

Cabinet - 3 January 2013

Report of the County Treasurer

Electoral Division affected: All

The County Council's Budget 2013/14

(Appendix 'A' refers)

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Executive Summary

This report provides Cabinet with the details of the Local Government Finance Settlement for 2013/14 and 2014/15, which was announced on 19 December 2012. This settlement was the first under the new system of local government finance, the business rates retention scheme. The provisional settlement for 2013/14 is £0.5m less than the level forecast within the three year financial strategy. However, the further efficiency and below the line savings for 2013/14 agreed by Cabinet at its meeting on 6 December 2012 provided headroom of £1m against this possibility, and as such, the County Council's financial strategy remains on track for 2013/14.

The report also provides an update on the further uncertainties affecting the 2013/14 revenue budget including the level of grant to be received to deliver the County Council's new public health responsibilities from 1 April 2013, the impact of the local schemes for council tax support and changes to exemptions and discounts for council tax on empty properties. It is anticipated that these uncertainties will not be resolved until the end of January 2013, and the overall financial position for 2013/14 will be reported to Cabinet at the meeting on 7 February 2013.

Recommendations

The Cabinet is asked to:

- (i) Note the impact of the financial settlement announced by the Government on 19 December 2012 on the County Council and the Medium Term Financial Strategy for 2013/14 and 2014/15 as set out in the report at Appendix 'A';
- (ii) Note the significant level of uncertainty remaining in key areas of the revenue budget for 2013/14 which means that at this stage it is not possible to produce a finalised position, which should be available for the Cabinet's next meeting on 7 February 2013;

- (iii) Consider whether it wishes to recommend to Full Council that support be provided to billing authority schemes for discretionary hardship relief in relation to local schemes of Council Tax Support (as part of the final revenue budget for 2013/14), where the billing authority has determined to pass the full impact of the reduction in central government funding on to individual claimants.
- (iv) Consider the approach to consultation on the 2013/14 revenue budget with the following stakeholders:
- The appropriate Overview and Scrutiny Committees
 - The recognised Trade Unions
 - The Borough, City and Unitary Councils in Lancashire
 - The business community through the Chamber of Commerce and the Lancashire Enterprise Partnership
 - The Youth Council.
- (v) In relation to the Schools Budget, agree that:
- a. The County Council's allocation of Dedicated Schools Grant (DSG) is applied in its entirety to the Authority's Schools Budget and not to supplement the Schools Budget from other resources available to the Authority, and
 - b. The detailed allocation of resources within the Schools Budget should be determined at a later date by the Cabinet Member for Children and Schools in consultation with the Executive Director for Children and Young People and the County Treasurer in conjunction with the Lancashire Schools Forum.

Background and Advice

See Appendix 'A'

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The County Council's overall approach to risk management continues to be to manage exposure to risk by the most appropriate means. This report is part of the risk management framework designed to manage future risks.

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

Paper	Date	Contact/Directorate/Tel
Financial Plan 2012/13	February 2012	George Graham, County Treasurer's Department, (01772) 538102

Reason for inclusion in Part II, if appropriate

N/A