

Cabinet - 3 February 2011

Item 2 (a) Revenue Budget 2011/12 to 2013/14: Resolutions

That Cabinet:

1. 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.
2. Notes the small surplus on the 2010/11 council tax collection fund providing additional, one-off resources of £0.099m in 2011/12.
3. 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.
4. 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

5. 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.
6. Notes the advice of the County Treasurer in relation to the robustness of the budget and the adequacy of reserves.
7. 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 Full Council on 17 February 2011.
8. Recommends a budget requirement of £769.117m, with a resulting nil increase in council tax as set out in the table below, to the County 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%

9. Agrees the proposed cash limits set out in Annex 1 of the report, subject to the amendments set out above, resulting in the following cash limits to be recommended to the County Council on 17 February 2011:

Budget	2011/12 Cash Limit £m	2012/13 Cash Limit £m	2013/14 Cash 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 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.