

Cabinet 4 December 2014

Money Matters: The Financial Strategy 2015/16 to 2017/18

Draft Resolutions

1. To note the update from the County Treasurer on the risks and uncertainties within the Council's financial position over the next three years
2. To consider the views of the Budget Scrutiny Working Group in framing Cabinet's budget proposals for 2015/16 to 2017/18
3. To consult on the revised service offer proposals put forward by the Chief executive and her Management Team, with responses to be received by the 19 December 2014, to enable Cabinet to consider all responses at the meeting of Cabinet on 8 January 2015
4. To request the views of the Budget Scrutiny Working Group on the further proposals set out in these resolutions for consideration at the meeting of Cabinet on 8 January 2015.

The Proposed Service Offer for Lancashire County Council – Revised Proposals

1. Introduction

On the 6 November 2014, Cabinet published the Management Team's proposals for a new service offer to Lancashire's communities. Reflecting the financial challenge facing the Council, it set out in an open and transparent way what can be delivered within the resources available. This new service offer seeks to ensure that organisationally, the Council is as effective as possible at delivering services, developing new ways of running services and working in partnership with other public and third sector organisations, while still providing high-value, quality services which build community resilience, reduce inequalities and safeguard those most at risk.

2. The Proposed Service Offer Package

The total value of the service offer put forward by the Chief Executive and her Management Team on 6 November is set out below:

	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m
Level of Savings Required	79.591	51.560	45.523	176.674
Savings Arising from the Service Offers and reduction in the cost of being in business	66.170	38.726	37.052	141.948
Remaining Gap	13.421	12.834	8.471	34.726

On the 6 November, Cabinet asked the Chief Executive to bring forward further service offer recommendations which bridge the gap in 2015/16 and future years.

The Chief Executive and her Management Team recognise the uncertainty regarding the Council's resource position for 2015/16 and future years, and in particular:

- Confirmation from the Secretary of State regarding the level of council tax increase above which a referendum must be held
- The level of government support in 2015/16 and future years
- Final information from the District and City Councils regarding the council tax base and local share of the national non domestic business rates.

Taking this into account, the Chief Executive and her Management Team have considered a revised set of proposals, which seek to balance this uncertainty with proposals for a service offer package which will deliver the level of savings needed over the next three years.

The table below sets out the revised service offer proposals, and the revised level of savings delivered by them:

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
The budget gap as at Cabinet on 6 November 2014	79.591	51.560	45.523	176.674
Less : The savings from the proposed service offers presented to Cabinet on 6 November 2014	66.170	38.726	37.052	141.948
Remaining Gap	13.421	12.834	8.471	34.726
Additional service offer proposals <i>(this sets out the additional savings to be delivered by the revised service offer proposals) :</i>				
• Residential Services, Fostering and Adoption	0.500	-	-	0.500
• Highways	2.000	-	-	2.000
• Supporting People	-	-	3.000	3.000
• Public Health and Wellbeing	3.000	3.000	2.500	8.500
• Adults Social Care Contingency (reflecting the re-phasing of savings)	0.750	2.250	-3.000	-
Total of Revised Service Offer Proposals	6.250	5.250	2.500	14.000
This leaves a new gap to bridge of	7.171	7.584	5.971	20.726

The revised service offer proposals, which highlight the changes from those published on the 6 November, are attached at Appendix A to this narrative.