

RESOLUTIONS: CABINET 9 January 2014

Item 6 – Money Matters – The 2014/15 Budget and Financial Strategy 2015/16 to 2017/18

Resolved:-

1. To note the impact of the Local Government Finance Settlement which was published on 18 December 2013 increasing the provisional level of Council resources by £0.393m in 2014/15 and by £1.149m in 2015/16;
2. To note the additional costs identified of £0.190m in 2014/15 relating to Preston Bus Station and £3.506m in 2015/16 relating to the removal of government funding for the Care and Urgent Needs support programme;
3. To endorse the proposed re-phasing of proposals that brings £2.182m of savings in to 2014/15 with the consequential impact of reducing the savings delivered in 2015/16 by £2.182m, the reductions in cost base that have been identified of £0.970m in 2014/15 and the further efficiency savings of £2.967m in 2014/15 summarised in Annex 1 of these resolutions;
4. To propose, for consultation, policy options for reductions in service and for increasing income through charging options totalling £0.480m in 2014/15 rising to £5.140m in 2017/18, as set out in Annex 2 to these resolutions;
5. To propose, for consultation, a Council Tax increase of 1.99%, giving a charge of £1,107.74 for a Band D property in 2014/15. This is subject to the publication of the Council Tax referendum threshold principles by the government
6. To note the impact on the revenue budget of these resolutions as summarised below:

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Savings gap following Cabinet 5 December	16.280	64.665	46.959	45.552	173.456
<i>Additional costs:</i>					
Preston Bus Station	0.190				0.190
Removal of funding for the Care and Urgent Needs Support programme		3.506			3.506
<i>Additional Resources:</i>					
Results of Local Government Finance Settlement	-0.393	-1.149			-1.542

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
<i>Further Savings proposals:</i>					
Re-phasing of savings	-2.182	2.182			-
Reductions to the cost base	-0.970				-0.970
Efficiency savings	-2.967				-2.967
Policy Options	-0.480	-0.740	-2.140	-1.780	-5.140
Increase in Council Tax by 1.99%	-7.246				-7.246
Remaining Gap	2.232	68.464	44.819	43.772	159.287

7. To propose that the remaining gap in 2014/15 up to a maximum of £5m be met by the use of County Fund balances. This to be subject to any further changes resulting from the final Local Government Finance Settlement, the final confirmation of the tax base by the District councils in early February and the results of the budget consultation;
8. To request that the Management Team continues to identify efficiency savings and cost reduction measures throughout 2014/15 in order that the drawdown of reserves is not required in 2014/15;
9. To request that Management Team bring forward proposals for the reshaping and the reduction in size of the County Council in order to deliver the savings target of £159.287m for the three year period from 2015/16 to 2017/18;
10. That the District Councils' provisional forecast of the surplus of £4m on the 2013/14 Council Tax account be added to the Council's downsizing reserve;
11. To note the level of the Council's share of the 2014/15 returned New Homes Bonus top-slice of £0.583m and the pressure in 2014/15 of £0.359m resulting from the level of New Homes Bonus grant being lower than forecast and agree that the available net resource of £0.224m be added to the Council's downsizing reserve;
12. To request the views of the Budget Scrutiny Working Group on all the proposals set out in these resolutions for consideration at Cabinet on 6 February 2014;
13. To formally consult the following organisations in relation to the 2014/15 budget proposals:
 - The 12 Borough and City Councils within Lancashire,
 - The Police and Crime Commissioner for Lancashire,
 - Lancashire Constabulary,

- The Lancashire Combined Fire Authority
- The unitary councils of Blackburn with Darwen and Blackpool
- The recognised Trades Unions,
- The Lancashire Youth Council,
- The Lancashire Enterprise Partnership,
- Other representative bodies of Lancashire business

14. In relation to the Schools Budget, agree that:

- 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
- The detailed allocation of resources within the Schools Budget should be determined at a later date by the Cabinet Member for Children, Young People and Schools in consultation with the interim Executive Director for Children and Young People and the County Treasurer in conjunction with the Lancashire Schools Forum.

15. To note the Council's capital programme for 2014/15 and future years;

16. To approve the addition of £0.080m to the capital programme in respect of Environmental and Community projects and the consequential increase in the level of over-programming.

Further savings identified:	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
<u>Re-phasing of savings</u>					
<i>Adult Services Health and Wellbeing</i>					
Substance Misuse	0.250	-0.250			-
Health and Social Care Integration	1.900	-1.900			-
<i>County Treasurer's</i>					
Right sizing the County Treasurer's Directorate	0.032	-0.032			-
Total re-phasing of savings	2.182	-2.182			-
<u>Reductions to the cost base</u>					
<i>Children and Young People</i>					
Mainstream Home to School Transport – budget to match current demand	0.250				0.250
Lancashire Break Time – budget to match current demand	0.250				0.250
<i>Environment</i>					
Reduce Street Lighting Energy Budget to match current spending	0.270				0.270
<i>Corporate Expenditure</i>					
Reduce budget for Added Years Pension Costs to match current level of spend	0.200				0.200
Total reductions to cost base	0.970				0.970
<u>Efficiency savings</u>					
<i>Adult Services Health and Wellbeing</i>					
Further efficiencies within Social Inclusion Services	0.225				0.225
Further efficiencies from the development of a cross county integrated well-being service	2.000				2.000
<i>Children and Young People</i>					
Partnership Funding reflecting the slimmed down partnership structure	0.150				0.150
Merger of Early Support and Working Together with Families removing duplication	0.300				0.300
Allocation of "good housekeeping" target across services	0.092				0.092
<i>Office of the Chief Executive</i>					
Reductions in the cost of running the corporate centre within the Council	0.200				0.200
Total Efficiency savings	2.967				2.967
Total Further Savings Identified	6.119	-2.182			3.937

No.	Policy Option	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Adult Services, Health and Wellbeing						
605	Review of the In House Adult Disability Provider Domiciliary Service	-	0.360	2.140	1.780	4.280
Environment Directorate						
803	Lancashire permit scheme	0.200	0.380	-	-	0.580
825	Waste – third party recycling credits	0.280	-	-	-	0.280
Total further Policy Options identified		0.480	0.740	2.140	1.780	5.140

Further detail for each of the options in Annex 2 is provided in Appendix A to these resolutions