

CABINET

4.00 P.M.

31ST JULY 2025

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

Apologies for Absence:-

Councillors Sally Maddocks and Sue Tyldesley

Officers in attendance:-

Mark Davies	Chief Executive
Luke Gorst	Chief Officer - Governance and Monitoring Officer
Paul Thompson	Chief Officer - Resources and Section 151 Officer
Mark Cassidy	Chief Officer - Planning and Climate Change
William Griffith	Chief Officer - Environment and Place
Jonathan Noad	Chief Officer - Sustainable Growth
Joanne Wilkinson	Chief Officer - Housing and Property
Andrew Kipling	Accountancy Manager
Paul Rogers	Regeneration Service Manager
Liz Bateson	Principal Democratic Support Officer

33 MINUTES

The minutes of the meeting held on Tuesday 8 July 2025 were approved as a correct record.

34 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

35 DECLARATIONS OF INTEREST

No declarations were made at this point.

36 PUBLIC SPEAKING

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

37 PROVISIONAL REVENUE, CAPITAL AND TREASURY MANAGEMENT OUTTURN 2024/25

Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Finance Officer that provided summary information regarding the provisional outturn for 2024/25, including treasury management. It also set out information regarding the carry forward of capital slippage and other matters for Members' consideration.

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

The Council has a legal requirement to ensure that its expenditure is fully funded and to produce accounts in accordance with proper accounting practice. In addition, the Prudential Indicators are a statutory requirement linked to the budgetary framework. For these aspects, therefore, there are no alternative options for Cabinet to consider. Members are being asked to endorse certain actions taken by the Chief Finance Officer, and Cabinet should consider whether it has sufficient information to do so or whether it requires any further justification.

The report requests Cabinet to consider a number of revenue overspending, capital slippage and other budget adjustment matters. The framework for considering these is set out in the report but basically Cabinet may:

- Endorse any number of the items / requests, in full or part
- Refuse various requests and if commitments have already been incurred, require alternative funding options to be identified. Cabinet should note, however, that this may impact on other areas of service delivery
- Request further information regarding them, if appropriate.

The Officer preferred options are as set out in the recommendations, on the assumption that Members continue to support their previously approved spending plans.

Although the General Fund was able to respond to the financial challenges in 2024/25 and maintain a balanced budget position, this does not mean that the financial issues for the Council are resolved, it simply means that the in-year budget pressures were addressed. To put into context, a budget gap of £2.6M is still forecast for 2026/27 and this rises annually to £5.5M in 2029/30 for which the cumulative effect is not sustainable.

To reiterate the points made in section 4, as at 31 March 2025, the HRA's unallocated reserve balance stands at £0.152M, £0.598M below the minimum recommended level for 2024/25 of £0.750M.

The deficit has been funded from a combination of its unallocated and business support reserves. As a result, and as stated above, the unallocated reserve balance is now below the s151 Officers minimum recommended level. With significant commitments outstanding and potential revenue pressures associated with a number of major projects this position may be further exacerbated. This is not sustainable and the financial health of the HRA is being carefully monitored and detailed plans developed including a review and assessment of the useful life of properties as part of the Quinquennial valuation due in 2026/27.

Work has continued on the Council's Outcomes-Based Resourcing (OBR)/Fit for the Future (FftF) project which examines every area of its budget and matches resources more closely with its priorities. The OBR/FftF programme includes looking at ways the council can do things differently by utilising technology and being more efficient, as well as considering areas in which it can generate more income.

The proposed actions through the OBR/FftF process currently include:

- Application of alternative funding to deliver key Council outcomes
- Detailed review and sensitivity analysis on all key and significant income streams
- Further rationalisation work on the Council's asset base
- Expansion of the investment to reduce cost principle
- The potential use of capital receipts to finance existing projects
- Capitalisation of transformation costs where appropriate • Exploration of closer working and collaboration with other Councils, Public Sector Bodies and Partner Institutions
- Challenging existing cost base through the application of zero-based budgeting principles

Given the size of the ongoing financial issues the Council faces this fundamental reshaping of the Council's services and realigning against its priorities through the OBR/FtF process will be key to shrinking the estimated budget gap and securing the financial sustainability of the Council going forward. The application of OBR/FtF across the Council is a significant piece of ongoing work and it is imperative that the work, or similar principles continues.

Cabinet and Senior Leadership Team have agreed on principles and common goals as they continue to work through the OBR/FtF process.

- We need to continue tackle the structural deficit over the short medium and long term • We need to use reserves carefully to transition
- We want to continue to deliver services that residents/ businesses need and rely on • We want to achieve positive outcomes for our district.

However, if these are not successful and the deficit is not closed, then balances will be required to make up the difference.

It was proposed by Councillor Hamilton-Cox and seconded by Councillor Peter Jackson:

"That recommendations 1 to 4 as set out in the report be approved with recommendation 5 noted."

Councillors then voted:-

Resolved unanimously:

- (1) That the provisional outturn for 2024/25 be endorsed, including the transfers to and from Reserves and Balances actioned by the Chief Finance Officer as set out in 5.1 and Appendix 5 to the report.
- (2) That Cabinet approve the treatment of year end overspends and endorse the do1nothing approach in-light of the current situation.
- (3) That Cabinet note and endorse the ongoing projects funded by reserves set out at Appendices 5a and 6 to the report.
- (4) That the requests for capital slippage and the adjustments to reflect accelerated capital spending on projects as set out at Appendices 7 and 8 to the report be endorsed, with the Capital Programme being updated accordingly.
- (5) That the Annual Treasury Management report and Prudential Indicators as set

out at Appendix 2 to the report be noted and referred on to Budget & Performance Panel and Council for information.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

The Outturn and Statement of Accounts report on all the financial resources generated and/or used by the Council in providing services or undertaking other activities under the Policy Framework.

38 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor Riches and seconded by Councillor Hamilton-Cox:-

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

Members then voted as follows:-

Resolved unanimously:

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

39 CANAL QUARTER REGENERATION PHASE III (HERON WORKS) - PROGRESSING DEVELOPMENT DESIGN, PLANNING APPROVAL, AND DELIVERY (Pages 6 - 11)

Cabinet Member with Special Responsibility Councillor Peter Jackson

Cabinet received a report from the Chief Officer Sustainable Growth with regard to the proposal for the Herons Works site and sought approval to progress the scheme.

The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report.

Resolved unanimously:

The resolution is set out in a minute exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act, 1972.

Officer responsible for effecting the decision:

Chief Officer Sustainable Growth

Reasons for making the decision:

The decision is consistent with the Council's priorities. Exactly how the decision fits with Council priorities is set out in the exempt minute.

Chair

(The meeting ended at 4.58 p.m.)

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

MINUTES PUBLISHED ON TUESDAY 5 AUGUST, 2025.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
WEDNESDAY 13 AUGUST , 2025.**

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