

## **Minutes**

At a virtual meeting of the Full Council held via Microsoft Teams, on Thursday, 11th February, 2021

### **Present:**

County Councillor Susie Charles (Chairman)

### **County Councillors**

T Aldridge	J Fillis	J Parr
A Ali OBE	A Gardiner	M Pattison
T Ashton	J Gibson	M Perks
A Atkinson	G Gooch	E Pope
L Beavers	M Green	J Potter
J Berry	P V Greenall	J Purcell
P Britcliffe	P Hayhurst	J Rear
I Brown	N Hennessy	P Rigby
P Buckley	S Holgate	A Riggott
T Burns MBE	A Hosker	M Salter
J Burrows	D Howarth	A Schofield
A Cheetham	K Iddon	J Shedwick
S Clarke	M Iqbal MBE	D T Smith
A Clempson	A Kay	K Snape
L Collinge	H Khan	A Snowden
J Cooney	E Lewis	D Stansfield
L Cox	S Malik	P Steen
C Crompton	J Marsh	J Sumner
M Dad	T Martin	M Tomlinson
B Dawson MBE	J Mein	C Towneley
F De Molfetta	J Molineux	S Turner
G Dowding	S C Morris	A Vincent
G Driver	Y Motala	C Wakeford
J Eaton BEM	E Nash	D Whipp
C Edwards	D O'Toole	G Wilkins
K Ellard	G Oliver	P Williamson
D Foxcroft	M Parkinson OBE	B Yates

### **1. Apologies and Announcements**

Apologies for absence were received from County Councillor Liz Oades.

## Announcements

### Deaths

The Chairman reported the recent death of former County Councillor Sylvia Smithson who sadly passed away on Friday 27 November 2020.

The Council observed a one minute silence.

### New Year Honours 2021

The Chairman extended the Full Council's congratulations to County Councillor Azhar Ali who had been appointed an Officer of the Order of the British Empire (OBE) in the recent New Year Honours for services to the community in North West England.

## 2. Disclosure of Pecuniary and Non-Pecuniary Interests

Name of Councillor	Agenda Item Number(s)	Nature of Interest (non-pecuniary unless stated)
County Councillor Margaret Pattison	3	- Employee of Age Consulting

## 3. Revenue Budget 2021/22 and Financial Strategy 2021/22 to 2023/24; Capital Delivery Programme 2021/22; Capital Strategy 2021 - 2041; Council Tax and Precept 2021/22; Treasury Management Strategy and Non-Treasury Investment Strategy 2021/22; Minimum Revenue Provision Statement 2021/22

The Chairman set out the proposed revised format for the meeting and sought Full Council's approval to waive Standing Order B39(2) to allow all amendments to be tabled and debated concurrently.

**Resolved:** - That approval be given to the waiving of Standing Order B39(2).

County Councillor Geoff Driver, Leader of the County Council, moved the recommendations of the Cabinet regarding the:

- Revenue Budget 2021/22 and Financial Strategy 2021/22 to 2023/24;
- Capital Delivery Programme 2021/22;
- Capital Strategy 2021 - 2041;
- Council Tax and Precept 2021/22;

Together with the recommendations of the Audit Risk and Governance Committee from its meeting on 25 January 2021 in respect of:

- The Treasury Management Strategy and Non-Treasury Investment Strategy 2021/22;
- The Minimum Revenue Provision Policy Statement 2021/22;

In moving the report, County Councillor Driver outlined an adjustment to the proposals contained within the report, together with an amendment. Details of both the adjustment and amendment were set out in documents circulated to all Members, which are appended to these minutes as Annexes 1 and 2 respectively.

The motion was seconded by County Councillor Keith Iddon, Deputy Leader of the County Council.

County Councillor Tony Martin, on behalf of the Labour Group, then made his Budget speech and moved an Amendment to the Budget proposals on behalf of the Labour Group which was seconded by County Councillor Azhar Ali.

A copy of the Amendment was circulated to all Members and is set out at Annex 3 to these minutes.

County Councillor David Whipp, on behalf of the Liberal Democrat Group, then made his Budget speech and moved an Amendment to the Budget proposals on behalf of the Liberal Democrat Group which was seconded by County Councillor David Howarth.

A copy of the Amendment was circulated to all Members and is set out at Annex 4 to these minutes.

County Councillor Gina Dowding then made her Budget speech and moved an Amendment to the Budget proposals which was seconded by County Councillor Paul Hayhurst.

A copy of the Amendment was circulated to all Members and is set out at Annex 5 to these minutes.

Following an adjournment and then a period of debate, a recorded vote on each Amendment was taken in accordance with the provisions of Standing Order B45(7). The names of those Members who voted for or against the Amendment, and those who abstained, are set out below.

#### Labour Group Amendment

For (32)

T Aldridge	C Crompton	J Gibson	S Malik	J Parr
A Ali	M Dad	P Hayhurst	T Martin	M Pattison
L Beavers	B Dawson	N Hennessy	J Mein	K Snape
J Berry	F De Molfetta	S Holgate	J Molineux	M Tomlinson
T Burns	G Dowding	M Iqbal	Y Motala	
L Collinge	K Ellard	H Khan	G Oliver	
L Cox	J Fillis	E Lewis	M Parkinson	

Against (47)

T Ashton	J Cooney	K Iddon	A Riggott	S Turner
A Atkinson	G Driver	A Kay	M Salter	A Vincent
P Britcliffe	J Eaton	S Morris	A Schofield	C Wakeford
I Brown	C Edwards	E Nash	J Shedwick	D Whipp
P Buckley	D Foxcroft	D O'Toole	D Smith	G Wilkins
J Burrows	A Gardiner	E Pope	A Snowden	P Williamson
S Charles	G Gooch	J Potter	D Stansfield	B Yates
A Cheetham	M Green	J Purcell	P Steen	
S Clarke	A Hosker	J Rear	J Sumner	
A Clempson	D Howarth	P Rigby	C Towneley	

Abstain (1)

P Greenall
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The Labour Group's amendment was therefore LOST.

Liberal Democrat Group Amendment

For (6)

G Dowding	D Howarth	J Sumner
P Greenall	J Potter	D Whipp

Against (43)

T Ashton	A Clempson	A Hosker	P Rigby	C Towneley
A Atkinson	J Cooney	K Iddon	A Riggott	S Turner
P Britcliffe	G Driver	A Kay	M Salter	A Vincent
I Brown	J Eaton	S Morris	A Schofield	C Wakeford
P Buckley	C Edwards	E Nash	J Shedwick	G Wilkins
J Burrows	D Foxcroft	D O'Toole	D Smith	P Williamson
S Charles	A Gardiner	E Pope	A Snowden	B Yates
A Cheetham	G Gooch	J Purcell	D Stansfield	
S Clarke	M Green	J Rear	P Steen	

Abstain (31)

T Aldridge	C Crompton	P Hayhurst	T Martin	M Pattison
A Ali	M Dad	N Hennessy	J Mein	K Snape
L Beavers	B Dawson	S Holgate	J Molineux	M Tomlinson
J Berry	F De Molfetta	M Iqbal	Y Motala	
T Burns	K Ellard	H Khan	G Oliver	
L Collinge	J Fillis	E Lewis	M Parkinson	
L Cox	J Gibson	S Malik	J Parr	

The Liberal Democrat Group's amendment was therefore LOST.

County Councillor Dowding Amendment

For (3)

G Dowding	P Greenall	P Hayhurst
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Against (46)

T Ashton	G Driver	A Kay	M Salter	A Vincent
A Atkinson	J Eaton	S Morris	A Schofield	C Wakeford
I Brown	C Edwards	E Nash	J Shedwick	D Whipp
P Buckley	D Foxcroft	D O'Toole	D Smith	G Wilkins
J Burrows	A Gardiner	E Pope	A Snowden	P Williamson
S Charles	G Gooch	J Potter	D Stansfield	B Yates
A Cheetham	M Green	J Purcell	P Steen	
S Clarke	A Hosker	J Rear	J Sumner	
A Clempson	D Howarth	P Rigby	C Towneley	
J Cooney	K Iddon	A Riggott	S Turner	

Abstain (30)

T Aldridge	L Cox	J Fillis	E Lewis	G Oliver
A Ali	C Crompton	J Gibson	S Malik	M Parkinson
L Beavers	M Dad	N Hennessy	T Martin	J Parr
J Berry	B Dawson	S Holgate	J Mein	M Pattison
T Burns	F De Molfetta	M Iqbal	J Molineux	K Snape
L Collinge	K Ellard	H Khan	Y Motala	M Tomlinson

County Councillor Dowding's amendment was therefore LOST.

As no further Amendments were moved, the Chairman put the Motion on the county council's Budget, as adjusted and amended, and asked the Full Council to approve the recommendations of the Cabinet on the:

- Revenue Budget 2021/22 and Financial Strategy 2021/22 to 2023/24;
- Capital Delivery Programme 2021/22;
- Capital Strategy 2021 - 2041;
- Council Tax and Precept 2021/22;

Together with the recommendations of the Audit Risk and Governance Committee from its meeting on 25 January 2021 in respect of:

- The Treasury Management Strategy and Non-Treasury Investment Strategy 2021/22;
- The Minimum Revenue Provision Policy Statement 2021/22;

A recorded vote was taken, in accordance with Standing Order B45(7), and the names of Members who voted for or against the Motion, and those who abstained, are set out below:

For (40)

T Ashton	A Clempson	M Green	J Purcell	P Steen
A Atkinson	J Cooney	A Hosker	J Rear	C Towneley
I Brown	G Driver	K Iddon	P Rigby	S Turner
P Buckley	J Eaton	A Kay	A Riggott	A Vincent
J Burrows	C Edwards	S Morris	M Salter	C Wakeford
S Charles	D Foxcroft	E Nash	A Schofield	G Wilkins
A Cheetham	A Gardiner	D O'Toole	J Shedwick	P Williamson
S Clarke	G Gooch	E Pope	A Snowden	B Yates

Against (38)

T Aldridge	M Dad	P Hayhurst	T Martin	J Potter
A Ali	B Dawson	N Hennessy	J Mein	K Snape
L Beavers	F De Molfetta	S Holgate	J Molineux	D Stansfield
J Berry	G Dowding	D Howarth	Y Motala	J Sumner
T Burns	K Ellard	M Iqbal	G Oliver	M Tomlinson
L Collinge	J Fillis	H Khan	M Parkinson	D Whipp
L Cox	J Gibson	E Lewis	J Parr	
C Crompton	P Greenall	S Malik	M Pattison	

Abstain (0)

The motion was CARRIED and it was:

**Resolved: -**

That the Cabinet's recommendations, as adjusted and amended, in respect of the:

- Revenue Budget 2021/22 and Financial Strategy 2021/22 to 2023/24;
- Capital Delivery Programme 2021/22;
- Capital Strategy 2021 - 2041;
- Council Tax and Precept 2021/22;

Together with the recommendations of the Audit Risk and Governance Committee from its meeting on 25 January 2021 in respect of:

- The Treasury Management Strategy and Non-Treasury Investment Strategy 2021/22;
- The Minimum Revenue Provision Policy Statement 2021/22;

As set out in the report, now presented, be approved.

**4. To consider Notices of Motion Submitted under Standing Order B36**

There were no Notices of Motion to be considered.

## Annexes 1 - 5

### Annex 1 - Budget Adjustment

#### Adjustment to the 2021/22 Budget Proposal Full Council 11 February 2021

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The budget recommendation to Full Council included the most up to date information at the time of writing, and as part of this included funding projections based on the provisional financial settlement that was announced on 17<sup>th</sup> December 2020.

#### 1. The Final Settlement 2021/22

The final settlement was announced on 4<sup>th</sup> February 2021. The settlement included confirmation of various grants generally in line with the provisional settlement.

#### 2. Business Rates

On reviewing the final settlement business rates information in conjunction with the information received from the City and Borough Councils, the business rates forecast for 2021/22 is showing a small pressure compared to those figures included in the report to Full Council.

The impact of this adjustment is for one-year only, as from 2022/23 we would expect to achieve baseline funding and we are also forecast to move to a new model for business rates (75% retention).

The impact on the MTFS presented to Full Council is as follows:

**Table 1**

	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Full Council Report	-4.322	35.034	47.591
Full Council Adjustment	0.349	0.000	0.000
<b>Financial Gap</b>	<b>-3.973</b>	<b>35.034</b>	<b>47.591</b>



This gives an overall position of:

	<b>£m</b>
<b>Budget Requirement</b>	<b>886.610</b>
Less Revenue Support Grant	33.615
Less Business Rates	202.467
Less New Homes Bonus	2.416
Less Improved Better Care Fund	45.532
Less Social Care Grant	41.943
Less Collection Fund Deficit	-0.197
Less Local Council Tax Support Grant	11.479
Less Capital Receipts	4.000
<b>Equals council tax cash</b>	<b>545.355</b>
Divided by tax base	370,939.32
Gives Band D council tax for 2021/22	£1,470.20
2020/21 council tax	£1,400.32
<b>Percentage increase</b>	<b>4.99%</b>

<b>Revenue Budget 2021/22</b>	<b>Net Budget £m</b>
Adult Services	376.740
Adult Services and Public Health and Wellbeing	7.547
Chief Executive Services	3.545
Children's Social Care	162.705
Corporate Services	21.286
Education and Skills	55.811
Finance Services	17.774
Growth, Environment and Planning	6.164
Waste Management	69.398
Highways and Transport	71.015
Organisational Development and Change	2.042

Public Health and Wellbeing	-4.923
Strategy and Performance	63.076
<b>Sub-Total</b>	<b>852.180</b>
Financing Charges	30.457
Available Resources	3.973
<b>Revenue budget 2021/22</b>	<b>886.610</b>

County Councillor Geoff Driver CBE,  
 Leader of the County Council,  
 11 February 2021

## Annex 2 - Conservative Group Amendment

BUDGET COUNCIL: 11th FEBRUARY 2021

### AMENDMENT PROPOSED BY THE CONSERVATIVE GROUP TO THE 2021/22 BUDGET

#### (1) Proposed amendments to the revenue budget

	£m
Increase Council Tax by 3.99% rather than 4.99% within the proposed 2021/22 budget	5.197
Additional investment in Youth Workers (Recurrent)	0.400
Increase the book fund (21/22 only)	0.500
Investment in Museums web pages (21/22 only)	0.050
Investment in Environment and Climate Change Programme (From 22/23 – full year recurrent costs - £0.973m)	0.496
Additional borrowing costs (Recurrent)	1.190
<b>Total cost of proposed amendments:</b>	<b><u>7.833</u></b>

## **Revenue Budget 2021/22**

<b>Revenue Budget 2021/22 £m</b>	<b>Net Budget £m</b>
Adult Services	376.740
Adult Services and Public Health and Wellbeing	7.547
Chief Executive Services	3.545
Children's Social Care	162.705
Corporate Services	21.286
Education and Skills	56.761
Finance Services	17.774
Growth, Environment and Planning	6.660
Waste Management	69.398
Highways and Transport	71.015
Organisational Development and Change	2.042
Public Health and Wellbeing	-4.923
Strategy and Performance	63.076
<b>Sub-Total</b>	<b>853.626</b>
Financing Charges	31.647
Contribution from Reserves	-3.860
<b>Revenue budget 2021/22</b>	<b>881.413</b>

	<b>Band D Council Tax</b>	<b>Council Tax income</b>
Adult Social Care Precept increase at 2%	£28.01	£10.390m
General Council Tax increase at 1.99%	£27.86	£10.334m

	<b>£m</b>
<b>Budget Requirement</b>	<b>881.413</b>
Less Revenue Support Grant	33.615
Less Business Rates	202.467
Less New Homes Bonus	2.416
Less Improved Better Care Fund	45.532
Less Social Care Grant	41.943
Less Collection Fund Deficit	-0.197
Less Local Council Tax Support Grant	11.479
Less Capital Receipts	4.000
<b>Equals council tax cash</b>	<b>540.158</b>
Divided by tax base	370,939.32
Gives Band D council tax for 2021/22	£1,456.19
2020/21 council tax	£1,400.32
<b>Percentage increase</b>	<b>3.99%</b>

Council Tax on the basis of a budget requirement of £881.413m and the Council Tax base for each property valuation band:

<b>Council Tax Band</b>	<b>£</b>
Band A	970.79
Band B	1,132.59
Band C	1,294.39
Band D (basic)	1,456.19
Band E	1,779.79
Band F	2,103.39
Band G	2,426.98
Band H	2,912.38

The share for each district council of the net total raised from the council tax of £540,158,127:

<b>District</b>	<b>£</b>
Burnley	33,882,629
Chorley	54,572,468
Fylde	45,105,485
Hyndburn	29,471,829
Lancaster	60,431,885
Pendle	34,800,029
Preston	57,114,684
Ribble Valley	34,958,753
Rosendale	29,677,152
South Ribble	52,742,328
West Lancashire	53,550,018
Wyre	53,850,867
<b>Total raised from the Council Tax</b>	<b>540,158,127</b>

<b>(2) Proposed additions to the capital programme</b>	£m
Additional funding for highways	10.000
Additional investment in flood defences	5.000
Additional funding for walking and cycling schemes	2.000
<b>Total Additions to Capital Programme:</b>	<b><u>17.000</u></b>

<b>(3) Proposed amendments to the funding of the Capital Programme</b>	£m
Additional borrowing for additional capital expenditure	-17.000
<b>Total amendments to the funding of the Capital Programme:</b>	<b><u>-17.000</u></b>

County Councillor Geoff Driver CBE,  
 Leader of the County Council,  
 11<sup>th</sup> February 2021

### **View of the Chief Executive and Director of Resources (S151)**

The proposals have been validated as being deliverable financially in 2021/22.

In validating the proposals, I have been mindful that:

- The amendment to council tax will be a permanent reduction in the council tax base and hence increase the underlying structural deficit by £5.197m per annum if the flexibility to include the remaining 1% adult social care precept is not levied in 2022/23.
- The additions to the revenue budget in 2021/22 of £7.833m can be funded from a combination of the previously identified budget surplus of £3.973m and £3.860m from the transitional reserve. The recurrent costs would then be built into the MTFs from 2022/23 increasing the structural deficit.

- Some of the adjustments have a larger financial impact in 2022/23 and beyond.

Over the term of the financial strategy, the proposals would increase the structural funding gap by £2.457m to £50.048m in 2023/24. Unless further savings were found in advance of this, this would be an additional call on the transitional reserve.

The additional call on the transitional reserve (which is currently forecast to be £159.420m at 31<sup>st</sup> March 2021) will be £12.751m over the period 2021/22 – 2023/24. The transitional reserve will continue to be sufficient to support the structural deficit for 2021/22 – 2023/24 following this amendment with a forecast level of £67.325m at 31<sup>st</sup> March 2024.

In the intervening period the council will need to take steps to address the structural deficit to ensure it can maintain a sustainable financial position.



## Annex 3 - Labour Group Amendment

BUDGET COUNCIL: 11th FEBRUARY 2021

### AMENDMENT PROPOSED BY THE LABOUR GROUP TO THE 2021/22 BUDGET

#### (1) Proposed amendments to the revenue budget

	£m
Increase Council Tax by 1.99% rather than 4.99% within the proposed 2021/22 budget	15.583
Reinstatement of HWRC Provision (SC001)	0.734
Reinstatement of Welfare Rights Service (SC608)	0.380
Investment in Healthier Living Programmes	0.500
Reduce the winter gritting trigger temperature level	0.110
Reinstatement of Highways – Gully Emptying (SC029)	0.283
Strengthen Flooding Resilience	2.500
Feasibility Study - Midgehall Railway Station	0.050
Feasibility Study - Coppull Railway Station	0.050
<b>Total cost of proposed amendments:</b>	<b><u>20.190</u></b>

The additions to the revenue budget to be funded from the treasury management reserve in 2021/22.

## Revenue Budget 2021/22

<b>Revenue Budget 2021/22 £m</b>	<b>Net Budget £m</b>
Adult Services	376.740
Adult Services and Public Health and Wellbeing	7.547
Chief Executive Services	3.545
Children's Social Care	162.705
Corporate Services	21.286
Education and Skills	55.811
Finance Services	17.774
Growth, Environment and Planning	6.164
Waste Management	70.132
Highways and Transport	73.908
Organisational Development and Change	2.042
Public Health and Wellbeing	-4.043
Strategy and Performance	63.176
<b>Sub-Total</b>	<b>856.787</b>
Financing Charges	30.457
Contribution from Treasury Management Reserve	-16.217
<b>Revenue budget 2021/22</b>	<b>871.027</b>

	£m
<b>Budget Requirement</b>	<b>871.027</b>
Less Revenue Support Grant	33.615
Less Business Rates	202.467
Less New Homes Bonus	2.416
Less Improved Better Care Fund	45.532
Less Social Care Grant	41.943
Less Collection Fund Deficit	-0.197
Less Local Council Tax Support Grant	11.479
Less Capital Receipts	4.000
<b>Equals council tax cash</b>	<b>529.772</b>
Divided by tax base	370,939.32
Gives Band D council tax for 2021/22	£1,428.19
2020/21 council tax	£1,400.32
<b>Percentage increase</b>	<b>1.99%</b>

Council Tax on the basis of a budget requirement of £871.027m and the Council Tax base for each property valuation band:

Council Tax Band	£
Band A	952.13
Band B	1,110.81
Band C	1,269.50
Band D (basic)	1,428.19
Band E	1,745.57
Band F	2,062.94
Band G	2,380.32
Band H	2,856.38

The share for each district council of the net total raised from the council tax of £529,771,827:

<b>District</b>	<b>£</b>
Burnley	33,231,125
Chorley	53,523,134
Fylde	44,238,185
Hyndburn	28,905,137
Lancaster	59,269,885
Pendle	34,130,885
Preston	56,016,468
Ribble Valley	34,286,557
Rosendale	29,106,512
South Ribble	51,728,185
West Lancashire	52,520,345
Wyre	52,815,409
<b>Total raised from the Council Tax</b>	<b>529,771,827</b>

**(2) Proposed additions to the capital programme**

	£m
Highways; Faster Response Potholes programme	5.000
Residents Parking Schemes kick-start funding	0.500
The Greening of Lancashire County Council	2.000
Colne Skipton Railway- Pump Priming	0.500
Poulton to Fleetwood Rail link- Pump Priming	0.500
Fleetwood Power Barrage- Pump Priming	0.500
A56 Villages Bypass - Pump Priming	0.500
Skelmersdale Rail Link & Station - Pump Priming	0.500
Lancaster Station HS2 Prep - Pump Priming	0.500
Preston Station HS2 Prep - Pump Priming	0.500
Burscough curves reinstatement - Pump Priming	0.500
Rawtenstall to Manchester rail link - Pump Priming	0.500
Eden of the North – Transport Planning – Pump Priming	0.500
Morecambe –Blackpool rail link – Pump Priming	0.500
Nursery Schools – Emergency funding	1.000
<b>Total Additions to Capital Programme:</b>	<b><u>14.000</u></b>

The additions to the capital programme to be funded from the Transitional Reserve.

## **View of the Chief Executive and Director of Resources (S151)**

The proposals have been validated as being deliverable financially in 2021/22.

In validating the proposals, I have been mindful that:

- The amendment to council tax will be a permanent reduction in the council tax base and hence increase the underlying structural deficit by £15.583m per annum if the flexibility to include the 3% adult social care precept is not levied in 2022/23.
- The additions to the revenue budget in 2021/22 of £20.190m can be funded from a combination of the previously identified budget surplus of £3.973m and £16.217m from the treasury management reserve. The recurrent costs would then be built into the MTFs from 2022/23 increasing the structural deficit.
- Some of the adjustments have a larger financial impact in 2022/23 and beyond.
- The funding to support the capital programme can be met from the transitional reserve, as a one-off contribution of £14.000m.

Over the term of the financial strategy, the proposals would increase the structural funding gap by £21.154m to £68.745m in 2023/24. Unless further savings were found in advance of this, this would be an additional call on the transitional reserve.

The additional call on the transitional reserve (which is currently forecast to be £159.420m at 31<sup>st</sup> March 2021) will be £59.684m over the period 2021/22 – 2023/24. The transitional reserve will continue to be sufficient to support the structural deficit for 2021/22 – 2023/24 following this amendment with a forecast level of £20.392m at 31<sup>st</sup> March 2024.

In the intervening period the council will need to take steps to address the structural deficit to ensure it can maintain a sustainable financial position.

## Annex 4 - Liberal Democrat Group Amendment

BUDGET COUNCIL: 11th FEBRUARY 2021

### AMENDMENT PROPOSED BY THE LIBERAL DEMOCRAT GROUP TO THE 2021/22 BUDGET

#### (1) Proposed amendments to the revenue budget

	£m
Increase Council Tax by 1.99% rather than 4.99% within the proposed 2021/22 budget	15.583
Reinstate seven-day opening at Household Waste Recycling Centres	0.230
Provide funding for street light energy costs to allow more flexible policy on times of dimming in locations where there are community safety concerns	0.500
Fund additional maintenance for highway drainage, with delegation to districts where there is local capacity to carry out work (including drainage schemes in capital programme)	0.318
Contribution to Ribble Rivers Trust Woodland Connect Programme	0.050
Fund replacement tree planting	0.050
Fund programme of establishing wildflower verges	0.100
Capital financing	0.814
<b>Total cost of proposed amendments:</b>	<b><u>17.645</u></b>

#### (2) Funding of the revenue amendments

Reduce budget for mileage and other costs due to new ways of working	1.000
Reduce agency staff costs	1.000
Cease provision of Member Champion grants	0.050
Increase staff vacancy factor by a further 0.5%	1.721

Reduce Special Responsibility Allowance of Leader of County Council (with pro-rata adjustments to SRAs geared to that level) by 10% and cease SRAs for Member Champions 0.063

**Total funding of revenue adjustments: 3.834**

**Net additional budget pressure 13.811**

**Revenue Budget 2021/22**

<b>Revenue Budget 2021/22 £m</b>	<b>Net Budget £m</b>
Adult Services	375.116
Adult Services and Public Health and Wellbeing	7.514
Chief Executive Services	3.530
Children's Social Care	161.995
Corporate Services	21.080
Education and Skills	55.567
Finance Services	17.696
Growth, Environment and Planning	6.337
Waste Management	69.325
Highways and Transport	71.023
Organisational Development and Change	2.033
Public Health and Wellbeing	-4.923
Strategy and Performance	63.301
<b>Sub-Total</b>	<b>849.594</b>
Financing Charges	31.271
Contribution from reserves	-9.838
<b>Revenue budget 2021/22</b>	<b>871.027</b>



	<b>£m</b>
<b>Budget Requirement</b>	<b>871.027</b>
Less Revenue Support Grant	33.615
Less Business Rates	202.467
Less New Homes Bonus	2.416
Less Improved Better Care Fund	45.532
Less Social Care Grant	41.943
Less Collection Fund Deficit	-0.197
Less Local Council Tax Support Grant	11.479
Less Capital Receipts	4.000
<b>Equals council tax cash</b>	<b>529.772</b>
Divided by tax base	370,939.32
Gives Band D council tax for 2021/22	£1,428.19
2020/21 council tax	£1,400.32
<b>Percentage increase</b>	<b>1.99%</b>

Council Tax on the basis of a budget requirement of £871.027m and the Council Tax base for each property valuation band:

<b>Council Tax Band</b>	<b>£</b>
Band A	952.13
Band B	1,110.81
Band C	1,269.50
Band D (basic)	1,428.19
Band E	1,745.57
Band F	2,062.94
Band G	2,380.32
Band H	2,856.38

The share for each district council of the net total raised from the council tax of £529,771,827:

District	£
Burnley	33,231,125
Chorley	53,523,134
Fylde	44,238,185
Hyndburn	28,905,137
Lancaster	59,269,885
Pendle	34,130,885
Preston	56,016,468
Ribble Valley	34,286,557
Rosendale	29,106,512
South Ribble	51,728,185
West Lancashire	52,520,345
Wyre	52,815,409
<b>Total raised from the Council Tax</b>	<b>529,771,827</b>

**(2) Proposed additions to the capital programme**

	£m
Road and pavement repairs	15.000
Increase drainage maintenance budget	1.282

**Total Additions to Capital Programme: 16.282**

**(3) Amendments to the capital programme**

- Invest £3m of unallocated Green Energy Fund for Renewable Energy projects.

## **View of the Chief Executive and Director of Resources (S151)**

The proposals have been validated as being deliverable financially in 2021/22.

In validating the proposals, I have been mindful that:

- The amendment to council tax will be a permanent reduction in the council tax base and hence increase the underlying structural deficit by £15.583m per annum if the flexibility to include the 3% adult social care precept is not levied in 2022/23.
- The additions to the revenue budget in 2021/22 of £17.645m can be funded from a combination of the previously identified budget surplus of £3.973m, additional savings identified of £3.834m and £9.838m from the transitional reserve. The recurrent costs would then be built into the MTFs from 2022/23 increasing the structural deficit.
- Some of the adjustments have a larger financial impact in 2022/23 and beyond.

Over the term of the financial strategy, the proposals would increase the structural funding gap by £14.725m to £62.316m in 2023/24. Unless further savings were found in advance of this, this would be an additional call on the transitional reserve.

The additional call on the transitional reserve (which is currently forecast to be £159.420m at 31<sup>st</sup> March 2021) will be £42.664m over the period 2021/22 – 2023/24. The transitional reserve will continue to be sufficient to support the structural deficit for 2021/22 – 2023/24 following this amendment with a forecast level of £37.412m at 31<sup>st</sup> March 2024.

In the intervening period the council will need to take steps to address the structural deficit to ensure it can maintain a sustainable financial position.

## **Annex 5 - County Councillor Dowding Amendment**

**BUDGET COUNCIL: 11th FEBRUARY 2021**

### **AMENDMENT PROPOSED BY CLLR DOWDING TO THE 2021/22 BUDGET**

#### **Aim**

To support new projects which support decarbonisation of energy use and food production; and promote long term sustainable solutions to energy and food poverty in these key sectors which require public support for urgent transition to meet 2030 goals for decarbonisation of the economy. This would support the work of the County Council in developing its Biodiversity, Climate and Decarbonisation strategy with specific projects.

Through: Allowing flexibility of spend of uncommitted monies (approx. £3m) of the £5m Green Energy Fund which was set up as a result of Lancashire Poverty Commission in 2015.

#### **1. To direct the remaining £3 million from the Green Energy Fund to projects which:**

- a. Reduce domestic fuel poverty through retrofit schemes at scale.
- b. Increase domestic renewable energy. (Large parts of Lancashire's rural villages are reliant on oil. A range of projects that could be developed to help Lancashire homes move to low carbon heating systems. Cambridge County Council is developing the Swaffham Prior low carbon heat network project that removes the village dependency on oil. Locally – a project funded by the Rural Community Energy fund grant looking at the feasibility of getting Chipping village off oil and onto low carbon heat infrastructure- an infrastructure project which could be replicated for other villages).
- c. Installation of solar panels on housing. (There are now examples led by other county Councils <https://solartogether.co.uk/landing> which emulated in Lancashire could provide free or subsidised panels for people at risk of fuel poverty).
- d. Investment of large scale solar on landfill or other land to create an income or fuel poverty fund and/or invest in community renewable schemes (As examples: Devon County Council developed a Synthetic Power Purchase Agreement enabling it to purchase renewable electricity generated from community owned schemes for 15 years. Warrington BC used Community Municipal Bonds to raise finance for a 5MW solar project).

- e. Provide community and small-medium scale agro-ecological food growing and agroforestry projects.

**2. To create a £100k decarbonisation budget to support development of projects above;**

In the developmental project stages such as to assist in identification and installation projects for renewable energy generation, retrofit of old housing stock and increase in local food growing.

The budget would facilitate more and faster development of local exemplar decarbonisation projects in the renewable energy generation and local food growing in Lancashire though:

- a. Assisting in bringing specific projects to implementation.
- b. Work to explore overcoming challenges and exploit opportunities.
- c. Work with developers and local stakeholders during the pipeline of projects.
- d. Explore addressing supply chain and skills shortages for retrofit schemes.
- e. Address other supply chain challenges and opportunities e.g. for gas boiler replacement.
- f. Enable the County as asset owners to engage with stakeholders, businesses and communities.
- g. Assist small-medium scale companies, and community collective and not-for-profit led initiatives.
- h. Promote and roll-out good examples.

### Background

A £5m Green Energy Fund was agreed on 12 Feb 2015 at budget Full Council as a result of the Lancashire Poverty Commission recommendations. To date of the £5m only £1.385m has been spent with another £570k potentially committed as local match funding if the County are successful in a recent bid to Salix for grant funding to support public sector decarbonisation in some of our buildings.

The split is as follows:

- £1m to individuals for reducing energy bills and fuel poverty - this has been fully spent.
- £3m to renewable energy schemes

LCC buildings - spent £384,948 - on small parts of other schemes e.g. boiler replacements in care home refurb

- £1m for energy fund support for businesses - none spent yet.

### **View of the Chief Executive and Director of Resources (S151)**

The proposals have been validated as being deliverable financially in 2021/22.

In validating the proposals, I have been mindful that:

- The first proposal is a reallocation of resources within the existing capital programme and there will be no additional costs.
- The second proposal would reduce the budget surplus in 2021/22 by £100k to £3.873m.

Over the term of the financial strategy, the proposals would not impact on the structural funding gap, and this would therefore remain at £47.591m by 2023/24.

The additional call on the transitional reserve (which is currently forecast to be £159.420m at 31<sup>st</sup> March 2021) will be £100k over the period 2021/22 – 2023/24. The transitional reserve will continue to be sufficient to support the structural deficit for 2021/22 – 2023/24 following this amendment with a forecast level of £79.976m at 31<sup>st</sup> March 2024.

In the intervening period the council will need to take steps to address the structural deficit to ensure it can maintain a sustainable financial position.

Angie Ridgwell  
Chief Executive and Director  
of Resources

County Hall  
Preston