LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Committee: **BUDGET AND PERFORMANCE PANEL**

Date: **WEDNESDAY, 14TH JANUARY 2026**

Venue: **LANCASTER TOWN HALL**

Time: **6.00 P.M.**

A G E N D A

1. **Apologies for Absence**

2. **Minutes**

   To receive as a correct record the Minutes of the Meeting held on 3rd December 2025 (previously circulated).

3. **Items of Urgent Business authorised by the Chair**

4. **Declaration of Interests**

   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. **Staff vacancies and the well-being of Council staff** (Pages 3 - 40)

   Report of Chief Officer – People and Policy.

   Councillor Sally Maddocks, Cabinet Member with Responsibility and Councillor Jason Wood, Chair of People and Organisational Development Committee, have been invited to attend for this item.

6. **Projects and Performance: Q2 2025-26** (Pages 41 - 53)

   Report of the Chief Executive.

   Councillor Tim Hamilton-Cox, Cabinet Member with Responsibility, has been invited to

attend for this item.

7. **Budget and Policy Framework Update 2026/27 to 2030/31** (Pages 54 - 59)

Report of Chief Officer – Resources. (report published on 09.01.26).

Councillor Tim Hamilton-Cox, Cabinet Member with Responsibility, has been invited to attend for this item.

8. **Work Programme** (Pages 60 - 66)

Joint report of Chief Officers Finance and Governance.

ADMINISTRATIVE ARRANGEMENTS

(i)   Membership

Councillors Chris Hanna (Chair), Ross Hunter (Vice-Chair), Keith Budden, Ruth Colbridge, Isabella Metcalf-Riener,   Hamish Mills,   Sue Penney,   James Sommerville   and Jackson Stubbs

(ii)   Substitute Membership

Councillors Suhir Abuhajar, Joanne Ainscough, Dave Brookes, John Livermore and Jason Wood

(iii)   Queries regarding this Agenda

Please   contact   Stephen   Metcalfe,   Democratic   Support   -   email sjmetcalfe@lancaster.gov.uk.

(iv)   Changes to Membership, substitutions or apologies

Please contact Democratic Support email democracy@lancaster.gov.uk.

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

Published on 6th January 2026.

Agenda Item 5

Staff vacancies and the well-being of Council staff
14th January 2026

Report of Chief Officer – People and Policy

PURPOSE OF REPORT

To provide members with an update on staff vacancies, the well-being of Council staff and how the Council are to fill vacancies

This report is public

RECOMMENDATIONS

(1) That Budget and Performance Panel consider the update on vacancies and staff wellbeing

1.0   Introduction

1.1   The purpose of this report is to present information relating to a. staff vacancies and the approach to managing these and b. staff well-being

2.0   Vacancies

2.1   As of December 2025, the Council had 44 vacant funded posts as follows:

2.1.1   Environment and Place
22 vacant posts
17 at Salt Ayre Leisure Centre, 3 in White Lund Depot and 2 at Williamson Park. These posts are either a. in the recruitment process or b. purposely being held pending review. None of these posts are hard to fill.

2.1.2   Sustainable Growth
3 vacant posts
1 in Markets currently in the recruitment process, 2 in the Engineering team on-hold as part of a business case for a proposed restructure.

2.1.3   Planning and Climate Change
1 vacant post in Regeneration currently under review with consideration being given to re-designating within the service.

2.1.4   Resources
1 vacant post in Finance in recruitment process

2.1.5   17 in Housing and Property. All of these posts are either in recruitment process or pending.

3.0   Recruitment

3.1   Whilst a review of current vacancies does not indicate inherent recruitment challenges, the aim of People Plan (appendix 1) deliverables is to ensure that Lancashire City Council is an employer of choice to support recruiting and retaining talent. The Council has a Recruitment and Retention strategy (appendix 2) which was approved by People and OD Committee on 28th November 2024. This strategy guides the on-going approach to recruitment and there are a number of associated activities that have been delivered to date.

These include; revamped recruitment pages, attendance at jobs fayres, collaboration with local schools and colleges, increased social media posting / Indeed, collaboration with Lancashire Councils and LGA national recruitment programmes, streamlined recruitment processes (digitalisation) to make on-boarding easier and quicker for employee and manager, employee benefits platform, new role profiles, Real Living Wage accreditation and continuation of hybrid working.

3.2   An Inclusive Recruitment strategy (appendix 3) was approved at People and OD Committee on 20th November 2025. Lancaster City Council is committed to inclusive recruitment, and this strategy is an important component of ensuring that we recruit and retain staff.

3.3   A Workforce Inclusion strategy and action plan (appendix 4) was approved at People and OD Committee on 10th July 2025. This is another important component of our approach to recruitment – and supports the notion that everyone should have equal access to employment, training and development on merit alone.

3.4   In July 2025 Workforce Planning was launched and has been piloted in People and Policy. The aim of this activity is to:

- Align people and roles with council priorities and future services
- Understand risks and pressures on workforce supply and capability
- Ensure we can attract, develop, and retain the skills we need, especially in relation to critical roles
- Make better-informed decisions on resourcing (looking at routes such as apprenticeships), restructuring, and redeploying staff
- Make savings where possible against vacant positions that are seen as "declining roles"

This will be rolled out to all service areas early 2026.

4.0   Wellbeing of staff

4.1   The current wellbeing strategy was launched in 2022 and will be reviewed and refreshed in 2026. There are a number of activities that support the wellbeing of staff:

- Wellbeing service action plans
- Workforce planning referred to in 3.4 and service planning to ensure resources are adequate to meet demand
- An active Wellbeing and Inclusion staff network and Staff Ambassador group to be relaunched
- Encourage teams to get out as per Volunteering policy
- Mental Health First Aiders (policy approved at People and OD on 21st November 2023). Training to be refreshed in 2026.
- Annual conversations have a wellbeing objective
- Wellbeing passports to be refreshed
- Lancaster People Manager essentials training included wellbeing support available

- A network of counsellors, and support in the form of physiotherapy, Occupational Health, and signposting to other organisations to support all employees, through the absence management process and otherwise.

4.2   Annual workforce data shows us that the organisation has made clear progress in reducing sickness absence over the past financial year, with the average number of FTE days lost per employee falling to 8.78 which is the second lowest absence rate out of all Lancashire local authorities. This equates to a drop of 13.5%, and reverses the increase seen in 2023/24. It suggests that strategies around employee wellbeing, early intervention, and proactive absence management are delivering tangible results. Stress and depression is no longer biggest reason for absence. Turnover remains between 14-15% and well below the 2023/24 peak of 18.5%.

4.3   Early 2025 a Staff Survey was carried out and the highest scoring themes from the recent found that staff:

- Feel that they do useful work
- Have the opportunity to be independent in the way work is delivered
- Feel able to share issues with colleagues
- Have clear vision of what is expected of them
- Plan to stay in the employment of Lancaster City Council

Staff survey action plans have been developed which support the wellbeing of our staff.

5.0   Conclusion

5.1   The People and OD team continue to proactively work with the senior leadership team, Members, staff, managers and Trade Unions to ensure that recruitment challenges are addresses and the wellbeing of our workforce remains a priority.

CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

There is no impact. Should actions be proposed as a result of this paper, then impact assessments will be carried out in relation to those specific actions.

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report

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

There are no resource implications arising from this report. However, should actions be proposed as a result of this report, then it is expected that the Human Resources team would be responsible for progressing those actions, and would need to review capacity when considering timescales alongside other priorities.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS	Contact Officer: Alex Kinch
Appendix 1 – People Plan Appendix 2 – Recruitment and Retention Strategy Appendix 3 – Inclusive Recruitment Strategy Appendix 4 – Workforce Inclusion Strategy	**Telephone:** 01524 582083 **E-mail:** akinch@lancaster.gov.uk

Lancaster City Council
People Plan 2023-2026

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

We are an employer of choice	We are one team	We are serious about learning and development	We are future focussed	We lead with courage and compassion
• We attract, recruit and retain the talent that is right for us • We welcome and support all new starters • We reach out to schools, colleges and universities • We provide pay and reward that is attractive and sustainable • We design job roles to be meaningful and interesting • We provide the tools and resources to do our work	• We care about each other • Wellbeing is at the heart of everything we do • We work in partnership with each other • We feel that we belong here • We build connections across the council • We respect and value each other's differences and this makes us stronger • We appreciate we have different work styles and preferences and support this where we can • We appreciate everyone's contributions and let them know about it	• We encourage everyone to own their ability to be the best they can be • We promote a safe and supportive learning culture where everyone can learn and grow • We believe everyone has the potential to succeed • We strive to create high performing teams • We are committed to Apprenticeships • We provide development that is appropriate and timely	• We understand what it means to work together and perform at our best • We are clear about what we aim to achieve • We are empowered • We are collaborative • We are values led and purposeful • We challenge the status quo • We are agile and resilient • We measure our success by the tangible outcomes we achieve for our residents and communities	• We care and encourage each other as people • We are open and honest • We lead by example, driven by our purpose and values • We support our people through change • We work in partnership • We trust each other to do the right thing • We are committed to our success • We operate a blame free, positive feedback culture • We build teams that are engaged and committed
• Recruitment strategy • Induction and onboarding • Employee benefits and salary • Partnerships with local education providers • Job and organisation design • Employer brand	• Wellbeing strategy • Equality and Diversity • Strong internal communication channels • Engagement strategy • Hybrid and flexible working practices	• Learning and development strategy • Apprenticeship strategy • Career pathways • Team building • Cross team working • Workforce/succession planning	• Culture change • Embed values • Performance Management • People metrics	• Leadership and Management development • Effective people management • Foundation of trust • Strong teams • Service plans and strategies

We are an employer of choice

- We attract, recruit and retain the talent that is right for us
- We welcome and support all new starters
- We reach out to schools, colleges and universities

- We provide pay and reward that is attractive and sustainable
- We design job roles to be meaningful and interesting
- We provide the tools and resources to do our work

Action	Why we are doing it	When are we doing it	Measure of success
Refresh recruitment strategy	To develop a strategic approach to ensuring we attract and recruit the right talent	Year 2	No. of applicants per vacancy Manager and applicant feedback
Review recruitment process in light of 'enabled manager' model	Managers own the recruitment process for their own area	Year 2	Manager feedback
Increased digitalisation of recruitment	Ease of use for applicants, managers and HR	Year 1/2	Applicant and manager feedback No. of applicants per vacancy
Refresh recruitment webpages	Talent attraction and employer brand	Year 1	Applicant feedback and No. of applicants per vacancy
Overhaul of induction and onboarding	A consistent welcome and support for new starters	Year 1	New starter and manager feedback % probationers passed
Programme of events to build talent pipelines from local education providers	To promote the Council as an employer of choice To increase span of talent attraction	Year 1	% of applicants from local education providers
Total reward approach to staff benefits	To ensure employees are valued and rewarded through means other than salary	Year 1	Employee feedback
Launch of new staff benefits platform	To ensure employees are valued and rewarded through means other than salary	Year 1	Employee feedback
Refresh exit interviews approach	To understand and learn from the reasons employees leave	Year 1	Exit interview data
Replacement of job descriptions with role profiles	To improve clarity of role and become more competency based in approach	Year 2	% role profiles in operation Employee feedback
Job families project	To promote consistency and simplification of role profiles and enable cross team working where appropriate	Year 2/3	% roles included in a job family Employee feedback
Review of JE process	To improve flexibility in job roles and improve transparency in the process	Year 2/3	Employee feedback
Redesign of employer brand	Corporate project	tbc	Corporate project
Commitment to pay Living Wage	To ensure all employees are paid a minimum wage that can be lived on	Year 1	% of roles paid at or above Living Wage

We are one team

- We care about each other
- Wellbeing is at the heart of everything we do
- We work in partnership with each other
- We feel that we belong here

- We build connections across the council
- We respect and value each other's differences and this makes us stronger
- We appreciate we have different work styles and preferences and support this where we can
- We appreciate everyone's contributions and let them know about it

Action	Why we are doing it	When are we doing it	Measure of success
Long service recognition review	To recognise and appreciate employees with long service	Year 2	Employee feedback New process in place
Job shadowing/internal work experience programme	To promote cross function working and understanding of the work taking place across the council	Year 2/3	% employees engaging with the initiatives Employee feedback
Implementation of team wellbeing action plans	Support Wellbeing Strategy	Year 1	Wellbeing Strategy
Support delivery of Wellbeing Strategy	See Wellbeing Strategy	In line with Wellbeing Strategy	See Wellbeing Strategy
Celebrating success approach	To ensure employees are recognised for their work and feel valued	Year 1	New approach in place Employee feedback
Launch of employee assistance programme	To ensure that employees are supported in their employment by supporting their whole self	Year 1	% use of EAP Employee feedback % sickness due to stress or mental health conditions
Continued support to Working Well strategy	To promote flexibility in working to all groups of employees	Ongoing	Employee feedback
Employee Engagement strategy, including internal communications, network channels, surveys and any other employee voice forum	To ensure employee feedback is gathered from a range of sources on an ongoing basis to inform the work of the People Plan and council generally	Year 1	Employee feedback New strategy in place % of employees participating in surveys
Continue to strengthen relationship and collaboration with trade unions	To ensure that the views of employees and Trade Unions are taken into account	Ongoing	Feedback from trade unions Attendance at trade union meetings
Promotion of EDI training and discussion	To ensure that the council keeps up to date and has an ongoing conversation about equality, diversity and inclusion	Year 1/2	No. of training courses % employee take up of courses Employee feedback
Review of Equality and Diversity Policy	To ensure the Equality and Diversity Policy is up to date with legislation and relevant	Year 1/2	Updated policy in place Employee feedback No. of complaints raised about equality and diversity

We are serious about learning and development

- We encourage everyone to own their ability to be the best they can be
- We promote a safe and supportive learning culture where everyone can learn and grow
- We believe everyone has the potential to succeed
- We strive to create high performing teams
- We are committed to Apprenticeships
- We provide development that is appropriate and timely

Action	Why we are doing it	When are we doing it	Measure of success
Launch of performance management framework, including training for all managers	To focus on outcomes based working, to motivate and engage employees, to drive accountability	Year 1	% of managers undertaking performance management training course % of annual conversations undertaken Employee feedback
Learning and Development Strategy – including skills gap analyses	To equip employees with the skills and knowledge needed for now and in the future and ensure a consistent approach	Year 1	Strategy implemented Development plans in place Training budget spend Employee feedback
Apprenticeship Strategy	To encourage employee development by using Apprenticeships To encourage the development of early careers routes into the council	Year 1	Strategy implemented Apprenticeship Levy spend No. of employees undertaking Apprenticeship training No. of early careers Apprenticeships created
Development of coaching and mentoring approaches	To support the development of employees and encourage self management of individual development	Year 2	No. of coaches and mentors trained No. of coaches and mentors available to employees No. of employees taking up coaching and mentoring Employee feedback
Career pathways approach design – including succession planning	To ensure employees are given the opportunity to develop their careers To ensure the council is ready to fill future vacancies	Year 1/2	% of internal appointments No. of succession plans in place Employee feedback
Review elearning offer	To ensure the elearning courses are fit for purpose and cover topics required	Year 1	No. of elearning courses undertaken Employee feedback
L&D promotion schedule	To ensure employees are aware of the learning and development opportunities available	Year 1	No. of promotions No. of different channels used No. of L&D opportunities taken up Employee feedback
Promotion of learning culture	To ensure employees understand the importance of learning and development and the forms it can take	Year 1	No. of development plans in place Corporate training spend Elearning courses undertaken Employee feedback
Investigation into launching protected development time with CPD logs	To promote the importance of taking time to develop	Year 1	Manager and employee feedback
Development of team building toolkits and support	To support managers to build strong and high performing teams	Year 1/2	Toolkits in place Manager and employee feedback
Review of corporate training budget	To ensure that money is spent appropriately on learning and development activity	Year 2	Spend by service area Manager feedback
Review of corporate training programme	To ensure that the corporate training offer is appropriate and fit for purpose	Year 1	Corporate training programme designed Employee feedback
Support ongoing promotion of volunteering policy	To ensure uptake of the volunteering policy and to ensure employees understand the benefits	Ongoing	No. of employees claiming volunteering leave Employee feedback

We are future focussed

- We understand what it means to work together and perform at our best
- We are clear about what we aim to achieve
- We are empowered
- We are collaborative

- We are values led and purposeful
- We challenge the status quo
- We are agile and resilient
- We measure our success by the tangible outcomes we achieve for our residents and communities

Action	Why we are doing it	When are we doing it	Measure of success
HR services move to 'enabled manager' model	Managers are empowered to deal with their own people management and development	Year 1	Manager feedback No. of HR self service processes No. of HR cases Time spent by HR Advisors and HR Business Partners on casework
Future skills development	To ensure the council is future ready given the context of OBR	Year 2	Identification of skills to develop Training or development opportunities identified Development plans put together Employee and manager feedback
Launch and embed newly refreshed values	To become a values led organisation, striving to build values into everything we do	Year 1	Employee feedback No. of Annual Conversations completed
Launch and embed new behaviours framework	To ensure that all employees understand the agreed behaviours that help us to live our values	Year 1	Employee feedback No. of Annual Conversations completed
Internal work experience development, eg secondments, cross team projects	To promote cross function working and understanding of the work taking place across the council	Year 2/3	% employees engaging with the initiatives Employee feedback
Development of people metrics dashboard	To ensure the organisation can access a suite of people metrics to help inform people management and development To ensure all employees are clear on organisational expectations and support available	Year 1	Dashboard developed Employee feedback Manager feedback
Review HR policies to ensure fit for purpose for new ways of working	To ensure managers are supported in their people management decisions	Ongoing	% of policies reviewed Employee feedback Manager feedback
Ongoing commitment to Investors In People	To ensure that the best people management and development practices are in place	Year 1	Minimum of Silver accreditation attained Feedback in IiP surveys
Consideration of external benchmarking	The most appropriate and relevant benchmarking data is available to ensure good people management practices	Year 2	Research project undertaken

We lead with compassion and courage

- We care and encourage each other as people
- We are open and honest
- We lead by example, driven by our purpose and values
- We support our people through change
- We work in partnership
- We trust each other to do the right thing
- We are committed to our success
- We operate a blame free, positive feedback culture
- We build teams that are engaged and committed

Action	Why we are doing it	When are we doing it	Measure of success
Leadership culture change programme – defining post OBR 'way of working' principles and developing an action plan for supporting culture change	To ensure our leadership matches the new way of working and the change is embedded	Year 1	Completion of culture change work Culture action plans developed Manager feedback
Leadership and management development programme	To ensure leaders and managers are equipped with the right skills to provide a good employee experience and promote high performance	Year 2	Programme developed No. of courses delivered No. of managers attending courses Manager feedback
New manager programme	To ensure leaders and managers are equipped with the right skills to provide a good employee experience and promote high performance	Year 2	Programme developed No. of courses delivered No. of managers attending courses Manager feedback
Aspiring managers/leaders programme	To ensure leaders and managers are equipped with the right skills to provide a good employee experience and promote high performance	Year 2	Programme developed No. of courses delivered No. of aspiring managers attending courses No. of internal promotions to management positions Manager feedback Employee feedback
Team building support for managers offer	Equip managers with the tools and skills to build high performing and engaged teams	Year 1/2	Toolkits developed No. of workshops supported by OD colleagues Manager feedback Employee feedback
Manager networks development	Provide managers with psychologically safe spaces to discuss matters relevant to them and exchange information that is important to them	Year 2	No. of network meetings No. of attendees Manager feedback
Improving leadership team visibility project	To ensure the leadership team share their purpose, vision and values in order to promote engage with colleagues, encourage a trusting workplace and contribute towards a high performing culture	Year 1	No. of engagement activities Employee feedback
Ensure clarity of individual roles in achieving the council priorities through service plans and strategies	To establish a 'golden thread' between the council's purpose, values and priorities, and individual team and job roles	Year 1	No. of service plans/strategies developed Manager feedback Employee feedback

Recruitment and Retention Strategy 2024-2026

1. Introduction

We are an ambitious council and are proud of the work that we do, and the outcomes that we deliver for our communities. We achieve this through the hard work and dedication of our people, and it is this that makes it clear how critical recruiting the right people and creating a great place to work so they stay working with us really is.

As a local authority we are committed to delivering the four principles of our Council Plan:
* A sustainable district
* An inclusive and prosperous local economy
* Happy and healthy communities
* A co-operative, kind and responsible council.

We commit to these principles in the face of the significant financial challenges faced by many local authorities, and a difficult national position as a result of the increased cost of living. These challenges have not only placed increased demand on our services and our workforce delivering them, but also a reduction in spending power meaning that we have fewer employees delivering those services. To address this, we have a programme of work called Outcome Based Resourcing to ensure that we match our resources to the priorities set out in the Council Plan. A critical part of this work is ensuring that we have the right people in the right place at the right time with the right skills.

There are also national issues with the recruitment and retention of staff, many of which are reflected at Lancaster City Council. These problems are wide ranging and include difficulties in recruiting due to an increase in competition (more job vacancies than people to fill them); pay expectations not being met due to inflationary pressure and the ongoing cost of living crisis; talent becoming harder to retain; senior roles being difficult to fill; and many more.

2. Our Strategic Vision for Recruitment and Retention

To ensure that Lancaster City Council employs people who share Our Values of Pride, Ownership, Working Together and Ambition, who have the required skills and abilities for its current and future needs, enabling the delivery of the Council Plan, and ultimately the long term success of the council. We will do this in an inclusive way, attracting and retaining talent from both within and external to the council.

Our overall aim for this strategy is summarised in the Local Government Association document, 'Workforce Focus: Taking stock of the local government workforce – sharing HR ideas for the future':
" Local government needs a suitably skilled, well-motivated and engaged workforce that meets the changing needs of its residents to continue its work through challenging times."

3. Why We Need A Recruitment and Retention Strategy

In order to deliver our Council Plan ambitions we need to ensure that we consider our workforce requirements on a continual basis and in an evidence based way. This will support us to plan how we meet those requirements in an inclusive way, and then monitor it. It not only considers how we attract new people to work with us, but how we retain our valued existing workforce. This strategy is based on these simple principles.

This strategy not only runs alongside our Council Plan, but also our People Plan, which sets out our commitment to achieving the following outcomes:

- We are an employer of choice
- We are one team
- We are serious about learning and development
- We are future focussed
- We lead with courage and compassion

Further, it demonstrates our commitment to the Fair Work Charter.

4. Commitment to Inclusion

As a council we recognise the importance of inclusion and diversity. This strategy embraces inclusion as a core principle and is committed to ensuring that it is applied throughout.

5.   Our Priorities To Achieve This Vision

The Local Government Association, in its guide on recruitment and retention best practice, suggests the use of the 'Six P's' to create an effective recruitment process, and these form the basis of our priorities:

1. Plan – we will ensure that we understand our workforce needs so that our actions are strategic
2. Promote – we will raise our profile as an employer so that we strengthen our position as an employer of choice
3. Process – we will ensure that our recruitment approaches are both targeted to specific audiences, whilst taking an inclusive approach. Any person interested in working with us will have a positive experience.
4. Partnerships – we will work with partners such as local educational institutions to build a talent pipeline.
5. People – we will balance attracting new talent and retaining our current employees by continuing our work to create a positive working environment.
6. Pledge – we will work with other councils to share best practice and develop a wider pool of potential employees.

Action plan

The below action plan sets out how we will address the 'Six P's' priorities, and has been co-created with colleagues across the council:

Theme	Objective	Action
Plan	Understand workforce needs by workforce planning	We will work to understand the job roles across the council, and the skills needed for each one now and in the future. We will identify gaps and how to plug them.
	Role clarity to ensure skills required are clear	We will develop role profiles based on skills and mapped to apprenticeships. We will remove unnecessary qualification and experience requirements.
	Career pathways defined	We will develop frameworks to hold career conversations that will inform our approach to succession planning.
	Recruitment analytics developed to allow for evidence-based decision making	We will determine the data needed to support decision making related to employee resourcing and work towards gathering it, eg time to fill, time to hire, hiring source efficiency, etc.
	Our jobs are designed well	We will ensure that jobs are designed so that our purpose is delivered, our employees are motivated and fulfilled, and our workloads are sustainable and healthy.
	Hard to recruit to areas identified	We will identify the areas where it is difficult to recruit the people with the required skills, knowledge and behaviours, and will provide targeted support in those areas.
	Early careers strategies identified and developed	We will develop strategies to use apprenticeships, T levels, and early careers opportunities.
	Ensure recruitment policy and guidance is fit for purpose	We will keep our policies and guidance under review to ensure they support seamless and inclusive recruitment.
Promote	Showcase local government and Lancaster City Council as an employer of choice	We are committed to supporting and using the LGA national recruitment campaign. We will work with our communications team to develop an ongoing campaign to promote Lancaster City Council as an employer of choice.

	Employer Value Proposition (EVP)	We will continue to review our employee benefits offer and how it is promoted. Our colleagues report that teamwork is strong and this will be promoted, along with our purpose, values and wellbeing offer. Campaigns will be both internal and external.
	EVP – non office based staff	We will ensure the EVP offer is tailored to all groups of employees. We will showcase the offer for non-office based staff.
	Role flexibility used as a key benefit to attract people	We will review how we promote our flexible working benefits, and how roles that are not suitable for hybrid working still have flexible working benefits
	Strong local employer brand	We will continue to promote our employer brand, including determining where people hear about us, whether there are any other streams to promote it, as well as considering how we can further improve our reputation so people want to work for us.
Process	Positive recruitment and onboarding experience	We will continue to review the process improvement work undertaken to date to ensure it is working and to make further improvements.
	Job adverts are clear and attractive	We will review the job adverts we use so they are attractive and compelling.
	Job adverts reach our target audiences	We will identify our target audiences depending on job role and consider how we reach them.
	Selection methods are flexible according to the nature of the role being filled	We will review our selection methods to support effective, flexible and inclusive selection.
	Manager training in recruitment and selection	We will continue to provide training for managers to develop their skills in recruitment and selection.
	Disability Confident and inclusion	We will ensure that everyone understands the benefits and our responsibilities as a Disability Confident accredited employer.
	Use of AI explored	We will undertake work to start to understand what AI can do to support recruitment.
	Application Tracking System (ATS) use is maximised	We will ensure that the ATS to used to its maximum capability so that applicants have a positive experience, managers have an efficient experience, HR manual input is limited, and data is provided to ensure that our processes are effective.
	Use of available onboarding tools	We will ensure that we develop our HR and payroll system to support recruitment and onboarding.

	Continued move to more manager self service	We will work with managers to empower them to manage their own recruitment and promote manager accountability.
	Guidance tools to ensure high quality applicant experience and selection of best applicant	We will review the tools and guidance available to managers so that selection methods are useful and easy to determine, eg provide example interview questions and selection tests.
	Focus on designing development positions using apprenticeship standards and levy	We will build into our processes a review stage to ensure that every role is considered as to how/whether it can become a development role instead of assuming like for like replacement.
	Sourcing strategies	We will review whether we use the best channels for advertising.
	Review approach to pay	This will include reviewing starting at the bottom SCP of the grade, the grades themselves and how people progress, the potential for career development grades, and use of market supplements. We will benchmark against other local authorities.
Partner	Recruitment pipeline built	Develop partnerships with local educational providers – universities, colleges, schools – to promote the work of the council and to promote local government as a career path.
	Business partnering approach	HR will continue to work with managers to develop individual recruitment strategies when a vacancy arises.
People	Retention of staff	We will continue to deliver our People Plan for approaches to development, wellbeing, engagement, etc
	Engage a wider workforce	We will develop different strategies to develop a wider potential workforce, including an Inclusion Strategy, an Early Careers Strategy, etc.
	Employability programmes	We will develop closer links with the Economic Development team to ensure talent pipelines being developed are suitable for job vacancies at Lancaster City Council.
	EDI	We will continue to develop our Inclusion Strategy, ensuring that recruitment and selection is taken into consideration.
	Exit interviews used and results acted upon	We will use our exit interviews to monitor the reason people leave our employment to help us to determine how successful this strategy is.
Pledge	Work with district councils in Lancashire	We will develop a recruitment action plan with the district councils in Lancashire.

	Network with neighbouring local authorities	We will continue to network with neighbouring local authorities, seeking out opportunities to work together from a recruitment perspective, for example to advertise specific job vacancies.

PEOPLE AND ORGANISATIONAL DEVELOPMENT COMMITTEE

Inclusive Recruitment

Report of the OD Manager and Senior HR Business Partner

20th November 2025

PURPOSE OF REPORT

To update members of the People and Organisational Development Committee on on-going work to ensure that Lancaster City Council's recruitment processes are inclusive and effective

This report is public

1.0 Introduction

1.1 Inclusive recruitment is concerned with the way an organisation designs its recruitment processes to ensure fairness and remove bias at every stage, from job design and advertising, to selection and onboarding. It ensures that the most suitable person for a role is appointed, regardless of background or identity. By creating fair and transparent processes, a diverse range of talent is recruited, and outcomes are improved for residents and businesses.

1.2 The Chartered Institute of Personnel and Development (CIPD) has conducted research that just 28% of employers train all interviewers on legal obligations and objective interview practice.

2.0 The Legal Background

2.1 UK legislation requires that employers do not discriminate against someone with a protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation) in the Equality Act 2010.

2.2 Lancaster City Council commits to going beyond the legislation to build an inclusive workplace where people feel able to thrive, and that they belong without needing to mask their identities.

3.0 Stages of inclusive recruitment, including the actions being taken and future plans

3.1 The following stages are set out by the CIPD and have been used as a basis to describe the work that is currently taking place and plans for the future:

1

Stage	What we're doing	Future plans
Role design and job adverts	Clear templates and guidance provided, checked by HR. Roles job evaluated. Flexible/hybrid working offered by default (managers need to state if not applicable). Salaries clear in job adverts, starting salaries at the bottom of the grade. Organisational accreditations such as Disability Confident are clearly advertised.	Role profiles due to be launched in the new year, using Co-Pilot to help transform traditional job descriptions to outcome focussed and strategic documents with plain English behaviours and competencies. Minimal use of essential requirements in person specifications – only used if absolutely necessary. Adverts will also be supported via Co-Pilot to ensure consistency. A flow chart to be created to assist managers in understanding time frames and each step of the recruitment process.
Attracting diverse candidates	Marginalised groups are targeted during the advertising phase, using specific websites such as the Armed Forces site and social media, where they are more likely to be seen. In the last 12 months, we advertised 144 jobs, and our advertised roles received a total of 1,134,586 views. 13,137 applications were started however only 2,784 applications were submitted. The disparity between started applications and submitted applications could be due to pre-application questions such as right to work and holding of a driving licence. Applicants are invited to tell us about any reasonable adjustments required.	Introduction of a new Application Tracking System (ATS) is underway – this will include tools to assess gender bias in advert wording, as well as how easy it is to read.

	Expectations are made clear in terms of how to apply, job details, benefits, the timelines for closing dates and interviews. Outreach work continues: jobs fairs, hosting school events, etc	
Application process	Applications are web based so that applicants can use computer based accessibility tools. Applications are anonymised and no sensitive data is shared with recruiting managers, including name, age, dates of employment/education, equality data.	Creation of bespoke application processes dependent on the role – ie quick questions for manual based roles, more in depth application process for professional positions.
Selection process	Limited automatic sifting – only those who do not have the right to work in the UK are excluded from the selection process. Guaranteed interview scheme for those with a disability and armed forces veterans. Structured interviews based on the knowledge, skills and experience required – each applicant is asked the same questions and scores are allocated by a panel of interviewers. Values based questions are included, with example questions available to recruiting managers. Training is provided to interviewers. The interview panel all shortlist the candidates to interview, put the questions together as a group and agree scoring criteria (applied independently before	Development of training for managers Use of updated ATS to allow applicants to choose interview slots that suit them. Managers take more control of the recruitment process to reduce time to recruit by increased access to the ATS which has improved means to shortlist candidates. Development of guidance and training to support the creation of role based selection techniques (skills based assessments) Use the ATS to collect feedback from all candidates to improve processes.

	discussing as a group).	
	Use of skills based assessments is encouraged, such as situational judgement tests, work sample tasks, simulation exercises.	
	Documents are checked to ensure processes are adhered to (shortlisting matrices, etc)	
	HR support for managers to offer reasonable adjustments such as providing questions in advance.	
	Accessibility information provided at interview invite stage.	
	Pre-employment checks do not include health questions (ie making a job offer subject to health conditions) but occupational health support is sought when appropriate. Our average time to hire from request to recruit to completion is 72.55 days. We have had 121 new starters within the last 12 months. Where a role has not been successfully recruited to, we will look at alternative methods of recruitment such as accepting CV's and advertising in wider publications relevant to the sector.	
Monitoring and measuring	Data developed to assess where successful recruits apply from (this needs to be improved however)	Data gathered through new ATS to inform success of recruitment.
		Inclusion efforts to be identified and evaluated

Please note all figures referenced are from the period 24 October 2024 – 25 October 2025. All figures are as accurate as possible as per our HR System (Resourcelink) and our ATS reporting functions, however there may be minor discrepancies.

4

4.0 Beyond Recruitment

4.1 New starters are welcomed into the council using a refreshed induction and onboarding programme, with a standard induction list for managers to use, training that is tracked using a Learning Management System, a corporate induction where new starters are invited to meet one another and find out about the council as a whole, and through the use of Wellbeing Passport, a tool to support managers and new starter to get to know each other so that they can bring their whole self to work and be productive as soon as is reasonable. This is all supported by the Probation Policy, followed by the Annual Conversation process.

4.2 During the last 12 months, 7 employees have left our employment during their probation period which is approx. only 5.89% of all new starters.

5.0 **Conclusion**

5.1 Lancaster City Council remains committed to inclusive recruitment, through delivery of the Recruitment Strategy and Workforce Inclusion strategy within the over-arching People Plan. In addition the People team works closely with service areas to ensure inclusive and effective recruitment practices to ensure that the Council is well-resourced to deliver for our residents.

6.0 **Recommendations**

6.1 This report is for noting but feedback is welcome.

CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

n/a

LEGAL IMPLICATIONS

Update only – continued application of relevant equality, employment and data protection laws in recruitment.

FINANCIAL IMPLICATIONS

None.

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

None.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS	Contact Officer: Dawn Bradley
none	**Telephone:** 01524 582230
	E-mail: dbradley@lancaster.gov.uk

Workforce Inclusion Strategy 2025-2027

Valuing Every Role and Voice: Building on our Foundations

1. Overview and vision

This Strategy sets out our commitment to creating a council where inclusion is embedded in every decision we take, every interaction we make and every service we run. It primarily sets out our approach to inclusion for anyone employed by Lancaster City Council.

Our work in producing this strategy has demonstrated that we have a strong foundation to achieve our vision, but we want to continue to grow and develop so that every colleague feels empowered to thrive and contribute to a workplace culture that values all roles and voices equally, from community based to office-based roles, for majority and non-majority groups, and everybody in between.

Achieving this vision contributes to fulfilling our organisational purpose: 'in partnership with our communities, creating a district where people can flourish'.

This strategy sets out our strategic aims and provides an action plan of initiatives to help us achieve them.

2. Our commitment – a message from our Leadership Team

At Lancaster City Council, inclusion means more than compliance.

We are committed to fostering an environment where everyone feels safe, heard, respected, and empowered to thrive. It's not about ticking boxes or simply meeting legal requirements - it's about creating a workplace where everyone genuinely belongs.

When inclusion is embedded in everything we do, it strengthens our organisation and leads to better outcomes for our residents, businesses, and visitors. A workforce that reflects the diversity of our communities helps us build trust, deliver our Council Plan more effectively, and ensure that everyone we serve feels represented.

In an inclusive, supportive workplace, people feel confident to speak up, collaborate, and innovate. When individuals feel valued and included, they are more engaged, their wellbeing improves, and they're able to bring their whole selves to work — performing at their best. A diverse and inclusive culture attracts talent, fuels creativity, and drives progress.

We also recognise that inclusion isn't one-size-fits-all. Everyone brings different experiences, needs, and perspectives. That's why this strategy has been co-created with people from across the council — to reflect who we are and who we want to be.

3.   What we mean by inclusion

We understand that the term inclusion is broad and can mean different things to different people. For us, we use the definition provided by the Chartered Institute for Personnel and Development (CIPD): it is about including people in a way that is fair for all, values everyone's differences, and empowers and enables each person to be themselves and achieve their full potential and thrive at work.

An inclusive workplace culture is one in which everyone feels that they belong, through feeling safe in being themselves, that their contribution matters, policies and practices are fair and a diverse range of people are supported to work together effectively.

The initiatives that we have identified in this strategy are positive actions to address discrimination and barriers to enable and empower:
- equal access
- equal opportunities
- equal treatment
- equal resources
- equal outcomes
- equal impact.

We recognise that inequality exists and intend to address it by identifying and removing barriers to equal access cross the employee lifecycle.

This strategy supports the Equality Act 2010, which is the UK legislation that provides protection from discrimination in the workplace for nine protected characteristics:
- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity

- race
- religious belief
- sex
- sexual orientation.

We are committed to going beyond the provisions of the legislation by taking a holistic approach to inclusion; and we will take an intersectional approach (where we acknowledge that every person has a number of different and intersecting identities, including the nine characteristics, that may impact on equality of outcomes). We will also not be limited by the nine protected characteristics, understanding that factors such as physical appearance, accent, socio-economic status, etc may all contribute to a person not being able to thrive.

4.   How we developed the strategy

Working with partner organisation Inclusive Employers we have used their 6 Pillars of Inclusion to develop this strategy and action plan:

1. **Engage:** Listening to and Understanding Every Voice
2. **Equip:** Empowering Leaders and Managers with Tools for Everyday Inclusion
3. **Empower:** Creating Space for Employees to Shape Culture
4. **Embed:** Integrating Inclusion into Decision-Making
5. **Evaluate:** Measuring Progress and Refining Approaches
6. **Evolve:** Sustaining and Sharing Inclusion Excellence

The initial phase involved gathering as much data and insight into our workplace as possible. This included looking at existing data and our policies; followed by gathering insights from colleagues to determine the key issues to address, and action planning workshops with colleagues to start to co-create an action plan.

5.   Themes identified during insight gathering

The themes that were uncovered during our insight gathering phase were:
- We need to be more deliberate and targeted in our inclusion priorities;
- We need to strengthen the approach to capture and use equalities data;
- We need to distribute responsibility for inclusion more widely and deeply across the council;
- We need to equip line managers and leaders with a shared understanding of inclusion needs and the necessary skills;
- We want to encourage our organisational culture to develop so that every colleague is engaged in embedding diversity and inclusion into the day-to-day actions and behaviours of colleagues, line managers and leaders.

6.   Our priorities and how we'll achieve them

Using the themes identified above, we have developed the following priorities:

1. **Improve our data and insight to build an evidence based approach to inclusion work**

Purpose: we understand the importance of collecting the most appropriate data to deeply understand our people, inform decision making and building a strong evidence base. This will help us prioritise Equality, Diversity and Inclusion (EDI) interventions to meet our legal responsibilities and to move beyond compliance so that we are an inclusive organisation.

How we'll achieve it:
- Clearly define our data collection goals
- Review and improve how we collect data, including qualitative data
- Review our reporting structures to ensure governance is embedded
- Communicate with colleagues to make it clear how their data has influenced decision making

2. **Support our staff networks to foster an inclusive workplace culture**

Purpose: we recognise and value the work of our staff networks (including Staff Ambassadors and the Staff Wellbeing and Inclusion Group), acknowledge the complexities and mental load of this work, and commit to equipping, empowering and enabling them to fully support the delivery of this strategy and beyond.

How we'll achieve it (in full partnership with our staff networks):
- Refine and clarify the scope, roles and responsibilities of our staff networks
- Ensure training and development opportunities are available to support the work
- Review the governance arrangements between staff networks and senior leadership to ensure that inclusion is part of decision making across the council
- Review how we recognise and celebrate the work of the staff networks, including key roles such as chairs/co-chairs
- Promote the value of the work of the networks.

3. **Develop inclusive leadership and line management practices**

Purpose: it is crucial to equip line managers and leaders with a shared understanding of inclusion needs and the necessary skills to translate high level awareness into action.

How we'll achieve it:
- Build awareness and understanding of inclusion, inequality and differing lived experience
- Develop empathy and reflective practice skills, including coaching as a management practice
- Enhance our equality mindset through data and evidence
- Create accountability and embed inclusion in leadership practices
- Provide support to leadership and management across the employee lifecycle to embed inclusive practices.

4. **Support a further cultural shift toward greater inclusion through inclusive policy development, inclusive HR practices and inclusive communications**

Purpose: to encourage further progress on our journey towards embedding inclusion in the day-to-day ways of working, communicating and behaving, including all colleagues, line managers and leaders.

How we'll achieve it:
- Create accountability for cultural change using the data we collect
- Enhance accessibility (physical, digital and informational) for our non-office based colleagues
- Embedding inclusion into policy development and review.
- Ensure inclusive communications
- Foster inclusive HR practices.

7. Glossary of terms used in this strategy

Term	What we mean
Equality	Treating everyone fairly and without discrimination so that they have the same access to opportunities.
Equity	Equity in the workplace refers to the fair treatment of all employees, taking into account their individual needs and circumstances. Unlike equality, which treats everyone the same, equity recognises that different people may require different resources and opportunities to achieve similar outcomes. It involves identifying and addressing systemic barriers and disparities to ensure that everyone has a fair chance to succeed. Equity aims to create a level playing field by providing tailored support and interventions to those who need them.
Diversity	Diversity is about taking account of the differences between people and groups of people, such as race, ethnicity, gender, age, etc, so that these differences are recognised, valued and respected.
Inclusion	Inclusion in the workplace refers to creating an environment where all employees feel valued, respected, and able to fully participate and contribute. It involves actively ensuring that everyone, regardless of their background or personal characteristics, has equal access to opportunities and resources. Inclusion goes beyond merely acknowledging

	diversity; it requires proactive measures to address and remove barriers to participation and progression, fostering a culture where differences are celebrated and leveraged for the benefit of the organisation.
Intersectionality	We understand that people have different aspects to their identity, such as race, gender, religion, etc. Intersectionality refers to how those different identities shape the experiences of each individual, whether that be power or privilege, etc.

Valuing Every Role and Voice Action Plan

Priority 1: Improve Our Data and Insight to Build an Evidence-Based Approach to EDI			
Objective	**Actions**	**Measures of success**	**Priority**
Review System Capabilities	Assess HR system capabilities for updating and maintaining protected characteristic data.	Full understanding of system capabilities and gaps. Plan to address gaps.	HIGH
Integrate Census Data	Collect relevant Census data. Investigate how this can be added to the Annual EDI Workforce Data dashboard. Raise awareness for those using the dashboard so they understand the purpose of it and how to use it.	Census data added to the Annual EDI Dashboard and used for enhanced demographic insight. Awareness of workforce data dashboard.	MEDIUM
Incorporate EDI Data into Employee Lifecycle	Begin integrating protected characteristic information into all stages of the employee lifecycle.	Data is being collected and is representative. EDI data available and visible for recruitment, absence, learning and development, offboarding,	MEDIUM

	Raise awareness to colleagues why we are collecting this what we are doing with it.	performance management and HR cases.	
Conduct Staff Surveys	Hold focus groups with staff networks to gather deeper insights from the staff survey and then look to model this practice in further HR activity. Include EDI data collection in future surveys.	Focus groups well attended. Insight collected and integrated into specific HR / people processes. Loop closed with feedback on progress shared with the staff network groups.	HIGH

Priority 2: Support Our Inclusion Allies to Foster an Inclusive Workplace Culture			
Objective	**Actions**	**Measures of success**	**Priority**
Strengthen feedback mechanisms	Define the support framework for Staff Networks to empower their role in driving organisational change – including the potential for an EDI "Board".	Clear framework and understanding of allyship. EDI ingrained into governance processes.	HIGH
Establish Organisational Objectives	Integrate organisational-wide objectives for employees engaged in inclusion work,	Clear SMART objectives.	MEDIUM

| | recognising their contributions formally. | Clear reward and recognition process.

Success celebrated at relevant and appropriate places. | |
|---|---|---|---|
| **Assess Digital Tools** | Ensure the rollout of Microsoft 365 licenses supports inclusive practices and enhances accessibility for all employees. | Usage of licenses by front line workers | HIGH |
| **Development of learning plans for staff networks** | Determine skills to develop and put learning plans in place | Each staff network member has a learning plan | MEDIUM |
| **Monitor and evaluate progress** | Develop a system to report on issues raised and actions taken

Conduct an annual review to ensure staff networks feel that they are seen and heard | Reporting system in place and reviewed

Annual review in place, actions plans in place | MEDIUM |

Priority 3: Develop Inclusive Leadership and Line Management Practices			
Objective	**Actions**	**Measures of success**	**Priority**
Set Inclusion-Related KPIs to create accountability across the organisation	In liaison with the Performance Manager, determine the feasibility of establishing KPIs related to inclusion for leadership and management evaluation.	Inclusion KPIs embedded into leaders and managers performance management.

All leaders and managers taking responsibility and accountability | MEDIUM |

Objective	Actions	Measures of success	Priority
		for the ongoing development of an inclusive workplace culture.	
Line managers are equipped with the necessary skills to support an inclusive workplace culture	Build a suite of training to improve line manager awareness and understanding of inclusion Introduce coaching programmes Invite staff networks to share lived experiences where they feel comfortable in doing so Share data analyses to encourage a shared understanding of inclusion progress	Completion rates of courses Managers report that they feel confident in their understanding of how to support an inclusive culture Managers report that they understand the data	LOW

Priority 4: Drive a Cultural Shift Toward Greater Inclusion Through Policy, HR Practices, and Communications

Objective	Actions	Measures of success	Priority
Celebrate Well-being and Inclusion:	Collaborate with the Communications team to develop a campaign celebrating well-being, inclusion, and the achievements of the Staff Networks.	Comms plan to celebrate and raise awareness of EDI, including an annual review. Increased visibility of Staff Networks.	MEDIUM

		Active involvement in National Inclusion Weeks.	
Accessibility Review for Frontline Workers:	Partner with Marketplace & I to conduct an accessibility review, ensuring frontline workers have necessary support.	Accessibility review completed. SMART plan to address findings and gaps. Increased engagement from front line workers.	HIGH
Enhance Website Accessibility:	Work with the Communications team on a new website design to address and improve accessibility issues.	TBC	MEDIUM
Promote Lived Experience Awareness:	Utilise a suite of e-learning resources to raise awareness of diverse lived experiences, supplemented by group discussions. Investigate the potential of introducing Human Libraries as a tool for sharing personal stories and experiences.	Visible and easy to access inclusion e-learning. Good engagement with the e-learning options. Lauch of Human Libraries. Regular communications (including blogs etc) raising awareness of different lived experiences of colleagues and residents.	LOW

Foster inclusive HR practices	Continue with our work to improve inclusive recruitment practices	Deliver Recruitment Strategy objectives	MEDIUM
	Continue to develop toolkits for managers via our Enabled Manager programme	Toolkits developed	
		Policies continue to be reviewed	
	Ensure policies and training are updated to reflect legal protections, eg Worker Protection Act	Support available is used	
	Promote availability of support such as software to help with Dyslexia		

Agenda Item 6

Budget and Performance Panel

Projects and Performance: Q2 2025-26
14 January 2026

Report of Chief Executive

PURPOSE OF REPORT

To provide members with an update on Strategic Projects and Corporate Performance, during quarter two 2025/26 (July - September 2025).

This report is public.

RECOMMENDATIONS

(1)   Budget and Performance Panel considers the quarterly updates for Strategic Projects and Performance as show in the appendices, making any comments considered necessary.

1.0   Introduction

1.1   The purpose of this report is to present information relating to the council's Strategic Projects and Performance from July to September 2025, which can be found within the appendices.

2.0   Performance Reporting

2.1   Guidance on how to read appendix A.

2.1.1   The majority of indicators should be compared to the previous quarter. Those marked with an asterisk comparing to the like quarter from the previous year is advised.

2.1.2   Our KPI (Key Performance Indicator) data is typically shown using a blue line. Where measures have targets or bench marking figures, they are shown on the using an orange or green line. Each chart contains a key for ease of reading.

2.1.3   The comments provided by KPI owners give further explanation on each indicator.

2.1.4   Within the 'Comments' column it is either marked 'Low is good' or 'High is good'. This is included to guide the reader on the preferred direction of travel.

2.1.5   Due to delays in the availability of the data, some measures report one quarter behind. These are clearly marked.

2.2 Summary of key changes in performance report.

    2.2.1 A benchmarking figure has now been added for the KPI "KG of residual waste per household (quarter behind)". In the Q1 report, the benchmarking data was for KG of residual waste per household (quarter behind)", but our data was her head, not per household. Our figures for all quarters on the report have now been updated.

    2.2.2 In this quarter it is notable that the KPI for "Percentage of major planning applications determined within 13 weeks or agreed time" is back up to 100%

    2.2.3 It is also notable that Gas and Electricity KWH usage in council buildings (quarter behind): Consumption has reduced compared to like quarter in 24/25

    2.2.4 Further benchmarking and target figures are being sought and will be added future reports as they become available.

3.0 Strategic Projects Reporting

3.1 Guidance on how to read appendix B.

    3.1.1 The Programmes and Projects highlight report shows a short narrative and "Red – Amber – Green" status updates for three elements of the project, these being Plan, Cost and Scope.

    3.1.2 The 'Update' column shows a summary of the projects progress over the last quarter. Where projects are 'on hold' a short explanation as to why the project has this status is included.

    3.1.3 The 'Updated' column shows the date when the update was received. This is included as some projects progress quickly, so it is useful to understand when the update (a snapshot of progress) was taken.

3.2 Key points on the progress of strategic projects. Fifteen projects have provided full update reports. Of these:

    3.2.1 Five projects are reporting 'amber' (minor) delays with the progress of their project plans.

    3.2.2 Three projects are reporting 'amber' (minor) deviations to the cost of the project.

    3.2.3 Four projects are reporting 'amber' (minor) concerns with the scope, meaning it is anticipated that one or more benefits of each project may not be realised.

    3.2.4 Two projects have recently closed and we are awaiting project review reports for these (this is unchanged from the previous quarter).

    3.2.5 All other statuses are either green or have not been able to provide an update this quarter.

CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

None directly identifiable, due to the high-level nature of this report.

LEGAL IMPLICATIONS

There are no legal implications directly arising.

FINANCIAL IMPLICATIONS

There are no financial implications directly arising.

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

There are no further implications directly arising.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS	Contact Officer: Claire Dubelbeis, Projects and Performance Manager
None	**Telephone:** 01524 582504
	Email: cdubelbeis@lancaster.gov.uk
	Ref:
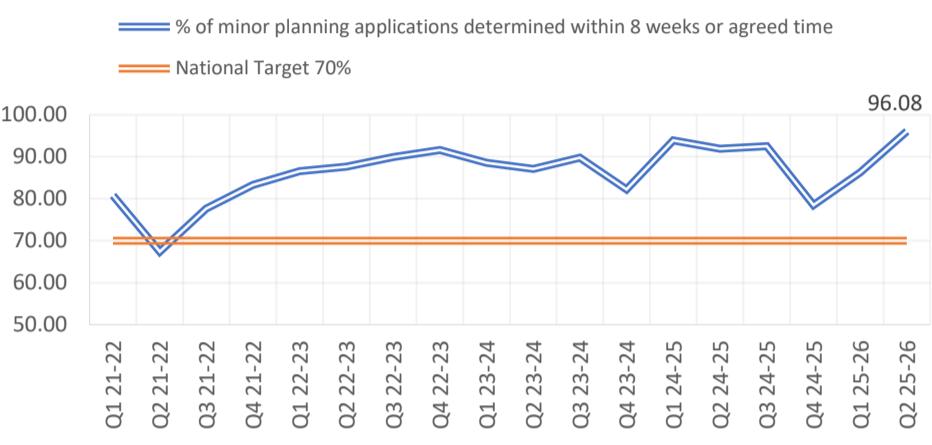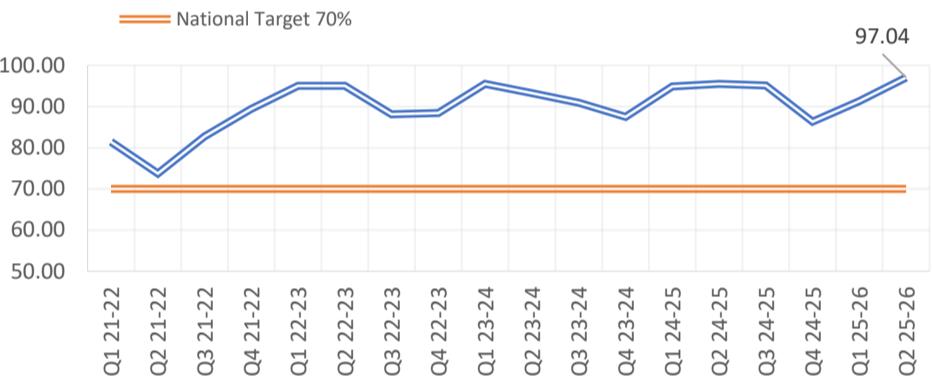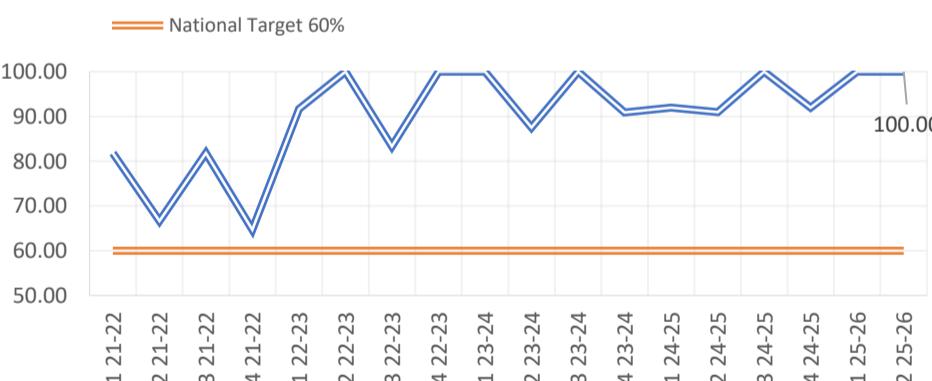
LANCASTER CITY COUNCIL — Promoting City, Coast & Countryside	**Corporate Performance updates 17th October 2025 (Q2)**	**Council Priorities Key**

Council Priorities Key	
I	An inclusive and Prosperous Local Economy (Economy)
S	A Sustainable District (Environmental)
H	Healthy and Happy Communities (Social)
R	A Co-operative, Kind and Responsible Council (Governance)

Measures marked with a * are usually compared to the same quarter from the previous year.

An Inclusive and Prosperous Local Economy (Economy)

Priority	KPI Measure and Direction of Travel	Comments provided by KPI Owners
I	**% OF MINOR PLANNING APPLICATIONS DETERMINED WITHIN 8 WEEKS OR AGREED TIME** — % of minor planning applications determined within 8 weeks or agreed time — National Target 70% 96.08	There has been a marked improvement by the team since Quarter 4 in 2024/2025 when the figure at that point was 78%. For the team to increase this by this margin is exceptional and should be highly commended. Not least because during this majority of this time no Planning Applications Manager was in post, and the team had lost two of its Principal Planning Officers. The number of applications determined as well is broadly consistent with the previous quarter a fabulous achievement. **High is good**
I	**% OF OTHER PLANNING APPLICATIONS DETERMINED WITHIN 8 WEEKS OR AGREED TIME** — % of other planning applications determined within 8 weeks or agreed time — National Target 70% 97.04	Again, a marked improvement over the previous quarter in terms of decision making within the timescales, and the number of applications determined is in line with the previous quarter. The transformation within a short space of time is to be commended across all forms of decision making and credit to the officers within the Planning Applications Team. **High is good**
I	**% OF MAJOR PLANNING APPLICATIONS DETERMINED WITHIN 13 WEEKS OR AGREED TIME** — % of major planning applications determined within 13 weeks or agreed time — National Target 60% 100.00	The number of major applications determined this quarter are consistent with last few quarters and included the conversion of the Mill Hall into student accommodation on the edge of the Canal Quarter. **High is good**

A Sustainable District (Environmental)

Priority	Measure and Direction of Travel	Comments
S	**% OF HOUSEHOLD WASTE RECYCLED (QUARTER BEHIND)** 42.30 38.1 37.50 (bar chart: Q1 22-23 through Q1 25-26) % of household waste recycled (quarter behind) Lancashire Districts Recycling Rate (Average) National Recycling Rate (Average)	No comment available. The benchmarking data includes the National and Lancashire average of Local Authority recycling data provided to APSE. The data is provided annually. **High is good**
S	**KG OF RESIDUAL WASTE PER HOUSEHOLD (QUARTER BEHIND)** 123.9 117.6 113.81 (bar chart: Q1 22-23 through Q1 25-26) Kg of residual waste per household (quarter behind) Residual household waste per household - Lancashire Districts Average Residual household waste per household - National Average	No comment available. The benchmarking data includes the National and Lancashire average of Local Authority waste data provided to APSE. The data is provided annually and then divided to get a Quarter average figure. **Low is good**
S	**DIESEL CONSUMPTION OF COUNCIL VEHICLE FLEET (LTRS)** (line chart: Q1 21-22 through Q2 25-26) 109,146	No comment available. **Low is good**
S	**COST/M2 ENERGY ACROSS CORPORATE BUILDINGS (QUARTER BEHIND)** (bar chart: Q2 22-23 through Q1 25-26) £6.32 £5.83	Energy consumption has slightly reduced from the 2024/25 figures. Further analysis would be required to check for reasons for consumption increase **Low is good**

S			GAS AND ELECTRICITY KWH USAGE IN COUNCIL BUILDINGS (QUARTER BEHIND)		Comparison with same period from previous year shows consumption has reduced. Further analysis would be required to determine the cause for this change **Low is good**

Healthy & Happy Communities (Social)

Priority	Measure and Direction of Travel		Comments
H	NUMBER OF PEOPLE STATUTORILY HOMELESS		No comment available. **Low is good**

	NUMBER OF FAMILIES IN HOTEL ACCOMMODATION OVER 6 WEEKS		1 family in BnB over 6 weeks during this quarter, but no families currently scheduled for BnB over the next period. **Low is good**

	NEW NUMBER OF ROUGH SLEEPER'S SNAPSHOT FIGURE ON AVERAGE OVER THE QUARTER		No comment available. **Low is good**

| | H | | **NUMBER OF DISABLED FACILITIES GRANTS COMPLETED** | 81 statutory disabled grants were completed in Q2 with a total spend of £1,325,979. The ringfenced DFG government allocation for Lancaster in 2025/26 is £2,660,701. Any unspent allocation is carried forward and added to the following years allocation enabling the council to operate a rolling programme without the need for waiting lists.

High is good |

NUMBER OF DISABLED FACILITIES GRANTS COMPLETED (81 shown for Q2 25-26)

| | H | | **NUMBER OF PROPERTIES IMPROVED** | No Q2 figure provided.

High is good |

NUMBER OF PROPERTIES IMPROVED

| I | H | | **% OF PREMISES SCORING 4 OR HIGHER ON THE FOOD HYGIENE RATING SCHEME** | 97.2% scored 3 (generally satisfactory) or higher

Note - 3* = satisfactory, 4* = good

High is good |

% OF PREMISES SCORING 4 OR HIGHER ON THE FOOD HYGIENE RATING SCHEME (92.3 shown for Q2 25-26)

| | H | | **NUMBER OF ADMISSIONS TO SALT AYRE LEISURE CENTRE** | Increases in footfall, memberships and improvements in retention of leisure members has led to Salt Ayre increasing its usage across quarter two this year. With more larger events, interaction with members and improved service and standards we should hopefully see further increases into and throughout quarter 3.

High is good |

NUMBER OF ADMISSIONS TO SALT AYRE LEISURE CENTRE
— Number of admissions to Salt Ayre Leisure Centre
— Target figure based on comparable quarter from previous year
(249,184 and 237,040 shown)

| | H | | **AVERAGE TIME TAKEN TO RE-LET COUNCIL HOUSES (DAYS)** | The observed increase in the relet time KPI is directly attributable to operational decisions supporting the Mainway Regeneration Project. Specifically, certain void properties are being strategically reserved to serve as temporary, supported accommodation for tenants relocating from Bridge House. This operational necessity, while extending the relet duration, is critical for project execution and resident support

Low is good |

AVERAGE TIME TAKEN TO RE-LET COUNCIL HOUSES (DAYS)
— Average time taken to re-let Council houses (days)
— Internal KPI <25 days
(33.35 and 25 shown)

A Co-operative, Kind and Responsible Council (Governance)

Priority			Measure and Direction of Travel	Comments
		R	**AVERAGE NUMBER OF DAYS' SICKNESS PER FULL-TIME EQUIVALENT** 2.04 (Q1 23-24, Q2 23-24, Q3 23-24, Q4 23-24, Q1 24-25, Q2 24-25, Q3 24-25, Q4 24-25, Q1 25-26, Q2 25-26)	The average sickness figure has decreased slightly compared to the previous quarter. This is attributed to a significant decrease in sickness days lost due to coughs/colds/viruses, in addition to a decrease in sickness related to personal stress/mental health issues. There has however been a small increase in Musculo-skeletal sickness days lost, and an increase in sickness due to work-related stress. Note - the majority of sickness due to work-related stress relates to disciplinary investigation processes for the employees concerned at that time and HR continue to proactively manage absence as per our processes and procedures. **Low is good**
		R	**OCCUPANCY RATES FOR COMMERCIAL PROPERTIES (%)** 79.11 (Q1 21-22 … Q2 25-26)	Whilst still high the commercial occupancy figure has remained broadly static realising a modest downward adjustment of 1.01 % over the quarter. During the period highlights included the letting of the Beach Café in August and new lettings within City Lab. Elsewhere the Estates team are reporting strong interest for Moor Lane Mills, progressing interest on Unit 2A Gateway and finalising deals on Penny Street and Hillmore way. As such, despite the increasingly challenging economic backdrop the Estates team are cautiously optimistic in forecasting that the occupancy rate across the commercial property portfolio will start to increase throughout the third and fourth Quarters of 2025-2026. **High is good**
	H	R	**AVERAGE TIME TAKEN TO PROCESS NEW HOUSING BENEFIT CLAIMS (DAYS)** 25.00 17.43 17.33 Legend: Average time taken to process new Housing Benefit claims (days); Target (25 days); Lancashire Districts Average (days)	No comment available. The benchmarking data is an annual figure provided by the Shared Service which is a comparison against the other Lancashire Authorities. The figure is provided based on the previous year's figures and is the average of each Quarter. This is deemed as best practice but doesn't take into consideration the makeup of the Local Authorities caseload or processing system used. **Low is good**
	H	R	**COUNCIL TAX COLLECTION RATES (CUMULATIVE % MONTH ON MONTH)** Legend: Council Tax Collection Rates (cumulative % month on month); Target 56.5 54.4 (Q1 23-24 … Q2 25-26)	Annual target for collection rate is 95% **High is good**

H R

BUSINESS RATES COLLECTION RATES
(CUMULATIVE % MONTH ON MONTH)

— Business Rates Collection Rates (cumulative % month on month) — Target

54.6

51.4

Annual target for collection rate is 98%

High is good

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Corporate programmes and projects updates – 17th October 2025 (Q2)

Status Key – Projects

R	Red – The project has experienced some major issues. Plan – the go-live date has slipped, Cost – over or under budget by more than 20%, Scope – several of the expected benefits may not be realised.	**C**	Complete or Closed
A	Amber – The project has experienced some issues. Plan – has slipped but won't affect go-live date, Cost – over or under budget by less than 20%, Scope – one or more benefits may not be realised.	**N**	Not Started
G	Green – The project is on track (within the project tolerance)	**H**	On hold
X	No data available / data not requested due to stage	* Projects in the Concept stage will not usually have updates

Priorities Key

I	An inclusive and Prosperous Local Economy (Economy)
S	A Sustainable District (Environmental)
H	Healthy and Happy Communities (Social)
R	A Co-operative, Kind and Responsible Council (Governance)

An Inclusive and Prosperous Local Economy (Economy)									
Priority			**Project Name**	**Update**	**Due Date** ** = To be confirmed	**Stage**	**Updated**	**Status**		
								Plan	**Cost**	**Scope**
I			Heritage Action Project	Project review report to follow.	Q1 25/26	Complete	N/A	C	C	C
I	S		Canal Quarter Phase 3 (part of Canal Quarter programme)	**Phase I Housing Schemes** Planning approval for Nelson St site is to be considered at October planning committee, current recommendation is for approval. Cooper's Field is subject to separate project report but officers have launched a premarket engagement, submissions due for review in October. **Phase II Northern Gateway** Officers are seeking prices to progress Northern Gateway Phase II through to a detailed costing. A strategic outline case to secure resources for Phase 2 Public Realm feasibility was submitted to Cabinet, awaiting outcome. **Phase III Heron Works and Canalside** LCC has taken a positive position on the progression of the Heron Works site and Officers are now moving into legal dialogue on the land swap and other issues. **Phase IV Stonewell Courtyards and Former Mitchell's Brewery** Officers have worked with Ax-s-Re on their initial application for demolition of dangerous structures and their separate application for temporary car parking spaces. Regeneration Services Manager has made supportive comments for the car parking application. **Phase V** Heat Network– An expression of interest was submitted to the Heat Network Development Unit Round 15 funding for further details to explore the potential procurement of a heat network delivery partner. As per the newly approved City Centre Car Parking Strategy, officers have assisted the parking team in progressing with the first phase interventions – temporary new car parking spaces on the former Lancaster District Homeless Action Service (LDHSA) site. The team will continue to progress work on Kingsway and Edwards St interventions too.	Phase 3 – Q2 26/27 Phase 4 – Q4 26/27 Phase 5 – Q1 28/29	Delivery	15/10/25	G	G	G
I	S		Our Future Coast	We have recently installed additional measures but unfortunate these have taken a bashing from the recent storm (Storm Amy). We are going to install some more measures next week and maybe again in the spring. We are engaging with the communities throughout this process and involving them with the installations. We continue to monitor all the measures that have been deployed so far.	** Q1 27/28	Delivery	24/10/25	G	G	G
I			Fair Work Charter	Report to follow.	** Q1 25/26	Delivery	N/A	X	X	X
I			1 Lodge Street Urgent Structural Repairs	First and second fix M&E work has commenced to the ground floor of the whole building and first floor of the cottage after the completion of design work on this phasing proved affordable.	** Q3 27/28	Delivery	21/10/25	A	A	A
I		H	Centenary House (formerly reported on as Morecambe Co-op Building Renovation)	Secured Cabinet approval to alter the delivery route after the withdrawal of the developer partner. Procurement documentation has been drafted but is not yet complete and pending legal advice on VAT issues.	Q1 26/27	Delivery	17/10/25	A	A	G
I		R	Frontierland	Interim Tenders have been received and evaluated. The Project Board has been presented with the outcome and agreed to proceed with certain risk mitigations.	Current phase – Q4 25/26	Delivery	17/10/25	A	G	A
I			Heysham Gateway	A secondary water vole survey was requested and undertaken by Consultants WSP in September 2025 in order to avoid having to wait to September 2026 to complete two surveys as part of the biodiversity net gain assessment for planning submission. Regeneration Services Manager submitted a formal request to County for further funding and has initiated internal LCC request for reserves. Project activity is otherwise on hiatus until further funding is secured.	Current phase – Q1 26/27	Detailed Design	15/10/25	A	A	A

Priority		Project Name	Update	Due Date	Stage	Updated	Plan	Cost	Scope
I	H	Canal Quarter - Coopers Fields	The route to the St Leonardsgate car parks release for the "Coopers Fields" housing proposal has been outlined in the Lancaster City Centre Car Parking Strategy 2025-2028 adopted by the council in July 2025. While dependent on mitigating strategic car parking space delivery actions to be completed within the Strategy period, the council has agreed the overarching strategic route to housing delivery on the site and retains its original ambition under the Canal Quarter Masterplan. The scheme had originally intended to be delivered directly as a Council Housing-led scheme, the cost being predominantly financed through borrowing via the using Revenue Account (HRA), grant aid from Homes England's Affordable Housing Programme and the available BLRF2 funds. However, due to urgent prioritising of the Mainway housing proposal, viability and delivery capacity concerns, the scheme will now require the introduction of a strategic developer partner to assist the council in meeting its objectives. The council has initiated a formal Preliminary Market Engagement (PME) exercise seeking formal feedback from interested parties on the site opportunity and to work with the council to secure its ambitions. This engagement / developer procurement is being led by Sustainable Growth Regeneration Team with input from Council Housing. A report will be presented to the council's Cabinet later in the calendar year on the outturn response and interest from prospective partners and an outline of a preferred partner selection/tender process which will secure the council's objectives.	TBC – Unknown due to current stage	Detailed Business Case	26/09/25	X	X	X
I	H	Eden Project Morecambe	During the quarter RIBA Stage 2 was completed and the concept design approved by all partners, Eden Trustees and MHCLG. Work commenced on RIBA stage 3. The Watts Group were appointed as Independent Funding Monitor for the City and LPPI in August 2025.	** Q2 28/29	Detailed Design	21/10/25	G	G	G
I	S	Lune Flood Protection, Caton Road	Project (as is) has been brought to a close pending discussions with developer and development of mutual benefits at this location. We have reasonably completed all works to gateway 1 and closed down this project with the consultant. We are now working with the developer to deliver outcomes required of this project. This is the aspect of bringing forward the attenuation and storage to manage surface water.	Unknown due to current stage	Feasibility	24/10/25	G	G	G
I	H	Williamson Park (Café and Play Development)	Report to follow.	Unknown due to current stage.	Feasibility	N/A	X	X	X

A Sustainable District (Environmental)									
Priority		Project Name	Update	Due Date	Stage	Updated	Status		
							Plan	Cost	Scope
S		Burrow Beck Solar Farm (part of Carbon Neutral Programme)	Piling of the site to prepare for the solar panels has made great progress. Estimates are that 80% of the framework is completed on the western field and 30% completed on the eastern field. DNO to commence once drainage design and setting out for substations has been completed.	Q2 25/26 (Mar 26)	Delivery	15/10/25	G	G	G
S		Public Sector Decarbonisation Scheme Phase 3c (part of Carbon Neutral Programme)	Salix has confirmed that the project can retain the full initial allocation of £1.89M despite dropping City Lab site. Salix has also confirmed that the project can run beyond March 2026 via a delayed completion process. As external funding needs to be drawn down and spent by the end of March 2026, milestone payments are being developed with the contractors. In the last 3 months Alternative Heat have been providing preconstruction services, a formal EPC contract will only be entered into once planning has been secured. Due to amendments to the final design the final contract price is currently being updated in parallel a value-engineering exercise is also being undertaken to identify where costs can be reduced. The retention of the full grant amount helps reduce the Council's contribution. LCC colleagues have been working with Ridge and Alternative Heat to ensure required documentation and resource is in place for the project to proceed once planning permission is obtained. The planning application for the works at the Storey were submitted on 11th September with expected decision date by 18th November. We expect Planning application for Williamson Park to be submitted by the end of October 2025.	Q4 25/26 (Mar 26) – May be subject to change.	Detailed Design	15/10/25	X	G	G

| S | R | Salt Ayre Data Centre | Architects have completed initial designs and will be supporting the tender process.

Additional consultancy has been procured for detailed designs for mechanical integration with existing SALC infrastructure. Additional consultancy is being sought for detailed designs for electrical integrations.

A framework for the battery energy storage system has been found and signed up to. Tender will begin once requirements have been aligned with architects and internal teams and enablement works complete.

Data gathered from the additional monitoring on the SALC systems have begun to help support BAU at site as well as supporting detailed designs for integrations. | Q1/Q2 26/27 (TBC) | Detailed Design | 17/10/25 | G | G | G |
| S | | Roof Mounted Solar Array – Gateway, White Lund (part of Carbon Neutral Programme) | Tenants have been met on site to discuss project. All were supportive. Our underwriters are satisfied with the project and our legal advisors are also satisfied in terms of service charges and recharges which have been confirmed. Now that all parties are happy we can proceed with final designs, construction phase plan and delivery. | Current Stage - Q4 25/26 (Mar 26) | Delivery | 20/10/25 | G | G | G |

Healthy & Happy Communities (Social)									
Priority		Project Name	Update	Due Date	Stage	Updated	Status		
							Plan	Cost	Scope
S	H	My Mainway (part of Homes Programme)	Key progress milestones for Q2 were completion of the business cases for Skerton and Mainway, submission to cabinet of a preferred procurement strategy, continued dialogue with Homes England and continuing engagement events with residents. Further work to finalise the business cases for Skerton and Mainway are nearing completion. Modelling confirms both schemes are viable over the long term but unaffordable in the short term, given current HRA constraints, interest-rates and costs, even with Homes England grant and preferential PWLB borrowing. Members have agreed to explore alternative partnering and funding arrangements to potentially bridge short term funding challenges and retain direct delivery as a baseline cost comparator for delivery. Actioning this, a paper has been prepared for submission to Cabinet and authorise the twin track approach, completing this key task in October. Dialogue with Homes England continues, but no firm commitments have yet been received on future AHP funding or the outcome of the Council Housebuilding Support Fund bid*. Reporting to the Brownfield Land Release Fund (BLRF) has been completed with no queries raised. However, details of a further BLRF round to support Mainway regeneration are still awaited. Recent cladding failures at Bridge House, now fully remediated, have highlighted the underlying challenges driving regeneration and we continue a vigilant inspection regime. *Following original reporting the council has been advised it was unsuccessful in this round of Council Housebuilding Support Fund application.	** Q4 27/28	Detailed Business Case	17/10/25	G	G	A

Priority			Project Name	Update	Due Date	Stage	Updated	Status		
				A Co-operative, Kind and Responsible Council (Governance)						
								Plan	Cost	Scope
		R	Outcomes Based Resourcing (OBR) / Fit for the Future (FFTF)	There are currently 24 open projects within the FFTF programme. A small number of the phase 2 projects are yet to get properly underway, the rest are progressing, albeit some at a slower pace than originally planned. Work is underway to bring the project documentation and records up to date to help control the programme.	Phase 1 & 2 from Q3 24/25 to Q4 26/27	Delivery	14/10/25	A	G	G
I	H	R	UK Shared Prosperity Fund (UKSPF)	The delivery of UKSPF this financial year is on track. Officers submit quarterly reports to the Lancashire County Combined Authority to detail delivery progress. Following the Q2 reporting period, the allocation of funding is fully committed to a suite of diverse local projects. The spend of the overall programme funding is on track and significant outcomes are being recorded. It is anticipated that outcomes and spend will accelerate going into later quarters.	** Current Phase – Q4 25/26	Delivery	24/10/25	G	G	G
		R	High-Capacity Fibre Cable Network Provision (part of Digital Programme)	Project review report to follow.	N/A	Closed	N/A	C	C	C
	S	R	White Lund Depot	Report to follow.	Demolition Q2 25/26	Delivery	N/A	X	X	X

CABINET

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 deficiit expained above. Both adjustments are included within the general fund net financial postion.

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
Items included in MTFS presented to Cabinet 2/12/25 :						
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**
Replaced With :						
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	Income (£'M)				
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 Councils General Fund are also present within the Housing Revenue Account (HRA). A full update on the HRA budget and financial outlook will be considered alongside the General Fund revenue budget including options to 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 are 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

BUDGET AND PERFORMANCE PANEL

Budget and Performance Panel – Work Programme

14th January 2026

Joint report of Chief Officers Finance and Governance

PURPOSE OF REPORT

To consider the Panel's Work Programme.

This report is public.

RECOMMENDATIONS

(1)   That the Panel consider and agree what is to be included in the Panel's Work Programme.

1.   Introduction

1.1   The Panel is responsible for setting its own annual Work Programme within the Terms of Reference, as set out in the Council's Constitution.

1.2   Members are requested to consider the Work Programme attached at **Appendix A** and also consider any additional items the Panel may wish to add within its terms of reference. Also attached at Appendix B are the Terms of Reference of the Panel.

2.   Updates

2.1   The Panel is asked to consider its Work Programme in accordance with its Terms of Reference.

2.2   Prior to the meeting a Workshop was arranged for Fit for the Future with all other Councillors invited to attend. The Panel is asked whether they have any feedback and/or any further information that is required.

2.3   At the last meeting the Panel agreed to hold an additional meeting on 3rd February for the purposes of budget/stakeholder consultation. Dates and venues of the next two meetings of the Panel are timetabled as follows:

- 3rd February 2026 – Budget/stakeholder meeting of the Panel to be in the **Council Chamber, Morecambe Town Hall**, commencing at 6.00pm. All Members of Council to be invited to attend. The meeting to be livestreamed.

- 11 February 2026 – meeting of the Panel to be in the **Council Chamber, Morecambe Town Hall**, commencing at 6.00pm.

2.4   The items that the Panel requested to be added to its Work Programme have been submitted to the Chief Executive in accordance with the Constitution.

3.   Training

3.1   The Panel has previously been provided with training on the following:

- Treasury Management

- Budget and Project Monitoring (Delivering Our Priorities)

- Introductory Capital Financing

- Scrutiny Training provided by the Centre for Governance and Scrutiny (CfGS) - Teams

3.2   Members may wish to suggest additional training or request areas for closer scrutiny in line with the Panel's Terms of Reference. Please see **Appendix B.**

RELATIONSHIP TO POLICY FRAMEWORK

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

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

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

LEGAL IMPLICATIONS

Overview and Scrutiny Procedure Rule 9 (a) advises that the Overview and Scrutiny Committee and Budget and Performance Panel will be responsible for setting their own Annual Work Programme within the Terms of Reference set out in Part 2, Section 5**,** 9 and 10 of the Constitution.

FINANCIAL IMPLICATIONS

There are no financial implications as a direct result of this report. Any further reports on specific issues contained within the Work Programme will require further consideration of the financial implications.

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

None.

SECTION 151 OFFICER'S COMMENTS

The S151 officer has been consulted and has no comments to make.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS	Contact Officer: Stephen Metcalfe
None.	Telephone: 01524 582073
	E-mail: sjmetcalfe@lancaster.gov.uk

Budget and Performance Panel Work Programme

Meeting Date	Agenda Item	Provider
14th January 2026	Staff vacancies, the well-being of Council staff and how the Council are to fill vacancies. * *To be prioritised with the Chair of People and Organisational Development Committee also invited to attend for the meeting.	Chief Officer - People and Policy.
14th January 2026	Projects and Performance: Q2 2025-26.	Cabinet/ Chief Executive/Chief Officer - People & Policy.
14th January 2026	Budget and Policy Framework Update 2026/27 to 2030/31.	Cabinet/ Chief Officer - Finance.
3rd February 2026 (additional meeting arranged)	Budget and Policy Framework General Fund Revenue Budget – Public Consultation. All Members to be invited to attend and livestream provided.	Cabinet/ Chief Officer - Finance.
11th February 2026	Capital Strategy (Investing in the Future).	Cabinet/ Chief Officer - Finance.
11th February 2026	Treasury Management Strategy.	Cabinet/ Chief Officer - Finance.
11th February 2026	Strategic Risk Management.	Cabinet/ Chief Officer - People & Policy.
11th February 2026	Projects and Performance.	Cabinet/ Chief Officer - People & Policy.
11th March 2026	TBD.	TBD.

Training – Subject/date	Provider
TBD – see report.	TBD – see report.

Budget and Performance Panel

Composition: **Nine Councillors in political balance.**

Members of the Committee shall not be members of the Cabinet.

The Chair of Budget and Performance Panel will be appointed by Council annually. Only non-cabinet members are entitled to vote for the Chair.

The Chair and Vice Chair shall not be members of the largest political group on the Council.

Terms of Reference

10.1   To scrutinise the Council's arrangements and performance in relation to financial planning, including budget / target setting, e.g. items within the Budget Framework including reviewing the effectiveness of the:

> (a) budget setting process;

> (b) contents of the Medium Term Financial Strategy (MTFS);

> (c) Capital Investment Strategy; and

> (d) financial targets in the Council Plan.

10.2   To review the management of resources by scrutinising the Council's financial performance in year against agreed budgets or other targets. e.g.:

> (a) capital and revenue spending against approved budgets;

> (b) specific activities including treasury management, generation of revenue and capital income targets; and

> (c) monitoring of financial savings/efficiency targets (including within the MTFS).

> (d) monitor the delivery and effectiveness of Service Level Agreement targets;

> (e) assess performance against key performance indicators and benchmarks; and

> (f) assess whether services are delivering their expected outcomes.

10.3   To review the effectiveness of the Council's overall performance management arrangements in relation to partnership working and to scrutinise the performance of the Council's major partnerships.

10.4   To scrutinise the Council's policies and procedures and other supporting arrangements for securing value for money (i.e. economy, efficiency, effectiveness) e.g.:

> (a) value for money strategy;

> (b) procurement practices;

(c) income management and collection arrangements;

(d) asset management practices; and

(e) insurance arrangements.

10.5   To consider risk management issues in reviewing and scrutinising performance.

10.6   To make recommendations, as appropriate, in respect of the above.

Extract from LCC constitution Part 2 – Responsibility for Function Section 5 (Pages 43 – 44)