

## **Meeting of the Full Council**

**Meeting to be held on Thursday, 14 February 2019**

Report submitted by the Cabinet and Audit, Risk and Governance Committee

### **Part A**

Electoral Division affected: All
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#### **Revenue Budget 2019/20 and Financial Strategy 2019/20 to 2022/23**

#### **Capital Delivery Programme 2019/20**

#### **Council Tax and Precept 2019/20**

#### **Treasury Management Strategy and Non-Treasury Investment Strategy 2019/20**

(Appendices 'A', 'B', 'C', 'D' and 'E' refer)

Contact for further information:

Angie Ridgwell, Tel: (01772) 536260, Chief Executive and Director of Resources  
[angie.ridgwell@lancashire.gov.uk](mailto:angie.ridgwell@lancashire.gov.uk)

#### **Executive Summary**

To consider the recommendations of the Cabinet on 7 February 2019 regarding:

1. The revenue budget 2019/20 and financial strategy 2019/20 to 2022/23: section 1 of this report and Appendix 'A';
2. The capital delivery programme 2019/20: section 2 of this report and Appendix 'A'; and
3. The council tax and precept 2019/20: section 3 of this report.

To consider the recommendation of the Audit, Risk and Governance Committee considered on 28 January 2019 regarding the Treasury Management Strategy and Non-Treasury Investment Strategy 2019/20.

#### **Recommendation**

Full Council is asked to:

- i) Consider the proposals of cabinet from its meeting on 7 February 2019 and then approve:

- The revenue budget for 2019/20 and financial strategy 2019/20 to 2022/23;
  - The capital delivery programme for 2019/20;
  - The council tax requirement and precept for 2019/20
- ii) Consider the proposals of the Audit, Risk and Governance Committee from its meeting on 28 January 2019 and then approve the Treasury Management Strategy and Non-Treasury Investment Strategy 2019/20 (as set out at Appendix 'E').

## **Consultations**

As part of the budget process the contents of the report to full council have been subject to a consultation with a variety of stakeholders and partners, including discussions with the trade unions.

For the budget consultation, an email was sent out on behalf of the county council on 7 December 2018 outlining the budget position, and containing a link to the relevant reports with respondents then able to e-mail or send in their written feedback. The closing date for the consultation was 18 January 2019, however responses have been accepted after this date and included in this report until the publication deadlines were reached. Any responses received after this date will be shared with cabinet for their consideration. The consultation documentation included all the savings proposals that have been agreed by cabinet. These are set out in Appendices 'C' and 'D', with those proposals in Appendix 'C' being subject to further specific consultation, the outcome of which will be reported back to cabinet for a final decision.

Appendix 'B' contains the responses that have been received following the budget consultation. A total of 78 responses were received, with the most substantive feedback primarily related to a small number of savings proposals, namely, SC034 – Highways Network Regulation (Parking – On street pay and display) with significant feedback (70% of respondents) in relation to Colne, SC610 Lancashire Wellbeing Service, SC609 Health Improvement Services, SC611 Home Improvement Services and SC023 – Highways County Wide Services – Street Lighting – Part Night Lighting. (The saving relating to street lighting is no longer being considered following a review of the saving and project planning). The majority of the feedback recognises the need to make savings but would prefer the County Council to look at alternatives to achieve the saving as they feel that these savings would have a detrimental impact on their local town or the services supporting them or their local residents.

The majority of the specific savings areas responded on are subject to further specific consultation, before a final decision is made by Cabinet. In relation to potential charges for on-street parking, any such proposal could only be made on the basis of a specific scheme and public consultation would form part of the process on a scheme by scheme basis.

The total value of those savings that require consultation prior to implementation is £7.529m (£2.150m 2019/20, £5.329m 2020/21 and £0.050m 2021/22). Should cabinet ultimately not agree to any of these savings being implemented post consultation, then there would be sufficient reserves to support the budget until part way through 2022/23.

Following review of the proposals by the new permanent Executive Director for Education and Children's Services there have been some slight amendments to the wording of a small number of templates. The amendments do not however fundamentally change the planned delivery of the saving. In addition SC109 Safeguarding, Inspection and Audit Team (£7,000) has been removed with the financial target added to SC122 Lancashire Safeguarding Children's Board.

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

Paper	Date	Contact/Directorate/Ext
Money Matters 2018/19 Position – Quarter 3	7 <sup>th</sup> February 2019	Angie Ridgwell/Chief Executive and Director of Resources/x36260
Money Matters 2018/19 Position – Quarter 2	3 <sup>rd</sup> December 2018	Angie Ridgwell/Chief Executive and Director of Resources/x36260
Reason for inclusion in Part II, if appropriate		
N/A		

## **Report of the Cabinet**

This report for full council has been published in advance of the meeting of the cabinet on 7th February, therefore full council will be advised of any changes to cabinet's recommendations at the meeting that are shown below.

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

1. The revenue budget 2019/20 and financial strategy 2019/20 to 2022/23: section 1 of this report and Appendix A;
2. The capital delivery programme 2019/20: section 2 of this report and Appendix A; and
3. The Council Tax and Precept 2019/20: section 3 of this report.

### **1. Revenue Budget 2019/20**

The Cabinet **recommends** the adoption of the revenue budget as set out in Appendix A and in the tables below, which sets out the proposed budget allocations to services and other budget areas. In reports throughout the financial year to cabinet, it is clear that the council is committed to the delivery of a significant savings programme (c£120m over the period 2019/20 to 2022/23) including £77m of new savings proposals agreed by cabinet during 2018/19. There are inherent risks with saving plans of this scale and scope and any significant under-delivery of agreed savings will further increase the funding gap. This has been identified as one of the highest level risks in the council's risk and opportunity register and there are comprehensive arrangements in place to track delivery of financial savings and take corrective actions as required. However, despite the additional savings, the county council faces a financial gap of £10.245m in 2019/20 and it is proposed that the transitional reserve is used to support this shortfall.

<b>Revenue Budget 2019/20</b>	<b>Net Budget £m</b>
Adult Services	343.054
Chief Executive Services	28.990
Children's Social Care	143.820
Corporate Services	18.954
Education and Skills	27.879
Finance Services	38.073
Growth, Environment and Planning	3.940
Waste Management	65.995
Highways and Transport	57.998
Public Health and Wellbeing	23.440
Strategy and Performance	33.615
<b>Sub-Total</b>	<b>785.758</b>
Financing Charges	26.762
Use of one off resources	-10.245
<b>Revenue budget 2019/20</b>	<b>802.275</b>

## **2. Capital Programme Delivery 2019/20**

The cabinet **recommends** the adoption of the proposals for the capital programme delivery 2019/20 as set out at Appendix A.

## **3. Council Tax and Precept 2019/20**

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 2019/20.

### a) Budget, Council Tax Requirement and Precept for 2018/19:

That the band D council tax for 2019/20 is increased by:

- 1% for the adult social care precept being an annual increase of £12.95 for band D council taxpayers.
- 2.99% for general council tax being an annual increase of £38.72 for band D council taxpayers.

This gives an overall position of:

	<b>£m</b>
<b>Budget Requirement</b>	<b>802.275</b>
Less Business Rates	230.657
Less Business Rates – Additional Levy	2.860
Less Business Rates – Pilot growth	2.886
Less New Homes Bonus	3.579
Less Improved Better Care Fund	45.532
Less Capital receipts	8.000
Less Social Care Grant	9.427
Less Collection Fund Surplus	5.436
<b>Equals council tax cash</b>	<b>493.898</b>
Divided by tax base	366,777.14
Gives Band D council tax for 2019/20	1,346.59
2018/19 council tax	1,294.92
<b>Percentage increase</b>	<b>3.99%</b>

- b) Council Tax (on the basis of a budget requirement of £802.275m and the Council Tax base for each property valuation band:

<b>Council Tax Band</b>	<b>£</b>
Band A	897.73
Band B	1,047.35
Band C	1,196.97
<b>Band D (basic)</b>	<b>1,346.59</b>
Band E	1,645.83
Band F	1,945.07
Band G	2,244.32
Band H	2,693.18

- c) The share for each district council of the net total raised from the council tax of £493,898,429:

<b>District</b>	<b>£</b>
Burnley	31,228,769
Chorley	50,004,798
Fylde	40,489,268
Hyndburn	28,189,515
Lancaster	55,748,826
Pendle	32,400,706
Preston	51,819,476
Ribble Valley	31,253,007
Rosendale	27,465,050
South Ribble	48,190,955
West Lancashire	47,475,808
Wyre	49,632,251
<b>Total raised from the Council Tax</b>	<b>493,898,429</b>

Geoff Driver CBE  
 Leader of the Council  
 County Hall, Preston