

**BUDGET AND
PERFORMANCE PANEL**

6.00 P.M.

3RD DECEMBER 2025

PRESENT:- Councillors Chris Hanna (Chair), Ross Hunter (Vice-Chair), Dave Brooks (substitute for Isabella Metcalf-Riener), Ruth Colbridge, Sue Penney, James Sommerville and Jackson Stubbs

Apologies for Absence:

Councillor Isabella Metcalf-Riener

Officers in attendance:

Paul Thompson	Chief Officer - Resources and Section 151 Officer
Joanne Wilkinson	Chief Officer - Housing and Property
David Holme	Social Housing Governance Manager
Andrew Kipling	Accountancy Manager
Stephen Metcalfe	Principal Democratic Support Officer
Emily Turbitt	Customer Services Manager

Note: All Members of Council had been invited to attend to hear the information provided by the Cabinet Member on the MTFS/ Budget.

21 MINUTES

The minutes of the meeting held on 17th September 2025 were approved as a correct record.

22 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIR

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

23 DECLARATION OF INTERESTS

No declarations were made at this point.

24 COMPLAINTS REPORT

The Panel was provided with a report that had been submitted and approved by Cabinet on 16th September 2025 from the Chief Officer - Housing and Property that gave an update to developments in complaints handling within council services in line with the joint Code of Practice issued by the Housing Ombudsman and the Local Government and Social Care Ombudsman (2024). The report informed of performance information and the required self-assessments against the code. An updated position statement would be provided to Cabinet in 6 months' time.

Presentations were provided giving an overview of 2024/25 including the use of Granicus the Council's Customer Relationship Management system and how the Council has improved its complaints handling service, the work undertaken and the work to be done

and also on Council Housing complaints including key statistics and trends, Ombudsman complaints findings and compliance and service enhancement driven by information gathered on complaints. The Panel was also informed of the future focus, improvements for 2025/26 and of the key takeaways. At an operational level Chief Officers had appointed key service leads, with regular meetings held to inform on progress and learning.

Members of the Panel asked a number of questions including queries relating to the high number of complaints, customer satisfaction when complaints had been dealt with, benchmarking and of the cultural change to be developed across services.

The Chair, on behalf of the Panel, thanked officers for the report, presentation and attending for this item and looked forward for the Panel receiving regular updates to inform on progress. The Panel felt that this was a very important area to evolve and to continue improvement.

Resolved: -

That officers be thanked for the report, presentation and attending for this item and that the Panel look forward to receiving regular updates.

25 LOCALISED COUNCIL TAX SUPPORT SCHEME 2026/27

Councillor Tim Hamilton-Cox, Cabinet Member for Finance and Property, was in attendance at the meeting and, together with the Chief Finance Officer, answered questions from Members of the Panel.

The Panel received a report of Cabinet from the Assistant Director (Head of Revenues and Benefits) to enable Cabinet to consider the existing Localised Council Tax Support ("LCTS") Scheme and the options available, ahead of formal consideration and approval by Council for application in 2026/27.

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

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

Option 1: Retain the existing Localised Council Tax Support (LCTS) scheme, subject to minor consequential amendments to match changes in Housing Benefit rules.

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

- Current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council's financial forecast. However, costs have increased in recent years with increased take-up due to the cost-of living crisis and annual Council tax increases. 2025/26 has seen a small

reduction in residents receiving LCTS from 9,310 in 2024/25 to 9,235 in 2025/26. Should this trend continue, this could reduce costs of the scheme in the long term.

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

Option 2: Make changes to the existing Localised Council Tax Support (LCTS) Scheme to reduce benefit entitlement for working age claimants.

- Currently 9,235 residents claim LCTS in the Lancaster district. As pensioners make up 38% (3,554) of claimants, it means any cut in the level of support provided falls on the remaining 62% (5,681) of working age people on low incomes.

- A reduction in the levels of support provided could arguably provide claimants with further incentives to work, reducing their reliance on benefits, although the jobs market is particularly uncertain at this difficult time.

- This option will have greater adverse financial impact on working age households but would help protect other Council services by requiring less savings to be made by them.

- If levels of support are reduced, the Council would be tasked with the difficulty of collecting this debt from the more vulnerable members of our society, increasing workloads and costs associated with council tax recovery.

- Additional costs associated with developing new scheme options, consultation exercise, legal changes to scheme etc.

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

The officer preferred option is to retain the existing Localised Council Tax Support Scheme for 2026/27 (Option 1). This will assist financially vulnerable Council Tax customers in the Lancaster City Council District.

Members of the Panel asked a number of questions regarding the report.

The Chair, on behalf of the Panel, thanked Councillor Hamilton-Cox, Cabinet Member with responsibility for Finance and Property, for attending for this item.

Resolved:

That the report be noted.

26 DELIVERING OUR PRIORITIES: Q2 2025/26

Councillor Tim Hamilton-Cox, Cabinet Member for Finance and Property, was in attendance at the meeting and, together with the Chief Finance Officer, answered questions from Members of the Panel.

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

As the report was for commenting and noting no options were provided

Members of the Panel asked a number of questions regarding the report.

The Chair, on behalf of the Panel, thanked Councillor Hamilton-Cox, Cabinet Member with responsibility for Finance and Property, for attending for this item.

Resolved:

That the report be noted.

27 STRATEGIC RISK MANAGEMENT

Councillor Tim Hamilton-Cox, Cabinet Member for Finance and Property, was in attendance at the meeting and, together with the Chief Finance Officer, answered questions from Members of the Panel.

The Panel received a report of the Projects and Performance Manager that provided an update on the Authority's progress in updating the Strategic Risk Register.

The report advised that there were currently 25 Strategic Risks open on the register.

The Council's Strategic Risk Register was appended to the report for the Panel's consideration and showed the changes made during the reporting period 17th July to 5th November 2025.

A summary of the main changes was provided, and Members asked questions on specific items of risk. The report informed that the recent changes from a 4x4 to a 5x5 matrix had resulted in there being no red (high) risks, with 7 amber risks across the restricted and unrestricted risk registers.

It was noted that if the Panel wished to consider Appendix B to the report, then this would need to be considered in the exempt part of the meeting in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972.

Members of the Panel asked a number of questions including queries relating to local government reorganisation, Mainway risk rating and mitigated risks.

It was moved seconded and unanimously resolved: -

That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting to enable the Panel to consider Appendix B to the report, on the grounds that the information provided could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

The Panel then considered the exempt Appendix B to the report.

The Chair, on behalf of the Panel, thanked Councillor Hamilton-Cox, Cabinet Member with responsibility for Finance and Property, for attending for this item.

Resolved: -

That the report be noted.

At this point the press and public were re-admitted to the meeting.

28 UPDATED RISK MANAGEMENT POLICY

Councillor Tim Hamilton-Cox, Cabinet Member for Finance and Property, was in attendance at the meeting and, together with the Chief Finance Officer, answered questions from Members of the Panel.

The Projects and Performance Manager submitted a report on the updated Risk Management Policy for approval by the Committee.

The Refreshed Risk Management Policy was appended to the report for members consideration.

The Committee was advised on the main changes to the policy including the change from a 4x4 to a 5x5 matrix. It was noted that the Risk Appetite levels had been reviewed and agreed by Cabinet on the 21st October 2025.

It was noted that an updated version of the Risk Management Policy had been circulated prior to the meeting following approval by Audit Committee on 19th November, with a caveat about updating the People / Duty of Care impact definitions in appendix 1. Audit Committee felt levels 3-5 to be too severe and not in keeping with other impact measures and therefore wish them to be toned down. No other changes had been made.

The Chair, on behalf of the Panel, thanked Councillor Hamilton-Cox, Cabinet Member with responsibility for Finance and Property, for attending for this item.

Resolved:

That the report be noted.

29 MEDIUM TERM FINANCIAL STRATEGY 2026/27 - 2030/31 - UPDATE

Councillor Tim Hamilton-Cox, Cabinet Member for Finance and Property, was in attendance at the meeting and, together with the Chief Finance Officer, answered questions from Members of the Panel.

The Chair, using his discretion, gave other members present the opportunity to ask questions in accordance with Overview and Scrutiny Procedure Rule 15.

The Panel received a report of Cabinet from the Chief Finance Officer that provided an update on the Council's Medium Term Financial Strategy forecasts for 2026/27 to 2030/31 and outline the approach to balancing the budget.

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

The report set out:

- An updated budget gap analysis taking account of the latest funding outlook and other information on expenditure and income pressures.
- A summary of the budget framework strategy.

It was critically important that all Members understand that the position reported was an interim update of the baseline position and primarily for information. It contained a series of estimates and assumptions that were based on the latest information available. These were highly likely to change over the coming months as the budget process was worked through. It did not include any impact the Local Government Finance Settlement due mid-December might have.

It must be reiterated that the current forecasts **do not** include any interventions by Cabinet, Senior Leadership Team or the outcomes of the Local Government Settlement. Whilst some savings have been delivered, the forecasts show that potential annual and cumulative budget deficits still remain over the next 5 years and continue to need to be addressed. In light of this, balancing the budget both in the short and the medium term remains a tough task and ***all Members must work together and recognise that they will face a number of difficult but key decisions as part of the forthcoming budget and over the coming financial years which will affect the manner in which it delivers its services.***

Members of the Panel asked a number of questions including queries relating to Local Government Reorganisation, waste management, reserves and OBR/Fit for the Future.

With regard to Fit for the Future members of the Panel raised a number of queries as follows:-

- What has the impact been?
- The efficiency savings and income generation? It's not clear this has been delivered.

- To see the original objectives, the potentials and what has been achieved to date before LGR happens.
- To see benchmarking data.

Members felt that scrutiny needs the information to scrutinise and that a request for more details including benchmarking and measurable criteria would be helpful.

The Chair, on behalf of the Panel, thanked Councillor Hamilton-Cox, Cabinet Member with responsibility for Finance and Property, for attending for this item.

Resolved:

That the report be noted.

30 TREASURY MANAGEMENT MID-YEAR REVIEW 2025/26

Councillor Tim Hamilton-Cox, Cabinet Member for Finance and Property, was in attendance at the meeting and, together with the Chief Finance Officer, answered questions from Members of the Panel.

The Panel received a report of Cabinet from the Chief Finance Officer that had sought Cabinet's consideration of various matters in connection with the Treasury Management Mid-Year Review 2025/26.

The report was for consideration and progressing to Budget and Performance Panel and Full Council and therefore no alternative options were put forward. The Mid-Year Review (Appendix A to the report) set out the performance of treasury operations for the first six months of the 2025/26 financial year in terms of long and short-term borrowing, investment activities and relevant borrowing limits and prudential indicators. Under CIPFA's Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) it is a requirement that an information report on these matters be presented to Cabinet and full Council.

The Cabinet Member with Special Responsibility had drawn Cabinet's attention to the 151 comments: *As part of the work to address the "Community concern over bombardment of Gaza and reaffirming Lancaster City Council's commitment to human rights and International Law" motion presented to Council 24th September 2025, this report requests an increase in sovereign limits from £6M to £12M. Whilst this increase will allow wider access to, and use of Environmental, Social and Governance (ESG) based investment funds, it does significantly increase the level of risk to the Council. As approval of the Treasury Management Strategy is a function of Full Council Members must be satisfied that the increase in risk is balanced against the benefits of investment in ESG funds.*

It was noted that this would be reported to the meeting of Council in December 2025.

The Chair, on behalf of the Panel, thanked Councillor Hamilton-Cox, Cabinet Member with responsibility for Finance and Property, for attending for this item.

Resolved:

That the report be noted.

31**WORK PROGRAMME**

The Panel was provided with a report that contained updates for consideration. Members were requested to:

- note the existing Work Programme attached at Appendix A.
- consider at Appendix B the items that have been raised and referred to the Panel by the Overview and Scrutiny Committee.

Following discussions at the meeting, including with the Cabinet Member for Finance and Property and the Chief Officer – Resources, the Panel agreed to hold an additional meeting on Tuesday, 3rd February 2026, commencing at 6.00pm in Morecambe Town Hall. The meeting arranged to hold the Budget and Policy Framework General Fund Revenue Budget – Public Consultation. It was noted that the timetabled meetings already arranged in January and February 2026 would still be held.

Referring to the Appendix to the report, it was agreed that the Panel requests and considers a list of all current Service Level Agreements (SLAs) including details of their aims, objectives and targets, performance reports (actual vs. target), risk level and management information to enable the Panel to scrutinise and provide assurance that the SLAs are delivering their expected outcomes. This to enable a selection to be made for further scrutiny if required.

With regard to the Council's partnerships, it was requested that a list of major partnerships be provided, with strategic objectives and KPIs, latest performance data and risk level and management information to enable the Panel to scrutinise and provide assurance that the partnerships are delivering their expected outcomes. This to enable a selection to be made for further scrutiny if required.

The Panel then considered a referral from the Overview and Scrutiny Committee, from its meeting on 19th November 2025, regarding the outstanding work of the former Property Asset Working Group. Members discussed asset management and value for money. The Panel requested to be provided with the current Asset Management Plan, sub-sets on disposals and acquisitions, an update on progress and financial outcomes and risk level and management information to enable the Panel to scrutinise and provide assurance that the Asset Management Plan is delivering its expected outcomes. To enable a selection to be made for further scrutiny if required.

The requests to be submitted to the Chief Executive in accordance with the Council's Constitution.

The Panel was also informed that, at the last meeting of the Overview and Scrutiny Committee, Members of the Committee discussed a Fit for the Future update and agreed that a Workshop should be arranged as soon as possible for all Scrutiny Members and that all other Councillors be invited to attend. This has been arranged to be held on Wednesday 14th January 2026 commencing at 5.00pm, prior to the meeting of Budget and Performance Panel. This will be hybrid.

The Panel agreed as follows.

Resolved:

- (1) That the report be noted and the updates and additional items, set out above, be agreed and the requests be put forward to the Chief Executive in accordance with the Council's Constitution.
- (2) That an additional meeting of the Panel be arranged on Tuesday, 3rd February 2026 commencing at 6.00pm in Morecambe Town Hall to hold the Budget and Policy Framework General Fund Revenue Budget – Public Consultation.

Chair

(The meeting ended at 7.57 p.m.)

**Any queries regarding these Minutes, please contact
Stephen Metcalfe, Democratic Support - email sjmetcalfe@lancaster.gov.uk**