

# Agenda Item 5

13 DECEMBER 2018

## UPDATE TO THE COUNCIL BUDGET 2019/20

This briefing paper provides an update on the 2019/20 budget following the publication of the Provisional Local Government Finance Settlement 2019/20 on 13 December 2018. The Council Budget report to the Executive on 18 December 2018 was prepared prior to this date so this information should be read in conjunction with that report. The impact of this information on the Council's budget proposals is set out below.

### Provisional Local Government Finance Settlement 2019/20 and the Multi-Year Funding Deal

The funding the County will receive from government next year is largely in line with the four year deal which the authority agreed to in October 2017. The main exception is a positive one whereby our Rural Services Delivery grant is expected to be over £1.3m higher next year than agreed as part of the four year deal. This increase is analogous to one made in last year's provisional settlement. Our grant will now be £6.935m next year in recognition of the additional costs of providing services in rural areas.

The table below shows the 2019/20 major funding streams from government, both as originally indicated as part of the four year deal, and as announced on the 13 December 2018 with the difference between the two. This shows a total increase in funding of just under £1.5m.

	<u>2019/20 Original</u>	<u>2019/20 Provisional Settlement</u>	<u>Difference</u>	<u>Notes</u>
	£	£	£	
Business Rates Baseline Funding Level	109,597,860	109,676,913	79,053	Provisional settlement
Revenue Support Grant	20,138,594	20,138,594	0	Provisional settlement
Rural Services Delivery Grant	5,565,063	6,934,924	1,369,861	Assumption based on ministerial statement
New Homes Bonus Grant	2,104,177	2,143,824	39,647	Provisional settlement
			1,488,561	

It was also announced that there is a surplus amount in the national Business Rates Levy Account and this will be distributed to authorities next year. The indicative amount for Lincolnshire County Council is £1.683m.

### Business Rates Pilot Bid

The County wide business rate pilot bid for next year submitted by all 8 Lincolnshire authorities together with North Lincolnshire Council was not approved. Fifteen such bids have been approved for 2019/20 with just two of these in respect of authorities who had pilot status in 2018/19. The non-approval, whilst disappointing, was in line with our expectations given the success in getting a bid approved for the current year. This Council will revert to a business rates pooling arrangement with all 7 Districts for the year ahead.

## **Confirmation of One-Off Funding Announced in Budget**

The provisional settlement reaffirms an announcement made by the Chancellor in his Autumn Budget that further one year funding will be available next year for both adult care winter pressures (£3.368m for Lincolnshire) and for additional adult and children's social care pressures (£5.754m for Lincolnshire). This latter sum will assist in funding the ever increasing demand for these services and the increasing unit cost of provision which is driven substantially by further increases in the national living wage.

Also previously announced in the Chancellor's Autumn Budget was an additional £13.7m capital funding for highways maintenance ('pothole funding') which, whilst available in the current year, is expected to be of some benefit next year in terms of improving the condition of the road network.

## **Council Tax**

The core level of council tax which can be levied prior to triggering a referendum will be 3% for next year (plus 2% for the adult care precept). The provisional budget approved for 2019/20 by Full Council in February 2018 was predicated on only a 2% maximum referendum threshold for core council tax next year. The Council will have to decide whether to use all or some of this additional flexibility. An additional 1% council tax income is worth around £2.8m pa in the income base of the Council.

## **Future Funding Consultations**

Further consultation papers on the proposed 75% business rate localisation from April 2020 and the related national Fair Funding Review were also released along with the Provisional Settlement. These will be analysed over the coming weeks – the consultation response date for both is 21 February 2019.

**EXECUTIVE  
18 DECEMBER 2018**

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**ITEM 9: 2018/19 COUNCIL BUSINESS PLAN QUARTER 2**

On 29 November 2018, the Overview and Scrutiny Management Board agreed to support the two recommendations in the report to the Executive on the 2018/19 Council Business Plan Quarter 2.

The Board raised concerns regarding the following performance indicators:

- **M19 – Primary Fires** – Concern was raised about the increase in the number of primary fires. It was highlighted that this was potentially owing to the drier conditions as a result of the hot weather over the summer months. The Chairman of the Public Protection and Communities Scrutiny Committee confirmed that it will be looking in more detail at this and the other indicators highlighted in the report under its remit on 11 December 2018.
- **M76 – Recycling at County Council owned Household Waste Recycling Centres (HWRC), and M78 – Household waste recycled** – Concern was raised about the fall in recycling rates. The Chairman of the Environment and Economy Scrutiny Committee highlighted that at its meeting on 27 November 2018, there was an in depth discussion on this issue and the need to identify what people were putting in their bins. It was noted that there was now the Joint Municipal Waste Strategy, which was due for approval by Council on 14 December 2018, with the district councils which would develop some proposals to address this issue.

The Board requested clarification and further information on the following performance indicators:

- **M2 – Unsafe and counterfeit goods removed from the market** – Further information was requested regarding why the performance was so low against the target and whether there was an issue with capacity. **The following response has been received from the service.**

"There is no issue with capacity. The Service has undertaken a similar level of enforcement in respect of unsafe and counterfeit goods as is previous years. Our work with the National Market Group and Market Operators on the East Coast has resulted in a significant reduction in the level of counterfeit and unsafe products sold on their markets when compared to previous years. During the course of this year's work we have not found large numbers of small low cost toys such loom bands or fidget spinners on sale as we did last year."

- **M6 – Alcohol related violent crimes** – Clarification was requested on how the police had changed its reporting practices; for example, if officers attended an incident reported to be 'alcohol related' and it turned out not to be, is this removed from the final figure. The Board suggested that the use of the word 'target' should be removed; if it remained a target then it should be zero not 880.

The service has responded and in discussion with the Portfolio Holder, is proposing removing this measure from the Council Business Plan as data is no longer comparable due to changes in reporting practices within the Police.

- **M74 – CO2 emissions from County Council Activity** – The Board requested a breakdown of the tonnage and subsequent monetary savings achieved by LED lights and part night lighting. The following response has been received from John Monk from data supplied by the Street lighting Team:

"The street lighting team have supplied the following data in relation to street lighting. We don't have a precise split in relation to how much is attributable to LED conversion and how much to the part-night conversion, but the calculations done at business case stage estimated that approximately one-third of the savings would be down to the part-night conversions and there is no reason why this would be any different now. I have added in the figures for 2015/16 as – although this is before the new baseline – this gives the figures for the total saving from the Street Lighting Transformation project.

I haven't given monetary values as these are skewed by annual energy price increases, so it is much better to rely on either the CO2 or kwh figures for comparison. Also, for clarity, the government give different annual figures for converting kwh to CO2 figures, so the % reduction is different for CO2 and kwh.

- The kwh in 2015/16 was 24,319,693
- The kwh in 2016/17 was 18,227,740 (6,091,953 kwh saving over 2015/16)
- The kwh in 2017/18 was 12,124,139 (6,103,601 kwh saving over 2016/17)
- Total saving over Transformation project = 12,195,554 kwh
- The CO2 ( Tonnes ) in 2015/16 was 12,071
- The CO2 ( Tonnes ) in 2016/17 was 8,141 (3,930 tonnes saving over 2015/16)
- The CO2 ( Tonnes ) in 2017/18 was 4,625 (3,516 tonnes saving over 2016/17)
- Total saving over Transformation project = 7,446 tonnes"

- **M35 - Contact with the Heritage Service** – Further information was requested regarding the justification for switching the focus of the measures from quantitative to qualitative as mentioned in the report. The following response has been received from Nicole Hilton, Commissioning Strategy Lead for Community Resilience and Assess Commissioning Strategy.

"We can provide both, but caution that it is against a background of decreasing numbers nationally in visits to cultural attractions. It's also very resource intensive, quite inaccurate and is hugely impacted upon by poor and failing IT. In a 21<sup>st</sup> C cultural service, a far more accurate and informed picture is by the quality of the offer. The impact it has upon people's lives, the learning, the quality of the offer which all give us a much greater understanding as to whether they would return or recommend us to others. This is a commercial service venture that requires an immediate way of being informed by our visitors and responding accordingly. It's also how all other visitor attractions measure themselves, so not only is it what the customer expects, but also the way in which we measure our success."

- **M1 – Illicit Alcohol and Tobacco Seized** – The Board requested a breakdown on how much the County Council had spent on facilitating the seizure of illicit alcohol and tobacco. The following response has been received from the service.

"The Trading Standards Service receives £50,000 from Public Health under the Tobacco Control Strategy to undertake enforcement in this area. This covers legal costs, translation services, product testing and hire of tobacco detection dogs with the remainder contributing to Officer time. Illicit tobacco is also considered a priority for the Service and the service commits additional resources in the form of Officer time to undertake enforcement activities where intelligence identifies there are problem traders."

- **M31 - Percentage of alcohol users left specialist treatment successfully** – Further information was requested on how many people successfully stayed away from treatment; at what point were people deemed to have been treated successfully; was there any longer term support available for service users; and in relation to high caseloads and waiting lists, were there any people not able to access the service at all due to certain service users being prioritised.

The Service has responded as follows:-

- Representations data is recorded and monitored by us using National Drug Treatment Monitoring System data. During Q2 of 2018/19 3.1% of successful completions represented in the following 6 months which is 4 out of 127 recorded clients.
- The national indicator for successful recovery is 6 months. This is monitored by tracking each individual client for 6 months following their successful completion, if they subsequently re-present to any treatment

service it is marked as a representation against the original service. Public Health England is looking to include a 12 month representation target but a timeframe for this to start has not been announced yet.

- All those who are discharged from our treatment service are eligible for the recovery service delivered by Double Impact. They provide accredited employment training, volunteering, peer mentoring, mutual aid and individual support; they have a team of connectors and volunteers who are all former service users in full recovery. Their aim is to turn recovery into something that can be celebrated rather than something to hide away from.
  - The high caseloads are in place to avoid running a waiting list, the current waiting list target is 3 weeks, many wait less than that. In Q2 of 2018/19 1 out of 114 people (0.9%) entering alcohol treatment waited more than 3 weeks (these cases are often where someone has missed an appointment and a subsequent one cannot be arranged before the 3 week target); all exceptions are discussed at Contract Management Meetings. There are no cases where treatment has been refused due to others being prioritised.
- **M63 – Adults who receive a Direct Payment** – Clarification was requested about whether the underperformance of this target was linked to the two KPIs in mitigation, regarding Agresso and Mosaic not talking to each other, as set out under the Corporate Support Services contract. The following response has been received from Katy Thomas, County Manager - Performance & Intelligence.

"The performance against this measure is being further investigated to understand why positive work and its perceived impacts on the ground don't seem to be translating into an overall net increase in the indicator. This will help the service to understand how best to intervene to improve performance against target, as well as identifying whether there are any issues with the methodology, recording systems or the target set. A deep dive is being undertaken to analyse whether the attrition rate is higher than the uptake of new Direct Payments and what further work needs to be done to ensure that activity against this target returns to the previous good performance."

- **M119 – Percentage of adults aged 18-64 with a mental health need in receipt of long term support who have been reviewed** – Clarification was requested as to why the age bracket was defined as 18-64, and what happened when the adult turned 65. The following response has been received from Katy Thomas, County Manager - Performance & Intelligence.

"The Council has a Section 75 Agreement with LPFT that facilitates the delegation of the social care function for 18 to 64 year olds with mental health needs. The Council however co-ordinates assessments and reviews for

Adults aged over 65. The Corporate KPI allows us to gain an understanding of LPFT's performance in completing annual reviews for the 18 to 64 Mental Health cohort of people. A similar KPI is in place for Adults with a Learning Disability and for older people."

- **M125 - Juvenile re-offending** – Clarification was requested as to whether cautions and restorative justice interventions counted as first offences; and if another crime was committed, was that individual included in the re-offending cohort. [Response from the Service is](#)

"Cautions are included in the re-offending measure, but restorative justice interventions aren't. To make it clear, if a young person who has gone through a Joint Diversionary Panel (multi agency panel) then offends for the first time and gets a conviction or caution, then they will be counted as a first time offender, but not a re-offender."

- **M111 – People successfully supported to quit smoking** – Clarification was requested about whether the service continued to measure after the 4 week point. [The Service has responded as follows:-](#)

"The current service measures both 4 and 12 week quits. It is also planned that the new Integrated Lifestyles Service that is being tendered will also monitor 52 week quits as well as the 4 and 12 week ones. We use the 4 week quits measure as that is the national standard measure."

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