

County Offices
Newland
Lincoln
LN1 1YL

26 June 2017

Executive

A meeting of the Executive will be held on **Tuesday, 4 July 2017** in **Committee Room One, County Offices, Newland, Lincoln LN1 1YL** at **10.30 am** for the transaction of business set out on the attached Agenda.

Yours sincerely



Tony McArdle
Chief Executive

Membership of the Executive
(8 Members of the Council)

Councillor M J Hill OBE, Executive Councillor for Resources and Communications (Leader of the Council)

Councillor Mrs P A Bradwell, Executive Councillor for Adult Care, Health and Children's Services (Deputy Leader)

Councillor C J Davie, Executive Councillor for Economy and Place

Councillor R G Davies, Executive Councillor for Highways, Transport and IT

Councillor E J Poll, Executive Councillor for Commercial and Environmental Management

Councillor Mrs S Woolley, Executive Councillor for NHS Liaison and Community Engagement

Councillor C N Worth, Executive Councillor for Culture and Emergency Services

Councillor B Young, Executive Councillor for Community Safety and People Management

**EXECUTIVE AGENDA
TUESDAY, 4 JULY 2017**

Item	Title	Forward Plan Decision Reference	Pages
1	Apologies for Absence		
2	Declarations of Councillors' Interests		
3	Announcements by the Leader, Executive Councillors and Executive Directors		
4	Minutes of the Meeting of the Executive held on 6 June 2017		5 - 6
KEY DECISIONS - ITEMS TO BE RESOLVED BY THE EXECUTIVE			
5	Review of Financial Performance Report 2016/17 <i>(To receive a report from the Executive Director Finance and Public Protection, which describes the Council's financial performance in 2016/17 and makes proposals on the carry forward of over and under spendings into the current financial year)</i>	I011792	7 - 44
NON KEY DECISIONS - ITEMS TO BE RESOLVED BY THE EXECUTIVE			
6	Construction of Salt Barn at Horncastle <i>(To receive a report from the Executive Director for Environment and Economy, which recommends the award of a contract to design and construct a Salt Storage Dome at Horncastle Highways Depot)</i>	I013766	45 - 58
7	Council Business Plan 2016 - 2017 Performance Report, Quarter 4 <i>(To receive a report from the Chief Executive, which presents an overview of performance for Q4 against the Council Business Plan)</i>	I013314	59 - 74

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Please Note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

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**EXECUTIVE
6 JUNE 2017**

PRESENT: COUNCILLOR M J HILL OBE (LEADER OF THE COUNCIL)

Councillors Mrs P A Bradwell (Executive Councillor for Adult Care, Health and Children's Services) (Deputy Leader), C J Davie (Executive Councillor for Economy and Place), E J Poll (Executive Councillor for Commercial and Environmental Management), Mrs S Woolley (Executive Councillor for NHS Liaison and Community Engagement), C N Worth (Executive Councillor for Culture and Emergency Services) and B Young (Executive Councillor for Community Safety and People Management).

Councillors: R B Parker (Chairman of Overview and Scrutiny Management Board) was also in attendance.

Officers in attendance:-

Tony McArdle (Chief Executive), Debbie Barnes (Executive Director, Children's Services), Cheryl Hall (Democratic Services Officer), Pete Moore (Executive Director, Finance and Public Protection), Richard Wills (Executive Director, Environment and Economy) and Nigel West (Head of Democratic Services and Statutory Scrutiny Officer).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor R G Davies (Executive Councillor for Highways, Transport and IT) and Glen Garrod (Executive Director of Adult Care and Community Wellbeing).

2 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of Councillors' Interests at this stage in the meeting.

3 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

There were no announcements made.

4 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 7 MARCH 2017

RESOLVED

That the minutes of the meeting of the Executive held on 7 March 2017 be approved and signed by the Chairman as a correct record.

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EXECUTIVE
6 JUNE 2017

5 REPRESENTATION ON OUTSIDE BODIES

Consideration was given to a report from Richard Wills (Executive Director with responsibility for Democratic Services), which sought appointments to a number of outside bodies for the forthcoming quadrennial. The report also sought the delegation of appointments to the Leader and to the Executive Councillors, as detailed at Appendices B and C of the report.

A revised version of Appendix A was tabled at the meeting, and the following amendments were made to the document: -

- Community Lincs - Board – Councillor B Young to replace 'to be appointed';
- County Councils Network – Councillor R B Parker to replace 'to be appointed';
- East Midlands Councils – Councillor Mrs P A Bradwell appointed as the alternate representative;
- Greater Lincolnshire Local Enterprise Partnership Company Limited – Councillor C J Davie to be appointed to the position of Director and the Chairman of Environment and Economy (Councillor A Bridges) to the position of Member;
- Local Government Association - General Assembly – Councillor Mrs A M Newton to replace 'to be appointed'.

It was suggested that the appointment of a substitute member for the Rural Services Network (SPARSE) be delegated to the Leader of the Council.

RESOLVED

- (1) That the appointments to the bodies listed in Appendix A and as amended at the meeting, be approved.
- (2) That the appointment of a substitute to the Rural Services Network (SPARSE) be delegated to the Leader of the Council.
- (3) That appointments to organisations as detailed in Appendix B be delegated to the Leader of the Council, in consultation with Group Leaders.
- (4) That appointments to organisations as detailed in Appendix C be delegated to the Executive Councillor listed, in consultation with Group Leaders.

The meeting closed at 10.41 am.

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	Executive
Date:	04 July 2017
Subject:	Review of Financial Performance 2016/17
Decision Reference:	I011792
Key decision?	Yes

Summary:

This report:

- describes the Council's financial performance in 2016/17;
- identifies and explains variances from the Council's revenue and capital budgets;
- reports the use made of flexible capital receipts to fund revenue expenditure on transformation during 2016/17;
- makes proposals on the carry forward of over and under spendings into the current financial year; and
- reports Prudential and Financial Performance Indicators for 2016/17.

Recommendation(s):

That the Executive:

- (1) Note the carry forwards set out in paragraph 1.83 of the report, which are made in line with the Council's Financial Regulations;
- (2) Recommends to full Council that the proposals in paragraph 1.84 of the report relating to the treatment of underspends in excess of 1.0% be approved;
- (3) Note the transfers to and from reserves carried out in 2016/17 as set out in Table D; and
- (4) Note financial performance in 2016/17 including Flexible Use of Capital Receipts and the Prudential Indicators.

Alternatives Considered:

1. This report describes the actual position for the 2016/17 financial year and is factual in content and follows current Council policy. No alternatives are being considered in relation to this aspect.

In relation to the treatment of overspends and underspends above 1.0% as set out in paragraph 1.84, there are a number of different ways these could be used. The proposed is a mix of funding service expenditure and transfers to reserves. This is considered to be the most prudent and appropriate approach for the Council in the current financial climate.

Reasons for Recommendation:

Financial governance requires that the Executive reviews the financial performance of each year. This report facilitates this.

The treatment of underspends and overspends are considered appropriate and prudent for managing the financial challenges facing the Council.

1. Background

1.1 The County Council set its spending plans for 2016/17 against a backdrop of continued significant reductions in government funding, growing cost pressures from demand led services such as adult and children's social care, waste disposal and the Council's responsibility to pay the National Living Wage. In developing its financial plan the Council considered all areas of current spending to identify cost pressures which must be funded and savings which could be made, through efficiencies and by reducing the level of service provided. The budget proposals also included an increase in Council Tax levels of 3.95% (1.95% general increase, plus 2.00% for Adult Social Care Services) and one off use of reserves.

Revenue spending

1.2 The Council spent £910.237m in 2016/17 on providing public services – £1,244.34 for every person in Lincolnshire.

1.3 The Council has had to deal with a number of unavoidable cost pressures, amounting to £31.158m in budgetary terms. These include: increasing population (in particular, the impact on the Council's adult care budgets of increasing numbers of older people) and general inflationary pressures. Some of these were accommodated within existing budgets but some external pressures have added to the Council's costs and required additional savings to be delivered. These cost pressures in 2016/17 were balanced against a savings target of £41.559m from service reductions across the whole Council including: improved contract arrangements in areas such as Home to School Transport and Health Improvement Activities. The Council also planned to use £4.500m of capital receipts to fund revenue transformation projects.

1.4 In addition to saving targets, when the Council set its budget for 2016/17 the financial strategy included the use of £20.965m from reserves to bridge the gap between funding and expenditure levels (£20.165m from the Council's Financial Volatility Reserve and £0.800m released from the General Fund balance). Use of reserves only offers a one off contribution towards the budget shortfall, but, it is expected that the reduction in funding levels will be permanent. The Council continues to explore further opportunities to bridge the gap between the funding values to the Council and levels of expenditure.

1.5 The general level of expenditure in 2016/17 indicates that during the year the Council has been able to secure the cash efficiency savings required in the budget and deliver an underspend against the budget.

Revenue Income

1.6 Revenue spending, excluding the use of reserves, was funded by:

• Local council tax payers	£253.8m	27.9%
• Business Rates	£104.7m	11.6%
• Revenue Support Grant	£70.3m	7.7%
• Dedicated Schools Grant	£247.7m	27.2%
• Other grants and contributions	£162.4m	17.8%
• Charges and other income	£71.3m	7.8%

1.7 In 2016/17 the Council increased Council Tax by 3.95% and also saw growth of 2.34% on the number of band D equivalent properties in Lincolnshire. This in total generated an additional income for the Council of £14.886m. The Council Tax collection funds in Lincolnshire also generated a surplus in 2016/17, of a further £5.609m to the County Council.

1.8 Business Rates generated £104.710m. This is made up of a number of elements, £18.693m collected from businesses in Lincolnshire, £82.427m received as a top up from central government, £2.458m as section 31 compensation grants for relief's offered by central government to businesses and an estimated £1.132m from the County Council pooling with six of the Lincolnshire District Councils.

1.9 Funding from Revenue Support Grant (RSG) in 2016/17 has provided the County Council with £70.351m. The value of this grant continues to fall. On a like for like basis this has decreased by £27.578m or 28.2% from the grant received in 2015/16.

1.10 In addition to RSG the Council also receives specific government grants. The most significant of these was £247.695m of Dedicated Schools Grant which is used for funding education in Lincolnshire and £31.371m for Public Health Grant.

Capital spending and funding

1.11 The Council spent £102.337m on the county's assets, in particular on:

- Maintenance of roads, bridges, safety fencing, street lighting, signs and lines, and traffic signals;
- Integrated Transport Schemes across the Council including: minor capital improvements, rights of way, road safety, public transport and town/village enhancements;
- Construction of three new road schemes, two in Lincoln and another in Grantham;
- A programme to integrate new technology into Street Lighting; and
- Programme of modernisation to meet the statutory responsibility for provision of educational places and a programme to improve the condition of school buildings.

1.12 This investment was funded through:

- | | | |
|------------------------------------------------------|--------|-------|
| • Government Grants and other external contributions | £83.6m | 81.8% |
| • Borrowing | £15.7m | 15.3% |
| • Revenue Funding and Use of Earmarked Reserves | £3.0m | 2.9% |

1.13 The Council used grants from central government to fund: maintenance work on roads; modernisation and improvement of condition of school buildings; and provision of education places.

1.14 The Council sets itself a limit on its total borrowing to ensure that it remains prudent and affordable. The Council's target is to ensure that annual minimum revenue provision (MRP) plus interest are no more than 10.0% of the Council's annual income. The figure for 2016/17 is 5.27%. MRP is the amount required to be set aside as a provision for debt repayment, and in accordance with Regulation, this amount should be prudent to ensure debt is repaid over a period reasonably commensurate with the period over which the capital expenditure funded by borrowing provides benefits.

1.15 The Council's current policy is to apply the asset life method for calculating MRP and use the MRP in full to repay debt annually.

The Council's financial standing

1.16 The Council's revenue budget remains under pressure from reduced funding and service cost pressures. For 2017/18 the Council has again only set a one year budget, rather than the normal three year plans. Further work is required for the Council to develop long term sustainable budget plans.

1.17 In developing the financial plan for 2017/18, the Council has considered all areas of current spending, levels of income and council tax plus use of one off funding to set a balanced budget. The Council continues to plan to use a mixed approach, funding unavoidable cost pressures and reducing service spending where savings were identified. The Council has also set a Council Tax increase in 2017/18 of 3.95%, 1.95% general increase plus a further 2.00% for Adult Care responsibilities (including demographic pressure and the impact of the national living wage) and using £17.970m from reserves (£17.870m from the Financial Volatility Reserve and £0.100m which can be released from the general fund).

1.18 The Council also maintains a general reserve as a contingency against unexpected events or emergencies. The Council sets itself a target, based on a financial risk assessment, of maintaining these reserves within a range of 2.5% to 3.5% of its total budget. The Council's general reserves at 31 March 2017, as proposed in this report, would be £15.300m or 3.5% of the Council's total budget.

1.19 In addition to the general reserve and Financial Volatility Reserve the Council maintains a number of other reserves earmarked for specific purposes (details of these are set out in **TABLE D**).

1.20 The mixed approach to meeting the current financial challenges will ensure the Council can withstand the immediate pressures in local government funding, whilst implementing the arrangements for delivering services at the reduced level of government funding.

Key Financial Performance Measures: Financial Health and Performance

1.21 The County Council has identified a number of key indicators to monitor its Financial Health and Performance. **TABLE A** reports the actual position for 2016/17 on these key indicators.

TABLE A – Key Financial Performance Measures: Financial Health and Performance

REF	PERFORMANCE INDICATOR	MEDIUM TERM TARGET	2016/17 Estimate	2016/17 Actual
1	Council tax compared with other counties	In lowest quartile of all English county councils (out of 27 county councils)	Yes	Yes 23rd
2	Government grants	Lobby for annual increases in general government grants to be above the county average	Yes	Yes
3	Capital receipts	At least £2.0m per annum from 2015/16	£7.615m	£3.601m
4	Minimum Revenue Provision and Interest	MRP and Interest repayments not to exceed 10% of net income	6.69%	5.27%
5	Accounting	Unqualified external audit opinion	Yes	Not yet Available
6	General Reserves	Maintained within the range of 2.5% to 3.5% of the annual budget requirement net of Dedicated Schools Grant	Within range 3.5%	Within range 3.5%
7	Internal control	None of the processes audited receive a low assurance" opinion from internal audit	Yes	One key financial system has a 'Low/No ' Assurance Opinion
8	Expenditure - prompt payment	At least 90% of undisputed invoices paid within 30 days	90.00%	86.70%
9	Treasury management	Risk adjusted return comparison	Weighted Benchmark	Weighted Benchmark 0.65%

Revenue Budget Outturn

1.22 The revenue budget outturn for 2016/17 is summarised below:

- Total service revenue spending, excluding schools, was under spent by £7.006m or 1.7%.
- Schools were underspent by £12.683m or 5.1% of the schools budget.
- Other Budgets underspent by £24.681m or 35.9%.
- The Council received £1.574m or 0.4% more general funding income than originally budgeted for.
- This gives the Council an overall underspend of £45.944m.

1.23 The revenue outturn position for 2016/17 is shown in **TABLE B** (over page).

TABLE B – Revenue Budget Final Outturn 2016/17

	Revised Net Revenue Budget	Expenditure	Under or Over Spending	Percentage Under or Over
	£'000	£'000	£'000	%
COMMISSIONING STRATEGIES				
Readiness for School	5,308	5,090	(218)	-4.1%
Learn & Achieve	34,237	35,205	968	2.8%
Readiness for Adult Life	4,367	5,081	714	16.4%
Children are Safe and Healthy	65,635	63,866	(1,769)	-2.7%
Adult Safeguarding	2,295	2,571	276	12.0%
Adult Frailty & Long Term Conditions	95,249	94,097	(1,152)	-1.2%
Carers	2,247	2,225	(21)	-1.0%
Adult Specialities	51,099	51,478	379	0.7%
Wellbeing	30,744	30,764	20	0.1%
Community Resilience & Assets	11,907	11,567	(340)	-2.9%
Sustaining & Developing Prosperity Through Infrastructure	45,226	44,584	(642)	-1.4%
Protecting & Sustaining the Environment	23,103	22,869	(234)	-1.0%
Sustaining & Growing Business & the Economy	1,462	1,211	(251)	-17.2%
Protecting The Public	23,240	23,034	(205)	-0.9%
How We Do Our Business	8,409	7,803	(606)	-7.2%
Enablers & Support To Council's Outcomes	37,184	33,260	(3,924)	-10.6%
Public Health Grant Income	(34,371)	(34,371)	0	0.0%
Enablers & Support To Key Relationships (Devolution)	20	20	(0)	0.0%
TOTAL COMMISSIONING STRATEGIES	407,362	400,355	(7,006)	-1.7%
OTHER BUDGETS				
Capital Financing Charges	54,860	38,851	(16,009)	-29.2%
Contingency	1,840	0	(1,840)	-100.0%
Other Budgets	12,011	5,179	(6,832)	-56.9%
TOTAL OTHER BUDGETS	68,711	44,030	(24,681)	-35.9%
SCHOOL BUDGETS				
Schools (DSB)	235,612	225,043	(10,569)	-4.5%
Schools Related Expenditure (DSB)	26,021	24,014	(2,006)	-7.7%
Dedicated Schools Grant	(247,695)	(247,695)	0	0.0%
Schools Budgets (Other Funding)	(3,697)	(3,805)	(107)	2.9%
TOTAL SCHOOL BUDGETS	10,240	(2,443)	(12,683)	-123.9%
TOTAL EXPENDITURE	486,312	441,942	(44,370)	-9.1%
INCOME				
Revenue Support Grant	(70,351)	(70,351)	(0)	0.0%
Business Rates	(103,528)	(104,710)	(1,182)	1.1%
Council Tax	(253,801)	(253,801)	(0)	0.0%
Other Non Specific Grants	(20,760)	(21,152)	(392)	1.9%
TOTAL INCOME	(448,440)	(450,014)	(1,574)	0.4%
USE OF BALANCES				
Use of Balances - Earmarked Reserves	(37,072)	(37,072)	0	0.0%
Use of Balances - General Reserves	(800)	(800)	0	0.0%
TOTAL USE OF RESERVES	(37,872)	(37,872)	0	0.0%
TOTAL	(0)	(45,944)	(45,944)	

Children's Services – (£0.305m under budget)

1.24 Over the four commissioning strategies, Children's Services under spent by £0.305m (or 0.28%).

Readiness for School commissioning strategy under spent by £0.218m (or 4.1%).

1.25 This relates to general underspends taking place in the running of children centres across the county and their commissioned activities (£0.144m). Further underspends have arisen from supporting out of school childcare placements as part of a holistic family support plan and other early years support activities (£0.074m).

Learn and Achieve commissioning strategy over spent by £0.968m (or 2.8%).

1.26 The main area of variance relates to Home to School / College Transport delivery (£1.196m). Children's Services had five additional transport days in excess of the budget in 2016/17 due to the school holiday periods in the financial year (£0.659m), a reduction in post-16 transport income from pupils (£0.163m), an increase in pupil needs and numbers in special schools and the interim costs of moving to a new transport delivery model for special schools (£0.374m) contributed towards the overspend in this strategy. In addition the Lincolnshire Music Service has underspent by £0.234m. It has been agreed that the service will be set up as a separate trading unit within the County Council and it is proposed that under or overspends will be carried forward to provide flexibility to manage internally unexpected or planned events.

Readiness for Adult Life commissioning strategy over spent by £0.714m (or 16.4%).

1.27 The main area of variance relates to the Leaving Care service (£0.801m) where the Local Authority has a legal duty to provide supported accommodation for homeless 16-17 year olds and care leavers. The complexity of individual's needs and an increase in demand has contributed towards this pressure. The County Council supported an increase to this budget of £0.600m for 2017/18 at its meeting in February 2017. The Local Authority is also exploring options of meeting these growing demands more cost effectively in future.

Children are Safe and Healthy commissioning strategy under spent by £1.769m (or 2.7%).

1.28 An area of financial variance relates to the underspend of £0.609m parked ready for the Beacon development. The Beacon capital development which is increasing the number of children with disability beds from 7 to 11 is being phased in during 2017/18. The Directorate Management Team agreed to use this one-off underspend to offset the one-off cost pressure of additional transport days in the Learn and Achieve commissioning strategy to address the overall Children's Services financial position. Other areas of variance relate to the planned early delivery of the 2017/18 savings relating to the family support structure implemented (£0.218m); the release of one-off funding from the Legal Shared Service (£0.200m); a fall in insurance premiums that is based on historical activity (£0.166m), and the remainder from staffing vacancies particularly in the early help teams during the first part of the financial year.

1.29 The Local Authority has a statutory duty to protect children and take action when thresholds are met. Demand levels and complexity of children continue to rise within the service and this cost pressure was met in-year from Corporate Contingency Budget (£1.544m). This planned growth was incorporated into the budget for 2017/18 following Council approval in February 2017 (£1.882m). The previously reported overspend for the costs of young people on remand compared to the low government grant provided was funded from the Corporate Contingency Budget in-year (£0.406m) due to the unpredictable nature of such instances.

Adult Care – (£0.518m under budget)

1.30 The Adult Care outturn is £150.372m, an underspend of £0.518m (0.34%) against a budget of £150.890m. This is set against an environment of increasing placement costs in all service areas following the introduction of the National Living Wage and increasing numbers of older age and working age adults.

1.31 The service produced savings of £7.194m in 2016/17 from a number of successful projects including:

- The ongoing impact of staffing reviews across Adult Care; and
- Increases in service user contributions following the implementation of the new charging policy.

Adult Safeguarding commissioning strategy over spent by £0.276m (or 12.0%)

1.32 The service continues to see continuing significant pressures due to the Cheshire West ruling in Deprivation of Liberty Safeguards (DOLs). Assessment activity in this area continues to increase with substantial work ongoing to reduce the backlog of assessments and reviews to ensure the Council's statutory obligations around DOLs are met.

Adult Frailty, Long Term Conditions and Physical Disability commissioning strategy under spent by £1.152m (or 1.2%).

1.33 Changes to the provision of homecare service in the previous year continued to have an impact on the service in 2016/17 with the number of hours provided continuing to be below historical levels. However there continues to be a corresponding increase in the number of service users choosing to take their care in the form of a Direct Payment.

1.34 The number of new service users placed in long term residential and nursing care increased in 2016/17, partly due to a review of those that had been short term care for over 8 weeks to ensure they were in the correct care type, but also as a result of increasing service user growth.

1.35 Budgets relating to Infrastructure costs for senior management and back office staff were also underspent as a result of vacancies in Performance, Brokerage and Quality Assurance teams.

1.36 The service continues to see an increase in income received, primarily as a result of changes to the non-residential service user contributions policy, increases in direct payment refunds and increases in property debtors.

Carers commissioning strategy under spent by £0.021m (or 1.0%).

1.37 Carer's activity continues to be below historic levels due to changes in the eligibility criteria set out in the Care Act 2014, however following the implementation of the new carers contract the strategy saw an increased uptake of personal budgets in the last quarter for the first time since March 2014.

Adult Specialities commissioning strategy over spent by £0.379m (or 0.7%).

1.38 Services for Learning Disabilities are administered via a Section 75 agreement between the Council and NHS commissioners in Lincolnshire in addition to a small in-house element that sits outside the Section 75. The Mental Health service is run on behalf of the Council by the Lincolnshire Partnership Foundation Trust, also by way of a Section 75 agreement.

1.39 During the year there has been an increase in the number of complex cases entering the service for both Supported Living and Residential placements. Whilst growth within these areas was built into this year's budget, these additional costly packages have meant that there has been some additional pressure within 2016/17.

1.40 Income continues to increase especially in respect of direct payment refunds and increases in residential service contributions. There was also a number of one off receipts from other local authorities that related to old disputed debts that were settled this financial year.

1.41 The Mental Health service delivered a balanced budget.

Community Wellbeing and Public Health – (under budget by £0.320m)

Wellbeing was over spent by £0.020m (or 0.1%).

1.42 The service produced savings of £6.045m in 2016/17 from a number of successful projects including:

- Reduction in costs across the Wellbeing Commissioning strategy following the re-procurement of number of contracts; and
- The closure of a number of discretionary schemes within the Wellbeing Strategy.

1.43 A number of services are delivered as part of the Council's statutory obligation to improve the public health of local populations as per the conditions of the Public Health Grant. This part of the service ended 2016/17 with an underspend of £0.126m against a budget of £29.336m. The underspend was due to a

combination of staffing vacancies and contracting efficiencies brought forward and some reductions in demand led services.

1.44 Registration and Coroners over spent by (£0.146m), this is mainly due to an overspend on Coroners costs for mortuary facilities, conveyance of bodies and long inquests (£0.277m) being partly offset by additional Registrars income (£0.131m).

Community Resilience and Assets was under spent by £0.340m (or 2.9%).

1.45 The Customer Service Centre underspend (£0.246m) is reflective of one off support provided from the 2015/16 Public Health underspend and a reduction in the total cost of contacts (£0.140m) offset by an increase in the provision of potential costs for outbound calls (£0.175m) and Mosaic costs (£0.050m).

1.46 There are also small underspends for the library service (£0.078m) and Lincolnshire Archives (£0.031m).

Environment and Economy (under budget by £1.127m)

Sustaining and Developing Prosperity Through Infrastructure – commissioning strategy under spent by £0.642m (or 1.4%).

1.47 This commissioning strategy has underspent by £0.642m in 2016/17. The key variances to report include:

- Saving on the winter maintenance budget of £1.100m due to another mild winter;
- The remaining highways maintenance revenue budget was generally on target with a final outturn of a £0.150m overspend representing 0.67% of the gross budget;
- High staff utilisation on the design trading account provided a saving of £0.377m;
- Approval was granted to progress with a new Greater Lincoln Transport Model but there was a technical delay that needed some legal guidance. This led to a budget underspend of £0.250m;
- A further area of overspend of £0.158m was due to staffing costs being realigned during the year following a restructure; and
- The Heritage service is showing an overspend which predominantly relates to the operation of Lincoln Castle. This is due to a combination of higher than anticipated grounds maintenance costs and one off operational costs following the departure of a third party operator. Also, whilst the activities at the Castle during the year have been instrumental in visitor numbers exceeding those forecast, the level of income received during the year is, as

anticipated, lower than the previous year during the Castle Revealed events. This year of operation will help to inform the move to a more sustainable business model for the service in future years.

Protecting and Sustaining the Environment – commissioning strategy under spent by £0.234m (or 1.0%).

1.48 The underspend on this commissioning strategy in 2016/17 (£0.234m) mainly relates to waste management due to contractual savings which have led to an underspend of £0.385m.

Sustaining and Growing Business and the Economy – commissioning strategy under spent by £0.251m (or 17.20%).

1.49 This commissioning strategy has underspent by £0.251m in 2016/17 and is attributable to one off income from the closure of a loan fund (£0.170m) together with additional income to offset Lincolnshire Enterprise Partnership (LEP) accountable body costs.

Finance and Public Protection (under budget by £4.735m)

Protecting the Public – commissioning strategy under spent by £0.205m (or 0.9%).

1.50 The service ended 2016/17 with an underspend of £0.205m. This is due to the increase in commercial income for Fire and Rescue.

How We Do Our Business – commissioning strategy under spent by £0.606m (or 7.2%).

1.51 Finance and Audit have underspends on the finance element of the Serco contract (£0.321m). This is due to lower volumes of transactions than originally budgeted for (this relates to social care finance where the budgeted volumes assumed implementation of the Care Act). An underspend on costs associated with the schools finance service (£0.117m) are offset by additional staffing costs from agency workers and business support recharges (£0.132m).

1.52 There are also small underspends in Corporate Standards (£0.057m) and Decision making including democratic processes (£0.057m).

Enablers and Support to Council Outcomes – commissioning strategy under spent by £3.925m (or 10.6%).

1.53 County Farms have secured additional rental income resulting in an underspend of £0.218m.

1.54 Business Support have underspent by £0.422m as a result of holds being placed on filling vacant posts across the service in the final quarter of 2016/17 in

preparation for further savings targets and through additional funding being received against increased numbers of commissioned posts.

1.55 Legal has achieved a surplus over and above target by £0.781m. This reflects an underspend on staffing of £0.170m due to vacant posts with no associated locum expenditure and overachievement of income against budgeted forecasts. Legal Management Board will take a decision in June as to the treatment of the surplus but in recent years it has been redistributed in full to partner authorities in proportion to their use of the service.

1.56 Small underspends have been incurred in ICT (£0.108m) and Strategic Communications (£0.092m) as a result of vacancy management in advance of budgetary reductions in 2017/18.

1.57 People Management budgets underspent by £0.764m (19.09%). The main areas of underspend relate to the activity based contract for HR services (such as HR Administration; HR Professional Advice; Service Strategy) (£0.698m), and Occupational Health (£0.080m) where the budget for additional activity for physiotherapy has not been required this year. The activity based budgets will be reviewed during 2017/18 due to the underspends being realised.

1.58 Commissioning underspent by £1.900m, this is made up of £1.107m Serco abatement contract performance penalties, plus an underspend on staffing costs due to vacancies and a devolution costs contribution during the year (£0.623m).

1.59 The further £0.170m relates to Procurement which is required to be added to reserves as this fund is a shared resource alongside our partner bodies.

Schools – (£12.683m under budget)

1.60 Under government regulations, schools carry forward automatically their under and over spendings to the next financial year. Budgets held centrally within the ring-fenced 2016/17 Dedicated Schools Grant (DSG) were once again set prudently due to the demand led and volatile nature of the services demands. In line with the DfE regulations any under or overspends will automatically be carried forward to the next financial year and the Local Authority will consult the Schools Forum on its use.

Other Budgets – (£24.681m under budget)

Capital Financing Charges – under spent by £16.009m (or 29.2%)

1.61 The Council's capital financing charges were £16.009m under budget. This has resulted from savings in Minimum Revenue Provision (the repayment of debt at a prudent level) and borrowing interest payable in 2016/17. The Council revised its Minimum Revenue Policy in 2016/17 to bring it up to date with current funding circumstances and capital expenditure plans resulting in a reduction in MRP of £4.395m payable in 2016/17. There has also been slippage of the capital

programme during 2016/17 which reduced the need to borrow. This has had an effect on the interest payable on borrowing and the amount required to be set aside to finance borrowing costs in the future, both being lower than budgeted. Savings were also made due to the Council using a mix of external borrowing and utilising internal balances to finance the capital programme. Slippage in both capital and revenue budget underspends has also led to excess balances being available for investment over 2016/17 so interest generated from investments was also in excess of budget by £0.194m.

Contingency – under spent by £1.840m (or 100.0%).

1.62 The Council has a contingency budget set aside for emerging pressures which may arise during the financial year. At the year-end £1.840m remained, and was not required in 2016/17.

Other Budgets – under spent by £6.832m (or 56.9%)

1.63 Other Budgets were under budget by £6.832m. This comprises a number of under and over spends, the most significant being:

- The budget for the expected increase for National Living Wage at £4.681m is held centrally within Other Budgets. Additional costs associated with the increase in the National Living Wage have been accommodated within existing service budgets during 2017/18 without calling on this funding;
- Corporate and Service Redundancy is underspent by £2.805m. The Corporate Redundancy budget funds the costs associated with the staffing restructuring changes that had been approved through the 2016/17 Council's Budget. These planned changes support the Council to bring down expenditure in line with its current levels of planned income;
- Funding of £0.200m was set aside in case Lincolnshire District Councils required additional funding in administering the new Council Tax Schemes. There was no call on this funding during 2016/17, therefore it was proposed within the budget plans for 2017/18 for this budget to be removed in future years;
- A dividend of £0.483m was received from Eastern Shires Purchasing Organisation (ESPO). The council is a member of the ESPO joint committee and as such is entitled to receive a share of the dividend generated by the organisation;
- The Council had planned to use £4.598m of flexible capital receipts in 2016/17 to fund transformation projects which will generate ongoing revenue savings to the authority. However, the Council generated £0.997m less receipts than expected. This was mainly due to the challenges faced when seeking for consent to dispose former playing fields and school land under Section 77 of the School Standards and Framework Act 1998 from the Education Funding Authority which resulted in delay in marketing these

properties. Nevertheless, it is still anticipated that the Council will meet its plan of £20.000m flexible capital receipts covering the three year period, 2016/17 to 2018/19; and

- The Council's insurance budget shows a deficit of £0.408m. The insurance fund is designed to enable the Council to 'self-insure' its insurable risks over the long term. The operating deficit this year has arisen mainly due to the increase in claim payments during the year. The deficit will be covered by the Council's Insurance earmarked reserve. The balance in the reserve before meeting these costs was £4.895m.

Council's General Funding – £1.574m more than the income budget (or 0.4%)

1.64 The Council's general funding was £1.574m more than the revenue budget approved at full Council in February 2016. The most significant reasons for this increase in funding are as follows:

- Business Rates Pooling - £1.085m (more than was budgeted for). This income from business rates pooling was not budgeted for and is a significant increase from the £0.104m received in 2015/16;
- New Homes Bonus Returned Funding - £0.235m (more than was budgeted for). At the time of budget setting, the Council had not been notified that we would be receiving this funding in 2016/17. This is funding that was originally allocated from the Local Government Finance Settlement to fund New Homes Bonus with a commitment from the Government that any unused funding would be returned to local authorities; and
- Education Services Grant - £0.108m (more than was budgeted for). The grant is adjusted throughout the financial year as schools convert to Academies. The amount budgeted for was based on a reduced funding rate allocated per pupil with an estimated number of pupils. The council was able to retain more income than originally anticipated in the latter part of the year due to a drop in schools converting to Academies.

Capital Programme Outturn

1.65 The capital outturn for 2016/17 is summarised below:

- Net capital expenditure was £38.320m; and
- There was an under budget of £37.990m or 49.8%.

1.66 The capital budget outturn is shown in **TABLE C** over page. The reasons for significant capital budget over or underspendings are explained in the following paragraphs.

TABLE C – Net Capital Programme Outturn 2016/17

Capital Programme	Net Expenditure			
	Revised budget	Actuals	Variance	Variance
	£'000	£'000	£'000	%
Other Readiness for School	294	278	(16)	-5.4%
Readiness for School	294	278	(16)	-5.4%
Devolved Capital	1,152	1,152	0	0.0%
Provision of School Places (Basic Need)	11,159	11,159	0	0.0%
School Condition & Modernisation / Maintenance Capital	5,291	5,291	0	0.0%
Other Academies	447	307	(140)	-31.3%
Other Learn & Achieve	400	282	(118)	-29.5%
Learn & Achieve	18,449	18,191	(258)	-1.4%
Other Readiness for Adult Life	0	(3)	(3)	-100.0%
Readiness for Adult Life	0	(3)	(3)	-100.0%
Universal Infant Free School Meals Capital	652	652	0	0.0%
Other Children are Safe & Healthy	988	291	(697)	-70.5%
Children are Safe & Healthy	1,640	943	(697)	-42.5%
Childrens Services - Commissioning	20,383	19,409	(974)	-4.8%
Adult Care	411	411	0	0.0%
Better Care Fund - Disabled Facility Grants	0	0	0	0.0%
Adult Frailty & Long Term Conditions	411	411	0	0.0%
Adult Care - Commissioning	411	411	0	0.0%
Libraries	635	232	(403)	-63.5%
Other Wellbeing	269	269	0	0.0%
Community Wellbeing & Public Health - Commissioning	904	501	(403)	-44.6%
Highways Asset Protection	759	0	(759)	-100.0%
Integrated Transport	191	214	23	12.0%
Lincoln Eastern Bypass	0	416	416	100.0%
Lincoln East-West Link	6,241	3,360	(2,881)	-46.2%
Grantham Southern Relief Road	3,060	162	(2,898)	-94.7%
Lincolnshire Waterways	696	839	143	20.5%
Skegness Countryside Business Park	1,055	231	(824)	-78.1%
Historic Lincoln	(1,607)	(165)	1,442	-89.7%
Other Sustaining & Developing Prosperity	14,544	446	(14,098)	-96.9%
Sustaining & Developing Prosperity Through Infrastructure	24,939	5,503	(19,436)	-77.9%
Flood Defence	2,200	0	(2,200)	-100.0%
Energy from Waste	301	189	(112)	-37.2%
Other Protecting & Sustaining the Environment	1,552	1,117	(435)	-28.0%
Protecting & Sustaining the Environment	4,053	1,306	(2,747)	-67.8%
Other Sustaining and Growing Business & the Economy	262	(19)	(281)	-107.3%
Sustaining & Growing Business & the Economy	262	(19)	(281)	-107.3%
Environment & Economy - Commissioning	29,254	6,790	(22,464)	-76.8%
Youth Offending	3	0	(3)	-100.0%
Fire & Rescue and Emergency Planning	2,533	1,719	(814)	-32.1%
Fire Fleet Vehicles and Associated Equipment	649	206	(443)	-68.3%
Protecting The Public	3,185	1,925	(1,260)	-39.6%
Broadband	711	711	0	0.0%
Infrastructure and Refresh Programme	2,264	867	(1,397)	-61.7%
Replacement ERP Finance System	2,227	508	(1,719)	-77.2%
Care Management System (CMPP)	918	846	(72)	-7.8%
Property	4,401	3,393	(1,008)	-22.9%
Property Rationalisation Programme	3,937	2,959	(978)	-24.8%
Enablers & Support To Council's Outcomes	14,458	9,284	(5,174)	-35.8%
Finance & Public Protection - Commissioning	17,643	11,209	(6,434)	-36.5%
New Developments Capital Contingency Fund	7,715	0	(7,715)	-100.0%
Other Capital Programmes	7,715	0	(7,715)	-100.0%
Other Programmes	7,715	0	(7,715)	-100.0%
Total Capital Programme 2016/17	76,310	38,320	(37,990)	-49.8%

1.67 The capital programme comprises a series of schemes/projects which often span a number of years. Hence over/underspends cannot be related to time periods such as this financial year. Where a scheme/project is known to be exhibiting a material variance to its spending profile this will be described in the narrative associated with that commissioning area.

1.68 Schemes can receive funding from both the County Council and from external bodies (through grants and contributions). The timing of this external funding may also have an impact on the spending profile of schemes annually within the capital programme.

Children's Services (£0.972m under budget)

1.69 The net underspend of Children's capital is due to the slippage of some costs in particular a number of projects for foster carers. These projects will not now start construction until the new financial year and it is anticipated that the underspend will be carried forward to fund these delayed projects.

Adult Care (Balanced budget)

1.70 A total of £0.411m was utilised in 2016/17, expenditure includes ongoing pre-development costs for the Council's Extra Care Housing Scheme, additional investment in Lincolnshire Telecare services and costs associated with the modernisation of the Council's remaining in-house day care provision.

Community Wellbeing and Public Health (£0.403m under budget)

1.71 The Libraries budget includes allocations for community libraries hubs (£0.015m each) and the underspend reflects those amounts which remain unspent at year end. This will be carried forward into 2017/18 in order to honour these legal agreements held with each Hub.

Environment and Economy (£22.464m under budget)

1.72 The capital programme for the Sustaining and Developing Prosperity Through Infrastructure commissioning strategy was under budget by £19.436m at the end of 2016/17. This is due to the utilisation of external grants and other sources of funding in 2016/17, not originally planned when this budget was set. Spending of the Council's contribution to schemes in this Commissioning Strategy will now take place in 2017/18 and future years.

1.73 The slippage in Protecting and Sustaining the Environment of £2.747m mainly relates to delays in delivering projects for flood defence.

Finance and Public Protection (£6.434m under budget)

1.74 Fire and Rescue and Fire fleet programmes are £1.257m below budget due to delays in delivering the station improvement programme, ICT costs relating to the East Coast (Control) Consortium and the timing of purchase of emergency vehicles.

1.75 Enablers and Support to Council's Outcomes was under budget by £5.174m. This was made up of:

- Infrastructure Refresh is £1.396m under due to delays in delivering the refresh programme which will be spent in future years;
- Replacement ERP (Agresso) is £1.719m under as milestone payments have yet to be agreed and paid resulting in an under spend in the current year; and
- Property and Property rationalisation programmes are £1.996m below budget due to delays in projects including Louth Eastgate (£1.136m) where spend will now be incurred during 17/18.

New Developments Capital Contingency Fund (£7.715m under budget)

1.76 For 2016/17 the Council set aside £7.500m in a New Development Capital Contingency Fund, plus the carried forward underspend from 2015/16 of £1.650m. During the financial year £1.435m was allocated from this budget. This has been utilised to fund the following schemes:

- Foster Care Capital (£0.600m);
- Property – Replacement Air Conditioning Units (£0.030m);
- County Farms Road Improvement Schemes (£0.072m);
- County Farms – Minimum Energy Efficiency Standards (MEES) (£0.048m);
- A1073 – Part One Compensation Claims (£0.215m); and
- Blue Light Collaboration Contribution (£0.470m).

1.77 The £7.715m remaining at the end of 2016/17 will be transferred forward into 2017/18 to fund schemes in the new financial year. There are a number of commitments which already exist for use of this funding in 2017/18 and future years. These schemes include:

- A contribution to the Blue Light Collaboration with Lincolnshire Police and East Midlands Ambulance Service;
- A contribution to the road improvement scheme at Peppermint Junction;
- Replacement of part of the Winter Gritting Fleet; and
- Building works on Lancaster House in Lincoln.

Flexible Use of Capital Receipts

1.78 In September 2016 the County Council approved an Efficiency Plan and Flexible Use of Capital Receipts Strategy to fund transformation for the three year period from 2016/17 to 2018/19. For 2016/17 the Council planned to generate £4.500m from capital receipts which would be used to fund revenue transformation (during the year this target was increased by £0.098m to £4.598m). The actual capital receipts generated during 2016/17 were £3.601m (explanation for this variance is set out in paragraph 1.63 above). This income has been fully utilised in the financial year to fund revenue transformation projects.

1.79 The Strategy identified the following schemes which would be funded this way in 2016/17:

- Service changes and reductions (including redundancies);
- Property rationalisation;
- Efficiencies through contracting and procurement;
- Transforming technology; and
- Preventing and detecting fraud.

1.80 During the year the Council spent £4.432m on these transformation projects. Details of the Council's original plans and actual activity is set out at **APPENDIX A**.

Carry forward of over and under spendings

1.81 The Council's policy as set out in its Financial Strategy is that:

- All under and overspendings on service revenue budgets of up to 1.0% will be carried forward without exception.
- The use of all underspendings on service budgets in excess of 1.0% will be considered by the Executive and decided by the full Council.
- The means of funding all overspendings on service budgets in excess of 1.0% will be considered by the Executive and decided by the full Council.
- All under and overspendings on capital budgets, the dedicated schools budget and shared services will be carried forward.
- All under and overspendings on revenue budgets where the spend is of an uneven nature will be transferred to reserves.

Transfers to and from reserves

1.82 The Council has a number of reserves earmarked for specific purposes. Transfers are made to or from these earmarked reserves at each year end dependent on actual expenditure and income during the year. It is proposed that the transfers are made in the normal way.

1.83 The carry forward of over and underspendings relating to Executive Directors revenue spending is shown in the table below. This includes:

- Up to 1% carry forward on service budgets (£3.144m). Details of how the 1% carry forwards will be utilised is set out at **APPENDIX B**.

Directorate	Final Proposal £'000
Executive Director - Children's Services	1,028
Executive Director - Adult Care	644
Executive Director - Environment and Economy	956
Executive Director - Finance and Public Protection	486
Chief Executive	30
TOTAL	3,144

- The full carry forward of underspends relating to schools (£12.575m) and shared services (£0.952m).
- Transfers to earmarked reserves linked to revenue budgets where spend is of an uneven nature (£0.302m). Made up of:
 - A transfer to the Schools Sickness Fund for the underspend in revenue budgets (£0.108m);
 - A transfer of £0.408m from the Insurance Fund reserve to cover the overspend in year; and
 - A transfer of £0.002m from the reserve for an utilisation of the Museum Exhibits Reserve.

1.84 In addition to this other proposed allocations of amounts resulting from overspends and underspends above the 1.0% are:

- A year end transfer of £20.327m into the financial volatility reserves. £17.870m is required for the planned contribution to Council's revenue budgets in 2017/18. The balance of £32.339m will be available to fund future uncertainties in local government funding in 2018/19 and beyond;
- Additions to existing reserves for: Civil Parking Enforcement (£0.023m), Fixed Penalty Notices (£0.023m) and Health and Wellbeing (£0.007m).
- Creation of new reserves for:
 - Contract Development Reserve (£1.000m) to provide the Council with flexibility to develop and manage contract processes going forwards;
 - Environmental Improvement and Sustainability Reserve (£5.000m) to allow the Council to fund and contribute to a number of environmental

and highways schemes across the County for the life of the current Council;

- Highways Advanced Design Reserve (£2.000m) to invest in feasibility work which will keep the development of Lincolnshire's road network a priority and facilitate economic growth projects;
- Horncastle Salt Barn Reserve (£0.495m) for the construction of a permanent salt storage facility at Horncastle;
- Agresso Upgrade Staffing Costs Reserve (£0.100m) to cover additional resource requirements for the Agresso upgrade to Milestone 6; and
- Property Company Detailed Business Case Reserve (£0.100m) to assess the commercial potential of creating a separate entity.

1.85 A variety of other transfers to or from other earmarked reserves reflecting actual expenditure and income in 2016/17 are shown in **TABLE D** over the page.

TABLE D – Transfers to and from reserves

EARMARKED RESERVES	Balance at		Additional in	Balance at	
	31 March	Used in Year		Year	31 March
	2016	£'000	£'000	2017	£'000
Schools Carryforward	-27,388	15,075	-12,575	-24,888	
Prime Account Loan Reserve Adjustment	786	0	-293	493	
Balances held by Schools under a scheme of delegation	-26,602	15,075	-12,868	-24,395	
Other Services	-4,295	4,295	-3,144	-3,144	
Earmarked Reserves Holding Code	0	0	0	0	
Adverse Weather	-1,000	500	0	-500	
Insurances	-6,395	1,908	0	-4,487	
Schools Sickness Insurance Scheme	-1,143	148	-108	-1,103	
Museum Exhibits	-135	2	0	-133	
Development - Economic Development Reserve	-423	155	0	-268	
Health and Wellbeing	-1,154	247	-7	-914	
Development - Lincs Coastal Country Park	-367	10	0	-357	
Legal	-1,407	537	-781	-1,651	
Procurement	-789	0	-170	-959	
Salix Carbon Management	-247	227	-213	-233	
Safer Communities Development Fund	-833	0	0	-833	
Co-Responders Services	-150	0	0	-150	
Financial Volatility Reserve - Budget Shortfall	-20,165	20,165	-17,870	-17,870	
Financial Volatility Reserve	-23,665	17,870	-26,544	-32,339	
Teal Park	-50	0	0	-50	
Youth Service Positive Activities Development Fund	-20	0	0	-20	
Corby Glen/South Lincolnshire Sports Fund	-171	0	0	-171	
Youth Offending Service	-512	0	0	-512	
Domestic Homicide Reviews	-100	0	0	-100	
Civil Parking Enforcement	-863	0	-46	-909	
Support Service Contract Reserve (FDSS)	-1,709	909	0	-800	
Roads Maintenance Reserve	-88	86	0	-2	
Adoption Reform Reserve	-192	157	0	-35	
Community Advisors Reserve	-156	0	0	-156	
Local Welfare Provision Reserve	-541	526	0	-15	
Property Management	-250	120	0	-130	
Energy from Waste Lifecycles	-2,572	0	-1,096	-3,668	
Broadband Project	-135	0	0	-135	
Broadband Clawback	-157	0	0	-157	
Flood and Water Risk Management	-558	32	0	-526	
Young People in Lincolnshire	-334	108	0	-226	
Members Big Society	-8	8	0	0	
Lincoln Eastern Bypass (LEB)	-500	0	0	-500	
Unsuitable Transport Routes	-100	100	0	0	
Families Working Together	-599	0	0	-599	
Enterprise Schemes	-191	83	0	-108	
Asbestos Pressure	-50	0	0	-50	
DAAT Pooled Budget	-248	0	0	-248	
Street Lighting Earmarked Reserve	-100	0	0	-100	
Heritage Services Earmarked Reserve	-880	0	0	-880	
Horncastle Salt Barn	0	0	-495	-495	
Corporate Property Business Case	0	0	-100	-100	
Agresso Milestone 6 Finance Staffing	0	0	-100	-100	
Contract Development	0	0	-1,000	-1,000	
Highways Advanced Design	0	0	-2,000	-2,000	
Environmental Improvement and Sustainability	0	0	-5,000	-5,000	
Waste Management Earmarked Reserve	-1,000	1,000	0	0	
Earmarked Reserves	-74,252	49,193	-58,674	-83,733	
Revenue Grants and Contributions	-49,295	15,572	-16,975	-50,698	
TOTAL RESERVES	-150,149	79,840	-88,517	-158,826	

General Reserve

1.86 The Council's policy on general reserves is that they will be maintained within a range of 2.5% to 3.5% of its annual budget requirement. When setting its budget for 2016/17 the Council had planned to reduce the balance in the General Fund by £0.800m. After considering the impact of actual expenditure and income in 2016/17 and the proposals on the carry forward of over and under spendings it is proposed to make a contribution of £0.500m to the general fund at the year end. The general reserves at 31 March 2017 are £15.300m or 3.5% of annual budget requirement (TABLE E).

TABLE E – General Reserves

GENERAL RESERVES	Balance at 31 March 2017 £'000
Balance at 1 April 2016	-15,600
Planned contribution to / use in year	800
Proposed contribution to / use of reserves	-500
Balance as at 31 March 2017	-15,300
Balance as a percentage of total budget	3.50%

Prudential indicators

1.87 The Local Government Act 2003 gave authorities freedoms to borrow what they need to fund their capital programmes. The Act requires Local Authorities to comply with CIPFA's Prudential Code for Capital Finance in Local Authorities. The Code provides a framework to ensure that Local Authorities' capital programmes are affordable, prudent and sustainable and that treasury management decisions are taken to support this.

1.88 In complying with the Code the indicators for 2016/17 were approved by County Council on 19 February 2016 along with the budget and council tax for that year. In accordance with the Code, the Executive Director has been monitoring the actual performance against the targets set and would have reported any issues of concern to members had there been a need to. The County Council should also be informed of the actual position compared with that estimated for any given year after the year end. **APPENDIX C** provides details of this comparison for 2016/17. It shows that Prudential Indicators have not been exceeded during the year and there have been no breach of limits set by the Authority.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

* Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act

* Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

* Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

* Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic

* Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it

* Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

These matters have been considered and there is not considered to be any direct impact of the decisions called for by this Report on the Equality Act duty or any of these strategies and obligations. The Council set its budget for 2016/17 in February 2016 having had regard to these matters. The treatment of underspends and overspends in this Report do not impact on that budget or any individual decisions in relation to services. Those decisions will continue to have regard to equality act obligations and the various strategies and obligations referred to as they are taken. This includes decisions on the use of carried forward underspends.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The Joint Strategic Needs Analysis have been considered and there is not considered to be any direct impact of the decisions called for by this Report on the Equality Act duty or any of these strategies and obligations. The Council set its budget for 2016/17 in February 2016 having had regard to these matters. The treatment of underspends and overspends in this Report do not impact on that budget or any individual decisions in relation to services. Those decisions will continue to have regard to equality act obligations and the various strategies and obligations referred to as they are taken. This includes decisions on the use of carried forward underspends.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

Section 17 of the Crime and Disorder Act 1998 have been considered and there is not considered to be any direct impact of the decisions called for by this Report on the Equality Act duty or any of these strategies and obligations. The Council set its budget for 2016/17 in February 2016 having had regard to these matters. The treatment of underspends and overspends in this Report do not impact on that budget or any individual decisions in relation to services. Those decisions will continue to have regard to equality act obligations and the various strategies and obligations referred to as they are taken. This includes decisions on the use of carried forward underspends.

3. Conclusion

3.1 The report provides details of the council's financial performance for 2016/17. Net revenue spending amounted to £444.385m, excluding Schools Budgets. Net capital spending totalled £38.320m.

3.2 Existing policies allow all over and underspendings on capital, schools budgets and shared services to be automatically carried forward. The carry forwards and transfers to and from earmarked reserves have been proposed in accordance with existing policy. General reserves stand at £15.300m with a further £108.128m in earmarked reserves.

4. Legal Comments:

With regard to recommendation 1, the Council's Financial Regulations state that underspends up to 1% will be carried forward without exception.

With regard to recommendation 2, Council's Financial Regulations provide that the use of all underspending on service budgets in excess of 1% will be considered by the Executive and decided by the full Council. The means of funding all overspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

Under Section 3 of the Local Government Act 2003 the Authority must determine and keep under review how much money it can afford to borrow. Reporting on the Prudential Indicators assists the Council in discharging this function.

The recommendations are lawful in accordance with the Constitution and the Policy Framework and within the remit of the Executive.

5. Resource Comments:

The Council has a sound financial base from which to manage the challenges of a difficult medium to longer term outlook for public sector finances.

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The Overview and Scrutiny Management Board will consider a report on the Review of Financial Performance 2016/17 at its meeting on 29 June 2017. Comments from the Board will be passed onto the Executive at its meeting.

d) Have Risks and Impact Analysis been carried out?

No

e) Risks and Impact Analysis

N/A

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Flexible Use of Capital Receipts Outcomes 2016/17
Appendix B	Use of Service 1% Carry Forwards
Appendix C	Prudential Indicators 2016/17

8. Background Papers

Document title	Where the document can be viewed
Financial Strategy	Executive Director Finance and Public Protection

This report was written by David Forbes, who can be contacted on 01522 553642 or david.forbes@lincolnshire.gov.uk .

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Appendix A – Flexible Use of Capital Receipts Outcomes for 2016/17

	2016/17			
	Original Estimate £'m	Revised Estimate £'m	Actual £'m	
Service changes and reductions (including redundancies)	2.000	2.000	1.851	The Council tracks the payback period for redundancy costs. It is estimated that for every £1 spent on redundancy costs within a 9 month period the Council saves £1.25. This year the Council incurred £1.851m of costs.
Property rationalisation and collaboration	0.500	0.500	0.547	The Council has an ongoing programme analysing the property portfolio to identify and maximise use of Council assets. Savings here relate to reductions in rent and associated property costs. This programme of work also contributes to the generation of capital receipts. This work released £3.601m capital receipts to fund transformation work in 2016/17. Work was also undertaken during the year on new shared accommodation for Blue Light Services in Lincolnshire. This will transform the service delivery of the three emergency services and will provide more integrated service provision and create efficiency through accommodation sharing.
Efficiencies through contracting and procurement	1.200	1.298	1.538	Savings here are about reducing contract costs but also keeping future contract costs as low as possible (i.e. ensuring that grow in costs is kept to a minimum). Efficiencies through contracting have been seen in 2016/17 in a number of areas including, Home to School Transport, Multi-functional devises and Occupational Health.
Transforming information technology	0.600	0.600	0.297	Improvements and efficiencies here may not easily convert directly into a reduction in spending, however, they will increase capacity and allow other savings to be delivered across other areas of the Council. During 2016/17 work has been undertaken to replace the current Care Management system. This will ensure all data is kept in one place and will include a finance module. This will help improve the efficiency in dealing with cases and transform the service processes resulting in efficiency.
Preventing and detecting fraud	0.200	0.200	0.199	The Council is developing ways in order to benchmark against the six strategy themes to tackle fraud and corruption in local government for 2016-2018. This will provide strong, harder hitting deterrence factor and fraud awareness, reduce levels of fraud in key service areas will help mitigate the impact of reducing budgets, and maintain an anti-fraud culture and reduce fraud to an absolute minimum.
TOTAL	4.500	4.598	4.432	

Appendix B – Proposed Directorate Bids for Use of 1% Underspend

Directorate Children's Services

Up to 1% Carry Forward	1,028,466
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Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
1	Health Services	To support the one-off start-up and transition costs of the insourcing of the 0-19 health services in October 2017. This will allow Children's Services to manage these costs internally.	One-Off	N/A	642,516
2	Music Service	Lincolnshire Music Service is a traded service and is operating through its traded and grant income. The service undertook a business case to consider externalising the service, however due to the liabilities it would inherit relating to staff transferring, the risks would be too great for such a small entity. It was agreed that the service would be able to set up as a separate trading unit within LCC where under and overspends would carry forward.	On-going	The service is a fully traded operation and the reserves brought forward from its 2016/17 trading will provide flexibility to manage internally unexpected or planned events. A 2016/17 retrospective overhead charge will be made in 2017/18.	233,541
3	People Management	To fund an increase in the Employee Support and Counselling Service from 1 fte to 2 fte counsellors. The service has faced increasing demands, therefore this additional resource is in response to this.	One Off	N/A	60,000
4	Commissioning	To fund an extension to the current contract with Barnardo's to provide an Independent Return Interview Service for children and young people who have returned to home or care after being reported missing. The current contract runs until 30th September 2017 and this extension will allow the service to continue until 31st March 2018, which will allow time for a review of the delivery approach to take place.	One-Off	N/A	50,000
5	People Management	To continue funding an Employment Officer post to support the apprenticeship work with the objective of ensuring that the Council maximises the use of the apprenticeship levy funds.	One Off	N/A	42,409
		TOTAL			1,028,466

Directorate

Adult Care and Community Wellbeing

Up to 1% Carry Forward	644,289
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Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
1	Adult Frailty & Long Term Conditions	Telemedicine in Lincolnshire Care Homes - Implementation of a managed Telemedicine service within Care Homes across Lincolnshire to reduce the number of avoidable admissions to secondary care and unnecessary A&E attendances	One off	n/a	500,000
2	Adult Frailty & Long Term Conditions / Specialist Adult Services	Assessment Training - Training to support Community Care workers to undertake lower level equipment assessments.	One off	n/a	85,000
3	Adult Frailty & Long Term Conditions / Specialist Adult Services	Kingsbury Hill Fox - Undertaking a review of the Lincolnshire residential and nursing market and a review of the cost of delivering care in Lincolnshire as a part of the 3 year rate review work.	One off	n/a	59,289
		TOTAL			644,289

Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
1	Sustaining & Developing Prosperity via Infrastructure	Greater Lincoln Traffic Model carry forward bid was accepted for carry forward last year but some delays occurred due to securing a legal agreement acquiring mobile phone data. This had a knock on affect on carrying out some survey data due to road closures in Lincoln. Significant expenditure already incurred and this bid is for the outstanding amount required to complete the work.	One-off	N/A	200,000
2	Protecting & Sustaining the Environment	Site Allocation Examination & Local Plan Process statutory work that needs to be undertaken with a broad estimate of costs based on a two week examination period together with the cost of a programme officer	One-off	N/A	90,000
3	Sustaining & Developing Prosperity via Infrastructure	Alliance Contact Renewal 2020 - Funding is needed for the development of the next Alliance Contracts commencing April 2020.	One-off	N/A	80,000
4	Protecting & Sustaining the Environment	A Residual Waste Composition Analysis needs to be completed to enable a robust assessment of waste treatment and costs that will support the new Joint Municipal Waste Management Strategy (JMWMS) that is being developed.	One-off	N/A	50,000
5	Protecting & Sustaining the Environment	Linked to the above (item 4) a need to undertake a statutory Strategic Environmental Assessment to enable a robust and efficient environmental strategy that will support the JMWMS.	One-off	N/A	30,000
6	Sustaining & Developing Prosperity via Infrastructure	English National Concessionary Travel (ENCT) Cards need be renewed every five years as part of our statutory responsibilities	One-off	N/A	130,000
7	Protecting & Sustaining the Environment	New Household Waste Recycling Centre (Boston) requires a contribution to the land developer in his constructing of an adoptable road, which will enable the public to have access to the centre.	One-off	N/A	85,000
8	Protecting & Sustaining the Environment	Working with East Midlands Councils to contribute towards a co-ordinated regional approach on transport matters by jointly funding posts.	One-off	N/A	50,000
9	Protecting & Sustaining the Environment	Improving Holbeach Village Centre project which is a conservation area at risk scheme. This is expected to bring social and economic benefits as well as to heritage. This funding has the potential to attract sizeable external funding	One-off	N/A	8,000

Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
10	Sustaining & Growing Business & the Economy	Resources required to deliver / support the LEP Water Management Plan in terms of developing schemes.	One off	N/A	25,000
11	Strategic Communications	To undertake a number of one off projects. Including: completion of branding guidelines (£0.010m), completion of social media branding guidelines (£0.005m), completion of LCC place marketing Lincolnshire a place to grow (£0.015m) and digital Engagement set up costs (£0.020m).	One off	N/A	50,000
12	Libraries	Funds to be used to cover the three month period wherein GLL are unlikely to achieve their recognised savings due to the delay in commencing the mobiles review	One off - on the assumption the new service can be implemented in July 2017	N/A	64,550
13	Libraries	Funds to be used to cover historic arrangement with Deepings Library to pay for staffing at the site - agreement made in 2015 (£0.006m) and £0.004m to pay for re-charging of staff in LCC to undertake work on Library catalogue that GLL are unable to complete due to LCC data protection issues.	One-off	N/A	10,000
14	Libraries	Increase in building rates at Grantham Library (£0.004m) and increase in pension costs for TUPE'd Library Staff (£0.004m).	Unknown		8,400
16	Community Engagement	To provide support to Community Engagement activities during 2017/18, including: providing IT/tablets to enable the CE team to offer more support in front line delivery (i.e. helping with survey data capture where face to face contact is more appropriate).	One-off	N/A	23,400
18	Sustaining & Developing Prosperity via Infrastructure	To provide pump priming resources to support third sector initiatives and to address emerging pressures during the financial year.	One off	N/A	51,436
		TOTAL			955,786

Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
1	Safer Communities	Regulatory Compliance Apprentice-due to launch in Spring 2017. Two year employment costs, training covered by employer levy.	2 year employment	This is a bid for 1 year of costs.	30,000
2	Safer Communities	Delivery of preventative education to reduce harm in LCSP priorities Domestic Abuse, Substance Misuse, Sexual Violence, ASB, Offending and SOC.	Supports Stay Safe Project 2017/18.		60,000
3	Fire and Rescue (Watch Manager Systems Control)	The East Coast and Hertfordshire Control Room Consortium programme (ECHCRC) has been significantly delayed (18 months) with delivery now scheduled for September 2017. As a result of the previous delivery dates (November 2016) the service took the decision to disestablish the Watch Manager systems post (overseeing implementation) from January 2017 to address savings requirements. However, as a result of the change in delivery dates the service has continued to support the post but will not financially be in a position to do so from April 2017. The post is essential to ensure successful cutover.	One off pressure until cutover to new mobilising system in September 2017.	N/A	22,389
4	Fire and Rescue (IMT)	Since the introduction of Firewatch in 2008 the structure and approach of LCC IMT has changed significantly. What was thought appropriate in 2008 may not be the case now and the Service has identified that now would be an opportune time for an external review of the effectiveness of the Services' current IMT provision, how that could be put to best use, what processes and systems could be better facilitated through a corporate solution and what other provisions are required to ensure IMT remains an enabler for the organisation and those working within it.	Please note this is an estimated cost only. Further work required with Simon Oliver and his team.	N/A	10,000
5	Corporate Property	Provision of a G11 project management post - this back fills a current project manager who is working full time on the Blue Light programme. This additional resource is essential to enable the delivery of the LCC property capital programme	2 year employment	This is a bid for 1 year of costs.	54,352
6	Corporate Property	NEC contract training & specialist auditing, this provides update training to a wide range of LCC officers with delegated responsibility to manage the VINCIMouchel contract, this will provide both refresher training and awareness training of any changes to the contract. the budget will also enable independent auditing of elements of the contract	One off	N/A	20,000
7	Financial Strategy	Financial Strategy has 1fte Senior Finance Technician on maternity leave for approx. 12 months and 1fte Finance Team Manager on long term sick with no expected return to work in the short term. Following the recent reduction in posts of some 20fte in this area there is little scope to reallocate their work and therefore backfill arrangements will be required to be put in place to ensure an effective delivery of service is maintained.	One off	N/A	40,000

Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
8	Financial Strategy	To provide additional training and development relating to new areas of work activity Financial Strategy is being asked to work and provide advice upon. Recently Financial Strategy has been asked to calculate commercial loans, offer tax/VAT advice to local authority companies and partnerships. Also in the wider team work on the LEP and transport company (and possible new arrangements for children's services) are demanding we develop new skills.	one off	N/A	10,000
9	Financial Strategy	Staff within Financial Strategy are operating on antiquated IT equipment. The speed of this equipment to deal with modern technologies and large volumes of data is severely hindering the teams ability to deliver its service and to required timescales. As long as current demands for Financial Strategy services remain the corporate IT upgrade programme does not address the issues in a timeframe that enable Financial Strategy to cope with those demands. Funding is therefore required to accelerate the corporate programme for Financial Strategy.	One off	N/A	20,000
10	Financial Strategy / Audit & Risk	Key to Finance and Audit workforce strategy is setting up an apprenticeship scheme. This aims to build capacity and encourage new talent in Finance and Audit professions plus working for Local Government.	Ongoing	Will seek to build in as part of establishment through vacancy management	35,000
11	Audit & Risk	To build Counter Fraud Capacity - reducing the current conflict between investigation demand and proactive work - co-ordinating the Lincolnshire Counter Fraud Partnership (LCFP)	Ongoing	Team has recovered over £1.1m for Council services over the last 4 yrs. Funding from the DCLG (£250k) in the last 2 years has also saved the Council a further £920k. This demonstrates clear payback for modest investment - we anticipate a 2 year investment by which time we expect quantifiable results and a self-funding situation. Lincolnshire Districts have contributed £21k to support the LCFP	26,000
12	Financial Strategy / Audit & Risk	Our business plan maps out the development of the service and the importance of income generation. One of our key objectives to financial sustainability is growth through delivering services to other public bodies. Key to this is the creation of a business development post to maximise and secure revenue income.	Ongoing	The post is to be fixed for 2 years - whereby it should be self funded.	45,000

Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
13	Business Support	Support to Apprentice reform Project (as agreed) - Team Leader (G9) transferred to work on reform project for 12 months - to end of December 2017	One off pressure to project	N/A	29,273
14	Business Support	Support for implementation of the corporate contract for MFD roll out. This is a high level project we are working with IMT on and will replace all the MFD fleet to mew kit. This requires support to co-ordinate the current fleet, deal with replacement, manage budgets and implementation. We have moved a Team Leader at G9 to support this project. 0.6 x G9 for 12 months	One off pressure to project	N/A	24,258
15	Business Support	Budget pressure to cover Serco implementation costs for delivery of the MFD contract. These are annual costs for integration of MFDs to network	On going pressure	Recommendation to CMB on the centralising of all MFD budgets to enable the costs of this to be covered from within the proposed savings realised by the contract.	8,000
16	Business Support	Support for contract management in Business Support. A number of contracts have been moved to BS to manage corporately (Translation, Contract Car, Fuel Cards, MFD, Long Service etc.) and administration of contracts requires dedicated support provision. 1 x G5 for 9 months	Ongoing pressure	As we continue to downsize we will look to create capacity from existing resource to be able to support this work	19,000
17	Business Support	Support to Kinship (Children's). Agreed 6 months for additional work in this area with Pete/Debbie whilst we undertake a review of support and determine impact of Mosaic on future resource needs for F&A.	One off pressure	N/A	10,886
18	Budget & Policy Framework - Finance & Audit	Balance of 1%. It is proposed to set aside for emerging pressures during the financial year.	One off pressure	N/A	21,691
		TOTAL			485,849

Directorate

Information and Commissioning

Up to 1% Carry Forward	29,861
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Rank (please rank in order of priority)	Service Area	Planned use of Carry Forward (please provide a short explanation)	Required for one off scheme/pressure, on-going pressure.	For on-going budget pressures how does the service plan on resolving these beyond this funding?	Amount (£)
1	Commercial Team	Both Procurement Teams (People Services and In-structure) during 2016/17 have experienced significant levels of workforce change. To recruit individuals with procurement experience, particularly with public sector knowledge, has proven difficult. To address this, a development framework has been designed for new and existing team members to build and enhance their commercial and procurement skills i.e. support the Commissioning Council. A detailed training package has been developed and requires one off funding in 17/18.	One Off scheme	N/A	29,861
		TOTAL			29,861

Appendix C – Prudential Indicators 2016/17

PRUDENTIAL INDICATORS ACTUAL COMPARED TO ESTIMATED 2016/2017			
Original Estimate	2016/17 £000	Actuals	2016/17 £000
Capital Expenditure Net	86,408	Actual Capital Expenditure (Excl Sch RCCO & Leasing)	18,779
Capital Financing Requirement 31/3/2017	662,910	Actual Capital Financing Requirement 31/3/2017	557,773
Capital Financing Requirement Estimate at 31/3/2019	647,090	Capital Financing Requirement Estimate 31/3/2019	541,953
Gross External Borrowing	568,011	Actual Gross External Borrowing	478,195
Borrowing in Advance of Need Limit	-3,955	Actual Borrowing in Advance of Need Taken	0
Incremental Impact of Borrowing Plans on Council Tax -Band D	£30.63	Actual Incremental Impact of Borrowing Plans on 'Council Tax -Band D	-£17.59
MRP & Interest Repayments not to exceed 10% of Net Revenue Stream Estimate	6.96%	MRP & Interest Repayments not to exceed 10% of Net Revenue Stream Actual	5.27%
Ratio of Financing Costs To Net Revenue Stream	6.87%	Actual Ratio of Financing Costs To Net Revenue Stream	5.20%
External Debt:			
<u>Authorised limit for external debt -</u>		Actual external debt at 31/3/17	
borrowing	640,752	Borrowing	478,195
other long term liabilities	14,198	Other long term liabilities(Credit Arrangements)	11,613
TOTAL	654,950	TOTAL	489,808
<u>Operational boundary -</u>			
borrowing	616,752		
other long term liabilities	12,198		
TOTAL	628,950		
Treasury Management:			
<u>Upper limit for fixed interest rate exposure</u>		Actual exposure fixed interest	
Net principal re fixed rate borrowing less investments	647,090	Net Principal	277,404
<u>Upper limit for variable rate exposure</u>		Actual exposure variable interest	
Net principal re variable rate borrowing less investments	194,127	Net Principal	-45,122
<u>Upper limit for total principal sums invested for over 364 days</u> (per maturity date)	40,000	Actual sums invested > 364 Day	5,214
<u>Maturity structure of fixed rate borrowing during 2016/17</u>	upper limit	Actual maturity structure as at 31 March 2017	
under 12 months	25%	under 12 months	3.20%
12 months and within 24 months	25%	12 months and within 24 months	7.50%
24 months and within 5 years	50%	24 months and within 5 years	10.50%
5 years and within 10 years	75%	5 years and within 10 years	10.50%
10 years and above	100%	10 years and above	68.30%

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Executive
Date:	04 July 2017
Subject:	Construction of Salt Barn at Horncastle
Decision Reference:	I013766
Key decision?	No

Summary:

This report recommends the award of a contract to design and construct a Salt Storage Dome at Horncastle Highways Depot.

Recommendation(s):

That approval is given for the detailed design and construction of a Salt Storage Dome at Horncastle Depot where salt stocks are properly stored and managed. That approval is given for the Executive Director to directly enter into a contract for the provision of a Salt Storage Dome as an exception to the Contract & Procurement Procedure rules.

Alternatives Considered:

- | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <p>DO NOTHING - Maintain existing arrangements.
 This would have the disadvantages of high ongoing maintenance costs and health and safety risks.
 It also has inherent environmental risks and results in inefficient operation of the Winter Service.</p> |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Reasons for Recommendation:

The original Outline Business Case (Appendix A) outlines the rationale and benefits of the proposal.

The proposal will:

- Reduce risk of environmental impact
- Reduce health and safety risk to staff
- Reduce noise disturbance to neighbouring properties
- Increase efficiency of Winter Service
- Provide long term cost savings.

1. Background

- 1.1 With the exception of the Trunk Roads, Lincolnshire County Council is the Highway Authority for all roads in Lincolnshire. The Highways Act 1980, Section 41 (1A) states that:

"A highway authority are under a duty to ensure, so far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice"

Hazards such as snow, ice and hoar frost are avoided by Precautionary Salting of a designated network of roads using sodium chloride (salt). This is spread in a "pre-wet" method from gritters which spray brine at a specified concentration onto the dry grains of 6mm marine salt. The calibration of these vehicles and the effectiveness of the treatment are reliant on the quality of the salt which is used.

- 1.2 The storage of this material has a significant effect on how the quality of the material is maintained. If salt is not maintained in good condition, target spread rates and adequate distribution across the carriageway are unlikely to be achieved. If salt is in poor condition both under-spreading and over-spreading are possible.
- 1.3 Keeping the salt in good condition and monitoring the condition is essential to allow spreading at lower rates; thus maximising the efficiency of the operation. The condition of the salt must be maintained for consistent spreader performance during the season.
- 1.4 Changes in National Guidance contained in Appendix H to "Well Maintained Highways", the Code of Practice for Highways Maintenance, placed increased emphasis on salt storage. It is explicit that salt should be stored in a barn wherever possible, with sheeting a less desirable option and open stockpiles to be avoided. As the outlay for a salt barn or dome is recognised as significant, it was suggested a 10-year plan is adopted to allow local authorities to comply with its recommendations.
- 1.5 As well as the impact on service delivery, there are also environmental concerns. Salt stored outside in open or sheeted stockpiles suffers from leaching with the risk of subsequent contamination. The Environment Agency has expressed its desire to see the County Council comply with the guidance.
- 1.6 The County Council operates its winter service out of eight operational depots across the county. The recent construction of Willingham Depot salt barn in 2015 leaves our largest salt store in Horncastle depot. Salt is currently stored externally and sheeted with tarpaulins. This is the last external storage site and a new facility will enable the Authority to meet national recommendations for the storage of de-icing salt, as well as making future savings through improving condition of the salt stored at the depot.
- 1.7 Construction of the facility would have the following benefits:

- Operational – Spreading equipment does not cope well with wet salt and issues with calibration, breakdowns and damage
- Health and Safety - Sheeting poses problems for operatives both handling and working at heights and risk to local residents
- Environmental – Salt heaps pose a contamination risk highlighted and monitored by the Environment Agency
- Effectiveness - Clumping of wet salt results in problems with spread rates and the ability to defend insurance claims is compromised.
- Cost Reduction - The ability to control salt application will result in use of less salt and less repeat gritting runs, reducing operating costs.

1.8 An outline business case was prepared in 2015 to establish the viability of the proposed storage facility and this is attached as Appendix A. This shows that expected rate of return is to recover costs within 8.5 years

1.9 In early 2016 discussions with Lincolnshire County Council planning officers identified an area within Horncastle Depot as the preferred location for a new storage facility. However, consultation with affected parties resulted in significant opposition to these proposals.

1.10 An alternative site within the depot was identified and this was progressed through the planning process. The new location within the depot is square in shape and the only suitable structure was a purpose built domed storage structure. Working with the supplier of domed structures an appropriate design was developed and outline drawings prepared. The dome is a unique design, including the ability to relocate in the future should the need arise.

1.11 Planning permission for the new bespoke structure was granted by the Planning and Regulation Committee in October 2016 which will allow the storage of 5400 tonnes of salt. There is a sole supplier who owns the design, patents and trademarks of this design.

1.12 Revised quotations have been negotiated for the amended proposals and the current cost breakdown is shown below:

Design, Provision and erection of Dome	£388000
Groundworks	£ 50000
Services/ Drainage/ Ancillary Works	£ 47000
TOTAL	<u>£485000</u>

1.13 As the dome is a bespoke structure, approval is sought to waive Procurement rules to enable the award of a single contract for the provision and construction of a purpose built salt dome complying with the planning permission, where salt stocks are properly stored and managed.

1.14 In order to achieve a September start date and allow mobilisation the Executive is requested to approve in principle to the award of a contract up to agreed value, subject the approval of funding by Full Council in July.

Procurement Issues

The value of the proposed contract is well below the relevant threshold for the application of the EU public procurement regime. However, the Council is bound by EU Treaty principles of transparency and equal treatment even in relation to procurements below the EU threshold. Those principles would normally require advertising of the opportunity across the EU unless in the opinion of the Council the contract would not be of cross-border interest – i.e. would not be of interest to a contractor in another EU member state.

Consideration has been given to whether there would be cross-border interest in this contract and it has been concluded that there would not be cross-border interest having particular regard to the nature of the contract and its limited value.

Direct award of a contract would not therefore be a breach of EU procurement rules.

It is not reasonable to require compliance with the Council's own Contract Procedure Rules that require 4 written quotations to be obtained for contracts of the value as the one which is the subject of this Report because the solution of a dome construction is one unique to the Contractor the Council has approached and the Public Contract Regulations 2015 allows for the direct award of a contract (albeit one above the EU Threshold) without prior publication where it involves the protection of exclusive rights such as intellectual property rights which is the case in this instance, and where there is no reasonable alternative or substitute. The report clearly identifies that the best solution for the protection of the salt stock would be for it to be stored in a barn such as the one the Council wishes to have erected. The report also explains how this solution would achieve savings for the Council which would indicate that this solution would achieve best value for the Council.

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

* Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act

* Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

* Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation
Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

* Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic

* Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it

* Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

Consideration has been given to the Equality Act duty and there are not considered to be any direct negative impacts of the decision. The works will not take place in an area that the public have access to. To the extent that any of the works would affect members of the public, suitable measures will be taken to maintain safety for people with protected characteristics.

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The JSNA identifies topics which relate to the achievement of health and wellbeing objectives. The proposal will directly assist achievement in the following areas:

Isolation/Transport/Access through maintaining a safe highway network.
Road Traffic Collisions through its contribution to a safer road network.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

There are no implications in relation to Crime and Disorder from approval to award the contract.

3. Conclusion

- Planning Permission for a new Salt Storage Dome in Horncastle was granted by the Planning and Regulation Committee in October 2016.
- Approval is now sought to proceed to the construction phase, subject to financial decisions by Full Council on 12 July.
- Further approval is sought for the Executive Director to enter into a design and construct contract as an exception to the Contract & Procurement Procedure Rules, subject to the budget limit identified.

4. Legal Comments:

The Council has the power to enter into the contract proposed.

The procurement law implications and the other matters to which the Executive must have regard are dealt with in detail in the Report.

The decision is consistent with the Policy Framework and within the remit of the Executive if it is within the budget.

5. Resource Comments:

A recommendation will be made to County Council on 12 July to approve a carry forward in excess of 1% for the purpose of utilising the underspend on the 2016/17 winter maintenance budget to fund the construction of a salt barn at Horncastle. Subject to this approval, the resources will be available for the recommendation in this report to be agreed. Accepting the recommendation is also likely to reduce the costs in the winter maintenance budget in future years.

6. Consultation

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This has not been considered by a scrutiny committee.

d) Have Risks and Impact Analysis been carried out?

n/a

e) Risks and Impact Analysis

n/a

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Original Outline Business Case
Appendix B	Location Plan

8. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Paul Little, who can be contacted on 01522 782070 or paul.little@lincolnshire.gov.uk .

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OUTLINE BUSINESS CASE

HORNCASTLE SALT BARN

JUNE 2015

Business Case Summary

Lincolnshire County Council operates winter maintenance activities from 8 strategically placed depots. 43 gritters run from these depots which all have on-site salt stocks available to load from. Following the construction of Willingham salt barn in the summer, Horncastle will be the only remaining depot without a permanent salt storage solution.

Preliminary discussions with LCC planning department have taken place and although objections from local residents are possible, mitigation measures and the environmental and strategic justification presents a strong case.

Although the option to continue using temporary sheeting is available the conclusion of this report is that the construction of a permanent salt dome should be approved for the following reasons:

- **OPERATIONAL** - Salt which is stored uncovered is open to the elements which can see its moisture content rise well out of desirable specification (between 2 and 3.5%). This leads to operational issues in terms of spreading equipment and also reduces its de-icing effectiveness thus requiring increases in spread rates or multiple applications to compensate for the increased moisture content.
- **HEALTH & SAFETY** - Temporary sheeting, which is currently employed as a storage solution at Horncastle depot sees a year-on-year cost for re-sheeting and is an unnecessary health and safety risk. This has the disadvantages of requiring specialist staff on hand that are trained in safely removing the sheeting. The un-sheeted sections are exposed to the elements just as an uncovered stockpile would be. The cost of sheeting a stockpile of 5500 tonnes each year is approximately £20,000.
- **ENVIRONMENTAL** - As sheeted or uncovered stockpiles of salt have no solid bund or containment and are more exposed than a dome or barn storage solution, there is an environmental risk with the potential for contamination of the surrounding areas and potentially watercourses. Horncastle Highways Depot is situated in the catchment area for the River Bain and even with salt sheeting in place, because it is not guaranteed to be water tight and has no solid bund there is a continued risk of leaching of sodium chloride into the local watercourses. There is scrutiny and increased pressure from the Environment Agency for Lincolnshire County Council to demonstrate it is taking measures to eliminate any possible environmental damage from the sodium chloride.
- **EFFECTIVENESS** - Spread rates are already low when performing precautionary salting of the road network, but part of the reason for this is the assumption of optimum moisture content and lack of contamination of salt stocks. The currently sheeted stockpile has been tested throughout the season and there is risk in future years of the

quality of the de-icing salt being reduced through exposure to the point of increased spread rates having to be employed in order to compensate for this. This sees extra tonnage of salt being used per run and therefore has significant cost implications. The application of salt from Horncastle has had to be repeated on several occasions where effectiveness has been reduced by using high moisture salt.

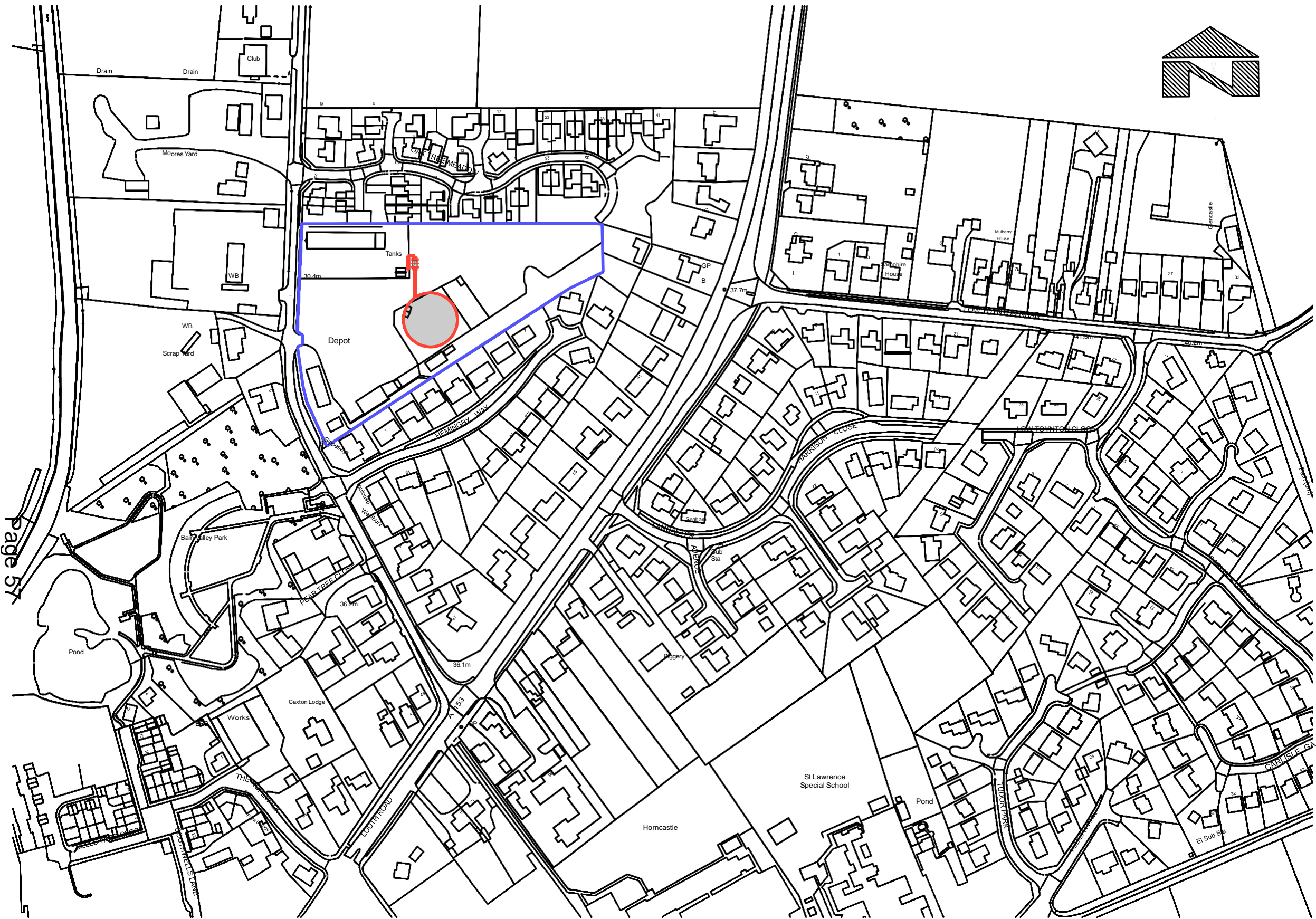
- **COST** – Estimates have been received for the proposed development which breaks down to £385,000 for the Salt Barn and £110,000 for site clearance, groundworks, vehicle access areas and ancillary works.

Recent winters have seen approximately 4300 Tonnes of salt used from Horncastle at a present day cost of £215,000. If spread rates are being increased to compensate for the reduced effectiveness this would be in the order of a 15% increase in salt usage at an increased cost of £43,250 per season.

- **RATE OF RETURN** - A budget estimate of £495,000 for the provision of a salt barn able to accommodate 5000 Tonnes, and annual savings of £63,250 (subject to 2% NPV discount factor), would therefore have a potential to recover the costs in less than 8.5 years.

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APPENDIX B



Site Location Plan

Scale 1:2500

Rev.	Description	Design	Drawn	Checked	Approved	Date
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Drawing status:

Planning Application



Lincolnshire CC, County Offices, Newland, Lincoln, LN1 1YL
 Tel : +44 (0) 1522 836222

Client :
 Lincolnshire County Council

Client Ref Number :

Project :
 Horncastle Hemingby Lane Depot
 Proposed Salt Barn

Site Ref \ USRN :
 Mouchel Project No : LT1092

Drawing Title :
 Site Location Plan

Design: Drawn: Checked: Approved:
 G Draper J Turner L Crowther

Date : July 2016 Scale : 1:2500@A3

Drawing No : LT1092-MOU-XX-DR-A-(20)-004 Rev. No :

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Open Report on behalf of Tony McArdle, Chief Executive

Report to:	Executive
Date:	04 July 2017
Subject:	Council Business Plan 2016 - 2017 Performance Report, Quarter Four
Decision Reference:	I013314
Key decision?	No

Summary:

This report presents an overview of performance for Q4 against the Council Business Plan.

Executive can view performance on the web in a secure area on the Lincolnshire Research Observatory. A [link](#) to the relevant area, username and password will be emailed to Executive members along with the papers for the meeting.

Recommendation(s):

That Executive:-

- (1) Note and consider 2016/2017 Quarter 4 performance.
- (2) Consider and comment on proposals for presenting measures displayed in Appendix B of this report.

Alternatives Considered:

- (1) No alternatives have been considered to recommendation 1 as it reflects factual information presented for noting and consideration.
- (2) The alternative to recommendation 2 is not to make any changes in reporting of measures as appropriate recommended in Appendix B and instead to continue to label actual results as 'performance'. However, using the term number where appropriate is considered to be more suitable.

Reasons for Recommendation:

To provide the Executive with information about Quarter 4 performance against the Council Business Plan 2016/2017 and propose changes to reporting to assist the Executive in monitoring that performance in future.

1. Background

The Council Business Plan 2016/2017 was approved by Council on 19th February 2016. This report provides the Executive with highlights of Q4 performance. The full range of infographics is available to view on this [link](#); a username and password will be emailed to all Councillors along with the papers for the meeting. If any Elected Members would like some assistance to navigate the website, please contact the report author. Once Q4 performance has been discussed by the Executive and feedback has been considered, the performance information will be publicly available on the website. In order to assist Elected Members to see areas of performance they may be interested in on the website, a table with a link to the relevant web page for services within the Council Business Plan is detailed in Appendix C.

Headlines Quarter 4 performance

Of the 17 commissioning strategies reported in Q4:-

7 have performed really well (all measures achieved the target);

5 have performed well (all but 1 measure achieved the target);

5 have mixed performance (some measures achieved and some measures did not achieve the target).

The good news

The following 7 commissioning strategies have performed really well (all measures reported in Q4 achieved the target):-

[Community resilience and assets](#)

[Readiness for school](#)

[Sustaining and growing business and the economy](#)

[Sustaining and developing prosperity through infrastructure](#)

[How we effectively target our resources](#) (Combination of 3 commissioning strategies)

The following 5 commissioning strategies performed well (all but 1 measure reported in Q4 achieved the target):-

[Learn and achieve](#)

[Protecting and sustaining the environment](#)

[Safeguarding adults](#)

[Specialist adult services](#)

[Wellbeing](#)

Mixed performance (some measures achieved and some measures did not achieve the target)

The following 5 commissioning strategies had mixed performance:-

[Adult Frailty, long term conditions and physical disability](#)

[Carers](#)

[Children are safe and healthy](#)

[Readiness for Adult Life](#)

[Protecting the public](#)

Appendix A provides a summary of the measures that did not achieve the target in Q4.

Proposed way of presenting measures

There are a number of measures where it would be more appropriate to use the term 'number' rather than 'performance' in the infographic due to the nature of the measure. Appendix B details an alternative way of presenting such measures for Executive to consider.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- * Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- * Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- * Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- * Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- * Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- * Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is

identified consideration must be given to measures to avoid that impact as part of the decision making process.

The Report presents performance against the outcomes and measures that are the Council Business Plan many of which relate to people with a protected characteristic including young people, older people and people with a disability. It is the responsibility of each service when it is considering making a change, stopping, or starting a new service to make sure equality considerations are taken into account and an equality impact analysis completed.

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The Report presents performance against the outcomes and measures that are the Council Business Plan many of which relate directly to achievement of health and wellbeing objectives.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The Report presents performance against the outcomes and measures that are the Council Business Plan some of which relate to crime and disorder issues.

3. Conclusion

This report presents an overview of performance for Quarter 4 against the Council Business Plan 2016/2017 and proposed changes to reporting to assist the Executive in monitoring that performance in future. Executive is invited to consider performance and consider and approve the proposed changes to reporting.

4. Legal Comments:

The Executive is responsible for ensuring that the Executive functions are discharged in accordance with the Budget and Policy Framework of which the Business Plan is a part. This report will assist the Executive in discharging this function.

The recommendation is lawful and within the remit of the Executive.

5. Resource Comments:

Acceptance of the recommendation in this report has no direct financial consequences for the Council.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

N/A

c) Scrutiny Comments

The Overview and Scrutiny Management Board (OSMB) will consider Q4 performance against the Council Business Plan 2016/2017 at its meeting on 29 June 2017. As the deadline for papers for Executive is before the OSMB will have considered this report, any comments from the OSMB will be presented at the meeting of the Executive on 4 July 2017.

d) Have Risks and Impact Analysis been carried out?

No

e) Risks and Impact Analysis

Any changes to services, policies and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Summary of those measures where the target was not achieved in Quarter 4
Appendix B	Proposed way of presenting measures
Appendix C	Links to performance measures by service area

8. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jasmine Sodhi, who can be contacted on 01522 552124 or jasmine.sodhi@lincolnshire.gov.uk.

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Appendix A Summary of those measures where the target was not achieved in Quarter 4

The following 5 commissioning strategies performed well (all but 1 measure reported in Q4 achieved the target).

[Learn and achieve](#) the target for percentage of permanent exclusions of total pupil population was not achieved for the academic year September 2014 to July 2015 (the latest data available), with an actual number of 180 permanent exclusions. The Inclusive Lincolnshire Strategy only became available to schools in September 2016 in its complete form, as before then there was no Behaviour Outreach Support Service (BOSS) and no pre-exclusion places available in the Pupil Referral Unit. Going forward, the exclusions in academic year September 2015 to July 2016, (reported in March 2018) will not be impacted by the work of BOSS, however it is reasonable to expect progress to be made in academic year September 2016 to July 2017 which will be reported in March 2019. Secondary schools represent the ongoing challenge going forward.

[Protecting and sustaining the environment](#) 'Household waste recycled' did not meet the challenging annual target (55%) set in the Joint Municipal Waste Management Strategy and fell short of the forecasted year-end total for 2016/17 of 47.4%, with 46.8% achieved. Whilst there was a small increase in composting tonnages compared to last year, these are notoriously variable depending on factors such as weather. There was an increase in the rejection rate of mixed dry recyclables which is reducing even further the quantity of actual recyclables being collected at kerbside. The aspirational target set in our Joint Municipal Waste Management Strategy needs to be addressed in the production of a revised strategy.

[Safeguarding adults](#) all 4 measures achieved the target, with the exception of 'People report they feel safe'. This is an annual Adult Social Care Outcomes Framework (ASCOF) measure from the statutory Adult Social Care Survey (ASCS) that is reported to the Department of Health on an annual basis. It should be noted that respondents have not necessarily been subject to an Adult Safeguarding intervention, so this measure is not specific to the Safeguarding service, but more of a general view of social care users. The feeling of safety is lower this year compared to last. As there are many factors that affect how safe people feel it is difficult to pinpoint specific reasons for the reduction. As part of the survey process we also have a duty to investigate where respondents indicate that they do not feel safe. A handful of cases were flagged and each was followed up and once spoken to, the respondents were safe and had been confused by the question. This was similar to our experience from the previous year and gives us a reasonable level of assurance that the vulnerable adults we support are safe.

[Specialist adult services](#) all 4 measures achieved the target with the exception of 'Adults who received a review of their needs' where performance has improved each quarter, although data submitted to the Department of Health at the end of May did not achieve the annual target. However whilst the initial report from mosaic suggested 286 reviews had not been completed, further validation work has confirmed that the number of reviews not completed was 44. This means that the annual performance target has been achieved and further work will be completed to ensure the accuracy of performance recorded and reported via mosaic is improved. The service has elected to keep the status of improving but not achieved as this is based on the data from mosaic. Mosaic report development in 2017/18 will include operational teams to minimise the discrepancies in the future.

[Wellbeing](#) all 4 measures achieved the target with the exception of 'Successful completion of alcohol treatment'. Performance is reported with a 3 month lag and so the latest performance available is for Q3. Performance dropped from Q2. The service expects performance to fluctuate over Q4 (which will be reported in Q1 2017/2018) while the new treatment model and ways of working embed themselves across the county.

The following 5 commissioning strategies had mixed performance:-

[Adult Frailty, long term conditions and physical disability](#) 2 of the measures for this commissioning strategy achieved the target: 'People using the service with control over their daily life' and 'Adults who receive a direct payment'.

A summary of the 3 measures that did not achieve the target in Q4 are:-

- 'Permanent admissions to residential and nursing care homes aged 65+'. The target has not been achieved in each quarter this year. The number of admissions has slowed in the last quarter of the year, however, increased demand for residential care has resulted in 85 placements more than planned for the year, which is just less than a 10% deviation from the target. The target (982) was set by the Better Care Fund (BCF) and kept the same for corporate reporting for consistency. Cumulative performance in Q4 was 1067. The service believes that 100% of the placements were appropriate and required in meeting citizens' needs and our statutory requirements. Alternatives are always explored and placements approved on a case-by-case basis and it appears that we are dealing with a higher level of acuity and therefore the placements are fully justified. We are experiencing a higher level of demand for services generally and a similar proportion of people are being admitted to care homes as in previous years. Over the last 2 years, the ratio of people in residential care to community has been static at 1:2, suggesting we are consistently placing people as appropriate.
- 'Requests for support for new clients, where the outcome was universal services/signposting'. The figures for the full year show that 59.1% of requests from new clients received in the year have resulted in information and advice or signposting to other services; however the stretch target (67%) has not been achieved. Before the official figures were published on 24th May in the Short and Long Term (SALT) government return, an additional 3,000 new clients were added from our Reablement provider Allied Healthcare, all of which would have a reablement outcome. This has depressed the percentage but serves to illustrate an important point; that this measure should not be taken in isolation. A significant amount of equipment has also been provided this year, with increased levels of Reablement, which are both viable lower level support options to delay and reduce the long term needs of adults. Ultimately, the aim of prevention is to provide low level support to reduce the longer-term need for funded care in the community or in residential care.
- 'People in receipt of long term support who have been reviewed'. The performance figures have increased slightly in Q4 but are 7% below the tolerance level for the target. Further work will be carried to understand how the implementation of Mosaic may be under-reporting the true level of review activity. A number of teams are confirming higher levels of performance in line with targets set for 2016/17.

[Carers](#) 2 of the measures for this commissioning strategy achieved the target: 'Carers who receive a direct payment'; and 'Carers supported in the last 12 months'.

Results for the 3 of the 4 measures where the target was not achieved come from the national Survey of Adult Carers in England (SACE), which is submitted to the Department of Health on a biennial basis. These results are statistically significant at +/-5% so reductions against the previous survey results from 2 years ago are negligible:-

- 'Carer reported quality of life'. This measure does not include young carers, young adult carers or parent carers (which are reported through Children's Services). It is a composite measure that combines responses to 6 different questions about quality of life including work, control, personal care, safety, social participation and encouragement. The results this year (7.4) have dropped slightly from a previous quality of life score of 7.9. It is worth noting that this appears to be in line with national trends, as cuts are made to Adult Care, and unpaid carers fill the gap; however local analysis has not yet been carried out.
- 'Carers included or consulted in discussions about the person they care for'. Slightly fewer carers this year (64.4%) reported that they were 'always' or 'usually' included or consulted in either health or social care decisions regarding the person they cared for. The Care Act and the Lincolnshire Carers Service champion 'Whole Family Approaches' and it therefore remains an aspiration for the Lincolnshire Health and Care community that these figures should improve with the next survey in 2018/19. Adult Care is increasingly developing 'whole family approaches' as a routine approach to meeting the needs of a vulnerable adult, ensuring that carers of all ages are identified and any needs assessed. Carers FIRST has a long term programme of engagement with the NHS sector, in both primary and acute care to build the cultural change required which will see carers of all ages routinely included or consulted in such discussions.
- 'Carers who find it easy to find information about services'. Whilst the results (58.9%) are lower than two years ago (65%), the reduction may not be as pronounced as the figures suggest. The same national survey also reported that 94% of respondents said the information they did find was useful. It should also be noted that the question in the survey asked respondents to consider information and advice from different sources, such as voluntary organisations and Health as well as the Council. The aspiration remains to improve this figure.
- 'Carers supported to delay the care and support for the person they care for'. This measure was designed to capture the preventative element of the Carers Service, where the focus is to identify carers early on, provide information and advice and lower levels of support to enable carers to sustain the caring role, prevent crisis and delay the need for the person they care for needing a funded social care package. The success of the Care Act has raised awareness of Social Care teams of the rights and needs of carers, resulting in more carers being identified and assessed alongside the person they care for. This means both the carer and the person they care for can be eligible for support, in their own right. This is a positive trend, indicating that the increase of carers being supported is also as a result of the good practice of social care teams being aware of and promoting carers rights. It highlights that if a similar cultural change is achieved with all care professionals an increasing number of carers could be identified early. A continuing intensive publicity programme during 2017-18 is aimed at improving professionals' awareness and to reach out to hidden carers.

[Children are safe and healthy](#) 2 out of the 4 measures for this commissioning strategy achieved the target: - 'The average time taken to move a child from care to an adoptive family'; and 'The average time taken to match a child to an adoptive family' both achieved the target.

A summary of the 2 measures that did not achieve the target in Q4 for this commissioning strategy are: - 'Children looked after' and 'Children who are subject to a child protection plan'. There has been an increase in both measures in Q4. The service will undertake further work to understand the cause of the increase, however it should be noted that for both

measures the rate per 10,000 is still lower than statistical neighbouring authorities and the England rate.

Readiness for Adult Life

3 of the measures for this commissioning strategy achieved the target: 'Young People not in education, employment or training'; '16-18 year old Looked After Children participating in learning' and 'Care Leavers in suitable accommodation'.


A summary of the 3 measures where performance improved although the target was not achieved are:

- 'The achievement gap between disadvantaged pupils and their peers at key stage 4'. This is reported annually in Q4 and performance improved compared with the previous year. Children's Services in partnership with the Lincolnshire Learning partnership have agreed a range of actions to support schools to reduce the achievement gap: Schools are encouraged to undertake pupil premium reviews to ensure they are targeting resources in the right area; schools share best practice; and the Teaching Schools offer a range of professional development opportunities to support schools to tackle the achievement gap.
- The target for 'Pupils aged 16 – 18 participating in learning' is ambitious as the Council has already made significant increases in performance, although below the East Midlands figures. For both this measure and 'Participation in learning age 16', difficulties are being experienced in obtaining the data from independent learning providers who, unlike schools and colleges, struggle to meet the demands of data provision. We know that approximately 9% of young people are in this type of provision which is impacting on our performance. Previously, the careers service would have supported the independent learning providers in supplying information but as this service has been decommissioned there is no remedial action that can be taken.

Protecting the public 5 of the outcomes can be compared with a target in Q4. 3 performed really well (all measures achieved the target), 2 performed well (all but 1 measure reported in Q4 was achieved the target).

A summary of the 2 measures that did not achieve the target in Q4 for Protecting the Public Commissioning Strategy are:-

- 'Reported incidents of domestic abuse'. As forecasted, the total number of domestic abuse incidents reported to the Police did not achieve the target. Nationally, prevalence of domestic abuse is at its lowest since 2005 (Crime Survey for England and Wales). The decrease in reported incidents of domestic abuse can be seen across most districts in Lincolnshire with the exception of South Holland and West Lindsey where the number has increased since 2015-16.
- 'Juvenile first time reoffenders'. The most recent published figure for Lincolnshire is 266 actual young people for the period of October 2015-September 2016. Although this did not meet the target figure of 203, it is a reduction on previous numbers. The number of young people entering the criminal justice system for the first time is mostly controlled by external influences, e.g. Police policies, and therefore it is difficult to predict future performance. However, there are no expectations that this figure is likely to rise sharply in the near future. The service is currently preparing to launch a new diversionary project in Lincolnshire in conjunction with Lincolnshire Police. This, through joint co-operation between both Services, will divert young people that offend at a low level, through local panels that will try to prevent those young people from getting a criminal record. Effective restorative justice will be put in place instead of a criminal record that will unfairly affect their future life chances. This should therefore help reduce the numbers of first time entrants.



Communities are safe and protected

Reduce the number of people killed and seriously injured on Lincolnshire's roads

People killed and seriously injured in road traffic collisions

Data is reported by calendar year, with 3 month (1 quarter) lag. Revisions in previously reported data can sometimes occur when the reported severity of an injury can increase or decrease (For example an injury may worsen over time or an unreported injury is later found). Subsequent quarter cumulative totals may include revised figures from previous quarters.


Measured

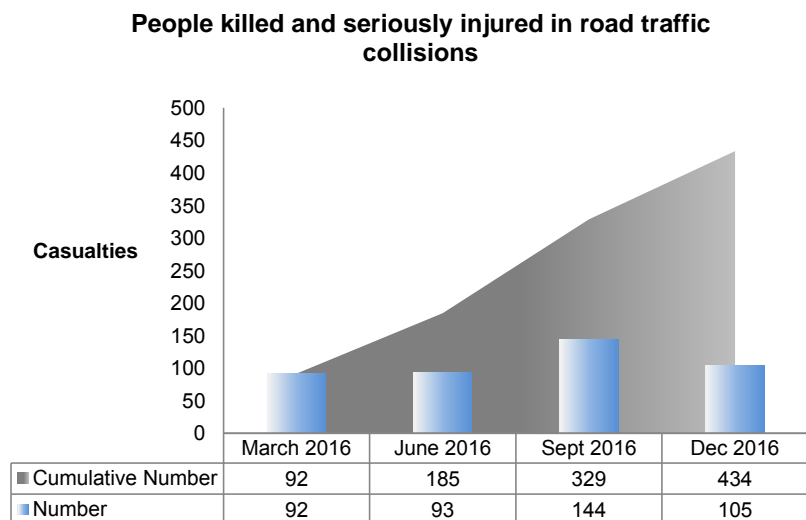

105

Casualties
September to December 2016



144

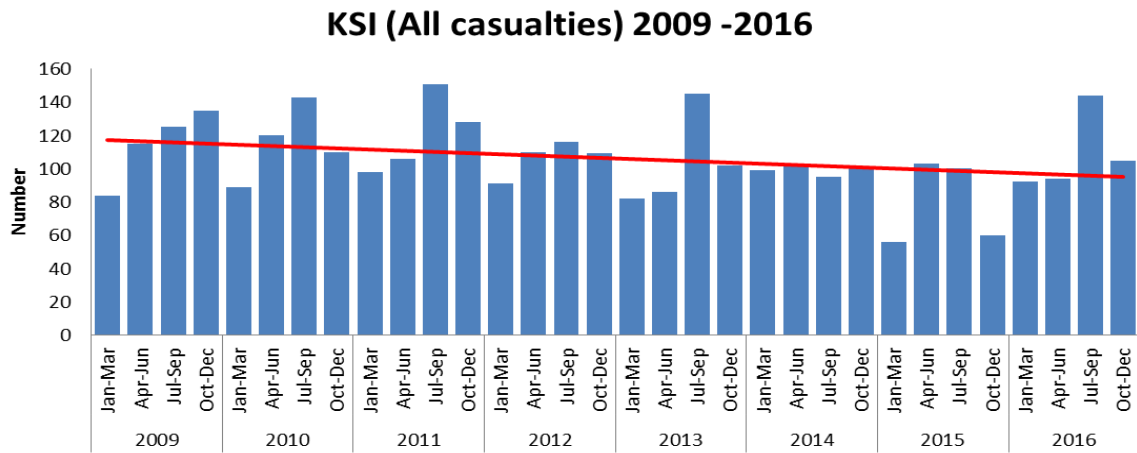
Casualties
June to September 2016



About the latest performance

Following the lowest number of killed or seriously injured (KSI) casualties on record in 2015, we have seen an increase in 2016. Analysis of collision and casualty data does not indicate any clear commonality or patterns and the overall increase in KSI's is mirrored across most user groups. However Lincolnshire Road Safety Partnership (LRSP) are prioritising under 125cc motorcycle riders and pedestrian collisions as emerging trends and over 125cc motorcycle riders as an established high risk group.

Further details



About the target

It is not appropriate to set a target for this measure however the Lincolnshire Road Safety Partnership want to see a 20% reduction over 10 years from the 2010/2012 annual average.

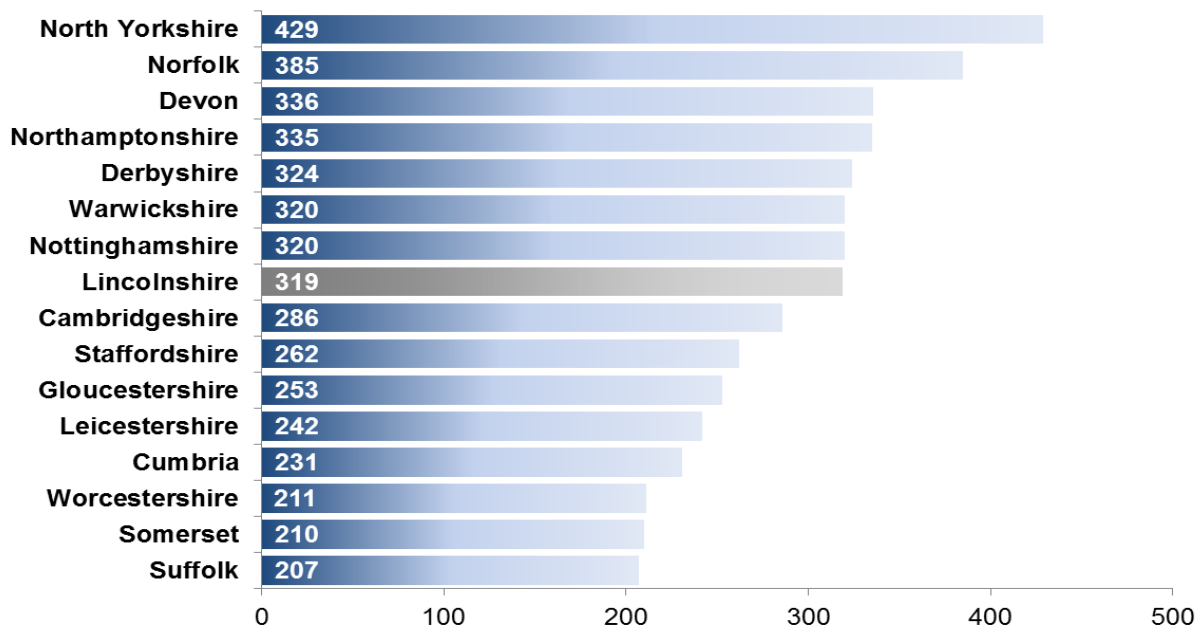
About the target range

A target range is not applicable as this is a contextual measure.

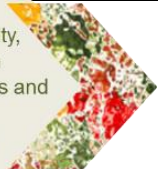





About benchmarking







The Department for Transport publish data which allow comparisons to be made with other Councils. Comparison has been made against the CIPFA group of local authorities. The Chartered Institute of Public Finance and Accountancy (CIPFA) facilitates a benchmarking services to enable Local Authority performance to be monitored against other similar local authorities. We benchmark against other Local Authorities within our CIPFA Group of 16 authorities.

Killed or seriously injured Casualties 2015 CIPFA comparison









Appendix C Links to performance measures by service area

<p>Adult Care Frailty and long term conditions</p>	<p>http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</p>	<p>Adult frailty, long term conditions and physical disability</p> 
<p>Adult Care Learning disability, autism, mental health</p>	<p>http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</p>	<p>Specialist Adult Services</p> 
<p>Adult Care - Safeguarding</p>	<p>http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</p>	<p>Safeguarding Adults</p> 
<p>Alcohol Treatment</p>	<p>http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</p>	<p>Wellbeing</p> 
<p>Carers</p>	<p>http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</p>	<p>Carers</p> 
<p>Children – looked after children</p>	<p>http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</p>	<p>Children are safe and Healthy</p> 

Crime	http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx	Protecting the Public 
Domestic Abuse	http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx	Protecting the Public 
Early Years	http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx	Readiness for school 
Economy	http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx	Sustaining and growing business and the economy 
Educational attainment	http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx	Learn and Achieve 
Environment	http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx	Protecting and Sustaining the Environment 

Fires	http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx	 <p>Protecting the Public</p>
Heritage	http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx	 <p>Community Resilience and Assets</p>
Information Governance	http://www.research-lincs.org.uk/CBP-Resources-Final.aspx	 <p>How we do our business & enablers to the business</p>
Libraries	http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx	 <p>Community Resilience and Assets</p>
Looked After Children	http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx	 <p>Children are safe and Healthy</p>
Property	http://www.research-lincs.org.uk/CBP-Resources-Final.aspx	 <p>How we do our business & enablers to the business</p>

Public Health	http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx	 <p>Wellbeing</p>
Road condition	http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx	 <p>Sustaining and growing business and the economy</p>
Road Safety	http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx	 <p>Protecting the Public</p>
Trading Standards	http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx	 <p>Protecting the Public</p>
Voluntary and community groups	http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx	 <p>Community Resilience and Assets</p>
Young People - supported to reach their potential	http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx	 <p>Readiness for Adult life</p>