

Appendix 'A'

Financial Summary

The table below gives the County Council's financial position for 2015/16 as of the end of Quarter 3.

Note: This is based largely on financial data at the end of November 2015.

Ref	Service Grouping	Revised Annual Budget	Previous CABINET Forecast Variance	Current CABINET Forecast	Current Period Forecast Variance	Current Period Forecast Variance
			QTR 2	QTR 3	QTR 3	%
		£m	£m	£m	£m	%
3.1	ADULTS SERVICES	292.148	19.274	311.292	19.144	7%
3.2	CHILDRENS SERVICES	103.618	5.010	106.428	2.810	3%
3.3	COMMUNITY SERVICES	168.535	-0.753	164.213	-4.322	-3%
3.4	PUBLIC HEALTH & WELLBEING	29.559	2.880	31.297	1.738	6%
3.5	LANCASHIRE PENSION FUND	-1.842	0.029	-1.792	0.050	-3%
3.6	COMMISSIONING	37.700	0.820	36.077	-1.623	-4%
3.7	DEVELOPMENT AND CORPORATE SERVICES	35.393	3.472	40.142	4.749	13%
3.8	CHIEF EXECUTIVE	61.564	-11.066	48.609	-12.955	-21%
	LCC (ALL) NARRATIVE TOTAL	726.675	19.666	736.266	9.591	1%

An overspend is forecast on the revenue budget of £9.591m in 2015/16 against the budget of £726.675m which will be an in-year call on reserves. This represents a reduction of £10.075m from the forecast overspend position reported to Cabinet in November, which reflected the position at the end of quarter 2. The significant improvement reflects positive actions taken to stop all non-essential expenditure, tight management of vacancies and management actions to control and reduce where possible all other areas of expenditure and results in a reduced impact on reserves.

In addition, the Money Matters report which was agreed at Cabinet in November included a budget saving for 2016/17 onwards relating to Capital Financing Charges. This is to be delivered via a revised Minimum Revenue Provision Policy being agreed at Full Council in February 2016. On the basis of further work undertaken, this could be retrospectively implemented from April 2015 with an estimated impact of a reduced charge to the revenue account of c£10m this year. This would, as the forecast currently stands, result in almost a balanced budgetary position for 2015/16.

The forecast includes the application of earmarked reserves of £17.495m utilised to support base budget pressure which have been built into the Medium Term Financial Strategy (MTFS) going forward from 2016/17. A further £24.758m of reserves has been highlighted which support one-off in year project work and invest to save schemes which have a net nil effect to the overall revenue forecast and have not been included in the MTFS.