



Committee: CABINET

Date: TUESDAY, 13 JANUARY 2026

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

A G E N D A

1. Apologies

2. Minutes

To receive as a correct record the minutes of Cabinet held on Wednesday 26 November 2025 and Tuesday, 2 December 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 and Scrutiny

None.

Reports

7. **Corporate Fees and Charges Review 2026/27** (Pages 3 - 27)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Chief Officer Resources (report published on 8.1.26)

8. **Budget and Policy Framework Update 2026/27 to 2030/31** (Pages 28 - 33)

Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Chief Officer Resources (report published on 8.1.26)

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

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CABINET

Corporate Fees & Charges 2026/27

13 January 2026

Report of Chief Officer (Resources)

PURPOSE OF REPORT

The report asks Members to endorse the Fees and Charges Policy for 2026/27 and also to consider a range of charging options as deemed appropriate to the service area.

Key Decision	Y	Non-Key Decision		Referral from Cabinet Member	
Date of notice of forthcoming key decision		16 December 2024			
This report is public					

RECOMMENDATIONS OF COUNCILLORS

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2026/27 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2026/27 onwards.
- (2) That Cabinet endorses the freezing of garden waste collection charges for 2026/27.
- (3) That Cabinet endorses the introduction of new fees and charges within Planning & Climate Change as detailed in section 3.2.
- (4) That Cabinet proposes the increasing of selected car parking pay and display charges plus establishment of new charges as appropriate, in line with those listed in section 3.3, to be consulted upon with partners ahead of final decisions at Cabinet on 10th February 2026.
- (5) That Cabinet endorses the application of inflationary increases to fees and charges across all remaining areas as appropriate, as reported as part of the current 2026/27 budget setting process.

1.0 Introduction

- 1.1 Inflation means that the cost of delivering Council services has also increased. Charging for some local services, where appropriate, makes a significant contribution to council finances and the delivery of the Council Plan which in turn bring benefits to local

communities. (Note that all fees and charges within this report are stated exclusive of VAT). The level of income generated by fees and charges and in particular projected increases which the Council can influence, form a key part of the council's financial planning and is therefore reflected in the Medium Term Financial Plan.

2.0 Proposal Details

2.1 GENERAL POLICY

This report sets out the proposed fees and charges framework for 2026/27. The current policy was last considered by Cabinet at its meeting on 14 January 2025 and a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage.

In terms of fee increases, all relevant fees and charges have been reviewed and increased as appropriate. The larger income generation areas and new areas of charging are discussed further within section 3 of this report.

- 2.2 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2024/25 actuals, the 2025/26 original budget plus mid-year review position and the 2026/27 latest draft budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £19.535M next year. Of this total, around £16.630M has been subject to increase as appropriate. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts. As such these income areas allow for little or no discretion in setting fee increases (aside from any consideration of market share etc). Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.
- 2.3 From Appendix B, it can be seen that between 2025/26 and 2026/27 gross income from comparative fees and charges is expected to reduce from £19.659M to £19.535M, representing a reduction of £0.124M before any expenses are deducted.
- 2.4 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.
- 2.5 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current service costs and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.

2.6 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget development, primarily for 2026/27 onwards, on top of those already included.

3.0 OTHER SPECIFIC CHARGING CONSIDERATIONS

3.1 Environmental & Place: Garden Waste

The current price of a subscription is £46 per annum and within the calendar year of 2025 there were just under 24,000 subscribers resulting in income of £1.096M towards the general fund's net financial position

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

- Weekly food waste collection will commence in April 2026
- Three weekly collection of household waste and recycling will commence in April 2026
- Garden waste will continue to be collected on a fortnightly basis
- Increase in price can lead to a reduced number of subscriptions, which could possibly lead to the income target not being achieved

Given the above factors, it is proposed to freeze the annual charge for 2026/27 and the draft revenue budget has been updated to reflect this.

3.2 Planning & Climate Change: EV Charging

Following successful redirection of DEFRA funding, an energy hub is being installed at Auction Mart Car Park. The hub is primarily aimed at provide access to more affordable electric vehicle charging for taxi drivers and local residents.

In order to regulate the length of stay and discourage drivers from leaving their vehicles plugged in after charging is complete, an overstay fee is being proposed. This will help ensure that charge points remain available for other users.

The proposed charges will be on a fair charging basis and will generate income for the Council whilst offering reduced price EV charging when considered against other service providers. Full details can be found at **Appendix C**.

3.3 Sustainable Growth: Car Parking

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

As part of the review of the fee structure for 2025/26, tariffs were frozen. Latest monitoring suggests that usage is down by approximately £50K per annum and the draft budget for

2026/27 has been updated to include this reduced amount.

The request is to add 20p to the 30 minutes, 1 hour and 2 hours bands. The overnight tariff is to be increased by 30p but will now start from 5pm instead of 6pm to support the evening economy.

All daytime tariffs above 2 hours are to remain frozen to encourage longer dwell time by visitors. Officers have modelled the impact of this and after factoring resistance it is estimated that this will generate sufficient income to cover the required amount to address the budgeted inflationary uplift.

Car parking permits will be subject to inflationary increases in line with the general fees and charges factor.

4.0 Details of Consultation

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

5.0 Options and Options Analysis (including risk assessment)

	Option 1: To support the inflationary increases/changes as outlined in the report.	Option 2: To not support the inflationary increases/changes as outlined in the report.
Advantages	<p>Fees and charges contribute further to the general fund net position.</p> <p>Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council's ability to deliver its core services.</p>	Maintains the cost of services at 25/26 levels or at less than proposed in this report.
Disadvantages	The draft revenue budget has been prepared with the inclusion of the items raised in this report. Any further proposals would require further consideration prior to being fed into the budget process.	Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council's ability to deliver its core services.
Risks	Increasing fees to higher than suggested levels would most likely result in further resistance and potentially not achieve the targets originally set.	Cost of living increases and the return from the pandemic have reshaped people's habits. The income targets already set may not achieve projected levels in 26/27, resulting in a shortfall within the accounts.

6.0 Officer Preferred Option (and comments)

6.1 The Officers preferred option is Option 1.

7.0 Conclusion

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

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

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

LEGAL IMPLICATIONS

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

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

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

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

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

FINANCIAL IMPLICATIONS

As set out in the report and further detailed financial implications are included in the relevant appendices.

OTHER RESOURCE IMPLICATIONS

Human Resources: No specific resource implications.

Information Services: No specific resource implications.

Property: No specific resource implications.

Open Spaces: No specific resource implications.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None

Contact Officer: Andrew Kipling

Telephone: 01524 582143

E-mail: akipling@lancaster.gov.uk

Ref: n/a



APPENDIX A

FEES AND CHARGES POLICY

January 2026

1 INTRODUCTION

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

2 GENERAL POLICY

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

Council policies, strategies and priorities

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

Basis of Charging Decisions

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

Subsidies and/or Concessions

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

Surplus Income

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

Efficient Administration

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

Regular Review

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

Policy Implementation

2.13 This policy encompasses decisions made as part of the annual fees and charges review process, where new charges are introduced or where existing charges are removed or amended.

2.14 It supports the Council's Financial Regulations, which are part of the Constitution. Under the Regulations, Chief Officers and others designated by them are responsible for collecting budgeted income, and maximising such income in accordance with this policy and any other relevant supporting policies.

2.15 Furthermore, under the Scheme of Delegation to Officers, which is also included in the Constitution, such Officers have authority to set fees and charges in accordance with relevant legislation and any charging policy set by Cabinet (as long as they fit with the approved budget framework).

3 DETERMINING SPECIFIC CHARGING POLICY (CASE BY CASE)

3.1 Each fee or charge (or group of similar charges) should be linked to one of the categories in the following table and the appropriate charging policy adopted in establishing and reviewing charging rates for that particular service or activity. Where new charges are being introduced or changes in charging policy are proposed, the charging policy should be made clear as part of the decision-making process.

3.2 In all cases, in determining an appropriate charging policy proper consideration should be given to the wider equality implications that could affect accessibility of council services to any groups.

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

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

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

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

4 SUBSIDIES AND CONCESSIONS

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

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

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

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

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

5 NEW FEES AND CHARGES

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

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

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

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

6 REVIEWING FEES AND CHARGES

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

7 COLLECTION OF FEES AND CHARGES

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

8 PUBLICATION OF FEES AND CHARGES

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

Annex A**GUIDANCE FOR NEW FEES AND CHARGES****Charging Policy**

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

Comparative Information

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

Financial

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

Impact Assessment

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

Impact on Other Areas

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

Method of Collection

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

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

Alternatives

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

Consultation

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

Directorate	Service	Service Area	Detail Code	2024/25 Actual £	2025/26 Original £	2025/26 Projected £	2026/27 Estimate £
Environment & Place	AONB & Nature Reserves	Arnside and Silverdale AONB	Feed In Tariff Credits	-504	-500	-500	-500
		Middleton Nature Reser & Pumping Station	Rents - General	-875	-900	-900	-900
	Environmental Protection	Environmental Protection	Rents - Wayleaves & Titles	-500	-500	-500	-500
			Water Sampling Fees	-5,081	-4,100	-4,100	-4,300
			EPA Authorisation Fees	-542	-17,000	-35,000	-17,000
			Fines	210	-2,000	-2,000	-2,000
	Fleet Management	Vehicle Maintenance - External Recharges	Income - Works In Default	-627	-2,700	-2,700	-2,800
			MOT Income	-1,734	-2,900	-2,900	-2,900
	Food Safety	Food & Safety	General Fees & Charges	-528	-1,500	-1,500	-1,500
			General Fees & Charges	-11,614	-11,300	-11,300	-11,700
			Fines	0	-100	-100	-100
			Training Course Fees	-9,738	0	-10,000	0
	Hospitality & Events Management	Lancaster Port Health Authority	General Fees & Charges	-9,470	-9,500	-9,500	-9,900
		The Storey	Sales - General	-231,237	-238,400	-238,400	-247,500
			Sales - Refreshments	-39,100	-44,500	-44,500	-46,200
			Rents - General	-94,096	-95,800	-92,500	-95,800
			Hire Of Premises	-71,725	-102,800	-102,800	-106,700
			Service Charges Recovered	-94,334	-85,100	-85,100	-85,100
		LTH Bar & Catering	Sales - General	-34,556	-65,000	-65,000	-72,700
			Hire Of Premises	-58,240	-65,000	-75,000	-70,000
		The Platform	Venue Hire	-62,997	-80,600	-80,600	-67,800
			Private Hire	-22,169	-69,900	-69,900	-72,600
			Admission Fees	-121,018	-138,700	-138,700	-169,500
	Parks & Open Spaces	Non-Resort Parks	Bar	-67,315	-99,100	-99,100	-118,400
			Rents - General	-4,202	-7,700	-5,000	-8,000
			Rents - Concessions	-21,320	-24,000	-24,000	-24,900
			Service Charges Recovered	-35,636	-51,400	-35,600	-51,400
			Administration Charges	-165	-600	-600	-600
			Bowling	-669	0	0	0
		Resort Parks	Receipts Non-Vatable	-11,027	-9,300	-12,500	-13,000
			Rents - General	-4,285	-4,200	-4,300	-4,400
			Rents - Concessions	-8,275	-5,200	-5,200	-5,400
			Service Charges Recovered	-1,249	-100	-100	-100
		Happy Mount Park	Rents - General	-40,229	-41,000	-45,300	-42,600
			Rents - Concessions	-3,500	-4,100	-3,500	-4,300
			General Fees & Charges	-47,226	-61,600	-52,600	-63,900
			Service Charges Recovered	0	-500	-500	-500
			Bowling	-8	-400	-400	-400
			Tennis	-285	-400	-400	-400
		Promenade Management	Sales - Promenade Passes	-493	-600	-703	-600
			Rents - General	-37,283	-25,900	-35,200	-26,900
			Rents - Concessions	-57,538	-26,900	-60,200	-27,900
			Service Charges Recovered	-7,394	-4,400	-4,400	-4,400
			General Fees & Charges	-33,025	-42,800	-35,000	-41,500
		Grounds Maintenance	General Fees & Charges	0	-400	0	-400
		Small Parks & Open Spaces GM	Rents - General	-513	-500	-500	-500
		Cemeteries - General	Rents - Grazing Rights	-330	-300	-300	-300
			Sale Of Grave Spaces	-99,191	-105,800	-105,800	-109,800
			Interment Fees	-164,154	-190,800	-175,000	-182,500
			Memorial Fees	-26,142	-32,100	-32,100	-33,300
			Hire Of Chapels	-5,788	-5,700	-5,700	-5,900
			Sale Of Memorial Plaques	-29,987	-36,200	-36,200	-37,600
			Sale Of Memorial Benches	0	-700	-700	-700
	Pest Control	Pest Control	Unbugged	-187,582	-166,200	-166,200	-172,500
			Domestic Rodents	-54,352	-53,500	-53,500	-55,500
			Domestic Insects	-19,385	-37,000	-37,000	-38,400
			Rents - General	0	0	0	-20,000
			Feed In Tariff Credits	-14,296	-18,300	-18,300	-19,000
			Fees and Charges	-3,640,141	-3,623,900	-3,456,400	-3,727,000
	Salt Ayre Leisure Centre	Salt Ayre Mgt & Admin	Sales - Goods Resold	-3,193	-2,400	-3,500	-2,500
			Feed In Tariff Credits	-18,500	-18,500	-18,500	-19,200
		White Lund Depot	General Fees & Charges	-17,659	-26,700	-17,700	-18,400
	Street Cleaning	Street Cleaning	General Fees & Charges	-24,610	-27,000	-27,000	-27,000
		Public Conveniences	Trade Refuse Collections	-1,949,588	-2,050,400	-2,000,000	-2,076,000
	Trade Refuse Waste Collection	Trade Refuse	Sales - Goods Resold	-5,046	-6,200	-6,200	-6,400
		Bulky Waste Collection	Sales - Scrap	-1,196	-1,400	-1,400	-1,500
			Domestic Collections	-114,979	-115,600	-115,600	-120,000
		Household Waste	Fees - United Utilities	-1,591	-1,600	-1,553	-1,600
			Domestic Collections	0	-1,800	-1,800	-1,900
			Clinical Waste	-6,841	-5,000	-5,000	-5,000
			General Fees & Charges	-130,590	-44,400	-40,500	-7,000
		Recycling	Fees - United Utilities	-1,469	-1,400	-1,434	-1,400
			General Fees & Charges	-48,255	-16,400	-6,000	-1,000
			Fees - United Utilities	-1,243	-1,200	-1,213	-1,200
		Garden Waste	Garden Waste Collection	-1,078,523	-1,094,300	-1,094,300	-1,094,300
			General Fees & Charges	-43,429	-14,800	-13,500	-2,400
	Williamson Park	Williamson Park Cafe	Sales - General	-445,570	-452,500	-260,000	-259,500
		Williamson Park Reception & Retail	Sales - Publications & Data	-1,058	-200	-200	-200
			Sales - General	-72,594	-70,400	-15,000	-15,600
			Sale of Recycling Material	0	-1,200	0	-1,200
		Williamson Park Butterfly House	Family Tickets	-58,590	-54,100	-54,100	-56,200
			Admission Fees	-134,613	-133,600	-133,600	-138,700
			Educational Usage	-7,944	-7,100	-7,100	-7,400
		Williamson Park Events	Venue Hire	-63,447	-57,000	-65,000	-67,500
			Special Events	-55,989	-63,700	-33,000	-34,300
			Sales - General	-518	-400	-400	-400
		Williamson Park Mngmt & Admin	Car Parking Fees	-13,874	-28,900	-12,000	-12,500
			Car Parking Fees - Card payments	-48,724	-38,600	-55,500	-57,600
		Williamson Park Ice Cream Concession	Sales - General	-19,336	-36,500	-80,000	-83,000

Directorate	Service	Service Area	Detail Code	2024/25 Actual £	2025/26 Original £	2025/26 Projected £	2026/27 Estimate £
Governance	Democratic & Elections	Electoral Registration	Sales - Publications & Data	-5,346	-2,600	-2,600	-2,600
	Legal Services	Legal Services Mgt & Admin	General Fees & Charges	-73,233	-97,200	-60,000	-100,900
		Searches Administration	Other Grants	0	-21,800	-21,800	0
	Licensing	Hackney Carriage & Private Hire Licences	Search Fees	-140,494	-205,200	-205,200	-213,000
			H.C. Vehicle Licence	-32,045	-27,200	-27,200	-28,200
			H.C. Driver Licence	-2,124	0	0	0
			H.C. Inspection Fees	-16,443	-15,300	-15,300	-15,900
			H.C. Transfer Of Ownership	-668	-600	-600	-600
			H.C. Taxi Plates	-284	-1,100	-1,100	-1,100
			P.H. Operators Licence	-10,854	-8,500	-8,500	-10,400
			P.H. Drivers Licence	-4,383	0	0	0
			P.H. Vehicle Licence	-47,630	-35,900	-35,900	-37,300
			P.H. Inspection Fees	-35,648	-32,000	-32,000	-33,200
			P.H. Transfer of Ownership	-180	-200	-200	-200
			P.H. Taxi Plates	-614	-1,100	-1,100	-1,100
			Dual Drivers Badge	-41,024	-63,800	-50,000	-58,100
			Licences-Skin Piercing\Tattoos	-4,818	-4,800	-4,800	-5,000
			Licences - Sex Shops	-231	-200	-200	-200
			Licences - Second Hand Dealers	-553	-300	-300	-300
			Licences - Motor Salvage Operators	-365	-3,300	-3,300	-3,400
			Licences - Street Cafes	-8,220	-2,300	-2,300	-12,200
			Licences - Temporary Event Notices	-6,140	-7,200	-7,200	-7,200
			Street Trading Consent	0	-20,000	0	-20,000
			Licensing Act 2003 - Personal	-4,708	-6,000	-6,000	-6,000
			Licensing Act 2003 - Premises	-105,581	-110,000	-110,000	-110,000
			Licences - Lotteries	-2,550	-3,800	-3,800	-3,900
			Licences - Betting Shops	-3,900	-5,100	-5,100	-5,300
			Licences-Gaming Machines	-9,650	-3,100	-3,100	-3,200
			Licences - Bingo Establishments	-1,811	-1,800	-1,800	-1,900
			Amusement Machines	-4,517	-3,400	-3,400	-3,500
Housing & Property	Commercial Land & Properties	Commercial Land & Buildings	Rents - Grazing Rights	-1,980	-4,000	-4,000	-4,000
			Rents - General	-1,801,205	-1,479,100	-1,437,100	-1,225,700
			Service Charges Recovered	-275,683	-263,300	-226,900	-216,200
			Hire Of Premises	-1,892	-5,800	-5,800	-6,000
			Rents - General	-127,068	-129,100	-128,200	-178,100
			Sales - Refreshments	0	-100	-100	-100
			Service Charges Recovered	-94,261	-78,500	-88,500	-78,700
			Centenary House Regent Road (Co-op)	-16,120	-16,000	-16,000	-16,000
			Mellishaw Park	-53,122	-68,400	-68,200	-71,000
			Service Charges Recovered	-17,064	-23,200	-23,300	-24,300
			Jubilee Court	-53,566	-51,500	-54,500	-54,000
			Service Charges Recovered	-10,669	-10,300	-11,900	-11,900
			87 King Street	0	-4,000	0	-4,300
			Service Charges Recovered	0	-2,000	0	-1,500
			Resettlement and Dispersed Accom.	0	0	-3,000	-22,000
			Rent - Houses	0	0	0	-1,000
			Service Charges Recovered	0	0	0	-1,000
	Private Sector Housing	Home Improvement Team	General Fees & Charges	-38,210	-35,000	-30,000	-35,000
		Home Improvements	Administration Charges	-355,610	-352,400	-374,100	-375,500
		Private Rented Sector Activity	Admin-Works In Default	-11,649	-1,200	-1,200	-1,200
			Immigration Inspection Fees	-141	-300	-100	-100
			APS Fees	0	-100	-100	-100
			HMO License Fees	-74,952	-52,500	-52,500	-71,500
			Fines	-11,765	-2,800	-15,000	-5,000
			General Fees & Charges	-1,000	-2,600	-2,600	-2,700
			Burial Of The Dead	-54,151	-36,700	-36,700	-38,100
			Vets Fees Recovered	-2,242	-1,200	-1,200	-1,200
			Exhibiting Animal Licences	-2,155	-1,100	-1,100	0
			Licences-Riding Estabs	0	-1,100	-1,100	-700
			Licences - Dog Breeding	-4,885	-1,000	-1,000	-1,700
			Licences - Pet Shops	-628	-500	-1,500	-800
			Licences-Animal Boarding	-13,537	-9,200	-9,200	-8,200
		Dog Warden Service	Collections and Kennelling	-2,622	-6,200	-6,200	-6,400
Planning & Climate Change	Corporate Climate Change	Project Development	Feed In Tariff Credits	-44,520	-45,000	-45,000	-29,100
	DM - Building Control	Building Regulations	Bldg Regs - Application Fees	-213,609	-227,000	-227,000	-227,000
	DM - Planning	Development Control	Planning Pre Application Advice Fees	-61,515	-89,000	-54,000	-89,000
			Planning Application Fees	-700,225	-900,000	-900,000	-1,094,000
			Planning Fees s106 Income	0	-10,000	-10,000	-10,000
Resources	Finance Revenues & Benefits	Financial Services Management & Admin	Administration Charges	-747	-1,200	-1,200	-1,200
		Council Tax & NNDR	Legal Costs Recovered	-259,345	-377,400	-377,400	-391,700
Sustainable Growth	Markets	City Centre Markets & Traders	Rents - Market Stalls	-35,413	-34,300	-11,150	-35,600
			Market Tolls	-52,835	-48,900	-48,900	-50,800
			General Fees & Charges	-3,875	-3,800	-3,800	-3,900
			Service Charges Recovered	-1,336	-700	-700	-700
			Administration Charges	-120	0	0	0
		Morecambe Market	Rents - Market Stalls	-284,354	-285,000	-60,892	-290,600
			Advertising - Hoardings Etc	0	-300	-29,757	-300
			Service Charges Recovered	-25,658	-20,200	-14,149	-20,200
			Storage	-16,501	-14,000	-361	-14,000
		City Museum	Sales - General	-26,218	-19,700	-19,700	-23,600
		Maritime Museum	Admission Fees	-74	-15,700	-20,000	-19,400
			Sales - General	-6,633	-5,200	-5,200	-5,400
			Sales - Refreshments	-4,358	-3,600	-3,600	-3,700
			Admission Fees	-7,348	-7,400	-7,400	-7,700
			General Fees & Charges	-712	-200	-200	-200
		Cottage Museum	Admission Fees	-438	-300	-463	-300
		Off Street Car Parks	Rents - General	-18,660	-25,000	-15,300	-18,200
			Car Parking Fees	-538,268	-120,000	-100,000	-216,500
			Car Parking Fees - RingGo	-1,651,597	-1,980,800	-1,940,800	-1,860,000
			Car Parking Permits	-251,731	-255,500	-255,500	-265,200
			Car Parking Fees - Card payments	-1,417,809	-1,569,800	-1,529,800	-1,474,100
			General Fees & Charges	-21,488	-27,300	-13,600	-28,300
			Fines	-199,637	-155,000	-155,000	-155,000
			TOTAL INCOME	-19,297,641	-19,659,000	-18,721,675	-19,535,300

APPENDIX C

Service / New Charge

To implement tariff scheme at the Auction Mart EV Energy Hub to make electric vehicle (EV) charging more affordable and accessible for everyone, especially those without private driveways or home chargers.

Key Points:

- The hub uses on-site solar panels and battery storage to power EV chargers.
- When solar energy generation is high, the Council offers “Solar Saver” tariffs and users will be offered reduced charging rates. Users are notified of these discounts via the app or email.
- This approach helps the 45% of Lancaster households without off-street parking access cost-effective public charging as per the LAEP recommendations.
- Solar Saver tariffs will never drop below the cost of imported electricity, ensuring the Council remains financially sustainable.
- The proposed overstay fee structure is discourage drivers from leaving their vehicles plugged in after charging is complete, which helps ensure that charge points remain available for other users.

This initiative aims to make EV charging fair, sustainable, and accessible for all residents and visitors.

Charging Policy

Fair charging given proposed charges are lower than the average costs across the currently established charge point networks in Lancaster.

Comparative Information

Resident/ Public Tarriff

The proposed tariffs have been evaluated in comparison with those implemented by other Charge Point Operators (CPOs) within the district.

The average costs for charging at private networks in Lancaster are:

- 7kW charge point: £0.54
- 22kW charge point: £0.62
- 43kW - 75kW charge point: £0.81

Solar Saver Sessions

To further reduce costs and encourage sustainable charging, the solar saver tariff will be introduced during periods of high solar generation. Users will receive notifications

via the app or email advising when these prices are available, tailored to their user group.

The proposed prices will never fall below the imported electricity cost, ensuring the Council does not incur losses during periods of high solar generation. This comprehensive approach not only makes EV charging more affordable but also encourages a fair and inclusive transition to electric vehicles for all residents, particularly those without private charging facilities.

Overstay Fee Structure

The proposed overstay fee structure (*Annex B*) is designed to prevent drivers from leaving their vehicles plugged in after charging is finished, thereby helping to keep charge points accessible for other users.

Overstay fees will only apply if the driver has received the full rated power from the charge point (for example, 60kW from a 60kW charger, not 30kW per socket on a dual outlet). If the charge point is operating at a reduced output and the driver does not receive the full specified power, overstay fees will not be charged.

In line with industry best practice, it is important to note that BP Chargemaster, one of the UK's leading charge point operators, have also applied an overstay fee structure to discourage vehicles from occupying charge points after charging is complete. By adopting a similar approach, the Council ensures that charge points at Auction Mart remain available for other users, especially in high-demand locations.

The proposed overstay fees are carefully regulated so that nearby residents are not penalised for overnight charging, while still encouraging prompt removal of vehicles once charging is finished.

Financial	
Information Required	Description
Level of charge	Annex A - Residents/ Public Tariff Annex B - Overstay Fee Structure
Start date	1 April 2026
Budgeted income	£15,000
Surplus/deficit as a percentage of cost	Electricity prices fluctuate, and the rate of EV adoption remains unclear. Although residents and taxi drivers may receive lower tariffs, the proposed charges will not be less than the cost of imported electricity.
	As above.

Surplus/deficit per usage	
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Impact Assessment

Standard/Resident Tariff

Customers may choose to charge their vehicles using council equipment or opt for other public or private providers, some may also have the option to charge at home.

The Council recognises that equitable access to EV charging is a challenge for many residents. According to the LAEP, 45% of households across Lancaster District do not have access to off-street parking. This limitation prevents them from installing domestic EV charge points, forcing these residents to depend on public charging infrastructure.

Public charging can be expensive, with rates reaching up to £0.81 per kWh. This often makes EV charging more costly than petrol or diesel, representing a significant barrier to wider EV adoption, particularly for those who cannot charge at home who will benefit from special EV charging rates from energy providers (~0.08 per kWh).

To reduce this disparity, the Council will implement affordable public EV charging infrastructure, concentrating on areas like Central Lancaster with higher needs. Residents and taxi drivers can use a reduced tariff structure, which is intended to increase accessibility and promote EV adoption within these groups.

The EV charging hub at Auction Mart will feature solar carports and integrated battery storage. The renewable energy generation will allow the Council to offer a further reduced tariff during levels of high energy generation.

It should be noted that this lower tariff is voluntary and offered as an optional service to eligible users. By making the reduced rate accessible to 45% of households without off-street parking, the Council seeks to promote an equitable and inclusive shift toward electric vehicle adoption.

Solar Saver Sessions

To further reduce costs and encourage sustainable charging, the Solar Saver tariff will be introduced during periods of high solar generation. Users will receive notifications via the app or email advising when these prices are available, tailored to their user group.

The proposed prices will never fall below the imported electricity cost, ensuring the Council does not incur losses during periods of high solar generation. This comprehensive approach not only makes EV charging more affordable but also encourages a fair and inclusive transition to electric vehicles for all residents, particularly those without private charging facilities.

Overstay Fee Structure

Overstay fees discourage drivers from leaving their vehicles plugged in after charging is complete, which helps ensure that charge points remain available for other users. This is especially important in high-demand locations like Auction Mart, where equitable access is a priority for residents, taxi drivers, and visitors.

The fee structure is carefully calibrated so that overnight charging is not penalised for nearby residents, allowing them to benefit from affordable, convenient charging without incurring excessive costs.

By applying fees only after a reasonable period (e.g., 10 hours for 7kW chargers, 4 hours for 22kW chargers, and 1.5 hours for 60kW chargers), the policy encourages users to move their vehicles promptly after charging, reducing congestion and wait times for others.

The Council is committed to maintaining a fair and equitable approach to EV charging by conducting an annual review of the tariff structure at the Auction Mart EV Energy Hub. This regular assessment ensures that the pricing remains aligned with evolving Council priorities, community needs, and recommendations set out in the Local Area Energy Plan. By monitoring factors such as electricity market fluctuations, rates of EV adoption, and feedback from residents and stakeholders, the Council can make informed adjustments to the tariff structure.

This proactive approach guarantees that the charging fees continue to support equitable access for all residents, particularly those without off-street parking, and that the Council's sustainability and inclusivity objectives are consistently met. The annual review process also allows for the integration of new technologies, best practices, and policy updates, ensuring that the EV charging infrastructure remains responsive to local and national developments.

Impact on Other Areas

The appointed supplier will manage the fee structure on behalf of the Council, ensuring there is no additional administrative burden.

Method of Collection

Residents and taxi drivers will have a dedicated app to access the reduced tariff. For visitors or non-app users there will be contactless payment system in place.

The supplier managing the app and contactless payments will transfer revenue on a quarterly basis to the Council.

Alternatives

In addition to the public charging options provided by various Charge Point Operators across the district, customers also retain the flexibility to charge their electric vehicles at home. Home charging offers several advantages, including convenience and the ability to take advantage of off-peak electricity rates.

For those without off-street parking, Lancashire County Council have received £10.1m in LEVI funding to implement on-street charging. In addition to expanding on-street charging infrastructure, the Lancaster County Council also plan to offer a chargeable service for cable trays. This service allows residents to safely run charging cables from their property to their vehicle parked on the street, helping to overcome practical barriers to home charging and further supporting equitable access to EV technology.

Consultation

Key stakeholders including the portfolio holder for Climate Action and the Parking Manager have been consulted on the proposed charges.

The next formal step is the submission of a planning application for the scheme. Once this application is submitted, the public will have an opportunity to provide feedback or raise concerns during the statutory consultation period.

Annex A - Tariff Structure

Tariff Type	Standard Tariff	Solar Saver Tariff
AC (7kW)		
<i>Residents</i>	£0.35	£0.25
<i>Public</i>	£0.40	£0.35
AC (22kW)		
<i>Residents</i>	£0.40	£0.30
<i>Public</i>	£0.50	£0.40
DC (60kW)		
<i>Residents</i>	£0.65	£0.55
<i>Public</i>	£0.75	£0.65

Annex B - Overstay Fee Structure

Charge Point Type	Overstay Fee Duration	Fee Amount	Maximum Fee
AC (7kW)	600 minutes (10 hours)	£10	£20 (if >720 min/ 12 hours)
AC (22kW)	240 minutes (4 hours)	£10	£20 (if >360 min/ 6 hours)
DC (60kW)	90 minutes (1.5 hours)	£10	£20 (if >210 min/ 3.5 hours)

CABINET

Budget & Policy Framework Update 2026/27 – 2030/31 13 January 2026

Report of Chief Finance Officer

PURPOSE OF REPORT

To provide an update on the Council's budget strategy for 2026/27 and financial outlook up to 2030/31. Specifically, the report considers the budget and Council Tax proposals for 2026/27.

This report is public.

RECOMMENDATION OF COUNCILLOR HAMILTON-COX

1. That Cabinet make recommendations to Council regarding the Lancaster City Council element of the Council Tax as set out in paragraph 3.3 (option one) of this report which is a 2.99% increase to the Band D Council Tax (from £264.30 to £272.20).
2. That the recommendations and proposals in this report be referred to Council on 28 January for initial consideration prior to public consultation/stakeholder meeting on 3 February by Budget and Performance Panel, in order that any feedback can be provided to Cabinet at its 10 February meeting.

1.0 INTRODUCTION

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.
- 1.2 At its meeting on 2 December 2025 Cabinet noted assumptions included in respect of various sources of income and expenditure and the corresponding impact this would have on the 2026/27 revenue budget gap and beyond. Members will, therefore, be aware of the financial challenges faced by the Council.
- 1.3 Since that writing of that report, the Government announced its Autumn Statement on 26 November 2025 and has released the Provisional Local Government Finance Settlement (17 December 2025). Several workshops have been held between Cabinet and Senior Leadership Team to explore initial proposals in order to be able to produce a balanced budget for 2026/27.

2.0 LOCAL GOVERNMENT FUNDING UPDATE (INCLUDING BUSINESS RATES)

2.1 Details of the provisional multi-year Local Government Finance Settlement for 2026/27 were announced on 17 December 2025. The Provisional Settlement is subject to consultation, with the Final Settlement announced towards the end of January/early February. Values may, therefore, be subject to change. Any changes will be reflected in the final budget and policy framework reports presented to Cabinet, and ultimately Council 25 February 2026.

2.2 The settlement sets out simplified allocations for local authorities across England for the next three years, and incorporates an updated distribution of resources following the conclusion of the Fair Funding Review. It represents a major change in local government financing and the settlement will now go out to consultation ahead of it being finalised in early 2026.

2.3 This current financial year has already seen multiple changes with the Business Rates scheme. At the previous 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.

These changes were implemented on 1st April 2025.

2.4 With regard to 2026/27, the details surrounding the proposed business rates reset have also been released 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
- A revised 'safety net' scheme which offers Council's more certainty in the business rates due to base their future years projections on
- 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 provide more certainty in business rates due to the Council for the forthcoming three years with the added security of the safety net position. Given that the overall position is positive but the figures are still provisional, no detrimental financial impact is expected.

2.5 The Council receives rating income from renewable energy schemes within the district, largely in relation to Walney Sub-Station. The value of this income is included as £3.998M in 2026/27 (£4.004M for 2025/26). A majority of the income currently falls outside of the main rate retention scheme, and so the Council retains the full benefit from it.

2.6 Work is continuing to determine the forecast surplus or deficit for prior years and the latest projection is a £0.788M deficit relating to prior years. Members will recall that the Business Rates Retention Reserve (BRRR) is used to manage the impact of surpluses and deficits and also to manage fluctuations in income levels in order to provide budgetary stability and smooth out year on year peaks and troughs. As part of the 2024/25 budget setting process, a contribution of £0.500M from the BRRR was included within 2026/27. This contribution

remains in place alongside plus a further £0.788M to address the prior years deficit explained above. Both adjustments are included within the general fund net financial position.

2.7 Given all the changes, the effect of the local government settlement and the changes to the business rates system cannot be considered in isolation and the following table illustrates the overall financial impact.

Table 2 – Provisional Settlement allocations for Lancaster City Council

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
<i>Items included in MTFS presented to Cabinet 2/12/25 :</i>					
Reversal of Grants budgeted for :					
- RSG	460	460	460	460	460
- Recovery	603	603	603	603	603
- Domestic Abuse	34	34	34	34	34
- NIC Rebate	211	217	222	227	227
Reversal of Business Rates Income Included in MTFS	13,641	13,832	12,145	12,411	12,659
	14,949	15,146	13,464	13,735	13,983
<i>Replaced With :</i>					
FFA Baseline Funding Level	5,165	5,283	5,390	5,498	5,608
FFA Revenue Support Grant	6,031	5,986	5,910	5,794	5,680
Recovery Grant	603	603	603	603	603
Green Energy Disregard	3,998	3,998	3,998	3,998	3,998
	15,797	15,870	15,901	15,893	15,889
Estimated Favourable Settlement Position	848	724	2,437	2,158	1,906

As table 2 shows, the provisional settlement allocates £0.848M more resources from Central Government than anticipated and this decreases the budget gap for the 2026/27 revenue budget.

3.0 COUNCIL TAX

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

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

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

Table 5 – Impact of Council Tax Options: 2026/27 to 2030/31

Year	Taxbase (% Annual Increase)	Estimated Annual Movement	Option 1 Annual increase of 2.99% in Council Tax		Option 2 Annual increase of £5 in Council Tax		Option 3 No annual increase in Council Tax		Previous MTFS Approved Feb-2025	Additional / (Reduced) Income from 2.99% Increase & 1% Annual Growth	Additional / (Reduced) Income from £5 Increase & 1% Annual Growth	Additional / (Reduced) Income from Increase in Tax Base Only 1%
			%	Band D	Income (£'M)	Band D	Income (£'M)	Band D				
2025/26	43,702		264.30	11.550	264.30	11.550	264.30	11.550				
2026/27	43,833		272.20	11.931	269.30	11.804	264.30	11.585	12.015	(0.084)	(0.211)	(0.430)
2027/28	44,271	1.00%	280.34	12.411	274.30	12.144	264.30	11.701	12.498	(0.087)	(0.354)	(0.797)
2028/29	44,714	1.00%	288.72	12.910	279.30	12.489	264.30	11.818	13.000	(0.090)	(0.511)	(1.182)
2029/30	45,161	1.00%	297.35	13.429	284.30	12.839	264.30	11.936	13.522	(0.093)	(0.683)	(1.586)
2030/31	45,613	1.00%	306.24	13.969	289.30	13.196	264.30	12.056	14.066	(0.097)	(0.870)	(2.010)
										(0.451)	(2.629)	(6.005)

3.2 When compared against the MTFS which was approved by Council in February 2025 the following information can be drawn from the table above:-

- Option 1 provides reduced income of (-£0.084M) in 2026/27 and is cumulatively short by (-£0.451M) over the five year period;
- Option 2 provides reduced income of (-£0.211M) in 2026/27 and is cumulatively short by (-£2.629M) over the five year period
- Option 3 provides reduced income of (-£0.152M) in 2026/27 and is cumulatively short by (-£6.005M) over the five year period

3.3 **The recommendation arising from this report is that the Council on 28 January 2026 agree a 2.99% increase (option one) to the level of the previously set prior year (2025/26) Band D Council Tax for the Lancaster City Council element.** It is also recommended that option one is selected for the purposes of completing estimates in the Medium-Term Financial Strategy.

For information, the Band D Council Tax for 2026/27 will be £272.20 (previously £264.30 in 2025/26).

3.4 The Council is expected to benefit from prior year surpluses to the collection fund account in respect of council tax. This amount is currently valued at £0.185M and is included within the general fund net financial position.

4.0 MEDIUM TERM FINANCIAL STRATEGY

4.1 An update to the Council's Medium Term Financial Strategy (MTFS) was presented to Council on 17 December 2025. The MTFS presented at that meeting was a baselined position, in that it did not include any of the interventions now considered within this report.

4.2 Members will appreciate that there are a significant number of factors to be considered as part of the medium-term financial planning exercise. The revision of the MTFS is progressing well and will be considered at Budget Setting Council on 25 February 2026. The revision of the MTFS will be key in providing sound financial planning processes to underpin the Council's ambitions. Key considerations of the MTFS include taking account of the impact of decisions made to balance the 2026/27 budget alongside forecasts for future funding.

4.3 A forecast budget gap still exists and it continues to be structural in nature, meaning that the Council's forecast spending exceeds the income it expects to receive. Officers are continuously working with Cabinet to address this issue and will continue to do so following on from the conclusion of the current budget process. This will ensure that the problem is addressed in a timely manner so that it remains manageable. Proposed actions currently include:

- review of revenue growth proposed
- identification of any revenue savings from within services or arising from the 'Fit For The Future' process that have not already been included in the draft revenue budget as operational
- reconsideration of the approved capital programme and reprofiling any schemes where possible
- review of capital growth proposed prior to consideration by CAG
- the potential use of capital receipts to finance existing projects
- capitalisation of transformation costs where appropriate

These actions are ongoing and will be included in the report to Cabinet on 10 February 2026 together with in-year changes and ongoing changes to accounting, forecasting and grant activity which have also led to a change in the budgetary position from that previously reported.

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

5.0 LOCAL GOVERNMENT REORGANISATION (LGR)

5.1 To reiterate the information reported to Cabinet on 2 December 2025, the financial impact of LGR expected to be complex with very little information currently available. The financial information which underpins the ongoing budget process has currently been prepared on a 'business as usual' basis.

5.2 The Government is expected to lead a public consultation on the proposals early this year, with a preferred option selected in summer 2026.

5.3 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).

5.4 Inevitably, this will have financial consequences for the Council however it is expected that partners will enter into the new authority in the best financial health that is possible, in order to maintain both financial and organisational stability.

5.5 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.

6.0 DETAILS OF CONSULTATION

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

7.0 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

7.1 It is essential that the Council Tax rate is set in line with the Council Tax billing timetable. Any delay would put the Council at risk of not being able to collect the tax which would have

serious cash flow implications.

7.2 In terms of the actual budget position, work is ongoing to provide a balanced budget. Public consultation/stakeholder meetings will be held over the coming weeks (including Budget and Performance Panel). The feedback from these meetings will be considered by Cabinet and incorporated into a final budget proposal which will be presented at the Cabinet meeting on 10 February 2026 and recommended to Council on 25 February 2026.

8.0 CONCLUSION

8.1 The latest budget position does not produce a balanced budget for 2025/26 and further intervention is necessary before Cabinet can be presented with a balanced budget.

8.2 Whilst the longer-term financial forecasts contain numerous estimates and assumptions, which will change over time, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the position the Council faces. Although this position is not unique to this Council, it is reflected nationally across many public sector bodies. The gaps identified for 2026/27, although lower than previously forecasted, are still present. Members and Officers recognise the size of the challenge ahead including that of LGR and will look to manage the transitional change to ensure the Council delivers both its statutory and non-statutory services across the district.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

The proposed budget incorporates measures to address the climate emergency and digital improvements as well as activities to address wellbeing, health and community safety.

FINANCIAL IMPLICATIONS

As set out in the report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has authored the report and comments are reflected within.

LEGAL IMPLICATIONS

No legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments

BACKGROUND PAPERS

None

Contact Officer: Paul Thompson

Telephone: 01524 582603

E-mail: pthompson@lancaster.gov.uk

Ref: N/A