

Lancashire County Council

Cabinet

Minutes of the Meeting held on Thursday, 3rd February, 2011 at 2.00 pm in Cabinet Room 'B' - County Hall, Preston

Present:

County Councillor Geoff Driver

Leader of the Council
(in the Chair)

Cabinet Members

County Councillor Tim Ashton

County Councillor Albert Atkinson

County Councillor Mike Calvert

County Councillor Mrs Susie Charles

County Councillor Michael Green

County Councillor Mark Perks

Lead Members

County Councillor Malcolm Barron

County Councillor Mike France

County Councillor Keith Iddon

County Councillor David Smith

County Councillor Mrs Val Wilson

County Councillor Kevin Ellard and County Councillor Jennifer Mein were also in attendance under the provisions of Standing Order No. 19(4).

1. Disclosure of Personal and Prejudicial Interests

None Declared.

2. Revenue Budget 2011/12 - 2013/14

A report was presented by Gill Kilpatrick, County Treasurer, setting out the latest position in respect of the revenue budget proposals for 2011/12 – 2013/14 and the responses received to consultation.

It was reported that the County Council would be required to make savings of £179.1m over the next three years and that the three year budget strategy proposed would allow greater clarity for service users, staff and the wider community.

As a result of confirmation from the Government of the final settlement, the County Council would be impacted by a further reduction in grant funding of £139,000 in 2011/12 and £22,000 in 2012/13. However, the council tax base in Lancashire was growing and it was

reported that this would equate to a small increase in resources of £137,000 in 2011/12. In addition, a small surplus on the 2010/11 council tax collection fund was reported which will provide one –off resources of £99,000 in 2011/12.

It was noted that there were a number of risks and uncertainties with specific reference to the potential impact of the clarification of the guidance in relation to Ordinary Residence, the Local Government Resource Review; levels of specific grant and the New Homes Bonus which might still impact on the County Council's financial position. There was a need to maintain an appropriate level of balances including provision for funding voluntary severance.

Josh Church, Michaela Hall and Samantha Parkes, Members of the Lancashire Youth Council, presented their views on the revenue budget proposals making specific reference to transport and bus routes, young people's services, job opportunities and apprenticeships and the long term economic future. Members of the Cabinet responded on specific issues raised. A copy of the views of the Lancashire Youth Council was set out at Appendix 'A' – Annex 2 to the report.

The members of the Lancashire Youth Council were congratulated on their presentation and thanked for the views expressed.

County Councillor John Shedwick, Chair of the Scrutiny Committee, County Councillor Maggie Skilling, Chair of the Health Scrutiny Committee and County Councillor Pat Case, Deputy Chair of the Education Scrutiny Committee, presented the views of their respective Overview and Scrutiny Committees on the revenue budget proposals. A copy of the views of the Overview and Scrutiny Committees was set out at Appendix 'A' – Annex 2 to the report.

County Councillor Shedwick, County Councillor Skilling and County Councillor Case were thanked for their presentations and for the views expressed.

Resolved:- That Cabinet:

- (i) Notes the change in council tax resources as set out within the report, which provides additional resources of £0.137m in 2011/12, a further £0.028m in 2012/13, and £0.054m in 2013/14 resulting from the increase in Council tax base.
- (ii) Notes the small surplus on the 2010/11 council tax collection fund providing additional, one-off resources of £0.099m in 2011/12.
- (iii) Notes the impact of the final settlement announcement on the level of formula grant funding to be received by the County Council of a reduction in formula grant of £0.139m in 2011/12 and £0.022m in 2012/13.
- (iv) Notes the overall impact on the level of revenue funding available over the three year budget strategy of items 2, 3 and 4 above as set out in the table below.

	2011/12 £m	2012/13 £m	2013/14 £m
Increase in Council tax base	0.137	0.028	0.054
2010/11 collection fund surplus	0.099	-	-
Final grant funding settlement	-0.139	-0.022	-

Additional Revenue funding	0.097	0.006	0.054
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- (v) Agrees that the additional revenue funding of £0.097m in 2011/12 and £0.006m in 2012/13 be used on a one-off basis to fund additional investment in highways maintenance and enable the level of savings required in 2013/14 to be reduced.
- (vi) Notes the advice of the County Treasurer in relation to the robustness of the budget and the adequacy of reserves.
- (vii) That, in relation to the level of savings required for Adult Social Care provision, the Cabinet Member for Adult and Community Services, following consultation with the Leader, the County Treasurer, and the Executive Director for Adult and Community Services, be authorised to:
 - a. consider the responses to the ongoing consultation, 'Making Difficult Decisions about Funding Adult Social Care Services in Lancashire', due to end on 28 February 2011;
 - b. determine the future provision of Adult Social Care Services for 2011/12 – 2013/14 in the light of the consultation responses at a) above and within the Revenue Budget limits agreed by the Full Council on 17 February 2011.
- (viii) Recommends a budget requirement of £769.117m, with a resulting nil increase in council tax as set out in the table below, to the Full Council on 17 February 2011, subject to the agreement before that date by Cabinet Members of their respective DFM budget proposals within the overall cash limits set out in item 9.

Budget requirement	£769.117m
Less formula grant	<u>-£333.682m</u>
Equals council tax requirement	£435.435m
Less Council Tax Freeze grant	-£10.606m
Less prior year council tax net surplus	<u>-£0.099m</u>
Equals council tax cash	£424.730m
Divided by tax base	383,227
Gives Band D council tax	£1,108.30
2010/11 council tax	£1,108.30
Percentage increase	0%

- (ix) Agrees the proposed cash limits set out at Annex 1 to the report, subject to the amendments set out above, resulting in the following cash limits to be recommended to the Full Council on 17 February 2011:

Budget	2011/12 Cash	2012/13 Cash	2013/14 Cash
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	Limit £m	Limit £m	Limit £m
Adult & Community Services	333.253	326.926	322.224
Children & Young People	164.321	157.865	155.013
Environment	191.971	182.965	187.462
Office of the Chief Executive	26.782	23.635	22.113
County Treasurer's Department	11.323	9.211	5.866
Corporate	6.856	8.604	8.642
Financing Charges	37.125	38.125	36.625
Balances and reserves	-1.500		
Impact of Equal Pay Review to be allocated to services		1.680	7.394
Use of Dedicated Schools Grant	-0.695	-0.695	-0.695
LCCG	-3.483	-2.445	-1.646
Additional Investment in Highways Maintenance	2.136	6.367	-
LSPs	1.028	1.028	1.028
Additional efficiency savings to be identified			-7.245
Budget Requirement	769.117	753.266	736.781

Note: the figures in the table above for individual directorates will be amended in the budget report to the Full Council – on a net nil basis overall – for the effects of the allocation of central support costs, for pension costs on an FRS 17 basis, and for notional capital charges.

3. Capital Investment Strategy 2011/12 - 2014/15

A report was presented by Gill Kilpatrick, County Treasurer, setting out proposals in respect of the Capital Investment Strategy for 2011/12 – 2014/15 which included additional capital resources for investment in key priorities for 2011/12 – 2013/14 and an indicative programme for 2014/15.

The proposals set out would result in a total capital investment of £442.2m during 2011/12 – 2014/15 and the level of over programming of £12.7m in the first three years was important in terms of preventing excessive levels of slippage.

Resolved: - That Cabinet:

- (i) Welcomes and endorses the Capital Investment Strategy set out in the report now presented, and endorses the approach of setting a firm three year programme with an indicative fourth year given the financial uncertainties around longer term planning.
- (ii) Welcomes the total capital investment in Lancashire of £442.2m which will be delivered through the capital investment strategy over the next four years. This will deliver key priorities which support the growth of Lancashire's economy in particular through maintaining and improving transport infrastructure and the delivery of the County Council's economic framework.

- (iii) Agrees to maintain the policy of passporting resources allocated for schools and transport to those services.
- (iv) Authorises the County Treasurer to make any final adjustments to the programme in relation to the phasing of expenditure prior to the programme being submitted to the Full Council.
- (v) Recommends the strategy set out in the report which will bring additional capital investment of £218.498m over the next four years to Lancashire. The strategy and its annexes are recommended to the Full Council on 17 February 2011, as adjusted in Annex 1 to these resolutions to reflect the final Local Government Finance Settlement.
- (vi) Instructs the County Treasurer to identify means of ensuring that the forecast resource gap in relation to the indicative 2014/15 programme can be bridged.
- (vii) Agrees to the level of over programming within the firm programme being set at a maximum of £12.7m, on the basis that this is kept under review with a view to being reduced over the life of the programme in order to maintain affordability.
- (viii) Notes the commitments from earlier years schemes flowing in to the 2011/12 to 2014/15 programme which will invest a total of £223.7m.
- (ix) Recommends to the Full Council the Minimum Revenue Provision Statement set out in the report.

Annex 1

Proposals for Additional Investment in the 2011/12 - 2014/15 Capital Investment Strategy

	Committed				Indicative 2014/15 £m
	2011/12 £m	2012/13 £m	2013/14 £m	Total £m	
Transport Block					
Maintenance of Assets (Highways Maintenance)	25.748	29.794	25.650	81.192	25.650
Improving Safety on our Streets	2.500	4.100	4.100	10.700	0.500
Public Transport Infrastructure Schemes	2.900	5.400	2.900	11.200	6.000
Major Schemes					
Blackpool to Fleetwood Tramway	2.965	2.000	2.000	6.965	2.000
Heysham M6 Link	2.200	4.044	5.153	11.397	4.228
Broughton By-Pass	0.800	1.600	9.011	11.411	7.209
Priorities Arising from the LTP Implementation Programme	2.130	1.850	1.850	5.830	1.850

Total Transport Programme	39.243	48.788	50.664	138.695	47.437
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	Committed				Indicative 2014/15 £m
	2011/12 £m	2012/13 £m	2013/14 £m	Total £m	
Economic Development Initiatives	3.000	3.000	3.000	9.000	3.000
Strategic Partnership Service Improvement Plans	7.655			7.655	
Other Schemes Tower Wood Centre Improvements	1.000	0.700		1.700	
Investment to Secure the Future Of Household Waste Recycling Centres	2.750			2.750	
Libraries Regenerate - Further Phase					1.000
2014/15 Core Programme of Repairs and Renewals					7.100
Total	53.648	52.488	53.664	159.800	58.537
Funding					
LTP	28.197	28.649	28.846	85.692	30.845
Additional Maintenance Commitment 10/11 Budget	5.000	5.000		10.000	
Additional Maintenance Commitment 11/12 Budget	2.136	6.367		8.503	
Contributions - Buckshaw Railway Station	2.900			2.900	
Contributions - Broughton By Pass	0.200	0.300	5.000	5.500	4.000
Invest to Save resources	7.655			7.655	
Earmarked Capital Receipt	0.250			0.250	
Invest to Save Prudential Borrowing	2.500			2.500	
Resources Released from Waste Infrastructure	8.713	21.287		30.000	
Internal Loan Arrangements (Vehicles etc)				-	5.000
New Capital Receipts				-	2.100
Total Funding Available	57.551	61.603	33.846	153.000	41.945
Over Programming	-3.903	-9.115	19.818	6.800	16.592

4. Report of a Decision taken by the Leader of the Council - Superfast Broadband in Lancashire

Resolved:- That the report of the decision taken by the Leader of the Council on Superfast Broadband in Lancashire, be noted.

5. Urgent Business

There was no urgent business to be considered.

6. Date of Next Meeting

The Cabinet noted that its next meeting would be held on Thursday 3 March 2011 at 2.00pm at the County Hall, Preston.

Phil Halsall
Chief Executive

County Hall
Preston