baseline Agreement”) is useful to assist potential levy payers identify added value of services proposed. For example, if the council is involved in delivering services solely for the improvement or benefit of the BID area (funded using the BID levy or other contributions to the BID body) it provides a benchmark to ensure true additionality for BID resources. While it is regarded as best practice that these operational matters are agreed in principle prior to a ballot (mainly for clarity and as an additional ‘selling point’ over the BID election period) - the agreements are formally agreed and signed post-ballot.

Should there be a successful Renewal Ballot the levy will continue as a statutory debt subject to the usual principles of rate collection, reminder notices and enforcement action for non-payment. The first point of contact for businesses with billing questions will be the council, rather than the BID delivery body. Experience of over the first and second BID term in Lancaster shows that the levy itself is not a major cause of non-payment, but enforcement action may still be required in certain cases. Revenues shared service experience of BID collection/enforcement matters will be valuable in this regard. The timetable for reminders and enforcement will follow that of the existing NNDR systems.

FINANCIAL IMPLICATIONS

There are several costs in relation to BID renewal development that should have no bottom- line impact on the Council:

1. The costs to UK Engage for undertaking the ballot are to be paid through the current Lancaster BID budget.
2. Administrative costs of identifying hereditaments within the extended BID boundary and producing a listing of all those rateable properties within the relevant boundaries is able to be absorbed within current budgets.
3. Updating the NNDR system to support the collection of additional BID levies: although the BID area has been extended there will be 444 billable hereditaments compared to previous 383. The current software model is therefore able to accommodate this at no additional cost.
4. BID legislation allows for the council's administrative costs to be recovered through the BID levy and the councils charging has been made clear to Lancaster BID and will be kept under review. Officers have ensured its administrative charges are appropriate. Charges are also clear to those who are eligible to vote and are included within the renewal proposal. This is currently budgeted for in the region of just over £7K per annum.
5. Potential costs of supporting the BID body operation post ballot - the Lancaster BID has not required or generated any discrete council management input into the post ballot 'operational' side.

The main bottom line impact of a successful renewal will be the cost to the council for the levy on its own properties for which it holds NNDR liabilities within the increased BID area. At an initial 1.85% levy the council is estimated to incur a charge of around £27.4K. The existing charge is included in the council's revenue budget and will need to be updated and carried forward from 2026/27 financial year onwards as part of the annual budget process.

There is no guarantee that a BID Renewal Ballot will be successful. If there is a 'no' vote any remaining funds from the first BID term will be returned to the council who will distribute it back to levy payers under procedure detailed in the 2004 BID regulations.

OTHER RESOURCE IMPLICATIONS

Human resources Internal council human resources will be used to support Lancaster BID as outlined in the report. The main operational issues will primarily involve NNDR officers in managing the levy billing arrangements if the BID Renewal proposals are successful. Legal Services officers will be involved in reviewing and dealing with formal agreements between the council as billing authority and the new BID body. Officers from sustainable Growth Service will continue to provide the contact point for the council's input into the Lancaster BID project programme if it is renewed through ballot.

Information Services: Following a successful ballot some updates to the billing software used by the council to generate and administer the BID levy bills will be required. The implications are outlined in previous sections of the report.

Property: The city council will continue to be liable for the BID levy on rateable property which it occupies/holds should a renewal ballot be successful. The continuing improvement to the environment of the area through a successful BID ballot could benefit the businesses within the city centre and may also improve the take up of the council's empty commercial property, reducing its general business rate liabilities in the long run.

Lancaster BID currently leases accommodation within the council owned offices at CityLab, Dalton Square, if the BID renewal ballot was successful then it is hoped that BID will continue to occupy this space under a new lease.

Open Spaces: The BID proposals include measures for improvement, enhancement, and productive use of city centre public realm and open space.

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

BACKGROUND PAPERS	Contact Officer: Paul Rogers Telephone: 01524 582334 E-mail: progers@lancaster.gov.uk Ref:
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The Business Improvement Districts (England) Regulations 2004
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http://www.legislation.gov.uk/uksi/2004/2443/contents/made

LANCASTER BID • BUSINESS PLAN 2026-2031



Love Lancaster.
A rich history,
an even better future...

BID | LANCASTER
BUSINESS
IMPROVEMENT
DISTRICT

LOVE
LANCASTER

lancasterbid.org

LOVE LANCASTER

BID | LANCASTER
BUSINESS
IMPROVEMENT
DISTRICT

A City with a Story

Love Lancaster

Love a castle of Kings and criminals, monuments to love, and a Quay made for a maritime past.

Love a history of mystery, witchery, heartache, and horror.

Love cobbled streets, city squares, a Little Crooked House, and a Bashful Alley.

Love live music in great venues, family friendly festivals, and plays in the park.

Love paintings, priceless pieces, and performances; galleries, gigs, and comedy gags.

Love eclectic coffee shops, boutique bars and breweries, and legendary nightclubs and proper pubs.

Love breakfast, brunch, lunch, dinner, AND tea.

Love hidden gems from historic markets, and a high street full of collectables and trinkets, gifts, groceries, and garments.

Love canal and riverside walks, and gateways to coastal promenades and country paths.

Love world-class education, building a career, building a home, building a life.

Love Lancaster.

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This Term in Numbers

£125,000



of funding
awarded to other
city centre events

Over
20,000



followers on social
media platforms

125



members of
DISC



views of the
"Snow Lion" video
last Christmas

232,000



391



levy payers



77



award winners at
Love Lancaster
Business awards



2 part time and 1 full member of staff



Over
£910,000



extra income secured
on top of BID levy



BID Management Board Statement

During our third term Lancaster BID has become even more established as a key player in supporting businesses to thrive in Lancaster City Centre.

The team have excelled in delivering on the key objectives of the “Five Years Five Goals” business plan which were to:

- **Market Lancaster as a destination**
- **Partnership working to create a safe and secure city centre**
- **Ensuring the city centre is a clean and attractive place**
- **Delivering a year round programme of flagship events**
- **Direct support to businesses through information and events**

As the term started, we were just coming out of the pandemic which had been an obvious challenge for all so our goal was to get local people coming back into the city centre with confidence. Admittedly this took time, but Lancaster really bounced back well compared to other towns and cities in the country. This was enhanced by the ongoing Love Lancaster campaign which now has its own brand and video, something we could not have achieved without the support of our design Studio “Two Stories” and the support of St Nics.

Safe and Secure Lancaster has been a huge success this term, working closely with the Police, security teams around the city centre and the City Council. Feedback from businesses suggests that ASB is much lower than it was five years ago. Special thanks go to our BID Warden’s Max and Emma for doing this very difficult job so professionally.

Lancaster BID has always been known for organising and supporting events but this term we have taken it up a level, introducing new ideas like: Indie Weekend, Rewind Festival, Food and Drink Week, Toy appeal and Spring clean week, along with the tried and tested Dino Fest and Christmas Lights Switch on. Our events programme is jam packed throughout the year.

The Love Lancaster BID Awards is now an annual highlight in the events calendar and it has been great to watch this grow and grow over the last five years.

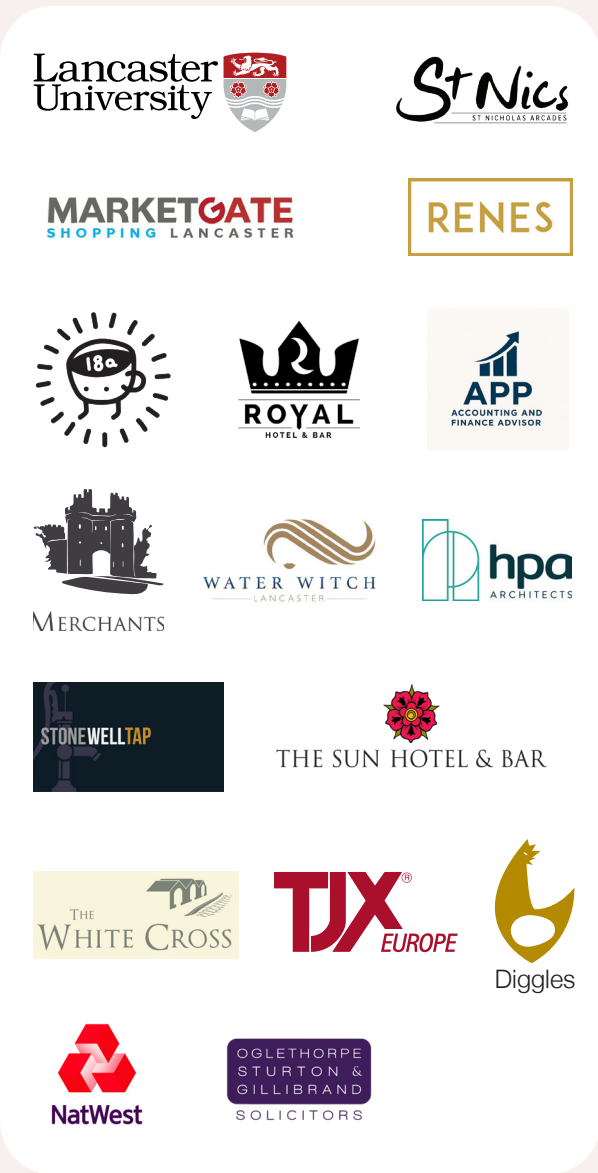
Lancaster has a lot to celebrate now and into the future, but all this has only been possible by the strong Yes vote to our business plan five years ago. We’d love to continue working on behalf of YOU the city centre businesses to really keep pushing Lancaster forward.

Finally thank you to all the businesses for supporting us on our journey and let’s hope there is more to come in the future.



BID Management Board & Directors

Adam Parton Accountant, BID Director	Aimee Kelly Sainsbury's	Patrick Hall Tipple and Runner Duck
Julie Shaw Trustee of Lancaster Footlights & Grand Theatre CIO, BID Director	Chris Lawson Dukes Playhouse	Peter Jackson Lancaster City Council
Mark Diggle Diggles, BID Director	John Francis Banks Lyon Jewellers	Sarah Kemp Lancaster University
Phil Simpson C2 Investments, BID Director	Jolanta Cross Centre Manager St Nics	Sarah Turnbull Natwest
Sarah Harrison Centre Manager Marketgate, BID Director	Laura Barnfield OSG Solicitors	Tim Tomlinson Chair of Pubwatch and Publican



Sub-Group Members

Of course nothing Lancaster BID achieves would be possible without the support and involvement of so many of our city centre businesses who give up their time to get involved in the BID Management Board and thematic sub groups.

The Management Board provides strategic direction for Lancaster BID and helps to monitor progress towards delivering our priorities and ensuring the greatest benefits to all businesses across the city centre. Engagement of a wide variety of businesses is critical to ensure the BID priorities are relevant across all sectors.

We have the following sub groups who meet up regularly to discuss ideas, thoughts and issues. Everyone is more than welcome to find out more e-mail bidmanager@lancasterbid.org

- Events and Marketing - meet monthly
- Finance and Strategy - meet bi-monthly
- Hospitality - meet bi-monthly
- Improvements - meet bi-monthly
- Independents - meet bi-monthly
- Safe and Secure Lancaster - meet bi-monthly

The business and organisation logos shown here showcase just some of the many who have been involved in Lancaster BID over the past five years.

Meet the Team



Tony Johnson
BID Manager
bidmanager@lancasterbid.org

Maggie Murray
Events, Marketing & Content Creator
marketing@lancasterbid.org

Tom Fyson
BID Operations Manager
info@lancasterbid.org

Lancaster BID is made up of 1 full time employee and two part time employees. This very experienced team has nearly 20 years’ experience of working for Lancaster BID.

- Tony Johnson**
After over 20 years in commercial marketing and over 10 years in management Tony joined Lancaster BID in June 2019. Tony’s organisational skills and ability to spin many plates at the same time really help in the multi-faceted role.
- Tom Fyson**
Tom Joined Lancaster BID in May 2016. As Operations Manager, he oversees the logistical side of our work to ensure everything runs smoothly. Tom’s attention to detail and fund writing skills are vital to the success of the team.
- Maggie Murray**
Maggie joined the team in October 2023 and has been like a breath of fresh air. Her videos and content creation are legendary and this is something we will enhance moving forward.

“ Was an absolutely wonderful day and we met so many good people, thanks to everyone involved, we’ve all helped make the kids happy which is amazing.

Without you , Maggie and all the other staff members this would not have happened, so thanks to you all as well.

Mick Flanagan
Unite The Union
Supporter of Toy Appeal

What is a BID?

A Business Improvement District (BID) is a business-led and business-funded body formed to improve a defined commercial area.

- Within the defined area a levy is charged on all business rate payers in addition to the business rates bill other than any exceptions defined within the individual BID rules. This levy is used to develop projects which will benefit businesses in the local area.

There is no limit on what projects or services can be provided through a BID. The only requirement is that it should be something that is in addition to services provided by local authorities.

Improvements may include, but are not limited to, events programmes, extra safety/security, cleansing and environmental measures.

BIDs were introduced in the UK in 2005 and have become a great success as businesses see the benefit of taking greater control of delivering a business plan to drive footfall into their own commercial district. There are now over 300 BIDs across the UK.

Lancaster BID was established in 2013 after representatives of city centre businesses came together and wanted to make a positive contribution to Lancaster city centre. The BID was initially managed by the North and Western Lancashire Chamber of Commerce before establishing as a standalone not for profit registered company in time for the second BID ballot. Now, as we approach the end of our third BID term, the organisation continues to go from strength to strength.

- Lancaster BID has grown to become a strong voice of the local business community and is a respected partner for key organisations including Lancaster City Council and Lancashire Police. The small staff team work exceptionally hard to deliver positive change in Lancaster city centre on behalf of our levy paying businesses.

Our Events and Marketing initiatives help drive footfall into the city whilst our strong Safe and Secure focus helps keep the city safe and our Improvement projects help keep the city centre attractive. Looking ahead we will continue to develop these initiatives whilst continuing to roll out our strong Love Lancaster branding to a wider audience.

The BID team aim to always be approachable and encourage levy paying businesses to engage with us to share concerns, suggest ideas for new projects and to join our working groups to ensure their voice is central to all we deliver.

We work hard to secure additional income through sponsorships, grants and commercial activities to add value to the BID levy and increase our positive impact in the city centre.

We are now asking you to Vote Yes to support Lancaster BID to continue to work hard on your behalf for a further five years.



Story of the Term

Marketing Lancaster as a destination 2021-2025

Locals

At the start of the last term it was a major focus to get locals back into the city centre again after the horrendous pandemic that hit so hard in 2020 and part of 2021. The approach was to really get the BID brand out there with the theme around love. We launched new promotions like:

Love Lancaster Lottery

Gave vouchers away every week to one lucky winner in a different business with the value being anything from £25- £500.

Random Acts of Kindness

Surprised shoppers randomly by buying their coffee in a coffee shops or a pint in the pub.

Toy Appeal

The Toy Appeal goes from strength to strength and we literally generate tens of thousands of pounds worth of toys for 6 local charities, these are all purchased and donated by local, businesses, organisations and the general public.

Summer Sundays

Summer Sundays is a musical weekend event throughout the Summer to entice visitors into the City on a Sunday.

These ran all the time on social media and really started to get a following.

All this whilst also introducing an extensive events programme really gave the brand kudos in the local market.



Visitors/Locals

In early 2023 we started work on a branding exercise, we engaged with levy payers and stake holders to work out all our strengths and weaknesses as a city centre. It was then our design Studio took a hold of it and said they would come up with a design and strategy- and they would do that part for FREE. Move on a year and we were ready to launch to our levy payers. The vision was presented at a BID breakfast and levy payers were extremely happy with the outcome- a brand that had been designed with the businesses at the forefront of the mind. A prose was written called "City with a story" (page 2 of this plan). It was great to see levy payers bringing this to life by producing artwork on walls and incorporating it into their own marketing. In 2025 it went up a notch as we produced our very own video; centred on bringing together everything that makes Lancaster unique into one compelling story-Love Lancaster-which was then brought to life through a film that featured 25 local businesses and organisations, and sixteen people from Lancaster for the voiceovers.



Our best performing posts

The Lancaster Story
Over 120,000 views

Snow Lion in city centre
Over 232,000 views

Light Up Lancaster
(Waterwitch post)
Over 95,000 views

City with a Story Heritage
Series Episode 1
22,700 views

Toy Appeal 2025
28,200 views

Food and Drink Week
23,100 views

Safe and Secure



Max Dior
BID Warden

Andrew Snowden
Crime Commissioner

Tony Johnson
BID Manager



£20,000



of funding was secured from the PCC for extra BID Warden Hours (2022 and 2023)

£4,000



of extra funding secured from Lancaster City Council for extra BID Warden Hours through the SPF Fund (Shared prosperity fund 2024)

£2,719



of external funding secured to support Lancashire Police operation Centurion (Summer 2025)

STREET AID

Working in partnership with Lancaster City Council, Lancashire Police and LDCVS Lancaster BID has helped people on the street to turn a corner, by encouraging people to donate £3 via txt, QR code or online rather than give people money in the street. To date, Street Aid has raised just over £18,500 - that's since January 2021 when the first terminal went out.



Improvement Initiatives



BESPOKE BUNTING

Bunting is used to help create a vibrant and modern city and make it more attractive to visitors.

HEARTS AND ROSES CANOPY

The hearts go so well with the Love Lancaster branding and fit with New Street so well.

TAXI RANK BUS STOP

Lancaster BID Partnered with Lancaster City Council's investment of £10,000 to tidy up the taxi rank at the Bus Station.

PLANTERS

Planters help brighten up the city centre and make it a more attractive and welcoming place to visit.



CHRISTMAS LIGHTS/TREES

The Christmas trees in Market Square help bring festive cheer to the city centre, together with the festive lighting.



Events in Numbers this Term

In 2022 winner of tourism and visitor attraction award at The Bay Business Excellence awards.

Finalist in the 'Small Event of the Year' at the Lancashire Tourism Awards in 2022 and 2023.

38



events organised by Lancaster BID

44



events supported with marketing, financially or both

41



promotions delivered



Business Support

Lancaster BID couldn't exist without the support of city centre businesses. The key focus of all our activities is to give city centre businesses a boost and make sure all businesses are well supported and feel confident that their voice is being heard.

We work hard to share information with businesses in a timely manner and to seek feedback on what is working well and areas where we can usefully provide further support. We achieve this through regular newsletters by email to almost 1000 contacts, Levy Payer Surveys to hear your views and business events such as the themed BID Breakfasts. We also showcased and rewarded success in the city through the Lancaster BID Ambassador Awards.



BID BUSINESS BREAKFAST



Thank you for putting on a great evening on Thursday, we were really chuffed to win the Independent Retailer of the Year.

Thanks for all that you and the team do for Lancaster and its small businesses

Adam Ventress
Chapel Street Wines

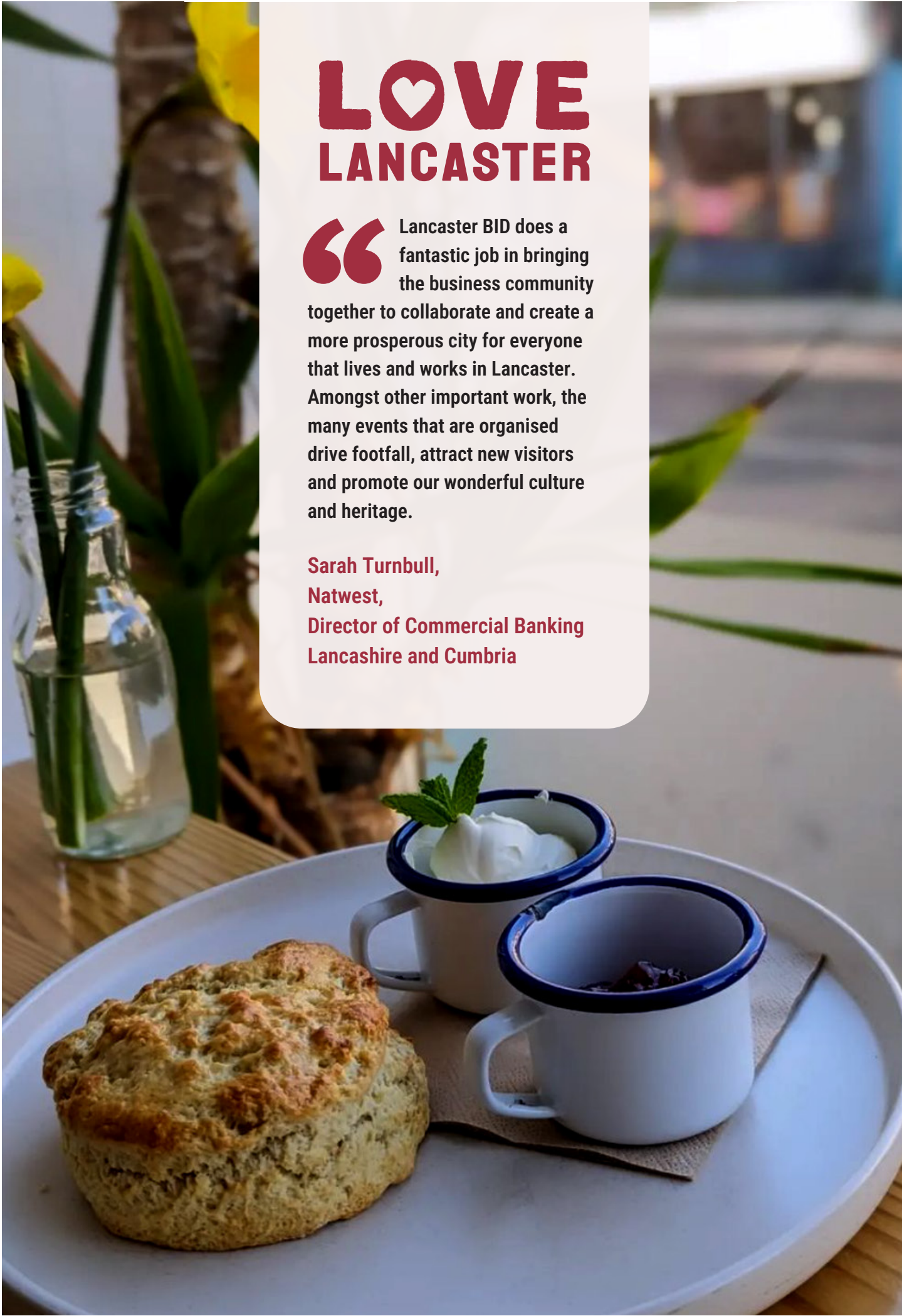


BID AWARDS



Thank you for a fabulous night... the food was brilliant, the vibe was great and the business community felt amazing.

Jan Beal
The Little Shop of Handmade Loveliness



LOVE LANCASTER

“Lancaster BID does a fantastic job in bringing the business community together to collaborate and create a more prosperous city for everyone that lives and works in Lancaster. Amongst other important work, the many events that are organised drive footfall, attract new visitors and promote our wonderful culture and heritage.

Sarah Turnbull,
Natwest,
Director of Commercial Banking
Lancashire and Cumbria

The New Lancaster BID Term

2026 - 2031

What will we deliver? In our recent surveys of levy payers you told us which of our services you value the most and what initiatives should be prioritised moving forward over the next 5-year term. We have used this information to agree **Three Key Goals** which will guide our work.



1 High quality events and festivals

We will deliver flagship events across the city centre and provide support to partners to ensure Lancaster continues to be known for high quality events throughout the year.



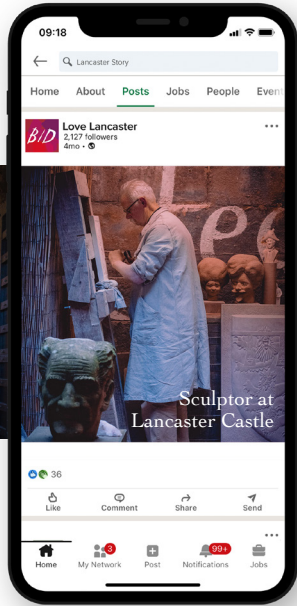
2 Marketing Lancaster as a destination

We will continue to utilise a mix of online and traditional marketing methods to market Lancaster city centre to local residents and visitors from further afield.



3 Safe and secure city centre

We will continue to provide a BID Warden to ensure visible presence on the streets and work in partnership with others to improve safety and security throughout the city centre.



Map of New BID Zone



Streets included in Lancaster BID Zone 2026 - 2031:

Aalborg Place, Aalborg Square, Aldcliffe Road (part), Alfred Street, Anchor Lane, Ashton Walk, Back Queen Street, Back Sun Street, Bashful Alley, Brewery Lane, Bridge Lane, Bridget Street, Brock Street, Bryer Street, Bulk Street, Buoymasters, Butterfield Street, Cable Street, Calkeld Street, Castle Grove, Castle Hill, Castle Park, Castle Park Mews, Cawthorne Street, Chapel Street, Cheapside, China Street, Church Street, Common Garden Street, Corn Market, Dallas Road, Dalton Square, Damside Street, Duke Street, Dye House Lane, Edward Street, Fenton Street, Ffrances Passage, Fleet Square, Friar Street, Gage Street, George Street, Gillisons Lane, Great John Street, Henry Street, High Street, Hillside, James Lane, Kings Arms Close, King Street, Lancaster Gate, Lancaster Railway Station, Lindow Square, Lodge Street, Long Marsh Lane, Lower Church Street, Lucy Street, Lune Square, Market Gate, Market Hall, Market Square, Market Street, Marton Street, Mary Street, Mawsons Mews, Meeting House Lane, Middle Street, Moor Lane, Moor Street, Nelson Street, New Road, New Street, Nile Street, Nip Hill, North Road, Parliament Street, Penny Street, Perpignan Way, Peter Street, Phoenix Street, Pine Street, Pitt Street, Portland Street, Priory Close, Quarry Road (Part), Queen Square, Queen Street, Regent Street, Rensburg Way, River Street, Robert Street, Rosemary Lane, Russell Street, Seymour Street, Sir Simon's Arcade, Slip Inn Lane, Spring Garden Street, St George's Quay, St James' Court, St Leonards Gate, St Mary's Gate, St Mary's Parade, St Nicholas Arcades, Stonewell, Sugarhouse Alley, Sulyard Street, Sun Street, Thurnham Street, Victoria Street, Waterside, Water Street, West Road, Wheatfield Court, Wheatfield Street, Windy Hill, Wood Street.

The streets listed above all lie either wholly or partly within the proposed Lancaster BID Boundaries. Where streets span the boundary the definitive map should be checked to confirm exactly which hereditaments lie within the BID Zone. Contact the Lancaster BID Office if you are unsure whether your property is included.

Illustrative purposes only – contact Lancaster BID to check if you are uncertain if your business is included.

Key Goal 1:



High Quality Events and Festivals

Lancaster BID will continue to deliver an extensive programme of high profile events across the city centre.

The events are targeted at varying age ranges and are designed to drive footfall into the city centre.

Whilst flagship events in the wider district were cancelled in 2025, Lancaster BID pulled out all the stops to ensure all the key city centre events continued. It is imperative that we continue to lead the way in this arena.

We need to:

- **Run/recreate and improve the events/festivals that generate footfall and visitors to the city centre**
- **Support the events that we know work**
- **Encourage new events to start and prosper**
- **Create new events that will attract visitors**



DINO FEST

Dinosaur events are popular across the country but we feel we have a unique selling point here as Lancaster is the birthplace of Sir Richard Owen, the palaeontologist who first invented of the word Dinosaur. The event has already transitioned from a single day to a city-wide weekend festival. Through partnership with the City Museum, we are working to apply for longer term funding that could showcase the story of Sir Richard and take Dino Fest to the next level.



CHRISTMAS LIGHTS SWITCH ON

The Lancaster Christmas Lights Switch On marks the official start of the festive season for the city centre and is always a real highlight in the events calendar. With a fantastic stage show in Market Square and incorporating the annual CancerCare Santa Dash, the event is always guaranteed to draw huge crowds into the city.

LOVE LANCASTER LIVE

Family friendly musical medley throughout the city centre. BID works with pubs and venues throughout the city centre to pull together and promote a programme of live music for all tastes including live acts in public spaces to ensure it is accessible to all. See page 22 for its success story!



LANCASTER DAY

This celebration of the official charter being signed in 1193 is an opportunity for all Lancastrians to get behind it. What has started as a homage to our heritage this has the ability to grow into a huge event moving forward.



WINTER WONDERLAND

2024 was the very first Winter Wonderland for Lancaster and what a success it was. We brought a mesmerising animatronic Snow Lion into the city that reached a staggering 232,000 views on our Love Lancaster facebook platform. The event also included the "Giant Snow Globe", the winter sprites and Santa's grotto on a bus! The popular event has been revitalised to return in 2025.



BID AWARDS

The Love Lancaster Business Awards continue to go from strength to strength. In 2025 we received over 1700 nominations for our fantastic individuals, organisations and businesses of Lancaster. We now have a selection of awards that truly captures all the sectors of business we represent.

Love Lancaster Live



Photography by Ginny Koppenhal



Love Lancaster Live was a massive success filling Lancaster city centre with hundreds of live music performances and easily drawing the highest weekend footfall of the year to date. The celebration of music was organised by Lancaster BID to fill the gap left when the team behind the usual Lancaster Music Festival announced they were taking a year off.

From early evening on Thursday 9th through until late night on Sunday 12th October, over 450 live gigs took place across more than 50 city centre locations. There really was something for every musical taste, from samba bands to rock music, classical to pop, steel pans to DJs, folk to punk and everything in between.

Thousands of people were drawn into the city, with footfall figures showing a 38.1% increase on the previous week and an impressive 19.2% increase on the previous busiest weekend of the year.

City streets and squares were packed with people enjoying the music whilst pubs were bursting at the seams with some even having to operate a 'one in, one out' policy and cafes reported running out of food. The overall atmosphere really was incredible.

Tony Johnson, Lancaster BID Manager, said "The Music Festival weekend has always been so important to the hospitality sector in particular that we felt we just had to deliver an event to fill the gap. The hard work was rewarded by seeing the smiling crowds and seeing the participating businesses so busy. The event really was a prime example of what Lancaster BID is all about."

Phil Simpson from Lancaster Brewery added "**It was a fantastic weekend, superbly organised and incredibly well supported. We had people attending events in our venues who had travelled to Lancaster from all over the country. Congratulations to everyone who helped organise this terrific event.**"

Tim Tomlinson, Chair of Lancaster Pubwatch said "**This year's Love Lancaster Live music weekend was a huge success for the hospitality venues across the city centre. On Saturday in particular, the town was absolutely buzzing and as is usual, it was all in very good spirits with almost no issues reported. The pubs were packed, the bands were loud and the crowds were dancing. While it was never planned to have the breadth of the full Lancaster Music Festival, it was just as exciting, energetic and eclectic as ever. A massive thank you to the customers, musicians and staff who once again made it one of the best weekends of the year.**"

Lancaster BID could not have delivered the event without the support of the participating businesses who worked so hard booking all their acts to deliver such a packed programme. Special thanks goes to all the musicians and the incredible bar staff who worked so hard throughout the event to keep the drinks flowing and ensure customers left happy.

The event was also made possible through the support of the sponsors. Thanks to Lancaster Brewery for supplying the specially brewed Zappa Festival Ale, Lancashire County Council Culture and Sport Fund and everyone who pledged support to the Crowd Fund campaign and to St Nic's Arcade, White Cross Business Park and EDF for their sponsorship.

Love Lancaster Live may be over for this year, but there is certainly no rest for the Lancaster BID team. BID is a key delivery partner for Light Up Lancaster which lights up the city centre with superb projections and light installations from 6th to 8th November. The city centre will then be filled with music again for the launch of the festive season on Sunday 23rd November with a full stage show planned to mark the Christmas Lights Switch On. This will be followed by family friendly festive events each Sunday until December 14th.

Thanks for loving Lancaster – a city of magical events!



LIGHT UP LANCASTER

Supported 2021-2025 Lancaster BID is proud to sit on the steering group for Light Up Lancaster. Working with partners this fantastic family friendly 3 day event has continued to grow and is arguably one of if not the biggest footfall driver of the year. For the last three years Lancaster BID has also been contracted to coordinate the event safety management part of the festival.



LANCASTER ON ICE

Supported 2021-2025 Lancaster On Ice has gone from strength to strength in this term. With it being a “commercial” event we cannot fund any part of Lancaster On Ice but we always support through our marketing platforms and are proud to have a board around the rink every year.

LANCASTER PRIDE

Supported 2021-2025. Lancaster Pride is a celebration around equality and diversity and social inclusion that brings colour and rainbows to Lancaster. The event has people coming from Euro pride and UK pride network to attend.



FESTA ITALIA

Supported 2022 – 2025 Lancaster Festa Italia is an event that celebrates all things Italian in our historic city featuring stalls with authentic Italian food and drink, entertainment, children’s activities and also showcasing Italian dance and music. Lancaster BID established the festival and delivered it for two years before passing the baton to Totally Local Lancaster. Lancaster BID has continued to provide funding for this popular event for the past 4 years and also assists with marketing through our social media platforms.



LANCASTER MUSIC FESTIVAL

Supported 2021-2024. We are sure this massive event will come back in 2026 and we of course will support like we have done in the past with funding, marketing and business support.



CHINESE NEW YEAR

Supported 2022-2026. This celebration of the Chinese Culture really brightens the city centre up at a drab time of year. When the organisers re-invented the celebrations in 2022 we were very keen to support with funding and marketing, something we will continue into the next term.

BID Supported Events

In addition to delivering our own events Lancaster BID provides funding, marketing and in kind support to a wide range of events organised by other organisations in the city centre.

Support from Lancaster BID enables event organisers to attract additional income and increase the size of their events to maximise benefits to the city centre businesses.

“Over several years, we have worked closely with Lancaster BID, who have been a tireless and dedicated partner, helping us to deliver the much-loved annual Light Up Lancaster festival. The BID team’s support is invaluable - from making connections with city businesses to expert advice on event management, they have worked alongside us to make the event increasingly successful, and have helped us to increase footfall in the city centre to more than 91,000 in 2024, with an economic impact of £1.7M.

Julie Brown
Imitating the Dog

Key Goal 2:

Marketing Lancaster as a Destination

Geographically Targeted Campaigns

Geographically targeted campaigns with the Love Lancaster/City with a story branding. Potential of joint initiatives with Lancaster City Council and Morecambe BID.

Development of “Coach Party” Strategy

Development of “Coach Party” strategy with partners including Lancaster City Council and Morecambe BID.

Eden North

Eden Project Morecambe - Eden Project Morecambe is poised to commence development and due to become operational during our next term. We have already developed a strong relationship with the Eden team and will work hard to ensure the impact of this nearby strategic development delivers benefits to Lancaster city centre.

New Production of Guides

Heritage, Hospitality and Independent guides.

Long Standing Partnerships

Continuation of long standing partnerships with local media groups.



Development of Lovelancaster.co.uk.

Build a business directory.



coffee shops,
boutique bars and
breweries, and
legendary nightclubs
and proper pubs.

LOVE
LANCASTER
EAT • DRINK • SHOP

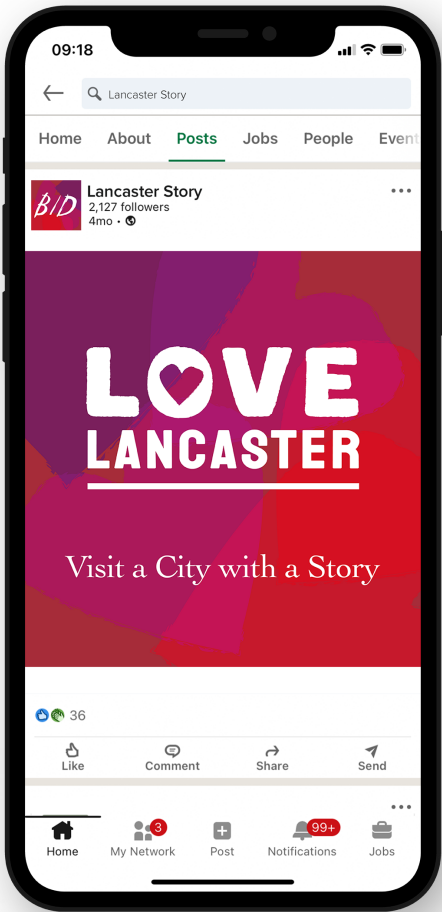
Find more to love at lovelancaster.co.uk

Discover hidden gems
from historic markets,
and a high street
full of collectables
and trinkets, gifts,
groceries, and
garments.

LOVE
LANCASTER
INDEPENDENTS

Find more to love at lovelancaster.co.uk

Find a castle of kings,
witches and criminals,
a monument
dedicated to love,
and a quay made for a
maritime past.



Key Priority 3:



Safe and Secure City Centre

BID Warden on the streets 7 days per week

It is vitally important to Lancaster City Centre moving forward that our wardens are on the streets seven days per week. Intel shows us that individuals now know patterns of work of our wardens and partake in ASB in the hours we don't have anyone to tackle them. By having a "flexible" 7 day plan we feel we can reduce low level ASB across the city centre. A final decision has not been made but recommendations are 49 hours or 56 hours per week.



Max Dior, BID Warden

Safer Lancashire Business Partnership - Joint Advisory Board

This has recently been set up by Clive Grunshaw the Police and Crime Commissioner and Lancaster BID have been encouraged to sit on the board. This will help keep relationships strong between Lancaster BID and the Police and Crime Commissioner.

DISC

Lancaster BID will continue to subscribe to DISC online reporting system and offer it free of charge to levy payers for reporting incidents taking place in the city centre. The system allows GDPR compliant sharing of information about incidents, including photos of the people involved. DISC can be used to report non-urgent crimes directly to the police and to administer a banning system to ban regular know offenders from the premises of all member businesses.



Heather Walker
District Loss Prevention Manager
Merseyside and The Lakes TK Maxx



Pub Watch

Lancaster Pubwatch is an excellent group and BID will continue to attend regular meetings to make sure known "troublemakers" for the evening economy are known to us as well as troublemakers in the daytime who frequent in pubs will be known to the sector.



Lancaster Pub Watch are tremendously grateful for the assistance we continue to receive from Lancaster BID.

Financial support for the administration of Pubwatch and the design and production of awareness materials for members are very helpful. But more so, the work done by the Safe and Secure group to obtain extra CCTV cameras, liaison with the police, help from the BID warden in identifying offenders reducing anti-social behaviour, plus representing our various concerns about city centre safety with the local councils and MP are all invaluable.

The bottom line is BID helps Lancaster Pub Watch keep the night time economy safer for visitors, locals and staff alike.

Tim Tomlinson,
Chair of Pub Watch

Brand New Community Radio System

With more and more businesses seeing the value of the Community Radio System Lancaster BID is taking on full management of the system. To make sure we have full control and access we are re-housing all the equipment from the police station to a new location in the city centre. With the help and fantastic work of the CSP (Community Safety Partnership) we were recently awarded a grant of £4000 from the Police and Crime Commissioner to buy new equipment and arrange the re-location. We encourage businesses to join the scheme as it's a "one off" payment of £279 + VAT to purchase a radio which comes with a 5-year guarantee.

The radios are purchased from a local security firm



Lancaster Business Improvement District is a key partner for the Police, allowing us to engage with and listen to the concerns of the business community of Lancaster as a whole. Their long standing initiative 'Safe & Secure Lancaster' has brought together a number of partners and initiatives that have directly reduced crime and anti-social behaviour in the BID area. Perhaps the ultimate accolade is that It has been so successful that other BID's in Lancashire have adopted the approach to address their own issues.

Consulting with Lancaster BID whilst planning Policing operations means we can work effectively to address the issues that their levy payers feel are important to them. This has led to increased focus on Shoplifting through Operation Vulture and street drinking through Operation Paragon. Engaging the business community through BID has led to reduced crime and more effective civil orders being obtained which target the most prolific offenders. Their support with CCTV and the BID warden are so effective that they are now an integral part of Policing the city centre.

We look forward to continuing the relationship with Lancaster BID, building on the successes of Safe & Secure Lancaster well into the future.

Sergeant 1938 Lindsay Brown,
Lancaster & Morecambe
Neighbourhood Policing

LOVE LANCASTER

Lancaster BID has implemented a wide range of initiatives to make the city centre cleaner, more attractive, and welcoming for everyone. This has included enhanced street cleaning, providing cigarette bins to the hospitality sector, and a dedicated Spring Clean Week - a community and business-driven effort to tackle litter and keep our city centre and surrounding area clean!

A variety of projects have also helped make the city centre brighter and more vibrant. These include decorative planting throughout the city, and regular seasonal displays such as an extensive Christmas lights display, summer bunting, hearts and roses canopies, murals and more...

The Love Lancaster logo and accompanying artwork have also been added across the city, including a striking mural on the wall in St Nicholas Arcades, celebrating the city's identity and enhancing its visual appeal.

Improvements



Investment in Christmas Lights

Lancaster BID will continue to invest in the Christmas Lights as it's a vital time of year for our businesses and we want the city centre looking great. There are 5 of the main trees that still need "modern" lights in them and we'd like to commit to all of these in the next term. We will also continue to improve the legacy lighting that we have had for years, and any money made from City Centre banner management will be put into it.



Brand New Bunting

Our bunting is looking tired so a new design will be up for the new term.



Hearts and Roses Canopy

The hearts go so well with the Love Lancaster branding and fit with New Street so well. This will continue into the next term.



Planters/Planter Maintenance

We will continue to look for other areas in the city that could benefit from planters/colour.



City Centre Murals

Through partnership working with The Dukes Theatre at the end of 2025 we commissioned two murals to be produced in Ffrances Passage and Common Garden Street. The vision in the next term is to create more areas across the city that can use artwork to brighten the city up, potentially even leading to an art trail.



Love Lancaster Spring Clean Week

Our first year of running this in 2025 was such a great success that we feel it can be really developed over the coming term. Another example of a great partnership working.



THE
BIG
LANCASTER
SPRING
CLEAN

Business Support



Love Lancaster Business Awards

This celebration of all things great about Lancaster will definitely continue into the next term. The Awards have gone from strength to strength each year and give businesses well deserved recognition whilst showcasing the very best our wonderful city has to offer.



Brand New Data Provider

In the next term we are planning to partner with Lancaster City Council and Morecambe BID to get a new system for tracking footfall. The new system doesn't just track numbers, but it tells us where people are from, how long they are staying in the city, the busiest areas (hotspots) and if they go around the district, this has to help us with our marketing campaigns and with us working in partnership "should" save us money.



Vacancy Reports

We will continue to do our own monitoring of vacant units across the city centre. We are currently tracking better than the national average, but by doing them quarterly helps us measure against other towns and cities.



Love Lancaster Brand Developments

The Love Lancaster brand was always developed with our businesses in mind so any developments will be included in the brand book.



BID Breakfast

We will continue to run these on topics that matter to our businesses, potential breakfasts coming up in the near future: Safe and Secure, Eden Project and Canal Quarter update from the developers.



The Professional Pod

The Professional Pod is a laid-back but informative dive into Lancaster's professional scene – where business chat meets bar banter. Each episode, we pull up a stool with the city's business owners and professional service pros, swapping stories, insights, and maybe a few pints in Lancaster's best bars and hospitality spots. It's where professionalism gets a splash of personality

Green Agenda

Although the environment and green agenda was not raised as a key priority by the majority of businesses responding to our consultation, Lancaster BID recognises the importance of reducing the impact of our own activities on the planet. Where possible we will consider our environmental impact when planning our activities.



We will continue to develop initiatives targeted at keeping our city clean and free of litter including our Big Lancaster Spring Clean and providing cigarette bins to businesses in the hospitality sector.



Seek to design our event banners to enable them to be updated with new dates and sponsor details so they can be reused where possible for annual events.



Purchase high quality items, for example gazebos and office computers, to ensure they last a long time. Items will be repaired if necessary and we will seek to recycle them responsibly at the end of their life.



We will seek to use local suppliers of goods and services where possible and will always give levy payers the opportunity to quote when we tender for anything they provide.



Where the size of an event justifies external trading stalls, we will prioritise suppliers of local sustainable products where these are available and appropriate to the event.



We are aware of the strong green agenda within Lancaster City Council and we monitor environmental information and training offered by them and other local organisations including Lancaster and Morecambe College, Lancaster University and local charitable organisations. Where these are targeted at businesses we share this information with levy payers to ensure they are kept fully informed and have the opportunity to participate if they feel it is appropriate for their business.



We are also aware of the increasing importance of Corporate Social Responsibility to businesses. We will continue to listen to our levy payers and will develop a wider range of environmental initiatives if demand increases.

2026-2031 Financial Projections

For the last thirteen years the BID levy has been fixed during the five year term, this has been difficult to manage with increase costs happening all the time but our income remaining stagnant. To help maintain the level of delivery expected we have decided to increase the levy by 0.01% of your rateable value each year to try and help with increases in certain areas.

The financial projections assume a levy collection rate of 93% which is in line with what Lancaster BID has collected in the past and falls in line with national average.

To ensure we deliver excellent value for money for levy payers we will have our usual strong focus on securing additional income streams to add to our overall budget to benefit Lancaster City Centre.

We have assumed our commercial income and securing of grants will remain consistent with the previous five years as we have developed fantastic partnerships.

We will continue to work hard to keep overhead costs low, this means that an amount greater than the total levy collection is expected to be available for investment directly into project delivery for the benefit of Lancaster City centre businesses.

Financial Projections for new BID term: 2026-2031

Income

Year	2026/27	2027/28	2028/29	2029/30	2030/31	
BID Levy Income	£284,000	£285,400	£287,000	£288,500	£290,000	
Additional Income	£66,000	£66,000	£66,000	£66,000	£66,000	Total Income 5 Years
Total Annual Income	£350,000	£351,400	£353,000	£354,500	£356,000	£1,764,900

Expenditure

	5 Year Total
Project Delivery Costs	£1,530,000
Administration and Overheads	£220,000
Total Expenditure	£1,750,000

Reserves

	Over 5 Years
Total Income	£1,764,900
Total Expenditure	£1,750,000
Balance Reserves	£14,900

In year one if your rateable value is £11,000 on 31/3/26 you will pay £203.50

In Year one if your rateable value is £18,500 on 31/3/26 you will pay £342.25

In Year one if your rateable value is 30,000 on 31/3/26 you will pay £555.00

Our Finances will continue to be managed by a contracted accountant with regular reporting for scrutiny to our Finance and Strategy sub group and BID Management Board. Accounts are externally verified and are available to all levy payers.

Lancaster BID always seeks to ensure excellent value for money for levy payers. In line with our ethos we will always seek suppliers from within the Lancaster district wherever possible. Where appropriate BID levy payers will be encouraged to quote to provide services.

When will I have to pay?

The five year term will commence on 1st April 2026. BID levy bills will be issued by Lancaster City Council in April each year as a one-off annual payment. If responsibility for Non Domestic Rates changes during the year, a pro rata refund will be calculated and a new BID levy bill issued to the newly responsible party.

Any questions?

To check if you are included within the Lancaster BID Zone, or to check your rateable value to calculate the amount you will have to pay contact the Lancaster BID team on info@lancasterbid.org or phone **01524 590650**.

Governance Arrangements

Lancaster BID is established as an independent not for profit Limited Company (Reg No 10080270). This ensures direct local control and oversight of all our decision making to deliver maximum benefits to city centre businesses. The company is overseen by a Board of Directors which is guided by decisions made by the Lancaster BID Management Board. The company is VAT registered and produces accounts which are externally verified by a qualified accountancy firm.

BID Levy Rules

- Lancaster BID levy will be calculated using the rateable values effective on 31/03/2026 for the full five-year term. New additions to the ratings list during the term will have BID levy liability calculated using the valuation first notified to the Business Rates team.
- BID Levy for financial year 2026/27 (commencing 01/04/2026) will be charged at 1.85% of rateable value effective on 31/03/2026.
- BID levy charges will then increase by 0.01% of rateable value in each remaining year of the BID term (2027/28 : 1.86%, 2028/29 : 1.87%, 2029/30: 1.88% and 2030/31 : 1.89%).
- This will be the fourth term of Lancaster BID and will run from 1st April 2026 for 5 years until 31st March 2031
- There will be no VAT charged on the BID levy.
- The BID levy will be applied to all business ratepayers of occupied or unoccupied property with a rateable value of £9,000 and above within the Lancaster BID Zone at any time that the BID is in operation.
- No relief is to be given to any class of non-domestic ratepayer irrespective of whatever relief or exemption they may currently enjoy in respect of Non Domestic (or Business) Rates, other than schools in the state education sector which are exempt from the BID levy.
- The BID levy will be used to fund the delivery of initiatives as outlined in this Business Plan or other activities of benefit to Lancaster city centre which are responsive to emerging priorities and approved by the Management Board.
- Businesses locating to or leaving the BID area during the time that the BID is in operation will pay a proportion of the levy calculated on a pro rata basis.
- The existing recovery procedures for the standard Business Rates bill will be utilised for any non-payment of the BID levy.
- There are no costs relating to the development of the new BID term which will need to be repaid during the term.
- For the purposes of definition the term 'Renewal' in regard to the Lancaster BID means replacement of the existing BID at the end of its current term (March 2026) with a new arrangement covering an extended area illustrated by the 'BID Zone' map (page 16) and which will be subject to the rules and arrangements herein.
- Notice of the intention to hold a ballot has been given to the Secretary of State and Lancaster City Council.
- The BID arrangements may be altered without an Alteration Ballot in the following instances:
 - Alterations do not alter the geographical area of the BID
 - Alterations do not alter the BID levy payable
 - Alterations do not conflict with the Local Government Act (2003) or
 - The Business Improvement District Regulations (2004)
- The streets and hereditaments to be included in the BID area may alter due to changes in the local ratings list. Hereditaments may be additionally included if their rateable value — at any time during the BID period — exceeds £9,000 or they are newly added to the local list and the rateable value threshold criteria (as set out in the above response to point 1 (1) (d) of schedule 1 of the BID regulations) is exceeded.
- Hereditaments may also be excluded from the BID area and BID levy charge in those cases where properties are removed from the local list. Where this occurs such amendments will be adjusted from the effective date notified by the Valuation Office.
- Where the rateable value for an individual hereditament changes due to a successful challenge and results in a change to BID levy, then this comes into effect only from the start of the financial year in which the change is made and no refunds will be made for previous years. This is known as the closed year rule.

Baseline Services

The BID's projects and services will be entirely additional to statutory services already delivered by Lancaster City Council or any other local authority. Your money will not be used to pay for any services that the council has a statutory duty to provide. This will be monitored through a baseline agreement with Lancaster City Council detailing the existing level of service provided by the City Council. BID funding may be used to work in partnership with the City Council or any other authority to add value and extend existing initiatives to provide added benefits to the city centre. In accordance with the statutory requirements for BID renewals the proposals set out in this Business Plan were put before Lancaster City Council cabinet and received approval.

Business Testimonials

“The work Lancaster BID does for our city is truly invaluable. Tony and the team’s dedication to supporting local businesses goes far beyond the basics – they offer consistent, hands-on support and actively help us all to thrive. What sets them apart is how they bring businesses together, creating a strong sense of community and shared purpose. In a time when connection and collaboration are more important than ever, Lancaster BID plays a vital role in building a supportive, united local business network. We’re proud to be part of it.

Nina Wilson
General Manager Royal Hotel and Bar

“Here at St Nics, we greatly value the work of Lancaster BID in making our city a safer, cleaner and a more vibrant place. The visible presence of the BID Warden, ongoing support for independent traders and other businesses, along with the diverse range of events and promotional activities that Lancaster BID deliver, makes our city not only a thriving destination to visit, but also a better place to live, work and shop.

Jolanta Cross
Centre Manager, St Nics



“Yourselves and all the teams / businesses involved on the 2024 Toy appeal put so much work into this and I can see the logistics needed to happen to make it all work so smoothly.

Lisa Lambert
Cancercare



Business Testimonials



“It has been really rewarding to work with the BID over the last few years, developing Lancaster’s Dino Fest into both a popular and an educational event, by drawing on Lancaster’s rich and historic connections with Sir Richard Owen, inventor of the term ‘dinosaur’ and first Director of the Natural History Museum.

Carolyn Dalton
Museum Development Manager,
Lancaster City Council

“Thank you Lancaster BID and Co for sorting every year, great to see some new and familiar faces making a difference in our local communities – there will be some happy kids this Christmas.

James Cookson
The Cumberland



“When I first opened my business in Lancaster I was unsure of what Lancaster BID had to offer me. I was hesitant to engage but when I did, I became aware of the many things open to me. These have included important networking with other hospitality and independent businesses, marketing opportunities and great events. This doesn’t even cover the impact Lancaster BID has had making Lancaster a cleaner, more inviting city.

Patrick Hall
Owner of Tipple and Runner Duck

Love Lancaster 5 Pillars

**LOVE
LANCASTER**

BID | LANCASTER
BUSINESS
IMPROVEMENT
DISTRICT



**LOVE
LANCASTER**

EVENTS

Events

Love live music in great venues, family friendly festivals, and plays in the park.

**LOVE
LANCASTER**

INDEPENDENTS

Independents

Love hidden gems from historic markets, and a high street full of collectables and trinkets, gifts, groceries, and garments.

Eat. Drink. Shop

Love eclectic coffee shops, boutique bars and breweries, and legendary nightclubs and proper pubs.

Love breakfast, brunch, lunch, dinner, AND tea.

**LOVE
LANCASTER**

EAT • DRINK • SHOP

Heritage & Culture

Love a castle of Kings and criminals, monuments to love, and a Quay made for a maritime past.

Love a history of mystery, witchery, heartache, and horror.

Love cobbled streets, city squares, a Little Crooked House, and a Bashful Alley.

Love paintings, priceless pieces, and performances; galleries, gigs, and comedy gags.

**LOVE
LANCASTER**

HERITAGE & CULTURE

Education

Love world-class education, building a career, building a home, building a life.

**LOVE
LANCASTER**

EDUCATION

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Appendix 2

Lancaster BID Renewal Proposal – Assessment of Regulatory Compliance

Regulation 4 and Schedule 1 of the BUSINESS IMPROVEMENT DISTRICTS (ENGLAND) REGULATIONS 2004 - set out the matters that should be included in a BID Renewal proposal. Where BID proposers decide to seek approval of BID proposals in a BID ballot, under this Regulation they must send to the billing authority the information in the table below. The current draft Lancaster BID Renewal proposal reflects the published standards as follows:

Regulation 4 Requirements	Compliance Y/N	Officer Comments
Standard documents		
A copy of the BID proposals;	Y	Although final formatted document to be produced
A summary of the consultation it has undertaken	Y	As noted in the report officers are aware of the consultation undertaken by Lancaster BID and a formal statement is included.
A summary of the proposed business plan;	Y	A summary will be prepared as part of the pre-ballot marketing material.
A summary of the financial arrangements for the BID body.	Y	The BID body is named as an incorporated Lancaster BID.
Proof of sufficient funds to pay the costs of the ballot	Y	The ballot will be a confidential postal ballot managed by UK Engage. Provision is made in the current BID budget.
Information requirements		
The works or services to be provided.	Y	The proposals are based around general objectives driven by consultation. Lancaster BID consider this the best way to secure a positive vote.
The existing baseline services	Y	Production of the baseline document is a function of the public service providers. A renewed city council baseline document will be prepared and agreed post ballot.
The geographical area to be covered by the BID arrangements;	Y	Plan included
The non-domestic ratepayers to be liable for the BID levy	Y	All business with RV of £9K and above.
How the levy will be calculated,	Y	BID levy is fixed as follows: 2026/27 1.85% 2027/28 1.86% 2028/29 1.87% 2029/30 1.88% 2030/31 1.89%
Whether costs incurred in developing the BID proposals, holding the ballot, or implementing the BID are to be recovered through the levy.	Y	It is clear that pre-ballot costs are covered and what administrative costs will be recovered through BID levy.
The ratepayers who will benefit from relief from the levy and the level of that relief;	Y	No other relief to any class of NNDR payer
Whether the BID arrangements may be altered without an alteration ballot and, if so, which aspects may be so altered;	Y	BID Body can alter arrangements without an Alteration Ballot as long as the geographical area is not changed and there is no conflict with BID Regulations (2004)

The duration of the renewed BID arrangements and when they will start	Y	1 st April 2026 until 31 st March 2031
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he following table is a list of the current Lancaster City Council Policy Framework as outlined in the council's constitution. The check-list gives an indication of where the BID Renewal Proposal conflicts with any of the policies or plans that the council has for Town Centre or the District as a whole.

Lancaster City Council Policy / Strategy	BID Renewal Proposal fit	Officer Comments
The policy framework means the following plans and strategies		
Council Plan (2024-2027)	√	Proposals support A Sustainable District, Inclusive and Prosperous Local Economy, Healthy and Happy Communities, and A Co-Operative, Kind and Responsible Council outcomes, success, measures and actions.
Local Plan Documents produced under the Local Development Framework	√	Supports local policy framework to strengthen Lancaster city centre.
Licensing Act 2003 Statement of Licensing Policy 2023-2027	√	Based on previous BID term all actions funded will comply with licensing policy.
Gambling Act 2005 Statement of Gambling Policy 2025-2028	N/A	No conflict anticipated - proposal actions not applicable to gambling issues.
Any other <u>relevant</u> plan or strategy (whether statutory or non-statutory) in respect of which Council from time to time determines that the decision on its adoption or approvals should be taken by it rather than the Cabinet.		
Sustainability / Climate Emergency	√	No conflict with current strategies – could assist in the area of local response to climate change.
Homes Strategy	N/A	No conflict anticipated - proposal actions not applicable to housing issues.
Medium Term Financial Strategy	√	Future council liabilities associated with BID are currently estimated for MTFS. These need to be reviewed on an annual basis for budget setting in future years.
Street Cleaning Standards	√	Based on previous BID term actions funded will fit with street cleansing regime.
Environmental Health Service Enforcement Policy	√	Based on previous BID term actions funded will comply with Environmental Health enforcement regime.
Lancaster City Centre Parking Strategy	√	Based on previous BID will engage positively with actions defined in the Parking Strategy.
Licensing Policy (including Alcohol and Entertainment, Taxi and Private Hire, Gambling and other licence arrangements)	√	Based on previous BID term all actions funded will comply with licensing policy.
Sport and leisure provision	√	No conflict anticipated

CABINET

Lancaster City Council's Progress to Net Zero

2 December 2025

Report of Chief Officer – Planning and Climate Change

PURPOSE OF REPORT				
To provide an end-of-year update regarding the City Council's ambition to reach net zero for all of its' own activities by 2030.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A			
This report is public.				

RECOMMENDATIONS OF Councillor Sam Riches (Cabinet Member with responsibility for Climate Action)

- (1) That Cabinet notes the progress towards net zero that is described in this first Annual Report.

1.0 Introduction

- 1.1 In January 2019, Lancaster City Council declared a Climate Emergency. In doing so, the Council committed to reaching net zero carbon for its own activities and services by 2030.

2.0 Proposal Details

- 2.1 The pace of change within the authority since then has been considerable. Climate Emergency UK, an organisation that regularly monitors all local authorities for their net zero performance and produces a national Climate Action Scorecard, have once again concluded that the City Council was the best-performing district council in England. Meanwhile, several local authority projects have been independently recognised for their contribution to climate mitigation and adaptation.
- 2.2 As we move into the latter half of the decade, it will become increasingly important to closely monitor the Council's progress against its' 2030 net zero target. The attached report, 'Our Journey to Net Zero – Delivering Energy Self-Sufficiency', is the first internal annual report which collates the progress that has been made so far.

- 2.3 The Report also identifies potential future projects that can contribute to the Council achieving its net zero target.

3.0 Details of Consultation

- 3.1 This is an Annual Report which represents an overview of the Council's existing projects and the progress to date. It does not seek approval for any new projects. Individual projects that are quoted will, where required, have previously been subject to consultation with the relevant groups and organisations. Future projects will also be subject to the same standards of engagement.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 There is no option being presented; the report is for noting.

5.0 Conclusion

- 5.1 The 1st Annual Report represents the current position regarding the Council's own net zero journey. It is anticipated that further reporting will take place each December up until and including 2030.

RELATIONSHIP TO POLICY FRAMEWORK

The progress that is described in the Annual Report directly relates to all four Principles and Themes of the Council Plan. In particular, it represents a series of actions to meet the challenge of the climate emergency. It also contributes towards building a sustainable and just local economy that benefits people and organisations. The impacts of the projects listed within the report will increase wellbeing and contribute towards the reduction of inequality; and it is an example of how we can bring people together to achieve the best outcomes for our communities by delivering effective and responsible public services.

The report is also read alongside the provisions of the Council's adopted Local Plan, which includes policies which aim to minimise emissions and maximise the use of renewable resources; mitigates the impact of climate change and promote increased climate resilience; encourage a modal shift in transport through considered design and working with partner authorities; and that contributes positively and responsibly to protecting and enhancing habitats and ecosystems in order to strengthen nature recovery.

CONCLUSION OF IMPACT ASSESSMENT

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

The Annual Report is reporting progress on the Council's approved commitment to reach net zero for its own activities by 2030. As this is an existing commitment, the report introduces no new impacts beyond that original decision.

LEGAL IMPLICATIONS

There are no legal implications stemming from this report.

FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

All current projects have financial provision included within approved revenue and capital budgets as appropriate. As detailed in section 3.1, the report does not seek approval of any new projects and any future proposals would be subject to the usual appraisal and governance procedures currently in place.

OTHER RESOURCE IMPLICATIONS

Human Resources:

There are no additional resource implications arising from the report.

Information Services:

There are no direct implications arising from the report.

Property:

The Annual Report provides an update on progress to date regarding the Council's previously approved objective to be net zero by 2030 in respect of its' own estate and activities. As such the content of the report has not additional implications beyond those that were considered originally.

Open Spaces:

The Annual Report provides an update on progress to date regarding the Council's previously approved objective to be net zero by 2030 in respect of its' own land. As such the content of the report has not additional implications beyond those that were considered originally.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Our Journey to Net Zero – Delivering Energy Self-Sufficiency – 1st Annual Report

Contact Officer: Mark Cassidy

Telephone: 01524 582390

E-mail: mcassidy@lancaster.gov.uk

Ref: N/A

Our Journey to Net Zero: Delivering Energy Self-Sufficiency

1st Annual Report – December 2025



Climate change remains the challenge of our generation and for future generations.

Governments from all around the world acknowledge that urgent change is required.

The UK Committee on Climate Change states that the ten warmest years on record in the UK have all occurred in the 21st century.

The World Meteorological Organisation (WMO) recently reported that levels of the most abundant greenhouse gases, including carbon dioxide, increased to record levels during 2024.

The impacts of climate change are accelerating, and they directly affect our residents, our businesses and other organisations. We must act faster to adapt to a changing climate and become more energy resilient.

Lancaster City Council is publishing this first annual report, **Our Journey to Net Zero**. This provides a summary of the authority's progress towards making all of the City Council's own operations and activities net zero by 2030.

The Council will aim to publish similar annual reports at the end of each year in order to closely monitor progress.

Cover Image: Burrow Beck Solar Farm, Scotforth under construction (2025).

Greenhouse gases are those gases in the Earth's atmosphere that trap heat. They include carbon dioxide, methane and nitrous oxide.

Whilst some greenhouse gases occur naturally, human activities are increasing the concentration of some of them in the atmosphere. This contributes to changes in our climate, including increases in global average temperatures. In order to avert the predicted worst-case scenarios of climate change, we collectively need to reduce greenhouse gas emissions.

'Net zero' means 'net zero emissions'. For Councils to reach net zero, this requires them to balance the amount of greenhouse gases that are emitted with the amount that are removed.

Emissions are sometimes referred to as being within Scope 1, Scope 2 or Scope 3.

The City Council's Scope 1 emissions are released as a direct result of the Council's activities. This includes combustible fuel (e.g. gas) for heating, and fuel that is burned (e.g. petrol) in Council-owned vehicles. **These direct emissions are the target for the Council's 2030 net zero commitment.**

Scope 2 emissions are those that are released as an indirect consumption of an energy commodity, such as purchased electricity. For the City Council, this will include the use of electricity in its buildings.

The Council's Scope 3 emissions are those 'other' emissions that occur indirectly and which are beyond the full control of the Council.

This Annual Report explains the global and national context that informs our journey to net zero. It sets out the case for change, citing the wider economic benefits that will also accrue over the long term. The Report then focuses on the City Council's efforts at a local level.

Climate change is a global problem that requires a global response. It threatens humans, the natural world and environmental wellbeing. It is critical that we act rapidly on climate adaptation, mitigation and community resilience. The Intergovernmental Panel on Climate Change noted that *“there is a rapidly closing window of opportunity to secure a liveable and sustainable future for all.”*¹

The climate crisis does not affect everyone equally. Research published this year added further evidence to prove that *“those least responsible often bear the greatest impacts”*.²

It disproportionately affects those countries with the fewest resources, whose economies are often more dependent upon agricultural, forestry and fishing activities. The failure of crop yields and the scarcity of clean water accelerates the spread of hunger and disease.

Climate extremes are increasingly displacing millions of people. In 2025 alone, the devastating impacts of extreme flooding in Pakistan and the record-breaking droughts across eastern and southern Africa are examples of an unjust climate breakdown.

The impacts are frequently experienced by the most vulnerable people, often women and children, indigenous peoples, or those living in poverty.

The World Bank previously estimated that the effects of climate change could result in between 68 and 135 million additional people living below the poverty line by 2030.³

Without action to adapt to climate change, these inequalities will continue to amplify.

The United Nations Framework Convention on Climate Change (UNFCCC) was created in May 1992, and it represents the main forum for global action.

¹ [IPCC_AR6_SYR_LongerReport.pdf](#)

² [High-income groups disproportionately contribute to climate extremes worldwide | Nature Climate Change](#)

³ [Global Action Urgently Needed to Halt Historic Threats to Poverty Reduction](#)

Today there are 198 parties to the UNFCCC. Preventing “*dangerous human interference with the climate system*” is the ultimate aim of the Convention.⁴

A series of legally binding protocols and agreements have emerged as a consequence of the work of the UNFCCC.

These include the Kyoto Protocol, which was adopted in December 1997 (but was ratified much later, in February 2005). This commits industrialised countries to limit and reduce greenhouse gas emissions in accordance with agreed, individual targets.

The (December) 2015 Paris Agreement is an international treaty on climate change that came into force a year later. It was a landmark agreement with an overarching objective to maintain the “*increase in the global average temperature to well below 2°C above pre-industrialised levels*” and to pursue efforts “*to limit the temperature increase to 1.5°C above pre-industrial levels.*”⁵

The United Nations Intergovernmental Panel on Climate Change has said that breaching the 1.5°C threshold risks unleashing a greater number of more severe climate change impacts, including more frequent and severe droughts, heatwaves, rainfall and flooding.

To limit global warming to 1.5°C, greenhouse gas emissions would have had to peak before 2025 at the latest and decline 43% by 2030. However, emissions reductions are not on target to achieve 1.5°C.⁶ In other words, the next few years are critical to restore our pathway to 1.5°C. this requires immediate and significant reductions across all sectors.

⁴ [United Nations Framework Convention on Climate Change | UNFCCC](#)

⁵ [The Paris Agreement | UNFCCC](#)

⁶ [Rise in carbon dioxide off track for limiting global warming to 1.5°C - Met Office](#)

The Climate Change Act 2008 legislated the United Kingdom's framework for setting carbon budgets. The Act has also been instrumental in halving the UK's greenhouse gas emissions since 1990, with the pace of reduction doubling since it came into force.

In 2019, on the advice of the Climate Change Committee, the UK committed to reaching net zero emissions by 2050. This means that the total greenhouse gas emissions would be equal to the emissions removed from the atmosphere, with the aim of limiting global warming and resultant climate change.

The UK Government has previously adopted a suite of policies to assist with reaching net zero. This included the Carbon Budget Delivery Plan (March 2023),⁷ which was produced as a statutory duty under the Climate Change Act.

The Carbon Budget Delivery Plan sets out how the Government would meet the emissions reductions required for each five-year carbon budget period (i.e. Carbon Budget Period 4, 2023-2027; Period 5, 2028-2032; and Period 6, 2033-2037).

The Climate Change Committee's 2025 Progress Report (June 2025)⁸ concluded that the net zero target is "*within reach, provided the Government stays the course*". The Committee noted that while historic progress had been driven by decarbonisation of the electricity system, more recent progress could be attributed to the transport sector, alongside the increased roll out of measures such as heat pumps and policies such as tree planting and peatland restoration.

Revisions to the Carbon Budget Delivery Plan were, at the time of compiling this Annual Report, anticipated in late-2025.

⁷ [Carbon Budget Delivery Plan](#)

⁸ [Progress in reducing emissions - 2025 report to Parliament - Climate Change Committee](#)

The case for change has never been more convincing, and it was comprehensively set out in the Climate Change Committee's recent letter to Government (October 2025).⁹ The key headlines were that:

- Climate change is increasingly driving extreme weather events;
- We are not yet adapted for the changes in weather and climate that we are living with today, let alone over the coming decades;
- Further climate change is inevitable because it will take "*several decades...to reduce global greenhouse gas emissions to net zero and global temperatures will continue to rise*" until we get close to that point;
- The UK should be prepared for climate change beyond the long-term temperature goal of the Paris Agreement;
- The most ambitious set of scenarios considered by the Intergovernmental Panel on Climate Change (IPCC) see global warming peak around 2045;
- Once global temperature is stabilised sea levels are expected to continue to rise for "*tens to hundreds of years*"; and,
- The complexity of the climate system means that extreme outcomes, including (at the highest end of possibilities) a 4°C rise above preindustrial levels by the end of the century cannot be ruled out, and "*should be considered as part of effective adaptation planning*".

The Committee advised that global warming temperatures will likely rise beyond 1.5°C above pre-industrial levels in the 2030s and around 2°C above the same levels in the 2050s. Continued warming along current trajectories suggests rises of between 2.5°C and 3°C by 2100.

The extreme changes in the UK's weather and climate mean that the country will need to adapt to become far more resilient. The Committee's assessment of the scale of these impacts is sobering reading. It suggests that the likelihood of heatwaves in England will double (from a 40% chance between 1981-2010 to 80% chance each year).

⁹ [CCC letter to Emma Hardy MP 13 October 2025](#)

Similarly the time spent under drought conditions due to low rainfall is expected to double at 2°C warming. Conditions for wildfires will become more favourable, with the wildfire season in the UK becoming longer, extending into the autumn.

Extreme (peak) rainfall is anticipated to increase by 10-15% for the wettest days at 2°C. Peak river flows will increase by up to 40% for some UK river catchment areas.

In an era of significant global and national economic challenges, the case for expenditure on climate change mitigation and adaptation can be lost or in some cases is seemingly outweighed by other demands on the public purse.

However, in its Fiscal Risks and Sustainability Report earlier this year,¹⁰ the Office for Budget Responsibility (OBR) also set out the “*significant risks*” that climate change damage poses to the economic and fiscal outcomes in the UK.

The OBR considered detailed scenarios which assessed the costs from (i) transitioning the economy to net zero emissions; and (ii) from damage to the economy caused by climate change. They concluded that (ii) was “*the more significant fiscal cost in the scenarios that we present*”.

The analysis estimated the costs to Government of the transition to net zero at 21% of gross domestic product (GDP). The estimated costs of climate damage continue to rise, and the OBR estimates that these costs (in the below 3°C scenario) will increase debt by 56% of GDP compared to a hypothetical scenario where there is no climate change. **In short, the cost of achieving net zero targets is lower than the costs of inaction.**

The OBR accepts that there remains a degree of uncertainty to their estimates of the fiscal costs of climate change. The uncertainty includes negative and positive risks. The negative risks include a fear that the climate damage estimates might be too low; or that irreversible ‘tipping point’ changes to the climatic system are highly probable and they underplay the significant economic damage that would also ensue. There is also a risk that there is a reduced local, national or global commitment towards transition.

¹⁰ [Fiscal risks and sustainability – July 2025 - Office for Budget Responsibility](#)

More positively, the OBR consider that there might be an accelerated global transition to net zero; or that the damage estimates may be too high; or that new or lower-cost technological solutions to reduce temperatures or remove emissions at scale may be found.

In returning to the content of the recent Climate Change Committee letter, these positive messages of hope are replicated. The Committee believes that achieving the long-term temperature goal of the Paris Agreement is possible, and that “*significant progress on the cost of low-carbon technologies*” has reduced the central expectations of future warming in the latter half of the century.

Additionally, if combined with rapid decarbonisation and the setting of ambitious adaptation policy, the impacts of climate change and the risks posed to society by mid-century can be reduced. The Committee considered that 2050 is “*sufficiently far in the future to support ambitious objectives delivered through action over long timescales*”. However there is also caution that adaptation objectives must be set to be achieved by 2050, or they may not happen soon enough to be effective.

By taking action to adapt to the likelihood of the above events, the UK will minimise the impacts upon people’s health and wellbeing. Food security is more likely to be preserved, and the objectives for protecting and enhancing the environment and nature are more likely to be delivered. The potential for disruption to our cities, towns and villages and our public services (and the key infrastructure that supports them) will also be reduced.

Lancaster City Council declared a ‘climate emergency’ at a meeting of Council in January 2019.¹¹

The declaration included a commitment to convene a People’s Jury to help identify how the City Council’s own activities can be made net zero by 2030. During 2020, at different in-person and online sessions, the Jury heard from a range of people (‘expert witnesses’) as well as sharing their own opinions, experiences and ideas.¹²



A series of recommendations were developed for the City Council to consider.¹³ Those recommendations that the City Council had direct responsibility for were progressed for decisions regarding action and priority.¹⁴ Recommendations that were beyond the remit of the City Council were forwarded to the appropriate other organisations.

Since the People’s Jury, the City Council has launched several projects aimed at meeting the Council’s corporate 2030 net zero commitment.

¹¹ [Our declaration - Lancaster City Council](#)

¹² [Lancaster district People's Jury: sessions overview - Lancaster City Council](#)

¹³ [People's Jury report \(2\).pdf](#)

¹⁴ [Jury People Recommendations & Actions taken since 2020](#)

The most strategic projects include the decarbonisation of the Council's buildings and vehicular fleet, and the delivery of new sources of renewable energy.

The Council Plan 2024-2027 ¹⁵ sets out the City Council's priorities, ambitions and a strategic vision for the district. It is underpinned by four principles:

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

One of the four themes of the Council Plan is taking action to meet the challenges of the Climate Emergency. The Council Plan describes how it will do this via a series of individual ambitions. They include achieving net zero carbon by 2030 whilst supporting other individuals, businesses and organisations across the district to reach the same goal. Other ambitions include increasing the amount of sustainable energy produced in the district, while decreasing the district's energy use; supporting our communities to grow more food, be resilient to flooding and adapt to the wider impacts of climate change; and to increase biodiversity, protect our district's unique ecology and ensure habitats provided for wildlife are maintained and improved. The ambitions also seek to move towards zero residual waste heading to landfill; and to transition to an accessible, inclusive and low-carbon and active transport system.

When making decisions regarding climate projects, the City Council aims to balance the significant rewards arising from emissions reduction with financial responsibility.

Several of the projects referred to in this Annual Report have benefitted from innovative funding bids, supported by capital investment by the Council and based upon data-driven evidence.

The Council has secured approximately £9.2m in external funding for major corporate decarbonisation and renewable energy projects, and it estimates that for every £1 of its own money that has been invested in the Council's Energy & Sustainability Team, it has seen a £12 return (2021-2025).

¹⁵ [Council plan - Lancaster City Council](#)

Meanwhile the delivery of new, long-term energy-generation assets across the district is providing the Council with new sources of revenue.

The economic rewards associated with project delivery are also stimulating the local supply chain and are supporting job creation and skills development, including apprenticeships.

Lancaster City Council is already seen as a national leader in this sector. Over the next couple of pages, we explain why.

Whilst this Annual Report provides an assessment of the City Council's journey to net zero, it is useful to reflect on how other organisations are evaluating Lancaster's efforts.

The most comprehensive national evaluation of climate action is undertaken every two years by an organisation called Climate Emergency UK (CE UK). CE UK were founded in 2019. They advocate for local authority climate action, and they lobby nationally for greater local government powers and funding.

CE UK created and published Local Authority Climate Action Scorecards in 2023, and they repeated the process in 2025. The scorecards represent an independent assessment of each Council's progress towards net zero. They are scored across 7 different sections (Building and Heating; Transport; Planning and Land Use; Governance and Finance; Biodiversity; Collaboration and Engagement; and Waste Reduction and Food).

After topping the Action Scorecards for all English District Councils in 2023, the City Council achieved the same top ranking in 2025, with an improved total score of 69% and the highest score in the 'planning and land use' category in the country.¹⁶

In 2024, the City Council won the Local Government Chronicle Net Zero Category Award. The award recognised the Council's efforts to partially review their existing Local Plan specifically in terms of climate adaptation and mitigation in response to the Council's Climate Emergency Declaration (also known as the Climate Emergency Local Plan Review).

The Council was lauded for their *“unparalleled tenacity and determination in pushing boundaries and leading the charge on a national scale. Their commitment to addressing climate adaptation and mitigation through revised planning policies has set a shining example for other local authorities to emulate.”*

¹⁶ [District Councils' Climate Action Scorecards | Climate Emergency UK](#)

The judges said that *“this impactful initiative showcases how planning authorities like Lancaster City Council can create lasting, sustainable change for local communities, especially for the most vulnerable.”*

The Local Government Chronicle’s Idea Exchange further highlighted the Climate Emergency Local Plan Review following its formal adoption in early-2025, commenting that *“Lancaster City Council has taken on this fight against inconsistency and uncertainty...not just for its own district but for the rest of the country too.”*¹⁷

The Local Plan work was also recognised at the 2025 Municipal Journal Achievement Awards, where it won the Award for ‘Leadership in Responding to the Climate Emergency’.

The award was recognition for the work in delivering the Council’s Climate Emergency Local Plan Review, which was formally adopted earlier this year. The judges commended the Council for showing *“determined leadership by embedding climate action at the core of planning policy. Punching above its weight, it has challenged national barriers through its climate first Local Plan. Judges praised its quiet confidence, community engagement and national influence. Lancaster is an excellent blueprint for local leadership on the climate emergency”*.



¹⁷ [How we adapted our local plan for climate change | Local Government Chronicle \(LGC\)](#)

At the same awards, the Council's Principal Climate Policy Officer, Susanna Dart, was one of six shortlisted in the Rising Star category.

Earlier, work to decarbonise Salt Ayre Leisure Centre was recognised in the Association for Public Sector Excellence (APSE) Awards 2022.¹⁸ Utilising funding from the Government's Public Sector Decarbonisation Scheme, the Council replaced the Leisure Centre's gas boilers with a two-stage heat pump system, LED lighting and upgraded glazing to reduce energy consumption. A solar farm was also installed on the adjacent former landfill site to generate electricity.

Across all of its Services, Lancaster City Council is putting climate adaptation at the centre of its work. Amongst other projects that have been recognised as best practice are:

- Council of the Year at the North West Energy Efficiency Awards 2021, for its commitment to making its properties more energy efficient for tenants;
- Transforming and Innovating Public Services (TIPS) at the iNetwork Innovation Awards 2022, for its use of data and technology to change culture relating to the Co-Wheels Car Scheme;
- North West best Future-Ready category at the Federation of Small Businesses Awards 2022, for its efforts to address skill gaps, help high streets adapt to shifting consumer habits and help local firms on their own net zero journey;
- Sustainability in Home Adaptations at the National Healthy Homes awards 2022, recognising the holistic strategy of the Home Improvement Agency;
- Continued Green Flag Status for many of the Council's parks and public spaces, most recently in 2025;

Over the following pages, the Report describes the contribution that our recent and live projects will make regarding emission reductions.

¹⁸ [We're so proud of our net zero leisure centre providing Lancaster residents with a healthy community hub | Salix Finance](#)



Salt Ayre Leisure Centre (SALC) was the Council's single largest carbon emitter, due to its gas heating and year-round energy demands. Through a £6.8 million project (Public Sector Decarbonisation Scheme (PSDS) Phase 1), Salt Ayre became the UK's first fully decarbonised leisure centre.

Essential upgrades during 2021/22 included installing a two-stage heat pump system to replace the gas boilers; the fitting new double-glazed windows and LED lighting; and the construction of a 1.3 megawatt (MW) solar farm on the adjacent former landfill site to supply SALC via a direct wire.

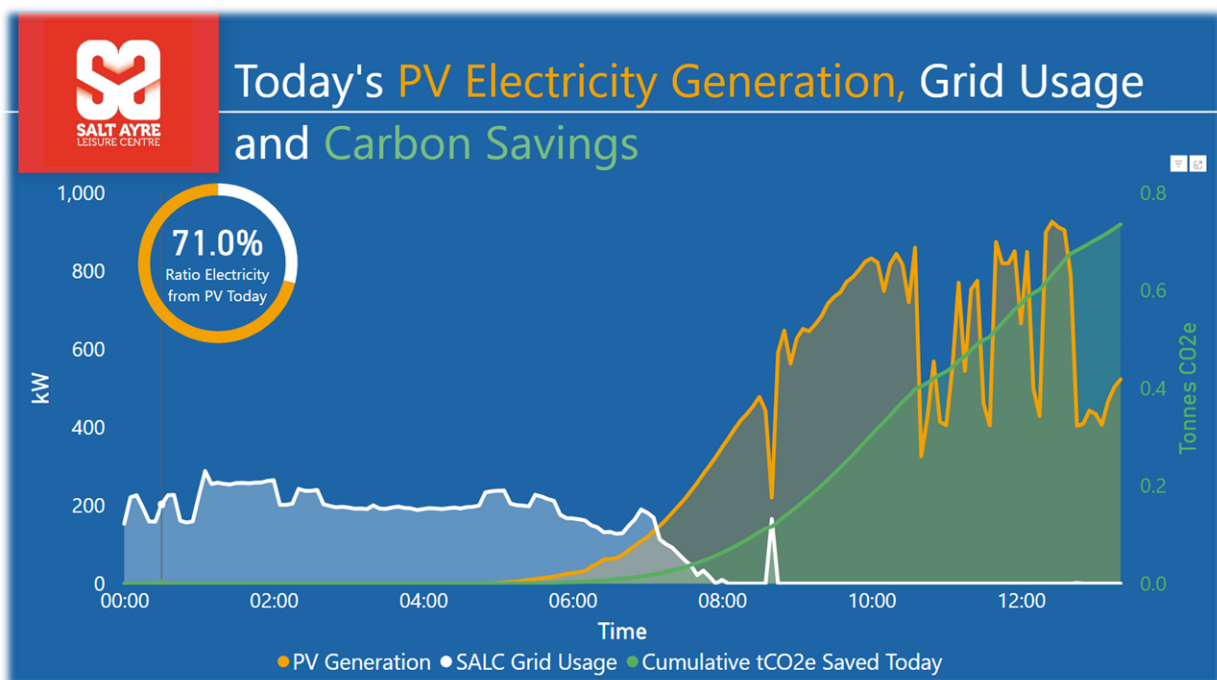
The results have been transformative. The work has delivered a 34% reduction in the Council's total gas consumption (completely eliminating SALC's fossil fuel use).

The solar installation and efficiency measures now save over 600 tonnes of carbon dioxide (tCO₂) each year, making SALC one of the first carbon-neutral leisure centres in the country. By 2024, the project had accumulated 1,300+ tonnes of CO₂ savings.

The investment makes economic sense too. Financially, the measures have saved approximately £480,000 in energy costs (2022/23 to 2024/25) compared to the old gas system.

The site can even operate off grid for up to 12 hours a day in spring/summer using its solar power and batteries.

This flagship project won an Association for Public Service Excellence (APSE) award in 2022, showcasing Lancaster's leadership in retrofitting public facilities.



Our Journey to Net Zero: Delivering Energy Self-Sufficiency

Progress Report – Building Decarbonisation



In addition to SALC, Lancaster City Council has successfully utilised funding under the Public Sector Decarbonisation Scheme (PSDS) to provide energy efficiency upgrades across 10 civic sites.

This work amounts to 3,500 LED light installations; secondary glazing across 6 sites; the installation of Building Management Energy System upgrades across 5 sites; pipework insulation at 3 sites; and the delivery of roof-mounted solar photovoltaics at CityLab.

These measures have combined to reduce energy consumption by 558,000 kilowatt-hours (kWh) per annum. This yields an 83 tCO₂ saving per annum and equates to financial savings of approximately £200,000 in energy costs over the two-year period of 2023/24 to 2024/25.

Progress Report – Burrow Beck Solar Farm



During 2025, planning permission was granted for the Burrow Beck Solar Farm. This set out to deliver a 3.8 MW solar array on its land at Scotforth. The work represents a £3.3M capital investment by the Council.

At the time of writing the solar array is under construction and the Council is working to a 'go live' date of April 2026.

It consists of approximately 5,400 panels, which will generate approximately 4 Gigawatt Hours per year (GWh/year). This has the potential to fully power the equivalent of 1,000 homes or meet 80% of the Council's current annual electricity consumption.

The scheme will provide a saving of approximately 800 tCO₂ per year; essentially offsetting the bulk of any remaining emissions from council operations.

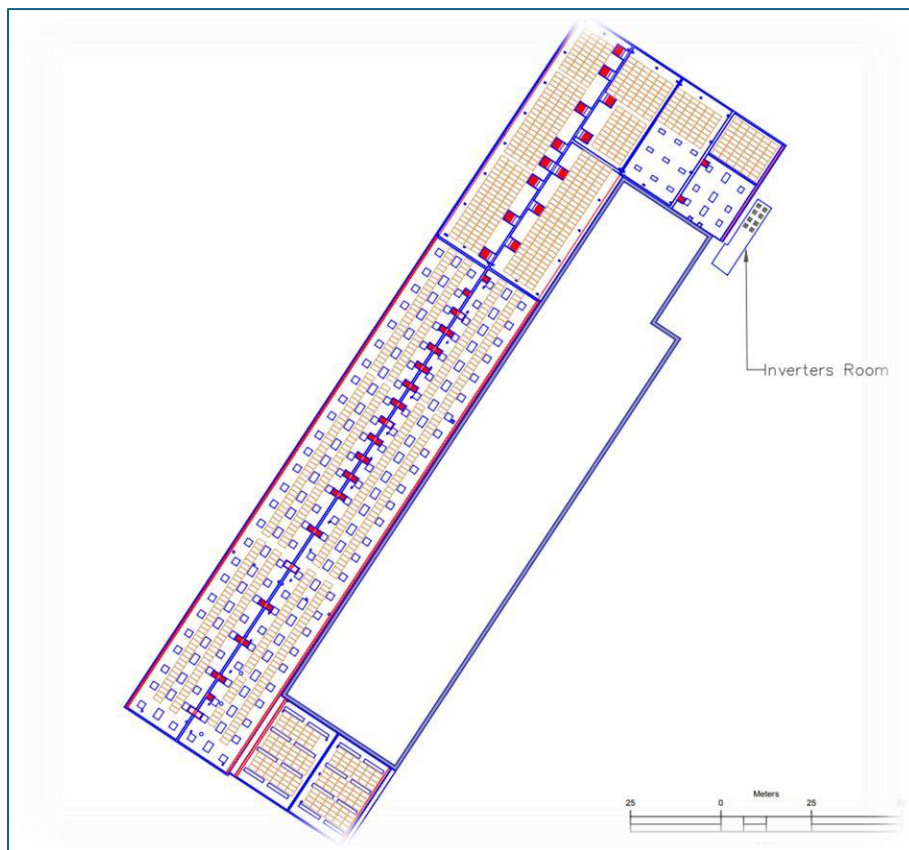
The other benefits include the delivery of a habitat bank, providing 19 habitat units which can also generate income for the Council, as well as improving the diversity of our biodiversity habitats.

The construction project also delivers an Employment Skills plan, which (in terms of job creation and training) has a monetary equivalent of £39,000. The Council is currently forecasting a potential £300,000 income stream per year from 2026/27. This helps to insulate the Council against energy shocks – if energy prices rise then export income deriving from the project rises too. This project delivers energy and financial resilience.

The revenue for the Council could potentially be used to deliver additional, financially-sound, climate action projects.

This project illustrates the Council's strategy of investing in renewables to hit the final stretch of the 2030 target.

Progress Report – Gateway Solar Scheme



Another project that is currently being delivered is the provision of roof-mounted solar photovoltaics at the Council's Gateway Building, at White Lund Industrial Estate.

This 774 Kilowatt Peak (kWp) solar array represents a £700,000 investment from the Council and is due to be operational by April 2026.

The income projected from the scheme is estimated to be approximately £80,000 per annum from 2026/27.

60% of the energy that is produced will be consumed directly by the building's tenants, with the remainder being exported to the grid. There is a saving of approximately 134 tCO₂ per annum.

This project is another example where there will be improved energy security for the tenants during any periods of energy volatility, whilst also increasing the value of the Council's asset.

Progress Report – Energy-Efficient Housing

Following lengthy consideration by the Planning Inspectorate, robust challenge by the City Council, and changes to national planning policy, Lancaster City Council formally adopted their Climate Emergency Review of the Local Plan in January 2025.

The Plan was lauded as being at the forefront of integrating net zero into local planning policy. In particular, the Council's drive to raise energy efficiency standards above those required by the building regulations attracted national attention.¹⁹

The result has been the implementation of a policy that takes a tiered approach to all new housing in the district. From January 2025, a fabric first approach is used to reach a minimum 75% reduction in carbon emissions against Part L of the (national) Building Regulations 2013, expressed as a % uplift of the dwelling's target emission rate (a rate which sets the standard for the energy performance of a building). By 1 January 2028, this requirement increases to 100%.

This policy now influences every residential development in the district, including those development proposals taken forward by the City Council. Earlier this year, the Council delivered highly energy-efficient homes as part of an independent living development at Alder Grove, Lancaster.²⁰

More recently the Council successfully secured £780,000 in funding from the Government's Warm Homes: Social Housing Fund Wave 3. This is a three-year programme of improvement to Council properties with poor energy performance. The funding will help reduce fuel bills, lower carbon emissions and create warmer, healthier living environments for tenants. To support residents in understanding how to best take advantage of their newly retrofitted homes, funding was secured from the Centre for Net Zero and High Density Buildings, to co-develop an accessible handover guide for residents.

¹⁹ [Council's climate change work highlighted by Channel 4 - Lancaster City Council](#)

²⁰ [Lancaster City Council unveils new energy efficient council homes - Lancaster City Council](#)

Our Journey to Net Zero: Delivering Energy Self-Sufficiency

Progress Report - Decarbonising Transport

Lancaster City Council continues to work closely with the authority that is responsible for transport and highways in the district, Lancashire Combined County Authority, regarding plans and projects that will help to decarbonise the local transport network.

At the time of compiling this report, the City Council was in the process of formally responding to the Combined County Authority's draft Lancashire Local Transport Plan (2025-2045).²¹ This Plan will inform decisions regarding travel and transport improvements.

With regard to the City Council's own activities, it has launched the Lancaster District Car Club (initially with Co-Wheels, now being delivered with Hiyacar). This award winning scheme provides access to electric vehicles for City Council staff, which in turn has reduced mileage reimbursements for staff travel and improves air quality.

The electric vehicles can also be used by local residents. The opportunity for third-party use means that there is now a local alternative for those residents who do not wish to own and maintain a car, but who do still wish to make occasional private vehicle journeys.

Meanwhile the People's Jury continues to play an active role in climate adaptation, particularly with regard to the travel and climate change conversations (2023).²² Lancaster's desire for improved public and active travel networks will be communicated to Lancashire County Council as part of the consultation regarding the Lancashire Local Transport Plan.

The People's Jury have also been collaborating with Council officers and artists from the Good Things Collective regarding amenity and safety improvements at the Bay Rose Crossing at the end of the Greenway Cycleway in Morecambe.²³ As well as improving connectivity, this project made a positive contribution to the public realm and biodiversity of the site.

²¹ [Lancashire Local Transport Plan 2025 to 2045 | Lancashire Combined County Authority](#)

²² [Local Climate Engagement](#)

²³ [People's Jury on Climate Change - Bay Roses Crossing](#)

Our Journey to Net Zero: Delivering Energy Self-Sufficiency

Progress Report – The Natural Environment

The most recent State of Nature Report (2023) confirmed the worrying, continuing trend for fragmentation of the country's habitats and degradation of the natural environment.²⁴

The Government established a series of plans and legislation to help improve and protect nature, including the 25-Year Environment Plan (25YEP) (2018). Since the City Council's Climate Emergency declaration, the Government has published a review of the 25YEP (2023). This review makes commitments to increase species abundance by at least 10% by 2030; restore or create at least 500,000 hectares of a range of wildlife-rich habitats; reduce the risk of species extinction; and restore 75% of the 1 million hectares of terrestrial and freshwater sites to a favourable condition.

The legislative driver for these ambitions is provided by the Environment Act 2021. This sets statutory targets for the recovery of the natural world in four priority areas; air quality, biodiversity, water and waste. Central to this is a new legal duty for all public bodies, including the City Council, to conserve and enhance biodiversity. A Biodiversity Duty came into force on 1 January 2023. The timeline and subsequent obligations for the City Council are:

Environment Act takes effect	1 January 2023
First Consideration Report	1 January 2024
Biodiversity Report 1 Period Ends	1 January 2026
Biodiversity Report 1 Publication	By 26 March 2026
Biodiversity Report 2	1 January 2031
Subsequent Biodiversity Reports	Every 5 years from 2031

When the Council prepared the First Considerations Report, it adopted a Biodiversity Action Plan.²⁵

²⁴ [State of Nature 2023 - report on the UK's current biodiversity](#)

²⁵ [Fulfilling the Biodiversity Duty First Considerations](#)

- Objective 1 – To improve biodiversity evidence base;
- Objective - To work with key partners to support biodiversity delivery across the district;
- Objective 3 – To deliver a measurable increase in biodiversity across the district;
- Objective 4 – To embed biodiversity in leadership and decision making;
- Objective 5 – To promote education and awareness; and,
- Objective 6 – To promote and support projects that deliver enhancements in biodiversity.

To support the delivery of all 6 objectives, a series of individual actions have been identified as part of the Biodiversity Action Plan. Progress regarding the delivery of these actions is being compiled ahead of the end of Biodiversity Reporting Period 1. It is then envisaged that the Biodiversity Report will be presented to the City Council's Cabinet in February/March 2026, with publication of the report no later than 26 March 2026 (in accordance with the statutory reporting periods).

Details of this Report will also be included in next year's Journey to Net Zero Annual Report (December 2026).

Since 2022 the Council has also worked with Lancaster University and Cornwall Council, and a range of Government, industry and professional stakeholders on the development of guidance and innovative model policies for soils at construction sites.²⁶ Soil carbon loss due to development is estimated to be higher than emissions from the concrete industry. Soils are the largest terrestrial carbon sink, and they support above and below-ground biodiversity and they are critical for water management.

²⁶ [Reports | Soils Task Force](#)

The City Council has also been involved in a Department for Environment, Food and Rural Affairs (DEFRA) funded programme regarding safeguarding our coastal communities. In 2021, DEFRA allocated £150m to 25 individual projects as part of their Flood and Coastal Resilience innovation Programme. The Programme aims to research and test practical actions to improve climate resilience by reducing the future costs and damages from flooding and coastal erosion.

One of those 25 projects is the ‘Our Future Coast’ project. Led by Wyre Council, the project includes several case study sites along the north west coastline. Lancaster City Council, with support from the Morecambe Bay Partnership, manages three of those sites at Hest Bank, Bolton-le-Sands and Jenny Brown’s Point, Silverdale.²⁷

Aside from the Biodiversity Action Plan and the Our Future Coast Project, smaller, more local schemes have a big role to play in creating new or improved habitats for wildlife and, consequently, helping the district become a greener, healthier place to live and work.

The biodiversity projects that have been supported by the City Council since the climate emergency declaration include:

- The grant of a 12-year license agreement between the Council and the charitable residents’ group, Hermitage Field Community Meadow, for a wildflower meadow at the Crook of Lune;
- Development of a small nature reserve at Uggle Lane, Scotforth;
- Regular Council-run wildflower seed sowing events (including at Heysham, Silverdale, Wray with Botton, and along the Bay Gateway);
- Planting of cherry trees, hedges and snowdrops in Ryelands Park; and,

²⁷ [Our Future Coast](#)

- Hosting litter picks, weeding and gardening as part of the #LoveParks events in Regent Park, Happy Mount Park and Ryelands Park.

The Council will also be publishing its Climate and Nature Strategy shortly.

Our Journey to Net Zero: Delivering Energy Self-Sufficiency

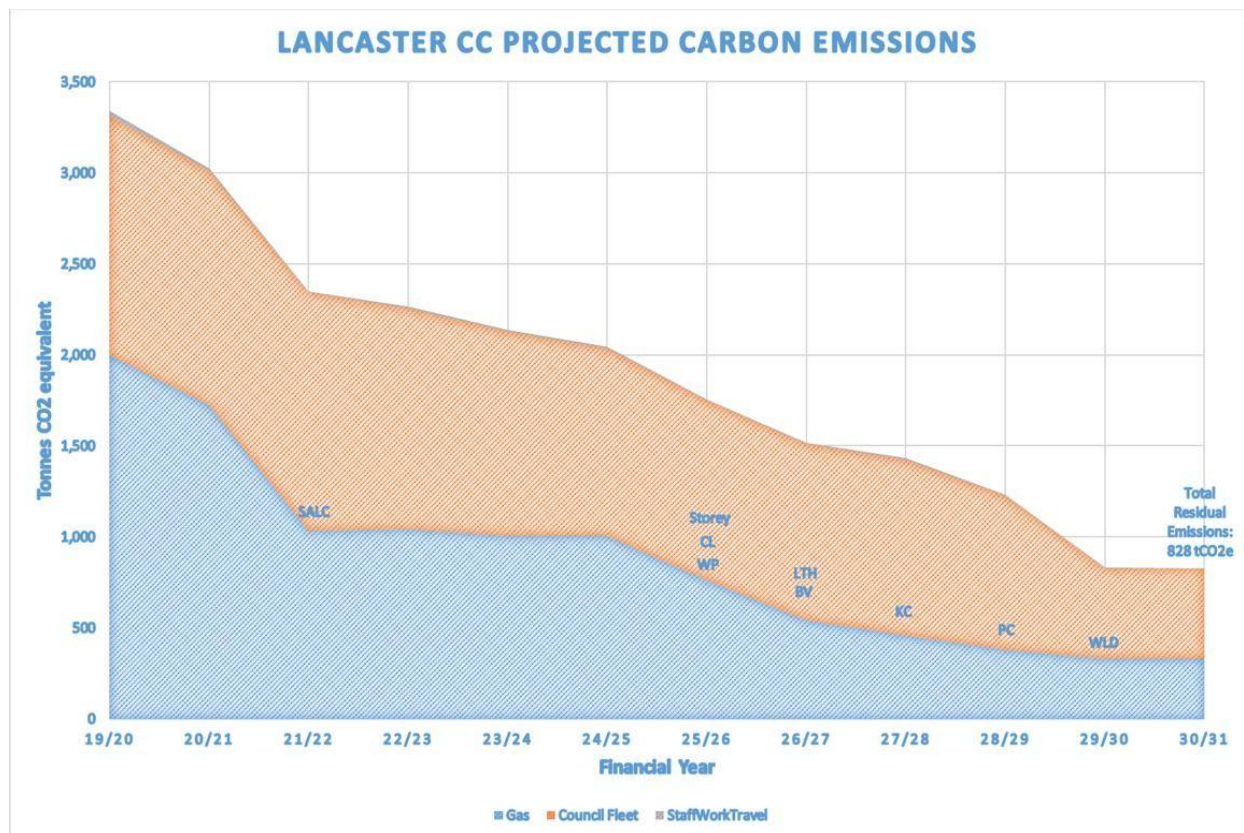
Progress Report – Waste Reduction

The Government's *Simpler Recycling in England* policy requires Councils to make changes to their waste and recycling collections. The changes that Lancaster City Council are introducing will make it easier to recycle, reduce waste and support our commitment to moving towards zero residual waste to landfill and incineration.

The changes require Councils to collect food waste separately by 31 March 2026, and to increase the amount of waste that it sends to recycling.

The existing waste recycling boxes (55 litre) are being replaced by 240 litre recycling wheelie bins. This increase in capacity will also reduce incidents experienced during extreme weather events when recycling is blown away in strong winds. Collections of recycling and grey bin (non-recyclable) waste will occur on a three-weekly basis.

In early 2026 the Council will also issue a food waste recycling pack which will contain a 7 litre kitchen caddy; a 23 litre caddy for outside with a lock mechanism, a starter pack of kitchen caddy liner bags and an information leaflet. Food waste collections will begin the week after delivery (and will continue on a weekly basis), with the waste being taken to Farington Waste Recovery Park to be processed into biogas, to generate electricity.



The above graph illustrates the progress made in reducing the City Council's carbon emissions. The data is separated to indicate the Scope 1 (direct) emissions caused by gas (shown in blue); those that are caused by the Council's fleet of vehicles (shown in orange); and an amount caused by staff travel (which is barely perceptible in the graph because the amount is so comparatively small). The text within the graph refers to key local authority sites (e.g. Salt Ayre Leisure Centre; The Storey; CityLab, Williamson Park; Lancaster Town Hall; White Lund Depot and sheltered housing sites such as Beck View, Kingsway Court and Parkside Court).

The estimates are predicated on the continued successful implementation of the remaining PSDS building decarbonisation projects, and the electrification of the Council's fleet including the electric vehicle car club. There are also opportunities to offset 850 tCO₂e of residual emissions by 2030 via the renewable energy schemes at Burrow Beck and at Gateway.

This data indicates that the Council is currently on target to meet its 2030 net zero timeframe.

The next pages discuss the potential risks to that progress, before the report concludes by outlining the likely priorities for the next 12 months.

Whilst the City Council's progress has been encouraging, there are risks that may prevent the authority from achieving its 2030 net zero target.

Key decarbonisation projects, particularly at high-emission sites such as Williamson Park and The Storey, are dependent on planning approval. The risks posed by delays, or the failure to secure planning permission/listed building consent at all, would mean that the Council will struggle to reduce Scope 1 emissions by December 2030. These two sites represent approximately 45% of our remaining emissions from corporate buildings.

Additionally, the ability to deliver on the net zero commitment has been heavily reliant on the Council's Planning & Climate Change Service (Energy & Sustainability Team) securing external funding. One of the main sources of funds was the Public Sector Decarbonisation Scheme (PSDS), which aimed to reduce emissions from public sector buildings by 75% by 2037.

However, the Government's Spending Review 2025 confirmed that there are no plans for further rounds of PSDS funding. Existing phases 3C and 4 would continue until their existing deadlines (31 March 2026 and 31 March 2028 respectively). Unless an alternative external funding model is announced, Councils will have to consider self-funding any future projects.

A further risk is that the Council's Fleet Programme now assumes internal combustion engines for its remaining vehicles, including its refuse collection vehicles. This decision equates to an additional 1,400 tonnes of carbon dioxide equivalent.

Success in achieving the 2030 date is dependent upon buy-in from all Service areas throughout the Council. Climate considerations need to continue to be embedded in all decision-making processes. Of course, decisions might not always result in an outcome that delivers the greatest climate mitigation, and there may be other compelling reasons (including financial reasons) that justify decisions. But the Council must always avoid short-term silo thinking that fails to appropriately consider the long-term climate impacts of decision-making. Otherwise it

increases the Council's risk of not achieving the 2030 target and, critically, it fails the long-term future of our residents.

The Lancaster District is fortunate to have a collection of individuals and groups that are passionate about the health and wellbeing of our cities, towns and villages. But that continued support, engagement and participation in climate and biodiversity projects cannot be taken for granted. The Council must continue to make the environmental, economic and social case for climate mitigation, adaptation and resilience at every opportunity.

Maintaining momentum is also dependent upon staff retention. Local Government Reorganisation (LGR) promises notable benefits, including a greater decentralisation of powers and funding from Government. But the uncertainty created by LGR may have a detrimental impact upon staff retention.

To ensure that the City Council stays on track, the priorities for 2026 are:

- To consider alternatives to replace Public Sector Decarbonisation Funding;
- To ensure that existing projects are delivered on time and budget; and,
- To assess the implications of the decision not to continue electrifying the fleet and consider what alternative (such as the potential use of Hydrotreated Vegetable Oil as a clean burning biofuel) may be appropriate.

This first Annual Report highlights the many benefits associated with the City Council's pursuit of net zero for its own Scope 1 emissions by 2030.

By being less reliant on fossil fuels, the Council is creating the conditions for greater energy security and lower fuel bills. Renewable energy schemes are also helping to upskill local people in the sector.

The changes that the Council are making will help our district adapt to our changing climate, and by doing so will reduce the emotional, health and financial costs arising from extreme climate events.

Our projects will combine to deliver a thriving district today and in the future. This means cleaner air, more affordable living, more connected communities, increased biodiversity and greener, healthier spaces.

We are proud of the progress that we have made so far. There is still much to do, but we will look forward to continuing to share our progress annually up to December 2030.

CABINET

Establishment of a Planning Policy Cabinet Advisory Group

2 December 2025

Report of Chief Officer – Planning and Climate Change

PURPOSE OF REPORT			
This report sets out the proposed establishment of a new Planning Policy Cabinet Advisory Group to replace the existing Members' Local Plan Review Group.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/> Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A		
This report is public.			

RECOMMENDATIONS OF Councillor Sue Tyldesley (Cabinet Member with responsibility for Planning)

- (1) That Cabinet authorise the establishment of the Planning Policy Cabinet Advisory Group as a direct replacement for the existing Local Plan Review Group.
- (2) That the Terms of Reference attached at Appendix 1 be authorised by Cabinet.

1.0 Introduction

- 1.1 Advisory Groups are informal bodies that may be created by Cabinet. They are consultative and are not decision-making.
- 1.2 Periodically, Cabinet meets to determine which Advisory Groups should be established, which should be retained, and which Groups should be stood down. The last such meeting was in July 2023.

2.0 Proposal Details

- 2.1 The Local Plan Review Group (LPRG) was established in October 2019 to provide Members with an opportunity to consider the purpose, scope and future direction of the Council's Local Plan, particularly in the context of the (then) emerging Climate Emergency Review of the Local Plan. LPRG became an effective body in setting the Council's plan-making agenda, and it helped to validate the urgent need to pursue new policies relating to energy efficiency standards and the decarbonisation of transport.

- 2.2 Since the Climate Emergency Review of the Local Plan was adopted earlier this year, the focus has turned to preparation of the new District Local Plan. Cabinet approved the timescale for Local Plan preparation on 15 April 2025, and LPRG has continued to receive progress updates since then.
- 2.3 It is now considered that a more structured informal body, in the form of a Planning Policy Cabinet Advisory Group, will provide more proportionate scrutiny and have benefit in helping the Council achieve the challenging Local Plan timescales. In establishing the Group, it is hoped that the Local Plan and other planning policy matters will enjoy a higher local profile and that it will lead to a more transparent process for all Elected Members and residents of the district.
- 2.4 Elected Members or other third parties can request to attend the meeting by writing to the Chair. This is not an automatic right, and the request may be turned down (with reasons provided if this is the case). External speakers/experts may be invited to speak at meetings at the request of the Chair. The Terms of Reference at Appendix 1 provides further detail.
- 2.5 Membership of the Group will be as per the political balance of the Council. In making membership nominations, the preference is for Members who already have some knowledge of the planning system, and who may have previously served (or currently serve) on the Planning Regulatory Committee.

3.0 Details of Consultation

- 3.1 The Terms of Reference have been compiled in consultation with Democratic and Legal colleagues, and in consultation with the Portfolio Holder for Planning.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: To establish a PPCAG to replace LPRG	Option 2: To not establish a PPCAG to replace LPRG
Advantages	The new Cabinet Advisory Group will have the opportunity to be more transparent and focused on wider plan-making matters and it is more conducive to supporting the new Local Plan preparation timescale.	The existing arrangements would continue.
Disadvantages	None.	An opportunity to widen the scope of the Group would be lost.
Risks	None.	None.

5.0 Officer Preferred Option

- 5.1 The preferred option is Option 1.

6.0 Conclusion

- 6.1 The establishment of the Planning Policy Cabinet Advisory Group will provide improved processes to help the Council achieve its plan-making aspirations.
- 6.2 If approved, it is envisaged that the first meeting of the Cabinet Advisory Group would be in January 2026, coinciding with the anticipated start of the formal stages of the Local Plan.

RELATIONSHIP TO POLICY FRAMEWORK

The Council Plan includes ambitions to make responsible decisions which support our ambitions for the district, and which seek to improve service delivery.

CONCLUSION OF IMPACT ASSESSMENT

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

The content of the report has no impact in itself.

LEGAL IMPLICATIONS

There are no legal implications stemming from this report.

FINANCIAL IMPLICATIONS

There are no financial implications associated with establishing the new Planning Policy Cabinet Advisory Group to replace the existing Members' Local Plan Review Group.

OTHER RESOURCE IMPLICATIONS

Human Resources:

There are no additional resource implications arising from the report.

Information Services:

There are no implications arising from the report.

Property:

There are no implications arising from the report.

Open Spaces:

There are no implications arising from the report.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Cabinet Procedure Rules in the Constitution allow the creation of Advisory Groups such as this. They are informal bodies that are purely consultative and not decision making.

BACKGROUND PAPERS

Appendix 1 – Planning Policy Cabinet

Contact Officer: Mark Cassidy

Telephone: 01524 582390

Advisory Group, Terms of Reference

E-mail: mcassidy@lancaster.gov.uk

Ref: N/A

Appendix 1

PLANNING POLICY CABINET ADVISORY GROUP

Chair

Portfolio Holder for Planning & Climate Change

Composition

In political balance (Chair not included in balance).

The meetings will be minuted. Agenda and minutes will be publicly available, although some papers presented to the PPCAG will require consideration in private.

Training

All members of the Advisory Group and Councillors attending as substitutes must:

- (a) Have undertaken any mandatory training on the relevant law and procedures that relate to the Group's work; and must,
- (b) Undertake further mandatory training, on an ad hoc basis, when there are changes to procedure or relevant legislation that are deemed to be significant by the relevant Chief Officer.

Frequency

Meetings will be called in response to the need for the presentation of draft material. As a guide, meeting frequency will be likely to be bi-monthly.

Purpose

The PPCAG is a cross-party group that will provide appropriate scrutiny and input to all relevant matters regarding local plan-making and other areas of planning policy preparation.

NB: The PPCAG will replace the Local Plan Review Group (meetings of which will cease once the PPCAG is constitutionally established).

Terms of Reference

- (i) To oversee the process of the preparation of all Development Plan Documents (DPDs), including emerging Local Plans and Neighbourhood Plans, prior to consideration by Cabinet and then (in the case of Local Plan documents) to Full Council.
- (ii) To oversee the preparation of the Local Plan Timetable (formerly the Local Development Scheme) and the Statement of Community Involvement, prior to consideration by Cabinet and/or Full Council.
- (iii) To oversee the process of preparing a proportionate evidence base to support the delivery of Local Plans, ensuring that its content and direction (both in terms of policies and land allocations) are fully informed by up-to-date and robust evidence which meets the tests of soundness at Local Plan Examination.
- (iv) To ensure, in discharging (i), (ii) and (iii) above, that Local Plans are positively prepared and evidentially based which results in a robust strategy that seeks to meet objectively assessed development and infrastructure needs, in order to ensure that they meet the 'tests of soundness' set out in the National Planning Policy Framework.
- (v) To oversee the process of the preparation of charging schedules relating to the Community Infrastructure Levy or any successor planning obligation provisions that are drafted to fund local infrastructure, prior to consideration by Cabinet and/or Full Council.
- (vi) To provide strategic planning input into the preparation of all Monitoring Reports, Position Statements, and any other annually required documents that are necessary as part of maintaining an up-to-date evidence base, prior to consideration by Cabinet.
- (vii) To oversee the process of the preparation of Supplementary Planning Documents (SPDs), prior to consideration by Cabinet.
- (viii) To oversee the process of the preparation of non-statutory Planning Advice Notes (PANs) or any other informal policy advice or guidance.
- (ix) To oversee the process of reviewing, appraising, and/or amending existing Conservation Areas; areas that are subject to Article 4 Direction; and the Local List of Non-Designated Heritage Assets, prior to consideration for approval by cabinet.
- (x) To oversee the process of making new Conservation Areas and Article 4 Direction areas, prior to consideration for approval by Cabinet.

- (xi) To oversee the process of reviewing, appraising and/or amending all other matters of planning policy, or the introduction of new policy, that lies outside of the scope of the Local Plan process, prior to consideration for approval by the appropriate decision-making body.
- (xii) To provide strategic planning input into the preparation of consultation responses affecting national planning legislation, policy and guidance, prior to any consideration by Council Business Committee.
- (xiii) To provide strategic planning input into the preparation of responses regarding other district, county, sub-regional or regional consultation matters, prior to any consideration by Council Business Committee.
- (xiv) To provide strategic planning input into the preparation of plan-making material that will be subject to public consultation.

NB: *The monitoring of expenditure within agreed budgets on the Local Plan or other planning policy matters remains a matter for Cabinet, not PPCAG.*

CABINET

**Local Council Tax Support Scheme (2026/27)
2nd December 2025**

**Report of Andrew Taylor, Assistant Director (Head of
Revenues and Benefits)**

PURPOSE OF REPORT				
To enable Cabinet to consider the existing Localised Council Tax Support ("LCTS") Scheme and the options available, ahead of formal consideration and approval by Council for application in 2026/27				
Key Decision	N	Non-Key Decision	Y	Referral from Cabinet Member
Date of notice of forthcoming key decision		2nd December 2025		
This report is public				

RECOMMENDATIONS OF Councillor Tim Hamilton-Cox

- (1) Retain the existing Localised Council Tax Support Scheme for 2026/27 (Option 1)

1.0 Introduction

- 1.1 Cabinet's views are sought as to whether to retain the existing Localised Council Tax Support Scheme for 2026/27 (Option 1) subject to future consequential minor amendments following changes in housing benefit rules; or whether to amend it to reduce entitlement (Option 2).
- 1.2 Following the abolition of the national Council Tax Benefit (CTB) system back in 2013, each billing authority now has a legal duty to adopt a Localised Council Tax Support (LCTS) scheme.
- 1.3 Each authority is also under a legal obligation to consider, for each year, whether to revise its scheme or to replace it with another scheme. The history of the Council's arrangements is summarised below:
- 1.4 The first local scheme was adopted in January 2013 for implementation in 2013/14. The Council chose not to reduce support levels at that time, unlike most other local authorities.

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

2.0 Overview of the Council's current scheme

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

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

- 2.6 The Department for Work and Pensions (DWP) operates a “full” Universal Credit (UC) service in this district, and the Council’s existing LCTS scheme accommodates this development. The Council’s current LCTS scheme principles are set out in **Appendix A** to this report.
- 2.7 This report sets out a recommendation that the LCTS scheme for 2026/27 be ‘retained’ in its present form, subject to minor consequential amendments to accommodate the annual uprating of similar applicable amounts in the Housing Benefit Scheme.

3.0 Details of Consultation

- 3.1 Members have previously indicated a preference to retain the existing LCTS scheme in its present format, subject to the scheme principles listed in **Appendix A**. As such, legally there is no need to consult on changes to the scheme at this stage. However, should “Option 2” be the preferred option of the Council, alternative scheme options will need to be developed for consideration by Council early next year, following a swift consultation exercise.
- 3.2 Under Option 1, the Council will write to major precepting authorities setting out the principles of the scheme for 2026/27, acknowledging the fact that they will share the financial cost and risk of any changes made. Their preference has always been for a cost neutral scheme that limits the financial pressure on their budgets as an alternative to cutting essential services.

4.0 Options and Options Analysis (including risk assessment)

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

4.2 Option 1:

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

- The existing scheme is considered soundly structured and works well, and offers maximum support for low-income families, who may otherwise find themselves in mounting debt.
- Current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council’s financial forecast. However, costs have increased in recent years with increased take-up due to the cost-of living crisis and annual Council tax increases. 2025/26 has seen a small reduction in residents receiving LCTS from 9,310 in 2024/25 to 9,235 in 2025/26. Should this trend continue, this could reduce costs of the scheme in the long term.

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

4.3 Option 2:

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

- Currently 9,235 residents claim LCTS in the Lancaster district. As pensioners make up 38% (3,554) of claimants, it means any cut in the level of support provided falls on the remaining 62% (5,681) of working age people on low incomes.
- A reduction in the levels of support provided could arguably provide claimants with further incentives to work, reducing their reliance on benefits, although the jobs market is particularly uncertain at this difficult time.
- This option will have greater adverse financial impact on working age households but would help protect other Council services by requiring less savings to be made by them.
- If levels of support are reduced, the Council would be tasked with the difficulty of collecting this debt from the more vulnerable members of our society, increasing workloads and costs associated with council tax recovery.
- Additional costs associated with developing new scheme options, consultation exercise, legal changes to scheme etc.

5.0 Options and Options Analysis (including risk assessment)

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

	cost-of-living progresses.	crisis	
--	----------------------------	--------	--

6.0 Officer Preferred Option (and comments)

- 6.1 Retain the existing Localised Council Tax Support Scheme for 2026/27 (Option 1). This will assist financially vulnerable Council Tax customers in the Lancaster City Council District.

7.0 Conclusion

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

RELATIONSHIP TO POLICY FRAMEWORK

The LCTS scheme is developed in support of ambitions within the Council Plan regarding "Healthy and Happy Communities" to optimise access for those that need it most, together with welfare benefits and related support.

CONCLUSION OF IMPACT ASSESSMENT

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

The ambition is to continue with a LCTS scheme for the Council, which supports the objective of simplicity, but protects the most vulnerable residents in the district. The Council must continue to ensure that it has due regard to equality in making its local scheme, including how it will minimise disadvantage.

The Equality and Human Rights Impact Assessment has been reviewed and can be found as part of **Appendix B**.

LEGAL IMPLICATIONS

The Local Government Finance Act 1992 (as amended) provides that the Council, as the billing authority, must consider whether to revise its LCTS scheme, or replace it with another scheme by 11th March every year. However, it is beneficial for the Council to determine the principles of its LCTS scheme early, in order to build estimates into its Tax Base calculations.

Before a Council can determine to revise or replace its LCTS scheme it must consult any major precepting authority which has the power to issue a precept to it and such other persons as it considers are likely to have an interest in the operation of the scheme. However, these consultation rules do not apply if the Council approves the recommendation to "retain" its existing LCTS scheme.

Likewise, if Council is not proposing to change the existing LCTS scheme then technically there is no requirement to seek approval from full Council. However, it is

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

FINANCIAL IMPLICATIONS

Currently the LCTS system is estimated to cost £11.823M in total each year with the Council's element amounting to 11.17% (£1.321M) in 2025/26; the cost being affected by council tax rates and claimant caseload, as well as the decisions of Council. The overall cost is broken down between working age claimants (£7.187M) and elderly claimants (£4.635M) with any decision disproportionately only affecting working age claimants. Of this cost for working age claimants (£7.187M), approximately £0.803M falls to the City Council, with the remainder being covered predominantly by the other major precepting authorities (County, Fire, Police) and a small element being met by Parish and Town Councils. Since the introduction of the LCTS scheme, the Government has rolled the Council Tax Support Grant into mainstream Government funding thereby making it impossible to separately identify. Should Council approve Option 2 and reduce support levels there would be related savings to the Council and major preceptors (County, Fire, Police), subject to the level of reduction. Any impact on parishes would be negligible. A cut of 10% in the level of support for working age claimants would equate to savings of £0.080M, whereas a 20% cut in support levels would equate to £0.161M in savings for the City Council.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None

Information Services:

None

Property:

None

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

As Members will be aware the Council is currently facing a significant budget deficit in 2026/27 and beyond, and as a result there is pressure to reduce costs where possible. As noted within the report Lancaster City Council is one of only a few Councils which provides 100% support for working age claimants at an annual cost exceeding £0.800M per annum, and so is an area where changes to the scheme could provide a level of savings to reduce the deficit.

Revisions to the scheme were reviewed as part of the 2024/25 budget process and based on Band D equivalent savings to the Council could be c.£0100M however this does not include the impact of any additional collection costs associated with nonpayment. Should Members wish to revise the scheme to achieve a degree of savings it should be balanced against the points raised at para 4.2 as well as the Council's stated Priorities.

MONITORING OFFICER'S COMMENTS	
The monitoring Officer has been consulted and has no further comments.	
BACKGROUND PAPERS	Contact Officer: Andrew Taylor, Assistant Director (Head of Revenues and Benefits) Telephone: 01772 906013 E-mail: a.taylor@preston.gov.uk

APPENDIX A

Lancaster City Council Summary Principles of the Council Tax Support Scheme

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

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

Class of persons:

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

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

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

Class of reductions:

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

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

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

Applications:

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

General administration of the scheme:

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

Changes in Circumstances:

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

Appeals process:

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

Backdating:

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

Up-rating:

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

Other Matters:

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



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

Section 1: Details:

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

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

Yes

Section 2: Summary:

What is the purpose, aims and objectives?

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

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

Who is intended to benefit and how?

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

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

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

Section 3: Assessing impact

Is there any potential or evidence that this will or could:		
• Affect people from any protected group differently to others?	Yes	
• Discriminate unlawfully against any protected group?		No
• Affect the relations between protected groups and others?		No
• Encourage protected groups to participate in activities if participation is disproportionately low (won't always be applicable)?		No
• Prevent the Council from achieving the aims of its' Equality and Diversity Policy?		No

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

Section 4: Next steps:

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

No further evidence required.

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

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

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

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

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

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



Delivering Our Priorities: Q2 2025/26

2 December 2025

Report of Chief Executive & s151 Officer

PURPOSE OF REPORT				
To provide members with an update on financial performance during the first two quarters of 2025/26 (April – September 2025).				
Key Decision	N	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision		N/A		
This report is public				

RECOMMENDATIONS OF COUNCILLOR HAMILTON-COX

That Cabinet

- (1) Consider the update on financial performance for Quarter 2 2025/26.

1.0 INTRODUCTION

- 1.1 The primary purpose of this report is to present information relating to the Council’s financial performance for the period April-September 2025, which can be found within the appendices.

2.0 FINANCIAL MONITORING

- 2.1 The 2025/26 Budget and Medium-Term Financial Strategy (MTFS) 2025-2030 approved by Council in February 2025 set a balanced budget for the year based on the assumptions made at that time.
- 2.2 All portfolios are required to examine their revenue budgets and meet with their budget holders regularly and reports are submitted to Cabinet and Budget & Performance Panel for review. To enable Portfolio Holders to meet this requirement, Financial Services continually reviews and refreshes how it presents the Council’s corporate monitoring information, with the Quarter 2 information distributed members of both committees on 31 October 2025.
- 2.3 In an attempt to aid understanding Members should note that where **projected variances** values are presented with brackets () this reflects a negative, or adverse movement from the budgeted position. Conversely, projected variances accompanied with a + sign represents a positive, or favourable movement from the budgeted position.
The following financial appendices accompany the financial monitoring section of this report.

Appendix A: General Fund Service Analysis

Appendix B: General Fund Subjective Analysis

Appendix C:	HRA Service Analysis
Appendix D:	General Fund Capital Projects
Appendix E:	HRA Capital Projects
Appendix F:	Reserves Projected Outturn
Appendix G:	Approved Savings Monitoring
Appendix H:	Service Analysis
Appendix I:	Aged Debt Summary By Service
Appendix J:	Treasury Management Quarterly Update

- 2.4 It should also be noted that **projected outturn figures are monitored against the working budget** and not the original budget within this report. The working budget includes approved virements and in-year budget adjustments. This reduces a number of variances in respect of items such as 'grossing-up' of grant income/expenditure and the movement of employees to different costs centres which is especially needed during times of service restructuring. It provides a more accurate up-to date forecast and eliminates the need for duplicate reporting at service and subjective levels.

3.0 SALARY PROJECTIONS

- 3.1 Salary expenditure is one of the largest areas of expenditure in the Council and the latest budgeted pay bill for direct employee expenses is £33.572M (£26.772M General Fund, £6.800M HRA).
- 3.2 As part of the 2025/26 budget setting process, an inflationary uplift of 2.5% was included to salaries across all services of the Council. The National Employers latest offer of an increase of 3.2% on all NJC pay points was agreed in July 2025.

For the purposes of the projected outturn calculations used within this report, the agreed offer of 3.2% has been included. For information, additional annual costs in the region of £0.228M (£0.182M General Fund, £0.046M HRA) have been forecasted.

- 3.3 The latest salary position is detailed in the table below.

Table 1 Quarter 2 Financial Monitoring – Salary Monitoring

	Salaries Variance £'000	Pay Award £'000	Agency Variance £'000	Other Variance £'000	Total Variance £'000
<u>General Fund</u>					
Environment & Place	163	(88)	(104)	0	(29)
Governance	130	(12)	(55)	0	+63
Housing & Property	236	(28)	(39)	(104)	+65
People & Policy	26	(11)	0	0	+15
Planning & Climate Change	250	(18)	0	(22)	+210
Resources	216	(15)	(8)	0	+193
Sustainable Growth	122	(10)	0	11	+123
Provision for Staff Turnover	(486)	0	0	0	(486)
TOTAL FAVOURABLE VARIANCE	657	(182)	(206)	(115)	+154
<u>Housing Revenue Account</u>					
Housing & Property	214	(46)	(72)	70	+166
Provision for Staff Turnover	(11)	0	0	0	(11)
TOTAL FAVOURABLE VARIANCE	203	(46)	(72)	70	+155

As the above table demonstrates, the council salary related position as a whole (including the additional pay award, agency and consultancy costs) is expected to be underspent by +£0.309M (£0.154M General Fund, £0.155M HRA). However, it should be noted that this includes an in-year re-assessment of the 'Provision for Staff Turnover' which is estimated at this point in time.

4.0 OUTCOMES BASED RESOURCING

- 4.1 As part of the 2025/26 budget setting process, Members approved savings and budget proposals to save the Council £0.025M in 2025/26. The process to implement these savings is now underway and Appendix G details the progress of each proposal.

5.0 COMMERCIAL & CORPORATE PROPERTY REVIEW

- 5.1 Following a review of the Council's commercial and corporate property portfolio, Members approved an ongoing programme of capital and revenue works over the next ten years to initially address the immediate issues whilst formulating an ongoing strategy to maintain the asset portfolio. This was included as part of the 2025/26 budget setting process and year one (2025/26) included a base budget amount of £1.541M which once adjusted for inflation amounted to £1.426M for specific work and £0.150M for project management costs.
- 5.2 Since budgetary approval was gained, an ongoing review of works required has been taking place. This review has highlighted changes required which mainly fall into the following categories:-
- Additional works identified including these industrial style roofs
 - Deletions / removal of works for properties subject to further review
 - Acceleration of works originally scheduled for future years
 - Slippage of works to later years
 - Movement between capital and revenue expenditure.

Usually, this will affect the net position of the Council in terms of net under or overspend being presented. However, due to the required reprofiling of expenditure across future financial years identified within the review, the consolidated underspend will be transferred into the Corporate Property Reserve.

In order to assist in providing a clearer financial position for services going forward, the connected financial budgetary positions have been removed from individual service lines reported within section 6 of this report and associated appendices. This is a differing approach to that taken within the quarter 1 report where they were included within service totals.

- 5.3 The following table outlines the latest position of the project.

Table 2 Quarter 2 Financial Monitoring – Corporate Property Review

	Original Budget 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000
<u>Environment & Place</u>					
Hospitality & Events Management	13	13	0	0	+13
Parks & Open Spaces	5	5	0	0	+5
Salt Ayre Leisure Centre	395	395	0	0	+395
Service Support	159	159	0	0	+159
Williamson Park	75	75	0	0	+75
<u>Housing & Property</u>					
Commercial Land & Properties	142	142	0	0	+142
Facilities Management	51	51	14	50	+1
Municipal Buildings	505	505	0	101	+404
Other Land & Buildings	80	80	0	0	+80
<u>Sustainable Growth</u>					
Markets	1	1	0	0	+1
<u>Other Items</u>					
Contribution to Reserve	0	0	0	1,275	(1,275)
Total Revenue	1,426	1,426	14	1,426	0

The review of the programme of works has been included within the draft estimates as part of the ongoing 2026/27 budget process.

6.0 GENERAL FUND SUMMARY POSITION

- 6.1 Quarter 2 (Q2) monitoring covers the period for April – September 2025. At the end of Q2 (September 2025) a year end underspend of **£0.331M** is projected against the Council's approved original net revenue budget of **£27.201M**.
- 6.2 A summary of the Q1 revenue position for the main service accounts of the Council is set out in table 3 below with commentary on significant variances provided in the following paragraphs.

Table 3 Quarter 2 Financial Monitoring – Service Analysis

	Provisional Outturn 2024/25 £'000	Original Budget 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000
Environment & Place	8,105	8,240	8,240	2,905	8,596	(356)
Governance	1,708	1,707	1,707	1,195	1,757	(50)
Housing & Property	1,605	3,536	3,536	(2,008)	3,007	+529
People & Policy	2,454	2,432	2,432	1,290	2,458	(26)
Planning & Climate Change	2,004	2,274	2,274	910	2,093	+181
Resources	4,710	5,084	5,084	1,781	5,041	+43
Sustainable Growth	(1,306)	(978)	(978)	(454)	(693)	(285)
Corporate Accounts	1,838	(87)	(87)	105	704	(791)
Other Items	5,661	4,810	4,810	(731)	3,724	+1,086
Sub Total	26,779	27,018	27,018	4,993	26,687	+331
Net Recharges to Housing Revenue Account	(1,026)	(1,026)	(1,026)	(1,026)	(1,026)	0
RMS Capital Charges (now Housing Revenue Account)	(200)	(218)	(218)	790	(218)	0
Corporate Property Review (Revenue)	0	1,427	1,427	14	152	+1,275
Corporate Property Review (Appropriation)	0	0	0	0	1,275	(1,275)
Revenue Reserve funded items (Revenue)	3,185	456	2,266	856	2,167	+99
Revenue Reserve funded items (Appropriation)	(3,134)	(456)	(2,266)	0	(2,167)	(99)
Sub Total	(1,175)	183	183	634	183	0
General Fund Revenue Budget	25,604	27,201	27,201	5,627	26,870	+331
Financing Income	(14,676)	(15,651)	(15,651)	7,297	(16,023)	+372
Council Tax Requirement	10,928	11,550	11,550	12,924	10,847	+703

Environment & Place (-£0.356M) Adverse

6.3 Significant budget variances : -

- Pay award (-£0.089M)
- General staff turnover savings +£0.059M due to vacancies across the service offset by overspend within waste collection due sickness levels plus the collection of recycling boxes now being delivered in-house
- Asset and Compliance Review (-£0.155M)
- Energy savings across service +£0.060M
- Vehicle hire costs (-£0.090M) within waste collection due to vehicles being off-road for repair as they approach renewal offset by R&M savings +£0.020M and fuel savings due to price +£0.035M
- Rental income to concessions on promenade not budgeted for +£0.033M
- Income shortfalls at SALC, including Spa, Swimming and Café (-£0.165M) partially offset by reduction in stock purchases +£0.032M and staffing contained within the general turnover savings above
- Income shortfall relating to trade waste (-£0.050M) in-line with previous years outturn and loss of custom due to not being able to make food waste collections
- Income shortfall relating Williamson Park Café and Shop due to closure of buildings (-£0.197M) partially offset by reduction in stock purchases +£0.089M

Governance (-£0.050M) Adverse

6.4 Significant budget variances : -

- Pay award (-£0.012M)
- Agency cover within service for two key posts (-£0.055M) offset by vacant post savings within service +£0.130M
- Potential City Council by-election not included within budget (-£0.024M)
- Reduced Legal Fee income (-£0.037M) plus a further (-£0.018M) fees due to specialist advice required
- Street Trading Consent scheme not yet commenced (-£0.020M)

Housing & Property +£0.529M Favourable

6.5 Significant budget variances : -

- Pay award (-£0.028M)
- General staff turnover savings, net of agency services +£0.093M
- Reduction in rent income due to commercial property lease changes (-£0.325M)
- Additional rent income due to ongoing lease negotiations +£0.290M, offset by increase in provision for bad debts (see Corporate Accounts)
- Net additional business rates on void units (-£0.297M)
- Reduction in B&B expenditure in line with quality assurance of placements and utilisation of Council voids +£0.691M
- Asset and Compliance Review +£0.167M
- Energy savings across service +£0.060M
- Removal of utilities savings target due to delays in recruitment (-£0.037M)

People & Policy (-£0.026M) Adverse

6.6 Significant budget variance: -

- Pay award (-£0.011M)
- Net impact of Morecambe VIC premises being empty (-£0.035M)

Planning & Climate Change +£0.181M Favourable

6.7 Significant budget variances: -

- Pay award (-£0.018M)
- Vacancies particularly within Planning Advice & Control. A small restructure is being explored to attract more applicants +£0.228M
- Reduced demand for pre-application advice particularly for the higher value, larger developments (-£0.035M)

Resources +£0.043M Favourable

6.8 Significant budget variances: -

- Pay award (-£0.015M)
- Salary savings +£0.208M including key accountancy and ICT vacancies
- Consultancy fees for Mainway scheme (-£0.049M)
- Increased shared service management fees for Revenues (-£0.040M)

Sustainable Growth (-£0.285M) Adverse

6.9 Significant budget variances: -

- Pay award (-£0.010M)
- Salary savings +£0.133M which includes 5 vacant Engineer posts and a reduction in post hours
- Reduced income levels at Morecambe Market partially due to less stall holders (-£0.057M)
- Revaluation of VAT classification at Morecambe Market resulting in 4 year VAT adjustments (-£0.209M)

- Off-street parking R&M and software costs (-£0.026M)
- Off-street parking pay and display income (-£0.100M)

Corporate Accounts (-£0.791M) Adverse

6.10 Significant budget variances: -

- The provision for staff turnover target (-£0.486M) is held within Corporate Services whilst the additional costs/savings generated are attributed to the individual service lines. The council salary related position within the general fund (including the additional pay award, agency and consultancy costs) is expected to be underspent by +£0.153M
- Provision for Bad Debts is anticipated to increase by (-£0.290M) due to ongoing lease negotiations (see Housing & Property)
- Costs for works relating to oil spill incident February 2025 (-£0.046M)
- Recovery of costs for works in default relating to incident at Supa Skips December 2023 +£0.034M

Other Items +£1.086M Favourable

6.11 Significant budget variances: -

- The removal of the an annual contribution to the renewals reserve following a review of reserve levels +£0.293M
- The new borrowing in 2024/25 was not incurred as anticipated largely due to significant levels of slippage on schemes in the capital programme leading to higher levels of cash balances. Further borrowing anticipated in 2025/26 is not expected until later in the year +£0.240M
- Interest rates have remained higher than the 3.5% forecast in September 2024 due to inflationary pressures. Also cash balances have been higher than forecast largely due to slippage on schemes in the capital programme +£0.332M
- Minimum Revenue Provision (MRP) savings arising due to slippage of schemes in the Capital Programme during 2024/25 and the use of capital receipts to finance short life assets in 2024/25 +£0.221M

6.11 Appendix A: General Fund Service Analysis (Q2) set out the above information in more detail and provides summary percentage variations for variances +/- £0.030M. Appendix H provides additional analysis across individual service areas.

6.12 The revenue position provided within table 3 above is analysed across the Council's subjective headings and is set out in table 4 below.

Table 4 Quarter 2 Financial Monitoring – Subjective Analysis

	Provisional Outturn 2024/25 £'000	Original Budget 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000
Employees	24,967	27,219	27,350	13,213	27,095	+255
Premises Related Exp	5,634	5,960	5,964	2,847	6,032	(68)
Transport Related Exp	1,661	1,720	1,720	916	1,747	(27)
Supplies and Services	16,743	14,609	17,822	7,507	16,841	+981
Transfer Payments	25,186	21,977	21,977	8,050	21,977	0
Support Services	217	142	160	1	160	0
Capital Charges	0	17	17	0	17	0
Capital Financing Costs	1,146	1,535	1,535	268	1,295	+240
Appropriations	8,858	4,515	4,515	0	4,001	+514
Income	(57,633)	(50,376)	(53,742)	(27,809)	(52,478)	(1,264)
Capital Financing Inc	0	(300)	(300)	0	0	(300)
Sub Total	26,779	27,018	27,018	4,993	26,687	+331
Net Recharges to Housing Revenue Account	(1,026)	(1,026)	(1,026)	(1,026)	(1,026)	0
RMS Capital Charges (now Housing Revenue Account)	(200)	(218)	(218)	790	(218)	0
Corporate Property Review (Revenue)	0	1,427	1,427	14	152	+1,275
Corporate Property Review (Appropriation)	0	0	0	0	1,275	(1,275)
Revenue Reserve funded items (Revenue)	3,185	456	2,266	856	2,167	+99
Revenue Reserve funded items (Appropriation)	(3,134)	(456)	(2,266)	0	(2,167)	(99)
Sub Total	(1,175)	183	183	634	183	0
General Fund Revenue Budget	25,604	27,201	27,201	5,627	26,870	+331
Financing Income	(14,676)	(15,651)	(15,651)	7,297	(16,023)	+372
Council Tax Requirement	10,928	11,550	11,550	12,924	10,847	+703

6.13 Appendix B: General Fund Subjective Analysis covers this information in more detail.

7.0 HOUSING REVENUE ACCOUNT SUMMARY POSITION

7.1 As at the end of Q2, a year end overspend against budget of **(-£0.696M)** is projected. A summary of the Q2 revenue position for the HRA is set out in table 5 below.

Table 5 Quarter 2 Financial Monitoring – HRA Service Analysis

	Provisional Outturn 2024/25 £'000	Original Budget 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000
Policy & Management	2,495	3,071	3,279	1,391	3,248	+31
Repairs & Maintenance	7,048	6,704	6,734	3,112	6,978	(244)
Welfare Services	(241)	(238)	(238)	(243)	(182)	(56)
Special Services	221	253	277	163	312	(35)
Miscellaneous Expenses	1,380	1,158	1,158	724	1,154	+4
Income Account	(18,919)	(18,255)	(18,255)	(8,960)	(17,968)	(287)
Capital Charges	(1,373)	7,424	7,424	0	7,424	0
Appropriations	8,872	(634)	(896)	0	(787)	(109)
Sub Total	(517)	(517)	(517)	(3,813)	179	(696)
Net Recharges to General Fund	517	517	517	517	517	0
Housing Revenue Account Budget	0	0	0	(3,296)	696	(696)

7.2 Significant budget variances: -

- Pay award (-£0.046M)
- General staff turnover savings, net of agency services +£0.212M
- Additional repairs costs relating to defending and settling disrepair claims (-£0.271M)
- Costs relating to fire at Bronte House (-£0.150M), reviewing options for capitalisation of costs
- Additional rent loss from voids due to ongoing capital projects and high levels of Right to Buy sales (-£0.242M)
- Additional council tax on re-lets due to major voids and capital projects (-£0.109M)
- Additional admin fees re high levels of Right to Buy sales +£0.039M
- Increase in contribution to reserves to fund Bridge House homeloss payments (-£0.200M)
- Removal of in-year contribution to Flats Planned Maintenance reserve +£0.033M
- Decrease in contribution to bad debt provision +£0.107M

7.3 Appendix C: Housing Revenue Account Service Analysis covers this information in more

detail and provides summary percentage variations for variances +/- £30K.

8.0 CAPITAL PROJECTS (General Fund & HRA)

- 8.1 At Q2 a year end variance against budget of **(-£4.920M)** (General Fund (-£4.760M), HRA (-£0.160M)) is projected. Summary details for both the General Fund and HRA are set out in table 6 below.

Table 6 Quarter 2 Financial Monitoring – Capital Projects

	Original Budget 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000	Slippage/ (Accelerated Expenditure) £'000
General Fund						
Environment & Place	10,404	8,122	(1,206)	8,122	0	0
Housing & Property	3,005	3,391	(2,774)	1,991	+1,400	(115)
People & Policy	0	0	0	0	0	0
Planning & Climate Change	5,933	6,986	56	4,000	+2,986	(2,433)
Resources	792	1,853	401	1,724	+129	(129)
Sustainable Growth	730	811	(4,566)	566	+245	(227)
Other Items	0	0	(158)	0	0	0
GENERAL FUND - TOTAL	20,864	21,163	(8,247)	16,403	4,760	(2,904)
Housing Revenue Account						
Adaptations	300	300	138	300	0	0
Energy Efficiency / Boiler Replacement	1,501	1,834	608	1,834	0	0
Internal Refurbishment	1,078	1,078	440	964	+114	0
External Refurbishment	637	855	155	855	0	0
Environmental Improvements	500	500	142	417	+83	0
Re-roofing / Window Renewals	595	693	39	693	0	0
Rewiring	88	128	45	122	+6	0
Lift Replacement	0	42	0	42	0	0
Fire Precaution Works	210	335	142	345	(10)	0
Housing Renewal & Renovation	957	939	503	972	(33)	0
Acquisitions	250	795	136	795	0	0
HOUSING REVENUE ACCOUNT - TOTAL	6,116	7,499	2,348	7,339	160	0
GRAND TOTAL	26,980	28,662	(5,899)	23,742	+4,920	(2,904)

- 8.2 The forecast underspending against budget relates to both General Fund and HRA. The table above highlights the slippage and accelerated expenditure, which is anticipated to be requested at the end of 2025/26. Once accounted for, the following differences represent the latest position of any forecast under/(over)spends :-

- Housing & Property: +£1.067M of Corporate and Commercial Property works have been reclassified as revenue and a newly updated programme will be picked up as part of the budget setting process.
A forecast underspend of +£0.226M is expected in relation to the Gateway Solar Array due to economies of scale anticipated from tying in these works with works at Burrow Beck Solar Farm.
-£0.008M overspend due to final valuation for works carried out at Mellishaw Park.
- Planning & Climate Change: A forecast underspend of +£0.533M relating to Burrow Beck Solar Farm due to the preparatory works carried out to ensure the contractor received a cleared site for construction and economies of scale achieved by using the same contractor for these works and works on the Gateway Solare Array.
- Sustainable Growth: Bare Outfall flooding project is complete with and underspend of -£0.018M

- 8.3 With regard to the overall projected favourable variance on the HRA Capital Programme of +£0.160M, this is largely due to a projected underspend of +£0.114M on internal refurbishment works. This will continue to be monitored throughout the year.

- 8.4 Appendix D General Fund Capital Projects and Appendix E HRA Capital Projects provide further information and summary commentary.

9.0 RESERVES

- 9.1 The Council's General Fund unallocated balances are projected to be **£9.491M**. This takes account of the projected net overspend reported here. Overall, the combined level of reserves is forecast to be **£29.735M**. Table 7 Quarter 2 Financial Monitoring – General Fund Reserves provides summary details for both Unallocated and Earmarked Reserves.

Table 7 Quarter 2 Financial Monitoring – General Fund Reserves

	<----- ORIGINAL BUDGET ----->					<----- PROJECTED OUTTURN ----->				
	31 March 2025 £	From Revenue £	To / (From) Capital £	To Revenue £	31 March 2026 £	31 March 2025 £	From Revenue £	To / (From) Capital £	To Revenue £	31 March 2026 £
Unallocated Balances	(8,189,200)	(820,000)	0	316,500	(8,692,700)	(10,027,832)	(1,151,000)	0	1,687,461	(9,491,371)
Total Earmarked Reserves (Usable)	(15,186,400)	(626,200)	38,000	82,700	(15,691,900)	(16,163,943)	(1,900,700)	38,000	269,400	(17,761,343)
Total Earmarked Reserves (Ringfenced)	(2,245,300)	(145,000)	0	19,200	(2,371,100)	(2,547,210)	(145,000)	0	210,400	(2,481,810)
Total Combined Reserves	(25,620,900)	(1,591,200)	38,000	418,400	(26,755,700)	(28,738,985)	(3,196,700)	38,000	2,167,261	(29,734,524)

- 9.2 The increase in usage of balances since the budget was approved include :-
- The inclusion of slippage (-£1.244M) as detailed within the Provisional Outturn report which was considered by Cabinet on 31 July 2025
 - Funding for a new fuel tank at White Lund Depot (-£0.025M)
 - Installation and setup costs relating to the Love Clean Streets app (-£0.028M)
 - Hostile vehicle mitigation for organised events (-£0.025M)
 - The installation of the temporary catering offer at Williamson Park and demolition of the café building, plus feasibility works and park lighting (-£0.200M)
 - Parking ANPR for Lancaster City Centre (-£0.032M)
 - Car parking strategy feasibility works (-£0.118M)
 - Additional Microsoft licenses to enable all staff access the council network (-£0.024M)
 - Cyber response security (-£0.078M)
 - Consultancy works in relation to commercial properties (-£0.035M)

- 9.3 The Council's Housing Revenue Account unallocated balances are projected to be **£0.517M** (deficit). This takes account of the projected net overspend reported here. Overall, the combined level of usable reserves is forecast to be **£0.650M**. Table 8 Quarter 2 Financial Monitoring – Housing Revenue Account Reserves provides summary details for both Unallocated and Earmarked Reserves.

Table 8 Quarter 2 Financial Monitoring – Housing Revenue Account Reserves

	<----- ORIGINAL BUDGET ----->					<----- PROJECTED OUTTURN ----->				
	31 March 2025	From Revenue	To / (From) Capital	To Revenue	31 March 2026	31 March 2025	From Revenue	To / (From) Capital	To Revenue	31 March 2026
	£	£	£	£	£	£	£	£	£	£
HRA Unallocated Balances	(76,000)	(26,700)	0	0	(102,700)	(151,800)	(26,700)		695,900	517,400
Total Earmarked Reserves	(2,671,800)	(5,057,900)	4,774,700	944,000	(2,011,000)	(3,303,500)	(5,168,200)	6,097,100	1,207,400	(1,167,200)
Total Combined Reserves	(2,747,800)	(5,084,600)	4,774,700	944,000	(2,113,700)	(3,455,300)	(5,194,900)	6,097,100	1,903,300	(649,800)

- 9.4 As the projected net overspend will cause HRA unallocated balances to fall into deficit, the financial health of the HRA is under close review and detailed plans are being developed to address the situation. Work is continuing to closely monitor areas of expenditure known to be under pressure and to evaluate all forecast spends against service priorities. In particular, the various factors which affect the depreciation charge are being reviewed, given the increases seen in recent years. These factors include:
- The quinquennial valuation of dwellings
 - Consideration of the methodology used in reaching a valuation that reflects the current use of the assets (social housing, EUV-SH)

- Assessment of the remaining useful life of properties
- Utilisation via the Major Repairs Reserve, including the potential funding of the self-financing loan principal repayment

Officers are optimistic that these reviews will ease the financial position, at least in the short to medium term, and allow the restatement of opening HRA unallocated balances to above the recommended minimum level. Further work is required regarding the methodology used in reaching a valuation of dwellings used for social housing, including liaison with external auditors and consideration of any impact on future years' capital programmes.

These reviews are informing the 2026/27 budget-setting process and when available, a clear updated net financial position will be presented which will allow the opportunity to inform decision making over the medium term.

- 9.5 Appendix F: Reserves Projected Outturn provides further detailed analysis for both funds.
- 9.6 The Council's reserves are used to manage pressures such as the cost of living crisis and also support the work to address the underlying structural deficit through the OBR process. As a result, they are fundamental to ensuring the financial sustainability of the Council as it deals with these pressures and will be kept under review by Officers and Members.

10.0 COLLECTION FUND

Business Rates

- 10.1 At the Autumn Budget on 30th October 2024 the Chancellor announced that for 2025/26:

- 2025/26 Multipliers – It was confirmed that the small business rates multiplier would be frozen at 49.9p with the standard multiplier uprated from 54.6p to 55.5p
- Retail, Hospitality and Leisure Relief – This relief has been decreased from 75% to 40% and the cap has remained the same i.e., £110,000.
- Removing Charitable Rate Relief from Private Schools – The existing mandatory business rates relief of 80% for private schools with charitable status will end from 1st April 2025.

Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant Retail, Hospitality and Leisure Relief in line with the relevant eligibility criteria. Authorities are compensated for the cost of granting these reliefs via a section 31 grant from the government.

Section 1 of the Non-Domestic Rating Act (2023) created a mandatory relief to businesses making improvements to properties they occupy. Businesses that have made qualifying improvements may benefit from 100% relief from higher bills for 12 months. The scheme will run until 1st April 2029.

- 10.2 The collection rate for Business Rates is currently 54.6%, which is ahead of the profiled target of 51.4%. The annual target is 98.0%.
- 10.3 Business rates monitoring to the end of quarter 2 predicts a favourable in year variance of +£0.337M. This relates to a lower Levy payment than forecast in budget projections +£0.415M and a change in section 31 grants payable for the current year of (-£0.077M). Additionally, there is a forecast year end deficit of (-£0.788M) which will be recognised in 2026/27, however this will be fully funded from the Business Rates Retention Reserve (BRRR).
- 10.4 With regard to 2026/27, the proposed business rates reset will take place and this will affect the collection fund in a number of ways :-
- A revised business rates baseline which is the amount that we are expected to collect as an Authority

- A revised baseline funding level which is the funding need as determined by the government
- Expected changes to the tariff payable by the Authority and S31 grants due to the Authority

The overall effect of the above is expected to be addressed within transitional arrangements but it is proposed to utilise the BRRR to mitigate any significant financial impact.

At the time of writing this report, the various models required to calculate the future impact have not been released. However, it is expected before the end of November and the financial impact will be considered within future iterations of the Medium Term Financial Strategy (MTFS) report as appropriate.

Council Tax

- 10.5 The current collection rate for Council Tax is 54.4% which is behind the profiled target of 56.5%. The annual target is 95.0%. The number of Local Council Tax Support claimants at Q2 is 9,227.

11.0 WRITE OFFS

- 11.1 Appendix I details the 'Aged Debt Summary by Service'. Note that the analysis does not include any debtors relating to collection fund, housing benefit and HRA housing rents income.
- 11.2 Table 9 below provides details of the debts have been written off by the Council's Revenues and Benefits service in relation to Council Tax, Business Rates and Housing Benefits Overpayments.

Table 9: Write Offs

	Q1	Q2	Q3	Q4	Total
Council Tax	239,172	454,898			694,070
Business Rates	209,793	199,776			409,569
Housing Benefit Overpayments	6,999	2,844			9,843
Housing Rents (HRA)	12,522	20,129			32,651
Total	468,486	677,647	0	0	1,146,133

- 11.3 The write-off of other sundry debts in excess of £500 must be approved by the Chief Officer (Resources), in consultation with the Chief Officer (Governance). The value of these debts written-off in quarter 2 (including those under £500) is £30,551.
- 11.4 Debts are deemed non recoverable after all reasonable recovery steps have been taken and can be written off in accordance with the Council's Debt Management Policy in a number of circumstances such as unable to trace, uneconomical to pursue, insolvency as well as imprisonment and death.

12.0 TREASURY MANAGEMENT

- 12.1 The Treasury Management Mid-Year Review report, as being reported elsewhere on this agenda, gives a quarterly update in respect of treasury management activities and the most recent economic prospects.
- 12.2 The average level of funds available for investment at the end of quarter 2 was £27.6M. In terms of performance against external benchmarks the return on investment at the end of the period was a follows:

Base Rate	– 4.00%
7 day SONIA	– 4.19%
Lancaster City Council	– 4.09%

Details of investment holdings are set out in the Treasury Management Mid-Year Review report.

- 12.3 No new borrowing was undertaken during quarter 2 with balance sheet projections indicating that temporary borrowing may be required before the end of the financial year. The ultimate amount and timing of this will depend on working capital cashflows in the run up to year end which are kept under close review with a further update being made available at quarter 3.
- 12.4 The Council has operated within the treasury and prudential indicators set out in its Treasury Management Strategy Statement for 2025/26. The Treasury Management Mid-Year Review report gives an update in respect of prudential indicators showing the current forecast for the year against estimate and last year's actuals.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

None directly identifiable, due to the high level nature of this report.

LEGAL IMPLICATIONS

There are no legal implications directly arising.

FINANCIAL IMPLICATIONS

As set out in the report.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

References and any related implications are contained within the report and related appendices.

SECTION 151 OFFICER'S COMMENTS

The report has been written by the Section 151 Officer.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

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Ref:

QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE ANALYSIS 2025/26

		Provisional Outturn 2024/25 £'000	Original Budget 2025/26 £'000	Budget Amendments 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000	Variance +/- £30K %
Services									
Environment & Place	ASNL and Nature Reserves	104	113	0	113	(30)	113	0	+18%
	Environmental Protection	276	455	0	455	37	374	81	
	Fleet Management	(4)	(9)	0	(9)	30	0	(9)	
	Food Safety	389	512	0	512	232	491	21	+8%
	Hospitality & Events Management	330	223	0	223	93	242	(19)	
	Parks & Open Spaces	1,381	1,532	0	1,532	842	1,403	129	
	Pest Control	(36)	(12)	0	(12)	(57)	(12)	0	(6%)
	Salt Ayre Leisure Centre	239	636	0	636	216	677	(41)	
	Service Support	670	565	0	565	435	738	(173)	
	Street Cleaning	1,784	1,923	0	1,923	992	1,879	44	+2%
	Streetscape	52	73	0	73	23	68	5	
	Trade Refuse	(787)	(818)	0	(818)	(1,107)	(762)	(56)	
	Waste Collection	3,239	2,608	0	2,608	985	2,741	(133)	(5%)
Williamson Park	468	439	0	439	214	644	(205)	(47%)	
Governance	Democratic Support & Elections	1,044	1,087	0	1,087	703	1,073	14	(12%)
	Legal Services	742	665	0	665	481	745	(80)	
	Licensing	(78)	(45)	0	(45)	11	(61)	16	
Housing & Property	Commercial Land & Properties	(1,696)	(1,364)	0	(1,364)	(307)	(1,008)	(356)	(26%)
	Customer Services	539	608	0	608	335	612	(4)	
	Facilities Management	593	623	0	623	303	613	10	
	GF Housing Schemes	(39)	(13)	0	(13)	(100)	(58)	45	+346%
	Municipal Buildings	664	694	0	694	364	742	(48)	
	Other Land & Buildings	42	42	0	42	42	64	(22)	
	Private Sector Housing	616	1,565	0	1,565	(3,198)	864	701	+45%
	Property Group	777	1,244	0	1,244	476	1,039	205	
	Public Health Services	109	137	0	137	77	139	(2)	
	Repairs & Maintenance	0	0	0	0	0	0	0	+16%
People & Policy	Communications	0	230	0	230	76	215	15	(18%)
	Community Connectors	166	0	0	0	0	0	0	
	Emergency Planning & CSP	99	117	0	117	45	118	(1)	
	Exec Support	196	197	0	197	115	202	(5)	+19%
	Health & Safety	74	67	3	70	28	74	(4)	
	HR & OD	1,193	855	0	855	419	853	2	
	Marketing	226	242	5	247	121	291	(44)	
	Policy and Partnerships	0	285	(8)	277	91	223	54	
	Projects & Performance	168	118	0	118	59	126	(8)	
	VCFS	300	321	0	321	310	321	0	
Visitor Information Centres	32	0	0	0	26	35	(35)		
Planning & Climate Change	DM - Building Control	172	270	0	270	(6)	252	18	+16%
	DM - Planning	644	822	0	822	415	690	132	
	Energy and Sustainability	294	210	0	210	177	218	(8)	
	Planning & Housing Strategy	894	972	0	972	324	933	39	+4%
Resources	CCTV	66	62	0	62	83	81	(19)	+3%
	Finance	1,455	1,679	0	1,679	859	1,629	50	
	ICT	1,557	1,789	0	1,789	1,049	1,764	25	
	Internal Audit	219	172	0	172	77	172	0	+25%
	Revenues & Benefits	1,413	1,382	0	1,382	(287)	1,395	(13)	
Sustainable Growth	Economic Development & Culture	220	226	0	226	109	226	0	(526%)
	Markets	(77)	(54)	0	(54)	(78)	230	(284)	
	Museums	493	490	0	490	227	484	6	
	Parking	(2,700)	(2,733)	0	(2,733)	(1,046)	(2,575)	(158)	(6%)
	Regeneration	483	546	0	546	235	530	16	
	Strategic Projects & Engineers	275	547	0	547	99	412	135	
		19,280	22,295	0	22,295	5,619	22,259	36	+0%
Corporate Services									
Corporate Accounts	Corporate Accounts	1,838	(87)	0	(87)	105	704	(791)	(909%)
Other Items	Contributions from Reserves	4,517	1,520	0	1,520	0	1,227	293	+19%
	Government Grants	(1,334)	(774)	0	(774)	(536)	(774)	0	
	Interest Payable	1,145	1,534	0	1,534	268	1,294	240	
	Interest Receivable	(1,302)	(465)	0	(465)	(463)	(797)	332	+71%
	Minimum Revenue Provision	2,912	2,924	0	2,924	0	2,703	221	
	Notional Charges	(55)	0	0	0	0	0	0	
	Pandemic Support	0	0	0	0	0	0	0	+8%
	Revenue Funding of Capital	(222)	71	0	71	0	71	0	
	Capital Funding of Revenue	0	0	0	0	0	0	0	
	UKSPF	0	0	0	0	0	0	0	+6%
		7,499	4,723	0	4,723	(626)	4,428	295	
Net Recharges to Housing Revenue Account		(1,026)	(1,026)	0	(1,026)	(1,026)	(1,026)	0	+89%
RMS Capital Charges (now Housing Revenue Account)		(200)	(218)	0	(218)	790	(218)	0	
Corporate Property Review (Revenue)		0	1,427	0	1,427	14	152	1,275	
Corporate Property Review (Appropriation)		0	0	0	0	0	1,275	(1,275)	+4%
Revenue Reserve funded items included in above analysis (Revenue)		3,185	456	1,810	2,266	856	2,167	99	
Revenue Reserve funded items included in above analysis (Appropriati		(3,134)	(456)	(1,810)	(2,266)	0	(2,167)	(99)	
General Fund Revenue Budget		25,604	27,201	0	27,201	5,627	26,870	331	+1%
Core Funding :	Revenue Support Grant	(433)	(460)	0	(460)	(231)	(460)	0	+2%
	Additional New Homes Bonus	0	0	0	0	0	0	0	
	Supplementary Government Grants	0	0	0	0	0	0	0	
	Prior Year Council Tax Surplus	141	(280)	0	(280)	0	(280)	0	
	Net Business Rates Income	(14,384)	(14,911)	0	(14,911)	7,528	(15,283)	372	
Council Tax Requirement		10,928	11,550	0	11,550	12,924	10,847	703	+6%

Notes:

1. Income is expressed as a negative figure in brackets
2. Expenditure is expressed as a positive figure
3. Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SUBJECTIVE ANALYSIS 2025/26

		Provisional Outturn 2024/25 £'000	Original Budget 2025/26 £'000	Budget Amendments 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000	Variance +/- £30K %
Employees	Direct Employee Expenses	23,446	26,393	109	26,502	12,569	26,031	471	+2%
	Indirect Employee Expenses	1,521	826	22	848	644	1,064	(216)	(25%)
	Cleaning and Domestic Supplies	182	177	(4)	173	96	186	(13)	
	Energy Costs	1,477	1,556	0	1,556	110	1,422	134	+9%
	Fixtures and Fittings	0	1	0	1	0	1	0	
	Grounds Maintenance Costs	59	62	0	62	10	62	0	
Premises Related Exp	Operational Bldgs Allocation	301	352	0	352	76	181	171	+49%
	Other Premises Costs	0	(37)	0	(37)	0	0	(37)	(100%)
	Premises Insurance	341	373	0	373	367	371	2	
	Rates	1,533	1,407	0	1,407	1,527	1,709	(302)	(21%)
	Rents	84	66	0	66	54	62	4	
	Repair and Maintenance	1,176	1,524	8	1,532	391	1,529	3	
	Water Services	481	479	0	479	216	509	(30)	(6%)
	Car Allowances	15	8	0	8	5	10	(2)	
	Contract Hire Operating Leases	41	16	0	16	101	122	(106)	(663%)
Transport Related Exp	Direct Transport Costs	1,507	1,582	0	1,582	720	1,515	67	+4%
	Other Transport Costs	0	0	0	0	0	0	0	
	Public Transport	8	20	0	20	4	14	6	
	Transport Insurance	90	94	0	94	86	86	8	
	Catering	37	58	0	58	19	58	0	
	Clothing Uniform and Laundry	145	101	0	101	53	100	1	
	Communications and Computing	1,677	1,737	30	1,767	1,474	1,813	(46)	(3%)
	Contribution to Provisions	1,147	250	0	250	0	540	(290)	(116%)
Supplies and Services	Equip Furniture and Materials	1,629	1,650	0	1,650	791	1,535	115	+7%
	Expenses	549	555	4	559	267	546	13	
	General Office Supplies	443	252	0	252	75	259	(7)	
	Grants and Subscriptions	1,831	1,393	375	1,768	1,213	1,805	(37)	(2%)
	Miscellaneous Expenses	960	1,320	1,975	3,295	333	2,358	937	+28%
	Services	8,325	7,293	829	8,122	3,282	7,827	295	+4%
Transfer Payments	Housing Benefit	25,186	21,977	0	21,977	8,050	21,977	0	
Support Services	Recharges Exp	217	142	18	160	1	160	0	
Capital Charges	Amortisation of Def Chgs	0	0	0	0	0	0	0	
	Depreciation	0	17	0	17	0	17	0	
Capital Financing Costs	Interest Payments	1,146	1,535	0	1,535	268	1,295	240	+16%
Appropriations	Appropriations	8,858	4,515	0	4,515	0	4,001	514	+11%
	Customer Fees and Charges	(20,696)	(20,141)	(3)	(20,144)	(10,616)	(19,312)	(832)	(4%)
	Government Grants	(29,348)	(25,790)	(2,061)	(27,851)	(14,064)	(27,501)	(350)	(1%)
Income	Interest	(1,389)	(543)	0	(543)	(463)	(875)	332	+61%
	Other Grants and Contributions	(2,731)	(2,048)	(1,289)	(3,337)	(2,123)	(3,073)	(264)	(8%)
	Recharges Inc	(3,469)	(1,854)	(13)	(1,867)	(543)	(1,717)	(150)	(8%)
Capital Financing Inc	Capital Related Income	0	(300)	0	(300)	0	0	(300)	(100%)
	Net Recharges to Housing Revenue Account	(1,026)	(1,026)	0	(1,026)	(1,026)	(1,026)	0	
	RMS Capital Charges (now Housing Revenue Account)	(200)	(218)	0	(218)	790	(218)	0	
	Corporate Property Review (Revenue)	0	1,427	0	1,427	14	152	1,275	+89%
	Corporate Property Review (Appropriation)	0	0	0	0	0	1,275	(1,275)	
	Revenue Reserve funded items included in above analysis (Revenue)	3,185	456	1,810	2,266	856	2,167	99	+4%
	Revenue Reserve funded items included in above analysis (Appropriation)	(3,134)	(456)	(1,810)	(2,266)	0	(2,167)	(99)	(4%)
General Fund Revenue Budget		25,604	27,201	0	27,201	5,627	26,870	331	+1%
Core Funding :	Revenue Support Grant	(433)	(460)	0	(460)	(231)	(460)	0	
	Additional New Homes Bonus	0	0	0	0	0	0	0	
	Supplementary Government Grants	0	0	0	0	0	0	0	
	Prior Year Council Tax Surplus	141	(280)	0	(280)	0	(280)	0	
	Net Business Rates Income	(14,384)	(14,911)	0	(14,911)	7,528	(15,283)	372	+2%
Council Tax Requirement		10,928	11,550	0	11,550	12,924	10,847	703	+6%

Notes:

- Income is expressed as a negative figure in brackets
- Expenditure is expressed as a positive figure
- Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 2 FINANCIAL REVENUE MONITORING - HRA SERVICE ANALYSIS 2025/26

		Provisional Outturn 2024/25 £'000	Original Budget 2025/26 £'000	Budget Amendments 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000	Variance +/- £30K %
Housing Revenue Account									
Housing Revenue Account	Policy & Management	2,495	3,071	208	3,279	1,391	3,248	31	+1%
	Repairs & Maintenance	7,048	6,704	30	6,734	3,112	6,978	(244)	(4%)
	Welfare Services	(241)	(238)	0	(238)	(243)	(182)	(56)	(24%)
	Special Services	221	253	24	277	163	312	(35)	(13%)
	Miscellaneous Expenses	1,380	1,158	0	1,158	724	1,154	4	
	Income Account	(18,919)	(18,255)	0	(18,255)	(8,960)	(17,968)	(287)	(2%)
	Capital Charges	(1,373)	7,424	0	7,424	0	7,424	0	
	Appropriations	8,872	(634)	(262)	(896)	0	(787)	(109)	(12%)
	Gain/Loss on Asset Sales	0	0	0	0	0	0	0	
	Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0	0	
		(517)	(517)	0	(517)	(3,813)	179	(696)	(135%)
Net Recharges to General Fund		517	517	0	517	517	517	0	
Housing Revenue Account Budget		0	0	0	0	(3,296)	696	(696)	

Notes:

1. Income is expressed as a negative figure in brackets

2. Expenditure is expressed as a positive figure

3. Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 2 FINANCIAL CAPITAL MONITORING - GENERAL FUND SERVICE ANALYSIS 2025/26

	Original Budget 2025/26 £'000	Budget Amendments 2025/26 £'000	Working Budget 2025/26 £'000	Q2 Actual 2025/26 £'000	Projected Outturn 2025/26 £'000	Projected Variance 2025/26 £'000	Projected 2025/26 (Slippage) / Accelerated Expenditure Request £'000	Variance +/- £30K %
Services								
Environment & Place	ASNL - Capital Access Works	0	0	0	(48)	0	0	0
	Commercial Venue Improvements	150	0	150	146	150	0	0
	Environment & Place Devpt Pool	4,346	(4,346)	0	0	0	0	0
	Food Waste Strategy	0	0	0	(1,462)	0	0	0
	National Landscape CORE Capital	0	0	0	0	0	0	0
	Playground - The Roods	0	0	0	0	0	0	0
	Public Bins	500	0	500	0	500	0	0
	Purchase Of Vehicles	5,337	(144)	5,193	0	5,193	0	0
	Wheelie Bins	0	2,208	2,208	94	2,208	0	0
	Winchester Field & Nature Area playground	71	0	71	64	71	0	0
Housing & Property	1 Lodge Street Urgent Structural Repairs	172	180	352	198	352	0	0
	87 King Street Conversion	400	(350)	50	0	0	50	(50) +100%
	Commercial Property Works	0	62	62	0	0	62	0 +100%
	Coopers Fields - BLRF	0	0	0	(183)	0	0	0
	Disabled Facilities Grants	0	0	0	(2,925)	0	0	0
	HIA Purchase of Vehicles	0	0	0	0	0	0	0
	Local Authority Housing Fund	0	0	0	(42)	0	0	0
	Low Voltage Switchgear & Solar Array - Gateway	974	2	976	0	750	226	0 +23%
	Mellishaw Park	0	0	0	8	8	(8)	0
	Property Capital Works	1,459	220	1,679	69	609	1,070	(65) +64%
People & Policy	White Lund Depot Improvements	0	272	272	101	272	0	0
Planning & Climate Change		0	0	0	0	0	0	0
	Burrow Beck Solar	3,600	553	4,153	609	3,600	553	0 +13%
	Electric Vehicle Charging Hub	0	60	60	(341)	60	0	0
	Planning & Climate Change Devpt Pool	400	(60)	340	0	340	0	0
	Property De-carbonisation Works	0	0	0	(66)	0	0	0
	Property De-carbonisation Works 2024-25	1,933	500	2,433	(12)	0	2,433	(2,433) +100%
Resources	SALC Salix Funded Optimised Solar Farm	0	0	0	(134)	0	0	0
	I.S. Desktop Equipment	257	1	258	21	129	129	(129) +50%
	I.T.Strategy	130	107	237	37	237	0	0
	ICT Laptop Replacement & E-campus screens	0	22	22	5	22	0	0
	ICT Nimble	0	252	252	125	252	0	0
	ICT Telephony	5	9	14	0	14	0	0
	Lancaster Local Fibre Network	0	1,070	1,070	213	1,070	0	0
	Resources Development Pool	400	(400)	0	0	0	0	0
Sustainable Growth	Bare Outfall Flooding	0	18	18	0	0	18	0
	Brownfield Land Release Fund	0	0	0	(2,389)	0	0	0
	Caton Road Flood Relief Scheme	0	0	0	(1,578)	0	0	0
	Centenary House Grant Funded Works	0	0	0	(448)	0	0	0
	City Museum Shop	0	14	14	0	14	0	0
	Coastal Revival Fund - Morecambe Co-op	0	0	0	(6)	0	0	0
	Economic Growth & Regen Devpt Pool	500	0	500	0	500	0	0
	Lancaster HS Heritage Action Zone	200	14	214	43	47	167	(167) +78%
	Lancaster Square Routes Project	0	5	5	(18)	5	0	0
	Morecambe Sea Front Parapet	30	30	60	7	0	60	(60)
Other Items	Our Future Coast	0	0	0	(177)	0	0	0
	REPF 24/25 (Yr2) External Projects	0	0	0	0	0	0	0
	REPF 25/26 (Yr3) External Projects	0	0	0	(75)	0	0	0
	The Streets are Ours Yr2	0	0	0	(5)	0	0	0
	UKSPF - 23-24 (yr2) External Projects	0	0	0	0	0	0	0
	UKSPF-23-24 (yr2) Lodge St Environs Enabling Works	0	0	0	1	0	0	0
	UKSPF 25/26 (yr 4) Affordable Warmth	0	0	0	(19)	0	0	0
	UKSPF 25/26 (yr4) Climate & Nature Study	0	0	0	(12)	0	0	0
	UKSPF 25-26 (yr4) Local Area Energy Plan	0	0	0	(48)	0	0	0
	UKSPF-25/26 (yr4) External Projects	0	0	0	0	0	0	0
		20,864	299	21,163	(8,247)	16,403	4,760	(2,904) +22%
GRAND TOTAL		20,864	299	21,163	(8,247)	16,403	4,760	(2,904) +22%

Notes:

1. Income is expressed as a negative figure in brackets
2. Expenditure is expressed as a positive figure
3. Projected Variances are expressed as negative () for adverse and positive + for favourable

Council Housing Capital Programme 2025/26

	2025/26 Original Budget	2025/26 Working Budget	2025/26 P6 Actual	2025/26 Projected Outturn	2025/26 Variance (Working v Projected)	Comments (Working Budget to Projected Outturn)
	£	£	£	£	£	
EXPENDITURE						
Adaptations	300,000	300,000	137,701	300,000	0	
Energy Efficiency / Boiler Replacement	1,501,000	1,834,300	607,945	1,834,300	0	
Internal Refurbishment	1,078,000	1,078,000	439,823	964,000	114,000	Projection based on current activity to Q2
External Refurbishment	637,000	855,400	154,595	855,400	0	
Environmental Improvements	500,000	500,000	142,204	417,000	83,000	Works on hardstanding areas for bins less than anticipated
Re-roofing / Window Renewals	595,000	692,900	38,599	692,900	0	
Rewiring	88,000	128,000	44,620	121,500	6,500	Completion of 2024/25 contract
Lift Replacement	0	42,000	0	42,000	0	
Fire Precaution Works	210,000	335,000	142,241	344,500	(9,500)	Completion of 2024/25 contracts
Housing Renewal & Renovation	957,000	938,500	502,613	971,500	(33,000)	Net additional cost for conversions and redevelopment projects including Alder Grove
Mainway Regeneration Project	0	0	-344,973	0	0	
Acquisitions	250,000	794,900	135,749	794,900	0	
TOTAL EXPENDITURE	6,116,000	7,499,000	2,001,116	7,338,000	161,000	

Note: Variances are expressed as negative () for adverse and positive + for favourable

Reserves Statement (Including Unallocated Balances)

<----- ORIGINAL BUDGET ----->

<----- PROJECTED OUTTURN ----->

	31 March 2025 £	From Revenue £	To / (From) Capital £	To Revenue £	31 March 2026 £	31 March 2025 £	From Revenue £	To / (From) Capital £	To Revenue £	31 March 2026 £
Unallocated Balances	(8,189,200)	(820,000)	0	316,500	(8,692,700)	(10,027,832)	(1,151,000)	0	1,687,461	(9,491,371)
Earmarked Reserves (Usable):										
Amenity Improvements	(29,000)				(29,000)	(29,000)				(29,000)
Corporate Priorities	(68,800)			82,700	13,900	(267,939)			157,100	(110,839)
Capital Support	(73,000)				(73,000)	(72,994)				(72,994)
Corporate Property	(313,500)				(313,500)	(313,548)	(1,274,500)			(1,588,048)
Covid 19 Support Reserve	(9,700)				(9,700)	(9,715)				(9,715)
Homelessness Support	(110,800)				(110,800)	(110,830)				(110,830)
Investment Property Maint	(84,900)				(84,900)	(119,114)				(119,114)
Invest to Save	(105,300)				(105,300)	(162,913)			57,600	(105,313)
Museums Acquisitions	(47,000)	(4,500)			(51,500)	(45,164)	(4,500)			(49,664)
Restructure	(400,000)				(400,000)	(450,628)			50,600	(400,028)
Business Rates Retention	(12,064,400)	(129,900)			(12,194,300)	(12,660,047)	(129,900)			(12,789,947)
Renewals Reserves	(1,880,000)	(491,800)	38,000		(2,333,800)	(1,922,051)	(491,800)	38,000	4,100	(2,375,851)
Total Earmarked Reserves (Usable)	(15,186,400)	(626,200)	38,000	82,700	(15,691,900)	(16,163,943)	(1,900,700)	38,000	269,400	(17,761,343)
Earmarked Reserves (Ringfenced):										
Elections	(62,300)	(45,000)			(107,300)	(62,302)	(45,000)			(107,302)
Lancaster District Hardship	(600)				(600)	(60,984)			60,400	(584)
Planning Fee Income	(10,600)				(10,600)	0				0
Revenue Grants Unapplied	(146,800)			19,200	(127,600)	(264,686)			150,000	(114,686)
S106 Commuted Sums - Affordable Housing	(218,800)				(218,800)	(218,796)				(218,796)
S106 Commuted Sums - Highways, Cycle Paths etc.	(1,411,400)	(100,000)			(1,511,400)	(1,545,637)	(100,000)			(1,645,637)
Welfare Reforms	(324,900)				(324,900)	(324,928)				(324,928)
Reserves Held in Perpetuity:										
Graves Maintenance	(22,200)				(22,200)	(22,201)				(22,201)
Marsh Capital	(47,700)				(47,700)	(47,676)				(47,676)
Total Earmarked Reserves (Ringfenced)	(2,245,300)	(145,000)	0	19,200	(2,371,100)	(2,547,210)	(145,000)	0	210,400	(2,481,810)
Total Combined Reserves	(25,620,900)	(1,591,200)	38,000	418,400	(26,755,700)	(28,738,985)	(3,196,700)	38,000	2,167,261	(29,734,524)

HRA Reserves Statement (Including Unallocated Balances)

<----- ORIGINAL BUDGET ----->

<----- PROJECTED OUTTURN ----->

	31 March 2025 £	From Revenue £	To / (From) Capital £	To Revenue £	31 March 2026 £	31 March 2025 £	From Revenue £	To / (From) Capital £	To Revenue £	31 March 2026 £
HRA Unallocated Balances	(76,000)	(26,700)	0	0	(102,700)	(151,800)	(26,700)		695,900	517,400
Earmarked Reserves:										
Business Support Reserve	(119,200)	0	0	0	(119,200)	0	(200,000)	0	200,000	0
Major Repairs Reserve	(550,100)	(4,774,700)	4,774,700	0	(550,100)	(1,322,400)	(4,774,700)	6,097,100	0	0
Flats - Planned Maintenance	(309,100)	(33,000)	0	147,900	(194,200)	(283,400)	0	0	177,600	(105,800)
ICT and Systems Improvement	(713,200)	0	0	640,700	(72,500)	(721,900)	0	0	649,400	(72,500)
Sheltered - Equipment	(260,900)	(62,600)	0	75,100	(248,400)	(275,700)	(48,400)	0	75,100	(249,000)
Sheltered - Planned Maintenance	(379,400)	(125,000)	0	80,300	(424,100)	(371,700)	(96,700)	0	105,300	(363,100)
Sheltered Support Grant Maintenance	(339,900)	(62,600)	0	0	(402,500)	(328,400)	(48,400)	0	0	(376,800)
Total Earmarked Reserves	(2,671,800)	(5,057,900)	4,774,700	944,000	(2,011,000)	(3,303,500)	(5,168,200)	6,097,100	1,207,400	(1,167,200)
Total Combined Reserves	(2,747,800)	(5,084,600)	4,774,700	944,000	(2,113,700)	(3,455,300)	(5,194,900)	6,097,100	1,903,300	(649,800)

GENERAL FUND - 2025/26 SAVINGS & BUDGET PROPOSALS MONITORING (QUARTER 2)

Initiative	Budget	Actual to Date	Projected Outturn	Projected Variance	Progress
2025/26 APPROVED SAVINGS	£'000	£'000	£'000	£'000	
<i>Environment & Place</i>					
SALC Direct Debit Supplier	5	0	5	0	On-going - towards year end
SALC Padel	0	0	0	0	On target - discussions underway between officers and prospective providers of service - plan to be in place second half 2026/27.
<i>Housing & Property</i>					
Energy Officer	3	0	(18)	(21)	Savings target of £37K is unlikely to be achieved in year due to delays in recruitment
Mailroom	10	0	0	(10)	Delays due to procurement requirements
<i>Planning & Climate Change</i>					
Building Control Fee Income	45	23	45	0	On target - Q2 above profile
<i>Sustainable Growth</i>					
Museum Charging	(12)	(12)	(12)	0	Achieved - annual budget exceeded P07
TOTAL SAVINGS	51	11	20	(31)	
2024/25 APPROVED GROWTH	£'000	£'000	£'000	£'000	
<i>People & Policy</i>					
New Council Website	26	0	26	0	Spend planned Q3-4. Procurement underway Q2
TOTAL GROWTH	26	0	26	0	
NET SAVINGS	25	11	(6)	(31)	

GENERAL FUND SERVICE ANALYSIS 2025/26

		Provisional Outturn 2024/25 £'000	Original Budget 2025/26 £'000	Q1 Projected 2025/26 £'000	Q2 Projected 2025/26 £'000	Q3 Projected 2025/26 £'000	Q4 Projected 2025/26 £'000
Services							
Environment & Place	ASNL and Nature Reserves	104	113	113	113		
	Environmental Protection	276	455	408	374		
	Fleet Management	(4)	(9)	(15)	0		
	Food Safety	389	512	508	491		
	Hospitality & Events Management	330	223	206	242		
	Parks & Open Spaces	1,381	1,532	1,500	1,403		
	Pest Control	(36)	(12)	(12)	(12)		
	Salt Ayre Leisure Centre	239	636	1,053	677		
	Service Support	670	565	1,020	738		
	Street Cleaning	1,784	1,923	1,880	1,879		
	Streetscape	52	73	73	68		
	Trade Refuse	(787)	(818)	(768)	(762)		
	Waste Collection	3,239	2,608	2,693	2,741		
	Williamson Park	468	439	565	644		
Governance	Democratic Support & Elections	1,044	1,087	1,060	1,073		
	Legal Services	742	665	746	745		
	Licensing	(78)	(45)	(32)	(61)		
Housing & Property	Commercial Land & Properties	(1,696)	(1,364)	(746)	(1,008)		
	Customer Services	539	608	631	612		
	Facilities Management	593	623	671	613		
	GF Housing Schemes	(39)	(13)	(38)	(58)		
	Municipal Buildings	664	694	775	742		
	Other Land & Buildings	42	42	43	64		
	Private Sector Housing	616	1,565	1,004	864		
	Property Group	777	1,244	1,307	1,039		
	Public Health Services	109	137	142	139		
	Repairs & Maintenance	0	0	0	0		
People & Policy	Communications	0	230	496	215		
	Community Connectors	166	0	0	0		
	Emergency Planning & CSP	99	117	117	118		
	Exec Support	196	197	198	202		
	Health & Safety	74	67	77	74		
	HR & OD	1,193	855	844	853		
	Marketing	226	242	249	291		
	Policy and Partnerships	0	285	249	223		
	Projects & Performance	168	118	124	126		
	VCFS	300	321	321	321		
Planning & Climate Change	Visitor Information Centres	32	0	35	35		
	DM - Building Control	172	270	270	252		
	DM - Planning	644	822	666	690		
	Energy and Sustainability	294	210	215	218		
	Planning & Housing Strategy	894	972	955	933		
Resources	CCTV	66	62	62	81		
	Finance	1,455	1,679	1,624	1,629		
	ICT	1,557	1,789	1,730	1,764		
	Internal Audit	219	172	172	172		
	Revenues & Benefits	1,413	1,382	1,382	1,395		
Sustainable Growth	Economic Development & Culture	220	226	226	226		
	Markets	(77)	(54)	181	230		
	Museums	493	490	510	484		
	Parking	(2,700)	(2,733)	(2,747)	(2,575)		
	Regeneration	483	546	528	530		
	Strategic Projects & Engineers	275	547	428	412		
		19,280	22,295	23,699	22,259	0	0
Corporate Services							
Corporate Accounts	Corporate Accounts	1,838	(87)	359	704		
	Contributions from Reserves	4,517	1,520	1,520	1,227		
Other Items	Government Grants	(1,334)	(774)	(774)	(774)		
	Interest Payable	1,145	1,534	1,353	1,294		
	Interest Receivable	(1,302)	(465)	(611)	(797)		
	Minimum Revenue Provision	2,912	2,924	2,703	2,703		
	Notional Charges	(55)	0	0	0		
	Pandemic Support	0	0	0	0		
	Revenue Funding of Capital	(222)	71	71	71		
	Capital Funding of Revenue	0	0	0	0		
	UKSPF	0	0	0	0		
		7,499	4,723	4,621	4,428	0	0
	Net Recharges to Housing Revenue Account	(1,026)	(1,026)	(1,026)	(1,026)		
	RMS Capital Charges (now Housing Revenue Account)	(200)	(218)	(218)	(218)		
	Corporate Property Review (Revenue)	0	1,427	0	152		
	Corporate Property Review (Appropriation)	0	0	0	1,275		
	Revenue Reserve funded items (Revenue)	2,858	427	1,991	2,167		
	Revenue Reserve funded items (Appropriation)	(2,858)	(427)	(1,991)	(2,167)		
General Fund Revenue Budget		25,553	27,201	27,076	26,870	0	0
Core Funding :							
	Revenue Support Grant	(433)	(460)	(460)	(460)		
	Additional New Homes Bonus	0	0	0	0		
	Supplementary Government Grants	0	0	0	0		
	Prior Year Council Tax Surplus	141	(280)	(280)	(280)		
	Net Business Rates Income	(14,384)	(14,911)	(14,911)	(15,283)		
Council Tax Requirement		10,877	11,550	11,425	10,847	0	0

Notes:

- Income is expressed as a negative figure in brackets
- Expenditure is expressed as a positive figure
- Projected Variances are expressed as negative () for adverse and positive + for favourable

APPENDIX I

Aged Debt Summary by Service (as at 01 October 2025)

Debtor Sections	Under 28 Days		28 to 59 days		60 to 91 days		92 to 183 days		184 to 364 days		Over 365 days		Credit/Income not applied		Total Debts	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Environment & Place	119	£159,184	131	£44,925	73	£28,811	552	£400,329	36	£25,000	243	£334,127	70	(£10,873)	1,224	£981,503
Governance	0	£0	4	£37,606	0	£0	3	£1,328	9	£23,697	48	£217,958	1	(£612)	65	£279,977
Housing & Property	0	£0	2	£10,289	1	£600	1	£3,400	1	£2,260	16	£29,584	0	£0	21	£46,133
Planning & Climate Change	95	£152,831	17	£158,106	11	£72,727	41	£201,073	51	£251,101	124	£689,753	8	(£864)	347	£1,524,727
Resources	79	£33,253	16	£4,245	38	£10,479	148	£76,017	290	£126,387	939	£622,264	43	(£9,934)	1,553	£862,711
Sustainable Growth	39	£24,376	15	£18,878	14	£49,060	93	£130,376	41	£26,023	40	£33,195	4	(£1,008)	246	£280,900
Total Per Period	332	£369,644	185	£274,049	137	£161,676	838	£812,523	428	£454,468	1,410	£1,926,881	126	(£23,290)	3,456	£3,975,951

Total Debts	3,456	£3,975,951
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Projects and Performance: Q2 2025-26

02 December 2025

Report of Chief Executive

PURPOSE OF REPORT				
To provide members with an update on corporate performance and strategic projects during quarter two of 2025 - 26 (July - September 2025).				
Key Decision	N	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision		N/A		
This report is public				

RECOMMENDATIONS OF PORTFOLIO HOLDER FOR FINANCE AND RESOURCES

That Cabinet

- (1) Consider the update on Projects and Performance for Quarter 2 2025-26.

1.0 INTRODUCTION

- 1.1 The primary purpose of this report is to present information relating to the council's strategic projects and key performance indicators for the period July to September 2025, which can be found within the appendices.

2.0 PERFORMANCE REPORTING

- 2.1 Guidance on how to read appendix A.
- 2.1.1 The majority of indicators should be compared to the previous quarter. Those marked with an asterisk comparing to the like quarter from the previous year is advised.
- 2.1.2 Our KPI (Key Performance Indicator) data is typically shown using a blue line. Where measures have targets or bench marking figures, they are shown on the using an orange or green line. Each chart contains a key for ease of reading.
- 2.1.3 The comments provided by KPI owners give further explanation on each indicator.
- 2.1.4 Within the 'Comments' column it is either marked 'Low is good' or 'High is good'. This is included to guide the reader on the preferred direction of travel.
- 2.1.5 Due to delays in the availability of the data, some measures report one quarter behind. These are clearly marked.

2.2 Summary of key changes in performance report.

- 2.2.1 A benchmarking figure has now been added for the KPI “KG of residual waste per household (quarter behind)”. In the Q1 report, the benchmarking data was for KG of residual waste per household (quarter behind)”, but our data was per head, not per household. Our figures for all quarters on the report have now been updated.
- 2.2.2 In this quarter it is notable that the KPI for “Percentage of major planning applications determined within 13 weeks or agreed time” is back up to 100%
- 2.2.3 It is also notable that Gas and Electricity KWH usage in council buildings (quarter behind): Consumption has reduced compared to like quarter in 24/25
- 2.2.4 Further benchmarking and target figures are being sought and will be added future reports as they become available.

3.0 STRATEGIC PROJECT REPORTING

3.1 Guidance on how to read appendix B.

- 3.1.1 The Programmes and Projects highlight report shows a short narrative and “Red – Amber – Green” status updates for three elements of the project, these being Plan, Cost and Scope.
- 3.1.2 The ‘Update’ column shows a summary of the projects progress over the last quarter. Where projects are ‘on hold’ a short explanation as to why the project has this status is included.
- 3.1.3 The ‘Updated’ column shows the date when the update was received. This is included as some projects progress quickly, so it is useful to understand when the update (a snapshot of progress) was taken.

3.2 Key points on the progress of strategic projects. Fifteen projects have provided full update reports. Of these:

- 3.2.1 Five projects are reporting ‘amber’ (minor) delays with the progress of their project plans.
- 3.2.2 Three projects are reporting ‘amber’ (minor) deviations to the cost of the project.
- 3.2.3 Four projects are reporting ‘amber’ (minor) concerns with the scope, meaning it is anticipated that one or more benefits of each project may not be realised.
- 3.2.4 Two projects have recently closed and we are awaiting project review reports for these (this is unchanged from the previous quarter).
- 3.2.5 All other statuses are either green or have not been able to provide an update this quarter.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

None directly identifiable, due to the high-level nature of this report.

LEGAL IMPLICATIONS

There are no legal implications directly arising.

FINANCIAL IMPLICATIONS

There are no financial implications directly arising.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

There are no further implications directly arising.

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 comments.

BACKGROUND PAPERS

None.

Contact Officers: Claire Dubelbeis, Projects and Performance Manager

Telephone: 01524 582505

E-mail: cdubelbeis@lancaster.gov.uk

Ref:

A Sustainable District (Environmental)

Priority		Measure and Direction of Travel		Comments																																					
S			<div><div>% OF HOUSEHOLD WASTE RECYCLED (QUARTER BEHIND)</div><table><thead><tr><th>Quarter</th><th>% of household waste recycled (quarter behind)</th></tr></thead><tbody><tr><td>Q1 22-23</td><td>35.8</td></tr><tr><td>Q2 22-23</td><td>38.9</td></tr><tr><td>Q3 22-23</td><td>38.2</td></tr><tr><td>Q4 22-23</td><td>38.1</td></tr><tr><td>Q1 23-24</td><td>34.9</td></tr><tr><td>Q2 23-24</td><td>38.9</td></tr><tr><td>Q3 23-24</td><td>39.1</td></tr><tr><td>Q4 23-24</td><td>35.2</td></tr><tr><td>Q1 24-25</td><td>32.8</td></tr><tr><td>Q2 24-25</td><td>38.5</td></tr><tr><td>Q3 24-25</td><td>32.5</td></tr><tr><td>Q4 24-25</td><td>37.50</td></tr><tr><td>Q1 25-26</td><td>38.1</td></tr></tbody></table></div> <div><div>Lancashire Districts Recycling Rate (Average)</div><div>National Recycling Rate (Average)</div></div> <div>No comment available. The benchmarking data includes the National and Lancashire average of Local Authority recycling data provided to APSE. The data is provided annually. High is good</div>	Quarter	% of household waste recycled (quarter behind)	Q1 22-23	35.8	Q2 22-23	38.9	Q3 22-23	38.2	Q4 22-23	38.1	Q1 23-24	34.9	Q2 23-24	38.9	Q3 23-24	39.1	Q4 23-24	35.2	Q1 24-25	32.8	Q2 24-25	38.5	Q3 24-25	32.5	Q4 24-25	37.50	Q1 25-26	38.1										
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S			<div><div>KG OF RESIDUAL WASTE PER HOUSEHOLD (QUARTER BEHIND)</div><table><thead><tr><th>Quarter</th><th>Kg of residual waste per household (quarter behind)</th></tr></thead><tbody><tr><td>Q1 22-23</td><td>123.5</td></tr><tr><td>Q2 22-23</td><td>125.0</td></tr><tr><td>Q3 22-23</td><td>118.5</td></tr><tr><td>Q4 22-23</td><td>121.5</td></tr><tr><td>Q1 23-24</td><td>117.5</td></tr><tr><td>Q2 23-24</td><td>117.5</td></tr><tr><td>Q3 23-24</td><td>117.0</td></tr><tr><td>Q4 23-24</td><td>119.5</td></tr><tr><td>Q1 24-25</td><td>116.5</td></tr><tr><td>Q2 24-25</td><td>116.5</td></tr><tr><td>Q3 24-25</td><td>118.0</td></tr><tr><td>Q4 24-25</td><td>115.0</td></tr><tr><td>Q1 25-26</td><td>113.81</td></tr></tbody></table></div> <div><div>Residual household waste per household - Lancashire Districts Average</div><div>Residual household waste per household - National Average</div></div> <div>No comment available. The benchmarking data includes the National and Lancashire average of Local Authority waste data provided to APSE. The data is provided annually and then divided to get a Quarter average figure. Low is good</div>	Quarter	Kg of residual waste per household (quarter behind)	Q1 22-23	123.5	Q2 22-23	125.0	Q3 22-23	118.5	Q4 22-23	121.5	Q1 23-24	117.5	Q2 23-24	117.5	Q3 23-24	117.0	Q4 23-24	119.5	Q1 24-25	116.5	Q2 24-25	116.5	Q3 24-25	118.0	Q4 24-25	115.0	Q1 25-26	113.81										
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GAS AND ELECTRICITY KWH USAGE IN COUNCIL BUILDINGS (QUARTER BEHIND)

■ Gas KWH usage in council buildings (quarter behind)
 ■ Electricity KWH usage in council buildings (quarter behind)

Quarter	Gas KWH usage (quarter behind)	Electricity KWH usage (quarter behind)
Q2 22-23	~100,000	~600,000
Q3 22-23	~800,000	~1,000,000
Q4 22-23	~850,000	~1,200,000
Q1 23-24	~200,000	~600,000
Q2 23-24	~100,000	~650,000
Q3 23-24	~650,000	0
Q4 23-24	848,510	1,023,537
Q1 24-25	263,537	648,510
Q2 24-25	~150,000	~650,000
Q3 24-25	~650,000	~1,050,000
Q4 24-25	1,127,444	892,744
Q1 25-26	~150,000	599,000

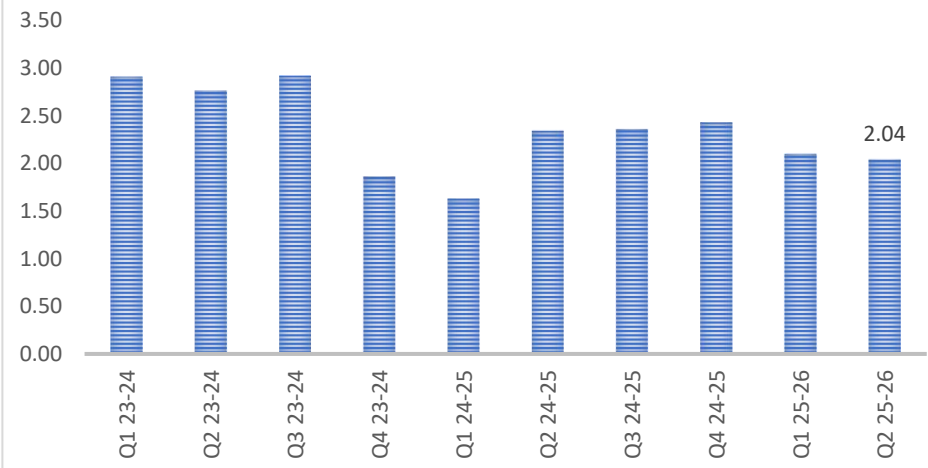
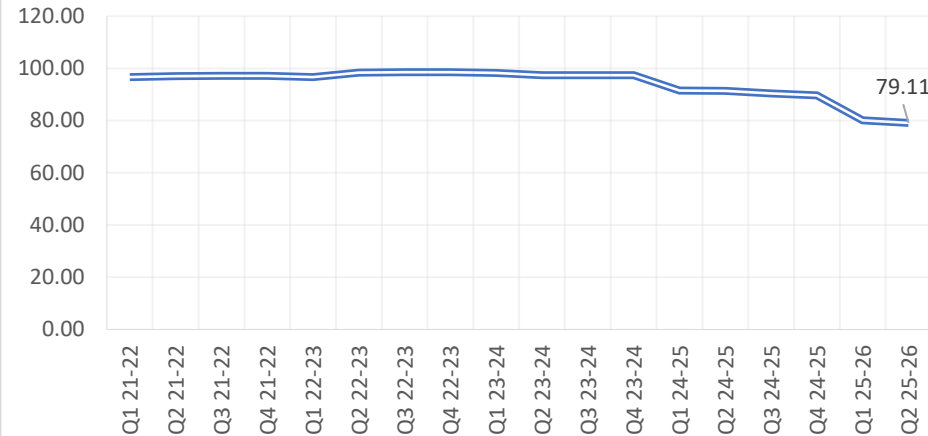
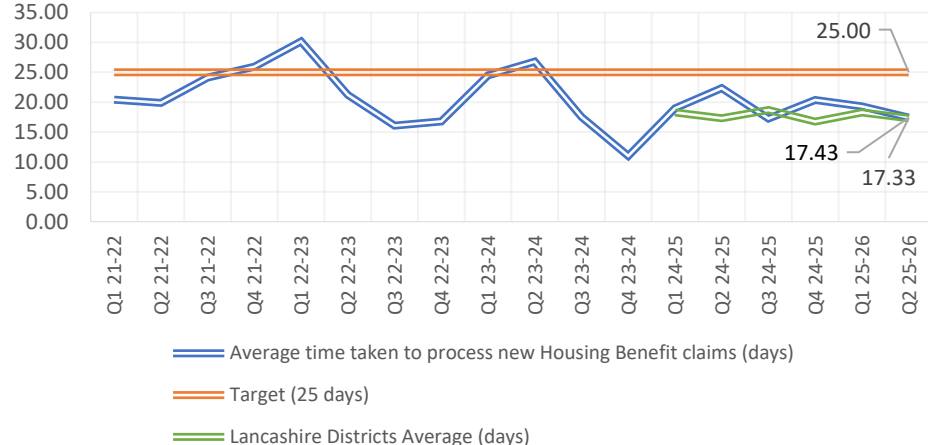
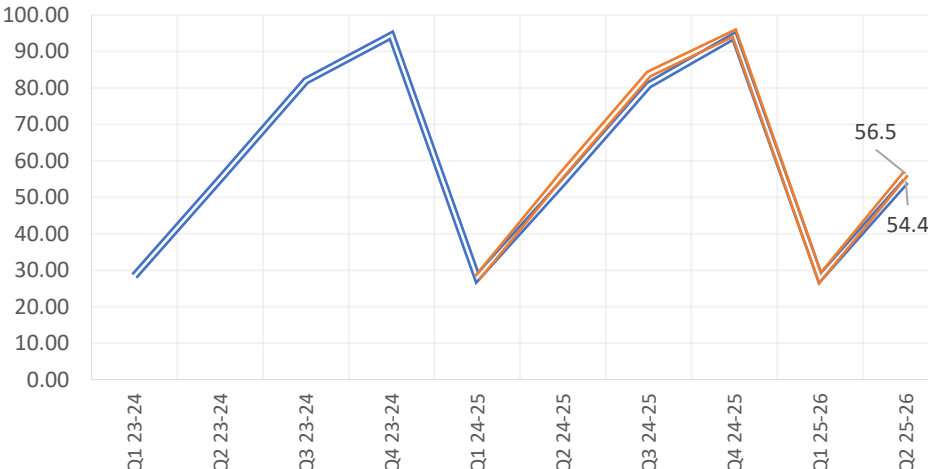
Comparison with same period from previous year shows consumption has reduced. Further analysis would be required to determine the cause for this change

Low is good

Healthy & Happy Communities (Social)

Priority			Measure and Direction of Travel	Comments																																						
		H	<div><p>NUMBER OF PEOPLE STATUTORILY HOMELESS</p><table><tr><th>Quarter</th><th>Number of People Statutorily Homeless</th></tr><tr><td>Q1 21-22</td><td>12</td></tr><tr><td>Q2 21-22</td><td>7</td></tr><tr><td>Q3 21-22</td><td>10</td></tr><tr><td>Q4 21-22</td><td>13</td></tr><tr><td>Q1 22-23</td><td>10</td></tr><tr><td>Q2 22-23</td><td>7</td></tr><tr><td>Q3 22-23</td><td>15</td></tr><tr><td>Q4 22-23</td><td>24</td></tr><tr><td>Q1 23-24</td><td>2</td></tr><tr><td>Q2 23-24</td><td>7</td></tr><tr><td>Q3 23-24</td><td>17</td></tr><tr><td>Q4 23-24</td><td>18</td></tr><tr><td>Q1 24-25</td><td>32</td></tr><tr><td>Q2 24-25</td><td>8</td></tr><tr><td>Q3 24-25</td><td>10</td></tr><tr><td>Q4 24-25</td><td>8</td></tr><tr><td>Q1 25-26</td><td>8</td></tr><tr><td>Q2 25-26</td><td>4</td></tr></table></div>	Quarter	Number of People Statutorily Homeless	Q1 21-22	12	Q2 21-22	7	Q3 21-22	10	Q4 21-22	13	Q1 22-23	10	Q2 22-23	7	Q3 22-23	15	Q4 22-23	24	Q1 23-24	2	Q2 23-24	7	Q3 23-24	17	Q4 23-24	18	Q1 24-25	32	Q2 24-25	8	Q3 24-25	10	Q4 24-25	8	Q1 25-26	8	Q2 25-26	4	<p>No comment available.</p> <p>Low is good</p>
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			<div><p>NUMBER OF FAMILIES IN HOTEL ACCOMMODATION OVER 6 WEEKS</p><table><tr><th>Quarter</th><th>Number of Families in Hotel Accommodation Over 6 Weeks</th></tr><tr><td>Q1 25-26</td><td>3</td></tr><tr><td>Q2 25-26</td><td>1</td></tr><tr><td>Q3 25-26</td><td>0</td></tr><tr><td>Q4 25-26</td><td>0</td></tr></table></div>	Quarter	Number of Families in Hotel Accommodation Over 6 Weeks	Q1 25-26	3	Q2 25-26	1	Q3 25-26	0	Q4 25-26	0	<p>1 family in BnB over 6 weeks during this quarter, but no families currently scheduled for BnB over the next period.</p> <p>Low is good</p>																												
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Q4 25-26	0																																									
			<div><p>*** NEW *** NUMBER OF ROUGH SLEEPER'S SNAPSHOT FIGURE ON AVERAGE OVER THE QUARTER</p><table><tr><th>Quarter</th><th>Number of Rough Sleeper's Snapshot Figure on Average Over the Quarter</th></tr><tr><td>Q1 25-26</td><td>4</td></tr><tr><td>Q2 25-26</td><td>8</td></tr><tr><td>Q3 25-26</td><td>0</td></tr><tr><td>Q4 25-26</td><td>0</td></tr></table></div>	Quarter	Number of Rough Sleeper's Snapshot Figure on Average Over the Quarter	Q1 25-26	4	Q2 25-26	8	Q3 25-26	0	Q4 25-26	0	<p>No comment available.</p> <p>Low is good</p>																												
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		H		<div><div>NUMBER OF DISABLED FACILITIES GRANTS COMPLETED</div><table><tr><th>Quarter</th><th>Number of Grants Completed</th></tr><tr><td>Q1 21-22</td><td>75</td></tr><tr><td>Q2 21-22</td><td>75</td></tr><tr><td>Q3 21-22</td><td>100</td></tr><tr><td>Q4 21-22</td><td>85</td></tr><tr><td>Q1 22-23</td><td>115</td></tr><tr><td>Q2 22-23</td><td>88</td></tr><tr><td>Q3 22-23</td><td>82</td></tr><tr><td>Q4 22-23</td><td>75</td></tr><tr><td>Q1 23-24</td><td>62</td></tr><tr><td>Q2 23-24</td><td>90</td></tr><tr><td>Q3 23-24</td><td>92</td></tr><tr><td>Q4 23-24</td><td>80</td></tr><tr><td>Q1 24-25</td><td>115</td></tr><tr><td>Q2 24-25</td><td>100</td></tr><tr><td>Q3 24-25</td><td>82</td></tr><tr><td>Q4 24-25</td><td>65</td></tr><tr><td>Q1 25-26</td><td>82</td></tr><tr><td>Q2 25-26</td><td>81</td></tr></table></div>	Quarter	Number of Grants Completed	Q1 21-22	75	Q2 21-22	75	Q3 21-22	100	Q4 21-22	85	Q1 22-23	115	Q2 22-23	88	Q3 22-23	82	Q4 22-23	75	Q1 23-24	62	Q2 23-24	90	Q3 23-24	92	Q4 23-24	80	Q1 24-25	115	Q2 24-25	100	Q3 24-25	82	Q4 24-25	65	Q1 25-26	82	Q2 25-26	81	<p>81 statutory disabled grants were completed in Q2 with a total spend of £1,325,979. The ringfenced DFG government allocation for Lancaster in 2025/26 is £2,660,701. Any unspent allocation is carried forward and added to the following years allocation enabling the council to operate a rolling programme without the need for waiting lists.</p> <p>High is good</p>																			
Quarter	Number of Grants Completed																																																													
Q1 21-22	75																																																													
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Q2 25-26	81																																																													
		H		<div><div>NUMBER OF PROPERTIES IMPROVED</div><table><tr><th>Quarter</th><th>Number of Properties Improved</th></tr><tr><td>Q1 21-22</td><td>60</td></tr><tr><td>Q2 21-22</td><td>60</td></tr><tr><td>Q3 21-22</td><td>62</td></tr><tr><td>Q4 21-22</td><td>45</td></tr><tr><td>Q1 22-23</td><td>92</td></tr><tr><td>Q2 22-23</td><td>125</td></tr><tr><td>Q3 22-23</td><td>88</td></tr><tr><td>Q4 22-23</td><td>62</td></tr><tr><td>Q1 23-24</td><td>135</td></tr><tr><td>Q2 23-24</td><td>70</td></tr><tr><td>Q3 23-24</td><td>65</td></tr><tr><td>Q4 23-24</td><td>82</td></tr><tr><td>Q1 24-25</td><td>78</td></tr><tr><td>Q2 24-25</td><td>58</td></tr><tr><td>Q3 24-25</td><td>88</td></tr><tr><td>Q4 24-25</td><td>72</td></tr><tr><td>Q1 25-26</td><td>62</td></tr><tr><td>Q2 25-26</td><td>No data provided</td></tr></table></div>	Quarter	Number of Properties Improved	Q1 21-22	60	Q2 21-22	60	Q3 21-22	62	Q4 21-22	45	Q1 22-23	92	Q2 22-23	125	Q3 22-23	88	Q4 22-23	62	Q1 23-24	135	Q2 23-24	70	Q3 23-24	65	Q4 23-24	82	Q1 24-25	78	Q2 24-25	58	Q3 24-25	88	Q4 24-25	72	Q1 25-26	62	Q2 25-26	No data provided	<p>No Q2 figure provided.</p> <p>High is good</p>																			
Quarter	Number of Properties Improved																																																													
Q1 21-22	60																																																													
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Q2 25-26	No data provided																																																													
I		H		<div><div>% OF PREMISES SCORING 4 OR HIGHER ON THE FOOD HYGIENE RATING SCHEME</div><table><tr><th>Quarter</th><th>% of Premises Scoring 4 or Higher</th></tr><tr><td>Q1 21-22</td><td>90.5</td></tr><tr><td>Q2 21-22</td><td>97.0</td></tr><tr><td>Q3 21-22</td><td>90.5</td></tr><tr><td>Q4 21-22</td><td>90.0</td></tr><tr><td>Q1 22-23</td><td>90.0</td></tr><tr><td>Q2 22-23</td><td>89.8</td></tr><tr><td>Q3 22-23</td><td>90.5</td></tr><tr><td>Q4 22-23</td><td>91.2</td></tr><tr><td>Q1 23-24</td><td>93.0</td></tr><tr><td>Q2 23-24</td><td>92.5</td></tr><tr><td>Q3 23-24</td><td>92.8</td></tr><tr><td>Q4 23-24</td><td>93.0</td></tr><tr><td>Q1 24-25</td><td>94.0</td></tr><tr><td>Q2 24-25</td><td>93.2</td></tr><tr><td>Q3 24-25</td><td>93.0</td></tr><tr><td>Q4 24-25</td><td>93.0</td></tr><tr><td>Q1 25-26</td><td>92.8</td></tr><tr><td>Q2 25-26</td><td>92.3</td></tr></table></div>	Quarter	% of Premises Scoring 4 or Higher	Q1 21-22	90.5	Q2 21-22	97.0	Q3 21-22	90.5	Q4 21-22	90.0	Q1 22-23	90.0	Q2 22-23	89.8	Q3 22-23	90.5	Q4 22-23	91.2	Q1 23-24	93.0	Q2 23-24	92.5	Q3 23-24	92.8	Q4 23-24	93.0	Q1 24-25	94.0	Q2 24-25	93.2	Q3 24-25	93.0	Q4 24-25	93.0	Q1 25-26	92.8	Q2 25-26	92.3	<p>97.2% scored 3 (generally satisfactory) or higher</p> <p>Note - 3* = satisfactory, 4* = good</p> <p>High is good</p>																			
Quarter	% of Premises Scoring 4 or Higher																																																													
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		H		<div><div>NUMBER OF ADMISSIONS TO SALT AYRE LEISURE CENTRE</div><table><tr><th>Quarter</th><th>Number of Admissions</th><th>Target Figure</th></tr><tr><td>Q1 21-22</td><td>120,000</td><td>-</td></tr><tr><td>Q2 21-22</td><td>165,000</td><td>-</td></tr><tr><td>Q3 21-22</td><td>175,000</td><td>-</td></tr><tr><td>Q4 21-22</td><td>230,000</td><td>-</td></tr><tr><td>Q1 22-23</td><td>225,000</td><td>120,000</td></tr><tr><td>Q2 22-23</td><td>225,000</td><td>165,000</td></tr><tr><td>Q3 22-23</td><td>215,000</td><td>180,000</td></tr><tr><td>Q4 22-23</td><td>265,000</td><td>230,000</td></tr><tr><td>Q1 23-24</td><td>225,000</td><td>225,000</td></tr><tr><td>Q2 23-24</td><td>250,000</td><td>225,000</td></tr><tr><td>Q3 23-24</td><td>215,000</td><td>215,000</td></tr><tr><td>Q4 23-24</td><td>250,000</td><td>265,000</td></tr><tr><td>Q1 24-25</td><td>235,000</td><td>235,000</td></tr><tr><td>Q2 24-25</td><td>235,000</td><td>250,000</td></tr><tr><td>Q3 24-25</td><td>215,000</td><td>215,000</td></tr><tr><td>Q4 24-25</td><td>250,000</td><td>250,000</td></tr><tr><td>Q1 25-26</td><td>235,000</td><td>240,000</td></tr><tr><td>Q2 25-26</td><td>237,040</td><td>249,184</td></tr></table></div>	Quarter	Number of Admissions	Target Figure	Q1 21-22	120,000	-	Q2 21-22	165,000	-	Q3 21-22	175,000	-	Q4 21-22	230,000	-	Q1 22-23	225,000	120,000	Q2 22-23	225,000	165,000	Q3 22-23	215,000	180,000	Q4 22-23	265,000	230,000	Q1 23-24	225,000	225,000	Q2 23-24	250,000	225,000	Q3 23-24	215,000	215,000	Q4 23-24	250,000	265,000	Q1 24-25	235,000	235,000	Q2 24-25	235,000	250,000	Q3 24-25	215,000	215,000	Q4 24-25	250,000	250,000	Q1 25-26	235,000	240,000	Q2 25-26	237,040	249,184	<p>Increases in footfall, memberships and improvements in retention of leisure members has led to Salt Ayre increasing its usage across quarter two this year. With more larger events, interaction with members and improved service and standards we should hopefully see further increases into and throughout quarter 3.</p> <p>High is good</p>
Quarter	Number of Admissions	Target Figure																																																												
Q1 21-22	120,000	-																																																												
Q2 21-22	165,000	-																																																												
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		H		<div><div>AVERAGE TIME TAKEN TO RE-LET COUNCIL HOUSES (DAYS)</div><table><tr><th>Quarter</th><th>Average Time Taken (Days)</th><th>Internal KPI</th></tr><tr><td>Q1 21-22</td><td>52.0</td><td>25.0</td></tr><tr><td>Q2 21-22</td><td>53.0</td><td>25.0</td></tr><tr><td>Q3 21-22</td><td>58.0</td><td>25.0</td></tr><tr><td>Q4 21-22</td><td>62.0</td><td>25.0</td></tr><tr><td>Q1 22-23</td><td>25.0</td><td>25.0</td></tr><tr><td>Q2 22-23</td><td>27.0</td><td>25.0</td></tr><tr><td>Q3 22-23</td><td>26.0</td><td>25.0</td></tr><tr><td>Q4 22-23</td><td>28.0</td><td>25.0</td></tr><tr><td>Q1 23-24</td><td>20.0</td><td>25.0</td></tr><tr><td>Q2 23-24</td><td>18.0</td><td>25.0</td></tr><tr><td>Q3 23-24</td><td>19.0</td><td>25.0</td></tr><tr><td>Q4 23-24</td><td>20.0</td><td>25.0</td></tr><tr><td>Q1 24-25</td><td>25.0</td><td>25.0</td></tr><tr><td>Q2 24-25</td><td>26.0</td><td>25.0</td></tr><tr><td>Q3 24-25</td><td>26.0</td><td>25.0</td></tr><tr><td>Q4 24-25</td><td>25.0</td><td>25.0</td></tr><tr><td>Q1 25-26</td><td>25.0</td><td>25.0</td></tr><tr><td>Q2 25-26</td><td>33.35</td><td>25.0</td></tr></table></div>	Quarter	Average Time Taken (Days)	Internal KPI	Q1 21-22	52.0	25.0	Q2 21-22	53.0	25.0	Q3 21-22	58.0	25.0	Q4 21-22	62.0	25.0	Q1 22-23	25.0	25.0	Q2 22-23	27.0	25.0	Q3 22-23	26.0	25.0	Q4 22-23	28.0	25.0	Q1 23-24	20.0	25.0	Q2 23-24	18.0	25.0	Q3 23-24	19.0	25.0	Q4 23-24	20.0	25.0	Q1 24-25	25.0	25.0	Q2 24-25	26.0	25.0	Q3 24-25	26.0	25.0	Q4 24-25	25.0	25.0	Q1 25-26	25.0	25.0	Q2 25-26	33.35	25.0	<p>The observed increase in the relet time KPI is directly attributable to operational decisions supporting the Mainway Regeneration Project. Specifically, certain void properties are being strategically reserved to serve as temporary, supported accommodation for tenants relocating from Bridge House. This operational necessity, while extending the relet duration, is critical for project execution and resident support</p> <p>Low is good</p>
Quarter	Average Time Taken (Days)	Internal KPI																																																												
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Q1 25-26	25.0	25.0																																																												
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A Co-operative, Kind and Responsible Council (Governance)																																																																																					
Priority				Measure and Direction of Travel				Comments																																																																													
			R	<div><div>AVERAGE NUMBER OF DAYS' SICKNESS PER FULL-TIME EQUIVALENT</div><table><tr><th>Quarter</th><th>Average Number of Days' Sickness per Full-time Equivalent</th></tr><tr><td>Q1 23-24</td><td>2.9</td></tr><tr><td>Q2 23-24</td><td>2.75</td></tr><tr><td>Q3 23-24</td><td>2.9</td></tr><tr><td>Q4 23-24</td><td>1.85</td></tr><tr><td>Q1 24-25</td><td>1.6</td></tr><tr><td>Q2 24-25</td><td>2.35</td></tr><tr><td>Q3 24-25</td><td>2.35</td></tr><tr><td>Q4 24-25</td><td>2.4</td></tr><tr><td>Q1 25-26</td><td>2.1</td></tr><tr><td>Q2 25-26</td><td>2.04</td></tr></table></div>				Quarter	Average Number of Days' Sickness per Full-time Equivalent	Q1 23-24	2.9	Q2 23-24	2.75	Q3 23-24	2.9	Q4 23-24	1.85	Q1 24-25	1.6	Q2 24-25	2.35	Q3 24-25	2.35	Q4 24-25	2.4	Q1 25-26	2.1	Q2 25-26	2.04	<p>The average sickness figure has decreased slightly compared to the previous quarter. This is attributed to a significant decrease in sickness days lost due to coughs/colds/viruses, in addition to a decrease in sickness related to personal stress/mental health issues. There has however been a small increase in Musculo-skeletal sickness days lost, and an increase in sickness due to work-related stress. Note - the majority of sickness due to work-related stress relates to disciplinary investigation processes for the employees concerned at that time and HR continue to proactively manage absence as per our processes and procedures.</p> <p>Low is good</p>																																																							
Quarter	Average Number of Days' Sickness per Full-time Equivalent																																																																																				
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Q1 25-26	2.1																																																																																				
Q2 25-26	2.04																																																																																				
			R	<div><div>OCCUPANCY RATES FOR COMMERCIAL PROPERTIES (%)</div><table><tr><th>Quarter</th><th>Occupancy Rate (%)</th></tr><tr><td>Q1 21-22</td><td>95</td></tr><tr><td>Q2 21-22</td><td>95</td></tr><tr><td>Q3 21-22</td><td>95</td></tr><tr><td>Q4 21-22</td><td>95</td></tr><tr><td>Q1 22-23</td><td>95</td></tr><tr><td>Q2 22-23</td><td>95</td></tr><tr><td>Q3 22-23</td><td>95</td></tr><tr><td>Q4 22-23</td><td>95</td></tr><tr><td>Q1 23-24</td><td>95</td></tr><tr><td>Q2 23-24</td><td>95</td></tr><tr><td>Q3 23-24</td><td>95</td></tr><tr><td>Q4 23-24</td><td>95</td></tr><tr><td>Q1 24-25</td><td>90</td></tr><tr><td>Q2 24-25</td><td>90</td></tr><tr><td>Q3 24-25</td><td>90</td></tr><tr><td>Q4 24-25</td><td>90</td></tr><tr><td>Q1 25-26</td><td>80</td></tr><tr><td>Q2 25-26</td><td>79.11</td></tr></table></div>				Quarter	Occupancy Rate (%)	Q1 21-22	95	Q2 21-22	95	Q3 21-22	95	Q4 21-22	95	Q1 22-23	95	Q2 22-23	95	Q3 22-23	95	Q4 22-23	95	Q1 23-24	95	Q2 23-24	95	Q3 23-24	95	Q4 23-24	95	Q1 24-25	90	Q2 24-25	90	Q3 24-25	90	Q4 24-25	90	Q1 25-26	80	Q2 25-26	79.11	<p>Whilst still high the commercial occupancy figure has remained broadly static realising a modest downward adjustment of 1.01 % over the quarter. During the period highlights included the letting of the Beach Café in August and new lettings within City Lab. Elsewhere the Estates team are reporting strong interest for Moor Lane Mills, progressing interest on Unit 2A Gateway and finalising deals on Penny Street and Hillmore way. As such, despite the increasingly challenging economic backdrop the Estates team are cautiously optimistic in forecasting that the occupancy rate across the commercial property portfolio will start to increase throughout the third and fourth Quarters of 2025-2026.</p> <p>High is good</p>																																							
Quarter	Occupancy Rate (%)																																																																																				
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		H	R	<div><div>AVERAGE TIME TAKEN TO PROCESS NEW HOUSING BENEFIT CLAIMS (DAYS)</div><table><tr><th>Quarter</th><th>Average time taken to process new Housing Benefit claims (days)</th><th>Target (25 days)</th><th>Lancashire Districts Average (days)</th></tr><tr><td>Q1 21-22</td><td>20</td><td>25</td><td>20</td></tr><tr><td>Q2 21-22</td><td>20</td><td>25</td><td>20</td></tr><tr><td>Q3 21-22</td><td>25</td><td>25</td><td>25</td></tr><tr><td>Q4 21-22</td><td>25</td><td>25</td><td>25</td></tr><tr><td>Q1 22-23</td><td>30</td><td>25</td><td>30</td></tr><tr><td>Q2 22-23</td><td>20</td><td>25</td><td>20</td></tr><tr><td>Q3 22-23</td><td>15</td><td>25</td><td>15</td></tr><tr><td>Q4 22-23</td><td>15</td><td>25</td><td>15</td></tr><tr><td>Q1 23-24</td><td>25</td><td>25</td><td>25</td></tr><tr><td>Q2 23-24</td><td>25</td><td>25</td><td>25</td></tr><tr><td>Q3 23-24</td><td>15</td><td>25</td><td>15</td></tr><tr><td>Q4 23-24</td><td>10</td><td>25</td><td>10</td></tr><tr><td>Q1 24-25</td><td>18</td><td>25</td><td>18</td></tr><tr><td>Q2 24-25</td><td>22</td><td>25</td><td>18</td></tr><tr><td>Q3 24-25</td><td>18</td><td>25</td><td>18</td></tr><tr><td>Q4 24-25</td><td>20</td><td>25</td><td>18</td></tr><tr><td>Q1 25-26</td><td>18</td><td>25</td><td>18</td></tr><tr><td>Q2 25-26</td><td>17.33</td><td>25</td><td>17.33</td></tr></table></div>				Quarter	Average time taken to process new Housing Benefit claims (days)	Target (25 days)	Lancashire Districts Average (days)	Q1 21-22	20	25	20	Q2 21-22	20	25	20	Q3 21-22	25	25	25	Q4 21-22	25	25	25	Q1 22-23	30	25	30	Q2 22-23	20	25	20	Q3 22-23	15	25	15	Q4 22-23	15	25	15	Q1 23-24	25	25	25	Q2 23-24	25	25	25	Q3 23-24	15	25	15	Q4 23-24	10	25	10	Q1 24-25	18	25	18	Q2 24-25	22	25	18	Q3 24-25	18	25	18	Q4 24-25	20	25	18	Q1 25-26	18	25	18	Q2 25-26	17.33	25	17.33	<p>No comment available.</p> <p>The benchmarking data is an annual figure provided by the Shared Service which is a comparison against the other Lancashire Authorities. The figure is provided based on the previous year's figures and is the average of each Quarter. This is deemed as best practice but doesn't take into consideration the makeup of the Local Authorities caseload or processing system used.</p> <p>Low is good</p>	
Quarter	Average time taken to process new Housing Benefit claims (days)	Target (25 days)	Lancashire Districts Average (days)																																																																																		
Q1 21-22	20	25	20																																																																																		
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		H	R	<div><div>COUNCIL TAX COLLECTION RATES (CUMULATIVE % MONTH ON MONTH)</div><table><tr><th>Quarter</th><th>Council Tax Collection Rates (cumulative % month on month)</th><th>Target</th></tr><tr><td>Q1 23-24</td><td>30</td><td>95</td></tr><tr><td>Q2 23-24</td><td>60</td><td>95</td></tr><tr><td>Q3 23-24</td><td>85</td><td>95</td></tr><tr><td>Q4 23-24</td><td>95</td><td>95</td></tr><tr><td>Q1 24-25</td><td>30</td><td>95</td></tr><tr><td>Q2 24-25</td><td>60</td><td>95</td></tr><tr><td>Q3 24-25</td><td>85</td><td>95</td></tr><tr><td>Q4 24-25</td><td>95</td><td>95</td></tr><tr><td>Q1 25-26</td><td>30</td><td>95</td></tr><tr><td>Q2 25-26</td><td>54.4</td><td>95</td></tr></table></div>				Quarter	Council Tax Collection Rates (cumulative % month on month)	Target	Q1 23-24	30	95	Q2 23-24	60	95	Q3 23-24	85	95	Q4 23-24	95	95	Q1 24-25	30	95	Q2 24-25	60	95	Q3 24-25	85	95	Q4 24-25	95	95	Q1 25-26	30	95	Q2 25-26	54.4	95	<p>Annual target for collection rate is 95%</p> <p>High is good</p>																																												
Quarter	Council Tax Collection Rates (cumulative % month on month)	Target																																																																																			
Q1 23-24	30	95																																																																																			
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Q4 24-25	95	95																																																																																			
Q1 25-26	30	95																																																																																			
Q2 25-26	54.4	95																																																																																			

H

R

BUSINESS RATES COLLECTION RATES (CUMULATIVE % MONTH ON MONTH)

Quarter	Business Rates Collection Rates (cumulative % month on month)	Target
Q1 23-24	28.00	28.00
Q2 23-24	55.00	55.00
Q3 23-24	80.00	80.00
Q4 23-24	100.00	100.00
Q1 24-25	28.00	28.00
Q2 24-25	55.00	55.00
Q3 24-25	80.00	80.00
Q4 24-25	100.00	98.00
Q1 25-26	54.6	51.4
Q2 25-26	54.6	51.4

Annual target for collection rate is 98%

High is good

LANCASTER

CITY COUNCIL

Promoting City, Coast & Countryside

Corporate programmes and projects updates – 17th October 2025 (Q2)

I

An inclusive and Prosperous Local Economy (Economy)

S

A Sustainable District (Environmental)

H

Healthy and Happy Communities (Social)

R

A Co-operative, Kind and Responsible Council (Governance)

R

Red – The project has experienced some major issues. Plan – the go-live date has slipped, Cost – over or under budget by more than 20%, Scope – several of the expected benefits may not be realised.

C

Complete or Closed

A

Amber – The project has experienced some issues. Plan – has slipped but won't affect go-live date, Cost – over or under budget by less than 20%, Scope – one or more benefits may not be realised.

N

Not Started

G

Green – The project is on track (within the project tolerance)

H

On hold

X

No data available / data not requested due to stage

* Projects in the Concept stage will not usually have updates

				An Inclusive and Prosperous Local Economy (Economy)							
Priority				Project Name	Update	Due Date ** = To be confirmed	Stage	Updated	Status		
									Plan	Cost	Scope
I				Heritage Action Project	Project review report to follow.	Q1 25/26	Complete	N/A	C	C	C
I	S			Canal Quarter Phase 3 (part of Canal Quarter programme)	<u>Phase I Housing Schemes</u> Planning approval for Nelson St site is to be considered at October planning committee, current recommendation is for approval. Cooper’s Field is subject to separate project report but officers have launched a premarket engagement, submissions due for review in October.						
					<u>Phase II Northern Gateway</u> Officers are seeking prices to progress Northern Gateway Phase II through to a detailed costing. A strategic outline case to secure resources for Phase 2 Public Realm feasibility was submitted to Cabinet, awaiting outcome.						
					<u>Phase III Heron Works and Canalside</u> LCC has taken a positive position on the progression of the Heron Works site and Officers are now moving into legal dialogue on the land swap and other issues.	Phase 3 – Q2 26/27 Phase 4 – Q4 26/27 Phase 5 – Q1 28/29	Delivery	15/10/25	G	G	G
					<u>Phase IV Stonewell Courtyards and Former Mitchell’s Brewery</u> Officers have worked with Ax-s-Re on their initial application for demolition of dangerous structures and their separate application for temporary car parking spaces. Regeneration Services Manager has made supportive comments for the car parking application.						
					<u>Phase V</u> Heat Network– An expression of interest was submitted to the Heat Network Development Unit Round 15 funding for further details to explore the potential procurement of a heat network delivery partner. As per the newly approved City Centre Car Parking Strategy, officers have assisted the parking team in progressing with the first phase interventions – temporary new car parking spaces on the former Lancaster District Homeless Action Service (LDHSA) site. The team will continue to progress work on Kingsway and Edwards St interventions too.						
I	S			Our Future Coast	We have recently installed additional measures but unfortunate these have taken a bashing from the recent storm (Storm Amy). We are going to install some more measures next week and maybe again in the spring. We are engaging with the communities throughout this process and involving them with the installations.	** Q1 27/28	Delivery	24/10/25	G	G	G
					We continue to monitor all the measures that have been deployed so far.						
I				Fair Work Charter	Report to follow.	** Q1 25/26	Delivery	N/A	X	X	X
I				1 Lodge Street Urgent Structural Repairs	First and second fix M&E work has commenced to the ground floor of the whole building and first floor of the cottage after the completion of design work on this phasing proved affordable.	** Q3 27/28	Delivery	21/10/25	A	A	A
I		H		Centenary House (formerly reported on as Morecambe Co-op Building Renovation)	Secured Cabinet approval to alter the delivery route after the withdrawal of the developer partner. Procurement documentation has been drafted but is not yet complete and pending legal advice on VAT issues.	Q1 26/27	Delivery	17/10/25	A	A	G
I			R	Frontierland	Interim Tenders have been received and evaluated. The Project Board has been presented with the outcome and agreed to proceed with certain risk mitigations.	Current phase – Q4 25/26	Delivery	17/10/25	A	G	A
I				Heysham Gateway	A secondary water vole survey was requested and undertaken by Consultants WSP in September 2025 in order to avoid having to wait to September 2026 to complete two surveys as part of the biodiversity net gain assessment for planning submission.	Current phase – Q1 26/27	Detailed Design	15/10/25	A	A	A
					Regeneration Services Manager submitted a formal request to County for further funding and has initiated internal LCC request for reserves. Project activity is otherwise on hiatus until further funding is secured.						

I		H	Canal Quarter - Coopers Fields	<p>The route to the St Leonardsgate car parks release for the “Coopers Fields” housing proposal has been outlined in the Lancaster City Centre Car Parking Strategy 2025-2028 adopted by the council in July 2025. While dependent on mitigating strategic car parking space delivery actions to be completed within the Strategy period, the council has agreed the overarching strategic route to housing delivery on the site and retains its original ambition under the Canal Quarter Masterplan.</p> <p>The scheme had originally intended to be delivered directly as a Council Housing-led scheme, the cost being predominantly financed through borrowing via the using Revenue Account (HRA), grant aid from Homes England’s Affordable Housing Programme and the available BLRF2 funds. However, due to urgent prioritising of the Mainway housing proposal, viability and delivery capacity concerns, the scheme will now require the introduction of a strategic developer partner to assist the council in meeting its objectives.</p> <p>The council has initiated a formal Preliminary Market Engagement (PME) exercise seeking formal feedback from interested parties on the site opportunity and to work with the council to secure its ambitions. This engagement / developer procurement is being led by Sustainable Growth Regeneration Team with input from Council Housing. A report will be presented to the council’s Cabinet later in the calendar year on the outturn response and interest from prospective partners and an outline of a preferred partner selection/tender process which will secure the council’s objectives.</p>	TBC – Unknown due to current stage	Detailed Business Case	26/09/25	X	X	X
I		H	Eden Project Morecambe	During the quarter RIBA Stage 2 was completed and the concept design approved by all partners, Eden Trustees and MHCLG. Work commenced on RIBA stage 3. The Watts Group were appointed as Independent Funding Monitor for the City and LPPI in August 2025.	** Q2 28/29	Detailed Design	21/10/25	G	G	G
I	S		Lune Flood Protection, Caton Road	<p>Project (as is) has been brought to a close pending discussions with developer and development of mutual benefits at this location. We have reasonably completed all works to gateway 1 and closed down this project with the consultant.</p> <p>We are now working with the developer to deliver outcomes required of this project. This is the aspect of bringing forward the attenuation and storage to manage surface water.</p>	Unknown due to current stage	Feasibility	24/10/25	G	G	G
I		H	Williamson Park (Café and Play Development)	Report to follow.	Unknown due to current stage.	Feasibility	N/A	X	X	X

A Sustainable District (Environmental)									
Priority	Project Name	Update	Due Date	Stage	Updated	Status			
						Plan	Cost	Scope	
	S	Burrow Beck Solar Farm (part of Carbon Neutral Programme)	<p>Piling of the site to prepare for the solar panels has made great progress. Estimates are that 80% of the framework is completed on the western field and 30% completed on the eastern field.</p> <p>DNO to commence once drainage design and setting out for substations has been completed.</p>	Q2 25/26 (Mar 26)	Delivery	15/10/25	G	G	G
	S	Public Sector Decarbonisation Scheme Phase 3c (part of Carbon Neutral Programme)	<p>Salix has confirmed that the project can retain the full initial allocation of £1.89M despite dropping City Lab site. Salix has also confirmed that the project can run beyond March 2026 via a delayed completion process. As external funding needs to be drawn down and spent by the end of March 2026, milestone payments are being developed with the contractors.</p> <p>In the last 3 months Alternative Heat have been providing preconstruction services, a formal EPC contract will only be entered into once planning has been secured. Due to amendments to the final design the final contract price is currently being updated in parallel a value-engineering exercise is also being undertaken to identify where costs can be reduced. The retention of the full grant amount helps reduce the Council’s contribution.</p> <p>LCC colleagues have been working with Ridge and Alternative Heat to ensure required documentation and resource is in place for the project to proceed once planning permission is obtained.</p> <p>The planning application for the works at the Storey were submitted on 11th September with expected decision date by 18th November. We expect Planning application for Williamson Park to be submitted by the end of October 2025.</p>	Q4 25/26 (Mar 26) – May be subject to change.	Detailed Design	15/10/25	X	G	G

	S		R	Salt Ayre Data Centre	<p>Architects have completed initial designs and will be supporting the tender process.</p> <p>Additional consultancy has been procured for detailed designs for mechanical integration with existing SALC infrastructure. Additional consultancy is being sought for detailed designs for electrical integrations.</p> <p>A framework for the battery energy storage system has been found and signed up to. Tender will begin once requirements have been aligned with architects and internal teams and enablement works complete.</p> <p>Data gathered from the additional monitoring on the SALC systems have begun to help support BAU at site as well as supporting detailed designs for integrations.</p>	Q1/Q2 26/27 (TBC)	Detailed Design	17/10/25	G	G	G
	S			Roof Mounted Solar Array – Gateway, White Lund (part of Carbon Neutral Programme)	Tenants have been met on site to discuss project. All were supportive. Our underwriters are satisfied with the project and our legal advisors are also satisfied in terms of service charges and recharges which have been confirmed. Now that all parties are happy we can proceed with final designs, construction phase plan and delivery.	Current Stage - Q4 25/26 (Mar 26)	Delivery	20/10/25	G	G	G

			Healthy & Happy Communities (Social)							
Priority			Project Name	Update	Due Date	Stage	Updated	Status		
								Plan	Cost	Scope
	S	H	My Mainway (part of Homes Programme)	<p>Key progress milestones for Q2 were completion of the business cases for Skerton and Mainway, submission to cabinet of a preferred procurement strategy, continued dialogue with Homes England and continuing engagement events with residents.</p> <p>Further work to finalise the business cases for Skerton and Mainway are nearing completion. Modelling confirms both schemes are viable over the long term but unaffordable in the short term, given current HRA constraints, interest-rates and costs, even with Homes England grant and preferential PWLB borrowing.</p> <p>Members have agreed to explore alternative partnering and funding arrangements to potentially bridge short term funding challenges and retain direct delivery as a baseline cost comparator for delivery. Actioning this, a paper has been prepared for submission to Cabinet and authorise the twin track approach, completing this key task in October.</p> <p>Dialogue with Homes England continues, but no firm commitments have yet been received on future AHP funding or the outcome of the Council Housebuilding Support Fund bid*. Reporting to the Brownfield Land Release Fund (BLRF) has been completed with no queries raised. However, details of a further BLRF round to support Mainway regeneration are still awaited.</p> <p>Recent cladding failures at Bridge House, now fully remediated, have highlighted the underlying challenges driving regeneration and we continue a vigilant inspection regime.</p> <p>*Following original reporting the council has been advised it was unsuccessful in this round of Council Housebuilding Support Fund application.</p>	<p>**</p> <p>Q4 27/28</p>	Detailed Business Case	17/10/25	G	G	A

				A Co-operative, Kind and Responsible Council (Governance)							
Priority				Project Name	Update	Due Date	Stage	Updated	Status		
									Plan	Cost	Scope
			R	Outcomes Based Resourcing (OBR) / Fit for the Future (FFTF)	There are currently 24 open projects within the FFTF programme. A small number of the phase 2 projects are yet to get properly underway, the rest are progressing, albeit some at a slower pace than originally planned. Work is underway to bring the project documentation and records up to date to help control the programme.	Phase 1 & 2 from Q3 24/25 to Q4 26/27	Delivery	14/10/25	A	G	G
I		H	R	UK Shared Prosperity Fund (UKSPF)	The delivery of UKSPF this financial year is on track. Officers submit quarterly reports to the Lancashire County Combined Authority to detail delivery progress. Following the Q2 reporting period, the allocation of funding is fully committed to a suite of diverse local projects. The spend of the overall programme funding is on track and significant outcomes are being recorded. It is anticipated that outcomes and spend will accelerate going into later quarters.	** Current Phase – Q4 25/26	Delivery	24/10/25	G	G	G
			R	High-Capacity Fibre Cable Network Provision (part of Digital Programme)	Project review report to follow.	N/A	Closed	N/A	C	C	C
	S		R	White Lund Depot	Report to follow.	Demolition Q2 25/26	Delivery	N/A	X	X	X

CABINET

Strategic Risk Management 02 December 2025

Report of Chief Executive

PURPOSE OF REPORT				
To provide Cabinet with an update on the authority's progress in updating the Strategic Risk Register.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision		N/A		
This report is public, with appendix B being exempt by virtue of paragraph 3 of Schedule 12A the Local Government Act 1972.				

RECOMMENDATIONS OF PORTFOLIO HOLDER FOR FINANCE AND RESOURCES

- (1) Cabinet note the updated Strategic Risk Register, as shown as appendix A (public report) and appendix B (restricted report).

1.0 Introduction

- 1.1 Quarter two 25/26 Strategic Risk Report as updated by Leadership Team to be seen by Cabinet to be noted.

2.0 Proposal Details

- 2.1 There are currently 25 Strategic Risks open on the register.
- 2.2 The attached appendices show the changes to the council's Strategic Risk Register made during the reporting period 17th July to 5th November 2025. Changes are highlighted using red text. A summary of the main changes is as follows:
- Risk reviews have been run against 9 Strategic Risks.
 - Action plan due dates have been updated for risks SR04, SR05, SR07,

SR08, SR15 and SR20.

- Action plan descriptions have been updated or added for risks SR04, SR07, SR08 and SR15.
- Control measure details have been updated or added for risks SR03, SR04, SR15, SR21 and SR28.
- The residual and target risks scores for SR29 have been increased. Further risk categories have also been added for this risk. It is the only strategic risk that sits above our risk appetite.

2.3 The recent changes from a 4x4 to a 5x5 matrix have resulted in there being no red (high) risks, with 7 amber risks across the restricted and unrestricted risk registers.

3.0 Details of Consultation

3.1 Not applicable

4.0 Options and Options Analysis (including risk assessment)

4.1 Not applicable

5.0 Officer Preferred Option (and comments)

5.1 Cabinet to note the Council's Strategic Risks.

6.0 Conclusion

6.1 Cabinet to note the Council's Strategic Risks.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

No direct impact arising from this report, which provides an updated copy of the authority's Strategic Risk Register.

LEGAL IMPLICATIONS

No direct legal implications arising from this report.

FINANCIAL IMPLICATIONS

No direct financial implications arising from this report.

OTHER RESOURCE IMPLICATIONS

Human Resources:

No direct HR implications arising from this report.

Information Services:

No direct ICT implications arising from this report.

Property:

No direct property implications arising from this report.

Open Spaces:

No direct open spaces implications arising from this report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has contributed to this report in his role as Chief Officer Resources, including responsibility for Internal Audit.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS

None.

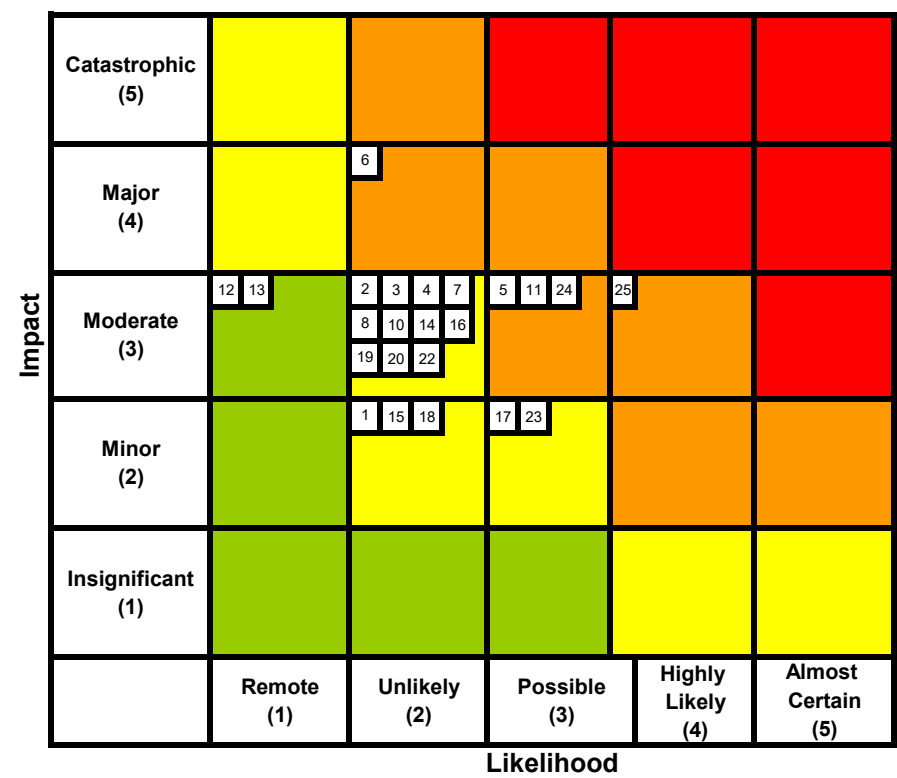
Contact Officer: Claire Dubelbeis, Projects and Performance Manager

Telephone: 01524 582505

E-mail: CDubelbeis@lancaster.gov.uk

Ref: N/A

Strategic Risk Register - Risk Map 06.11.25



NOTE 1: All risks have been reviewed in the run up to 6th November 2025

NOTE 2: The numbers shown on the risk map relate to those on the next page in the first column, not the Strategic Risk (SR) numbers.

NOTE 3: Only risks which are unrestricted are shown.

Strategic Risk Register, Report Created 06.11.25

Red text used to highlight changes since the previous report

Risk No.	Risk & Owner	Risk Description	Residual Risk Score (Impact x Likelihood)	Risk Category	Existing Control Measure	Existing Control Measure Description	Target (Retained) Risk Level	Action Plan Title	Action Plan Description	Action Plan Owners	Action Plan Due Date	Date Last Reviewed	Review Comment
1	SR01 Central Government funding is insufficient to provide the current level of service leaving the council unable to deliver the financial resilience initiative and achieve financial stability. Mark Davies Paul Thompson	Central Government funding and/or revenues collected are insufficient to provide the current level of service leaving the council unable to deliver the financial resilience initiative and achieve financial stability. Link to Council Plan 24-27: 4.1 Value for Money	4 (2x2)	Financial	Officer/Member Working Groups	Capital Assurance Group (CAG) and Financial Resilience Group (FRG)	2 (2x1)	Outcomes Based Resourcing	Review of existing budgets to identify areas for realignment/ refocusing or cessation to deliver efficiencies but ensuring that Services remain aligned with the Councils Priorities.	Mark Davies Claire Dubelbeis Alex Kinch	31/12/2025	15/07/2025	Risks re-scored following update to matrix on Marks behalf.
					Council Strategies	Outcome Based Resourcing (OBR), Investment Strategy, Reserves Strategy and Medium Term Financial Strategy							
					Monthly income monitoring by applicable services	Monthly income monitoring by applicable services							
					Quarterly reporting	Formal quarterly reporting to Cabinet and Budget and Performance Panel							
					Commercialisation	Development of other alternative service delivery vehicles to deliver efficiencies and/ or operational surpluses which can be reinvested into Council Services.							
					Business Plans for Investments	Develop business plans for investment particularly in relation to decarbonisation and renewable energy generation.							
					Fees and Charges Income Monitoring	Regular monitoring and forecasting by services of all fees and charges. To be undertaken by Heads of Service and Managers.							
					Fit for the Future Strategy	The Strategy contains a number of principles to achieve Financial Stability.							
2	SR02 The Council fails to meet the 2026/27 funding gap as a result of ineffective delivery of the efficiency programme and failure to deliver on key projects. Mark Davies Paul Thompson	The Council fails to meet the 2026/27 funding gap as a result of ineffective delivery of the efficiency programme and failure to deliver on key projects. Link to Council Plan 24-27: 4.1 Value for Money	6 (3x2)	Financial	Reserves Policy	Reserves Policy	2 (2x1)	Outcomes Based Resourcing / Fit for the Future	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas. NOTE: This is also listed as a control measure as the programme is phased so has already delivered some savings with further outcomes and savings to follow	Mark Davies Claire Dubelbeis Alex Kinch	31/12/2025	02/09/2025	Minor change made to the risk name and description, so that it refers to the planning of the next financial year.
					Project Managers	Project Managers - suitably skilled PMs assigned to lead strategic projects							
					Programme Managers	Programme Managers in place for specific programmes							
					Programme Delivery Board	Programme Delivery Board							
					Cabinet	Cabinet							

					<table><tr><td>Portfolio Holder</td><td>Portfolio Holder</td></tr><tr><td>Outcomes Based Resourcing for 23/24, 24/25 and 25/26 financial years.</td><td>Outcomes Based Resourcing for 23/24, 24/25 and 25/26 financial years</td></tr><tr><td>Project Delivery Board</td><td>Project Delivery Board - Consisting of Leadership Team to monitor delivery via quarterly reports and provide support and challenge to each project as required.</td></tr><tr><td>Projects and Performance Manager</td><td>Established to provide a central co-ordination point for all the Council's projects and performance. Responsible for co-ordination and monitoring.</td></tr><tr><td>Delivering Our Priorities Quarterly Monitoring Reports</td><td>Delivering Our Priorities Quarterly Monitoring Reports - Monitoring report linking Projects, Performance and Resources presented to Cabinet and Budget & Performance Panel.</td></tr><tr><td>Quarterly Cabinet Meetings</td><td>Quarterly Cabinet Meetings - Project and Financial information present to Cabinet/ Portfolio providing an opportunity for review and discussion of performance. As part of the Funding the Future Strategy, the Outcomes Based Resourcing exercise is commencing July 2022 to identify revenue savings for 2023/24 and beyond.</td></tr><tr><td>Outcomes Based Resourcing / Fit for the Future</td><td>Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.</td></tr></table>	Portfolio Holder	Portfolio Holder	Outcomes Based Resourcing for 23/24, 24/25 and 25/26 financial years.	Outcomes Based Resourcing for 23/24, 24/25 and 25/26 financial years	Project Delivery Board	Project Delivery Board - Consisting of Leadership Team to monitor delivery via quarterly reports and provide support and challenge to each project as required.	Projects and Performance Manager	Established to provide a central co-ordination point for all the Council's projects and performance. Responsible for co-ordination and monitoring.	Delivering Our Priorities Quarterly Monitoring Reports	Delivering Our Priorities Quarterly Monitoring Reports - Monitoring report linking Projects, Performance and Resources presented to Cabinet and Budget & Performance Panel.	Quarterly Cabinet Meetings	Quarterly Cabinet Meetings - Project and Financial information present to Cabinet/ Portfolio providing an opportunity for review and discussion of performance. As part of the Funding the Future Strategy, the Outcomes Based Resourcing exercise is commencing July 2022 to identify revenue savings for 2023/24 and beyond.	Outcomes Based Resourcing / Fit for the Future	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.	
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3	<p>SR03 The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver</p> <p>Alex Kinch</p>	<p>The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver effective services, projects and council priorities.</p> <p>Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities</p>	6 (3x2)	People	<table><tr><td>New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk</td><td>New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk. 25-26 is year 3 of the People Plan.</td></tr><tr><td>Annual Appraisal Process</td><td>Annual Appraisal Process embedded</td></tr></table>	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk. 25-26 is year 3 of the People Plan.	Annual Appraisal Process	Annual Appraisal Process embedded	6 (3x2)	02/09/2025	Minor change made to the description of the Pay and Grading Structure control measure to clarify the timeframe.								
New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk. 25-26 is year 3 of the People Plan.																			
Annual Appraisal Process	Annual Appraisal Process embedded																			

				Pay and Grading Structure	Pay and Grading Structure - The pay and grading structure and 2019 job evaluation process ensures that all posts are objectively evaluated and then placed on a new pay and grading scale.								
					Recent experience suggests that this assisted in attracting applicants with the desired skills and values.								
4	SR04 The use of council assets is not maximised leading to insufficient funding to meet the funding gap and deliver capital projects. Joanne Wilkinson	Future capital investment is dependent on capital receipts from the sale and utilisation of council assets. Link to Council Plan 24-27: 4.5 Innovative Public Service	6 (3x2)	Property Financial	Use of Council Assets	Capital Strategy Group	4 (2x2)	Council Assets	To progress with disposals of council assets as outlined through 22/23 OBR process.	Joanne Wilkinson	31/03/2026	02/07/2025	Limited change. Ongoing review of assets being undertaken and presented to OBR assets. Information presented to B+P in Q1. New CPM system being implemented and this will further assist with better property management functionality.
					Use of Council Assets	Ongoing OBR workstream reviewing assets							
					Use of Council Assets	Performance monitoring of leases implemented		Council Assets	Updated Asset Management Strategy to be developed to incorporate property performance, as well as Estates and FM areas.	Paul Mackie Joanne Wilkinson Dan Wood	31/03/2026		
					Use of Council Assets	Budget Monitoring							
					Use of Council assets	Implemented active asset management inc. financial modelling for stock rationalisation.							
					Use of Council assets	Appointed Eckersleys to support the council in asset disposal.							
					Use of Council Assets	Stock Condition Surveys for property group completed		Council Assets	Upgrade Asset Management system to CPM this should assist with better property management - fully interfaced system	Paul Mackie Joanne Wilkinson Dan Wood	31/03/2026		
					Use of Council Assets	Asset Management Strategy in place,							
					Use of Council Assets	Officer energy fit for the future group completed recommendations and report produced presented at OBR Assets							
					Use of Commercial Assets	Commercial Manager post recruited to.		Council Assets	Consideration of commercialisation Plan - aligned with with Estates Imp Plan	Paul Mackie	31/03/2026		
					Use of Commercial Assets	Estates Improvement Plan developed							
					Use of Council Assets	10 year capital programme developed and fed through the budget							
					Use of Council Assets	Energy Officer recruited to support reductions in utility costs awaiting start date.							
					Use of Council Assets	Project Officer recruited to - to support delivery of increased capital / revenue projects for next three years.							

					Council Assets	Climate Statement finalised and published with clear actions around improvements.								
					Use of Council Assets	Utilising external support through HPA								
					Use of Council Assets	Repairs Service Improvement plan for property portfolio								
5	SR05 Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies Kirstie Banks-Lyon Alex Kinch	Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies.	9 (3x3)	Financial	Resourcing the emergency response function	The Council continues to adequately resource its emergency planning function, including maintaining its team of out of appropriately trained emergency response officers.	6 (3x2)	Community Resilience	The Council supports community resilience through CEPGs and FLAG groups etc. The local CEPG own and update their own plans in liaison with the Resilience Officer	Alex Kinch	31/08/2026	29/10/2025	Reviewed in line with 5x5 matrix. Risk remains and appropriate control measures in place	
					District emergency	Lancaster District Emergency Plan and LRF (Lancashire Resilience Forum) plans that cover site or incident specific risks, including for example: an incident at Heysham Power Station, or a flooding/weather event.		Adaptation Schemes	The Council appraises and potentially invests in schemes and activities that provide adaptation (eg Lune river defence). This will be undertaken through the emerging Our Future Coast programme.	Paul Blakeley Jonathan Noad	01/07/2026			
					Business Continuity Plans	Business Continuity Plans								
					National Emergency (such as a pandemic)	LRF plans.								
					Financial Planning	Financial Planning - Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.								
					Business Resilience	Business Resilience - The Council continues to invest in resilience measures eg technology to facilitate remote working.								
					Partnerships	Partnerships - The Council continues to allocate resource to developing its key partnerships LRF, CSP (Community Safety Partnership) and local resilience partners.								
					County wide emergency (such as widespread loss of power and extreme weather events)	The LERP (Lancashire Emergency Response Plan) and plans as required from box 2 and box 3 plans, held in resilience direct.								

				Financial Planning	Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.								
				Corporate Resilience Exercises - January 2025	The LGA held two corporate resilience exercises with managers w/c 20th January 25.								
6	SR06 The Council fails to reduce its direct Co2 emissions to 'net zero' by 2030. Mark Cassidy	In January 2019 the Council declared a 'climate change emergency' and have now sought endorsement of an approach to reduce the Council's direct Co2 emissions to 'net zero' by 2030. Whilst an action plan is in place, costs associated with implementing the actions are considerable and are constantly under review. Link to Council Plan 24-27: 1.1 Carbon Zero	8 (4x2)	Strategy Project / Programme	Delivery plan in place	Climate Change Action Plan - the Climate and Nature Strategy will supersede this	8 (4x2)	(i) Climate and Nature Strategy (ii) Annual Climate Report (to be presented to Cabinet)	The Council continues to work on the delivery of its CaNS and the date for delivery is likely to be early-June.	Mark Davies	31/12/2025	29/09/2025	No change to previous update - i.e. - The remaining actions were split; The first relates to the Climate and Nature Strategy(CaNS) which has been delayed due to other climate work associated with time-limited projects. The CaNS will still be delivered this year, and the Portfolio Holder has been updated (June 26 2025). The second part of the risk is new, and relates to the 1st Annual Climate Report, which will be prepared for Cabinet at the end of each calendar year, starting in December 2025. This will set out the progress on an annual basis for reducing CO2 emissions and the ambition to reach net zero by 2030.
					Peoples Jury	Peoples Jury - The Council considers the recommendations of the Peoples Jury and builds recs that can be delivered directly by the Council into its plans							
					Development of the Local Area Energy Plan and the emergence of the Climate and Nature Strategy	Local Area Energy Plan (LAEP)has been adopted by Cabinet (Oct 2024) and it set out the district's most cost-effective pathways to net zero. Climate and Nature Strategy (CaNS) is funded by a UKSPF award and will be the Council's Climate and Nature Action Plan, bringing together all climate and biodiversity workstreams under one document with realistic ambitions that align with the Council Plan		(ii) Local Area Energy Plan	LAEP sets out a long-term vision for decarbonising the district by 2040 and looks beyond the council's own 2030 target for its direct activities. The LAEP sets out the changes required to transition the Lancaster district energy system and built environment to net zero while also addressing fuel poverty. It details what changes are required, where, when and by whom. Since the last review the LAEP has been formally adopted by this Council. Next stages for implementation are being considered, but are likely to require UKSPF assistance given resource constraints (staffing) during the remainder of the calendar year (delivery of other decarbonisation projects)	Mark Cassidy	31/12/2025		

7	<p>SR07 The Council fails to deliver its key priorities due to the lack of an underpinning strategy setting out expected delivery / outcomes.</p> <p>Mark Davies Luke Gorst Paul Thompson</p>	<p>On the 29 January 2019, Full Council approved the Council's strategic priorities for the purpose of informing budget decisions for 2020-21 and future years.</p> <p>Link to Council Plan 24-27: Whole document.</p>	6 (3x2)	Strategy	Carbon Zero +	<p>More details can be found on our website: https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates</p> <hr/> <p>Medium Term Financial Strategy (MTFS)</p> <p>MTFS - in place to set out how the council proposes to manage its financial resources in line with corporate priorities.</p> <hr/> <p>Programme Management</p> <p>Programme Management - in place to ensure strategy is followed and monitored on a regular basis.</p> <hr/> <p>Corporate Plan / Plan 2030</p> <p>Corporate Plan / Plan 2030 - Updated in December 2021 to lay out the councils vision.</p> <hr/> <p>Fit for the Future</p> <p>Fit for the Future is a strategic programme that assists in the balance of Council plan and MTFS</p>	4 (2x2)	Local Development Plan	Local Development Plan	Mark Davies	30/09/2024	15/07/2025	Risks re-scored following update to matrix on Mark Davies behalf.	
								Priority Policies 24-27	Council Plan	Mark Davies	31/03/2027			
8	<p>SR08 The Council fails to deliver its key projects due to the lack of capacity and resources.</p> <p>Mark Davies</p>	<p>The Council has a number of key projects (Canal Quarter, Eden Project Morecambe, OBR, My Mainway, Heysham Gateway, Frontierland etc) all of which have detailed strategies for implementation. In order to deliver these key projects it is essential they are</p>	6 (3x2)	People Financial	Local Plan	Local Plan	3 (3x1)	Local Plan	Local Plan, due to be adopted in June 28	Mark Cassidy Mark Davies	30/06/2028	02/09/2025	Action date amended.	
					Medium Term Financial Strategy (MTFS)	Medium Term Financial Strategy (MTFS)								
					Investment Strategy	Investment Strategy			Reserves	Adequate reserves are maintained to allow, due diligence of property investment, regeneration projects and key strategic	Mark Davies Paul Thompson	30/01/2026		
					Capital Programme	Capital Programme								

	<p>properly promised and resourced.</p> <p>Link to Council Plan 24-27: 4.5 Innovative Public Services</p>		<p>The Council continues to resource key service teams in Planning, economic development, regeneration, property investment</p>	<p>The Council continues to resource key service teams in Planning, economic development, regeneration, property investment and facilities management.</p>		<p>planning strategies.</p>		
						<p>People Plan</p> <p>3-Year People Plan in place and being delivered, which includes emphasis on upskilling and staff development, as well as initiative to support recruitment and retention.</p>	<p>Alex Kinch</p>	<p>31/03/2026</p>

					Strategic Plans	Strategic Plans - Continue to develop Council strategic plans and documentation in light of emerging Government policy							
11	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities. Mark Davies	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities. This risk is outside of the control of the Council. It can not be fully mitigated against but should still be recorded on the strategic risk register.	9 (3x3)	Strategy Operations Security Financial	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues Strategic responsiveness through continued risk management review Agility and Resilience Strategic risk management approach	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues Strategic responsiveness through continued risk management review Agility and Resilience - Continue to develop agility and resilience across the organisation Strategic risk management approach	9 (3x3)				05/11/2025	Risk reviewed - no change	
12	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation. Mark Davies	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation. Link to Council Plan 24-27: 4.5 Innovative Public Service	3 (3x1)	Strategy Financial	Budget Development OBR / Fit for the Future	Comprehensive, robust and transparent approach to budget development and service delivery. Outcomes-Based Resourcing (OBR) approach to focusing on where resources can have maximum impact on strategic priority areas.	3 (3x1)				15/07/2025	Risk re-scored following matrix update on Mark Davies behalf.	
13	SR13 The Council's reputation is damaged through its own actions or actions of others in the District Mark Davies	SR13 The Council's reputation is damaged through its own actions or actions of others in the District. Link to Council Plan 24-27: 3.4 Community Engagement	3 (3x1)	Strategy People	Communications Strategic Management of Activities Delivery of Services Strategic communication	Pro-active communications and transparency Strategic management of all Council activities to ensure continued high reputation Delivery of Services - Continue to manage and deliver services in a way that supports the authority's reputation as a Co-operative, Kind and Responsible Council. Strategically communicate and engage with residents, partners and stakeholders to ensure actions align with reputation	3 (3x1)				15/07/2025	MD reviewed - as is	
14	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services.	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services.	6 (3x2)	Operations Financial	Budget and Performance Panel	Budget and Performance Panel Move to sustainable solutions	6 (3x2)	Move to sustainable solutions	Minimise exposure to cost spikes such as energy by moving to sustainable solutions independent of external pressures	Mark Davies Paul Thompson	31/03/2026 15/07/2025	Risk re-scored following update to matrix on behalf of Mark Davies	

	Mark Davies Paul Thompson	Link to Council Plan 24-27: 4.1 Value for money		Reserves Policy Reserves Policy				Council has approved the construction of a Solar Farm at Burrow Beck and also the development of a new Data Centre at Salt Ayre. Both will have a positive impact on the Council's sustainability ambitions but also income generation and cost reduction					
	Continue financial forecasting	Continue financial forecasting and scenario planning e.g. for energy costs											
								Level of Reserves	As part of the annual budget cycle the s151 Officer is required to make a statement of the adequacy of the Council's reserves, provision and balances and set a minimum level of reserves. This ensures that it is able to mitigate variations in the short to medium term.	Paul Thompson	31/03/2026		
15	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district. Joanne Wilkinson	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district. Link to Council Plan 24-27: 4.5 Innovative Public Services; 4.1 Value for money	4 (2x2)	Strategy	Asset Management Plan Continuous review of assets and infrastructure Councils infrastructure	Asset Management Plan Continuous review of assets and infrastructure OBR Assets group in place.	2 (1x2)	Asset Managemen t Plan Conduct a major review of Council infrastructure and assets, taking a future focused approach to asset management.	Joanne Wilkinson Mark-Davies	31/03/2026	15/07/2025	Risk re-scored following update to matrix on behalf of Mark Davies. Owner transferred to Jo Wilkinson	
16	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses. Mark Davies Alex Kinch	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses. Link to Council Plan 24-27: 4.5 Innovative Public Services	6 (3x2)	Strategy	Corporate Plan Policy Framework Continuous review of strategy and policy LGA Workshop with Members CPC review and action plan.	Corporate Plan Policy Framework Continuous review of strategy and policy, and alignment with service delivery. These took place in September 2023. CPC review and action plan. Action Plans have now been added into Service Plans.	2 (1x2)				16/06/2025	Risk reviewed with Alex following re-scoring of risk and impact matrix.	
17	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.	6 (2x3)	Legal	Corporate Governance	Corporate Governance	6 (2x3)				21/10/2025	as is	

	Mark Davies Luke Gorst	Link to Council Plan 24-27: 4.6 Openness			Continuous review of governance processes	Continuous review of governance processes to ensure they are fit for purpose								
					Annual Governance Statement and Code of Corporate Governance	The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.								
						The Council has reviewed and adopted an amended Code of Corporate Governance (dated April 2022). The Preparation and publication of this Annual Governance Statement is in accordance with the principles set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016) (The Framework).								
					Training and development	Ongoing training and development to ensure staff and members are equipped to follow governance requirements.								
18	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area. Jonathan Noad	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area. Link to Council Plan 24-27: 2.4 Investment and Regeneration	4 (2x2)	Project / Programme	Programme Management	Programme Management	2 (1x2)	Development of a Canal Quarter Masterplan	Development of a Canal Quarter Masterplan that sets out a route to successful regeneration of the area in line with local needs and the Council's priorities. This now needs to be updated to preparing a business case for investment options to deliver adopted masterplan.	Jonathan Noad	31/03/2025	17/07/2025	Risk re-scored to reflect updated scoring so that the numbers add up. Owner transferred to Jonathan Noad	
19	SR20 Non compliance with Building Safety Executive for LCC owned high-rise buildings. Dennis Graham Paul Mackie Joanne Wilkinson	LCC has three high rise buildings which now fall under the Building Safety Act 2022, and require registration with the Building Safety Executive (BSE). There are numerous risks around non-compliance. Link to Council Plan 24-27: 3.1 Access to Quality Housing	6 (3x2)	Property Financial	Registration with BSE for high rise blocks	Fortnightly senior housing management meetings updating on risks and plans around building safety review.	2 (2x1)	Non-compliance with BSE	To review Building Safety Case files following EWI survey results	Paul Mackie	31/12/2025	02/07/2025	Limited change - safety case files not yet called in, but will be reviewed following cladding survey results which should be due in next quarter. Bridge House now has 16 residents residing in it as the decent strategy	

		Housing			Registration with BSE for high rise blocks	Monthly Compliance Steering Group comprising staff from across the Housing Service meet to discuss issues and tasks that are needed.				Detail strategy is underway. Work to remove the front cladding on one elevation of Bridge House is commencing in July.
					Registration with BSE for high rise blocks	Tenants Voice group and Building Safety Group established				
					Registration with BSE for high rise blocks	Registration of blocks with BSE complete				
					Registration with BSE for high rise blocks	On-going and regular campaigns on fire safety undertaken with residents.				
					Registration with BSE for high rise blocks	Cabinet (Feb 24) approved decommissioning Bridge House - Housing team now progressing decision.				
					Registration with BSE of high rise blocks	Building Saftey Case files prepared ready for call in.				
					Non compliance with BSE	Commissioned external cladding survey for Park House - draft report received shows low risk tolerable conclusion.				
					Non compliance with BSE	Information updated on improved intranet pages				
					Non-compliance with BSE	Resident engagement strategy for building safety approved				
					Non-compliance with BSE	Ongoing and regular dialogue with LFRS including site visits				
20	SR21 Non compliance with Regulator of Social Housing Standards Dennis Graham Joanne Wilkinson	The Social Housing White Paper and subsequent amendments through to the introduction of the Social Housing Regulation Act have highlighted a significant shift in requirements for social housing providers. This will be the biggest shift in a generation, with changes to standards and expectations. Failure to keep up with changes could result in unlimited fines / DLUHC, Regulator or Ombudsman intervention / bad publicity. However clearly the Regulator has laid out that	6 (3x2)	Property Financial	Social Housing Regulation	Attendance at benchmarking groups with the Regulator / Ombudsman to stay abreast of updates / developments / best practice / learning	2 (2x1)		02/07/2025	Limited change. Continue to keep abreast of what's going on through the sector. Recent announcements include - details of professionalisation, changes to electrical safety requirements, updates on Awaabs Law etc... Annual meeting with the regulator booked for middle of July.
					Social Housing Regulation	Action planning within the service occurs in preparation for changes				
					Social Housing Regulation	Quarterly reports available for portfolio holder outlining changes in the previous quarter produced.				
					Social Housing Regulation	Service Improvement Plan well established				
					Social Housing Regulation	Annual self assessment undertaken against current standards				

		it is unlikely that Councils will meet the required new standards fully and expect to work with landlords to improve performance against new requirements. Link to Council Plan 24-27: 3.1 Access to Quality Housing			Social Housing Regulation	Member advisory group for continued / wider input into the housing service established.							
					Social Housing Regulation	Various external audits utilised e.g. TPAS, Resolve, Pennington Choices							
					Social Housing Regulation	Breaches Policy in place							
					Social Housing Regulation	Internal Audit to be completed Q3 25/26							
					Social Housing Regulation	Engagement meetings taking place with the Regulator.							
22	SR24 ICT Data Centre Paul Thompson	Data Centre is dated and improvements needed to satisfy future demand. Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	6 (3x2)	Technology	Air conditioning in place to keep the data centre at optimal temperature Back up Date Centre at SALC Regular fire safety servicing carried out Water ingress alerts Cabinet have approved money for the build of a new data centre at SALC		6 (3x2)	Data Centre	Business case to be presented to CAG 15th May. Once considered the aim is for it be presented to June/ July Cabinet for formal approval and release from the Development Pool	Nick Goulden Paul Thompson	31/07/2025	16/07/2025	Risk rescored and further control measure added.
23	SR27 - Waste Strategy Will Griffith	Increased revenue cost burden to the authority and failure to deliver in line with milestones set out by government (31st March 2026). Link to Council Plan 24-27: 1.5 Reduced Waste	6 (2x3)	Strategy Financial	Fit for Future Waste Group and Waste Implementation Officer Working Group. Regular meeting with officers and members taking place to ensure milestones are met.		2 (1x2)	Waste Strategy Implementation	Officer working groups and relevant sub groups have started in order to develop a project delivery plan.	Will Griffith	31/03/2026	17/07/2025	Risk re-scored to ensure the scoring adds up, following update to matrix.
24	SR28 Delivery of Mainway Project Joanne Wilkinson	Delivery of the Mainway project is not executed as planned. Potential Consequences - Reputational risk and loss of trust from residents, risk around finances and health and safety implications.	9 (3x3)	Project / Programme	Mainway project Reports completed on a quarterly basis to update on project progress at a corporate level. Mainway project Fortnightly project team meetings reviewing progress.		4 (2x2)	Mainway project Mainway	Procurement of next stages to be completed Lune and Derby Houses to	Joanne Wilkinson Joanne	31/03/2027	20/10/2025 31/12/2025	MIAA have nearly completed PBC for Mainway / Skerton case. Ongoing engagement with Homes England now further details of AHP funding

		<div>Delays could also put pressure on staff resources.</div> <div>This risk is on the Housing Risk Register as "H02 Delivery of Mainway Project" (9th Dec 2024)</div>			<div>Mainway project</div> <div>Additional resource put into the project by way of Andrew Whittaker moving into a dedicated Lancaster City Council Development Manager post to support the success of this over the course of 23/24</div>		<div>project</div> <div>be disposed of</div> <div>Wilkinson</div>		<div>has been released. Regular meeting of Programme Board.</div> <div>Unfortunately application for Council Housebuilding Support Fund - unsuccessful. Report scheduled for October Cabinet seeking way forward through partnership / as well as seeking price for Council to complete build.</div>
					<div>Mainway project</div> <div>Demolition of school site completed</div>		<div>Mainway project</div> <div>Masterplan to be completed</div> <div>Joanne Wilkinson</div> <div>31/03/2026</div>		
					<div>Mainway project</div> <div>Regular meetings with Homes England taking place to keep them abreast of developments</div>		<div>Mainway project</div> <div>Applications for funding to be submitted where relevant.</div> <div>Joanne Wilkinson</div> <div>31/03/2026</div>		
					<div>Mainway project</div> <div>Financial model put forward to Link</div>				
					<div>Mainway project</div> <div>Planning application approved for Phase 1a and b</div>				
					<div>Mainway project</div> <div>Various and ongoing engagement events / information sessions with residents and councillors</div>				
					<div>Mainway project</div> <div>New governance structure with Project Board, Scrutiny Group and sub-groups established.</div>				
					<div>Mainway project</div> <div>MIAA audit review completed</div>				
					<div>Mainway project</div> <div>MIAA supporting with PBC for Mainway.</div>				
					<div>Mainway project</div> <div>Report to Cabinet seeking preferred way forward through seeking partnership (as well as gaining cost for the scheme).</div>				
25	SR29 - Local Government Reorganisation Mark Davies	In December 2024 the government told local authorities across the UK that Local Government Reorganisation (LGR) will be brought in for geographical areas who	12 (3x4)	Strategy Governance Operations Legal Property Commercial People	Regular discussions at LT and with Members	Regular discussions at LT and with Members, Lancashire Leaders / CEX groups Council have agreed an x party working group	8 (2x4)	05/11/2025	Adjusted risk levels and target risk levels

have not yet participated. The aim being to create Council's with a population of 500k, or more, in most cases to provide efficiency benefits in the delivery of services. In the short term, whilst these changes are being implemented, this can lead to a number of risks to the delivery of local services. The main concerns being delivering the Ambitions as stated in the Council Plan 24-27 and the risk of staff leaving the Council causing problems in the delivery of services.

Technology
Security
Project /
Programme
Financial
Data Info
and
Management

LGR Steering
Group

Set up LGR steering group for
Cabinet and senior officers

Liaise with
Management
from nearby
Lancashire
Authorities

Liaise with Management from
nearby Lancashire Authorities to
understand their thinking and
positions.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

CABINET

Medium Term Financial Strategy Update

2026/27 – 2030/31

2 December 2025

Report of Chief Finance Officer

PURPOSE OF REPORT

To provide an update on the Council's Medium Term Financial Strategy forecasts for 2026/27 to 2030/31 and outline the approach to balancing the budget.

This report is public.

RECOMMENDATION OF PORTFOLIO HOLDER FOR FINANCE & RESOURCES

That Cabinet considers :

- (1) The draft future years estimates as set out in the report as the latest information available, accepting that this is an interim position.
- (2) Agrees that the update be referred on to December Council for information.
- (3) Notes the Council Tax Base for 2026/27 as set out in paragraph 3.12.

1.0 INTRODUCTION

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

2.0 UPDATED BUDGET GAP ANALYSIS

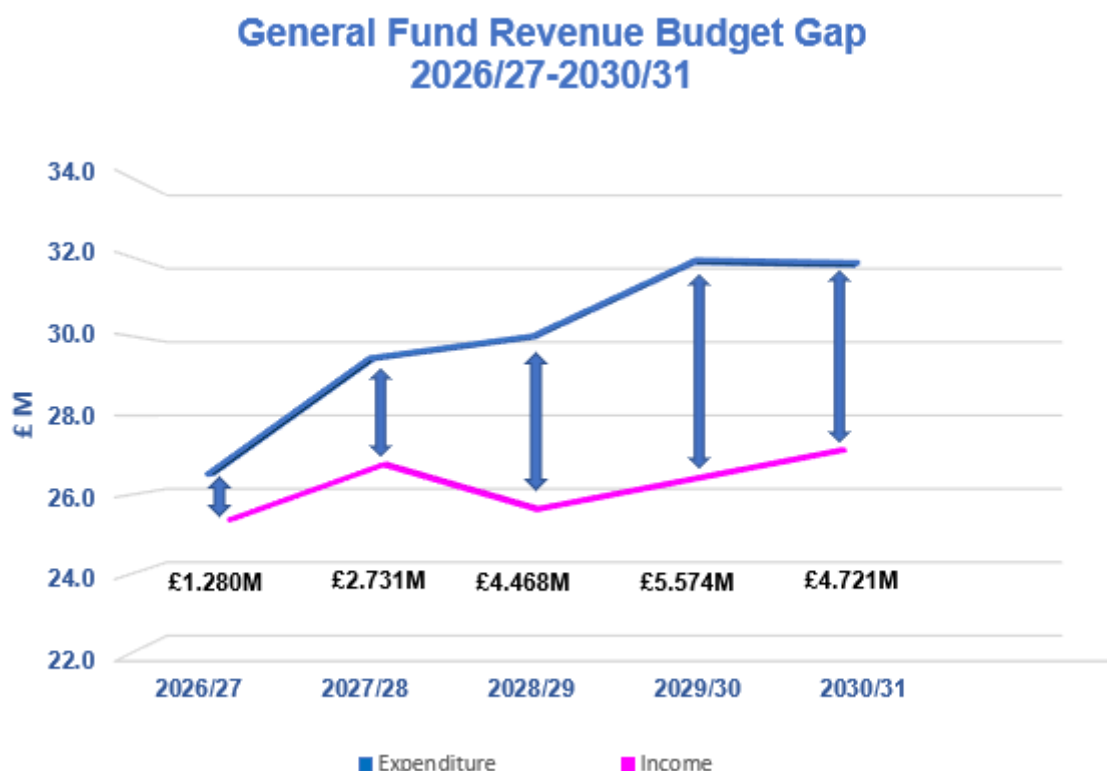
- 2.1 Officers have been working with budget holders and Senior Leadership Team to update the Council's Medium Term Financial position. The review considered latest available information around government funding, other income streams as well as forecast expenditure levels incorporating known budget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

2.2 As noted above, this baseline forecast is subject to change when more up to date information becomes available and does not reflect the ongoing work being done by Cabinet and Senior Leadership Team in regard to any Outcomes Based Resourcing (OBR)/Fit for the Future (FtF) proposals, nor does it reflect the revenue impact of any proposed further revisions to the capital programme made after the after Capital Programme Mid Year Review report was approved by Council on 24 September 2025. It sets a baseline position without any further interventions in the Budget setting process. The interventions and actions being undertaken include:

- A range of income and efficiency proposals aiming to significantly reduce the 2026/27 budget gap, to be brought forward in the upcoming Budget and Policy Framework.
- An ongoing OBR/FtF process which includes the examination of every area of its budget and matching resources more closely with its priorities. The OBR/FtF programme includes looking at ways the Council can do things differently by utilising technology and being more efficient, as well as considering areas in which it can generate more income.

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

2.3 The current budget gap for the next five years to 2030/31 is summarised in the graph below. The graph below assumes no intervention, but it does highlight the scale of the challenge facing the Council, the reasons for which are outlined in the report.



3.0 GOVERNMENT FUNDING PROSPECTS

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

Autumn Statement

- 3.2 Government announced its Autumn Statement on 26 November 2025 and as this report was written prior to that date and therefore doesn't include any financial consequences arising from it. A further update will be produced for all Members which will be reported into January's Cabinet and Council meetings.

Local Government Finance Settlement

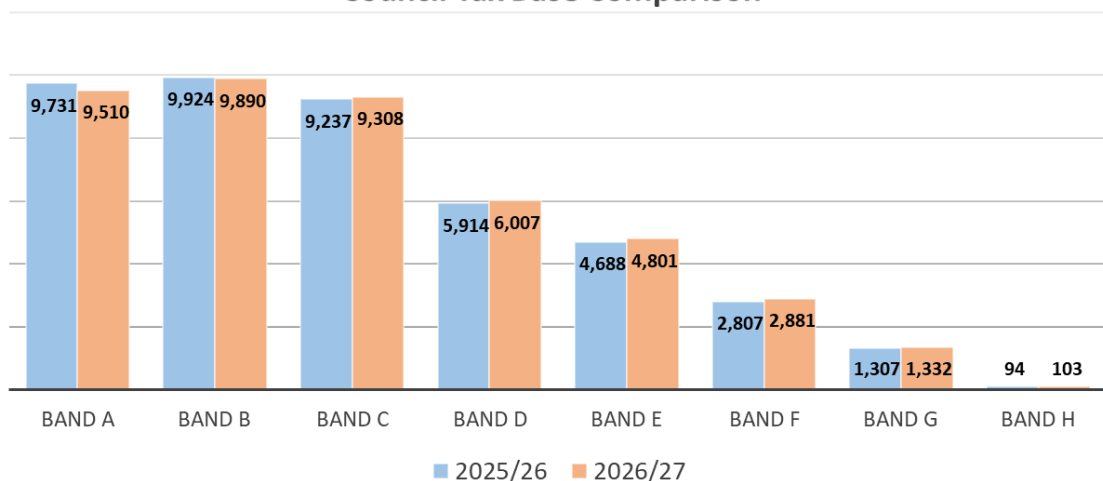
- 3.6 Given that the Settlement announcement is imminent, and the current level of uncertainty, there is little benefit to be gained from spending significant time on modelling different funding scenarios; real information is needed at this stage in the process.
- 3.7 Nonetheless, some preliminary high-level work has been done to update the budget scenarios, in order that we do not lose sight of the potential risks and the challenge created by the underlying position.
- 3.8 This has taken the updated budget position and reflected several assumptions such as general inflation, the Local Government Pay Award and prospects for retained Business Rates, Council Tax yield and New Homes Bonus.
- 3.5 A further update will be produced for all Members once the Settlement has been announced and its impact assessed. This will be reported into January's Cabinet and Council meetings.

Council Tax

- 3.9 Council Tax is one of the Council's primary sources of funding and is calculated by multiplying the tax base, the number of eligible residential properties (expressed in band D equivalents), by the level of the district council precept which is determined each year.
- 3.10 The tax base for 2026/27 has been calculated as 43,833 Band D equivalent properties after allowing for a collection rate of 98.677%, the same as in previous years. This equates to a negligible increase in the tax base from 43,702 in 2025/26. This increased number of Band D equivalents when compared to the forecast in 2025/26 is largely due to :-
- new properties built in the area
 - an increase in exempt accounts due to a review of student exemptions

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

Council Tax Base Comparison



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

years.

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

	Actual 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31
Council Tax Band D 2.99% increase	£264.30	£272.20	£280.34	£288.72	£297.35	£306.24
Council Tax Band D (£5 increase)	£264.30	£269.30	£274.30	£279.30	£284.30	£289.30
Tax base (1% growth from 2026/27)	43,702	43,833	44,271	44,714	45,161	45,613
Council Tax Income (based on 2.99%)	£10,610,019	£11,931,343	£12,410,932	£12,909,826	£13,428,623	£13,968,525
Previous MTFS		£12,015,000	£12,498,000	£13,000,000	£13,522,000	£14,066,000
Difference Increase or (Decrease)		-£83,657	-£87,068	-£90,174	-£93,377	-£97,475
Scenario 1 – No increase in Council tax over period of MTFS		-£429,938	-£797,175	-£1,182,090	-£1,585,948	-£2,010,484
Scenario 2 – Council Tax Band D (£5 increase)		-£210,773	-£354,465	-£511,380	-£682,728	-£870,159
Scenario 3 – 1.5% increase in tax base growth & 2.99% increase from 2026/27)		-£83,657	-£1,845	£62,848	£133,204	£208,459

Business Rates

- 3.13 Business Rates is now a fundamental part of the local government finance settlement and, along with Council Tax, accounts for the majority of local government financing. There are currently several significant uncertainties which make forecasting and planning extremely difficult, these are set out below.
- 3.14 As discussed in section 3.2, the Autumn Statement has not been released at the time of writing this report so no changes can be factored in at this point in time.
- 3.15 There is a 2025/26 forecast year end deficit of (-£0.788M) which will be recognised in 2026/27, however this will be fully funded from the Business Rates Retention Reserve (BRRR). It should be noted that this figure will increase or decrease in line with collection fund monitoring until the NNDR1 form is submitted in January 2026.
- 3.16 With regard to 2026/27, the proposed business rates reset will take place and this will affect the collection fund in a number of ways :-
- A revised business rates baseline which is the amount that we are expected to collect as an Authority
 - A revised baseline funding level which is the funding need as determined by the government
 - Expected changes to the tariff payable by the Authority and S31 grants due to the Authority

The overall effect of the above is expected to be addressed within transitional arrangements but it is proposed to utilise the BRRR to mitigate any significant financial impact.

At the time of writing this report, the various models required to calculate the future impact have not been released. However, it is expected before the end of November and the financial impact will be considered within future iterations of this report as appropriate.

4.0 MEDIUM TERM FINANCIAL STRATEGY – CURRENT PROSPECTS TO 2030/31

- 4.1 Total operational changes included in the base budget for 2026/27 currently amount to a decrease in expenditure of £2.225M and are provided in the General Fund Revenue Budget

Projections 2026/27 - 2030/31 table at paragraph 4.3.

MTFS Planning Assumptions

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

	2026/27	2027/28	2028/29	2029/30	2030/31
Council Tax Base Growth	1.00%	1.00%	1.00%	1.00%	1.00%
Council Tax Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Council Tax Collection Rate	98.67%	98.67%	98.67%	98.67%	98.67%
Fees & Charges	3.80%	2.20%	2.00%	2.00%	2.00%
Pay Award	3.00%	3.00%	3.00%	3.00%	3.00%
Employer Pensions Contribution	10.40%	10.40%	10.40%	10.40%	10.40%
Electricity	24p/kwh	-9.81%	-4.38%	-6.79%	-17.61%
Gas	3.5p/kwh	2.20%	2.00%	2.00%	2.00%
Other inflation	3.80%	2.20%	2.00%	2.00%	2.00%
Interest Rate – investments	4.00%	3.25%	3.00%	3.00%	3.00%
Interest Rate – new borrowing	4.70%	4.30%	4.30%	4.30%	4.30%

4.3 General Fund Revenue Projections 2026/27 – 2030/31

General Fund Revenue Budget Projections 2026/27 to 2030/31					
For Consideration by Cabinet 2 December 2025					
	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000
GF Revenue Budget/Forecast as at 26 February 2025	28,749	29,489	30,118	31,873	32,829
Base Budget Changes					
Further Operational Changes					
Pay Award 25/26	188	194	200	206	212
Pensions (Employer Contribution Reduction)	(1,251)	(1,232)	(1,223)	(1,229)	(1,234)
Increase Staff Turnover (to £1M)	(352)	(352)	(352)	(352)	(352)
Interest Payable	(128)	43	33	33	43
Interest Receivable	18	72	36	38	38
Minimum Revenue Provision (MRP)	(190)	15	26	17	(426)
Review of Reserves	(293)	(293)	(293)	(293)	(293)
Use of Business Rates Retention Reserve	(788)	0	0	0	0
Review of Inflation Factors	37	61	71	60	(159)
Review of Corporate Property Programme	61	291	82	(12)	(382)
Review of Asset & Compliance Programme	(389)	(135)	(240)	(161)	(193)
Commercial Property Rental Income	498	74	(13)	(13)	(13)
Bed & Breakfast Expenditure	(541)	0	0	0	0
Burrowbeck/Gateway Solar	200	200	200	200	200
Waste Collection pEPR Payment	(367)	(347)	(326)	(305)	(305)
Food Waste (removal of savings target)	350	388	409	434	434
Williamson Park Net Income	143	143	143	143	143
Car Parking Pay & Display Income	350	350	350	350	350
Revenues Shared Service	60	60	60	60	60
ICT Cyber Security	114	114	114	114	114
Minor Variances	(15)	(110)	74	179	192
Latest Budgetary Position	26,454	29,025	29,469	31,342	31,258
Revenue Impact of Capital Programme Review (MRP & Interest)	77	441	546	564	583
Revenue Impact of Capital Programme Review (Ongoing Revenue)	(7)	(32)	(32)	(32)	(32)
General Fund Revenue Budget	26,524	29,434	29,983	31,874	31,809
Core Funding:					
Revenue Support Grant	(460)	(460)	(460)	(460)	(460)
Prior Year Council Tax (Surplus)/Deficit					
Prior Year Business Rates (Surplus)/Deficit	788				
Net Business Rates Income	(13,641)	(13,832)	(12,145)	(12,411)	(12,659)
Council Tax Requirement	13,211	15,142	17,378	19,003	18,690
Estimated Council Tax Income - (Increases based on 2.99% for 2025/26 then max allowable)	11,931	12,411	12,910	13,429	13,969
Structural (Surplus)/Deficit	1,280	2,731	4,468	5,574	4,721
Incremental Deficit as Percentage of Net Revenue Budget	5%	9%	15%	17%	15%

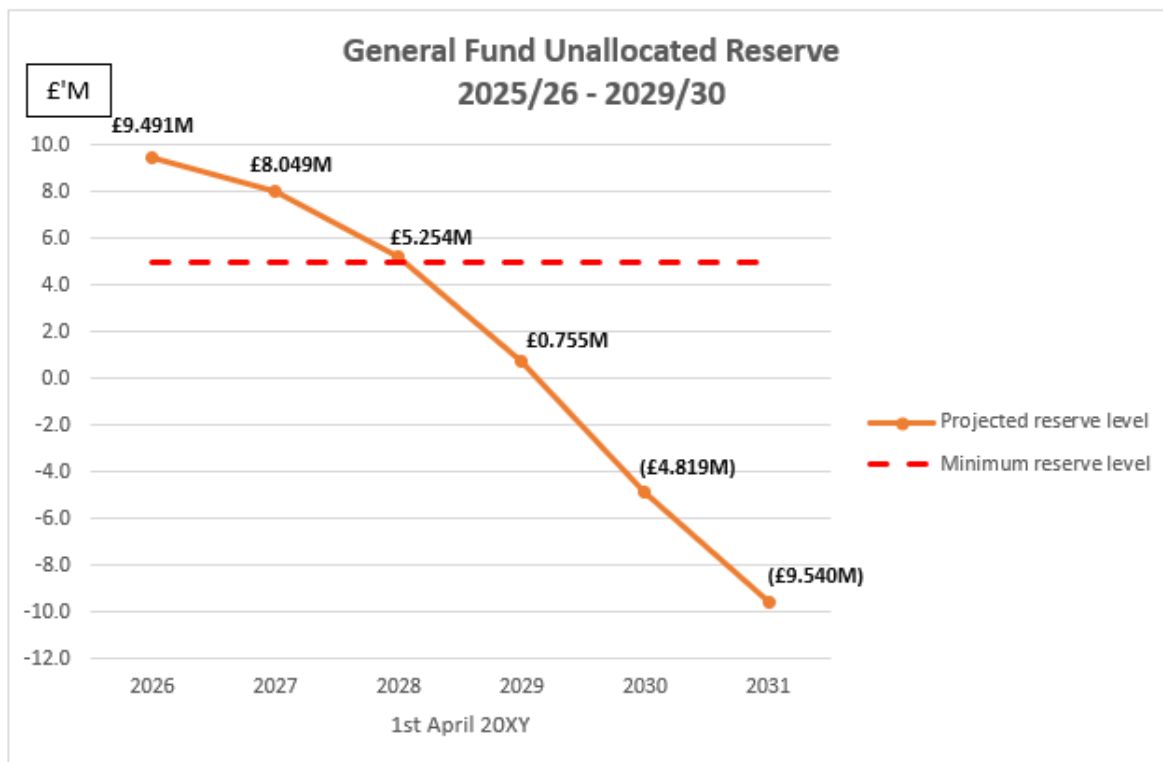
- 4.4 To reaffirm, the baseline forecast deficit positions above are subject to change when more up to date information becomes available and does not reflect the ongoing work being done by Cabinet and Senior Leadership Team in regard to any OBR/FtF proposals, nor does it reflect the revenue impact of any future revisions to the capital programme.

5.0 PROVISIONS, RESERVES AND BALANCES

- 5.1 A Council's reserves are an essential part of good financial management. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. Councils generally hold two types of reserves, "Unallocated" to meet short term unexpected cost pressures or income reductions and "Earmarked". These can be held to provide for some future anticipated expenditure for identified projects (particularly in respect of corporate priorities), address specific risks such as business rates, provide up-front costs which specifically result in future efficiencies, cost savings or increased income, or to hold funding from other bodies, mainly Government, for specified purposes.
- 5.2 As noted above, reserve levels and their usage are an important part of the budget framework. It is important that the Council maintains a healthy level of reserves in order to maintain financial resilience. The Council's minimum level of General Fund balance currently stands at £5M, at the advice of the s151 Officer.
- 5.3 The Council's Outturn Report 2024/25 showed the Council's Unallocated General Fund Balance as £10.028M. As reported to Cabinet elsewhere on this agenda (Delivering Our Priorities: Q2 2025/26 report), the projected level of the unallocated reserve is expected to reduce to £9.491M by 31 March 2026.

Without significant intervention by the Council the General Fund budget gaps will remain and unallocated balances will be required to fund them. Whilst the required level of reserves is assessed annually the forecast deficits are of such a size that available unallocated reserves will be expended within 2029/30, as illustrated in the tables below.

		2026/27	2027/28	2028/29	2029/30	2030/31
		£'000	£'000	£'000	£'000	£'000
BALANCES	General Fund Unallocated Balance					
		£M	£M	£M	£M	£M
	Balance as at 1 April 2026-30	(9.491)	(8.049)	(5.254)	(0.755)	+4.819
	In Year allocations	+0.162	+0.064	+0.031	+0.000	+0.000
	Forecast (Under)/Overspend	+1.280	+2.731	+4.468	+5.574	+4.721
	Other Adjustments	+0.000	+0.000	+0.000	+0.000	+0.000
	Projected Balance as at 31 March 2027-31	(8.049)	(5.254)	(0.755)	+4.819	+9.540
	Reserves	(8.049)	(5.254)	(0.755)	+4.819	+9.540
	Less Recommended Minimum Level of Balances	5.000	5.000	5.000	5.000	5.000
	Available Balances	(3.049)	(0.254)	+4.245	+9.819	+14.540



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

	31-Mar-26 £'M	31-Mar-27 £'M	31-Mar-28 £'M	31-Mar-29 £'M	31-Mar-30 £'M	31-Mar-31 £'M
Unallocated Reserve	(9.491)	(9.330)	(9.265)	(9.234)	(9.234)	(9.234)
Other Non-Ring Fenced Reserves	(2.595)	(2.632)	(2.668)	(2.705)	(2.741)	(2.778)
Business Rates Retention Reserve	(12.790)	(11.402)	(10.902)	(10.902)	(10.902)	(10.902)
Renewals Reserve	(2.376)	(2.558)	(2.779)	(2.999)	(3.220)	(3.440)
Forecast Cumulative Deficit Funded From Reserves	+0.000	+1.280	+4.011	+8.479	+14.053	+18.774
Balance carried forward	(27.252)	(24.642)	(21.603)	(17.361)	(12.044)	(7.580)
Less Recommended Minimum Level of Balances	+5.000	+5.000	+5.000	+5.000	+5.000	+5.000
Available Balances	(22.252)	(19.642)	(16.603)	(12.361)	(7.044)	(2.580)

- 5.5 Whilst reserves can be used to manage the current financial crisis, as the tables clearly show, funding of the forecast deficits from reserves is **NOT** a viable option. Addressing the

underlying structural issues within the Council's budget requires significant interventions from Cabinet, Senior Leadership Team, and Council to address the forecast deficit levels.

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

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

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

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

- Application of alternative funding to deliver key Council outcomes
- Detailed review and sensitivity analysis on all key and significant income streams
- Further rationalisation work on the Council's asset base
- Expansion of the investment to reduce cost principle
- The potential use of capital receipts to finance existing projects
- Capitalisation of transformation costs where appropriate
- Exploration of closer working and collaboration with other Councils, Public Sector Bodies and Partner Institutions

6.4 Given the size of the ongoing financial issues the Council faces this fundamental reshaping of the Council's services and realigning against its priorities through the OBR/FftF process will be key to shrinking the estimated budget gap and securing the financial sustainability of the Council going forward. It is imperative that the work, or similar principles, continues. Work is still ongoing across the Council to apply the OBR/FftF process and a further update will be provided within the January iteration of this report.

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

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

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

7.0 BALANCING THE BUDGET TO 2030/31

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

7.2 Savings were identified during the previous three budget processes which have contributed towards addressing the structural deficit. However, the continuation of the application of OBR across the Council is an ongoing and significant piece of work and will continue to have

a particularly important part to play in driving down budget gaps from 2026/27 to achieve a position of financial sustainability.

- 7.3 Capital proposals have been reviewed by Capital Assurance Group and passed on to Cabinet who have given an initial steer on which proposals they would like to see worked up further. This work is ongoing and the revenue impact of MRP and interest charges are included as indicative costs in the figures presented within this report.

8.0 LOCAL GOVERNMENT REORGANISATION

- 8.1 This report has been prepared on a 'business as usual' basis. The financial projections contained within it include no reference to local government reorganisation.
- 8.2 The Government is expected to lead a public consultation on the proposals early next year, with a preferred option selected in summer 2026.
- 8.3 If approved, elections for shadow authorities could take place in May 2027, with the new councils taking over all services from 1 April 2028 (vesting day).
- 8.4 Inevitably, this will have severe financial consequences for the Council however it is expected that partners will enter into the new council in the best financial health that is possible to achieve. Therefore, the discussion in section 7 must be reiterated and further work to address the structural deficit remains paramount.
- 8.5 During the time from now until vesting day, transitional costs falling upon the council will occur and these will need to be managed from within either the existing budget framework, the use of non-ringfenced reserves or by utilising capital receipts under the 'flexible use of capital receipts' policy where transformation can be demonstrated.

9.0 DETAILS OF CONSULTATION

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

10.0 OPTIONS AND OPTIONS ANALYSIS

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

11.0 CONCLUSION

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

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

None identified at this stage

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.

It must be reiterated that the current forecasts ***do not*** include any interventions by Cabinet, Senior Leadership Team or the outcomes of the Local Government Settlement. However, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council still faces, a position shared nationally across the public sector. In light of this, balancing the budget both in the short and the medium term will be a tough task and ***all Members must work together and recognise that they will face a number of difficult but key decisions as part of the forthcoming budget and over the coming financial years which will affect the manner in which it delivers its services.***

LEGAL IMPLICATIONS

No specific legal implications arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments

BACKGROUND PAPERS

Contact Officer: Paul Thompson
Telephone: 01524 582603
E-mail: pthompson@lancaster.gov.uk
Ref: N/A

CABINET

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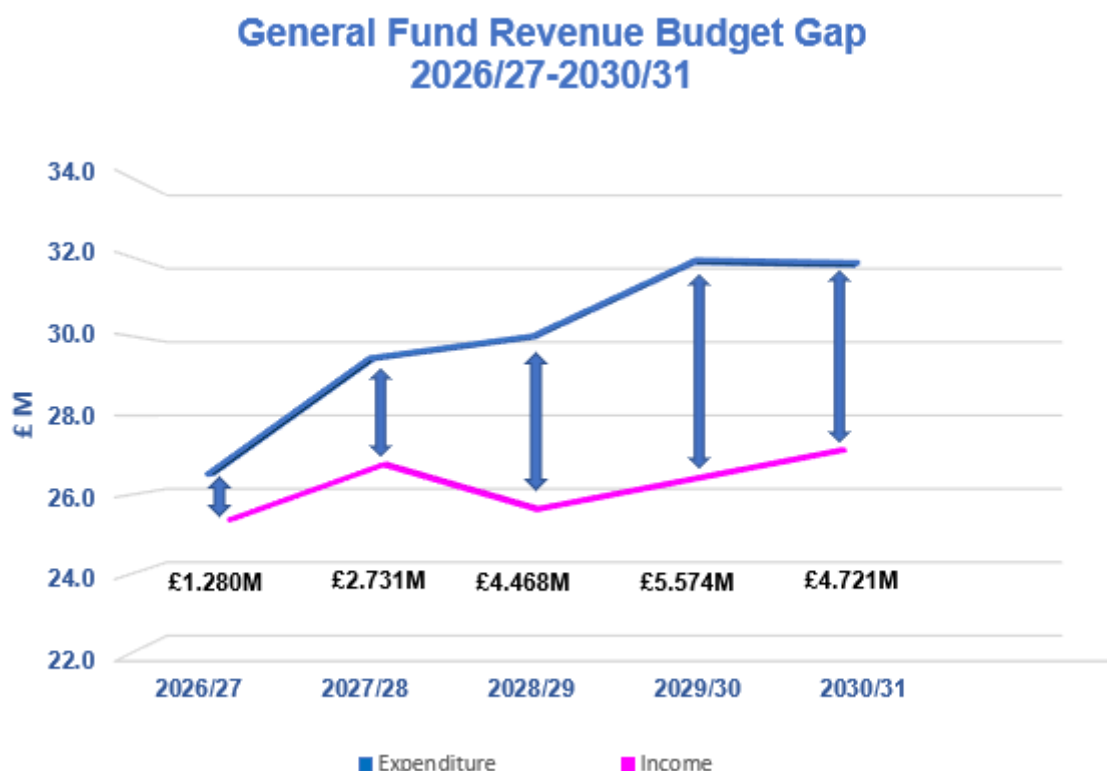
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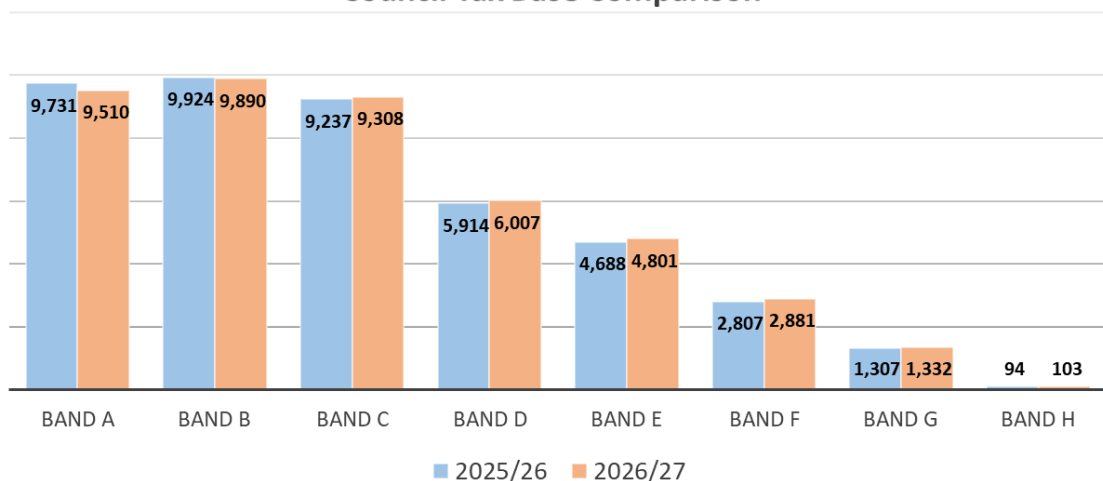
- 3.3 Given that the Settlement announcement is imminent, and the current level of uncertainty, there is little benefit to be gained from spending significant time on modelling different funding scenarios; real information is needed at this stage in the process.
- 3.4 Nonetheless, some preliminary high-level work has been done to update the budget scenarios, in order that we do not lose sight of the potential risks and the challenge created by the underlying position.
- 3.5 This has taken the updated budget position and reflected several assumptions such as general inflation, the Local Government Pay Award and prospects for retained Business Rates, Council Tax yield and New Homes Bonus.
- 3.6 A further update will be produced for all Members once the Settlement has been announced and its impact assessed. This will be reported into January's Cabinet and Council meetings.

Council Tax

- 3.7 Council Tax is one of the Council's primary sources of funding and is calculated by multiplying the tax base, the number of eligible residential properties (expressed in band D equivalents), by the level of the district council precept which is determined each year.
- 3.8 The tax base for 2026/27 has been calculated as 43,833 Band D equivalent properties after allowing for a collection rate of 98.677%, the same as in previous years. This equates to a negligible increase in the tax base from 43,702 in 2025/26. This increased number of Band D equivalents when compared to the forecast in 2025/26 is largely due to :-
- new properties built in the area
 - an increase in exempt accounts due to a review of student exemptions

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

Council Tax Base Comparison



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

years.

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

	Actual 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31
Council Tax Band D 2.99% increase	£264.30	£272.20	£280.34	£288.72	£297.35	£306.24
Council Tax Band D (£5 increase)	£264.30	£269.30	£274.30	£279.30	£284.30	£289.30
Tax base (1% growth from 2026/27)	43,702	43,833	44,271	44,714	45,161	45,613
Council Tax Income (based on 2.99%)	£10,610,019	£11,931,343	£12,410,932	£12,909,826	£13,428,623	£13,968,525
Previous MTFS		£12,015,000	£12,498,000	£13,000,000	£13,522,000	£14,066,000
Difference Increase or (Decrease)		-£83,657	-£87,068	-£90,174	-£93,377	-£97,475
Scenario 1 – No increase in Council tax over period of MTFS		-£429,938	-£797,175	-£1,182,090	-£1,585,948	-£2,010,484
Scenario 2 – Council Tax Band D (£5 increase)		-£210,773	-£354,465	-£511,380	-£682,728	-£870,159
Scenario 3 – 1.5% increase in tax base growth & 2.99% increase from 2026/27)		-£83,657	-£1,845	£62,848	£133,204	£208,459

Business Rates

- 3.11 Business Rates is now a fundamental part of the local government finance settlement and, along with Council Tax, accounts for the majority of local government financing. There are currently several significant uncertainties which make forecasting and planning extremely difficult, these are set out below.
- 3.12 As discussed in section 3.2, the Autumn Statement has not been released at the time of writing this report so no changes can be factored in at this point in time.
- 3.13 There is a 2025/26 forecast year end deficit of (-£0.788M) which will be recognised in 2026/27, however this will be fully funded from the Business Rates Retention Reserve (BRRR). It should be noted that this figure will increase or decrease in line with collection fund monitoring until the NNDR1 form is submitted in January 2026.
- 3.14 With regard to 2026/27, the proposed business rates reset will take place and this will affect the collection fund in a number of ways :-
- A revised business rates baseline which is the amount that we are expected to collect as an Authority
 - A revised baseline funding level which is the funding need as determined by the government
 - Expected changes to the tariff payable by the Authority and S31 grants due to the Authority

The overall effect of the above is expected to be addressed within transitional arrangements but it is proposed to utilise the BRRR to mitigate any significant financial impact.

At the time of writing this report, the various models required to calculate the future impact have not been released. However, it is expected before the end of November and the financial impact will be considered within future iterations of this report as appropriate.

4.0 MEDIUM TERM FINANCIAL STRATEGY – CURRENT PROSPECTS TO 2030/31

- 4.1 Total operational changes included in the base budget for 2026/27 currently amount to a decrease in expenditure of £2.225M and are provided in the General Fund Revenue Budget

Projections 2026/27 - 2030/31 table at paragraph 4.3.

MTFS Planning Assumptions

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

	2026/27	2027/28	2028/29	2029/30	2030/31
Council Tax Base Growth	1.00%	1.00%	1.00%	1.00%	1.00%
Council Tax Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Council Tax Collection Rate	98.67%	98.67%	98.67%	98.67%	98.67%
Fees & Charges	3.80%	2.20%	2.00%	2.00%	2.00%
Pay Award	3.00%	3.00%	3.00%	3.00%	3.00%
Employer Pensions Contribution	10.40%	10.40%	10.40%	10.40%	10.40%
Electricity	24p/kwh	-9.81%	-4.38%	-6.79%	-17.61%
Gas	3.5p/kwh	2.20%	2.00%	2.00%	2.00%
Other inflation	3.80%	2.20%	2.00%	2.00%	2.00%
Interest Rate – investments	4.00%	3.25%	3.00%	3.00%	3.00%
Interest Rate – new borrowing	4.70%	4.30%	4.30%	4.30%	4.30%

4.3 General Fund Revenue Projections 2026/27 – 2030/31

General Fund Revenue Budget Projections 2026/27 to 2030/31					
For Consideration by Cabinet 2 December 2025					
	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000
GF Revenue Budget/Forecast as at 26 February 2025	28,749	29,489	30,118	31,873	32,829
Base Budget Changes					
Further Operational Changes					
Pay Award 25/26	188	194	200	206	212
Pensions (Employer Contribution Reduction)	(1,251)	(1,232)	(1,223)	(1,229)	(1,234)
Increase Staff Turnover (to £1M)	(352)	(352)	(352)	(352)	(352)
Interest Payable	(128)	43	33	33	43
Interest Receivable	18	72	36	38	38
Minimum Revenue Provision (MRP)	(190)	15	26	17	(426)
Review of Reserves	(293)	(293)	(293)	(293)	(293)
Use of Business Rates Retention Reserve	(788)	0	0	0	0
Review of Inflation Factors	37	61	71	60	(159)
Review of Corporate Property Programme	61	291	82	(12)	(382)
Review of Asset & Compliance Programme	(389)	(135)	(240)	(161)	(193)
Commercial Property Rental Income	498	74	(13)	(13)	(13)
Bed & Breakfast Expenditure	(541)	0	0	0	0
Burrowbeck/Gateway Solar	200	200	200	200	200
Waste Collection pEPR Payment	(367)	(347)	(326)	(305)	(305)
Food Waste (removal of savings target)	350	388	409	434	434
Williamson Park Net Income	143	143	143	143	143
Car Parking Pay & Display Income	350	350	350	350	350
Revenues Shared Service	60	60	60	60	60
ICT Cyber Security	114	114	114	114	114
Minor Variances	(15)	(110)	74	179	192
Latest Budgetary Position	26,454	29,025	29,469	31,342	31,258
Revenue Impact of Capital Programme Review (MRP & Interest)	77	441	546	564	583
Revenue Impact of Capital Programme Review (Ongoing Revenue)	(7)	(32)	(32)	(32)	(32)
General Fund Revenue Budget	26,524	29,434	29,983	31,874	31,809
Core Funding:					
Revenue Support Grant	(460)	(460)	(460)	(460)	(460)
Prior Year Council Tax (Surplus)/Deficit					
Prior Year Business Rates (Surplus)/Deficit	788				
Net Business Rates Income	(13,641)	(13,832)	(12,145)	(12,411)	(12,659)
Council Tax Requirement	13,211	15,142	17,378	19,003	18,690
Estimated Council Tax Income - (Increases based on 2.99% for 2025/26 then max allowable)	11,931	12,411	12,910	13,429	13,969
Structural (Surplus)/Deficit	1,280	2,731	4,468	5,574	4,721
Incremental Deficit as Percentage of Net Revenue Budget	5%	9%	15%	17%	15%

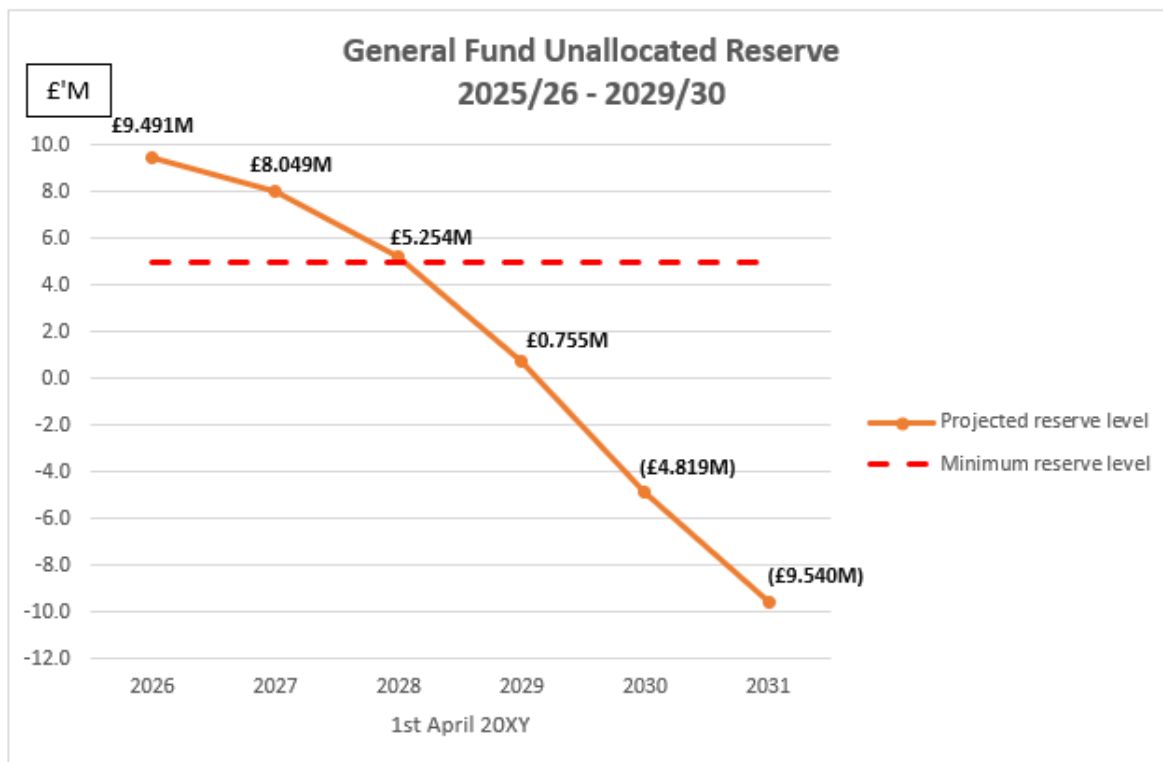
- 4.4 To reaffirm, the baseline forecast deficit positions above are subject to change when more up to date information becomes available and does not reflect the ongoing work being done by Cabinet and Senior Leadership Team in regard to any OBR/FtF proposals, nor does it reflect the revenue impact of any future revisions to the capital programme.

5.0 PROVISIONS, RESERVES AND BALANCES

- 5.1 A Council's reserves are an essential part of good financial management. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. Councils generally hold two types of reserves, "Unallocated" to meet short term unexpected cost pressures or income reductions and "Earmarked". These can be held to provide for some future anticipated expenditure for identified projects (particularly in respect of corporate priorities), address specific risks such as business rates, provide up-front costs which specifically result in future efficiencies, cost savings or increased income, or to hold funding from other bodies, mainly Government, for specified purposes.
- 5.2 As noted above, reserve levels and their usage are an important part of the budget framework. It is important that the Council maintains a healthy level of reserves in order to maintain financial resilience. The Council's minimum level of General Fund balance currently stands at £5M, at the advice of the s151 Officer.
- 5.3 The Council's Outturn Report 2024/25 showed the Council's Unallocated General Fund Balance as £10.028M. As reported to Cabinet elsewhere on this agenda (Delivering Our Priorities: Q2 2025/26 report), the projected level of the unallocated reserve is expected to reduce to £9.491M by 31 March 2026.

Without significant intervention by the Council the General Fund budget gaps will remain and unallocated balances will be required to fund them. Whilst the required level of reserves is assessed annually the forecast deficits are of such a size that available unallocated reserves will be expended within 2029/30, as illustrated in the tables below.

		2026/27	2027/28	2028/29	2029/30	2030/31
		£'000	£'000	£'000	£'000	£'000
BALANCES	General Fund Unallocated Balance					
		£M	£M	£M	£M	£M
	Balance as at 1 April 2026-30	(9.491)	(8.049)	(5.254)	(0.755)	+4.819
	In Year allocations	+0.162	+0.064	+0.031	+0.000	+0.000
	Forecast (Under)/Overspend	+1.280	+2.731	+4.468	+5.574	+4.721
	Other Adjustments	+0.000	+0.000	+0.000	+0.000	+0.000
	Projected Balance as at 31 March 2027-31	(8.049)	(5.254)	(0.755)	+4.819	+9.540
	Reserves	(8.049)	(5.254)	(0.755)	+4.819	+9.540
	Less Recommended Minimum Level of Balances	5.000	5.000	5.000	5.000	5.000
Available Balances		(3.049)	(0.254)	+4.245	+9.819	+14.540



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

	31-Mar-26 £'M	31-Mar-27 £'M	31-Mar-28 £'M	31-Mar-29 £'M	31-Mar-30 £'M	31-Mar-31 £'M
Unallocated Reserve	(9.491)	(9.330)	(9.265)	(9.234)	(9.234)	(9.234)
Other Non-Ring Fenced Reserves	(2.595)	(2.632)	(2.668)	(2.705)	(2.741)	(2.778)
Business Rates Retention Reserve	(12.790)	(11.402)	(10.902)	(10.902)	(10.902)	(10.902)
Renewals Reserve	(2.376)	(2.558)	(2.779)	(2.999)	(3.220)	(3.440)
Forecast Cumulative Deficit Funded From Reserves	+0.000	+1.280	+4.011	+8.479	+14.053	+18.774
Balance carried forward	(27.252)	(24.642)	(21.603)	(17.361)	(12.044)	(7.580)
Less Recommended Minimum Level of Balances	+5.000	+5.000	+5.000	+5.000	+5.000	+5.000
Available Balances	(22.252)	(19.642)	(16.603)	(12.361)	(7.044)	(2.580)

- 5.5 Whilst reserves can be used to manage the current financial crisis, as the tables clearly show, funding of the forecast deficits from reserves is **NOT** a viable option. Addressing the

underlying structural issues within the Council's budget requires significant interventions from Cabinet, Senior Leadership Team, and Council to address the forecast deficit levels.

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

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

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

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

- Application of alternative funding to deliver key Council outcomes
- Detailed review and sensitivity analysis on all key and significant income streams
- Further rationalisation work on the Council's asset base
- Expansion of the investment to reduce cost principle
- The potential use of capital receipts to finance existing projects
- Capitalisation of transformation costs where appropriate
- Exploration of closer working and collaboration with other Councils, Public Sector Bodies and Partner Institutions

6.4 Given the size of the ongoing financial issues the Council faces this fundamental reshaping of the Council's services and realigning against its priorities through the OBR/FftF process will be key to shrinking the estimated budget gap and securing the financial sustainability of the Council going forward. It is imperative that the work, or similar principles, continues. Work is still ongoing across the Council to apply the OBR/FftF process and a further update will be provided within the January iteration of this report.

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

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

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

7.0 BALANCING THE BUDGET TO 2030/31

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

7.2 Savings were identified during the previous three budget processes which have contributed towards addressing the structural deficit. However, the continuation of the application of OBR across the Council is an ongoing and significant piece of work and will continue to have

a particularly important part to play in driving down budget gaps from 2026/27 to achieve a position of financial sustainability.

- 7.3 Capital proposals have been reviewed by Capital Assurance Group and passed on to Cabinet who have given an initial steer on which proposals they would like to see worked up further. This work is ongoing and the revenue impact of MRP and interest charges are included as indicative costs in the figures presented within this report.

8.0 LOCAL GOVERNMENT REORGANISATION

- 8.1 This report has been prepared on a 'business as usual' basis. The financial projections contained within it include no reference to local government reorganisation.
- 8.2 The Government is expected to lead a public consultation on the proposals early next year, with a preferred option selected in summer 2026.
- 8.3 If approved, elections for shadow authorities could take place in May 2027, with the new councils taking over all services from 1 April 2028 (vesting day).
- 8.4 Inevitably, this will have severe financial consequences for the Council however it is expected that partners will enter into the new council in the best financial health that is possible to achieve. Therefore, the discussion in section 7 must be reiterated and further work to address the structural deficit remains paramount.
- 8.5 During the time from now until vesting day, transitional costs falling upon the council will occur and these will need to be managed from within either the existing budget framework, the use of non-ringfenced reserves or by utilising capital receipts under the 'flexible use of capital receipts' policy where transformation can be demonstrated.

9.0 DETAILS OF CONSULTATION

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

10.0 OPTIONS AND OPTIONS ANALYSIS

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

11.0 CONCLUSION

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

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

None identified at this stage

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.

It must be reiterated that the current forecasts ***do not*** include any interventions by Cabinet, Senior Leadership Team or the outcomes of the Local Government Settlement. However, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council still faces, a position shared nationally across the public sector. In light of this, balancing the budget both in the short and the medium term will be a tough task and ***all Members must work together and recognise that they will face a number of difficult but key decisions as part of the forthcoming budget and over the coming financial years which will affect the manner in which it delivers its services.***

LEGAL IMPLICATIONS

No specific legal implications arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments

BACKGROUND PAPERS

Contact Officer: Paul Thompson
Telephone: 01524 582603
E-mail: pthompson@lancaster.gov.uk
Ref: N/A

Cabinet Report

Treasury Management Mid-Year Review 2025/26

2nd December 2025

Report of Chief Finance Officer

PURPOSE OF REPORT				
This report seeks Cabinet’s consideration of various matters in connection with the Treasury Management Mid-Year Review 2025/26.				
Key Decision		Non-Key Decision	x	Referral from Cabinet Member
Date of notice of forthcoming key decision				
This report is public				

RECOMMENDATIONS:

That Cabinet

- (1) Notes the report, the treasury activity and performance against the prudential indicators
- (2) Recommend approval of changes to the investment counterparty criteria to full Council
- (3) Recommend approval of change to the sovereign limit to full Council
- (4) Forward the Mid-Year Review 2025/26 on to Budget & Performance Panel and Full Council for consideration in accordance with CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) issued under the Local Government Act 2003

1.0 INTRODUCTION

- 1.1 The Council’s Treasury Management Activities are regulated by the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) issued under the Local Government Act 2003
- 1.2.1 During 2025/26 the minimum reporting requirements are that Full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 26 February 2025)
- a mid-year (minimum) treasury update report (this report).
- an annual review following the end of the year describing the activity compared to the strategy

- 1.3 In addition, Members will receive quarterly treasury management update reports which are presented to Cabinet and Budget and Performance Panel.

2.0 BACKGROUND

- 2.1 The Mid-Year Review (Appendix A) sets out the performance of treasury operations for the first six months of the 2025/26 financial year in terms of long and short-term borrowing, investment activities and relevant borrowing limits and prudential indicators.

- 2.2 Under CIPFA's Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) it is a requirement that an information report on these matters be presented to Cabinet and full Council.

3.0 MID YEAR REVIEW SUMMARY DETAILS

Mid-year quarter 2 position incorporates the amended indicators set out in the amended TM strategy

Investments

- 3.1 The average level of funds available for investment purposes over the six-month period was £27.6M (2024/25 £25.0M). These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept and business rate related payments, the receipt of grants and progress on the Capital Programme.
- 3.2 The Council's investments returned a weighted average rate of 4.09% on deposit generating £593K of interest against a profiled budget of £261K.

Borrowing

- 3.3 The Capital Financing Requirement (CFR) measures the Council's underlining need to borrow for capital purpose, i.e., its borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.
- 3.4 The Council's capital financing requirement (CFR) for 2025/26 was forecast as £117.96M the current forecast CFR at quarter 2 is, however, £115.16M. This is principally due to the impact of slippage of expenditure funded by unsupported borrowing into future years.
- 3.5 If the CFR is positive the Council may borrow from the PWLB, or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council currently has borrowings of £56.93M and has utilised £40.93M of cash flow funds in lieu of borrowing and with current forecasts estimating new borrowing of up to £15M later in the financial year. However, the potential for further slippage & uncertainty of large

cashflows relating to the Eden Project make this difficult to quantify with certainty and the actual amount of borrowing may be lower.

- 3.6 Consideration also needs to be given to the recent volatility in the markets leading to high PWLB interest rates. In light of this it may be prudent to delay borrowing or consider the use of short-term borrowing as an interim measure.

Prudential Indicators

- 3.7 In compliance with the Prudential Framework the Council sets an annual Treasury Management Strategy including key indicators, determined under regulation, to assist Members in assessing the affordability of borrowing and in determining that it is prudent and sustainable.

The indicators are set out in **Annex A** of The Mid-Year Report at **Appendix A**

4.0 Recommended Changes to the Treasury and Capital Strategies

The current investment counterparty criteria selection approved in the TMSS requires updating to ensure it continues to meet the requirement of the treasury management function.

It is recommended that the money limits for orange and red rated banks be increased from £6M to £12M to allow increased use of Environmental, Social and Governance (ESG) based investment funds.

The Council will therefore use counterparties within the following durational bands:

- **Yellow (Y)** – up to but less than 1 year
- **Dark pink (Pi1)** liquid – Ultra-Short Dated Bond Funds with a credit score of 1.25
- **Light pink (Pi2)** liquid – Ultra-Short Dated Bond Funds with a credit score of 1.5
- **Purple (P)** – up to but less than 1 year
- **Blue (B)** – up to but less than 1 year (only applies to nationalised or part-nationalised UK Banks)
- **Orange (O)** – up to but less than 1 year
- **Red (R)** – 6 months
- **Green (G)** – 100 days
- **No colour (N/C)** – not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7

	Colour (and long-term rating where applicable)	Money Limit	Time Limit
Banks /UK Govt. backed instruments*	yellow	£12m	≤1 year
Banks	purple	£6m	≤1 year
Banks	orange	£12m	≤1 year
Banks – part nationalised	blue	£12m	≤1 year
Banks	red	£12m	≤6 mths
Banks	green	£3m	≤100 days
Banks	No colour	Not to be used	
Limit 3 category – Council's banker (for non-specified investments)	n/a	£1.5m	1 day
DMADF	UK sovereign rating	unlimited	≤6 months
Local authorities	n/a	£12m	≤1 year
	Fund rating**	Money and/or % Limit	Time Limit
Money Market Funds CNAV	AAA	£6m	liquid
Money Market Funds LVNAV	AAA	£6m	liquid
Money Market Funds VNAV	AAA	£6m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink / AAA	£6m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	Light pink / AAA	£6m	liquid

** the yellow colour category includes UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.*

*** “fund” ratings are different to individual counterparty ratings, coming under either specific “MMF” or “Bond Fund” rating criteria.*

Whilst the Council does not set a minimum credit rating for the UK, in line with advice from MUFG it is also recommended to amend the minimum sovereign credit rating to lend to UK banks and building societies plus banks in other countries with at least one sovereign rating of a minimum of AA-.

5.0 OPTIONS AND OPTIONS ANALYSIS

5.1 As the report is for consideration and progressing to Budget and Performance Panel and Full Council, no alternative options are put forward.

6.0 CONCLUSION

6.1 Consideration of Treasury Management Mid-Year Review and presentation to Full Council will ensure the Council complies with CIPFA’s Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

RELATIONSHIP TO POLICY FRAMEWORK

Treasury Management forms part of the Councils budget framework

CONCLUSION OF IMPACT ASSESSMENT

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

Effective Treasury Management and use of the Councils’ resources is fundamental to the delivery of its priorities and outcomes.

LEGAL IMPLICATIONS

None directly arising from this report.

FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report.

However, due to the financial pressures faced by the Council, and the significant increase in interest rates and borrowing costs areas of capital investment may be delayed, reprofiled or stopped. Financial due diligence and assessment will ensure that all the appropriate costs are considered for each proposal and external advice considered ahead of any borrowing being incurred.

OTHER RESOURCE IMPLICATIONS

There are no additional resource or risk implications

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has written this report in his role as Chief Finance Officer and would draw Members attention to the following comments

As part of the work to address the "Community concern over bombardment of Gaza and reaffirming Lancaster City Council's commitment to human rights and International Law" motion presented to Council 24th September 2025, this report requests an increase in sovereign limits from £6M to £12M. Whilst this increase will allow wider access to, and use of Environmental, Social and Governance (ESG) based investment funds, it does significantly increase the level of risk to the Council. As approval of the Treasury Management Strategy is a function of Full Council Members must be satisfied that the increase in risk is balanced against the benefits of investment in ESG funds

Work to address other issues raised within the motion is on going and will be reported to Full Council at the appropriate date.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Community concern over bombardment of Gaza and reaffirming Lancaster City Council's commitment to human rights and International Law

[Agenda for Council on Wednesday, 24th September 2025, 6.00 p.m. - Lancaster City Council](#)

Treasury Management Strategy

[Agenda for Council on Wednesday, 26th February 2025, 6.00 p.m. - Lancaster City Council](#)

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Ref: N/A

Appendix A

**Treasury Management Strategy Statement and Annual
Investment Strategy**

Mid-Year Review 2025/26

Report of Chief Finance Officer

1. Background

Treasury Management

The Council operates a balanced revenue budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

CIPFA Consultation on Treasury Management and Prudential Codes of Practice

The Chartered Institute of Public Finance and Accountancy is currently consulting local authorities in respect of potential changes to the Codes. At this juncture, the focus seems to primarily be on the Non-Treasury investment aspects of local authority activity. Officers will provide an update on any material developments/changes in due course.

2. Introduction

This report has been written in accordance with the requirements of CIPFA's Code of Practice for Treasury Management (revised 2021).

The primary requirements of the Code are as follows:

- (i) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- (ii) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- (iii) Receipt by full Council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision

Policy – for the year ahead, a Mid-year Review Report and an Annual Report, covering activities during the previous year.

- (iv) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- (v) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Budget and Performance Panel.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2025/26 financial year
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators
- A review of the Council's investment portfolio for 2025/26
- A review of the Council's borrowing strategy for 2025/26
- A review of any debt rescheduling undertaken during 2025/26
- A review of compliance with Treasury and Prudential Limits for 2025/26

Key Changes to the Treasury and Capital Strategies

An increase in monetary limits to counterparties to allow increased use of Environmental, Social and Governance based investment funds.

The Country limit be amend to lend to UK banks and building societies plus banks in other countries with at least one sovereign rating of a minimum of AA-.

Recommendations

Cabinet is asked to recommend the following to the full Council:

- **Notes the report, the treasury activity and performance against the prudential indicators**
- **Recommend approval of changes to the investment counterparty criteria to full Council.**
- **Recommend approval of change to the sovereign limit to full Council.**

3. Economics update (provided by Link Asset Services)

- The first half of 2025/26 saw:
 - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.
 - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.8% in July.
 - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.6%.

- The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
 - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%.
-
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July will have caused some concern, with the hikes in taxes for businesses that took place in April this year undoubtedly playing a part in restraining growth. The weak overseas environment is also likely to have contributed to the 1.3% m/m fall in manufacturing output in July. That was the second large fall in three months and left the 3m/3m rate at a 20-month low of -1.1%. The 0.1% m/m rise in services output kept its 3m/3m rate at 0.4%, supported by stronger output in the health and arts/entertainment sectors. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. GDP growth for 2025 is forecast by Capital Economics to be 1.3%.
 - Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK fell from 53.5 in August to 51.0 in September. The decline was mostly driven by a fall in the services PMI, which declined from 54.2 to 51.9. The manufacturing PMI output balance also fell, from 49.3 to 45.4. That was due to both weak overseas demand (the new exports orders balance fell for the fourth month in a row) and the cyber-attack-induced shutdown at Jaguar Land Rover since 1 September reducing car production across the automotive supply chain. The PMIs suggest tepid growth is the best that can be expected when the Q3 GDP numbers are released.
 - Turning to retail sales, and the 0.5% m/m rise in volumes in August was the third such rise in a row and was driven by gains in all the major categories except fuel sales, which fell by 2.0% m/m. Sales may have been supported by the warmer-than-usual weather. If sales were just flat in September, then in Q3 sales volumes would be up 0.7% q/q compared to the 0.2% q/q gain in Q2.
 - With the November Budget edging nearer, the public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring Statement in March. The overshoot in the Chancellor's chosen fiscal mandate of the current budget is even greater with a cumulative deficit of £15.3bn. All this was due to both current receipts in August being lower than the OBR forecast (by £1.8bn) and current expenditure being higher (by £1.0bn). Over the first five months of the financial year, current receipts have fallen short by a total of £6.1bn (partly due to lower-than-expected self-assessment income tax) and current expenditure has overshot by a total of £3.7bn (partly due to social benefits and departmental spending). Furthermore, what very much matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the Chancellor's fiscal mandate bites. As a general guide, Capital Economics forecasts a deficit of about £18bn, meaning the Chancellor will have to raise £28bn, mostly through higher taxes, if she wants to keep her buffer against her rule of £10bn.
 - The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October Budget. The number of job vacancies in the three months to August stood at 728,000. Vacancies have now fallen by approximately 47% since its peak in April 2022. All this suggests the labour market continues to loosen, albeit at a declining pace.

- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.8% in July. The rate for the private sector slipped from 5.5% to 4.7%, putting it on track to be in line with the Bank of England's Q3 forecast (4.6% for September).
- CPI inflation fell slightly from 3.5% in April to 3.4% in May, and services inflation dropped from 5.4% to 4.7%, whilst core inflation also softened from 3.8% to 3.5%. More recently, though, inflation pressures have resurfaced, although the recent upward march in CPI inflation did pause for breath in August, with CPI inflation staying at 3.8%. Core inflation eased once more too, from 3.8% to 3.6%, and services inflation dipped from 5.0% to 4.7%. So, we finish the half year in a similar position to where we started, although with food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout the past six months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated over 4.70%.
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed Q3 at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings.

MPC meetings: 8 May, 19 June, 7 August, 18 September 2025

- *There were four Monetary Policy Committee (MPC) meetings in the first half of the financial year. In May, the committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPS members (Dhingra, Ramsden and Taylor) coted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.*

- *In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was “finely balanced” and reiterating that future rate cuts would be undertaken “gradually and carefully”. Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC will be wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.*
- *The Bank of England does not anticipate CPI getting to 2% until early 2027, and with wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction).*
- *The Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that “a gradual and careful” approach to rate cuts is appropriate suggests the Bank still thinks interest rates will fall further but possibly not until February, which aligns with both our own view and that of the prevailing market sentiment.*

4. Interest Rate Forecast

The Council has appointed MUFG Corporate Markets as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

MUFG Corporate Markets' latest forecast on 11 August sets out a view the short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

5. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy (TMS) for 2025/26, which includes the Annual Investment Strategy was approved by Council on 26 February 2025.

In accordance with the CIPFA Treasury Management Code of Practice the Council's investment priorities are set out as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash

flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the MUFG Corporate Markets suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness

The UK's sovereign rating has proven robust through the first half of 2025/26. The Government is expected to outline in detail its future fiscal proposals in the Budget scheduled for 26 November 2025.

Investment Counterparty Criteria

The current investment counterparty criteria selection approved in the TMSS requires updating to ensure it continues to meet the requirement of the treasury management function.

It is recommended that the money limits for orange and red rated banks be increased from £6M to £12M to allow increased use of Environmental, Social and Governance based investment funds.

The Council will therefore use counterparties within the following durational bands:

- **Yellow (Y)** – up to but less than 1 year
- **Dark pink (Pi1)** liquid – Ultra-Short Dated Bond Funds with a credit score of 1.25
- **Light pink (Pi2)** liquid – Ultra-Short Dated Bond Funds with a credit score of 1.5
- **Purple (P)** – up to but less than 1 year
- **Blue (B)** – up to but less than 1 year (only applies to nationalised or part- nationalised UK Banks)
- **Orange (O)** – up to but less than 1 year
- **Red (R)** – 6 months
- **Green (G)** – 100 days
- **No colour (N/C)** – not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7

	Colour (and long-term rating where applicable)	Money Limit	Time Limit
Banks /UK Govt. backed instruments*	yellow	£12m	≤1 year
Banks	purple	£6m	≤1 year
Banks	orange	£12m	≤1 year

Banks – part nationalised	blue	£12m	≤1 year
Banks	red	£12m	≤6 mths
Banks	green	£3m	≤100 days
Banks	No colour	Not to be used	
Limit 3 category – Council’s banker (for non-specified investments)	n/a	£1.5m	1 day
DMADF	UK sovereign rating	unlimited	≤6 months
Local authorities	n/a	£12m	≤1 year
	Fund rating**	Money and/or % Limit	Time Limit
Money Market Funds CNAV	AAA	£6m	liquid
Money Market Funds LVNAV	AAA	£6m	liquid
Money Market Funds VNAV	AAA	£6m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink / AAA	£6m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	Light pink / AAA	£6m	liquid

* the yellow colour category includes UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.

** “fund” ratings are different to individual counterparty ratings, coming under either specific “MMF” or “Bond Fund” rating criteria.

Whilst the Council does not set a minimum rating for the UK, in line with advice from MUFG it is also recommended to amend the minimum sovereign credit rating to lend to UK banks and building societies plus banks in other countries with at least one sovereign rating of a minimum of AA-.

CDS prices

It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The average level of funds available for investment purposes during the period was **£27.59M**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept and business rate related payments, the receipt of grants and progress on the Capital Programme.

Investment performance year to date as of 30 September 2025

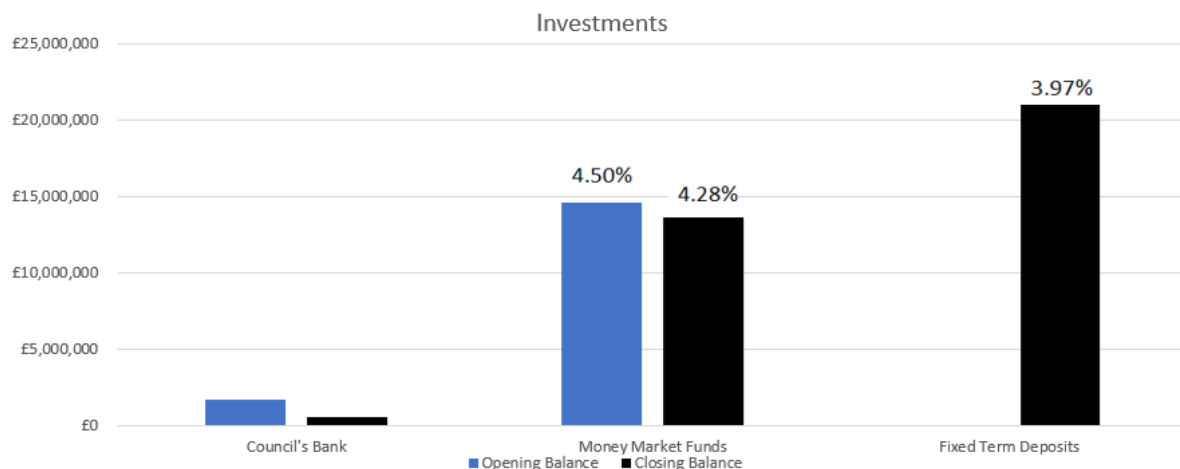
In terms of performance against external benchmarks, the return on investments compared to the SONIA (average) and bank rates at the end of the period is as follows. This is viewed as positive performance, especially given the need to prioritise security of investments, and liquidity (i.e. making sure that the Council's cashflow meets its needs):

Base Rate	4.00%
SONIA (average)	4.19%
Lancaster City Council investments	4.09%

Investment Balances – quarter ended 30 September 2025

At the start of the year investments totalled £14.6M rising to £34.6M by 30 September. Fixed term investments increased from £0M to £21.0M whilst Money Market Fund balances reduced slightly from £14.6M to £13.6M.

Other Investments	Term	Maturity Date	Opening 01.04.25 £	Closing 30.09.25 £	Indicative Rate (YTD)	Current Fixed Rate	Interest to Date £
Call Accounts							
Natwest (Cash Manager Plus)			1,719,368	578,600	0.01%		8,434
Money Market Funds							
BlackRock 1st			2,600,000		4.26%		87,189
BlackRock Gov							13,631
Insight			0	1,600,000	4.26%		90,635
Aberdeen Standard			6,000,000	6,000,000	4.27%		128,414
Goldman Sachs			0		4.19%		21,725
LGIM			6,000,000	6,000,000	4.30%		127,214
Fixed Term Deposits							
DMADF	30 days	01/05/2025	0	0		4.46%	7,332
DMADF	29 days	01/05/2025	0	0		4.46%	3,544
DMADF	1 day	02/05/2025	0	0		4.46%	122
DMADF	24 days	01/05/2025	0	0		4.45%	2,926
DMADF	6 days	07/05/2025	0	0		4.45%	732
DMADF	12 days	22/04/2025	0	0		4.44%	2,919
DMADF	5 days	30/04/2025	0	0		4.45%	610
DMADF	4 days	06/05/2025	0	0		4.45%	975
DMADF	1 day	04/07/2025	0	0		4.20%	115
DMADF	2 days	01/08/2025	0	0		4.21%	807
DMADF	5 days	06/08/2025	0	0		4.21%	2,018
DMADF	7 days	08/08/2025	0	0		4.20%	7,249
DMADF	1 day	05/08/2025	0	0		4.20%	115
DMADF	1 day	07/08/2025	0	0		4.20%	518
DMADF	92 days	12/11/2025	0	11,000,000		3.97%	59,822
DMADF	11 days	12/09/2025	0	0		3.96%	10,727
DMADF	4 days	09/09/2025	0	0		3.95%	433
DMADF	12 days	22/09/2025	0	0		3.96%	1,300
DMADF	12 days	17/10/2025	0	10,000,000		3.96%	13,019
Sub-total			16,319,368	35,178,600			592,526
Budgeted income							260,616
							331,911



Approved Limits

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the period ended 30th September 2025.

Borrowing

The Council's capital financing requirement (CFR) for 2025/26 was forecast as £117.96M as set out in **Annex A**. The current forecast CFR at quarter 2 is, £115.16M. This is principally due to slippage identified as part of the Capital Programme Mid-Year Review. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council currently has borrowings of £56.93M and has utilised £40.93M of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if gilt yields remain elevated, particularly at the longer-end of the yield curve (25 to 50 years).

No new external borrowing has, to date, been undertaken. The capital programme is being kept under regular review due to the effects of on-going budgetary pressures. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.

It is anticipated that further borrowing may need to be undertaken during this financial year. The original estimate was that we would need to borrow around £15M in quarter 4 of 2025/26. The latest cashflow forecast suggests that borrowing may now not be required in 2025/26 but there are significant uncertainties within that. The potential for further slippage within the Capital Programme and unknown large cashflows relating to the Eden Project make this difficult to quantify with certainty and the actual amount of borrowing may be lower. Consideration also needs to be given to the recent volatility in the markets leading to high PWLB interest rates. In light of this, it may be prudent to delay borrowing or consider the use of short-term borrowing as an interim measure.

Gilt yields and PWLB certainty rates have remained relatively volatile throughout the six months under review, but the general trend has been for medium and longer dated parts of the curve to shift higher whilst the 5-year part of the curve finished September close to where it began in April.

Concerns around the stickiness of inflation, elevated wages, households' inflation expectations reaching a six-year high, and the difficult funding choices facing the Chancellor in the upcoming Budget on 26 November dominated market thinking, although international factors emanating from the Trump administration's fiscal, tariff and geo-political policies also played a role.

At the beginning of April, the 1-year certainty rate was the cheapest part of the curve at 4.82% whilst the 25-year rate was relatively expensive at 5.92%. Early September saw the high point for medium and longer-dated rates, although there was a small reduction in rates, comparatively speaking, by the end of the month.

The spread in the 5-year part of the curve (the difference between the lowest and highest rates for the duration) was the smallest at 37 basis points whilst, conversely, the 50-years' part of the curve saw a spread of 68 basis points.

At this juncture, MUFG Corporate Markets still forecasts rates to fall back over the next two to three years as inflation dampens, although there is upside risk to all forecasts at present. The CPI measure of inflation is expected to fall below 2% in early 2027 but hit a peak of 4% or higher later in 2025.

The Bank of England announced in September that it would be favouring the short and medium part of the curve for the foreseeable future when issuing gilts, but market reaction to the November Budget is likely to be the decisive factor in future gilt market attractiveness to investors and their willingness to buy UK sovereign debt.

6. Debt Rescheduling

Debt repayment and rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt rescheduling has been undertaken to date in the current financial year.

7. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2025, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2025/26. The Chief Finance Officer reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

8. Other Issues

Changes in risk appetite

The 2021 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or to other types of investment instruments this change in risk appetite and policy should be brought to members' attention in treasury management update reports. Whilst the risk appetite remains low, the recommended

increase of monetary limits for banks with credit ratings show as orange or red from £6M to £12M in order to utilise more ESG investment funds does increase the risk to the Council.

ANNEX A

PRUDENTIAL INDICATORS - MID YEAR REVIEW

Prudential Indicator for Capital Expenditure

This table shows the current estimates for the General Fund and Housing Revenue Account capital programmes, compared to the original estimates.

Capital Expenditure by Fund	2025/26	
	Original Estimate £m	Quarter 2 Position £m
General Fund	27.08	33.65
Council Housing (HRA)	6.12	8.15
Total Capital Expenditure	33.20	41.80

Changes to the Financing of the Capital Programmes

This table shows the changes in the financing of the capital programmes, and the level of borrowing required.

Capital Expenditure	2025/26	
	Original Estimate £m	Quarter 2 Position £m
Total capital expenditure	33.20	41.80
Financed by:		
Capital receipts	1.35	1.41
Capital grants	6.22	13.14
Reserves	4.88	6.20
Revenue	0.00	0.00
Total Financing	12.45	20.75
Borrowing Requirement	20.75	21.05

Changes to the Capital Financing Requirement

Capital Financing Requirement	2025/26	
	Original Estimate £m	Quarter 2 Position £m
General Fund	85.96	83.17
HRA	32.00	32.00
Total Capital Financing Requirement	117.96	115.16
Net movement in CFR	16.79	-2.80

Limits to Borrowing Activity

A key control over treasury management activity is to ensure that over the medium term, net borrowing (borrowings less investments) will only be for capital purposes. Gross external borrowing should not, except in the short term, exceed the total capital financing requirement.

External Debt v Borrowing Need (CFR)	2025/26	
	Original Estimate £m	Quarter 2 Position £m
External Debt	63.93	56.93
Expected Change in Other long term liabilities	14.96	13.96
Total Debt	78.89	70.89
Compared to current :		
Capital Financing Requirement	117.96	115.16
Operational Boundary:-		
Debt	118.96	118.96
Authorised Limit:-		
Debt	134.00	134.00

Definitions:

Operational Boundary

The limit beyond which external debt is not normally expected to exceed is known as the operational boundary.

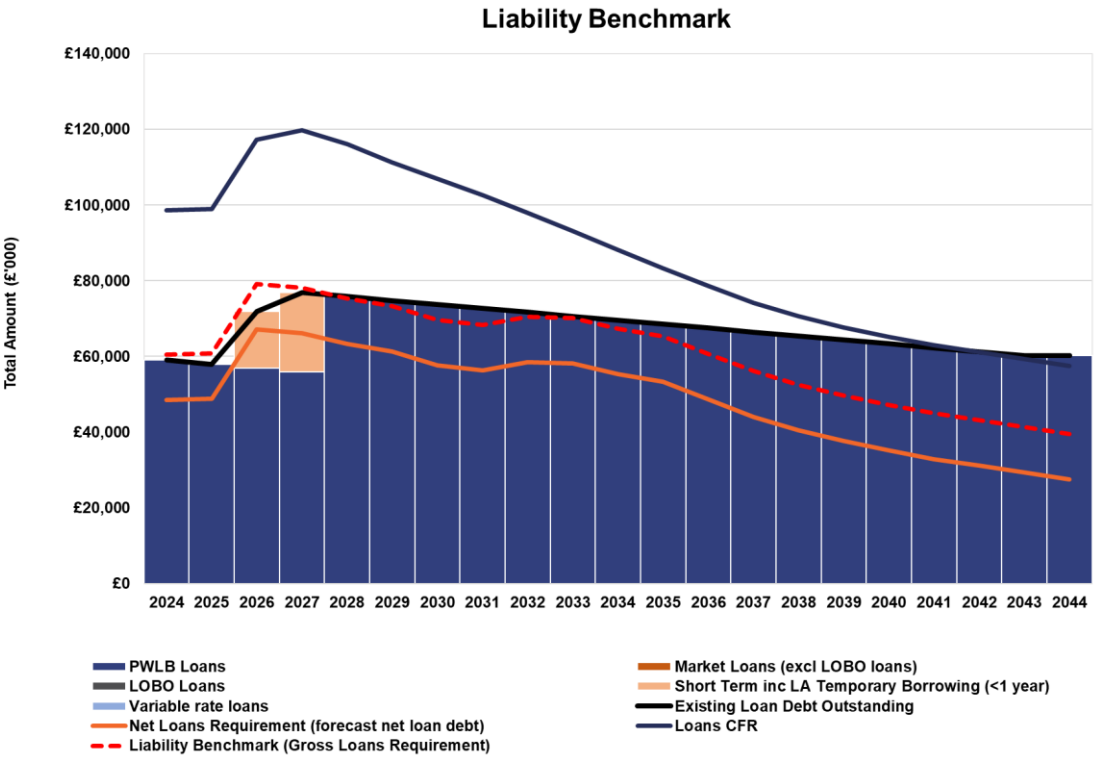
Authorised Limit for External Debt

A further prudential indicator controls the overall level of borrowing. This is the authorised limit which represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, whilst not desired, could be afforded in the short term, but it is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements.

Liability Benchmark

The Council's liability benchmark reflecting the mid-year position is set out below. This charts the following four key components:

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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