



INFORMATION

Budget and Performance Panel

Tuesday, 22nd January 2019

The presentation provided at the meeting is enclosed, as follows:

Agenda Item Number	Page	Title
4	1 - 22	BUDGET AND POLICY FRAMEWORK UPDATE 2019/20 TO 2023/24
		Presentation by Councillor Anne Whitehead, Cabinet Member for Finance, Revenues and Benefits, Performance Management and Community Wealth Building.

Budget & Policy Framework Proposals 2019/20

Presentation by
Anne Whitehead

Cabinet Member for Finance, Revenues and Benefits,
Performance Management and Community Wealth Building

Budget & Performance Panel: 22 January 2019



Ambitions – Council Plan for 2018-22

- Clean, Green and Safe Neighbourhoods
- Healthy and Happy Communities
- A Thriving and Prosperous Economy
- A Smart and Forward Thinking Council

Where we started from (March 2018)

Our Medium Term Financial Strategy was

Year	Net Growth Proposals	Net Savings Proposals	Use of Reserves	Savings still to be made
2018/19	£0.3M	£0.3M	£1.0M	£0M (Balanced budget)
2019/20	£0.2M	£0.4M	£0.2M	£0.6M
2020/21	£0.06M	£0.4M	£0.02M	£1.9M
2021/22	£0.07M	£0.4M		£2.4M

Budgeted Funding Assumptions (Mar 2018) (£Millions)

Income Stream	2018/19	2019/20	2020/21	2021/22
Government Revenue	0.94	0.20	0	0
Support Grant				
Business Rates (Baseline Funding)	5.52	5.64	5.77	5.89
Business Rates (Growth)	0.67	0.68	0.70	0.72
New Homes Bonus	1.65	1.81	1.37	1.17
Council Tax	9.08	9.49	9.91	10.33
TOTAL	17.86	17.82	17.75	18.11

Update on budget proposals from Mar 2018

A Thriving and Prosperous Economy

- Economic Growth Plan being developed in partnership
- Development and launch of 'Lancaster Story'
- Establishment of Place Board
- Local community economic projects supported (30 people)
- Coastal Community Team established
- Funding achieved for Co-op building in Morecambe

Update on budget proposals from Mar 2018

A Thriving and Prosperous Economy

- Solar Farm - design and business case development
- Heysham Gateway – site improvement works
- Major investors supported (GVS, Veolia, Eden)
- Museums brought back under Council's control

Update on budget proposals from Mar 2018

A Smart and Forward Thinking Council

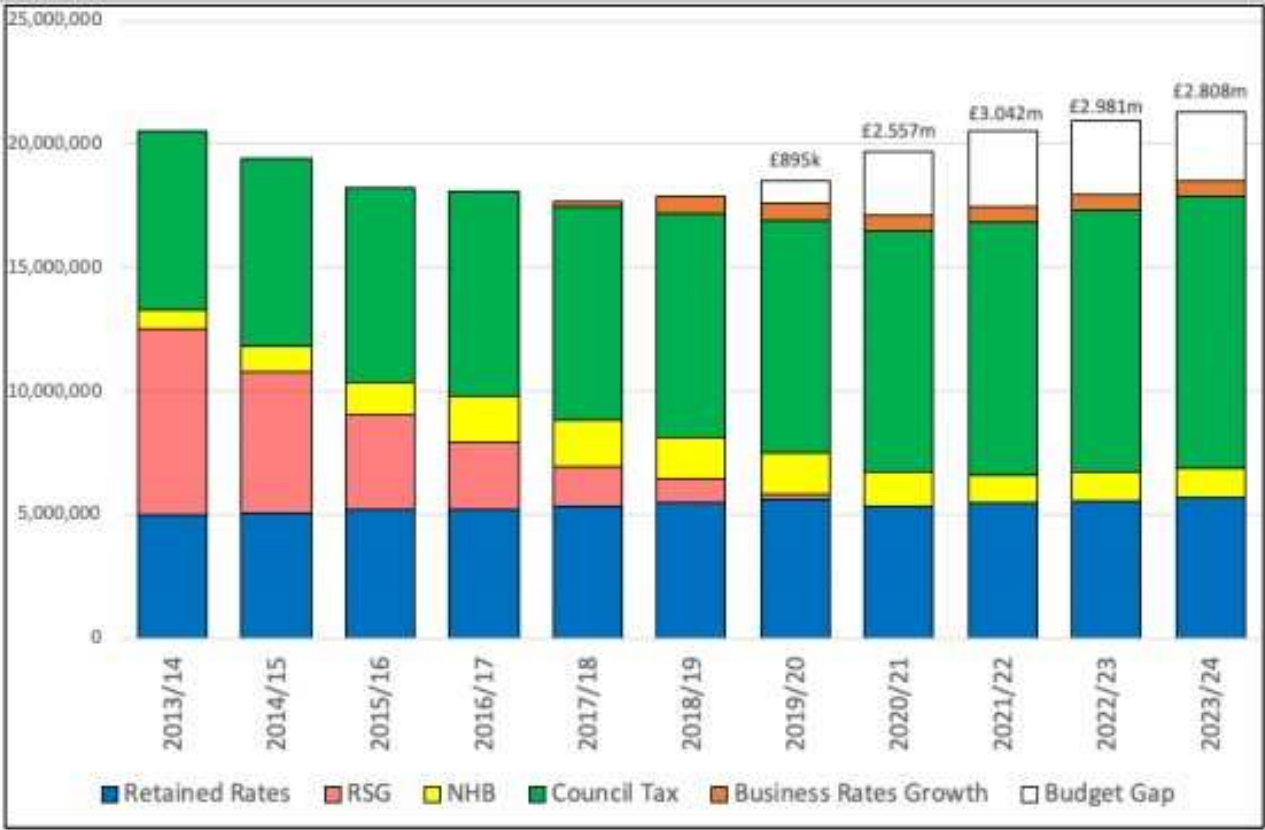
- Williamson Park Facilities expansion
- Business case for Local Authority Trading Companies
- Car Parks (Cable Street, St Georges Quay)
- Vehicle fleet review
- Waste collection management systems
- Bulky waste collection – service and charging review

Update on budget proposals from Mar 2018

A Smart and Forward Thinking Council

- ICT Network Performance Monitoring and Improvement
- Repair and maintenance of corporate property
- Rationalisation of Organisational Development capacity
- Savings achieved from Audit Collaboration and restructure
- Savings achieved from Revenues and Benefits shared service
- Extension of Charging for Planning Services

Spending Power 2013/14 to 2023/24 (Dec 2018)



Challenges facing Lancaster City Council

- Funded mainly from Business Rates and Council Tax
- Annual savings targets of about £2.6M for 2020/21, £3.0M for 2021/22
- Government to introduce major reforms to local government finance from 2020/21 onwards.
 - 75% Business Rates Retention
 - Fair Funding Review to address LA relative spending needs and resources
- We want to protect services for those who rely on them
- Number of large and exciting regeneration and infrastructure projects to consider and manage, e.g. Canal Quarter, Eden, Flooding Defences

Budget Proposals – Savings

- MRP - lower level of capital expenditure to be funded from borrowing
- Refuse/recycling – no additional round required in 2019/20
- Inflation savings – budget holders to keep expenditure at 2018/19 levels
- Additional car parking income even though fees to be frozen for 2019/20
- Reduction in repairs and maintenance of Council buildings
- Staff savings – from vacant posts, Directorate reorganisations

Budget Proposals – Growth Green, Clean and Safe Neighbourhoods

- CCTV – extension of CCTV service beyond pilot phase
- ASB team – continuation of ASB team (part funded from HRA)
- Bin sensor pilot
- Grassland management study
- Projects in local parks
- Garden waste collection – no increase to collection fees for 2019/20

Budget Proposals – Growth Happy and Healthy Communities

- Public Health Project Coordinator – fixed term contract to coordinate and deliver reductions in food and fuel poverty, social isolation and health inequalities

Budget Proposals – Growth A Thriving and Prosperous Economy

- Marketing and Communications – continuation of 2 posts to support economic development marketing initiatives
- Economic growth initiatives
 - *business and skills support*
 - *place marketing following launch of the ‘Lancaster Story’*
 - *local wealth building*
 - *Lancaster and South Cumbria Economic Region*
- Lancaster Visitor Information Centre
- Zoo extension
- Car parking – no increase to car parking fees for 2019/20

Budget Proposals – Growth

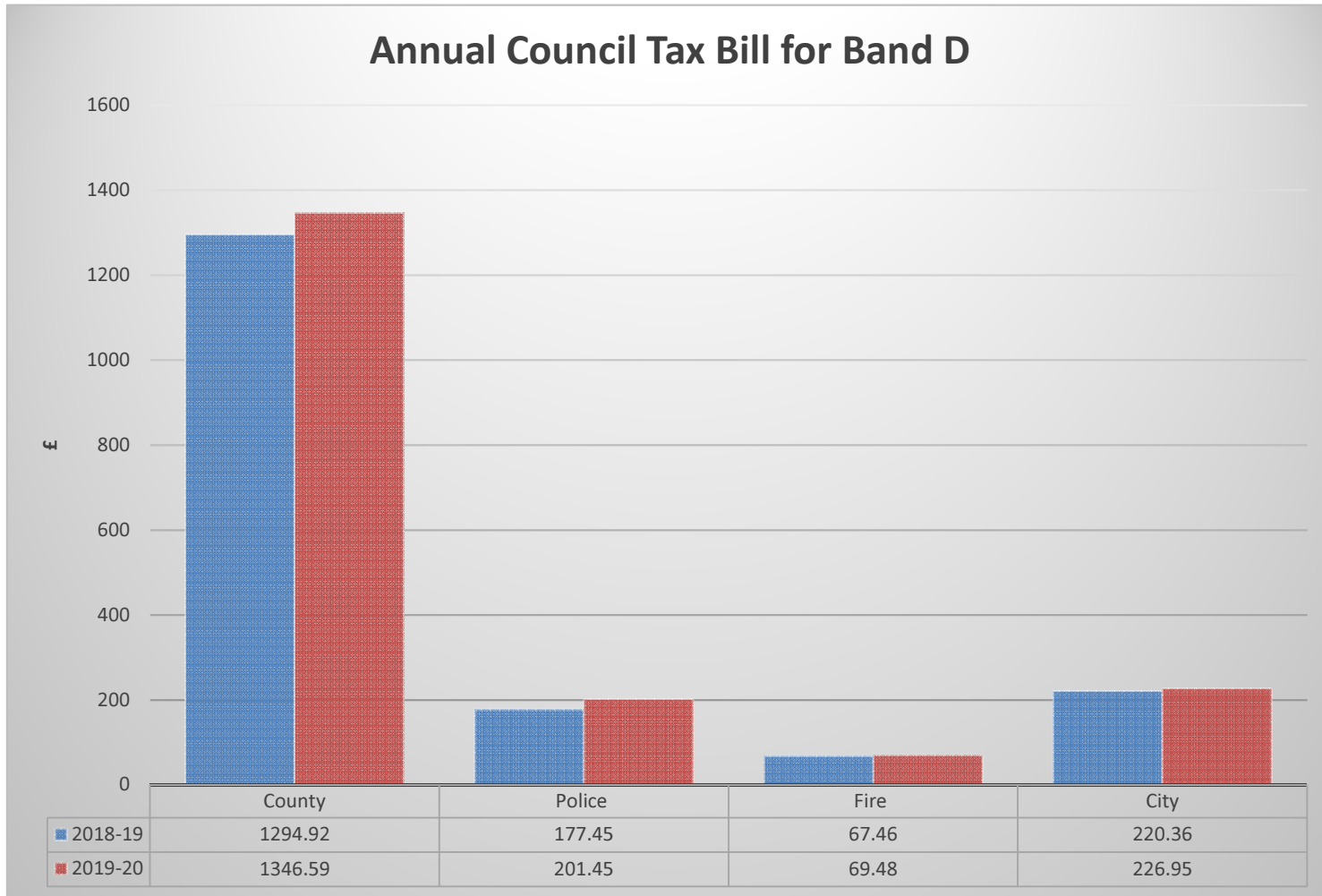
A Smart and Forward-Thinking Council

- Legal posts – to provide support in planning and property
- ICT – 2 apprentices to cover service desk and provide project support
- HR – fixed term contract to provide support during reorganisation
- Lancaster Full Fibre Network Development Funding

Where we will be with Budget Proposals (Mar 2019)

Council Tax (2.99% increase per year)

Year	Yearly amount (band D)	Increase per year (band D)
2019/20	£226.95	£6.59
2020/21	£233.73	£6.78
2021/22	£240.72	£6.99
2022/23	£247.92	£7.20



Where we will be with Budget Proposals (Jan 2019)

Our Medium Term Financial Strategy becomes

Year	Net Growth Proposals	Net Savings Proposals	Use of Reserves	Savings still to be made
2019/20	£0.3M	£1.1M	£0.36M	£0M (Balanced budget)
2020/21	£0.5M	£0.6M		£2.4M
2021/22	£0.5M	£0.6M		£2.9M
2022/23	£0.5M	£0.7M		£2.7M

How can we deliver our services with lower funding levels?

Funding the Future Strategy

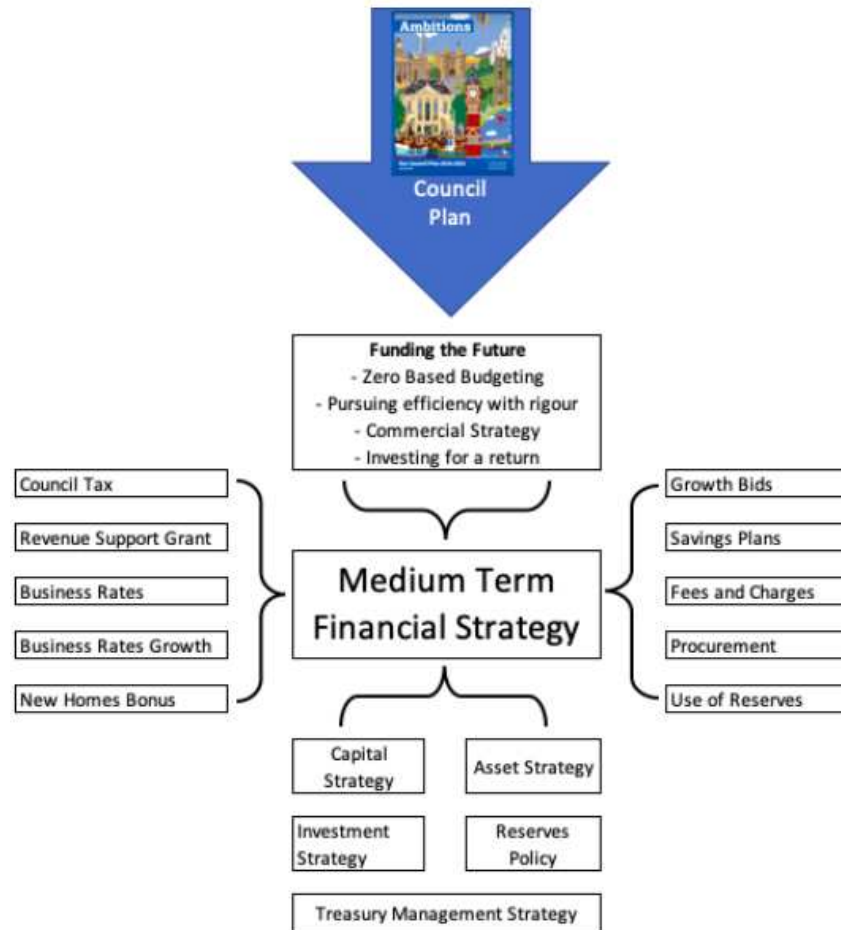
- A zero based budget strategy
- Rigorous program of 'Lean Reviews'
- Developing and implementing a Commercial Strategy
- Investing for a Return or to Reduce costs

How can we deliver our services with lower funding levels?

Investment Strategy Development

- Finance Test
- Outcomes Test
- Risk Management Test
- Governance Procedures

The Medium Term Financial Strategy



Budget & Policy Framework Proposals 2019/2020

Cabinet welcomes your views and feedback

Any Questions?