

**Meeting of the County Council  
Meeting to be held on 12 February 2015**

Report submitted by the Cabinet

**Part A**

Electoral Division affected:  
All

**Revenue Budget 2015/16 and Financial Strategy 2016/17 to 2017/18  
Capital Investment Programme 2015/16 and beyond  
Council Tax and Precept 2015/16**  
(Appendix A refers)

Contact for further information:  
Gill Kilpatrick, (01772) 534715, County Treasurer  
[Gill.Kilpatrick@lancashire.gov.uk](mailto:Gill.Kilpatrick@lancashire.gov.uk)

**Executive Summary**

To consider the recommendations of the Cabinet on 5 February 2015 regarding:

1. The Revenue Budget 2015/16 and Financial Strategy 2016/17 to 2017/18: section 1 of this report and Appendix A;
2. The Capital Investment Programme 2015/16 and beyond: section 2 of this report and Appendix A; and
3. The Council Tax and Precept 2015/16: section 3 of this report.

**Please note:** The reports on the County Council's Budget for 2015/16 considered by Cabinet at their meetings 6 November 2014, 4 December 2014, 8 January 2015 and 5 February 2015 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 Council's website:

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

**Recommendation**

The Full Council is asked to consider the proposals of the Cabinet from its meeting on 5 February 2015 and then approve:

- The Revenue Budget for 2015/16 and Financial Strategy 2016/17 to 2017/18;
- The Capital Investment Strategy 2015/16 and future years; and
- The Council Tax Requirement and Precept for 2015/16.

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

Paper	Date	Contact/Directorate/Ext
Grant Settlement and Budget working papers	February 2015	Gill Kilpatrick/County Treasurer's Department/Ext 38102

## Report of the Cabinet

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

- 2015/16 revenue budget and Financial Strategy 2016/17 to 2017/18,
- the capital investment strategy 2015/16 and beyond, and
- the council tax and precept for 2015/16.

### 1. Revenue Budget 2015/16

The Cabinet **recommends** the adoption of the revenue budget proposals as set out in Appendix A and in the tables below, which sets out the proposed budget allocations to services and other budget areas.

<b>Revenue budget 2015/16</b>	<b>Gross Budget</b>  (The amount we expect to spend)  <b>£m</b>	<b>Income</b>  (The amount we expect to receive)  <b>£m</b>	<b>Net Budget</b>  (The cost to the County Council)  <b>£m</b>
<b>Cost of Being in Business</b>	<b>105.937</b>	<b>(53.906)</b>	<b>52.031</b>
<b>Service Offer Proposals</b>			
Social Care	494.685	(119.486)	375.199
Other Services We Provide To Adults	16.979	(3.698)	13.281
Coroners Service	2.159	-	2.159
Public Health & Wellbeing	105.064	(75.610)	29.454
Other Services For Children & Young People	133.614	(79.112)	54.502
Highway Services	75.316	(44.498)	30.818
Bus & Rail Travel	48.671	(15.533)	33.138
Waste Management	104.908	(20.152)	84.756
Other Environment Services	16.500	(10.629)	5.871
Cultural Services	20.460	(5.130)	15.330
Economic Development and Skills	19.571	(18.913)	0.658
Care and Urgent Needs	1.548	-	1.548
<b>Total for the Service Offers</b>	<b>1,039.475</b>	<b>(392.761)</b>	<b>646.714</b>
Financing Charges	50.794	(18.400)	32.394
Use of one off resources		(4.464)	(4.464)
<b>Revenue budget 2015/16</b>	<b>1,196.206</b>	<b>(469.531)</b>	<b>726.675</b>

The revenue budget allocations shown above have been translated into cash limits for 2015/16 that reflect the new organisational structure as set out below:

	2015/16		
	Gross Budget	Income	Net
	(The amount we will spend)	(The amount we expect to receive)	The cost to the County Council)
	£m	£m	£m
(Note: HoS refers to the Head of Service within the structure)			
Chief Executive	0.237	0.000	0.237
HoS Communications	1.490	(0.022)	1.468
Director Lancashire Pension Fund	0.101	(0.131)	(0.030)
Investment Management	0.702	(0.896)	(0.194)
HoS Policy & Compliance	0.125	(0.166)	(0.041)
HoS Your Pension Service	2.895	(4.450)	(1.555)
HoS Customer Access	4.666	0.000	4.666
Corporate Director Operations and Delivery	0.162	0.000	0.162
Director Children's Services	0.968	(2.849)	(1.881)
Deputy Director Childrens Services	0.116	0.000	0.116
HoS Safeguarding, Inspection and Audit	4.603	(0.019)	4.584
HoS Safeguarding, Inspection and Audit (Outside Scope)	0.372	(0.197)	0.175
HoS Children Social Care	53.126	(1.096)	52.029
HoS Adoption Fostering & Residential YOT	28.489	(2.780)	25.708
HoS Special Educational Needs and Disability	16.139	(0.664)	15.476
HoS Special Educational Needs and Disability (Outside Scope)	4.620	(2.900)	1.720
HoS School Improvement	8.333	(0.854)	7.478
HoS School Improvement (Outside Scope)	5.562	(5.780)	(0.218)
HOS Traded Services (Start Well)	24.858	(25.973)	(1.115)
HOS Traded Services (Start Well) (Outside Scope)	16.658	(19.252)	(2.594)
Director Adult Services	0.144	0.000	0.144
HoS Safeguarding	2.843	(0.176)	2.667
HoS Social Care Services (Adults)	367.475	(107.822)	259.652
HoS Older People	16.311	(8.570)	7.741
HoS Disability	27.715	(3.645)	24.069
Director Community Services	0.115	0.000	0.115
HoS Highways	75.407	(44.157)	31.250
HoS Public & Integrated Transport	76.267	(20.655)	55.612
HoS Waste Management	87.920	(17.698)	70.221

(Note: HoS refers to the Head of Service within the structure)	2015/16		
	Gross Budget	Income	Net
	(The amount we will spend)	(The amount we expect to receive)	The cost to the County Council)
	£m	£m	£m
HoS Libraries, Museums, Culture & Registrars	20.065	(4.899)	15.165
Director Public Health and Wellbeing	1.338	(0.095)	1.244
Deputy Director Public Health	0.533	0.000	0.533
HoS Wellbeing, Prevention and Early Help	84.698	(9.809)	74.889
HoS Health Equity, Welfare & Partnerships	5.836	(3.120)	2.716
HoS Patient Safety & Quality Improvement	2.676	(0.305)	2.371
HoS Emergency Planning & Resilience	0.845	(0.179)	0.666
HoS Trading Standards & Scientific Services	4.275	(1.191)	3.083
Director of Development and Corporate Services	0.118	0.000	0.118
Director Economic Development (including HoS Business Growth, HoS Strategic Economic Development, HoS LEP Coordination)	1.809	0.000	1.809
Director Programmes and Project Management	0.115	0.000	0.115
HoS Health & Care Systems Development	0.643	(0.472)	0.171
HoS Programme Office	1.449	(0.023)	1.426
HoS Planning and Environment	4.719	(1.501)	3.218
HoS Estates	1.891	(0.868)	1.024
HoS Design and Construction	24.564	(19.726)	4.838
HoS Skills, Learning and Development	14.402	(13.185)	1.217
Director Corporate Services	0.114	0.000	0.114
HoS Human Resources	2.344	(2.297)	0.047
HoS Facilities Management	6.150	(2.197)	3.953
HoS Core Business Systems/Transformation	30.474	(16.350)	14.124
Corporate Director Commissioning & Deputy Chief Executive	0.158	0.000	0.158
Coroners Service	2.151	0.000	2.151
Director of Governance, Finance & Public Services	0.142	(0.000)	0.142
Director Financial Resources	0.101	0.000	0.101
HoS Office of the Police and Crime Commissioner			
Treasurer	0.080	(0.097)	(0.017)
HoS Financial Management (Development and Schools)	1.642	(1.572)	0.070
HoS Financial Management (Operational)	3.040	(0.682)	2.358

	2015/16		
	Gross Budget	Income	Net
	(The amount we will spend) £m	(The amount we expect to receive) £m	The cost to the County Council) £m
(Note: HoS refers to the Head of Service within the structure)			
HoS Corporate Finance	1.463	(0.332)	1.131
HoS Exchequer Services	5.513	(0.623)	4.890
Director Corporate Commissioning	0.144	0.000	0.144
HoS Policy, Information & Commissioning (Start Well )	0.487	(0.077)	0.410
HoS Policy, Information & Commissioning (Live Well)	2.087	(0.166)	1.921
HoS Policy, Information & Commissioning (Age Well)	0.887	0.000	0.887
HoS Area Public Service Integration	0.253	0.000	0.253
HoS Procurement	2.666	(1.082)	1.584
HoS Asset Management	3.469	0.000	3.469
Director Legal, Democratic and Governance	0.101	0.000	0.101
HoS Legal and Democratic Services	10.221	(0.571)	9.650
HoS Internal Audit	0.881	(0.172)	0.709
<u>Non Service Issues for Corporate Budgets</u>			
Subscription & Fees	0.570	0.000	0.570
Corporate	22.183	(22.149)	0.034
Pension Liability	30.841	0.000	30.841
Financing Charges	64.803	(18.400)	46.403
<u>Large Specific Grants used to Support the Authority</u>			
Public Health Grant	0.000	(59.801)	(59.801)
Education Support Grant	0.000	(16.434)	(16.434)
Other	0.000	(0.181)	(0.181)
<u>Resources to be allocated to New Services as structures below Grade 11 are developed</u>	4.844	(0.222)	4.623
<b>2015/16 Revenue Budget</b>	<b>1,196.206</b>	<b>(469.531)</b>	<b>726.675</b>

## 2. Capital Investment Strategy 2015/16 and beyond.

The Cabinet **recommends** the adoption of the proposals for the Capital Investment Strategy 2015/16 and future years as set out at Appendix A.

## 3. Council Tax and Precept 2015/16

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 2015/16:

### a) Budget, Council Tax Requirement and Precept for 2015/16:

<b>Budget Requirement</b>	<b>726.675</b>
Less formula grant	158.963
Less Retained Business Rates	176.724
Less New Homes Bonus grant	3.884
<b>Equals council tax cash</b>	<b>387.104</b>
Divided by tax base	342,636.38
Gives Band D council tax	1,129.78
2014/156 council tax	1,107.74
<b>Percentage increase</b>	<b>1.99%</b>

### b) Council Tax (on the basis of a budget requirement of £726.675m and the Council Tax base of 342,636.38) for each property valuation band:

	£
Band A	£753.19
Band B	£878.72
Band C	£1,004.25
<b>Band D (basic)</b>	<b>£1,129.78</b>
Band E	£1,380.84
Band F	£1,631.90
Band G	£1,882.97
Band H	£2,259.56

- c) The share for each District Council of the net total raised from the Council Tax of £387.104m:

	£
Burnley	£24,437,141
Chorley	£38,982,178
Fylde	£31,944,530
Hyndburn	£21,289,574
Lancaster	£43,496,530
Pendle	£25,552,573
Preston	£39,123,152
Ribble Valley	£24,519,615
Rosendale	£21,808,030
South Ribble	£38,925,994
West Lancashire	£37,946,587
Wyre	£39,077,847
Total raised from the council tax	<u>£387,103,752</u>

Jennifer Mein  
Leader of the Council  
County Hall, Preston