

Meeting of the County Council
Meeting to be held on 8 February 2018

Report submitted by the Cabinet

Part A

Electoral Division affected:
All

The County Council's Budget

Revenue Budget 2018/19 and Financial Strategy 2018/19 to 2021/22
Capital Investment Programme 2018/19 and beyond
Council Tax and Precept 2018/19
(Appendices 'A', 'B', 'C' and 'D' refer)

Contact for further information:

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Executive Summary

To consider the recommendations of the Cabinet on 18th January 2018 regarding:

- (i) The Revenue Budget 2018/19 and Financial Strategy 2018/19 to 2021/22: section 1 of this report and Appendix 'A';
- (ii) The Capital Investment Programme 2018/19 and beyond: section 2 of this report and Appendix 'A'; and
- (iii) The Council Tax and Precept 2018/19: section 3 of this report.

Please note: The reports on the County Council's Budget for 2018/19 considered by Cabinet at their meetings on 14th September 2017, 12th October 2017, 9th November 2017, 7th December 2017 and 18th January 2018 form part of the background to the report attached at Appendix 'A'. The detailed information from those reports is not repeated in this report. Those reports are available via the Cabinet Agendas on the County Council's website:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?Committeeld=122>

This report reflects the provisional settlement announced on 19th December 2017. It is currently thought likely that the final settlement will be announced in early February. This will therefore will be presented as an adjustment to the 2018/19 Budget at Full Council on 8th February 2018 if information has been made available.

Recommendation

The Full Council is asked to consider the proposals of the Cabinet from its meeting on 18th January 2018 and then approve:

- i. The Revenue Budget for 2018/19 and Financial Strategy 2018/19 to 2021/22;
- ii. The Capital Investment Strategy 2018/19 and future years; and
- iii. The Council Tax Requirement and Precept for 2018/19.

Consultations

As part of the budget process the contents of the report to Full Council have been subject to a consultation with a variety of stakeholders and partners, including discussions with the Trade Unions.

For the budget consultation, a letter was sent out on behalf of the County Council on 21st December 2017 outlining the budget position, and containing a link to the relevant reports with respondents then able to e-mail or send in their written feedback. The closing date for the consultation was 19 January 2018. The consultation documentation included all the savings proposals that have been agreed by Cabinet. These are set out in Appendices 'C' and 'D', with those proposals in Appendix 'C' being subject to further specific consultation, the outcome of which will be reported back to Cabinet for a final decision.

Appendix 'B' contains the responses that have been received following the budget consultation. A total of 17 responses were received, some of which were requests for the budget information to be presented differently going forward and commented on timeframes for responses. The substantive feedback primarily related to a small number of savings proposals, namely, Information Centres (CMTY027), Dial a Ride (CMTY024) and other savings proposals such as NOW Cards (CMTY026b) and Advocacy Services (ASC005). The majority of the feedback recognise the need to make savings but would prefer the County Council to look at alternatives to achieve the saving and review the running of the service/facilities (some respondents have asked for their interest in being involved in the running of the facility to be registered).

The specific savings areas responded on are all in Appendix 'C' and subject to further specific consultation, before a final decision is made by Cabinet.

The total value of those savings subject to specific consultations is £9.340m of which £6.734m falls in 2018/19. There is sufficient uncommitted funding available within the transitional reserve to cover the 2018/19 impact of any of these proposals should they ultimately not be agreed for implementation, noting that alternative savings would then need to be agreed.

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact/Ext
Money Matters – The Financial Strategy for 2018/19 – 2021/22	18 th January 2018	Angie Ridgwell Interim Chief Executive and Director of Financial Resources/x36260
Money Matters – Updated Medium Term Financial Strategy (2018/19 – 2021/22)	7 th December 2017	Neil Kissock/Financial Resources/x36154
Money Matters – 2017/18 Financial Position and Medium Term Financial Strategy	9 th November 2017	Neil Kissock/Financial Resources/x36154
Money Matters – Additional Savings 2018/19 – 2020/21	12 th October 2017	Neil Kissock/Financial Resources/x36154
Money Matters 2017/18 Position – Quarter 1	14 th September 2017	Neil Kissock/Financial Resources/x36154

Report of the Cabinet

The Cabinet **recommends** the adoption of the proposals set out below for the:

1. The Revenue Budget 2018/19 and Financial Strategy 2018/19 to 2021/22: section 1 of this report and Appendix 'A';
2. The Capital Investment Programme 2018/19 and beyond: section 2 of this report and Appendix 'A'; and
3. The Council Tax and Precept 2018/19: section 3 of this report.

1. Revenue Budget 2018/19

The Cabinet **recommends** the adoption of the revenue budget as set out in Appendix 'A' and in the tables below, which sets out the proposed budget allocations to services and other budget areas. It should be noted that there are savings proposals totalling c£12m being delivered in 2018/19 which have been agreed as part of setting the budget in previous years. In addition, Cabinet have agreed further savings totalling £81m throughout 2017/18, with £43m impacting directly in 2018/19 and included within the budget (the remainder of the savings are profiled to be achieved over 2019/20 and 2020/21). However, despite the additional savings, the County Council faces a financial gap of £47.619m in 2018/19 and it is proposed that the transitional reserve is used to support this shortfall.

Revenue Budget 2018/19	Net Budget £m
Adult Services	347.435
Education and Children's Services	157.910
Community Services	134.792
Customer Access	3.382
Corporate Services	19.218
Economic Development and Planning	3.669
Chief Executive Services	20.102
Finance Services	31.229
Programmes and Projects	0.784
Property Services	27.437
Public Health	20.855
Service Communications	0.834
Sub-Total	767.647
Financing Charges	39.039
Use of one off resources	-47.619
Revenue budget 2018/19	759.067

2. Capital Investment Strategy 2018/19 and beyond

The Cabinet **recommends** the adoption of the proposals for the Capital Investment Strategy 2018/19 and future years as set out at Appendix 'A'.

3. Council Tax and Precept 2018/19

The Cabinet **recommends** the Full Council to authorise, in pursuance of the provisions of the Local Government Finance Act 1992, and in order to meet the general expenses of the County Council for the financial year 2018/19.

a) Budget, Council Tax Requirement and Precept for 2018/19:

That the band D Council Tax for 2018/19 is increased by:

- 3% for the Adult Social Care Precept being an annual increase of £36.65 for Band D council taxpayers.
- 2.99% for General Council Tax being an annual increase of £36.53 for Band D council taxpayers.

This gives an overall position of:

	£m
Budget Requirement	759.067
Less RSG	56.979
Less Retained Business Rates	188.972
Less New Homes Bonus grant	3.765
Less Better Care Fund	22.656
Less Capital Receipts	18.525
Equals council tax cash	468.170
Divided by tax base	361,544.11
Gives Band D council tax for 2018/19	£1,294.92
2017/18 council tax	£1,221.74
Percentage increase	5.99%

- b) Council Tax (on the basis of a budget requirement of £759.067m and the Council Tax base for each property valuation band:

Council Tax Band	£
Band A	863.28
Band B	1,007.16
Band C	1,151.04
Band D (basic)	1,294.92
Band E	1,582.68
Band F	1,870.44
Band G	2,158.20
Band H	2,589.84

- c) The share for each District Council of the net total raised from the Council Tax of £468,170,698:

District	£
Burnley	29,581,761
Chorley	47,412,434
Fylde	38,525,165
Hyndburn	26,553,630
Lancaster	53,350,704
Pendle	30,639,750
Preston	48,167,139
Ribble Valley	29,656,258
Rossendale	26,194,937
South Ribble	46,022,493
West Lancashire	45,099,305
Wyre	46,967,124
Total raised from the Council Tax	468,170,700

Geoff Driver CBE
 Leader of the Council
 County Hall, Preston