

Cabinet Adjustment to the 2014/15 Budget Proposals

Full Council 20 February 2014

1. Revenue Budget 2014/15

That the proposal option in respect of a reduction in the Winter Service is withdrawn, reducing the level of savings in 2014/15 by £0.447m.

That the contribution from the Council's County Fund be increased by £0.447m to £2.676m in 2014/15 in order to present a balanced budget.

2. The Impact of the Adjustments

This adjustment has resulted in the following changes:

- a) In 2014/15 the total savings delivered from policy options will be reduced by £0.447m from £16.567m to £16.120m. The impact on the financial strategy for the period 2014/15 to 2017/18 is shown in the table below:

Summary of savings proposals	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
Impact of the review of costs	18.116	3.883	3.768	3.708	29.475
10% Challenge - efficiency savings	16.272	2.809	-	-	19.081
Reducing the cost of being in business – efficiency savings	14.522	1.769	2.313	6.729	25.333
Reshaping the way Services are delivered	7.460	7.970	9.960	6.960	32.350
Policy Options	16.120	11.292	6.258	1.950	35.620
Total	72.490	27.723	22.299	19.347	141.859

- b) The impact of the adjustments has resulted in the cash limit budgets for 2014/15 as shown in the summary below and the detail at Appendix 1 to this amendment.

Budget Area	*2013/14 adjusted budget	2014/15 Cash Limit	Change	
	£m	£m	£m	%
Adult Services, Health & Well-Being	335.201	325.961	-9.240	-2.76
Children & Young People	156.033	148.001	-8.032	-5.15
Environment	183.458	180.765	-2.693	-1.47
Office of Chief Executive	24.094	22.784	-1.310	-5.44
County Treasurer	4.496	3.771	-0.725	-16.13
Strategic Partner **	16.914	22.930	6.016	35.57
Corporate Expenditure	29.219	26.608	-2.611	-8.94
Financing Charges	32.349	30.834	-1.515	-4.68
Lancashire County Commercial Group	-1.751	-0.918	0.833	-47.57
Discretionary Hardship Claims	0.750	0.250	-0.500	-66.67
Contribution from Reserves	-	-2.676	-2.676	-
Total	780.013	758.310	-21.703	-2.78

Note * - Reflects in year budget movements between directorates and changes to financing in 2014/15 to provide consistency when comparing year on year cash limit movements.

Note ** - From the 1 April 2014, the Strategic Partner budget will reflect the return of a number of services from One Connect Ltd to the County Council.

3. Council Tax 2014/15 and Capital Investment Programme

The adjustment to the Cabinet's proposals for the 2014/15 revenue budget will have no impact on the proposed council tax increase of 1.99%, or the capital investment strategy.

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