

## **Meeting of the Full Council - 27 February 2014**

### **Report of the Cabinet Meeting held on 5 December 2013**

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

### **External Audit**

#### **Lancashire County Council and Lancashire County Pension Fund - Annual Audit Letter 2012/13**

The Cabinet considered a report setting out the external auditor's Annual Audit Letter for Lancashire County Council and the Lancashire County Pension Fund for 2012/13.

Cabinet noted the audit conclusions summarised in the Annual Audit Letter for 2012/13 for Lancashire County Council and the Lancashire County Pension Fund as set out at Appendix 'A'.

### **Proposal to Introduce 0300 Telephone Numbers for Lancashire County Council Services**

The Cabinet considered a report setting out a proposal to replace the County Council's series of 0845 telephone numbers with 0300 telephone numbers by 31 March 2014.

Cabinet:

1. Agreed to the replacement of the County Council's series of 0845 telephone numbers with 0300 telephone numbers by 31 March 2014; and
2. Requested the Interim Chief Executive to report to the Cabinet meeting scheduled for 24 January 2014 on the implementation of these changes including the proposed communications strategy and any implications for the County Council beyond those outlined in this report.

### **Money Matters - The Financial Strategy 2014/15 - 2017/18**

The Cabinet considered a report setting out an update on the Council's financial strategy for 2014/15 to 2017/18.

Cabinet:

1. Endorsed the further savings identified through the ongoing work by the Council's management team of £8.744m in 2014/15, as set out in Annex 1 to the resolutions;

2. Noted the remaining uncertainties within the 2014/15 revenue budget relating to:
  - the announcement of the Chancellors Autumn Statement of the 5<sup>th</sup> December;
  - the level of funding, together with the conditions of, the Health and Social Care Integration Fund;
  - the forecast level of the council tax base in 2014/15;
  - the forecast level of business rates in 2014/15;
3. Proposed that Cabinet considers its proposals for Council Tax at its meeting on 9 January 2014;
4. Proposed, for consultation, further policy options which impact on services totalling £1.827m in 2014/15 rising to £2.538m in 2017/18, as set out in Annex 2 to the resolutions;
5. Requested the views of the Budget Scrutiny Working Group on the proposals set out in these resolutions for consideration at future Cabinet meetings.

### **Preston City Centre**

The Cabinet considered a report proposing to transfer the ownership of Preston Bus Station and Multi Storey Car Park site from Preston City Council to Lancashire County Council; and for the County Council to enter into a collaboration agreement with Preston City Council to progress the regeneration and development of Preston City Centre.

Cabinet:

- (i) Agreed to the transfer of the ownership of Preston Bus Station and Multi Storey Car Park from Preston City Council to Lancashire County Council on the principal terms outlined in this report;
- (ii) Authorised the Leader of the County Council, in consultation with the Interim Chief Executive, the County Secretary and Solicitor, and County Treasurer, to agree and conclude the final terms of the transfer of the ownership of Preston Bus Station and Multi Storey Car Park from Preston City Council to Lancashire County Council;
- (iii) Agreed to the County Council entering into a collaboration agreement with Preston City Council for the regeneration and development of Preston City Centre on the principal terms outlined in this report; and
- (iv) Authorised the Leader of the County Council, in consultation with the Interim Chief Executive, the County Secretary and Solicitor, and County Treasurer to agree and conclude the final terms of the collaboration agreement with Preston City Council for the regeneration and development of Preston City Centre.

### **Lancashire Fairness Commission Feasibility Study**

The Cabinet considered a report on proposals for a feasibility study on the potential establishment of an independent Fairness Commission in Lancashire

Cabinet:

- (i) Approved that a feasibility study be undertaken on the establishment of a Lancashire Fairness Commission;
- (ii) Approved that this study is undertaken by an Officer/Member working group that will present its findings to the meeting of Cabinet on 6 March 2014.

### **Report of the Cabinet Meeting held on 11 December 2013**

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

### **One Connect Ltd**

The Cabinet considered a report setting out a number of financial and performance issues concerning One Connect Limited, the County Council's joint venture with British Telecommunications Plc (BT), which have been considered by the County Council's Cabinet, the County Council's Audit and Governance Committee and the Leader of the County Council.

Cabinet:

- (i) Noted the contents of this report;
- (ii) Requested Officers to investigate whether the partnership with BT is securing the intended benefits for the County Council. This will include the issues outlined in paragraphs 2 - 5 of the report and any other matters which may be identified; and
- (iii) Authorised the County Secretary and Solicitor and the County Treasurer to seek external legal and financial assistance to support this process.

### **Report of the Cabinet Meeting held on 9 January 2014**

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

### **Early Action Response**

The Cabinet considered a report setting out proposals for the establishment of an Early Action Response service, in collaboration with Lancashire Constabulary that will provide enhanced out-of-hours and intensive support to prevent the need for statutory assessment or intervention across children, young people and adults.

Cabinet:

- (i) Agreed the re-alignment of a maximum of £3.0m strategic investment reserve allocation towards an early action approach (£1.0m for each of the next financial years subject to review);

- (ii) Agreed the development of a multi-disciplinary, integrated early response service in principle; and
- (iii) Supported an approach to statutory and Voluntary, Community and Faith Sector (VCFS) partner organisations to contribute resource to the early response service.

### Money Matters: The 2014/15 Budget and Financial Strategy 2015/16 to 2017/18

The Cabinet considered a report setting out an update on the 2014/15 Budget and Financial Strategy 2015/16 to 2017/18.

Cabinet:

1. Noted the impact of the Local Government Finance Settlement which was published on 18 December 2013 increasing the provisional level of Council resources by £0.393m in 2014/15 and by £1.149m in 2015/16;
2. Noted the additional costs identified of £0.190m in 2014/15 relating to Preston Bus Station and £3.506m in 2015/16 relating to the removal of government funding for the Care and Urgent Needs support programme;
3. Endorsed the proposed re-phasing of proposals that brings £2.182m of savings in to 2014/15 with the consequential impact of reducing the savings delivered in 2015/16 by £2.182m, the reductions in cost base that have been identified of £0.970m in 2014/15 and the further efficiency savings of £2.967m in 2014/15 summarised in Annex 1 of the resolutions;
4. Proposed, for consultation, policy options for reductions in service and for increasing income through charging options totalling £0.480m in 2014/15 rising to £5.140m in 2017/18, as set out in Annex 2 of the resolutions;
5. Proposed, for consultation, a Council Tax increase of 1.99%, giving a charge of £1,107.74 for a Band D property in 2014/15. This is subject to the publication of the Council Tax referendum threshold principles by the government;
6. Noted the impact on the revenue budget of these resolutions as summarised below:

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
<b>Savings gap following Cabinet 5 December</b>	<b>16.280</b>	<b>64.665</b>	<b>46.959</b>	<b>45.552</b>	<b>173.456</b>
<i>Additional costs:</i>					
Preston Bus Station	0.190				0.190
Removal of funding for the Care and Urgent Needs Support programme		3.506			3.506
<i>Additional Resources:</i>					
Results of Local Government Finance Settlement	-0.393	-1.149			-1.542
<i>Further Savings proposals:</i>					
Re-phasing of savings	-2.182	2.182			-

	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
Reductions to the cost base	-0.970				-0.970
Efficiency savings	-2.967				-2.967
Policy Options	-0.480	-0.740	-2.140	-1.780	-5.140
Increase in Council Tax by 1.99%	-7.246				-7.246
<b>Remaining Gap</b>	<b>2.232</b>	<b>68.464</b>	<b>44.819</b>	<b>43.772</b>	<b>159.287</b>

7. Proposed that the remaining gap in 2014/15 up to a maximum of £5m be met by the use of County Fund balances. This to be subject to any further changes resulting from the final Local Government Finance Settlement, the final confirmation of the tax base by the District Councils in early February and the results of the budget consultation;
8. Requested that Management Team continues to identify efficiency savings and cost reduction measures throughout 2014/15 in order that the drawdown of reserves is not required in 2014/15;
9. Requested that Management Team brings forward proposals for the reshaping and the reduction in size of the County Council in order to deliver the savings target of £159.287m for the three year period from 2015/16 to 2017/18;
10. That the District Councils' provisional forecast of the surplus of £4m on the 2013/14 Council Tax account be added to the Council's downsizing reserve;
11. Noted the level of the Council's share of the 2014/15 returned New Homes Bonus top-slice of £0.583m and the pressure in 2014/15 of £0.359m resulting from the level of New Homes Bonus grant being lower than forecast and agree that the available net resource of £0.224m be added to the Council's downsizing reserve;
12. Requested the views of the Budget Scrutiny Working Group on all the proposals set out in these resolutions for consideration at Cabinet on 6 February 2014;
13. Agreed to formally consult the following organisations in relation to the 2014/15 budget proposals:
  - The 12 Borough and City Councils within Lancashire,
  - The Police and Crime Commissioner for Lancashire,
  - Lancashire Constabulary,
  - The Lancashire Combined Fire Authority
  - The unitary councils of Blackburn with Darwen and Blackpool
  - The recognised Trades Unions,
  - The Lancashire Youth Council,
  - The Lancashire Enterprise Partnership,
  - Other representative bodies of Lancashire business
14. In relation to the Schools Budget, agreed that:
  - The County Council's allocation of Dedicated Schools Grant (DSG) is applied in its entirety to the Authority's Schools Budget and not to supplement the Schools Budget from other resources available to the Authority, and
  - The detailed allocation of resources within the Schools Budget should be determined at a later date by the Cabinet Member for Children, Young People and Schools in consultation with the Interim Executive Director for Children

and Young People and the County Treasurer in conjunction with the Lancashire Schools Forum.

15. Noted the Council's capital programme for 2014/15 and future years;
16. Approved the addition of £0.080m to the capital programme in respect of Environmental and Community projects and the consequential increase in the level of over-programming.

### **Report of the Cabinet Meeting held on 24 January 2014**

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

### **Implementation of 0300 Telephone Numbers for Lancashire County Council Services**

The Cabinet considered a report explaining the proposed implementation of the agreed replacement of the County Council's series of 0845 telephone numbers with 0300 telephone numbers.

Cabinet approved the proposal for the implementation for the replacement of the County Council's series of 0845 telephone numbers with 0300 telephone numbers, with a go live date for all 0300 numbers on 27 March 2014 on the terms set out in this report.

### **One Connect Limited**

The Cabinet considered a report setting out proposals in relation to One Connect Limited. This item was considered under Part II (Not for Publication – Exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Cabinet approved the recommendations set out in the report.

### **Recommendations of the Cabinet Working Group on Household Waste Recycling Centres**

The Cabinet considered a report setting out details of the recommendations of the Cabinet Working Group on Household Waste Recycling Centres. This item was considered under Part II (Not for Publication – Exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Cabinet approved the recommendations set out in the report.

## **Report of the Cabinet Meeting held on 6 February 2014**

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### **Money Matters - Update on the County Council's Financial Position for 2013/14**

The Cabinet considered a report on the County Council's financial position at 31 December 2013, i.e. the third budget monitoring report for 2013/14, which highlighted the high risk financial issues facing the County Council, both in the current and future financial years, together with any action which may be required; the Council's likely financial position at the end of the financial year and the impact on the Council's overall financial outlook.

Cabinet:

- (i) Noted the forecast position for the 2013/14 revenue budget and capital investment programme;
- (ii) Approved that £1.8m relating to unrealised commitments that are no longer required that are held on the Council's balance sheet be transferred into the Downsizing reserve;
- (iii) Noted the forecast position on the Council's County Fund Balance and Downsizing Reserve.

### **Approval of the East Lancashire Highways and Transport Masterplan**

The Cabinet considered a report setting out the East Lancashire Highways and Transport Masterplan for approval.

Cabinet:

- (i) Approved the publication of the joint East Lancashire Highways and Transport Master Plan and the delivery of the studies that will allow the masterplan to be taken forward;
- (ii) Approved, as part of this work, the more detailed work necessary to establish whether there is a business case for a bypass, including what could ultimately be done along the North Valley to increase capacity as well as detailed consideration of all possible routes for an A56 Colne to Foulridge bypass.