##### Meeting of the County Council

##### Meeting to be held on 9 February 2017

Report submitted by the Cabinet

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| **Part A** |

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| Electoral Division affected:  All |

**The County Council's Budget**

**Revenue Budget 2017/18 and Financial Strategy 2017/18 to 2020/21**

**Capital Investment Programme 2017/18 and beyond**

**Council Tax and Precept 2017/18**

(Appendix 'A' refers)

Contact for further information:

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| Executive Summary To consider the recommendations of the Cabinet on 8 December 2016 and 19 January 2017 regarding:   1. The Revenue Budget 2017/18 and Financial Strategy 2017/18 to 2020/21: section 1 of this report and Appendix 'A'; 2. The Capital Investment Programme 2017/18 and beyond: section 2 of this report and Appendix 'A'; and 3. The Council Tax and Precept 2017/18: section 3 of this report.   Please note: The reports on the County Council's Budget for 2017/18 considered by Cabinet at the meetings on 8 September 2016, 8 December 2016 and 19 January 2017 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 County Council's website at: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeId=122>Recommendation The Full Council is asked to consider the proposals of the Cabinet from its meetings on 8 December 2016 and 19 January 2017 and then approve:   * The Revenue Budget for 2017/18 and Financial Strategy 2017/18 to 2020/21; * The Capital Investment Strategy 2017/18 and future years; and * The Council Tax Requirement and Precept for 2017/18. |

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

1. The Revenue Budget 2017/18 and Financial Strategy 2017/18 to 2020/21: section 1 of this report and Appendix 'A';
2. The Capital Investment Programme 2017/18 and beyond: section 2 of this report and Appendix 'A'; and
3. The Council Tax and Precept 2017/18: section 3 of this report.
4. **Revenue Budget 2017/18**

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. It should be noted that the budget savings proposals agreed at Full Council in February 2016 for the financial year 2017/18 totalling £43m were agreed to be supported by £24.2m of one-off reserves, however due to early delivery of savings it is forecast that only £16.3m is required. In addition, £57.1m of reserves are proposed to meet the funding gap, resulting in £73.4m reserves being utilised for the 2017/18 budget.

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| **Revenue Budget 2017/18** | **Net Budget**  **£m** |
| Adult Social Care | 344.933 |
| Chief Executive | 1.823 |
| Children's Services | 132.788 |
| Community Services | 131.976 |
| Corporate Commissioning | 13.241 |
| Corporate Director Operations and Delivery | 3.660 |
| Development and Corporate Services | 34.611 |
| Governance, Finance and Public Services | 26.328 |
| Corporate & Other | 33.120 |
| Public Health | 22.729 |
| **Sub-Total** | **745.209** |
| Financing Charges | 36.718 |
| Use of one off resources | -57.106 |
| **Revenue budget 2017/18** | **724.821** |

1. **Capital Investment Strategy 2017/18 and beyond**

The Cabinet **recommends** the adoption of the proposals for the Capital Investment Strategy 2017/18 and future years as set out at Appendix 'A'.

1. **Council Tax and Precept 2017/18**

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 2017/18.

1. Budget, Council Tax Requirement and Precept for 2017/18:

That the band D Council Tax for 2017/18 is increased by:

* Adult Social Care Precept 2% being an increase of £23.50
* General Council Tax 1.99% being an increase of £23.38

This gives an overall position of:

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|  | **£m** |
| **Budget Requirement** | **724.821** |
| Less RSG | 81.508 |
| Less Retained Business Rates | 181.391 |
| Less New Homes Bonus grant | 5.244 |
| Less Better Care Fund | 3.210 |
| Less Adult Care Support Grant | 5.543 |
| Less Transitional Grant | 1.154 |
| Less Capital Receipts | 12.500 |
| **Equals council tax cash** | **434.271** |
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| Divided by tax base | 355,452.51 |
| Gives Band D council tax for 2017/18 | £1,221.74 |
| 2016/17 council tax | £1,174.86 |
| **Percentage increase** | **3.99%** |

Council Tax (on the basis of a budget requirement of £724.821m and the Council Tax base for each property valuation band:

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| **Council Tax Band** | **£** |
| Band A | 814.49 |
| Band B | 950.24 |
| Band C | 1,085.99 |
| **Band D (basic)** | **1,221.74** |
| Band E | 1,493.24 |
| Band F | 1,764.74 |
| Band G | 2,036.23 |
| Band H | 2,443.48 |

1. The share for each District Council of the net total raised from the Council Tax of £434,270,550:

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| **District** | **£** |
| Burnley | 27,585,668 |
| Chorley | 43,901,565 |
| Fylde | 35,777,434 |
| Hyndburn | 24,675,483 |
| Lancaster | 49,236,122 |
| Pendle | 28,525,552 |
| Preston | 43,822,592 |
| Ribble Valley | 27,465,937 |
| Rossendale | 24,432,357 |
| South Ribble | 43,112,272 |
| West Lancashire | 42,015,883 |
| Wyre | 43,719,685 |
| **Total raised from the Council Tax** | **434,270,550** |

Jennifer Mein

Leader of the Council, County Hall, Preston

**Consultations**

The contents of this report are subject to an ongoing consultation with a variety of stakeholders and partners. At the time of writing this report there were no substantive responses, however Members will be kept informed of any further feedback received.

**Implications**:

This item has the following implications, as indicated:

These are set out in Appendix 'A'.

##### List of Background Papers

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| Paper | Date | Contact/Tel |
| Money Matters 2016/17 Financial Position and Medium Term Financial Strategy  Money Matters – The County Council's Re-profiled Capital Programme for 2016/17 to 2018/19 and later years  Money Matters 2016/17 Financial Position and Medium Term Financial Strategy  Money Matters – The Financial Strategy | 8 September 2016  6 October 2016  8 December 2016  19 January 2017 | Neil Kissock/(01772) 536154  Eddie Sutton/(01772) 533475  Neil Kissock//(01772) 536154  Neil Kissock//(01772) 536154 |

Reason for inclusion in Part II, if appropriate

N/A