

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

Report to:	<b>Environmental Scrutiny Committee</b>
Date:	<b>29 January 2016</b>
Subject:	<b>Revenue &amp; Capital Budget Proposals 2016/17</b>

**Summary:**

The report describes the budget proposals arising from the Local Government Finance Settlement, issued on 17 December 2015 and its implications for the commissioning strategy "Sustaining & Developing Prosperity Through Infrastructure" which includes the following activities;

- Waste
- Flood & Water Risk Management
- Natural Environment
- Sustainability
- Planning

The budget proposals are now open to consultation and members of the Committee have the opportunity to scrutinise them, and make comment prior to the Executive making its final budget proposals on 2 February 2016.

**Actions Required:**

- 1) The Environmental Scrutiny Committee is asked to consider this report and receive a presentation about the proposals at the meeting.
- 2) Members of the committee are invited to make comments on the budget proposals and for these to be passed on to the Executive prior to its meeting on 2 February 2016.

**1. Background**

1.1 At its meeting on 5 January 2016, the Executive agreed proposals for the Council's revenue and capital budgets and in increase in council tax of 3.95% (1.95% plus a further 2.00% for the social care 'precept') for 2016/17. For the second year running the Council is only able to set a one year budget. This is due to the continued significant reductions in government funding, growing cost pressures from demand led services such as adult and children's social care and the Council's responsibility from 2016/17 to pay staff and contractors the National Living Wage. These pressures mean the Council has been unable, at present, to develop sustainable long term financial plans beyond the next twelve months.

1.2 In developing its financial plan the Council has considered all areas of current spending, levels of income and council tax and use of one off funding (including use of reserves and capital receipts) to set a balanced budget.

1.3 The budget proposals made by the Executive take a mixed approach to meeting the current challenges of reduced levels of local government funding. Savings identified from service and corporate budgets, plus a proposed increase in Council Tax, the use of reserves and the use capital receipts to fund the cost of transformation will be used to set a balanced budget for 2016/17. During the next twelve months the Council will need to explore further opportunities to bridge the gap between the funding available and levels of expenditure.

1.4 At its meeting on 5 January 2016 the Executive agreed proposals for the Council's revenue and capital budgets, and Council Tax level for 2016/17 to be put forward as a basis for consultation.

### Protecting and Sustaining the Environment

1.5 The Council currently spends £22.467m revenue and £6.65m of capital expenditure delivering waste management services, planning, flood and water risk management, the natural and built environment and carbon emissions.

1.6 The savings proposed from this strategy are £0.348m for 2016/17. There was an expectation that a saving could be made in 2016/17 from dry recycling, however, a change in market prices for these materials has resulted in the activity creating a cost pressure of £1.100m. Other savings will be delivered by reducing activity levels in the remaining elements of this strategy.

1.7 This will include consideration being given to stopping services completely, such as some Household Waste Recycling Centres, some waste supplementary services, support to longstanding partnership initiatives such as the Wolds AONB, withdrawal of funding from partners such as Lincolnshire Heritage and the Lincolnshire Wildlife Trust with reduced or cancelled delivery of services currently provided on LCC's behalf, cessation of community grants and local schemes and cessation of much of LCC's current activity to reduce carbon emissions and promote energy efficiency.

1.8 The focus will be on delivering a reduced core activity, but it is likely that there will be fewer local flood risk management schemes, and more limited capacity to influence local planning transport and rail policy as well as the impact of specific planning applications in respect of flood risk, drainage, the environment, green infrastructure, transport, heritage and conservation.

1.9 Table A below shows the proposed budgets for this commissioning strategy  
Table A – Proposed revenue budget 2016/17

### **Protecting & Sustaining the Environment**

<b>Change of Previous Year</b>	<b>£'000</b>
<b>Revised Original Budget</b>	<b>22,467</b>
Pay Inflation	31
Cost Pressures	1,159
Savings	-348
<b>Proposed Budget 2016/17</b>	<b>23,309</b>
Percentage Change	3.7%

### County Council Capital Programme

1.10 The proposed capital programme matches the revenue budget and runs until 2016/17, plus major schemes which stretch into future years. There is a proposed budget of £11m for 2016/17 which relates to Environment for the infrastructure work around the Boston Barrier. The programme includes a new capital developments budget of £7.5m in 2016/17, to fund any emerging schemes identified.

### Other Consultation

1.11 The Council will meet with representatives of businesses, District Councils, Police and other partner organisations on 22 January 2016.

1.12 A series of seven public budget consultation meetings will take place in various locations around the County in January 2016.

1.13 The budget proposals have been published on the Council's website at [www.lincolnshire.gov.uk](http://www.lincolnshire.gov.uk) and members of the public are invited to comment on the proposals accordingly.

1.14 The key committee dates for budget proposals are:

- Executive – 2 February 2016
- Full Council – 19 February 2016

## **2. Conclusion**

2.1 These budget proposals reflect the level of government funding available to the Council and the proposal to increase Council Tax in 2016/17 by 3.95%. They are based on a thorough and comprehensive review of the Council's services. The budget proposals aim to reflect the Council's priorities whilst operating with the resources available to it.

### 3. Consultation

#### a) Policy Proofing Actions Required

n/a

### 4. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Council Budget 2016/17 - Executive 5th January 2016	Democratic Services, County Offices, Lincoln

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