

Meeting of the Full Council
Meeting to be held on Thursday, 13 February 2020

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

Part A

Electoral Divisions affected:
(All Divisions);

Revenue Budget 2020/21 and Financial Strategy 2020/21 to 2023/24
Capital Delivery Programme 2020/21
Capital Strategy 2020 - 2040
Council Tax and Precept 2020/21
Treasury Management Strategy and Non-Treasury Investment Strategy 2020/21
(Appendices 'A', 'B', 'C', 'D' and 'E' refer)

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Executive Summary

To consider the recommendations of the Cabinet on 6 February 2020 regarding:

1. The revenue budget 2020/21 and financial strategy 2020/21 to 2023/24: section 1 of this report and Appendix A;
2. The capital delivery programme 2020/21: section 2 of this report and Appendix A;
3. The capital strategy 2020-2040 section 3 of this report and Appendix B; and
4. The council tax and precept 2020/21: section 4 of this report.
5. The treasury management strategy and non-treasury investment strategy and the minimum revenue provision policy statement for 2020/21, as recommended by the Audit, Risk and Governance Committee at its meeting on 27 January 2020 Appendices C, D & E
6. An increase to the Authorised Borrowing Limit from £1,375m to £1,600m for the remainder of the 2019/20 financial year, as recommended by the Audit, Risk and Governance Committee at its meeting on 28 October 2019.

Recommendation

The Full Council is asked to consider the proposals of the Cabinet from its meeting on 6 February 2020 and then approve:

- The revenue budget for 2020/21 and financial strategy 2020/21 to 2023/24;
- The capital delivery programme for 2020/21;
- The capital strategy 2020-2040
- The council tax requirement and precept for 2020/21

The Full Council is asked to consider the proposals of the Audit, Risk and Governance Committee from its meeting on 27 January 2020 and then approve:

- The treasury management strategy, non-treasury investment strategy and minimum revenue provision policy statement 2020/21 (as set out at Appendices C, D & E).

The Full Council is asked to consider the proposals of the Audit, Risk and Governance Committee from its meeting on 28 October 2019 and then approve:

- An increase to the Authorised Borrowing Limit from £1,375m to £1,600m for the remainder of 2019/20 financial year.

The Full Council is asked to note and have regard to the advice of the Chief Executive and Director of Resources in relation to the robustness of the budget and the adequacy of reserves.

Consultations

As part of the budget process the contents of the report to cabinet has been subject to a consultation with a variety of stakeholders and partners, including with the trade unions.

For the budget consultation, an email was sent out on behalf of the county council on 28 January 2020 outlining the proposal for Council Tax and an Adult Social Care Precept 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 12 February 2020, and responses will be shared at the meeting. We recognise that this is a short timeframe to consult, but the timing of the consultation has been impacted by the General Election held in December 2019 and there being very little to consult on by way of new budget reductions for this year.

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

Paper Date Contact/Tel

None

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 6 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 2020/21 and financial strategy 2020/21 to 2023/24: section 1 of this report and Appendix A;
2. The capital delivery programme 2020/21: section 2 of this report and Appendix A; and
3. The Council Tax and Precept 2020/21: section 3 of this report.

1. Revenue Budget 2020/21

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 remains committed to the delivery of a significant savings programme (c£58m over the period 2020/21 to 2022/23). 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. Following the Provisional Settlement and the announcement of additional funding for social care and the flexibility to raise an Adult Social Care Precept, the council is able to set a balance budget without recourse to reserves.

| Revenue Budget 2020/21 | Net Budget £m |
|----------------------------------|--------------------------|
| Adult Services | 365.591 |
| Chief Executive Services | 16.317 |
| Children's Social Care | 149.510 |
| Corporate Services | 18.790 |
| Education and Skills | 49.546 |
| Finance Services | 42.154 |
| Growth, Environment and Planning | 4.787 |
| Waste Management | 65.956 |
| Highways and Transport | 63.436 |
| Public Health and Wellbeing | 1.155 |
| Strategy and Performance | 33.903 |
| Sub-Total | 811.145 |
| Financing Charges | 27.455 |
| Available resources | 6.251 |
| Revenue budget 2020/21 | 844.851 |

2. Capital Programme Delivery 2020/21

The Cabinet recommends the adoption of the proposals for the capital programme delivery 2020/21 as set out at Appendix A.

3. Capital Strategy 2020-2040

The Cabinet recommends the adoption of the proposals for the capital strategy 2020-2040 as set out at Appendix B.

4. Council Tax and Precept 2020/21

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 2020/21.

a) Budget, Council Tax Requirement and Precept for 2020/21:

That the band D council tax for 2020/21 is increased by:

- 2% for the adult social care precept being an annual increase of £26.93 for band D council taxpayers.
- 1.99% for general council tax being an annual increase £26.80 for band D council taxpayers.

This gives an overall position of:

| | £m |
|--------------------------------------|----------------|
| Budget Requirement | 844.851 |
| Less Revenue Support Grant | 33.430 |
| Less Business Rates | 202.318 |
| Less New Homes Bonus | 3.503 |
| Less Improved Better Care Fund | 45.532 |
| Less Social Care Grant | 33.417 |
| Less Collection Fund Surplus | 7.003 |
| Equals council tax cash | 519.648 |
| | |
| Divided by tax base | 371,092.21 |
| Gives Band D council tax for 2020/21 | £1,400.32 |
| 2019/20 council tax | £1,346.59 |
| Percentage increase | 3.99% |

- b) Council Tax (on the basis of a budget requirement of £844.851m and the Council Tax base for each property valuation band:

| Council Tax Band | £ |
|-------------------------|----------|
| Band A | 933.55 |
| Band B | 1,089.14 |
| Band C | 1,244.73 |
| Band D (basic) | 1,400.32 |
| Band E | 1,711.50 |
| Band F | 2,022.68 |
| Band G | 2,333.87 |
| Band H | 2,800.64 |

- c) The share for each district council of the net total raised from the council tax of £519,647,844:

| District | £ |
|--|--------------------|
| Burnley | 32,745,083 |
| Chorley | 52,425,908 |
| Fylde | 42,904,404 |
| Hyndburn | 29,333,903 |
| Lancaster | 58,393,344 |
| Pendle | 33,968,402 |
| Preston | 54,772,116 |
| Ribble Valley | 33,079,759 |
| Rossendale | 28,895,603 |
| South Ribble | 50,514,724 |
| West Lancashire | 50,382,015 |
| Wyre | 52,232,580 |
| Total raised from the Council Tax | 519,647,844 |

Geoff Driver CBE
 Leader of the Council
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