

CABINET

6.00 P.M.

10TH FEBRUARY 2026

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

Apologies for Absence:-

Councillor Peter Jackson

Officers in attendance:-

Mark Davies	Chief Executive
Luke Gorst	Chief Officer - Governance and Monitoring Officer
Paul Thompson	Chief Officer - Resources and Section 151 Officer
Mark Cassidy	Chief Officer - Planning and Climate Change
Joanne Wilkinson	Chief Officer - Housing and Property
Andrew Kipling	Accountancy Manager
Liz Bateson	Principal Democratic Support Officer

92 MINUTES

The minutes of the meeting held on Tuesday 13 January 2026 were approved as a correct record.

93 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

94 DECLARATIONS OF INTEREST

Councillor Tyldesley declared an interest with regard to the Adoption of Arnside and Silverdale National Landscape Management Plan report in view of her role on the Management Team of the National Landscape and involvement in the management plan sub group. Cllr Tyldesley advised the meeting that she would not vote on the item. (Minute 97 refers).

95 PUBLIC SPEAKING

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

96 ADOPTION OF ARNSIDE AND SILVERDALE NATIONAL LANDSCAPE MANAGEMENT PLAN

(Cabinet Member with Special Responsibility Councillor Tyldesley)

Cabinet received a report from the Chief Officer – Planning and Climate Change to approve the adoption of the Arnside and Silverdale National Landscape Management

Plan.

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

	Option 1: To adopt the Arnside and Silverdale National Landscape Management Plan	Option 2: not to adopt the Arnside and Silverdale National Landscape Management Plan
Advantages	The City Council is one of the organisations responsible for the governance and operation of the National Landscape at Arnside and Silverdale and the formal process requires the approval of the relevant local authorities (which includes LCC) before the MP can be submitted to Government. The adoption would be in accordance with the required approach and makes it clear that Management Plans are a starting point for actively managing these protected landscape areas.	None known.
Disadvantages	None known.	Without formal adoption, the Council would not be fulfilling its duty under Section 89 of the Countryside and Rights of Way Act 2000 which requires the relevant authorities to adopt the Management Plan. This would lead to less overall guidance and direction for those actively managing the National Landscape. The Council would not be able to fulfil their statutory duty under Levelling Up and Regeneration Act 2023 to 'seek to further the purpose' of the designation.
Risks	None known.	Without an adopted Management Plan, it will be harder to protect the National Landscape from inappropriate development and would result in fragmented management of the landscape area.

The preferred option is Option 1, for Lancaster City Council to formally adopt the Arnside and Silverdale National Landscape Management Plan.

Councillor Tyldesley proposed, seconded by Councillor Bannon:-

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

Councillors then voted:-

Having declared an interest in this item Councillor Tyldesley did not vote.

Resolved:

- (1) That approval be given to the adoption of the Arnside and Silverdale National Landscape Management Plan which, on adoption, will act as a material consideration in planning decisions, guide delivery and provide a strong foundation for support in bids for funding opportunities for projects within the National Landscape.

Officer responsible for effecting the decision:

Chief Officer Planning and Climate Change

Reasons for making the decision:

As set out in the National Parks and Access to the Countryside Act 1949; confirmed by Section 89 of the Countryside and Rights of Way Act 2000, the primary purpose of the designation is to conserve and enhance natural beauty and Management Plans should guide the work of the National Landscape Partnership. At a district level, the Local Plan sets out the Council's broad strategy for its two National Landscape areas within the Strategic Policies and Land Allocations (climate emergency review) DPD and the Development Management (climate emergency review) DPD, both adopted in January 2025 and the Management Plan is in general conformity with these documents.

The report set out the preferred way forward for adopting the Arnside and Silverdale National Landscape Management Plan. Actioning the formal adoption will help ensure that the National Landscape is effectively and cohesively managed and protected.

**97 BUDGET AND POLICY FRAMEWORK GENERAL FUND REVENUE BUDGET
2026/27 - 2030/31**

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Finance Officer that set out the latest position in respect of the Budget and Policy Framework and Cabinet's proposed General Fund revenue budget for 2026/27.

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

Revenue Budget

Council may adjust its revenue budget proposals, so long as the overall budget for 2025/26 balances and fits with the proposed Council Tax level.

Other Budget Framework Matters (Reserves and Provisions)

Given known commitments, risks, and Council Tax restrictions there is little flexibility in financial terms, but Council could consider different budget strategies to be appraised for future years, or alternative arrangements for approving the use of various reserves, or different virement and/or carry forward limits. Overall, however, previous arrangements have worked reasonably well, and so no other fundamental changes are proposed.

Section 151 Officer's Comments and Advice

Council is required to note this formally in the minutes of the meeting; hence it is reflected in the recommendations.

Depending on the nature of any alternative proposals put forward, Officers may need time to assess the risks and implications. This is to ensure that relevant considerations are taken into account, to support informed and lawful decision making.

OFFICER PREFERRED OPTION (AND COMMENTS)Revenue Budget 2026/27 and Reserves Position

To agree the recommendations as presented as the proposals to be put forward by Cabinet should fit with any external constraints and the budgetary framework already approved. The recommendations as set out meet these requirements; the detailed supporting budget proposals are then a matter for Members.

During questions a request was made to exclude the press and public in order that the information contained within the exempt appendices could be discussed. Councillor Maddocks proposed the exclusion seconded by Councillor Riches and this was agreed unanimously. The press and public were excluded and readmitted after approximately ten minutes.

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

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

At this point Councillor Riches advised that although she would not be voting against the proposals, she wished for it to be noted that she was opposed to the amount of money being put into the LGR transition fund as this was something that wasn't in the manifesto of the current government.

Councillors then voted:-

Resolved unanimously:

That Cabinet recommends the following for approval to Budget Council 25 February:

- (1) That the General Fund Revenue Budget of £27.373M for 2026/27 be approved, resulting in a Council Tax Requirement of £11.931M, excluding parish precepts, and a Band D basic City Council Tax rate of £272.20
- (2) That the supporting General Fund Revenue Budget proposals be approved, as summarised at Appendices A, C, C1 and C2 to the report.
- (3) That the budget transfer (virements and carry forwards) limits be approved as set

out in Appendix E to the report.

- (4) That Cabinet authorises the use of the General Fund Unallocated Reserve to fund the £0.831M contribution required to the Lancashire Local Government Reorganisation Transition Fund.
- (5) That Cabinet notes the Section 151 Officer's advice regarding robustness of budget estimates, the adequacy of reserves and balances, specifically the advice that the minimum level of balances be retained at £5.0M, to provide for added uncertainty.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

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

The report addresses the actions required to complete the budget setting process for 2026/27, and for updating the Council's associated financial strategy.

98 CAPITAL PROGRAMME 2026/27 – 2035/36 & CAPITAL STRATEGY (INVESTING IN THE FUTURE)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Finance Officer to present Cabinet's final budget proposals in order that the Council can approve a General Fund Capital Programme for 2026/27 to 2035/36, and a Capital Strategy 2026/27 as required by regulation.

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

Cabinet may put forward alternative proposals or amendments to the proposed Strategy a of consideration by Full Council. For capital, Council may adjust its capital investment financing proposals taking account of spending commitments and priorities, but its prop for 2026/27 must balance.

Depending on the nature of any alternative proposals put forward, Officers may need tin assess the risks and implications. This is to ensure that relevant considerations are t into account, to support informed and lawful decision-making.

The officer preferred option was to consider the Capital Programme and Strategy as atta to the report, allowing for any amendments being made under delegated authority pri referral to Council.

The report addressed the actions required to complete the budget setting process for the Capital Programme and Capital Strategy. If Cabinet, or Budget Council changes its Capital Programme from that which is proposed in the report then this would require a change in prudential indicators which are part of the Treasury Management Strategy.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the following be recommended to Budget Council for approval:
 - the updated Capital Programme covering financial years 2026/27 to 2035/36
 - the Capital Strategy (Investing in the Future) 2026/27
- (2) That delegated authority be given to the S151 officer, in consultation with Portfolio Holder for Finance & Property to amend changes in the prudential indicators should Cabinet or Full Council make any revisions to the Capital Programme.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

The Council's revenue and capital budgets should represent, in financial terms what the Council is seeking to achieve through its Policy Framework.

The proposed capital programme and supporting strategy is part of the Council's budget and policy framework, and fits into the Medium Term Financial Strategy. The proposed budget incorporates measures to address the climate emergency and digital improvements as well as activities to address wellbeing, health and community safety.

With the agreement of the meeting the Chair announced a revision to the order of the agenda and advised that the Housing Revenue Account would be considered next so as not to detain the supporting officer unnecessarily.

99 HOUSING REVENUE ACCOUNT BUDGET FRAMEWORK 2026/27 - 2030/31

(Cabinet Member with Special Responsibility Councillor Caroline Jackson)

Cabinet received a joint report from the Chief Officer Housing & Property and Chief Officer Resources that sought Cabinet decisions on Council Housing rent setting proposals and HRA revenue and capital budget proposals.

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

The options with regards to rent setting are set out under section 4 of the report, the maximum permitted increase being CPI+1% for current tenants, with flexibility of an additional 5% / 10% above formula rent for new tenancies. By applying this increase, it allows for a budget that can deliver on the Council's and Governments ambitions on improving housing standards and addressing the climate change emergency, whilst adhering to the Rent Standard and wider legislative requirements.

In relation to garage rents, it is recommended that an increase in line with dwelling rent increases is appropriate and will support maintenance requirements without adversely impacting occupancy levels.

With regard to the revenue budget generally, Cabinet could consider other proposals that may influence spending in current and future years, as long as their financing is considered and addressed and coherent with the legislative and regulatory requirements of a Registered Provider.

The options available in respect of the minimum level of HRA balances are to retain the level at £750K in line with the advice of the Section 151 Officer, or adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting, and it could have implications for the Council's financial standing, as assessed by its external auditor.

The options available in respect of the Capital Programme are:

- i) To approve the programme in full, with the financing as set out;
- ii) To incorporate other increases or reductions to the programme, with appropriate sources of funding being identified.

Any risks attached to the above would depend on measures Members proposed, and their impact on the council housing service and its tenants. As such, a full options analysis could only be undertaken once any alternative proposals are known, and Officers may require more time in order to do this.

	Option 1: Set housing and garage rent levels as set out in this report, and approve the provisions, reserves and balances position (and their use); the revenue budgets and capital programme	Option 2: To propose alternatives to those outlined in Section 11 to the report
Advantages	Increased rental income supports the Council to deliver against its Regulatory requirements and ensuring homes are safe and decent.	Unknown
Disadvantages	Increased rent levels for tenants, and new tenants.	Would require further options analysis.
Risks/Mitigation	The HRA budget set out in this report is sustainable in the long term. The risks associated with	Impact on housing service and council housing tenants unknown. Potential for

	Option 1 are outlined in Appendix F to the report – Risks and Assumptions	housing service to fall foul of legislative and regulatory requirements, leading to unlimited fines and being ‘named and shamed’ by government.
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Officer Preferred Option (and comments)

Option 1: Set housing and garage rent levels as set out in this report and approve the provisions, reserves and balances position (and their use); the revenue budgets and capital programme, as set out and refer onto full Council.

The budget headlines were presented to the Tenants Voice meeting of 29th January 2026 who were broadly in agreement with the proposals described, including the rent increase and understood the rationale for such. There was, however, a range of debate which should be noted including:

- Residents were keen to understand how we would seek to increase housing stock – replacing homes lost through Right-to-Buy
- Residents also noted that they did not want to see their rent money being offset to repair homes though tenant damage and wanted to understand the re-charge process in such instances.
- Officers committed to providing details of planned maintenance and capital programmes be presented to a future meeting of the Tenant Voice.

The budget headlines and the wider context of housing finances were also presented and discussed at the Council Housing Advisory Group (CHAG) on 29th January 2026, who were supportive and understood the financial challenges and requirements faced within the HRA. Residents were keen that within their new rent letters that they saw the difference in what they had paid before as a comparator.

The report highlights challenges faced within the current economic climate, particularly in the context of the increased regulatory and legislative requirements being placed on the social housing sector. The longer-term financial forecasts contain numerous estimates and assumptions, and the service remains attuned to the risks contained within Appendix F to the report, and in particular the impacts of further legislative and regulatory change which could affect business planning within the HRA.

Councillor Caroline Jackson proposed, seconded by Councillor Riches:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That for existing council housing tenancies rents will increase by 4.8% (CPI + 1%) from 6th April 2026 in accordance with statutory requirements.
- (2) That for new council housing tenancies starting within 2026/27 from 6th April onwards, rent flexibility will be applied where applicable, being 5% above ‘formula rent’ for general needs housing and 10% above ‘formula rent’ for

supported housing, in line with statutory flexibilities. Where rent flexibility is not applicable, rents will be set at 'formula rent' on re-let.

- (3) That garage rents be increased at CPI +1% in line with dwelling rents.
- (4) That the minimum level of HRA unallocated balances be retained at £750,000 from 01 April 2026, and that the full Statement on Reserves and Balances as set out at Appendix E to the report be endorsed and referred on to Budget Council for approval.
- (5) That a delegated decision to approve the tender of three programmes of work (over £200K and key decisions over £250K) during 2026/27 can be made by the Chief Executive (as per 7.4 in the report) and in line with procurement rules.
- (6) That subject to the above, the resulting Housing Revenue Account budget for 2026/27 onwards, as set out at Appendix A to the report, together with the resulting Capital Programme as set out at Appendix C to the report, be referred on to Budget Council for approval.

Officer responsible for effecting the decision:

Chief Officer Housing & Property

Reasons for making the decision:

The proposals set out in the report are consistent with the Council Plan and will have positive impacts on residents within Council Housing dwellings specifically climate change, wellbeing / social value, health and safety and community safety.

The budget represents, in financial terms, what the Council is seeking to achieve through its approved Housing Strategy in relation to council housing.

The Council's Housing Service remains ambitious, while continuing to operate a sensible but forward-looking approach, seeking to meet Regulatory requirements and deliver safe and decent homes.

100 TREASURY MANAGEMENT STRATEGY 2026/27

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Finance Officer that presented the draft Treasury Management Strategy and associated documents for 2026/27 and provided an opportunity for consideration and comment ahead of formal presentation to Full Council 25 February 2026 for approval.

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

Cabinet may put forward alternative proposals or amendments to the proposed Strategy ahead of consideration by Full Council, but these would have to be considered in light of legislative, professional, and economic factors, and importantly, any alternative views regarding the Council's risk appetite. As such no further options

analysis is available currently.

Furthermore, the Strategy must fit with other aspects of Cabinet's budget proposals, such as deposit interest estimates and underlying prudential borrowing assumptions, feeding into Prudential and Treasury Management Indicators. There are no options available regarding other components of the overall framework.

The officer preferred option was to approve the framework as attached to the report, allowing for any amendments being made under delegated authority prior to referral to Council.

The report addressed the actions required to complete the budget setting process for Treasury Management, and for updating the Council's associated financial strategy. This was based on the Council continuing to have a comparatively low risk appetite regarding the security and liquidity of investments particularly, but recognising that some flexibility should help improve returns, whilst still effectively mitigating risk. It was stressed that in terms of treasury activity, there is no risk-free approach. It was felt, however, that the measures set out in the report provide a fit for purpose framework within which to work, pending any update during the course of next year.

If Cabinet, or Budget Council changes its Capital Programme from that which is proposed in this report then this would require a change in the prudential indicators which are part of the Treasury Management Strategy.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet recommends for approval to Budget Council the Treasury Management Strategy 2026/27, Appendices A to C to the report.
- (2) That delegated authority be given to the S151 Officer, in consultation with the Portfolio Holder for Finance & Property to amend changes in the prudential indicators should Cabinet or Full Council make any revisions to the Capital Programme.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

Treasury Management forms part of the Councils budget framework.

Effective Treasury Management and use of the Councils' resources is fundamental delivery of its priorities and outcomes

101 MEDIUM TERM FINANCIAL STRATEGY 2026/27 - 2030/31**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Chief Finance Officer that provided an update on the Council's Medium Term Financial Strategy (MTFS) forecasts for 2026/27 to 2030/31.

The report considered Local Government Funding and Business rates, Council Tax, General Fund Projections, Capital Investment and financing, the short and medium-term budget gap, Provisions, Reserves and balances and Local Government Reorganisation. The risks to the Council were contained throughout the report and as the report was for noting, no alternative proposals had been put forward.

Whilst delivering a balanced budget for 2026/27, the Council continues to face unprecedented levels of financial and economic uncertainty. This hampers the degree of confidence with which forecasts can be made and inevitably some key estimates and assumptions are likely to change in the coming months.

The future key challenge surrounding Local Government Reorganisation should not be underestimated and the Council must position itself in the best financial health that is possible, in order to maintain both financial and organisational stability.

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

"That the recommendations, as set out in the report, be noted."

Councillors then voted:-

Resolved unanimously:

- (1) That having considered the draft future years budget estimates as set out in the report as the latest information available Cabinet agrees that the update be referred on to Council on 25 February 2026 for information. A final consolidated medium term financial strategy will be agreed by the s151 officer in consultation with the portfolio holder before being presented to Full Council in March.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

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

102 FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY 2026/27**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Chief Finance Officer that proposed a Flexible Use of

Capital Receipts Strategy for 2026-27 to complement the ongoing Council's commitment to financial sustainability. Statutory guidance from the Department for Levelling Up, Homes and Communities (DLUHC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) enables local authorities to make flexible use of capital receipts to fund projects which are likely to generate savings to the authority and / or other public bodies. To make use of this provision, authorities must submit to the Secretary of State a Flexible Use of Capital Receipts Strategy setting out how the provision will be applied in the next financial year.

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

Option 1: Adopt the Strategy

Advantages The Council will be able to make use of the Flexible Capital Receipts provision in delivering transformation.

Disadvantages None identified from this report.

Risks Capital receipts, savings and transformation benefits may not be realised as anticipated in the Strategy; the associated risks will be mitigated through its delivery of future programmes.

Option 2: Do not adopt the Strategy

Advantages None identified from this report.

Disadvantages The Council will be unable to consider funding savings initiatives and service transformation through use of capital receipts, and may therefore be unable to achieve the savings, outcomes and benefits anticipated from these projects.

Risks Not adopting a Flexible Use of Capital Receipts Strategy at this point would severely constrain the Council's ability to deliver the transformation challenge ahead.

The officer preferred option is Option 1, to enable the Council to make use of the Flexible Capital Receipts provision in supporting its savings and service transformation initiatives over the coming years.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet recommends the approval by Full Council on 25 February 2026 of the Flexible Use of Capital Receipts Strategy 2026/27 set out in this report, in accordance with the relevant statutory guidance.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

If adopted, the Flexible Use of Capital Receipts Strategy would form part of the council's Policy Framework. From a strategic perspective, enabling the use of capital receipts to

deliver savings and service transformation initiatives will give the council scope to pursue its wider transformation challenges with greater flexibility and effectiveness. Failure to adopt a Flexible Use of Capital Receipts Strategy will severely constrain the council's ability to pursue these initiatives.

103 DELIVERING OUR PRIORITIES 2025/26 Q3

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Executive and s151 Officer that provided members with an update on financial performance during the first three quarters of 2025/26 (April – December 2025).

As the report was for comments and noting no options were provided.

Resolved:

- (1) That the report be noted.

Reasons for making the decision:

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

Chair

(The meeting ended at 7.46 p.m.)

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

MINUTES PUBLISHED ON FRIDAY 13 FEBRUARY 2026.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY 23 FEBRUARY, 2026.**