Council Budget 2017/18

Lincolnshire COUNTY COUNCIL
Working for a better future

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1. BUDGET RECOMMENDATIONS

It is recommended that the Council:

1. considers the responses to consultation on the Council's budget proposals as contained in **APPENDIX D** – Budget Consultation.

2. considers the Section 151 Officer's Statement on the Robustness of the Budget and the Adequacy of Reserves as set out in **Section 11** – Section 151 Officer's Statement on the Robustness of the Budget and Adequacy of Reserves.

3. considers the Impact Analysis relating to increasing the Council Tax by 3.95% in 2017/18 as set out **APPENDIX C** – Impact Analysis relating to increasing the Council Tax by 3.95% in 2017/18.

4. approves:

   4.1 the service revenue budgets for 2017/18 contained in **Table 3** – Net Service Revenue Budget 2017/18 and change over previous year;

   4.2 the capital programme and its funding contained in **Section 8** – Capital Programme and **APPENDIX N** – Capital Programme;

   4.3 the County Council element of the council tax for a Band D property at £1,173.42 for 2017/18 contained in **APPENDIX B** – County Precept 2017/18;

as together being the Council's Budget.

5. approves the Council's Financial Strategy contained in **APPENDIX E** – Financial Strategy;

6. approves the Council's Flexible Use of Capital Receipts Strategy contained in the appended Budget Book (**APPENDIX G** – Flexible Use of Capital Receipts Strategy);

7. approves the prudential targets for capital finance and notes the prudential indicators contained in **APPENDIX M** – Prudential Indicators;

8. approves that the minimum revenue provision (MRP) be based on the asset life method, charged on an annuity basis for major infrastructure projects and in equal instalments for all other assets, over the estimated life of the assets acquired through borrowing as set out in **Section 10** – Minimum Revenue Provision.

Councillor M Hill OBE Leader of the Council	P Moore BA, FCPFA Executive Director Finance and Public Protection

2. THE FINANCIAL BACKGROUND

2.1 This report sets out a one year financial plan for revenue and capital budgets. For the third year running the Council only considers it sensible 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, waste disposal and the Council's responsibility to pay staff and contractors the National Living Wage. These pressures mean the Council doesn't consider it practicable, at present, to develop sustainable long term financial plans beyond the next twelve months.

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

2.3 All areas of service expenditure have been reviewed to identify cost pressures which must be funded and savings which can be made, through efficiencies and by reducing the level of service provided. The Council remains aware of its high priority areas, but no service has been exempted from helping the Council to deliver its savings target. These high priory areas are:

- Safeguarding children and adults;
- Maintaining and developing highways and infrastructure;
- Managing flood risks;
- Supporting communities to support themselves; and
- Fire and rescue services.

2.4 On an annual basis the Council has the opportunity to review the level of Council Tax. Central government sets thresholds above which a local authority would be required to hold a referendum for Council Tax increases. For 2017/18 it is anticipated that this threshold would remain at 2.00%, with a number of exceptions. Authorities with Adult Care responsibilities will be able to further increase Council Tax by up to 6.00% over the next three years, allowing local authorities to choose to increase this element of their precept by up to 3.00% in both of the next two years (2017/18 and 2018/19), as long as the authority can demonstrate that this additional funding is being allocated to Adult Care Services. After consideration a council tax increase of 3.95% (1.95% plus a further 2.00% for the social care 'precept') is proposed for 2017/18.

2.5 The budget proposals set out in this paper take a mixed approach to meeting the current challenges of reduced levels of local government funding. Savings identified from service and corporate budgets, as set out in the paper below, 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 2017/18. 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.

3. THE COUNCIL'S REVENUE FUNDING

Local Government Finance Settlement and Multi Year Settlement Funding

3.1 The Provisional Local Government Settlement for 2016/17 and letter dated 10 March 2016 from the Secretary of State for Communities and Local Government offered local authorities the opportunity to sign up for greater flexibility in use of capital receipts for revenue transformation and greater confidence in future funding by way of a four year budget settlement. In order to accept this offer, local authorities were required to notify the Secretary of State, not later than 14 October 2016, of their wish to accept the offer and provide a published Efficiency Plan.

3.2 At its meeting on 16 September 2016 the County Council approved an Efficiency Plan, flexible use of capital receipts strategy (and the effect on Prudential Indicators) and acceptance of the four year funding deal. On 16 November the Secretary of State for Communities and Local Government confirmed that the Council were formally on this Multi Year Settlement.

3.3 The Provisional Local Government Finance Settlement was issued on Thursday 15 December, this honoured the commitment to levels of funding for Revenue Support Grant, Transitional Grant and Rural Services Delivery Grant set out in the multi-year settlement for 2017/18. The Provisional Settlement announcement also transferred £241m nationally from the New Homes Bonus Grant to a new Adult Social Care grant for 2017/18 (**TABLE 1**).

TABLE 1: Multi Year Settlement Funding Levels

Funding Summary	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	£'m	**£'m**	**£'m**	**£'m**
Revenue Support Grant	70.351	48.292	33.964	20.139
Transitional Grant	0.011	0.009	0.000	0.000
Rural Services Delivery Grant	6.892	5.565	4.281	5.565
New Homes Bonus Grant	4.519	3.555	2.523	2.421
The 2017-18 Adult Social Care Support Grant	0.000	3.383	0.000	0.000
TOTAL	**81.773**	**60.804**	**40.768**	**28.125**

3.4 When comparing the level of Revenue Support Grant (RSG) received for 2016/17 to 2017/18, the Council has seen a reduction of £22.059m or 31.36% in funding between the two financial years. Taking this forward based on the four year funding deal the following reductions in RSG would be seen:

- 2017/18 to 2018/19: £14.328m or 29.67%
- 2018/19 to 2019/20: £13.825m or 40.70%

3.5 Rural Services Delivery Grant of £5.565m has been awarded as part of the multi-year settlement for 2017/18. This is in recognition of the higher costs of providing services in rural areas. Transitional grant of £0.009m has been awarded for 2017/18. This is for those Council's with the sharpest reductions in Revenue Support Grant.

3.6 New Homes Bonus Grant of £3.555m has been awarded for 2017/18. This reflects the reduction to the number of payment years for the New Homes Bonus from six years to five in

2017/18. The grant is now also limited so Council's only receive money from the scheme for homes built above the 0.4% national housing growth baseline.

3.7 The 2017/18 Adult Social Care Support Grant of £3.383m for 2017/18. This funding is the County Council's share of the £241m transferred from the New Homes Bonus Grant. Allocations are based on the Adult Social Care Relative Needs Formula. The Settlement announcement only includes a one year award for this grant, no indicative figures have been provided for future years.

Other Revenue Government Grants

3.8 The Government has also announced the following non-specific grants will be received in addition to those forming part of the multi-year settlement:

- Special Education Needs and Disability (SEND) Grant award for 2017/18 of £0.532m has been announced. This is £0.054m more than the award for 2016/17;

- Lead Local Flood authority grant of £0.111m for 2017/18 has been confirmed;

- Education Services Grant (ESG). The Government announced the removal of £600m from the ESG general rate from September 2017. Local Authorities are to receive transition ESG funding that covers maintained schools from April 2017 to August 2017 only. The Council has received guidance from Government that the rate per pupil for 2017/18 will decrease from £77 per pupil in 2016/17 to £66 per pupil. Estimated income from ESG for 2017/18 is £1.103m based on the Council's estimate of pupil numbers in maintained schools and applying the grant rate of £66 per pupil.

  The retained duties element of the ESG will be added to the Dedicated Schools Grant schools block for 2017/18. This budget is estimated to be £1.530m. Local Authorities are awaiting further detail of the duties to be included under this arrangement, which will be included in the forthcoming consultation on changes to the School and Early Years Finance Regulations;

- Inshore Fisheries Conservation Authorities from the Department for Environment, Food and Rural Affairs of £0.128m. It is assumed that this grant will continue at the same rate as in 2016/17; and

- Extended Rights to Free Travel from the Department for Education of £0.632m. It is assumed that this grant will continue at the same rate as in 2016/17.

3.9 The Public Health Grant will continue as a separate ring-fenced grant in 2017/18. Indicative allocations where announced in February 2016 along with the grant for 2016/17. The estimated grant for 2017/18 is £33.524m, a reduction of £0.526m from the 2016/17 award of £34.050m.

Council Tax

3.10 It is proposed that Council Tax will be increased by 3.95% (1.95%, plus a further 2.00% for the social care precept) for 2017/18. The Secretary of State announced the Government's proposed referendum thresholds in 2017/18 would remain at 2.00%, with a number of exceptions. Authorities with Adult Care responsibilities will be able to increase

Council Tax up to 6.00% over the next three years, allowing local authorities to choose to increase this element of their precept by up to 3.00% in both of the next two years (2017/18 and 2018/19), as long as the authority can demonstrate that this additional funding is being allocated to Adult Care Services. The Council proposes an increase for the Adult Care Precept of 2.00%. It is on this basis that the Council proposes to increase Council Tax by 3.95%. It is estimated that the increase of 3.95% will generate additional income of £9.804m.

3.11 Under section 52ZB of the Local Government Finance Act 1992, the Council as a major precepting authority must, in setting its precept determine whether its relevant basic amount of council tax for the financial year under consideration is excessive. That question must be determined by the Council in accordance with any principles determined by the Secretary of State and approved by a resolution of the House of Commons. Whilst those principles have not been approved at the date of preparing this report, notification has been given that for 2017/18 the principles will provide for a 3.00% increase in council tax for expenditure on adult social care and a 2.00% increase in council tax for other expenditure. Applying those principles the Council can determine that this recommended council tax increase is not excessive.

3.12 An Impact Analysis has been completed for the increase in Council Tax and is attached at **APPENDIX C**.

Council Tax Base and Collection Fund Surplus

3.13 Figures received from the Lincolnshire District Councils show an increase in the tax base and hence the tax yield of 3,166.82 band D equivalent properties or 1.44%. This will provide the Council with additional Council Tax income of £3.716m per annum at the current council tax levels.

3.14 All seven of the District Councils have declared the position on the council tax elements of their collection funds. There is a net surplus attributable to the County Council of £3.156m. This is a one off addition to income for 2017/18.

Business Rates

3.15 The income from Business Rates is estimated to be £105.052m; comprising £19.907m actually collected by the seven District Council's in Lincolnshire and a top up grant of £85.145m from Central Government as the total business rates collected in Lincolnshire are not sufficient to cover local authority spending in the area.

3.16 Comparing business rates funding received for 2016/17 to 2017/18, the Council has seen an increase of £2.138m or 2.08% in Business Rates funding between the two financial years.

3.17 The Autumn Statement announced the continuation of the small business rate relief and a further extension to include a rural rate relief. Government will continue to compensate local authorities in full for the extension of small business rate relief and new rural rate relief through a section 31 grant, as in previous years.

3.18 The value of the section 31 compensation grant for the County Council is calculated to be £2.753 for 2017/18; this includes:

- £0.299m from the RPI cap on the locally retained element of the business rates;
- £1.279m from the RPI cap on the top up element of the business rates. Note the value of this element of the grant is still to be confirmed by central government; and
- £1.175m to cover the extension of the small business rates relief and the new rural rates relief.

3.19 All seven District Councils have reported the business rates element if the collection funds. This shows a net deficit attributable to the County Council of £0.967m. As with council tax any surplus or deficit from business rates collection will only have a one off effect on the 2017/18 budget. It is worth noting that only 10% of the business rates collected locally is passed to Lincolnshire County Council and any share of surpluses or deficits will be on this basis too.

Business Rates Pooling 2017/18

3.20 The Local Retention of Business Rates Scheme allows the County Council, each year, to consider the option of pooling our business rates with other local authorities. The County Council has agreed to continue to pool business rates with six of the Lincolnshire Districts Council's (Boston Borough, City of Lincoln, East Lindsey, North Kesteven, South Kesteven and West Lindsey). Calculations show the County Council could benefit by some £1.103m from being in the pool. In previous years the Council has budgeted for this additional income, however, due to the timing and size of appeals received by the District Councils, these amounts have been volatile and have not all been delivered. It is therefore, proposed not to budget for the estimated additional income. Any income generated from pooling during 2017/18, when received, will be used to reduce the amount planned to be used from reserves in 2017/18.

4. THE COUNCIL'S OVERALL REVENUE BUDGET

4.1 The table below (**TABLE 2**) summaries out the overall changes in budget, the cost pressures which the Council proposes to fund, the savings to be made and the current proposed use of reserves to bridge the gap between current funding available and service costs.

TABLE 2: Summary Revenue Budget

SUMMARY REVENUE BUDGET	**2017/18 £m**
EXPENDITURE:	
Base Budget	**465.860**
Cost Pressures *(including inflation)*	26.452
Savings	-39.592
Other Movements (school budgets)	2.370
Total Expenditure	**455.090**
Use of Reserves	-17.970
Budget Requirement	**437.120**
INCOME:	
Local Retention of Business Rates	106.837
Revenue Support Grant	48.292
Other Grants	17.123
County Precept	264.868
Total Income	**437.120**

4.2 The Council proposes to allocate an additional £1.456m of resources in 2017/18 to fund pay inflation. Details on all other cost pressures and savings included within the Council's budget for 2017/18 are set out in the Commissioning Strategy narratives below.

4.3 The Council proposes to use reserves of £17.970m to balance the Council's budget and keep the Council's general reserves at 3.5% of the Council's total budget. These are one off contributions to the Council's budget shortfall and are planned to smooth the effect of reductions in funding on implementing service changes and reductions.

4.4 A more detailed analysis of the movement in budget for 2017/18 is shown at **APPENDIX K**.

5. REVENUE BUDGETS

5.1 Revenue budgets for 2017/18 are shown in **TABLE 3**. The Council delivers services to a Commissioning Model and as such the budgets are presented on this basis. **APPENDIX S** to this report provides further details of the services undertaken in each Commissioning Strategy.

5.2 The budget proposals assume inflation increases of 1.0% for pay for the next financial year. There is also a reduction in the employers pension contribution rate from 19.8% to 16.4%. This has removed £2.883m from service budgets. The reduction in rate has been offset by an increase in the lump sum payment made annually by the Council to the Pension fund. Details on this change are set out in paragraph 5.61 below.

TABLE 3: Net Service Revenue Budget 2017/18

Commissioning Strategy Revenue Budgets	**2016/17** **£m**	**2017/18** **£m**
Readiness for School	5.366	4.722
Learn & Achieve	32.846	31.758
Readiness for Adult Life	5.106	4.452
Children are Safe & Healthy	62.084	64.140
Adult Safeguarding	1.795	1.777
Adult Frailty, Long Term Conditions & Physical Disability	98.784	98.159
Carers	1.889	1.889
Adult Specialities	51.149	53.220
Wellbeing	30.568	27.267
Community Resilience & Assets	11.261	9.996
Sustaining & Developing Prosperity Through Infrastructure	44.824	40.037
Protecting & Sustaining the Environment	23.309	24.954
Sustaining & Growing Business & the Economy	1.256	1.233
Protecting the Public	23.409	22.441
How We Do Our Business	8.154	9.081
Enablers & Support to Council Outcomes	36.134	35.482
Public Health Grant Income	-34.050	-33.524
Other Budgets	67.022	60.682
Delegated Schools Budget	465.994	483.222
Dedicated Schools Grant	-496.192	-515.950
Schools Related Expenditure	25.152	30.052
Total Net Expenditure	**465.860**	**455.090**
Transfer to/from Earmarked Reserves	-20.165	-17.870
Transfer to/from General Reserves	-0.800	-0.100
Budget Requirement	**444.895**	**437.120**

Children's Services

5.3 Children's Services commissioning strategies include the following: Readiness for School, Learn and Achieve, Readiness for Adult Life and Children are Safe and Healthy.

5.4 **Readiness for School** strategy is proposing to make savings of £0.611m (or 11.37% of the 2016/17 budget) in 2017/18. The reduction is proposed through a new model of delivery based on commissioning a single Early Year's service. This model will combine elements of the current Locality Services and Early Years activities in Children's Centre Communities.

5.5 **Learn and Achieve** strategy is proposing to make savings of £1.283m (or 3.89% of the 2016/17 budget) in 2017/18. Within the area of Special Educational Needs and Disabilities base budget reductions of £0.640m and £0.145m are proposed from identifying funding available from other government funding source to sustain the current level of permanent provision. A reduction of £0.417m is planned for the School Improvement Service (full year effect of the 2016/17 budget decision) following the implementation of a sector-led approach to school improvement. This reduction coincides with the government's reduction in the Education Support Grant which the school improvement service is funded from.

5.6 In addition, a saving of £0.081m (full year effect) will be realised in 2017/18 from the 2016/17 budget decision to end the additional transport provision provided for the University Technology College (from September 2016), and to provide the same offering as all other non-selective schools in Lincolnshire in line with current policy. A cost pressure of £0.190m is proposed for the additional school transport costs associated with the closure of the Mablethorpe school site for Monks Dyke Technology College.

5.7 The Home to School/College Transport is a challenging and volatile budget with unfavourable economic conditions (e.g. living wage, legislation changes etc.) including the impact of school reorganisations, therefore remains a financial risk to the Council.

5.8 **Readiness for Adult Life** strategy is proposing to make savings of £0.605m (or 12.23% of the 2016/17 budget) in 2017/18. The proposed reduction of £0.605m provides the full year effect of the cost savings from the 2016/17 budget decision to decommission part of the careers guidance service whilst retaining some capacity for tracking young people to fulfil the Local Authority's duty to track 16-17 year olds. The schools traded services of supporting attendance and careers guidance has ended.

5.9 **Children are Safe and Healthy** strategy is proposing to make savings of £0.568m (or 0.92% of the 2016/17 budget) in 2017/18 following a review of its service delivery model and commissioning intentions. Planned reductions of £0.218m (full year effect of the 2016/17 budget decision) relate to the integration of family support capacity implemented in 2016/17 (early help offer). The insourced family action contract and integration of the troubled families programme has created greater synergies within the service. A further reduction of £0.350m relates to the proposed decommissioning of the Family Nurse Partnership service.

5.10 A number of cost pressures exist within children's social care where the Local Authority has a statutory duty to protect children and take action when thresholds are met. Financial shortfalls have been identified for the current and future year based on the growth trends on the number of looked after children placements and special guardianships orders. Nationally demand levels are increasing too. The permanent cost pressure proposed for 2017/18 is £1.882m.

5.11 Additional social care staffing is required to respond to the increase in the number of referrals (5% or 190 rise in the last year) in children in need and in care. In addition, cases coming into social care are become even more complex. The social care staffing cost pressure proposed for 2017/18 is £0.581m.

5.12 A further cost pressure of £0.600m is proposed for the Local Authority's legal duty to provide supported accommodation for homeless 16-17 year olds and care leavers. The complexity of individuals needs and an increase in demand has contributed to this. The Local Authority is exploring options of meeting these growing demands more cost effectively.

Adult Care and Community Wellbeing

5.13 The Adult Care and Community Wellbeing area are responsible for five of the County Council's seventeen Commissioning Strategies: Adult Frailty and Long Term Conditions, Specialist Adult Services, Carers, Safeguarding Adults and Wellbeing.

Adult Care

5.14 The Adult Care budget is set in the context of increasing demographic pressure and cost pressures related to service provider fee increases in order to accommodate the increasing cost of employment as a result of the National Living Wage. This results in a proposed cost pressure of £6.670m in 2017/18.

5.15 Savings in 2017/18 of £4.083m are proposed, covering two of the four Commissioning Strategies.

5.16 **Adult Frailty and Long Term Conditions** propose a £3.648m saving in 2017/18 (or 3.68% of the 2016/17 original budget). It is proposed that this would include: an increase in user contributions to services via growth in the number of people being supported and the additional full year effect of the change in the policy introduced in April 2016 (£1.663m); efficiencies made through joint commissioning with partners and pooled funding arrangements (£1.685m); and reshaping management and commissioning processes following the implementation of the Mosaic Care Management System (£0.300m).

5.17 **Specialist Adult Services** propose a £0.435m saving in 2017/18 (or 0.85% of the 2016/17 original budget). It is proposed that this will deliver by an increase in user contributions to services as described above and by further efficiencies in micro-commissioning.

5.18 The Better Care Fund (BCF) continues to have a profound effect on Adult Care in Lincolnshire. £53.538m (£48.654m revenue and £4.884m capital) was earmarked for the Lincolnshire health and care economy in 2016/17. Spend against this allocation was agreed with the four Clinical Commissioning Groups (CCGs) and £16.825m was allocated to the County Council in 2016/17. Discussions regarding the 2017/18 allocation of the BCF are ongoing and are likely to be agreed early in 2017. A new additional BCF funding regime will also be put in place for 2017/18 with additional funding (suggested to be in the region of £2.106m) paid direct to upper–tier councils to be added into the pooled fund.

Wellbeing

5.19 **Health Improvement, Prevention and Self-Management** has a proposed saving of £1.339m (or 32.74% of the 2016/17 original budget). This proposed saving is the full year effect of the significant reduction in Health Improvement activities implemented during 2016/17. This ceased our commissioning of activities such as adult weight management, health trainer programme, sports co-ordination, food and health programmes, walking programmes, master gardener, health support for offenders and reduced support for the smoking cessation programme.

5.20 **Housing Related Support (HRS)** has a proposed saving of £0.994m for 2017/18 (or 24.94% of the 2016/17 original budget), these savings are planned to be realised through reviewing the budget required to deliver the existing Housing Related Support contracts and the Wellbeing Service in 2017/18 and making efficiencies across these services.

5.21 **Prevention and Treatment of Substance Misuse** has a proposed saving of £0.944m (or 14.19% of the 2015/16 original budget). This proposed saving is the full year effect of the 25% reduction implemented during 2016/17. This proposed saving is the full year effect of the 25% reduction implemented during 2016/17. The service has been through a re-procurement of its substance misuse contracts to achieve this saving and the new services commenced 1 October 2016. These services are more efficient and work to a performance by results based recovery framework.

Environment and Economy

Community Resilience and Assets

5.22 The **Advice, Information and support from Community and Volunteer Sector** have proposed savings of £0.172m in 2017/18 (or 23.24% of the 2016/17 original budget). This saving is mainly the full year effect of the recommissioning of the Volunteer Infrastructure Support commissioned by the Council (£0.141m) and from the cessation of the Service Level Agreement (SLA) with Just Lincolnshire which was required to secure Big Lottery funding (£0.031m).

5.23 **Library and Information Services** have proposed savings of £0.400m for 2017/18 (or 6.91% of the 2016/17 original Budget). These savings are part of the planned operating model of the library service contract and do not require any changes to the contracted service provision.

5.24 **Financial Inclusion** has a proposed saving of £0.684m in 2017/18 (or 100.00% of the 2016/17 original budget). This budget currently funds the activities commissioned with the Citizens Advice Bureaux. This budget proposal will remove 100% of the base budget for this activity. The activity will continue to be supported at 90% of the current level for at least one year with funding coming from balances held in reserves, whilst fully reviewing the impact of this budget change.

Sustaining and Developing Prosperity Through Infrastructure

5.25 **Transportation and Concessionary Fares** has a proposed budget reduction of £0.363m in 2017/18 (or 2.59% of the 2016/17 original budget of £14.011m, half of which is concessionary fares). This proposed saving is the full year effect of the staff reductions which will be implemented as part of the Transportation Service staff restructure.

5.26 **Highway Asset Maintenance** has a proposed budget reduction of £2.617m in 2017/18 (or 13.29% of the 2016/17 original budget). This proposed saving is the full year effect of changes implemented during 2016/17 completing a 25% reduction of this activity. The changes have included:

- Road Maintenance – a reduction of around 3 Area Maintenance Teams gangs and a reduction in maintenance of structures and culverts (£0.530m);
- Highway grass verge maintenance – to remain at 2 cuts per annum and 1 cycle of weed spraying. A reduction in tree maintenance (£0.038m);
- Public Rights of Way maintenance – a reduction in maintenance equivalent to approximately 20% of the budget (£0.100m) ;
- Amenity Grass Cutting – removal of amenity grass cutting service (£0.610m);
- Reducing Street Lighting and investing in new LED technology to reduce street lighting costs (£0.929m);
- Drainage Cleansing – gully emptying reduced to less than 1 full cycle per annum and moved to a targeted cleansing regime (£0.375m); and
- Other savings – Reduction in structures inspections and technical support to the department (£0.035m).

5.27 **Highway Network Management** has a proposed budget reduction of £0.759m in 2017/18 (or 8.77% of the original 2016/17 budget). This saving will be met from the Winter Maintenance budget and will be realised by improved efficiencies through route based forecasting and treatment. There is no planned change from the current treatment routes policy. We will need to draw from the adverse weather reserve and contingency if savings are not realised in any year due to adverse weather conditions.

5.28 **Heritage Operation and Development** has proposed savings of £0.802m in 2017/18 (or 45.70% of the 2016/17 original budget). The Executive have approved the review of the model of delivery of this service, which will ultimately reduce significantly the council budget required for supporting these facilities maximising the income generation opportunities available.

Protecting and Sustaining the Environment

5.29 The Protecting and Sustaining the Environment commissioning strategy currently delivers waste management services, sustainable planning, flood and water risk management, the natural and built environment and reducing carbon emissions.

5.30 The savings proposed from this strategy are £0.353m for 2017/18 (or 1.51% of the 2016/17 original budget). These savings are proposed to be delivered by reducing the work supporting reduction in carbon emissions (£0.053m); reducing the spend on minor flood risk management schemes (£0.089m); reducing the funding for protecting and enhancing the natural and built environment partnerships e.g. the Wolds and GNLP (£0.067m); and reductions in the staff structure of the Sustainable Planning team.

5.31 Whilst savings had already been implemented during 2016/17 to meet the rising demand of waste disposal costs, it is proposed to fund an on-going cost pressure around Waste Disposal (£1.568m); supplementary services (£0.064m) and a short term pressure of responding to household waste facility requirements in Boston (£0.300m).

Sustaining and Growing Business and the Economy

5.32 There are no proposed budget savings in Sustaining and Growing Business and the Economy.

Finance and Public Protection

Protecting the Public

5.33 **Fire and Rescue** have a proposed budget saving of £1.005m in 2017/18 (or by 5.17% of the 2016/17 original budget). The 2016/17 original budget for this service is £19.444m. An element of these savings is the full year effect of changes already implemented during 2016/17 primarily around changes to the crewing arrangements at Lincoln North Fire Station. Savings will also be delivered following implementation of the changes highlighted in the Integrated Risk Management Planning consultation 2016/17. This will include changes to the duty systems on all whole time fire stations, a further reduction in management posts and changes in a number of operational support activities.

5.34 The service is currently receiving funding from the Better Care Fund (£0.150m) towards the costs of Co-Responding, there will be a financial risk to the service if this funding cannot be secured for future years.

5.35 The **Registration, Celebratory and Coroners Service** has a proposed budget saving of £0.060m in 2017/18 (or 4.52% of the 2016/17 original budget). This saving is proposed from opportunities for the Registrars Service to generate additional income. We now have agreement to move forward with the new model of delivery for the Coroners Service, however, until this model is fully in place there is a cost pressure of £0.100m proposed to be funded.

5.36 **Community Safety** has a proposed budget reduction of £0.037m in 2017/18 (or by 9.00% of the 2016/17 original budget), this is the full year effect of reductions in Community Safety Initiatives.

5.37 **Road Safety** has a proposed budget reduction of £0.047m in 2017/18 (or by 13.58% of the 2016/17 original budget) which would be met by the Lincolnshire Road Safety Partnership becoming part self-funding. There are no planned reductions to school crossing patrol budgets.

How we do our Business

5.38 The How We Do Our Business strategy and the budgets that support it provide the corporate governance, risk and standards framework and the democratic machinery for the whole Council. The budget and policy strategies/frameworks and the Council's constitution provide the context for this and the way that the Council works. It also encompasses the corporate, statutory roles of the Head of Paid Service, Monitoring Officer and the Section 151 Officer as part of the framework.

5.39 In **Budget and Policy Framework – Finance and Audit** a saving of £0.010m is proposed in 2017/18 (or 0.21% of the 2016/17 budget). This is the second year of savings generated from the finance element of the SERCO contract.

5.40 In **Decision Making, including Democratic Processes** a saving of £0.100m is proposed in 2017/18 (or 4.48% of the 2016/17 budget). These savings reflect the Boundary Commission recommendations to reduce the size of the Council from 77 councillors to 70 from May 2017.

5.41 A cost pressure of £1.100m is proposed to fund the cost of running the County Council elections in May 2017. This is a one off cost pressure that occurs once every four years.

Enablers and Support to Council's Outcomes

5.42 The Enablers and Support to the Council's Outcomes cover the budgets and activities that support the Council both as a corporate organisation and facilitate the work to achieve the Council's main commissioning outcomes.

5.43 In **Information Management and Technology Strategy and Support** it is proposed to fund cost pressures totalling £1.614m in 2017/18 (or an increase of 17.02% of the 2016/17 budget). £1.400m is proposed for the annual licence costs for the Microsoft Enterprise Agreement.

5.44 It is proposed that costs in this area will be driven down by the support services contract through improved contract management, information governance and the new consumption based charging approach, which will allow operations to be scaled. Continuing to move systems into the cloud should also leverage the best value for the Council, as should rationalisation of IT systems. The delay in delivering some of these proposed changes has caused the savings thought to be achievable to be pushed back into future years. This has caused a cost pressure of £0.214m in 2017/18 due to the timing of the savings delivery.

5.45 In **Property Strategy and Support** a saving of £0.216m is proposed in 2017/18 (or 2.62% of the 2016/17 budget). £0.141m of these savings would be delivered through continued rationalisation of the Council's property portfolio, a reduction in the general maintenance budget for Council owned travellers sites, removal of the exit costs budget for facilities management and a reduction to the Council's dilapidations budget. £0.075m is proposed to come from additional rental income generated by the County Farms Estate.

5.46 **People Management** activity is proposing to make savings of £0.133m (or 3.44% of the 2016/17 budget) in 2017/18. The proposed budget reductions relate to the 2016/17 budget decisions to end the 2 year graduate programme for new entrants (savings have been profiled), and the full year effect of savings from ceasing of the leadership management development programme. A permanent cost pressure of £0.032m has been identified for the provision of asbestos medicals for Fire-fighters.

5.47 In **Commissioning** a saving of £0.161m is proposed in 2017/18 (or 4.80% of the 2016/17 budget). Proposed savings in this area will be achieved by removal of the budget for a fixed term post which ends in March 2017.

5.48 In **Business Support** a saving of £1.233m is proposed in 2017/18 (or by 11.58% of the 2016/17 budget). The budget for business support is predominately a staffing budget, with the exception of a small number of corporate budgets, such as, postage and off site storage. As a support service the reshaping of this service will follow changes to other areas of the Council. The size and shape of this service will be matched to the needs and demands placed on it by other parts of the Council and will deliver its savings from this process.

5.49 In **Strategic Communications** a saving of £0.202m is proposed in 2017/18 (or by 19.77% of the 2016/17 budget). The saving is proposed to be delivered by the removal of vacant posts from the Strategic Communications team and a reduction to three editions a year of County News which will reduce publishing and delivery costs.

Schools

5.50 The Schools Budget is funded via the Dedicated Schools Grant (DSG). The Government's school funding reforms categorise the DSG into the Schools block, the Early Year's block and the High Needs block.

5.51 Lincolnshire's DSG indicative allocation for 2017/18 is £515.950m, and will be used to support all schools in Lincolnshire including local authority schools and academies. Over half of Lincolnshire pupils attend academy schools; therefore the DSG figure for the Schools block will be revised down for the academy schools budget share allocations. The DSG is a ring-fenced grant and the actual split between academies and local authority schools has no financial risk to the Council from the DSG schools delegated budget perspective.

5.52 For 2017/18, the government has confirmed that no local authority will see a reduction from their 2016/17 DSG funding, therefore being protected in cash terms. Protection arrangements for individual schools will continue to be put in place through application of the government's minimum funding guarantee (i.e. individual schools budgets will be protected on a per pupil basis, i.e. at 98.5% of the previous year's funding level).

5.53 The government has launched the second stage of the national funding formula consultation for schools and high needs funding, to apply for 2018/19 (a year later than planned). The government are to implement funding changes in 2017/18 for early years funding to providers and schools delivering early years entitlement.

5.54 Lincolnshire's pupil premium indicative allocation for 2017/18 is £28.264m. Pupil premium funding rates remain at the same cash value as 2016/17. Funding nationally is at £2.412 billion, and will grow for increases in pupils meeting the eligibility criteria. Similarly to the DSG, the pupil premium allocation for Lincolnshire covers both the allocations for local authority schools and academy schools. The Education Funding Agency allocate pupil premium for academy schools, so the grant will be reduced accordingly. However, this has no financial risk to the Council. Publication of 2017/18 allocations will be released in year.

Other Budgets

5.55 **Capital Financing Charges**, within other budgets have been set at a level to reflect the revenue implications of the revised capital programme set out below (paragraphs 8.1 to 8.6). The revenue implications of the capital programme are estimated to cost the Council £39.239m in 2017/18. The overall affordability of the capital programme has been reviewed to ensure the impact on the revenue budget remain affordable.

5.56 During 2016/17 the Council has reviewed it's Minimum Revenue Provision Policy (MRP). MRP is a charge to the Council's revenue account to make provision for the repayment of the Council's outstanding capital debt liabilities. The Council is required by law to set aside an amount for this provision which it considers to be prudent. Statutory Guidance which accompanies Regulations provides options for the calculation of MRP and gives Council's significant discretion in determining the level of MRP.

5.57 The Guidance states that 'the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant'.

5.58 It is estimated that the changes to the policy, plus the impact of rephasing of capital spending will save £11.600m in 2017/18.

5.59 The Council is also budgeting for £1.000m of receipts from investment of cash balances in 2017/18.

5.60 The Council also proposes the following savings from other budgets:

- A reduction of £2.500m to the Council's redundancy budget to £2.000m. This budget funds any redundancies arising from the Council reshaping services;

- A reduction of £1.000m to the Council's contingency budget to £3.000m. This budget is used to fund any emerging financial issues which arise during the financial year; and

- A saving of £0.200m from the removal of the Council Tax Support Funding Budget. This was created when the Council Tax Schemes administrated by the district council's changed to cover any additional administration costs. This has not been required and it is proposed that this will be removed from 2017/18.

5.61 The following cost pressures are proposed within other budgets:

- An additional £4.922m has been budgeted in 2017/18 for the Council's obligation to pay all employees and some specific contractors a National Living Wage taking this to £9.712m for the increases in rates seen for 2016/17 and 2017/18. These amounts cover all service area obligations across the whole Council. Further amounts of a similar magnitude are expected to be incurred annually to 2019/20;

- A net increase of £3.513m for the Council's monetary contribution to the Local Government Pension Fund. The triennial review of the fund has taken place and applies from April 2017. The effect of the review has been to reduce the percentage employers' contribution to the fund from 19.8% to 16.4% this has reduced spending on pension costs in service budgets by £2.883m. However the review has increased in the monetary contribution by £6.396m to £7.557m in 2017/18; and

- Creation of a budget of £0.600m to fund the Apprenticeship Levy which comes into the force in April 2017.

5.62 The Autumn Statement 2016 and the Provisional Local Government Settlement of that year provided local authorities with some flexibilities around the use of capital receipts in 2016/17 and for the following two financial years. Under previous regulations these where required to be utilised to fund capital expenditure, or pay down debt. Under these new flexibilities the Council will be able to use capital receipts to fund the cost of transformation of which the key criteria is the expenditure will generate ongoing revenue savings to the authority.

5.63 It is currently proposed that an amount of £8.000m will be used from income generated from capital receipts to fund these types of schemes in 2017/18.

6. RESERVES

6.1 The Council's current financial strategy is to maintain general reserves within a range of 2.5% to 3.5% of the Council's total budget, at 31 March 2016 the balance stood at £15.600m. General reserves, at 31 March 2017, are estimated to be £15.300m which is 3.5%. To maintain the Council's general fund balance at 3.5% at 31 March 2018 requires a balance of £15.200m. In 2017/18, this will release £0.100m from the general fund to fund other Council services.

6.2 During 2016/17 the Council has reviewed all balances in reserves. This has identified a number of reserves which are no longer required for the original purpose and where balances, which are held to manage risk, can be reduced. The proposed total value of reserves to be given up is £6.217m. It is proposed that these balances are transferred into the Financial Volatility Reserve.

6.3 At the 31 March 2016, the Council set aside £43.830m in the Financial Volatility Reserve help smooth the effect of funding reductions in 2017/18 and future financial periods. It is estimated that the balance in this reserve will be £49.634m at the end of 2016/17. It is planned to use £17.870m from the Financial Volatility Reserve to balance the budget in 2017/18.

7. FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

7.1 In September 2016 County Council approved the Council's Efficiency Plan and flexible use of capital receipts strategy to fund transformation for the three year period from 2016/17 to 2018/19. This plan allowed the Council to sign up the four year funding deal offered by government for the period 2016/17 to 2019/20. The Efficiency Plan included the Council's Flexible Use of Capital Receipts Strategy. Under a Direction issued pursuant to sections 16 and 20 of the Local Government Act 2003 the Council is directed to treat as capital, expenditure that is designed to generate ongoing revenue savings or transform services to reduce costs and is properly incurred for the financial years commencing on 1 April 2016, 2017 and 2018. The Council is required to have regard to Guidance issued by the Secretary of State which states that Councils should prepare at least one Flexible Use of Capital Receipts Strategy for each of the above financial years.

7.2 The Flexible use of Capital Receipts Strategy for 2017/18 is attached at **APPENDIX G** and sets out how it plans to use capital receipts flexibility for transformation and the impact this has on the Council's Prudential Indicators. This Strategy complies with the Guidance.

8. CAPITAL PROGRAMME

8.1 The proposed capital programme matches the revenue budget and runs until 2017/18, plus major schemes which stretch into future years (including: a number of highways schemes and the rolling programme of renewal and replacement of fire fleet vehicles). The gross programme is set at £370.620m from 2017/18 onwards, with grants and contributions of £210.542m giving a net programme of £160.078m to be funded by the County Council.

8.2 The overall capital programme and its funding are shown in **TABLE 4** below.

TABLE 4 – Capital Programme

	2016/17 £m	2017/18 £m	Future Years £m
Children's Services	19.993	17.328	11.026
Adult Care	5.053	0.000	0.000
Environment and Economy	80.756	90.109	206.643
Finance and Public Protection	17.198	23.354	14.660
Other programmes	8.400	7.500	0
Gross Programme	**131.400**	**138.291**	**232.329**
Funded By:			
Revenue Funding	5.439	0.600	0.000
Borrowing	50.354	48.844	110.634
Government Grants and Other Contributions	75.607	88.847	121.695
Total Funding	**131.400**	**138.291**	**232.329**

8.3 The following amendments have been made to the net capital programme in 2017/18 as part of the budget setting process:

- The addition of maintenance block budgets for:
  - The maintenance of existing property assets and essential property works linked to Asbestos, work place regulations and disabled access: £3.200m in 2017/18;
  - The replacement of short life equipment assets for Fire and Rescue £0.527m in 2017/18; and
  - The ICT infrastructure and IT refresh programme: £0.600m in 2017/18.
- New Developments Capital Contingency budgets of: £7.500m in 2017/18, to fund any emerging schemes identified in these financial years; and
- Further budget for Grantham Southern Relief Road of £11.500m in future years to reflect the total cost of the project and provide further underwriting of developer's contributions.

8.4 The Council receives government grant funding to support large parts of the capital programme, including schools and roads maintenance. The following grants have been announced and incorporated into the capital programme in 2017/18 and future years:

- An award for Highways Asset Protection Maintenance Block of £27.571m and £2.482m Pot Holes Funding in 2017/18. Further indicative awards have been made up to 2020/21 when the grant is estimated to be £24.955m each year;

- The final year of a three year award for Integrated Transport Grant of £3.312m per annum from 2015/16 to 2017/18, plus three further indicative years of £3.312m per annum to 2020/21;

- A new grant for highways, National Productivity Investment Fund of £5.366m has been added to the gross programme in 2017/18. This funding is aimed to reduce congestion at key locations, upgrade or improve the maintenance of local highway assets, to improve access to employment and housing, to develop economic and job creation opportunities. The Council is required to identify new schemes improving local road networks and publish this information by 31 March 2017 to access this funding;

- A two year award for Provision of Schools Place Basic Need Grant £8.914m in 2017/18 and £11.026m in 2018/19. This will allow the Council to plan strategically for the places needed in schools; and

- Indicative awards for Devolved Schools Capital (£1.266m) and Schools Condition Capital (£5.028m) for 2017/18.

8.5 Central government is also making available £175.000m of Local Highways Maintenance Incentive/Efficiency Element funding in 2017/18. To access a share of this funding the Council is required to submit questionnaires to the Department for Transport (DfT) for the end of March 2017. These questionnaires will be assessed and funding awarded based on the outcome of this. It is likely that the outcome from this will be known early in the new financial year.

8.6 At the time of preparing this paper the Council is awaiting announcements on Adult Care Disabled Facilities Grant for 2017/18.

9. PRUDENTIAL INDICATORS

9.1 The Council is required to agree targets for specified prudential indicators in relation to capital financing and other treasury management matters. The Council also sets its own targets in addition to the statutory ones. The main purpose of these targets is to ensure that the Council's capital financing, in particular its long term borrowing, is prudent, affordable and sustainable. The proposed targets are set out in **APPENDIX M**.

9.2 One of the key targets in the Council's Financial Strategy, is that "the repayment of external debt including interest will be less than 10% of annual income from general government grants, Dedicated Schools Grant and council tax." This is projected to increase to 6.49% by 2019/20 from 5.35% in 2016/17.

10. MINIMUM REVENUE PROVISION

10.1 The Council has a duty to set a minimum revenue provision (MRP) which “it considers prudent”. The aim is to ensure that debt is repaid over a period reasonably commensurate with the period over which the capital expenditure funded by borrowing provides benefits.

10.2 The Council's current policy is to apply the asset life method for calculating MRP. For pre 2008 debt this is based on a standard asset life of 50 years equating to a 2% flat charge. For 2009/10 debt onwards, asset life of differing categories of assets is estimated and a charge based on an annuity method is used for major infrastructure projects, where the benefit of these assets are expected to increase in later years. A charge based on Equal Instalments of Principal is used for all other categories of assets. The Council will not charge MRP until assets become operational. This is a prudent approach which is consistent with the Council's Financial Strategy and will apply from 2016/17 onwards.

11. SECTION 151 OFFICER’S STATEMENT ON THE ROBUSTNESS OF THE BUDGET AND ADEQUACY OF RESERVES

11.1 The Local Government Act 2003 includes a statutory duty for the Council’s Section 151 officer to report to the Council when it is calculating the council tax on “the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves.” The Council has a statutory duty to “have regard to the report when making decisions about the calculations.”

11.2 The Financial Strategy requirement in relation to reserves is based on a full assessment of the Council’s potential financial risks last undertaken in November 2016, informed by estimates of future Government funding for the Council included within the four year funding deal and the savings identification work undertaken by the CMB and Executive during the summer/autumn of 2016. A key aspect of that Strategy is that Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

11.3 Currently the Council’s projected year end general reserve stands at £15.300m or 3.5% of the budget requirement (i.e. towards the top of the target range). There is a proposal to reduce the general reserves by £0.100m as part of the 2017/18 budget. This reflects future changes in the Council's overall budget. There are proposals to apply a substantial portion of earmarked reserves in 2017/18 (£17.870m) to deliver a balanced budget in preparation for ongoing government funding restraint in the remainder of the period covered by the four year funding deal (i.e. up to the end of 2019/20).

11.4 The new business rate funding regime for local authorities commenced in April 2013 as did revised arrangements for funding local welfare benefits related to the Council Tax. These measures have introduced an element of volatility into the income base of the Council which, acting prudently has required the establishment of an earmarked reserve to assist with the management of funding risk. That reserve is estimated to be £49.634m at 31st March 2017.

11.5 The November 2016 risk assessment encompassed a full assessment of the potential financial risks facing the Council included the following:

The realism of budget estimates for –

- Pay awards
- Price increases

- Income, including higher risk areas such as capital receipts
- Savings
- Provision for demand led services including: children's services, waste disposal, adult care, certain aspects of public health, home to school transport, concessionary fares, adverse weather, support for the council tax, etc.

Financial management arrangements including –

- The recent history of financial management performance

Potential Losses including –

- Claims against the Council
- Bad debts or failure to collect income
- Major emergencies or disasters
- Failure to deliver budget savings
- Default on loans made by the Council for cash management purposes

11.6 An assessment was also made of the provision against these financial risks including:

- A provision in the form of a contingency budget to deal with pressures related to real or potential legislative change or other unforeseen impacts upon the Council. The general contingency was modestly increased for 2015/16 and retained at the higher level for 2016/17. That change in part reflects that no general level of price inflation has been provided for within the service budgets. The contingency budget has underspent for the last two years and on that basis its level has been reduced by £1m to £3m for 2017/18.
- Specific provisions in the accounts and earmarked reserves.
- Provision for the funding of capital which provides modest additional financial flexibility.
- The potential for slippage and underspending of the capital programme.
- The level of the Council's general reserves.

11.7 The conclusion from the financial risk assessment is that the Council has retained an adequate level of general reserve in light of an assessment of the risks faced and the range of funding sources available to deal with those risks.

11.8 The four year funding deal from government continues to place significant additional funding pressures on the County Council when compared to recent years – revenue support grant reduces by £22.1m (31%) between the two years. The grant continues to fall materially over the following two years to be at £20.1m by 2019/20.

11.9 The scale of revenue support grant reductions in future in tandem with escalating cost pressures from such issues as demographic growth in adult care clients and the new national minimum living wage present an unprecedented and ongoing challenge to the Council in balancing its finances. Savings next year are now predominately in the form of the full year effect of service reductions agreed last year as part of the 2016/17 budget. Such an approach increases the risk of service failure despite such risks being factored into the decision making process that derived the reduction in the first place. The need to make further base budget savings of the order of £34m pa from April 2018 onwards only adds to that risk.

11.10 As in previous years, close monitoring of the delivery of savings will be undertaken and, if necessary, corrective action will be initiated to examine alternative options should this be necessary. The delivery of the planned savings will be monitored and reported regularly to senior management teams and to Executive councillors as part of the formal, published reports.

11.11 Financial management remains an important consideration. The introduction of the new Agresso accounting system in April 2015 presented a number of significant challenges to the Council and budget monitoring activity during 2015/16 was severely compromised by system related problems. Budget monitoring activity improved during 2016/17 and is expected to operate normally during 2017/18 in line with the aspirations set when the Agresso system was procured.

11.12 Spending pressures continue to arise in Adult Care relating to a range of factors such a demographic growth of the client base. The new national minimum living wage introduced from April 2016, and increasing by annual amounts for the following 4 years, will add around £4m pa to the cost of the Adult Care service. It also adds a further £1m pa pressure on other service area budgets.

11.13 Budget pressures have emerged broadly as expected during 2016/17. However, a combination of capital programme slippage coupled with a review of the minimum revenue provision policy for funding long term borrowing will result in a material revenue budget underspend in the current year as well as base budget savings in the short to medium term. There will be no need to apply the available general reserves of the Council in 2016/17.

11.14 In relation to the 2017/18 budget, Service Areas have provided brief notes on the realism of their proposed budgets and their ability to manage within these budgets. In that context the following points are relevant:

- All Service Areas are aware that the savings target that has been set is a significant one and will demand sustained and rigorous management action to ensure it is delivered on target. All have affirmed their commitment to achieving the demanding targets set with appropriate caveats as necessary.

- Funding pressures will continue to exist in a number of service areas. The key pressure areas are as follows:

  (i) Adult Care – ongoing issues, listed below, continue to place increasing pressure on service demand.

  - Increased numbers of younger people with a learning disability moving into adulthood and needing higher levels of support in response to increased levels of need. In addition to this many new people come to live in Lincolnshire as a result of time spent within education establishments away from their place of origin.
  - A greater number of older people presenting with an increased intensification of need within a homecare setting as we strive to delay placements into long term residential services.
  - Increased assessment activity as a result of a Supreme Court Decision in respect of Deprivation of Liberty Safeguards (DoLs)

  In addition, the cost of adult care services will rise materially over the next 3 years in line with the new national minimum living wage. The service is now

substantially reliant on income from the Health Service by means of the locally negotiated Better Care Fund (BCF) allocation. All BCF funding has to be agreed with the 4 Clinical Commissioning Groups and the Health and Wellbeing Board. Discussions are ongoing in respect of the level of investment for 2017/18. £16.825m was allocated to Adult Care in 2016/17.

(ii) Council Tax Support Schemes – local schemes were established by all the District Councils from April 2013. The County Council is, in effect, responsible for around 75% of the financial liability arising from these schemes. Whilst a great deal of work has been undertaken with the Districts to establish financially robust arrangements there remain financial risks to the County Council from their operation. These comprise a general demand risk for local support in a recessionary environment and a risk that the combined impact of above inflation increases in council tax along with reduced entitlement to State funded welfare benefits may result in more people meeting the eligibility criteria. Experience in 2017/18 has been that demand for this support has reduced modestly as a result of general improvements in the economic environment. However, above inflation increases in council tax are inevitable going forward and the present Government plan to reduce spending on welfare benefits. These will result in an increased entitlement to this benefit going forward.

(iii) Business Rates – Since April 2013 the Council has had a financial reliance on business rate income both from Central Government and directly from a share of local rate income collected by the Lincolnshire District Councils. This income has the potential to be volatile should major business ratepayers relocate into or out of the county area. In the case of loss of business rate base the Council, by virtue of its pooling agreement with six Lincolnshire District Councils, would not be able to take advantage of the safety net arrangements available from Government. The benefits of pooling outweigh those available via the safety net. The aforementioned financial volatility reserve is available to assist with any temporary pressures arising. The Council no longer budgets for additional income from pooling as it is not guaranteed. However, projections for 2017/18 suggest that around £1m+ may accrue to the Council next year from this source.

(vi) Children's Services – there remain significant pressures in children's social care in relation to a rise in the number of children looked after with numbers of children rising by 5% over the current year. Additional resources have been made available both from within the Directorate and through new funding to deal with these pressures. In addition the Directorate faces inherent volatility in its home school transport budget.

11.15 The capital programme has been reviewed as part of the current budget cycle and with the exception of additional funding for the Southern Grantham Relief Road, only minor changes are envisaged to the programme for 2017/18. Revenue budget pressures mean there is little additional scope for adding to future capital schemes above those already committed in the existing programme. Significant commitments, relating in particular to major infrastructure schemes, already exist in the period beyond next financial year. A £7.5m capital contingency has been established the use of which will be the subject of business case bids from service areas. The fund can be used as a source of matched funding in respect of external bids for capital funding.

11.16 Taking into account all these factors the Section 151 officer is satisfied that the budget is realistic and that the level of reserves is adequate but notes that the assessment relies heavily on:

- Restoration of the normal standards of budget monitoring and management throughout the Council following the disruption caused by the Agresso implementation in 2015/16 and to a lesser extent in 2016/17.

- Achievement of expected savings that rely on the timing of the delivery of initiatives arising from the fundamental budget review and financial challenge initiatives. The increased risk of challenge with respect to savings initiatives has the potential to result in implementation delays.

- Given that a significant medium term funding shortfall still exists as indicated by the ongoing use of reserves, further work is essential in terms of deriving a sustainable revenue budget and capital programme to be in place for 2018/19 onwards.

12. CONSULTATION

12.1 Individual Scrutiny Committees have received a report and presentation on their respective budget and have had chance to comment on its appropriateness. The Overview and Scrutiny Management Committee also considered the proposals as a whole. These comments were collated and presented to the Executive when it considered the Council's final budget.

12.2 Businesses, Trade Unions and other public organisations were consulted at a meeting on 27 January 2017. Comments made at this meeting were collated and presented to the Executive when it considered the Council's final budget.

12.4 The Council also invited the public to comment (via the Council's Website) on the Council's budget proposals outlined in the 20 December 2016 Executive report.

12.5 A summary of all comments received via the consultation process can be found at **APPENDIX D.**

APPENDIX A

REVENUE EXPENDITURE

LINE REF	2016/17 BUDGET £	REVENUE BUDGETS	2017/18 BUDGET CHANGES £	2017/18 ORIGINAL ESTIMATE £
		COMMISSIONING STRATEGIES		
1	5,366,067	Readiness for School	-644,049	4,722,018
2	32,845,656	Learn & Achieve	-1,087,703	31,757,953
3	5,106,313	Readiness for Adult Life	-654,052	4,452,261
4	62,084,225	Children are Safe & Healthy	2,056,179	64,140,404
5	1,795,095	Adult Safeguarding	-18,262	1,776,833
6	98,783,971	Adult Frailty, Long Term Conditions and Physical Disability	-624,582	98,159,389
7	1,889,492	Carers	0	1,889,492
8	51,149,376	Adult Specialities	2,070,350	53,219,726
9	30,567,500	Wellbeing	-3,300,999	27,266,501
10	11,260,670	Community Resilience & Assets	-1,264,387	9,996,283
11	44,824,077	Sustaining & Developing Prosperity Through Infrastructure	-4,786,748	40,037,329
12	23,308,727	Protecting & Sustaining the Environment	1,644,874	24,953,601
13	1,255,949	Sustaining & Growing Business & the Economy	-23,092	1,232,857
14	23,408,720	Protecting the Public	-968,130	22,440,590
15	8,154,397	How We Do Our Business	926,617	9,081,014
16	36,133,874	Enablers & Support to Council Outcomes	-651,813	35,482,061
17	-34,049,701	Public Health Grant Income	525,701	-33,524,000
18	**403,884,408**	**TOTAL COMMISSIONING STRATEGIES**	**-6,800,096**	**397,084,312**
		SCHOOLS BUDGETS		
19	465,994,482	Delegated Schools Budget	17,227,225	483,221,707
20	-496,192,269	Dedicated Schools Grant	-19,757,350	-515,949,619
21	25,151,997	Schools Related Expenditure	4,900,000	30,051,997
22	**-5,045,790**	**TOTAL SCHOOLS BUDGETS**	**2,369,875**	**-2,675,915**
		OTHER BUDGETS		
23	4,000,000	Contingency	-1,000,000	3,000,000
24	51,123,254	Capital Financing Charges	-11,399,538	39,723,716
25	11,897,921	Other	6,059,668	17,957,589
26	**67,021,175**	**TOTAL OTHER BUDGETS**	**-6,339,870**	**60,681,305**
27	**465,859,793**	**TOTAL NET EXPENDITURE**	**-10,770,091**	**455,089,702**
28	-20,164,747	Transfer to/from Earmarked Reserves	2,295,163	-17,869,584
29	-800,000	Transfer to/from General Reserves	700,000	-100,000
30	**444,895,046**	**BUDGET REQUIREMENT**	**-7,774,928**	**437,120,118**
		MET FROM:		
31	103,528,258	Business Rates	3,309,065	106,837,323
32	70,350,697	Revenue Support Grant	-22,059,056	48,291,641
33	17,215,340	Other Non Specific Grants	-92,039	17,123,301
34	253,800,751	County Precept	11,067,102	264,867,853
35	**444,895,046**	**TOTAL MET FROM**	**-7,774,928**	**437,120,118**

APPENDIX B

COUNTY PRECEPT 2017/18

Council Tax Requirement	**£**
Total Budget Requirement	437,120,117.51
less Government Support	172,252,264.62
County Precept	264,867,852.89
less Net Surplus on Council Tax element of District Council Collection Funds	3,155,977.19
Council Tax Requirement	261,711,875.70

Precepts to be levied on District Councils	**Number of Band D Equivalent Properties**	**Council Tax Requirement £**	**Council Tax Collection Fund +Surplus/ -Deficit £**	**County Precept £**
City of Lincoln	23,689.72	27,797,991.24	168,300.00	27,966,291.24
Boston	18,320.84	21,498,040.07	40,260.00	21,538,300.07
East Lindsey	42,802.00	50,224,722.84	458,468.00	50,683,190.84
West Lindsey	28,959.46	33,981,609.55	979,959.92	34,961,569.47
North Kesteven	36,250.00	42,536,475.00	906,145.00	43,442,620.00
South Kesteven	46,119.40	54,117,426.35	224,958.27	54,342,384.62
South Holland	26,892.00	31,555,610.64	377,886.00	31,933,496.64
Total	**223,033.42**	**261,711,875.69**	**3,155,977.19**	**264,867,852.88**

County Council Element of Council Tax by Property Band		
Property Band	**Proportion of Band D**	**Council Tax per Property £**
Band A	6 / 9	782.28
Band B	7 / 9	912.66
Band C	8 / 9	1,043.04
Band D	9 / 9	1,173.42
Band E	11 / 9	1,434.18
Band F	13 / 9	1,694.94
Band G	15 / 9	1,955.70
Band H	18 / 9	2,346.84

Equality Impact Analysis to enable informed decisions

The purpose of this document is to:-

I. help decision makers fulfil their duties under the Equality Act 2010 and
II. for you to evidence the positive and adverse impacts of the proposed change on people with protected characteristics and ways to mitigate or eliminate any adverse impacts.

Using this form

This form must be updated and reviewed as your evidence on a proposal for a project/service change/policy/commissioning of a service or decommissioning of a service evolves taking into account any consultation feedback, significant changes to the proposals and data to support impacts of proposed changes. The key findings of the most up to date version of the Equality Impact Analysis must be explained in the report to the decision maker and the Equality Impact Analysis must be attached to the decision making report.

****Please make sure you read the information below so that you understand what is required under the Equality Act 2010****

Equality Act 2010

The Equality Act 2010 applies to both our workforce and our customers. Under the Equality Act 2010, decision makers are under a personal duty, to have due (that is proportionate) regard to the need to protect and promote the interests of persons with protected characteristics.

Protected characteristics

The protected characteristics under the Act are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

Section 149 of the Equality Act 2010

Section 149 requires a public authority to 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 relevant protected characteristics and persons who do not share those characteristics
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The purpose of Section 149 is to get decision makers to consider the impact their decisions may or will have on those with protected characteristics and by evidencing the impacts on people with protected characteristics decision makers should be able to demonstrate 'due regard'.

Decision makers duty under the Act
Having had careful regard to the Equality Impact Analysis, and also the consultation responses, decision makers are under a personal duty to have due regard to the need to protect and promote the interests of persons with protected characteristics (see above) and to:-

(i) consider and analyse how the decision is likely to affect those with protected characteristics, in practical terms,
(ii) remove any unlawful discrimination, harassment, victimisation and other prohibited conduct,
(iii) consider whether practical steps should be taken to mitigate or avoid any adverse consequences that the decision is likely to have, for persons with protected characteristics and, indeed, to consider whether the decision should not be taken at all, in the interests of persons with protected characteristics,
(iv) consider whether steps should be taken to advance equality, foster good relations and generally promote the interests of persons with protected characteristics, either by varying the recommended decision or by taking some other decision.

Conducting an Impact Analysis

The Equality Impact Analysis is a process to identify the impact or likely impact a project, proposed service change, commissioning, decommissioning or policy will have on people with protected characteristics listed above. It should be considered at the beginning of the decision making process.

The Lead Officer responsibility
This is the person writing the report for the decision maker. It is the responsibility of the Lead Officer to make sure that the Equality Impact Analysis is robust and proportionate to the decision being taken.

Summary of findings
You must provide a clear and concise summary of the key findings of this Equality Impact Analysis in the decision making report and attach this Equality Impact Analysis to the report.

Impact – definition

An impact is an intentional or unintentional lasting consequence or significant change to people's lives brought about by an action or series of actions.

How much detail to include?
The Equality Impact Analysis should be proportionate to the impact of proposed change. In deciding this asking simple questions “Who might be affected by this decision?” "Which protected characteristics might be affected?" and “How might they be affected?” will help you consider the extent to which you already have evidence, information and data, and where there are gaps that you will need to explore. Ensure the source and date of any existing data is referenced.
You must consider both obvious and any less obvious impacts. Engaging with people with the protected characteristics will help you to identify less obvious impacts as these groups share their perspectives with you.

A given proposal may have a positive impact on one or more protected characteristics and have an adverse impact on others. You must capture these differences in this form to help decision makers to arrive at a view as to where the balance of advantage or disadvantage lies. If an adverse impact is unavoidable then it must be clearly justified and recorded as such, with an explanation as to why no steps can be taken to avoid the impact. Consequences must be included.

Proposals for more than one option If more than one option is being proposed you must ensure that the Equality Impact Analysis covers all options. Depending on the circumstances, it may be more appropriate to complete an Equality Impact Analysis for each option.

The information you provide in this form must be sufficient to allow the decision maker to fulfil their role as above. You must include the latest version of the Equality Impact Analysis with the report to the decision maker. Please be aware that the information in this form must be able to stand up to legal challenge.

Background Information

Title of the policy / project / service being considered	Increase in the council tax for financial year 2017/18	**Person / people completing analysis**	David C Forbes – County Finance Officer
Service Area	All Council Services	**Lead Officer**	Pete Moore – Director of Finance & Public Protection
Who is the decision maker?	Full Council	**How was the Equality Impact Analysis undertaken?**	Desktop Exercise
Date of meeting when decision will be made	24/02/2017	**Version control**	1.0
Is this proposed change to an existing policy/service/project or is it new?	Existing policy/service/project	**LCC directly delivered, commissioned, re-commissioned or de-commissioned?**	Directly delivered
Describe the proposed change	Each February the County Council sets a budget for the forthcoming financial year part of which includes a decision on the amount of Council Tax to be levied in that year. For 4 of the past 6 years the decision taken has been to freeze the level of Council tax and to accept a time-limited grant from Government for so doing. However, the level of that grant has now fallen and it is to cease by the end of the decade. Increasing service pressures and costs means the Council needs to establish a more robust and sustainable income base going forward. The council tax system requires each billing authority (ie. district council) to establish and maintain a local council tax support scheme which is a means tested system to allow those on low income to gain financial support to meet their council tax bill either in part of in full. Schemes vary within the county but some schemes positively favour certain classes of council tax payers with protected characteristics (eg. disability). These schemes are themselves the subject of equality impact assessments undertaken by the individual district council concerned. Over the past 6 years the local council tax has increased by just under 6% whereas general price inflation has been close to 17%.		

Evidencing the impacts

In this section you will explain the difference that proposed changes are likely to make on people with protected characteristics.
To help you do this first consider the impacts the proposed changes may have on people without protected characteristics before then considering the impacts the proposed changes may have on people with protected characteristics.

You must evidence here who will benefit and how they will benefit. If there are no benefits that you can identify please state 'No perceived benefit' under the relevant protected characteristic. You can add sub categories under the protected characteristics to make clear the impacts. For example under Age you may have considered the impact on 0-5 year olds or people aged 65 and over, under Race you may have considered Eastern European migrants, under Sex you may have considered specific impacts on men.

Data to support impacts of proposed changes

When considering the equality impact of a decision it is important to know who the people are that will be affected by any change.

Population data and the Joint Strategic Needs Assessment

The Lincolnshire Research Observatory (LRO) holds a range of population data by the protected characteristics. This can help put a decision into context. Visit the LRO website and its population theme page by following this link: http://www.research-lincs.org.uk If you cannot find what you are looking for, or need more information, please contact the LRO team. You will also find information about the Joint Strategic Needs Assessment on the LRO website.

Workforce profiles

You can obtain information by many of the protected characteristics for the Council's workforce and comparisons with the labour market on the Council's website. As of 1st April 2015, managers can obtain workforce profile data by the protected characteristics for their specific areas using Agresso.

Positive impacts
The proposed change may have the following positive impacts on persons with protected characteristics – If no positive impact, please state *'no positive impact'.*

Age	Increasing the council tax adds a permanent and sustainable income stream to the funding of the Council. In so doing it thereby assists in limiting what would otherwise be more significant cuts in service provision over the wide range of services provided by the Council. Many of those services provided key support to those with protected characteristics.
Disability	As for Age above.
Gender reassignment	As for Age above.
Marriage and civil partnership	As for Age above
Pregnancy and maternity	As for Age above.
Race	As for Age above
Religion or belief	As for Age above.
Sex	As for Age above.
Sexual orientation	As for Age above.

If you have identified positive impacts for other groups not specifically covered by the protected characteristics in the Equality Act 2010 you can include them here if it will help the decision maker to make an informed decision.
The benefits outlined above in terms of limiting wider service reductions apply to all those who use Council services and not just to those with protected characteristics.

Adverse/negative impacts
You must evidence how people with protected characteristics will be adversely impacted and any proposed mitigation to reduce or eliminate adverse impacts. An adverse impact causes disadvantage or exclusion. If such an impact is identified please state how, as far as possible, it is justified; eliminated; minimised or counter balanced by other measures.
If there are no adverse impacts that you can identify please state 'No perceived adverse impact' under the relevant protected characteristic.

Negative impacts of the proposed change and practical steps to mitigate or avoid any adverse consequences on people with protected characteristics are detailed below. If you have not identified any mitigating action to reduce an adverse impact please state *'No mitigating action identified'*.

Age	The proposed increase in the council tax of 3.95% will impact on all council tax payers who are responsible for the council tax levied on their property. The level of income of the council tax payer and their ability to afford the increase in the annual charge will be the key issue. To the extent to which those with a protected characteristic are council tax payers then they will be potentially impacted by this change. The existence of a protected characteristic is really a secondary rather than a primary consideration in this case. Clearly if the protected characteristic in question has a direct impact on income generating capacity this will have a more direct effect. As mentioned earlier financial support is available from schemes operated by district councils to assist in meeting council tax bills for low income individuals.
Disability	As for Age above.
Gender reassignment	As for Age above
Marriage and civil partnership	As for Age above
Pregnancy and maternity	As for Age above
Race	As for Age above
Religion or belief	As for Age above
Sex	As for Age above

Sexual orientation	As for Age above

If you have identified negative impacts for other groups not specifically covered by the protected characteristics under the Equality Act 2010 you can include them here if it will help the decision maker to make an informed decision.
The ability to afford the proposed council tax increase applies to all individuals who are responsible for paying a council tax bill.

Stakeholders

Stake holders are people or groups who may be directly affected (primary stakeholders) and indirectly affected (secondary stakeholders)

You must evidence here who you involved in gathering your evidence about benefits, adverse impacts and practical steps to mitigate or avoid any adverse consequences. You must be confident that any engagement was meaningful. The Community engagement team can help you to do this and you can contact them at consultation@lincolnshire.gov.uk

State clearly what (if any) consultation or engagement activity took place by stating who you involved when compiling this EIA under the protected characteristics. Include organisations you invited and organisations who attended, the date(s) they were involved and method of involvement i.e. Equality Impact Analysis workshop/email/telephone conversation/meeting/consultation. State clearly the objectives of the EIA consultation and findings from the EIA consultation under each of the protected characteristics. If you have not covered any of the protected characteristics please state the reasons why they were not consulted/engaged.

Objective(s) of the EIA consultation/engagement activity

The proposed council tax increase is simply one, but an important, proposal in a set of measures to enable the Council to set a balanced budget for 2017/18. The other key aspects are a range of across the board savings totalling £39m and the use of reserves of £28m to avoid further service reductions. The Council has undertaken a public engagement/consultation exercise on the budget proposals. This included articles in the County News magazine seeking feedback from the public. There will also be more formal consultation with the Scrutiny Committees of the Council and with key stakeholders such as business, public sector partners and trade unions.

Who was involved in the EIA consultation/engagement activity? Detail any findings identified by the protected characteristic

Age	The details of public and wider consultation/engagement are described above. This is undertaken at the level of the whole suite of budget proposals rather than specific concentration on one aspect such as the proposed council tax increase. The nature of this proposal combined with the mitigation available through local council tax support schemes means there is no particularly differential impact between those exhibiting different protected characteristics.
Disability	As for Age above
Gender reassignment	As for Age above
Marriage and civil partnership	As for Age above
Pregnancy and maternity	As for Age above
Race	As for Age above
Religion or belief	As for Age above
Sex	As for Age above
Sexual orientation	As for Age above

Are you confident that everyone who should have been involved in producing this version of the Equality Impact Analysis has been involved in a meaningful way? The purpose is to make sure you have got the perspective of all the protected characteristics.	Yes The proposal has received extensive publicity and has been undertaken to invite feedback from all key stakeholders. The main mitigation of the impact of the proposal rests in the Council Tax Support Schemes operated by District Councils. These scheme themselves are the subject of equality impact assessments undertaken by the District concerned.
Once the changes have been implemented how will you undertake evaluation of the benefits and how effective the actions to reduce adverse impacts have been?	Feedback is received periodically from the Districts on the take up of the County Tax Support Schemes not least because the County Council funds around 75% of the cost of such schemes.

Further Details

Are you handling personal data?	No If yes, please give details.

Actions required Include any actions identified in this analysis for on-going monitoring of impacts.	**Action**	**Lead officer**	**Timescale**
	NONE		
Signed off by	David C Forbes	**Date**	05/01/2017

APPENDIX D

BUDGET CONSULTATION FEEDBACK

This appendix sets out the feedback from a range of budget consultation events occurring during January 2017. These include:

- Reports and presentations to Scrutiny Committees;
- Public Consultation on budget proposals via the Council's website; and
- Meeting with businesses, trade unions and other public bodies.

These comments will be considered by the Executive in recommending the budget for approval by County Council.

An update on the budget consultation feedback will be tabled/reported verbally at the meeting for feedback received after the deadline for this report.

Budget Comments from Scrutiny Committees

Adults Scrutiny Committee – 11 January 2017

The Adults Scrutiny Committee supported the Adult Care Budget proposals for 2017/18. The Committee also recorded its congratulations to the officers for all their hard work in achieving a balanced budget for the service area.

Children and Young People Scrutiny Committee – 20 January 2017

The Children and Young People Scrutiny Committee made the following comments in relation to each of the Commissioning Strategies:

Readiness for school

With regards to Children's Centres, it was queried whether some services that were underused could be delivered in alternative settings such as village halls. It was confirmed that there was provision in the service specification for services to be delivered elsewhere where footfall was low. In addition, there was a review ongoing to see how footfall could be improved in children's centres.

Concerns were also raised about maintaining the quality of services, such as PEEP, in children's centres. It was noted that the quality of PEEP would be closely monitored and officers were waiting for tenders for a new early year's contract, which included the delivery of PEEP groups, to come back in. It was highlighted that if there were no tenders within the financial envelope, then this would be a cost pressure for Children's Services with no suggestion to reduce services.

Learn and Achieve

Concerns were raised about the cost pressure arising from the additional school transport costs from the closure of the Mablethorpe site of Monks Dyke Tennyson College, as it had been previously reported that money had been assigned to cover this cost. It was noted that this was not a new cost pressure, but there was a need to formally agree the permanent cost pressure through the corporate budget process so that it was included within the Children's Services base budget for 2017/18.

Readiness for Adult Life

Concerns were raised about the decommissioning of the careers guidance service and the lack of support now available to young people. It was noted that NEETs would continue to be tracked and the impact of decommissioning the careers guidance service would be monitored.

Cost Pressures

The Committee recognised and supported the requests for additional funding to finance the cost pressures within the 'Learn and Achieve' and 'Children are Safe and Healthy' commissioning strategies for 2017/18.

Community and Public Safety Scrutiny Committee – 25 January 2017

The Community and Public Safety Scrutiny Committee made the following comments in relation to each of the Commissioning Strategies:

- A Councillor highlighted concerns regarding the County Council setting a one year budget, and how this limits the ability for effective future planning of services.
- The Committee highlighted the need to better aid the development of the voluntary sector in Lincolnshire, given the reduction in funding to core services. This was specifically emphasised in relation to the Citizens Advice Bureaux (CAB) services which were seeing a reduction in financial support.
- A Councillor highlighted disappointment in the reduction in support to Health Related Walks, as these often assist people with disabilities to access the countryside and also support walking to aid recovery from illness. It was suggested that consideration should be given to mitigate these reductions through the promotion of volunteer groups.
- The reduction in health improvement activities funding was identified as a concern due to the impact on other public services such as the NHS. A Councillor queried whether statistical information would be gathered to fully assess the impact the reduction in Prevention and Self-Management activities would have on the wider Health Service.
- The Committee emphasised the importance of the Joint Ambulance Conveyance Project (JACP) co-responding services and the need to secure continued funding for this vital service. Officers confirmed that the service was currently receiving funding from the Better Care Fund towards the costs of Co-Responding, however there would be a risk to the service if this funding could not be secured for future years.

Economic Scrutiny Committee – 10 January 2017

The Economic Scrutiny Committee made the following comments in relation to the proposed budget:

- The Committee supported the proposed budget for Economic Development.
- Concern was raised about the impact on investment in Lincolnshire if interest rates started to increase. It was noted that even though borrowing rates were low, Lincolnshire was not seeing the levels of investment expected. However, some businesses had built up cash reserves and were now spending these reserves. Interest rates were expected to increase but it was a question of timing and the impact of Brexit.
- In relation to skills and employability, there would be a need to look at this in relation to schools as well, as there could be implications for schools around providing the necessary skills for the economy. In addition funding cuts to schools and increasing class sizes could also have an impact on the number of young people attaining appropriate qualifications in schools.
- In relation to attracting funding, it was queried how much funding would be attracted with a budget of £0.501M. It was noted that the budget was to cover staffing costs and the operational costs of the Greater Lincolnshire Local Enterprise Partnership (GLLEP). The GLLEP had attracted £130M over the last three years which was directly attributable to Economic Development. The target for funding attracted next year was £35M.
- In relation to attracting investment, it was queried whether there were schemes ready to bid for. It was noted that there was the need to undertake pre-project work so that the Council was able to bid for funding when an opportunity arose. At the moment there were not enough projects that would be ready should bidding rounds be called.

Environmental Scrutiny Committee – 13 January 2017

During the course of consideration of the budget proposals, the following items were highlighted as a result of the discussions.

- The impact of the closure of the Leadenham and Whisby Household Waste Recycling Centres was highlighted, and concerns raised about the impact this has had on fly-tipping and additional costs to District Councils. Members were advised that districts had not noted any significant increase in fly-tipping since the closure of the sites.
- A Councillor queried why for the past three years the County Council had only set a one year budget. Consideration was requested to allow for a more medium term financial strategy to aid in improved planning and development of services. The ability for members to have greater input into shaping future, cost effective services was also highlighted.
- The rising costs of waste disposal was highlighted as an area of concern due to increased costs of contracts and the fluctuating value of recyclables. The biggest cost was identified as the haulage to transport the material to processing facilities.

Highways and Transport Scrutiny Committee – 23 January 2017

During the course of consideration of the budget proposals, the following items were highlighted as a result of the discussions.

- Councillors highlighted continued concern regarding the reduction in the provision of street lighting due to the introduction of part night lighting. Specific concerns regarding a possible increase in crime, impact on shift workers and vulnerable communities were highlighted as the key areas of concern. Officers confirmed that there would be a substantial cost implication of re-visiting the Street Lighting Transformation Project changes. A Councillor's request that the Executive reconsider the introduction of part night lighting was not supported by the Committee.
- The removal of amenity grass cutting was highlighted as an area of concern due to the potential impact unkempt verges could have on the economy and tourism. Councillors welcomed the offer of 20% funding to Parish and Town Councils to continue with the amenity cuts on a self-service basis.
- A councillor highlighted the need for Highways to better communicate with local communities to ensure that the potential impact of changes were fully understood by local Parish and Town Councils. It was also highlighted that there was a need to understand how areas without Parish or Town Councils could be engaged with effectively.
- The reduction in gully emptying and drainage cleansing to less than one cycle per annum and emergencies was highlighted as an area of concern. There was concern about the impact on the public and the increased risk of localised flooding and complaints. Officers highlighted the impact would be minimal as the cleansing would be targeted to those areas that needed it more.

Overview and Scrutiny Management Committee – 26 January 2017

The Overview and Scrutiny Management Committee made the following comments in relation to the overall budget proposals:

- The Committee supported the recommendations contained in the report.
- With regards to the loss of £1M from the New Homes Bonus Grant for 2017/18 due to a reduction in the number of payment years from six years to five, concerns were raised about how this would affect future plans and budgets as these would have been based on the original figures. It was noted that the New Homes Grant was top sliced from the Revenue Support Grant and the amount received would be based on the number of houses built.
- Clarification was sought as to why it was proposed to increase council tax by 3.95% rather than 3.99%. It was confirmed that it was proposed to increase the council tax by 3.95% rather than 3.99% as the Environment Agency and Eastern Inshore Fisheries and Conservation Authority precept the Council so there was a need to allow for a safety net for these precepts to ensure that the council tax rate was not pushed over 4%, thus triggering a referendum inadvertently.
- In relation to the reserves, it was clarified that there was around £15M in the general reserves which were used as an emergency fund, and around £50M in the Financial Volatility Reserve which was used to balance the Council's budget. It was proposed to use around £26M of the Financial Volatility Reserve to balance the budget in 2017/18. The remaining balance in the Financial Volatility Reserve would assist in balancing future budgets. It was noted that if the council tax was not increased by 3.95% each

year, then there would be a loss of around £9.8M from the reserves each year, leading to a cumulative loss of over £27M by the end of year three.

- Concerns were raised about the impact of reducing grass cutting and whether there was a risk that road traffic accidents could increase. It was also queried how many parish councils were picking up the costs of grass cutting. It was confirmed that the grass safety cut was still continuing twice a year but that it was the amenity grass cutting which was being stopped. It was noted that a letter was sent to parish councils on 18 January 2017 which set out the County Council's offer to pay 20% of the costs if parish councils took on the amenity cuts and the two safety cuts.
- Concerns were raised about the rising costs of adult care and whether the approximate £2.6M increase in the budget to address cost pressures would be adequate given that other councils were overspending on adult care. It was noted that Lincolnshire was one of the most cost effective adult care authorities in the country which meant that the Council was currently managing the increasing pressures. However, it was highlighted that meeting the costs of adult care would become increasingly difficult in a few years and other services would need to be reduced to help cover the costs.
- With regards to the National Infrastructure Delivery Plan, it was confirmed that any bids for funding would need to be through the Midlands Engine and would need to be for a large scale infrastructure project for a bid to be successful. One potential project that was being looked into was the Newark rail/road interchange.
- Concerns were raised about the impact on the Council's finances if power stations and NHS organisations received charitable status and were exempt from paying business rates. It was confirmed that national legal advice was being sought on this issue.

Value for Money Scrutiny Committee – 17 January 2017

During the course of consideration of the budget proposals, the following items were highlighted as a result of the discussions.

- A Councillor highlighted concern about a one year budget and how the County Council would manage the continued reduction in reserves given the ever increasing pressure on services.
- The need to continue to review how the County Council can evaluate the feasibility for income generation from council services was highlighted as an area of priority.
- The performance of the Serco contract was highlighted as an area of continued concern, due to the impact the less than expected performance has had on other savings due to be made by the Council.
- The proposed savings to Business Support were highlighted as an area of concern, due to this being predominately a staffing budget. Councillors stressed the need to manage the proposed savings whilst continuing to consider the welfare of staff affected.
- The proposed budget decisions to end the two year graduate programme was identified as being an area of risk due to the gap this could leave in effective succession planning. It was noted that the average age of the employee base was increasing, and this warranted the need to continue to train to develop future talent. In addition the reduction in overall learning and development was highlighted as a potential risk.

Public Consultation – Comments received from Members of the Public

We have received a number of responses to the budget proposals consultation from members of the public.

The main points from the responses received are as follows:

- 33% of respondents thought Council Tax should increase to maintain levels of service provision.
- 67% of respondents thought Council Tax should not increase.
- The Council should consider introducing or increases fees and charges to maintain provision of services.
- Services should be cut to keep Council Tax low (e.g. spending on community wellbeing, public health and libraries).
- Central government should review its spending priorities and redirect funding to local government.

Consultation Meeting with External Stakeholders Comments

A Budget Consultation meeting was held with external stakeholders on 27 January 2017.

A list of attendees is detailed at Annex A to these notes.

The Leader of the Council, Councillor M J Hill OBE welcomed everyone to the meeting. Attendees were informed that this meeting was part of the normal consultation process which the authority undertook when setting its budget, and provided the opportunity for partners and other organisations to take part in the consultation. It was reported that the proposed budget was also examined by each of the County Council's scrutiny committees who would look in more detail at the budgets for individual service areas.

Recommendations would then be made to the full Council at its meeting on 24 February 2017, where the budget would be formally approved.

Dave Simpson, Technical and Development Finance Manager and Claire Machej, Head of Finance (Corporate), gave a presentation on "Budget Consultation, 27 January 2017", which was a consultation exercise led by the County Council to highlight the Council's current budget and financial outlook for public services over the coming year. The presentation highlighted the following main points:

- The government had been reducing the amount it gave to local councils over the last few years, and authorities had had to decide what their budget priorities were. Lincolnshire's priorities had been in place since 2014 and including safeguarding children and adults, maintaining and developing highway infrastructure, managing flood risks, supporting communities to support themselves and fire and rescue services.
- The Council spends £597m on revenue services, with over half of this being spent on Adult Care and Children's Services.

- Over half of the money spent on revenue services was on agency and contract payments to deliver the services. Only 25% of the budget was spent on the Council's own staff.
- 43% of the Councils funding came from Council tax, 17% from business rates and the Revenue Support grant from Central Government only made up 12% of the Council's income.
- In terms of national projections for public services spending, the government was maintaining its expenditure on health and education, but the amount given to local government is decreasing.
- In 2016 the government offered local authorities the opportunity to sign up to a four year funding deal to provide a level of certainty to authorities over the medium term. In September 2016, the Council decided to accept this four year deal, along with 97% of other local authorities. While the Council would be getting less money over the coming years, it would be able to plan for it.
- The current budget strategy involved a combination of savings, increased council tax and the use of reserves.
- The authority was only setting a one year budget, which was due to a number of reasons, including the move towards 100% local retention of business rates, decreasing reserves, and a new council coming in following the election in May 2017.
- In 2011/12 the council was receiving around £211m in government grant, by 2019/20 it was expected to be around £20m which was a 90% reduction. It was also noted that the Council was experiencing a number of cost pressures.
- The Council had managed to make around £250m of savings over the past 6 years to balance the books with a number of strategies, which included outsourcing back office support services e.g. IT, personnel, property; entering into partnerships with the private and voluntary sectors e.g. Highways Alliance, school improvement service; undertaking 2 downsizings of senior management posts, with a 40% reduction; investing in an energy from waste facility, saving around £13m per year on landfill costs; and library rationalisation/outsourcing.
- In previous years the Council had taken advantage of the Council Tax Freeze grant, when it was available. However, this was no longer offered and the Council was proposing to increase its share of council tax by 3.95%.
- The Council had been using reserves for a number of years to fill the shortfall in the budget, but there would be a time when the reserves are exhausted.
- The Local Government Finance Settlement received in December 2016 did confirm what was expected, but the authority was also offered a further £3.4m of one off funding for Adult Care in 2017/18. However, this had been taken from the fund for the New Homes Bonus, of which the council would have received £4.6m but will now receive £3.6m, therefore effectively the Council only received an additional £2.4m.
- There was currently no indication of any additional income to fund the national living wage.
- There had been a relaxation in relation to how authorities were allowed to use capital receipts which meant that for the next few years the authority would be able to use capital receipts from the sale of assets to fund revenue costs of transformational projects designed to save money.

- A budget shortfall of £26m was still expected for next year, which would be met by the reserves. It was expected that reserves would run out before the end of the 2018/19 financial year.
- The increase in adult care costs was due to the demography of Lincolnshire. A 7.7% increase in population was expected over the next 10 years, and of this figure, just over 50% of them would be over 75 years of age making them more likely to require adult care services.
- Some of the cost pressures for the council included the adult care demography, national minimum living wage, pay inflation, apprenticeship levy.
- The apprenticeship levy was a new tax introduced by government and was 0.5% of total staff bill. It was believed that this would be widened to the private sector in future years.
- Some of the savings would be from the full year effect of what had been put in place this financial year and also new proposals for 2017/18 which included extending the payback period for capital schemes, use of capital receipts for some revenue projects; and the reduction of the contingency budget from £4m to £3m.
- The Council had two types of revenue reserves – general reserves, which should only be used in an emergency or for unforeseen circumstances; and earmarked reserves, where the Council held a lot of money that was not its own, e.g. the funding for schools, or was for a specific purpose such as grants which had conditions attached to them. If this money was not spent on the specific purpose it would need to be refunded.
- Once these balances were taken into account, there would be a remaining balance of £28m which was also earmarked for specific purposes such as insurance claims, adverse weather impact on highways, health and wellbeing and transformational projects.
- The Council had an ongoing commitment to major infrastructure schemes included the Lincoln Eastern Bypass and Boston Flood Barrier.
- There was a £7.5m capital contingency fund for council priorities and for which service areas were required to produce business cases.
- It was proposed to increase the county council portion of council tax by 3.95%, which would equate to 86p per week for a band D property. It was noted that over the last 5 years inflation had gone up by 17.1% but the council tax had only increased 5.85%. Lincolnshire always aimed to be one of the lowest council tax areas from a county council point of view, and this should continue. The proposed increase was expected to generate an additional £9.8m of income for the Council.
- In terms of consultation, the proposals were available to the public on the Council's website, the budget proposals had also been to each of the Council's scrutiny committees throughout January.
- It was expected that a new business rates retention scheme would be brought in by 2020. However, a lot of details are still to be worked out over the next two years including how to deal with those areas where business rates retention would create a deficit compared to the current scenario. The combined county/district position for Lincolnshire was a net deficit. A 'Fair Funding Review' was being undertaken in tandem to try and ensure an equitable starting point for the new regime.
- The amount of money available would exceed local governments current funding from central government by around £3bn – £4bn pa. It was expected that additional

responsibilities would be handed to local authorities to take up this excess, but it was not yet known what these responsibilities would be.

During the course of discussion, the following points were noted:

- In relation to Council tax, Nottinghamshire had the highest rates. It was queried whether this meant that they had better services than Lincolnshire, and similarly, as Worcestershire and Northamptonshire charged less than Lincolnshire, were their services worse? It was acknowledged that Nottinghamshire had not had to do some of the things Lincolnshire had, and had not had to challenge itself, the way Lincolnshire had. Lincolnshire had mostly been able to make savings through efficiencies. It was accepted that Nottinghamshire would be better off in cash terms, but whether its services were better was debatable. Lincolnshire's Children's Services had been rated the second best in the county by OFSTED; the working of the Highways Alliance was highlighted as best practice and as a result, Lincolnshire was receiving additional funding for maintenance work.
- The public consultation process in 2014 to set the Council's priorities had been very influential and was the reason that highways and safeguarding were protected. However, the downside was that protecting one service meant that the savings had to come from a different service. It was noted that the protection of these services did not mean they received more money, just that the same level of savings were not required from them.
- It was not thought that there was a requirement to have another review of council priorities at this time. There were some activities which the Council had to carry out, and so some areas may struggle so these services can continue. However, there would be a new council in May 2017 and so there was the potential for a different view.
- Clarification was sought regarding the Apprenticeship levy and whether it could be offset by training budgets. It was noted that all schools would be included in this, which was a concern as small rural schools would not be able to deliver apprenticeship schemes. It was noted that the apprenticeship levy only applied if an organisations staffing budget was over £3m.
- It was commented that it would be important in the future for people to work together. As academies were often standalone, some seemed to be working against each other.
- There was an ongoing discussion about the funding formula for schools, as an adjustment was proposed so that those schools with more pupil premium pupils would receive more funding. This would negatively affect small rural schools as well as grammar schools. It was hoped that this would be reviewed again to make it fairer. In Lincolnshire, with the national formula, the authority had always tried to protect its smaller schools through block funding, but there was a danger that smaller schools would become vulnerable in the future.
- Was it hoped that communities would pick up some activities, and it was queried whether there was any support to help communities to apply for grants etc. It was noted that the council was proposing to stop amenity grass cutting, and if parishes or communities wanted to pick this up there would be some transitional funding. One of the Councils aims was helping communities to support themselves.
- A lot of savings had come from having reduced numbers of staff.

- In terms of Adult Care and the 2% levy in council tax, it was queried whether the money raised was ringfenced for adult care. It was confirmed that it was, but it would be insufficient to cover the increase in costs from the introduction of the national living wage. It was estimated that the cost to the council of the living wage would be £10m.
- Councils with responsibility for adult care were allowed to set a 6% increase in council tax over the next 3 years, but it was up to the authority to determine how to implement the increase e.g. 2% per year for 3 years, or 3% for 2 years and 0% the remaining year. The current political view was a preference for the 2% increase per year for 3 years.
- One of the biggest areas for expenditure was adult social care. However, just because the budget had grown did not mean that it would not make savings. There were a lot of small contracts and money had been saved through better commissioning. The Council had saved money by becoming a better commissioner across all services. The adult care budget would continue to grow and every year the cash amount going into the adult care budget had increased, but the service would still look to find ways to make savings.
- The £1.5m cost pressure of pay inflation was an additional cost, and would fund the expected 1% increase in pay for staff as per the national pay agreement.
- It was suggested that the 100% business rate retention was something that businesses did not understand yet. 100% of growth in business rates would be retained locally. It was commented that it would be important to have a strategy in place with the districts, as it would be an opportunity for the area. It was queried what plans there were around the 100% retention of business rates and engagement with business and growing the business rates base. It was noted that officers were working out broadly what this would look like, and the formula would need to be more representative of need. There was a need for the money coming through the business rates to be more fairly distributed.
- In terms of business rates, Lincolnshire was a top up authority. There was a still a need nationally to agree how the formula would work, and the appeals system would be operated centrally. Under the new regime, if an area lost a big business, it would leave a big hole in an authority's budget.
- There would be a need to work together to maximise growth in an area. It was noted that business growth in Lincolnshire was good.
- The Government acknowledged that there would have to be some measures put in place to ensure that those areas with lower business rates were not penalised. If an area could grow its business base then the new system would allow for the benefit to be retained.
- In terms of heritage, it was commented that the County Council should be congratulated for its investment in Lincoln Castle. Businesses were now starting to see the benefit. There was an 8% increase in the volume and value of tourism in 2015. It was felt that heritage services as a trading unit would broadly be welcomed, but it would need to be in a position where it could invest in its own assets to ensure that heritage assets continued to flourish.
- It was acknowledged that heritage services had come low down in the list of priorities during the public consultation, and it was hoped it could get to the stage where it could support itself so it could benefit from other initiatives such as rate relief, charity status etc. Whether this would be possible or it would need some sort of support still needed to be examined. There would be a need to look at different ways of providing

the service following on from the success of the Castle. The Service had been given more time to work out how to move forward in the future.

- Options for the Lincolnshire Archives were being looked into as the current building was nearing the end of its life. One option being considered was relocating it to the museum of Lincolnshire Life, creating more of an attraction.
- It was queried whether funding for pump priming transformational projects was built into budgets. It was reported that the authority received funding from the Better Care Fund (BCF), and a lot of this funding had been used to try and protect Adult Care services, and so transformational work has been taking place to find better ways of working.
- A lot of the proposals in the Sustainability and Transformation Plan (STP) were about delivering services locally, for example preventing people having to go to A&E by providing reasonable alternatives. Social care and Health were working together more to avoid splitting the community. There are 20 social workers who were permanently located in hospitals so they could work with people when they were admitted to hospital to put in place plans for when they are discharged. It was acknowledged that there were problems with the recruitment of professional health staff.
- It was queried whether the impacts of any reductions on services were assessed before being agreed. It was confirmed that this did happen, and in some cases it was an uncomfortable decision to make. The savings that were made needed to be sustainable and not have a large impact.
- It was noted that some reductions may not have an impact immediately, but for example, in 5 years' time. It was commented that the money needed to be saved now, and in an ideal world there were some things that the authority would like to do.
- In was commented that proposed reductions included health improvement programmes and community wellbeing, and it was noted that some of these savings were being achieved through re-commissioning of services, particularly around smoking cessation. Some of these savings were introduced 12 months ago, but there was a time lag between implementation and savings being recognised.
- Some of the London boroughs such as Tower Hamlets received twice as much funding per pupil for schools as in Lincolnshire. It was queried whether Lincolnshire was putting sufficient pressure on the government to make the funding fairer. It was confirmed that MP's were aware of the issue, and Lincolnshire had managed to receive an additional £7.5m during this year. It was also noted that Lincolnshire was a member of SPARSE, a sub group of MP's who represented rural authorities and ensured that pressure was maintained on this issue.
- It was commented that if Lincolnshire received the same level of support as Manchester, the authority would be£140m per year better off.
- The government would be looking at the adult social care and health problems.
- It was queried how businesses, investment and development would be grown to boost the business rates collected. It was noted that the government did have a scheme which rewarded people for growing their business.
- There was still a big capital programme, supporting improved broadband, the Lincoln Eastern Bypass etc. The authority was trying to get the infrastructure right so people would come to Lincolnshire. The quality of life in the county also attracted people. The LEP was working well and had been very successful in bringing in more money. Lincoln BIG was also working well in encouraging businesses to come together.

- The importance of retail was highlighted as it had a high rateable value, enterprise parks and business parks would also be important.
- The details of how the business rate retention scheme would work were not yet known, but there would be an incentive to increase the business rates base.
- It was hoped that benefits from growth which had happened over the last few years would not be lost be the 'reset' of the business rates system. It was the belief that it was the government's intention to incentivise. There were still exemptions for small business, this could be a loss for Lincolnshire as it had many small businesses. It was also noted that internet based businesses did not pay business rates, and so it needed to be queried whether the system was still fit for purpose.

The comments made at today's meeting would be reported to the Executive at its meeting on 7 February 2017 and the final budget would be approved at the meeting of Full Council on 24 February 2017.

RESOLVED

That the points made at this meeting be submitted to the meeting of the Executive scheduled to be held on 7 February 2017.

The meeting closed at 12.05 pm.

Present	**Representing**
Richard Wyles	South Kesteven District Council
Karen Brown	Lincolnshire Partnership NHS Foundation Trust
Steve Quint	Lincolnshire East CCG
Matt Corrigan	Lincoln BIG
Gavyn Graham	Unison
Councillor J D Hough	Lincolnshire County Council
Steve Galjaard	Lincolnshire Co-op
Russell Stone	North Kesteven District Council
Councillor B Young	Lincolnshire County Council
Councillor S Bibb	West Lindsey District Council
Councillor M J Hill OBE	Lincolnshire County Council
Ken Rustidge	NUT
Dave Simpson	Lincolnshire County Council
Claire Machej	Lincolnshire County Council
Rachel Wilson	Lincolnshire County Council

APPENDIX E

FINANCIAL STRATEGY

1 Spending and council tax

1.1 Resources will be allocated in revenue and capital budgets to support and promote achievement of the Council's Business Plan and statutory responsibilities.

1.2 Total spending and the council tax will be set with regard to:

- the impact on Lincolnshire service users;
- the impact on Lincolnshire council tax payers;
- the impact on the local economy;
- government requirements, in particular likely council tax referendum thresholds or other government constraints; and
- the impact on the County Council of local council tax support schemes set by the District Council's in Lincolnshire.

The Council will aim to keep the level of council tax one of the lowest in the country and remain in the lowest quartile of all English county councils.

1.3 The Council will implement a planned programme of major improvement, efficiency and transformation projects derived directly from key strategies such as the commissioning council model.

The programme will aim to achieve substantial savings to keep the Council's spending within the funding available from government grants and the council tax, and to allow modest development and improvement of priority services where possible.

Savings will be achieved through improved efficiency wherever possible.

The Council will seek to identify and assess appropriate opportunities to engage in partnership/shared services initiatives with other partners in the public, voluntary and private sectors where this will result in tangible efficiency improvements.

1.4 Revenue and capital budgets, typically covering at least three years, will be prepared and set realistically, taking into account the Council's key strategies. However, in setting budget timeframes, close regard will be given to the current programme of comprehensive spending reviews undertaken by the incumbent Government.

2 Financial standing

2.1 The Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

The Overview and Scrutiny Management Committee will consider the adequacy of the Council's reserves each Autumn by reviewing a financial risk assessment of the overall financial standing of the Council.

2.2 A number of earmarked reserves will be maintained where considered prudent to do so. A specific earmarked reserve will be maintained to assist the Council in dealing with the inherent volatility now present in the funding regime for local government.

All Earmarked Reserves will be reviewed on a periodic basis. Any reserves no longer required for their original purpose will be transferred into general balances.

2.3 The Council will implement its Risk Management Strategy and keep it under review, including the maintenance and regular review of a Corporate Risk Register.

2.4 The Council will annually review and report on its governance arrangements including the system of internal control and address any significant governance issues.

2.5 The Audit Committee will monitor the effectiveness of risk management and governance arrangements.

2.6 The Council will maintain an internal audit function operating in accordance with the CIPFA Code of Practice.

2.7 The Council will operate a combination of internal and external insurance arrangements. The balance between internal and external insurance will be reviewed at each insurance tender, and on each occasion the opportunity will be taken to examine the cost effectiveness of alternative combinations of internal and external insurance. The Council's external insurance needs will be tendered at the end of each Long Term Agreement, which is usually between five and seven years.

3 Financial management standards

3.1 Training and information will be provided which is appropriate for the financial skills required of councillors, including treasury management.

A finance seminar for councillors will typically be held each Autumn to brief councillors on the overall financial standing of the Council, the latest developments in local government funding and key issues relating to the upcoming budget setting process.

3.2 A comprehensive continual profession development programme covering all the key aspects of financial competencies will be delivered to ensure officers accountable for finance are able to carry out their role effectively.

3.3 The County Finance Officer must ensure that appropriate training and development in financial competencies is provided to meet agreed needs.

3.4 He/she must also ensure that appropriate, specialist financial expertise is available to provide good quality financial advice to the Council and to manage its financial affairs.

3.5 He/she will seek actively to improve financial performance in any poorer performing areas of the Council.

4 Financial decision making

4.1 The Executive Director of Finance and Public Protection will provide comments on financial implications, compliance and value for money as necessary for all decisions to be taken by the Council, Executive or Executive Councillors.

4.2 Business cases and option appraisals, in a format agreed by the County Finance Officer, will be completed and agreed before all major revenue and capital projects, developments and change programmes are commenced.

5 Budget management

5.1 The Executive and officers discharging executive functions must manage within approved budgets.

5.2 Executive Directors and budget holders must:

- Monitor and report financial performance monthly;
- Control expenditure and income within their area against approved budgets; and
- Take any action necessary to avoid exceeding approved budgets.

5.3 Executive Members will monitor financial performance on a monthly basis.

The Overview and Scrutiny Management Committee and the Executive will:

- Receive detailed quarterly reports on performance and spending;
- Seek detailed explanations from executive directors where expenditure is not being managed within approved budgets; and
- Review financial performance at each year end.

5.4 The Council's organisational arrangements will reflect the principles of good financial management. They will:

- Promote budget ownership;
- Establish clear responsibility and accountability; and
- Recognise budget management as an essential part of good management.

6 Budget changes

6.1 The Council's Constitution requires that decisions can only be taken in line with the Council's approved budget. Decisions which would be contrary to, or not wholly in accordance with the budget approved by full Council will only be taken by full Council following a recommendation from the Executive, subject to the budget reallocation rules set out at paragraph 6.3 below.

6.2 Changes to the budget which increase the Council's total expenditure and require either the use of the Council's general reserves or increased borrowing must be referred by the County Finance Officer to the Executive for consideration before being referred to the full Council for approval.

6.3 Subject to the above, budgets can be reallocated between service headings as follows:

- Reallocations of up to £250k may be approved by the relevant Executive Director and should be notified to the Executive Director Finance and Public Protection;
- Reallocations of between £250k and £500k may be approved by the relevant Executive Councillor/s in consultation with the County Finance Officer and the relevant Executive Directors; and
- Reallocations over £500k will be considered by the Executive and must be approved by the full Council.

Budget reallocations within service headings will be made in line with Directorate Schemes of Authorisation.

7 Carry forward of over and under spendings

7.1 All under and overspendings on service revenue budgets of up to 1% will be carried forward without exception.

The use of all underspendings 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.

7.2 All under and overspendings on the following budgets will be carried forward without exception:

- All capital budgets;
- Dedicated Schools Budgets;
- All specific grants; and
- Revenue budgets relating to formally constituted shared services will be carried forward reflecting the joint ownership of such funds.

Earmarked Reserves will be maintained for areas where expenditure is uneven in its nature (for example: insurance and Adverse Weather). Each year any under spendings on these revenue budgets will be transferred into the reserve, and any over spendings funded from the reserve, up to the maximum available in the reserve.

8 Expenditure

8.1 The Council will acquire goods and services to achieve best value in accordance with Procurement Lincolnshire's Sustainable Procurement Strategy in order to:

- Deliver year on year efficiencies but not at the cost of quality; and
- Develop and embrace socially responsible procurement that delivers value for money, promotes the local economy, and takes into account the social and environmental impact of spending decisions.

8.2 Undisputed invoices will be paid in line with either contracted terms or within 30 days on a reasonable endeavours basis.

The Council will seek actively to resolve disputed invoices.

8.3 Procurement and payment processes will utilise available technology where appropriate including e-procurement and the use of procurement cards.

9 Income

9.1 The Council will review its policies on fees and charges for discretionary services bearing in mind the impact on both service users and council tax payers.

9.2 The Council will aim to collect all the income owed to it, to collect it promptly, and to take effective action to pursue non-payment, taking into account the circumstances of the individual debtor.

9.3 Income collection processes will utilise available technology where appropriate including the use of the on-line payments and credit cards.

9.4 The Council will not seek to use the discretionary power to set a Supplementary Business Rate unless there is general support from Lincolnshire businesses.

10 External funding and partnerships

10.1 The Council will work with partners and national bodies to ensure that Lincolnshire receives appropriate levels of government grant.

10.2 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling business rates with all or some of the Lincolnshire District Councils.

10.3 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling resources with Clinical Commissioning Groups or other regional health bodies in relation to the potential integration of services.

10.4 In deciding whether or not to make a bid for external funding or enter into a pooled funding arrangements Directors, Executive Councillors or the Executive must ensure that:

- The project or fund contributes to the Council's corporate objectives;
- Matched funding is available within existing budgets;
- Partner contributions are confirmed;
- Risks are assessed and minimized including:
  - Where funding is linked to the achievement of specific outcomes or identified performance measures.
  - Where success relies on others.
- The Council has the capacity to deliver the outcomes and timescales required; and
- There is a clear exit strategy where external funding is for a limited period.

And must consider:

- The probability of success in obtaining funding, particularly in relation to the resource costs of preparing bids;
- Co-ordination of bids and initiatives within the Council and with partners; and
- Whether the project represents value for money.

10.5 Approval for external funding bids should be sought from:

- the appropriate Executive councillor or the Executive – for projects costing more than £250,000;
- officers authorised to bid for external funding under directorate Schemes of Authorisation – for projects costing less than £250,000.

10.6 The County Finance Officer must ensure that:

- Costs, benefits and risks are assessed fully before partnership agreements are made;
- Governance, accountability and reporting arrangements are appropriate and clear; and
- Financial arrangements are appropriate and safeguard the Council's interests.

11 Funding the capital programme

11.1 The Council will actively dispose of surplus assets where appropriate in order to reinvest in capital assets.

11.2 Capital spending will be funded largely through long-term borrowing in accordance with government policy.

Consideration will be given as part of developing the annual treasury management strategy to the use of the Council's existing cash resources to delay the need to undertake external borrowing, known as internal borrowing.

11.3 Annual provision will be made for the repayment of long term borrowing. The amount repaid will be related directly to the useful life of the assets acquired through borrowing so that debt is not outstanding after an asset's useful life.

11.4 Provision for the repayment of long term borrowing including interest will not exceed a long term limit of 10% of annual income from general government grants, and council tax.

12 Accounting and financial processes

12.1 Strong financial controls will be maintained with the County Finance Officer responsible for determining or agreeing all financial processes, systems and financial records used by the Council.

12.2 Accounting policies will comply fully with International Financial Reporting Standards and statutory regulations as set out in the CIPFA Code of Practice on Local Authority Accounting in the UK. The annual statement of accounts will give a true and fair view of the financial position and transactions of the Council in the opinion of its external auditor.

13 Treasury management

13.1 The Council will comply at all times with the CIPFA Code of Practice on Treasury Management and related locally determined statements, strategies and practices.

The Council will provide a treasury management service to its Pension Fund.

13.2 The Council will employ external treasury management advisors and will outline the service received and the arrangements in place with the advisors within the Annual Treasury Management Strategy. The overall responsibility for risk management and control of the treasury operation rests with the Council.

13.3 The committee responsible for the scrutiny of the treasury management function is the Value For Money Scrutiny Committee, which will receive the Treasury Management Strategy and Annual Report on an annual basis and also quarterly monitoring reports throughout the year that will compare activity against approved strategy. Quarterly monitoring reports will also be made to the Pensions Committee in respect of the management of its cash resources.

Members and officers will receive appropriate training to assist them in discharging their roles regarding treasury management.

13.4 The Council will finance long term debt relating to capital expenditure at periods and interest rate levels that minimise the cost to the Council. The total level of long term debt will be managed within prudential levels pre-determined by the Council. The maturity profile of long term debt will also be managed with the aim of achieving an even maturity structure.

13.5 The Council will actively pursue debt rescheduling to the extent that it will generate financial savings without adding significantly to the overall debt burden.

13.6 The Council will operate a lending strategy in line with best professional practice that seeks to minimise the risk of capital loss while maximizing the income return to the Council. Priority will be given to security and liquidity over return within the lending strategy at all times.

13.7 When making investments, the Council will make use of a wide range of information, including credit ratings, financial press, market data and other relevant information, when determining an appropriate counterparty creditworthiness policy. Limits which diversify investments over country, sector and counterparty group will be applied.

14 Performance measures and targets

14.1 Implementation of the Financial Strategy will be monitored and managed with reference to the measures of financial health and performance set out in the **APPENDIX F**.

14.2 The Financial Strategy will be reviewed at least every four years at the start of each new Council or when circumstances suggest an earlier review would be advisable.

14.3 Further details and guidance can be found in the Council's Financial Procedures.

APPENDIX F

KEY FINANCIAL PERFORMANCE MEASURE: FINANCIAL HEALTH AND PERFORMANCE

REF	PERFORMANCE INDICATOR	MEDIUM TERM TARGET	2016/17 Estimate	2017/18 Estimate
1	Council tax compared with other counties	In lowest quartile of all English county councils (out of 27 county councils).	Yes	Yes
2	Government grants	Lobby for annual increases in general government grants to be above the county average.	Yes	Yes
3	Capital receipts	At least £8.0m per annum from 2017/18.	£7.615m	£8.000m
4	Minimum Revenue Provision and Interest	MRP and Interest repayments not to exceed 10% of net income	6.69%	5.75%
5	Accounting	Unqualified external audit opinion.	Yes	Yes
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 "no assurance" opinion from internal audit.	Yes	Yes
8	Income collection	Overall top quartile performance compared with other counties (100 = top quartile).	85.0	85.0
9	Expenditure - prompt payment	At least 90% of undisputed invoices paid within 30 days.	Less than 90.0%	90.0%
10	Treasury management	Risk adjusted return comparison.	Weighted Benchm'k	Weighted Benchm'k

APPENDIX G

FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY FOR 2017/18

Background

The Local Government Finance Settlement for 2016/17 announced additional flexibilities for local authorities to be able to use capital receipts, from the sale of Council assets for revenue transformation projects. Previously these receipts where required to be used to fund new capital assets or to repay debt from the purchase of assets. These new flexibilities currently apply for a three year period from 2016/17 to 2018/19.

To qualify to use capital receipts in this way the Council must prepare, at least annually a Flexible Use of Capital Receipts Strategy (required in Statutory Guidance issued under section 15 of the Local government Act 2003). The Council's first strategy was presented to Council in September 2016 as part of the Efficiency Plan.

The guidance requires the Strategy to:

- Document how the new flexibilities in the use of capital receipts will be used; and
- Show the effect on Prudential Indictors for the period of capital receipt flexibilities.

Flexible Use of Capital Receipts

Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

> *"Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility."*

TABLE A sets out the Council's current estimated spend on transformation projects to be funded by the use of capital receipts.

TABLE A – Planned Flexible Use of Capital Receipts

	2016/17 £'m	2017/18 £'m	2018/19 £'m
Planned use of capital receipts	4.500	8.000	
Anticipated use of capital receipts			8.000

TABLE B sets out details of the schemes which will be delivered from 2016/17 to 2018/19.

TABLE B – Schemes to be funded using Capital Receipts

Transformational Work	2016/17 Proposed £'m	2017/18 Proposed £'m	2018/19 Proposed £'m	Savings Generated
Service changes and reductions (including redundancies)	2.000	2.400	2.400	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.
Collaborating with Other Public Bodies	0.000	1.000	1.000	Savings here relate to shared accommodation and delivering work jointly and in collaboration.
Property rationalisation	0.500	1.000	1.000	Savings here relate to reductions in rent and associated property costs. This programme of work will also contributes to the generation of capital receipts.
Efficiencies through contracting and procurement	1.200	1.600	1.600	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).
Transforming information technology	0.600	1.800	1.800	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.
Preventing and detecting fraud	0.200	0.200	0.200	Again it is difficult to convert this work into a cashable saving, however this work protects the Council's finances.
TOTAL	**4.500**	**8.000**	**8.000**	

This Strategy will be kept under review through the three year period during which the Council can utilise capital receipts to fund revenue transformation projects. Actual spending will be reported as part of the Council's Financial Performance Report in September each financial year.

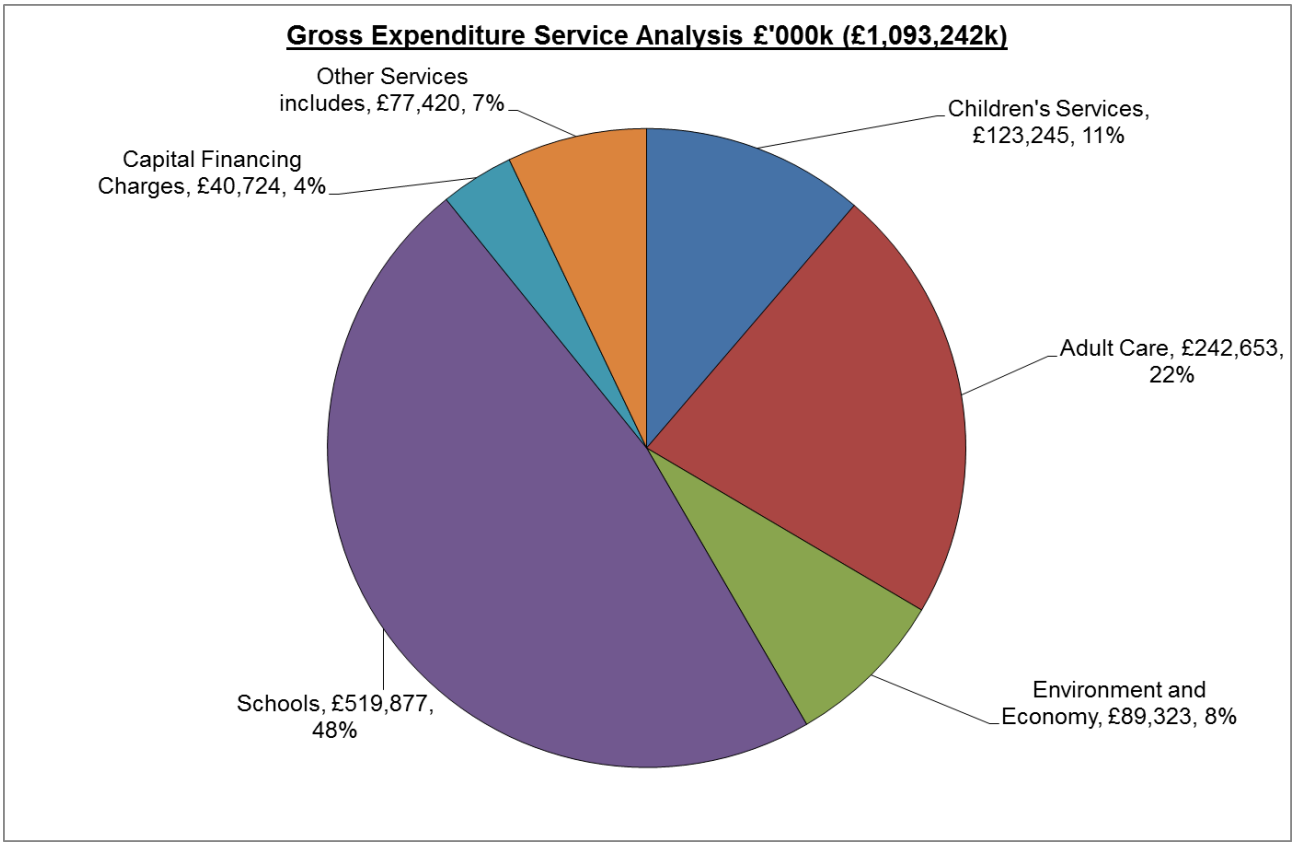
Impact on Prudential Indicators

Up to 1 April 2016 it has been the Council's policy to utilise all capital receipts generated in any financial year to fund the capital programme in that financial year (thus allowing the Council to keep the need for borrowing to a minimum). With the change in policy allowing utilisation of capital receipts to fund revenue spending on transformational projects the Council will stop using all capital receipts to fund the capital programme.

Diverting this money away from the capital programme does have a financial impact for the Council. Details on the Council's Prudential Indictors for 2016/17 (and future years) based on the above use of capital receipts to fund revenue transformation (£4.500m in 2016/17 and £8.000m in 2017/18 and 2018/19) rather than spend in the capital programme are set out in the Council's Budget Book (www.lincolnshire.gov.uk/budget). The Prudential Indicators demonstrate that the capital programme and associated financing remain affordable for the County Council.

APPENDIX H

GRAPHICAL REPRESENTATION OF THE REVENUE BUDGET 2017/18

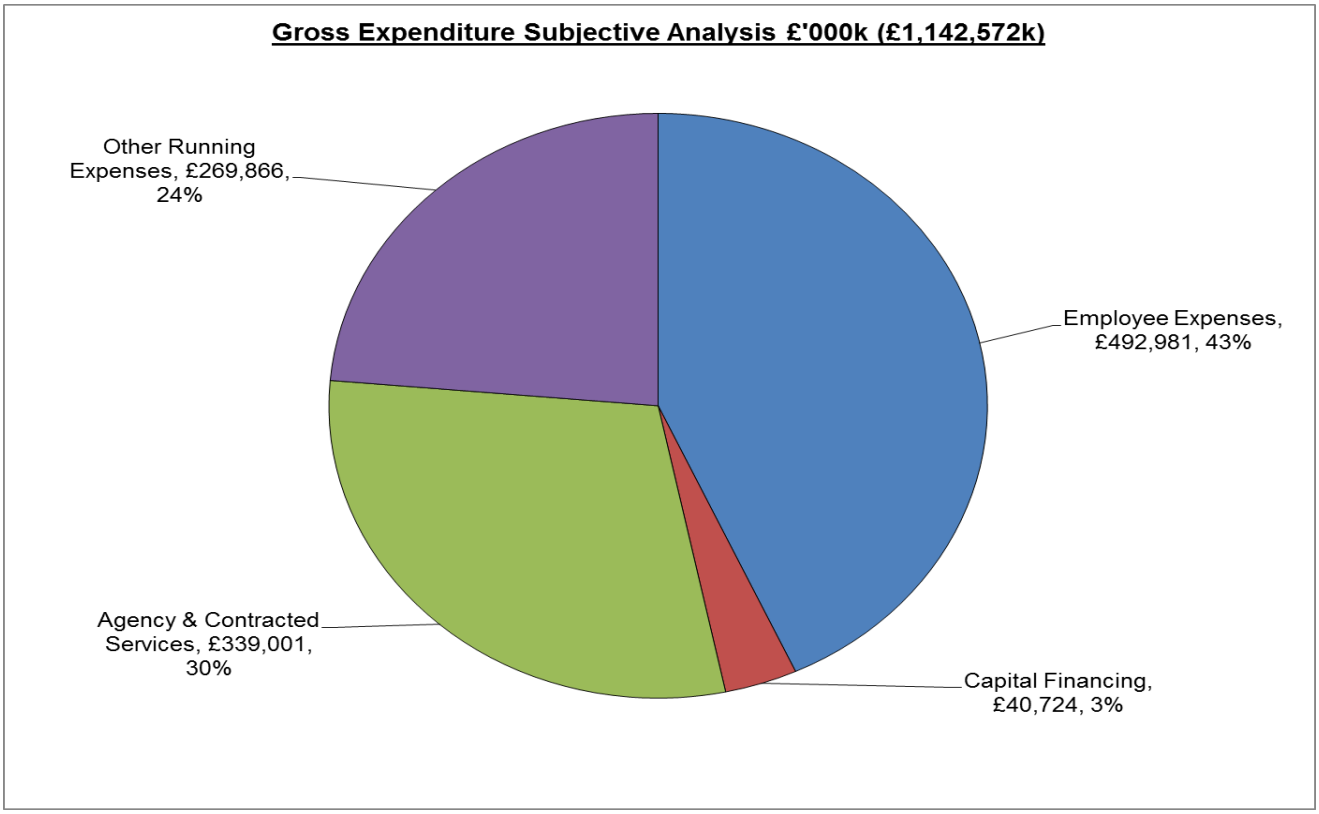


Children's Services includes: Readiness for School, Learn and Achieve, Children are Safe & Healthy and Readiness for Adult Life.

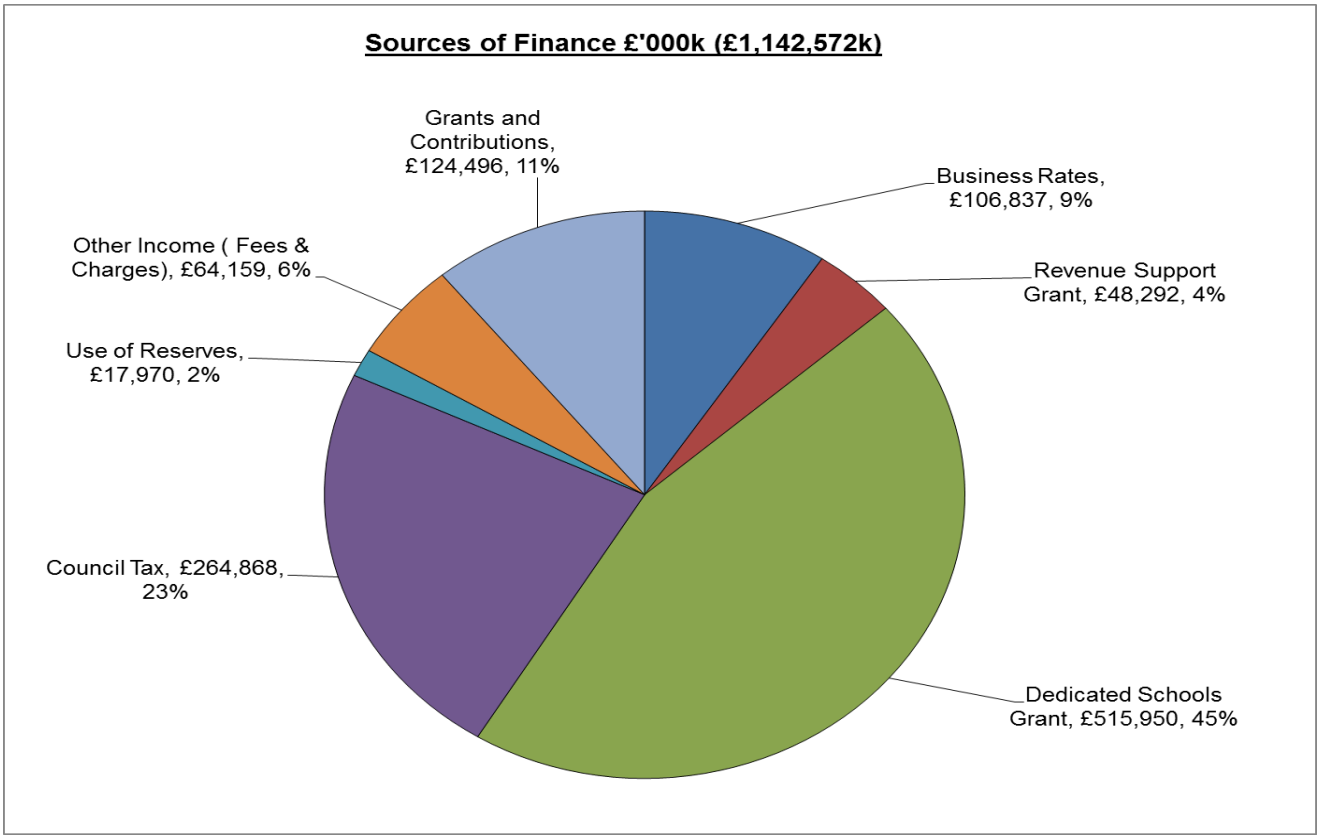
Adult Care Includes: Adult Safeguarding, Adult Frailty, Long Term Conditions and Physical Disability, Carers, Adult Specialities and Wellbeing.

Environment and Economy includes: Sustaining & Developing Prosperity Through Infrastructure, Protecting & Sustaining the Environment, Sustaining & Growing Business & the Economy and Community Assets and Resilience.

Other Services includes: Protecting the Public, How We Do Our Business and Enablers & Support to Council's Outcomes, Contingency and Other Budgets.



The distribution of budgets differs significantly between different services. For example employee expenses comprise 61% of budgeted expenditure in schools, for other (non-schools) budgets it is only 26% of budgeted expenditure.



Dedicated Schools Grant. Lincolnshire has been awarded £515.950m, which is for all schools in Lincolnshire including local authority schools and Academies. Approximately half of all pupils attend academy schools. Therefore, it is expected that this figure will be revised down by half for funding to academy schools. DSG is a ring-fenced grant that is passed directly through to schools.

APPENDIX I

REVENUE GOVERNMENT GRANTS 2017/18

The revenue budget for 2017/18 includes the following Government Grants which have been allocated to the County Council:

	£'000
Council's Non-Specific Grants	
Revenue Support Grant	48,292
Rural Services Delivery Grant	5,565
Adult Social Care Support Grant	3,383
New Homes Bonus Grant	3,555
Improved Better Care Fund Grant	2,106
Education Services Grant (*1)	1,103
SEND Implementation Local Allocation	532
Extended Rights to Free Travel	632
Inshore Fisheries Conservation Authorities	128
Lead Local Flood Authorities Grant	111
Transition Grant	9
Schools Budgets	
Dedicated Schools Grant (ring-fenced) (*2)	515,950
Pupil Premium (*3)	28,264
Service Budgets	
Public Health Grant (ring-fenced)	33,524
Total Revenue Grants	**643,154**

(*1) Education Support Grant is budgeted at £1.103m. This reflects the Council's estimate of pupil numbers and funding rates per pupil in local authority and academy schools in 2017/18. The grant is paid on a quarterly basis with each payment being adjusted as schools convert to Academies throughout the financial year. A portion of the ESG is to be added onto the Dedicated Schools Grant figure in 2017/18.

(*2) Dedicated Schools Grant. Lincolnshire has been awarded £515.950m, which is for all schools in Lincolnshire including Local Authority Schools and Academies. Approximately half of all pupils attend academy schools, therefore it is expected that this figure will be revised down by half for funding to academy schools. DGS is a ring-fenced grant that is passed directly through to schools.

(*3) Pupil Premium. Similarly to the DSG, the pupil premium allocation for Lincolnshire covers both the allocations for local authority and academy schools. The figure for 2017/18 (£28.264m) is currently an estimate, based on the grant expected to be received in 2016/17, as there have been no changes to grant allocation methodology. The allocation for 2017/18 is not expected to be announced until June 2017.

APPENDIX J

REVENUE BUDGET
COST PRESSURES AND SAVINGS BY COMMISSIONING STRATEGY

	2017/18 COST PRESSURES (*1) £'000	2017/18 SAVINGS £'000
Readiness for School	-5	-611
Learn & Achieve	364	-1,283
Readiness for Adult Life	58	-604
Children are Safe & Healthy	3,375	-568
Adult Safeguarding	12	0
Adult Frailty, Long Term Conditions & Physical Disability	4,226	-4,548
Carers	0	0
Adult Specialities	2,621	-436
Wellbeing	13	-3,278
Community Resilience & Assets	11	-1,257
Sustaining & Developing Prosperity Through Infrastructure	165	-4,541
Protecting & Sustaining the Environment	2,074	-354
Sustaining & Growing Business & the Economy	19	0
Protecting the Public	311	-1,150
How We Do Our Business	1,164	-110
Enablers & Support to Council Outcomes	1,902	-2,013
Public Health Grant	526	0
Total Commissioning Strategy Budgets	**16,836**	**-20,753**
Other Budgets	9,616	-18,839
Total Expenditure	**26,452**	**-39,592**

(*1) Please note that cost pressures also include inflation.

APPENDIX K

CHANGES BETWEEN THE 2016/17 BUDGET AND THE 2017/18 BUDGET

	Impact on budget	
	£'000	%
COST PRESSURES:		
Pay Inflation	1,456	0.33%
Learn and Achieve	244	0.06%
Children are Safe & Healthy		
Additional costs identified through trends to Looked after Children, Special Guardianships & Out of County placements	1,882	0.43%
Children are Safe & Healthy - Other Cost Pressures	1,181	0.27%
Adult Frailty, Long Term Conditions and Physical Disability		
Additional Demographic Pressures in Adults - demographic increase and National Living Wage pressures	4,100	0.94%
Adult Specialities		
Additional Demographic Pressures in Adults - demographic increase and National Living Wage pressures	2,570	0.59%
Protecting & Sustaining The Environment		
Waste Disposal - increase in business rates & tariffs, disposal costs plus general growth	1,568	0.36%
Protecting & Sustaining The Environment - Other Cost Pressures	475	0.11%
Protecting the Public	100	0.02%
How We Do Our Business		
County Council Elections - funding of May 2017 elections	1,100	0.25%
Enablers & Support to Council Outcomes		
IMT - Microsoft Enterprise Agreement	1,400	0.32%
Enablers & Support to Council Outcomes - Other Cost Pressures	295	0.07%
Public Health Grant	526	0.12%
Other Budgets		
Employers Pension Contribution Increase	3,513	0.80%
National Living Wage	4,922	1.13%
Other Budgets -Other Cost Pressures	1,120	0.26%
TOTAL COST PRESSURES:	**26,452**	**6.05%**

SAVINGS:		
Readiness for School	-611	-0.14%
Learn and Achieve	-1,283	-0.29%
Readiness for Adult Life	-604	-0.14%
Children are Safe & Healthy	-568	-0.13%
Adult Frailty, Long Term Conditions and Physical Disability		
BCF - withdraw funding for SEND	-1,000	-0.23%
Residential Income Growth	-1,028	-0.24%
Adult frailty, Long Term Conditions and Physical Disability - Other Savings	-2,520	-0.58%
Adult Specialities	-436	-0.10%
Wellbeing		
Health Improvement, Prevention & Self Mgt (inc Mental Health) - cease mental health support, adult weight management, walking programmes, health trainers and other services	-1,339	-0.31%
Wellbeing - Other Savings	-1,939	-0.44%

SAVINGS:		
Community Resilience & Assets	-1,257	-0.29%
Sustaining & Developing Prosperity Through Infrastructure		
Highway Asset Maintenance - additional reduction in AMT gangs, street lighting, grass cutting, public rights of way & safety maintenance	-1,874	-0.43%
Sustaining & Developing Prosperity Through Infrastructure - Other Savings	-2,667	-0.61%
Protecting & Sustaining The Environment	-354	-0.08%
Protecting the Public	-1,150	-0.26%
How We Do Our Business	-110	-0.03%
Enablers and Support to Council Outcomes		
Business Support - reduction in headcount to reflect self service of Agresso & Mosaic	-1,283	-0.29%
Enablers and Support to Council Outcomes - Other Savings	-731	-0.17%
Other Budgets		
Reduction to Contingency Budget	-1,000	-0.23%
Capital Financing Charges - Change to MRP policy and Capital Programme re-phasing	-11,600	-2.65%
Redeployment and Redundancy	-2,500	-0.57%
Flexible use of Capital Receipts	-3,500	-0.80%
Other Budgets - Other Savings	-239	-0.05%
TOTAL SAVINGS:	**-39,592**	**-9.06%**

Other Movements:		
Use of Earmarked Reserve (change over last year)	2,295	0.53%
Release of Funding from the General Fund Balance (change over last year)	700	0.16%
Schools Budgets (change over last year)	2,370	0.54%
TOTAL OTHER MOVEMENTS:	**5,365**	**1.23%**

TOTAL CHANGE IN BUDGET REQUIREMENT:	**-7,775**	**-1.8%**

General Funding:		
Reduction in funding from Revenue Support Grant (RSG)	-22,059	-5.0%
Reduction in other council general grants	-5,746	-1.3%
Increase in other council general grants	165	0.0%
New Grant - Improved Better Care Fund Grant	2,106	0.5%
New Grant - Adult Social Care Support Grant	3,383	0.8%
Increase in Business Rates (including Pooling Income and Section 31 Grant)	2,719	0.6%
Reduction in Business Rates Collection Fund Deficit	590	0.1%
Increase in Council Tax Base and Council Tax Collection Fund Surplus	11,067	2.5%
TOTAL CHANGE IN GENERAL GRANT AND COUNCIL TAX INCOME:	**-7,775**	**-1.8%**

EARMARKED RESERVES

	Actual Balance as at 31 March 2016 £'000	Planned Use / Contribution in 2016/17 £'000	Estimated Balace as at 31 March 2017 £'000	Planned Use / Contribution in 2017/18 £'000	Estimated Balace as at 31 March 2018 £'000
Balances from dedicated schools budget including those held by Schools under a scheme of delegation	26,602	0	26,602		26,602
Other Earmarked Reserves					
Other Services	4,295	-4,295	0		0
Adverse Weather	1,000	-500	500		500
Insurances	6,395	-1,500	4,895		4,895
Schools Sickness Insurance Scheme	1,143	0	1,143		1,143
Museum Exhibits	135	0	135		135
Development - Economic Development Reserve	423	-45	378		378
Health and Wellbeing	1,154	0	1,154		1,154
Development - Lincs Coastal Country Park	367	0	367		367
Legal	1,407	0	1,407		1,407
Procurement	789	0	789		789
Salix Carbon Management	247	45	292		292
Safer Communities Development Fund	833	0	833		833
Co-Responders Services	150	0	150		150
Financial Volatility Reserve - Budget Shortfall	20,165	-2,295	17,870	-17,870	0
Financial Volatility Reserve	23,665	8,099	31,764		31,764
Teal Park	50	0	50		50
Youth Service Positive Activities Development Fund	20	0	20		20
Corby Glen/South Lincolnshire Sports Fund	171	0	171		171
Youth Offending Service	512	0	512		512
Domestic Homicide Reviews	100	0	100		100
Civil Parking Enforcement	863	0	863		863
Support Service Contract Reserve (FDSS)	1,709	-850	859		859
Roads Maintenance Reserve	88	-86	2		2
Adoption Reform Reserve	192	-67	125		125
Community Advisors Reserve	156	0	156		156
Local Welfare Provision Reserve	541	0	541		541
Property Management	250	-120	130		130
Energy from Waste Lifecycles	2,572	0	2,572		2,572
Broadband Project	135	0	135		135
Broadband Clawback	157	0	157		157
Flood and Water Risk Management	558	-113	445		445
Young People in Lincolnshire	334	0	334		334
Members Big Society	8	-8	0		0
Lincoln Eastern Bypass (LEB)	500	0	500		500
Unsuitable Transport Routes	100	-100	0		0
Families Working Together	599	0	599		599
Enterprise Schemes	191	-83	108		108
Asbestos Pressure	50	0	50		50
DAAT Pooled Budget	248	0	248		248
Street Lighting Earmarked Reserve	100	0	100		100
Heritage Services Earmarked Reserve	880	0	880		880
Waste Management Earmarked Reserve	1,000	-1,000	0		0
Other Earmarked Reserves	**74,252**	**-2,918**	**71,334**	**-17,870**	**53,464**
Revenue Grants and Contributions Unapplied	**49,295**	**-10,377**	**38,918**		**38,918**
Total Earmarked Reserves	**150,149**	**-13,295**	**136,854**	**-17,870**	**118,984**

PRUDENTIAL INDICATORS

	PRUDENTIAL INDICATORS	2016/17	2017/18	2018/19	2019/20
	PRUDENTIAL INDICATOR TARGETS				
	External Debt:				
1	**Authorised limit for external debt -**				
	The authority will set for the forthcoming financial year and the following three years an authorised limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	Authorised limit for external debt -	**£m**	**£m**	**£m**	**£m**
	borrowing	555.958	583.007	622.617	622.920
	other long term liabilities	14.193	13.701	13.072	12.327
	Total	**570.151**	**596.708**	**635.689**	**635.247**
2	Operational boundary -				
	The authority will set for the forthcoming financial year and the following three years an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	Operational boundary -	**£m**	**£m**	**£m**	**£m**
	borrowing	531.958	559.007	598.617	598.920
	other long term liabilities	12.193	11.701	11.072	10.327
	Total	**544.151**	**570.708**	**609.689**	**609.247**
	Treasury Management Indicators:				
	Interest Rate Exposures				
	The Authority will set for the forthcoming financial year and the following three years upper limits to its exposures to the effects of changes in interest rates. These prudential indicators relate to both fixed and variable interest rates.				
3	Upper limit for fixed interest rate exposure	**£m**	**£m**	**£m**	**£m**
	Net principal re fixed rate borrowing less investments	666.599	666.599	666.599	666.599
4	Upper limit for variable rate exposure				
	Net principal re variable rate borrowing less investments	199.980	199.980	199.980	199.980
	Gross Debt				
	The Authority will ensure that gross debt does not, except in the short term, exceed the total of Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is to ensure that over the medium term debt will only be for a capital purpose.				
5	Gross Debt and the Capital Financing Requirement	✔	✔	✔	✔
	Borrowing in Advance of Need				
	The Authority will set for the forthcoming financial year and the following three years upper limits to its Borrowing in Advance of need.				
6	Borrowing in advance of need limited to percentage of the expected increase in CFR over 3 year budget period. (Voluntary Indicator).	25%	25%	25%	25%
	Total principal sums invested for periods longer than 364 days				
	Where a local authority plans to invest, for periods longer than 364 days the local authority will set an upper limit for each forward year period for the maturing of such investments				
		£m	**£m**	**£m**	**£m**
7	Upper limit for total principal sums invested for over 364 days (per maturity date)	40.000	40.000	40.000	40.000

	PRUDENTIAL INDICATORS	2016/17	2017/18	2018/19	2019/20
	PRUDENTIAL INDICTORS TO NOTE				
8	Repayment of minimum revenue provision and interest will not exceed 10% of Net Revenue Stream including Dedicated Schools Grant (Voluntary Indicator)	**5.35%**	**5.76%**	**6.39%**	**6.49%**
9	**Estimates of capital expenditure -** The Authority shall make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the two following years.				
	Reported in the Revenue Budget and Capital Programme to Full Council	✔	✔	✔	✔
10	**Ratio of Financing Costs to Net Revenue Stream**				
	The Authority will estimate for the forthcoming financial year and the following three years the ratio of financing costs to Net Revenue Stream, including Dedicated Schools Grant.	**5.28%**	**5.75%**	**6.37%**	**6.38%**
11	**Capital Financing Requirement** The Authority shall make reasonable estimates of the total of capital financing requirement at the end of the forthcoming financial year and the following three years.				
		£m	**£m**	**£m**	**£m**
	Estimate of the Capital Financing Requirement for the Authority	**592.440**	**621.849**	**636.999**	**666.599**
	Estimate of Gross External Borrowing	**478.196**	**508.057**	**523.776**	**553.973**
12	**Estimate of the incremental impact of Capital Investment decisions on the Council Tax**				
	The Authority will calculate the addition or reduction to Council Tax that results from any proposed changes to the capital programme				
	Band D Council Tax	**-£17.61**	**£14.51**	**£18.32**	**£6.86**
13	**Treasury Management:**				
	The Authority has adopted the CIPFA's Code of Practice for Treasury Management in Public Services	✔	✔	✔	✔
	Treasury Management Indicator:				
14	**Maturity structure of new fixed rate borrowing**				
	The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of borrowing				
			upper limit	lower limit	
	under 12 months		25%	0%	
	12 months and within 24 months		25%	0%	
	24 months and within 5 years		50%	0%	
	5 years and within 10 years		75%	0%	
	10 years and above		100%	0%	

CAPITAL PROGRAMME

Capital Programme (2017/18 plus Future Years)	Revised Net Programme 2016/17 £'000	Grants and Contributions 2016/17 £'000	Gross Programme 2016/17 £'000	Revised Net Programme 2017/18 £'000	Grants and Contributions 2017/18 £'000	Gross Programme 2017/18 £'000	Revised Net Programme Future Years £'000	Grants and Contributions Future Years £'000	Gross Programme Future Years £'000
Children's Services									
Readiness for School									
Other Readiness for School	25	0	25	120	0	120	0	0	0
Sub Total	**25**	**0**	**25**	**120**	**0**	**120**	**0**	**0**	**0**
Learn and Achieve									
Devolved Capital	0	1,266	1,266	0	1,266	1,266	0	0	0
Provision of School Places (Basic Need)	0	12,006	12,006	0	8,914	8,914	0	11,026	11,026
Schools Modernisation / Condition Capital	0	5,028	5,028	0	5,028	5,028	0	0	0
Academy Projects	382	0	382	900	0	900	0	0	0
Other Learn and Achieve	332	0	332	1,100	0	1,100	0	0	0
Sub Total	**714**	**18,300**	**19,014**	**2,000**	**15,208**	**17,208**	**0**	**11,026**	**11,026**
Readiness for Adult Life									
Other Readiness for Adult Life	-34	0	-34	0	0	0	0	0	0
Sub Total	**-34**	**0**	**-34**	**0**	**0**	**0**	**0**	**0**	**0**
Children are Safe and Healthy									
Other Children are Safe and Healthy	988	0	988	0	0	0	0	0	0
Sub Total	**988**	**0**	**988**	**0**	**0**	**0**	**0**	**0**	**0**
Adult Care									
Adult Frailty, Long Term Conditions and Physical Disability									
Adult Care	208	1,875	2,083	0	0	0	0	0	0
Better Care Fund - Disabled Facility Grants	0	2,970	2,970	0	0	0	0	0	0
Sub Total	**208**	**4,845**	**5,053**	**0**	**0**	**0**	**0**	**0**	**0**
Environment and Economy									
Community Resilience and Assets									
Libraries	635	0	635	200	0	200	0	0	0
Sustaining and Developing Prosperity Through Infrastructure									
Highways Asset Protection	699	31,973	32,672	0	35,419	35,419	0	74,865	74,865
Integrated Transport	141	3,312	3,453	665	3,312	3,977	0	9,936	9,936
Lincoln Eastern Bypass	0	16,177	16,177	0	20,658	20,658	42,649	13,115	55,764
Lincoln East-West Link	5,167	0	5,167	0	0	0	0	0	0
Spalding Relief Road (Phase I)	0	0	0	250	0	250	9,750	0	9,750
Grantham Southern Relief Road	3,060	1,000	4,060	0	14,250	14,250	43,575	12,753	56,328
Transforming Street Lighting	5,955	0	5,955	0	0	0	0	0	0
Grantham Growth Point	0	0	0	2,264	0	2,264	0	0	0
Historic Lincoln	-1,607	0	-1,607	0	0	0	0	0	0
Other Sustaining and Developing Prosperity Through Infrastructure	9,071	0	9,071	0	0	0	0	0	0
Sub Total	**23,120**	**52,462**	**75,582**	**3,379**	**73,639**	**77,018**	**95,974**	**110,669**	**206,643**

Capital Programme (2017/18 plus Future Years)	Revised Net Programme 2016/17 £'000	Grants and Contributions 2016/17 £'000	Gross Programme 2016/17 £'000	Revised Net Programme 2017/18 £'000	Grants and Contributions 2017/18 £'000	Gross Programme 2017/18 £'000	Revised Net Programme Future Years £'000	Grants and Contributions Future Years £'000	Gross Programme Future Years £'000
Protecting and Sustaining the Environment									
Flood Defence	2,200	0	2,200	0	0	0	0	0	0
Flood & Water Risk Management	682	0	682	600	0	600	0	0	0
Boston Barrier	0	0	0	11,000	0	11,000	0	0	0
Boston Household Recycling Centre	7	0	7	1,490	0	1,490	0	0	0
Other Protecting and Sustaining the Environment	1,360	0	1,360	0	0	0	0	0	0
Sub Total	**4,248**	**0**	**4,248**	**13,090**	**0**	**13,090**	**0**	**0**	**0**
Sustaining and Growing Business and the Economy									
Skegness Countryside Business Park	1,050	0	1,050	0	0	0	0	0	0
Other Sustaining and Growing Business and the Economy	-124	0	-124	0	0	0	0	0	0
Sub Total	**926**	**0**	**926**	**0**	**0**	**0**	**0**	**0**	**0**
Finance and Public Protection									
Protecting the Public									
Fire and Rescue	2,516	0	2,516	2,017	0	2,017	0	0	0
Fire Fleet Vehicles and Associated Equipment	649	0	649	971	0	971	14,660	0	14,660
Sub Total	**3,165**	**0**	**3,165**	**2,988**	**0**	**2,988**	**14,660**	**0**	**14,660**
Enablers and Support to Council's Outcomes									
Broadband	711	0	711	8,985	0	8,985	0	0	0
Infrastructure and Refresh Programme	2,694	0	2,694	600	0	600	0	0	0
Replacement ERP Finance System	2,227	0	2,227	0	0	0	0	0	0
Care Management System (CMPP)	488	0	488	0	0	0	0	0	0
ICT Development Fund	0	0	0	2,690	0	2,690	0	0	0
Property	4,129	0	4,129	4,437	0	4,437	0	0	0
Property Rationalisation Programme	3,784	0	3,784	3,654	0	3,654	0	0	0
Sub Total	**14,033**	**0**	**14,033**	**20,366**	**0**	**20,366**	**0**	**0**	**0**
Other programmes									
New Developments Capital Contingency Fund	8,400	0	8,400	7,500	0	7,500	0	0	0
Sub Total	**8,400**	**0**	**8,400**	**7,500**	**0**	**7,500**	**0**	**0**	**0**
TOTAL	**55,793**	**75,607**	**131,400**	**49,444**	**88,847**	**138,291**	**110,634**	**121,695**	**232,329**

APPENDIX O

SUMMARY OF CAPITAL SCHEMES FROM THE 2017/18 PROGRAMME

The Council's Capital Programme includes the following schemes which are due to be undertaken in 2017/18:

Children's services:

- Programme of expansion and new build construction of school buildings to meet the statutory responsibility for provision of educational places.
- Programme to improve the condition of the school estate, for example roofing, boiler replacements and window replacements.

Environment and Economy:

- Maintenance of roads, bridges, safety fencing, street lighting, signs and lines, and traffic signals.
- Integrated transport schemes across the County including minor capital improvements, rights of way, road safety, public transport and town/village enhancements.
- Major new road projects such as the Lincoln Eastern Bypass and the Grantham Southern Relief Road.
- Boston Barrier Scheme - investment in infrastructure around the Environment Agency flood risk scheme.
- Construction of a new waste recycling centre in Boston.

Finance and Public Protection:

- New fire station builds at Sleaford and maintenance and improvement programme to ensure fire properties remain fit for purpose.
- Replacement of fire-fighters' personal protective equipment.
- Rolling programme for the replacement of fire and rescue fleet vehicles and associated equipment.
- Repairs, maintenance and improvement to council properties.
- Property rationalisation programme, projects throughout the County.
- General IT programmes including: IT development; Replacement of PC's and other IT equipment and ICT infrastructure.

Other Programmes:

- A council wide budget has been created to fund any schemes that are currently in the development stage. This funding will be awarded to these schemes on the approval of their business cases throughout 2017/18.

APPENDIX P

CAPITAL GOVERNMENT GRANTS 2017/18

The Capital Programme for 2017/18 includes the following Government Grants which have been allocated to the County Council:

	£'000
Highways Asset Maintenance	30,053
Highways Integrated Transport	3,312
Schools Basic Needs	8,914
Schools Condition Allocation	5,028
Schools Devolved Formula Capital	1,266
Total Capital Grants	**48,573**

Further grants included in the programme will be received on a claim or bid basis as spend is incurred.

SUMMARIES OF COMMISSIONING STRATEGY REVENUE ESTIMATES

REVENUE EXPENDITURE - READINESS FOR SCHOOL

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	5,366,067		
	BUDGET CHANGES:			
2	Inflation	- 4,555	Ref 2	An allocation for Inflation
3	Pension Contributions	- 28,350	Ref 3	A movement of Pension Costs from Service budgets to Corporate budgets
	Cost Pressures			
	Savings			
4	Early Years Service	- 611,144	Ref 4	New model of delivery based on commissioning a single Early Year's service combining elements of the current Locality Services and Early Years activities in Children Centre Communities.
5	**2017/18 BUDGET**	**4,722,018**		

REVENUE EXPENDITURE - READINESS FOR SCHOOL

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	CHILDREN'S CENTRES - CENTRE COSTS	2,457,763	-68,546	2,389,217
2	CHILDREN'S CENTRES - COMMISSIONED SERVICES	1,164,921	-798,628	366,293
3	EARLY EDUCATION	1,743,383	223,125	1,966,508
4	**NET TARGET BUDGET**	**5,366,067**	**- 644,049**	**4,722,018**

REVENUE EXPENDITURE - LEARN AND ACHIEVE

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	32,845,656		
	BUDGET CHANGES:			
2	Inflation	119,943	Ref 2	An allocation for Inflation
3	Pensions Contributions	- 168,963	Ref 3	A movement of Pensions costs from Service budgets to Corporate budgets
	Cost Pressures			
4	Home to Schools/College Transport	190,000	Ref 4	Additional school transport costs associated with the closure of the Mablethorpe school site for Monks Dyke Technology College.
5	SEND Grant	54,231	Ref 5	An increase in the SEND grant. The Government announced on the 20th December 2016 Local Authority allocations for 2016/17 (Lincolnshire's allocation: £531,830).
	Savings			
6	SEND staffing	- 640,000	Ref 6	The current level of provision will be met from another Government funding source.
7	University Technology College	- 80,670	Ref 7	To end the additional transport provision provided for the UTC from September 2016 and to provide the same offering as all other non-selective schools in Lincolnshire in line with current policy.
8	School Improvement	- 416,667	Ref 8	Further saving resulting from the implementation of a sector-led approach to the service. This reduction coincided with the Government changes to the Education Support Grant which the School Improvement service was funded from.
9	Supported Employment	- 145,577	Ref 9	The current level of provision will be met from another Government funding source.
10	**2017/18 BUDGET**	**31,757,953**		

REVENUE EXPENDITURE - LEARN AND ACHIEVE

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	SCHOOL SUPPORT SERVICES	701,810	-48,969	652,841
2	PARENT PARTNERSHIP	172,783	-1,710	171,073
3	SCHOOL IMPROVEMENT	1,509,571	-425,213	1,084,358
4	STATEMENTING PROCESS AND INTERVENTION	2,928,917	93,338	3,022,255
5	HOME TO SCHOOL/COLLEGE TRANSPORT	23,538,035	108,892	23,646,927
6	SCHOOL ADMISSIONS AND OTHER EDUCATION COSTS	252,682	- 3,713	248,969
7	CHILDREN WITH DISABILITIES	3,595,796	- 664,266	2,931,530
8	SUPPORTED EMPLOYMENT	146,062	- 146,062	0
9	**NET TARGET BUDGET**	**32,845,656**	**- 1,087,703**	**31,757,953**

REVENUE EXPENDITURE - READINESS FOR ADULT LIFE

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	5,106,313		
	BUDGET CHANGES:			
2	Inflation	57,550	Ref 2	An allocation for Inflation
3	Pension Contributions	- 106,491	Ref 3	A movement of Pensions costs from Service budgets to Corporate budgets
	Cost Pressures			
	Savings			
4	14 - 19 Education and Careers Guidance	- 605,111	Ref 4	The full year effect from the 2016/17 budget decision to decommission part of the careers guidance service (whilst retaining some capacity for tracking young people to fulfil the Local Authority's duty to track 16 - 17 year olds) and decommission supporting attendance.
5	**2017/18 BUDGET**	**4,452,261**		

REVENUE EXPENDITURE - READINESS FOR ADULT LIFE

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	14 -19 EDUCATION/TRAINING AND APPRENTICESHIPS	38,074	-7,034	31,040
2	CAREER GUIDANCE	332,891	-313,751	19,140
3	POSITIVE ACTIVITIES FOR YOUNG PEOPLE	1,383,851	-13,235	1,370,616
4	SUPPORTED ACCOMMODATION/LODGINGS	950,313	470	950,783
5	LINCS SECURE UNIT	- 111,383	-305,215	- 416,598
6	REDUCING YOUTH OFFENDING	625,307	-15,659	609,648
7	LEAVING CARE	1,887,260	372	1,887,632
8	**NET TARGET BUDGET**	**5,106,313**	**- 654,052**	**4,452,261**

REVENUE EXPENDITURE - CHILDREN ARE SAFE AND HEALTHY

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes
1	2016/17 BUDGET	62,084,225	
	BUDGET CHANGES:		
2	Inflation	311,530	Ref 2 An allocation for Inflation
3	Pensions Contributions	- 751,365	Ref 3 A movement of Pensions costs from Service budgets to Corporate budgets
	Cost Pressures		
4	Out of County placements	1,519,400	Ref 4 & Ref 5 Increasing growth trends in the number of looked after children placements and special guardianship orders. This is in line with the national demand levels increasing.
5	Special Guardianship orders	363,000	
6	Social Care staffing	581,440	Ref 6 Additional social care staffing to respond to the increase in the number of referrals and complexity of cases of children in need and in care.
7	Supported Accommodation	600,000	Ref 7 Increase in demand for accommodation for homeless 16-17 year olds including increased complexity of individual needs.
	Savings		
8	School Nursing and Health Visiting	- 350,000	Ref 8 Decommissioning of the Family Nurse Partnership service.
9	Family Support Services	- 217,826	Ref 9 Savings achieved through integrating family support capacity implemented in 2016/2017.
10	**2017/18 BUDGET**	**64,140,404**	

REVENUE EXPENDITURE - CHILDREN ARE SAFE AND HEALTHY

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	SCHOOL NURSING	2,629,040	0	2,629,040
2	HEALTHY SCHOOLS AND HEALTHY CHILD	8,697,568	-350,810	8,346,758
3	CHILD PROTECTION (CONTACT<REF AND ASSESSMENT)	17,605,361	192,540	17,797,901
4	TARGETED SUPPORT - YOUNG PEOPLE	7,467,005	- 108,669	7,358,336
5	LOOKED AFTER CHILDREN	3,515,865	582,973	4,098,838
6	FOSTERING AND ADOPTION	12,041,916	318,943	12,360,859
7	RESIDENTIAL HOMES	5,936,447	1,480,596	7,417,043
8	CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (SECTION 75)	824,589	0	824,589
9	UNACCOMPANIED CHILDREN	0	0	0
10	FAMILY SUPPORT	- 627,383	- 6,940	- 634,323
11	COMMISSIONING SUPPORT FOR ALL CHILDREN'S STRATEGIES	3,993,817	- 52,454	3,941,363
12	**NET TARGET BUDGET**	**62,084,225**	**2,056,179**	**64,140,404**

REVENUE EXPENDITURE - ADULT SAFEGUARDING

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes
1	2016/17 BUDGET	1,795,095	
	BUDGET CHANGES:		
2	Inflation	12,391	Ref 2 An allocation for Inflation
3	Pension reduction	- 30,653	Ref 3 A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures		
	Savings		
4	**2017/18 BUDGET**	**1,776,833**	

REVENUE EXPENDITURE -ADULT SAFEGUARDING

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	FIELDWORK TEAM	1,284,920	134,453	1,419,373
2	BEST INTEREST ASSESMENTS	430,175	-131,951	298,224
3	SAFEGUARDING BOARD	80,000	-20,764	59,236
4	**NET TARGET BUDGET**	**1,795,095**	**- 18,262**	**1,776,833**

REVENUE EXPENDITURE -ADULT FRAILTIES

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	98,783,971		
	BUDGET CHANGES:			
2	Inflation	125,804	Ref 2	An allocation for Inflation
3	Pension Contributions	- 302,414	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
4	Demography	4,099,903	Ref 4	Additional Demographic Pressures in Adults and increase and National Living Wage
	Savings			
5	Staff savings	- 300,000	Ref 5	Staffing - Fieldwork - great efficiencies through new system Mosaic implementation
6	SEND savings	- 1,000,000	Ref 6	BCF - withdraw funding for SEND
7	Charging policy	- 225,000	Ref 7	Change to charging policy - additional income through change in Adult contributions
8	ICES contract savings	- 500,000	Ref 8	Savings due to contract renegotiations
9	Non Residential income growth	- 409,883	Ref 9	Non-Res Income Growth - demographic and inflationary increases in Homecare Services
10	Residential income growth	- 1,027,992	Ref 10	Residential Income Growth - Additional demographic and inflationary increases
11	Charging policy	- 185,000	Ref 11	Changing current policy to broker Home based care based of VFM & increase service user income
12	LCC savings	- 700,000	Ref 12	Additional funding from the Better Care Fund
13	LCC savings	- 200,000	Ref 13	Additional funding from the Better Care Fund
14	**2017/18 BUDGET**	**98,159,389**		

REVENUE EXPENDITURE -ADULT FRAILTIES

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	LONG AND SHORT TERM RESIDENTIAL CARE	49,408,977	-467,777	48,941,200
2	HOME BASED CARE SERVICES	18,019,945	-2,602,231	15,417,714
3	DIRECT PAYMENTS	9,454,984	3,827,067	13,282,051
4	DAY CARE SERVICES	384,760	-135,760	249,000
5	REABLEMENT SERVICES	3,817,439	-1,782,604	2,034,835
6	HIRED AND CONTRACTED SERVICES	582,000	-126,978	455,022
7	FIELDWORK TEAM	10,605,310	1,985,254	12,590,564
8	COMMISSIONING SUPPORT	6,510,556	-1,321,553	5,189,003
9	**NET TARGET BUDGET**	**98,783,971**	**- 624,582**	**98,159,389**

REVENUE EXPENDITURE - CARERS

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes
1	2016/17 BUDGET	1,889,492	
	BUDGET CHANGES:		
2	Inflation		
	Cost Pressures		
	Savings		
3	**2017/18 BUDGET**	**1,889,492**	

REVENUE EXPENDITURE - CARERS

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	ADULT AND YOUNG CARERS SERVICE CONTRACTS	1,139,492	0	1,139,492
2	PERSONAL BUDGETS	750,000	0	750,000
3	**NET TARGET BUDGET**	**1,889,492**	**0**	**1,889,492**

REVENUE EXPENDITURE - ADULT SPECIALTIES

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	51,149,376		
	BUDGET CHANGES:			
2	Inflation	50,989	Ref 2	An allocation for Inflation
3	Pension Contributions	- 114,479	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
4	Demography	2,569,514	Ref 4	Additional Demographic Pressures in Adults and increase in National Living Wage
	Savings			
5	Residential income growth	- 95,967	Ref 5	Long & short term residential care - demographic and inflationary increases
6	Home care income growth	- 18,707	Ref 6	Home Based Care Services - demographic and inflationary increases
7	Contractual savings	- 321,000	Ref 7	Home Based Services - Changing current policy to broker care based on VFM
8	**2017/18 BUDGET**	**53,219,726**		

REVENUE EXPENDITURE - ADULT SPECIALTIES

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	LONG AND SHORT TERM RESIDENTIAL CARE	18,021,977	485,346	18,507,323
2	HOME BASED CARE SERVICES	15,735,274	244,180	15,979,454
3	DIRECT PAYMENTS	4,974,531	739,464	5,713,995
4	DAY CARE SERVICES	4,677,604	-592,507	4,085,097
5	FIELDWORK TEAM	2,120,767	945,090	3,065,857
6	MENTAL HEALTH	5,619,223	248,777	5,868,000
7	**NET TARGET BUDGET**	**51,149,376**	**2,070,350**	**53,219,726**

REVENUE EXPENDITURE - WELLBEING

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	30,567,500		
	BUDGET CHANGES:			
2	Inflation	13,120	Ref 2	An allocation for Inflation
3	Pension Contributions	- 36,380	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
	Savings			
4	Health improvement	- 1,339,000	Ref 4	This ceased our commissioning of activities such as adult weight management, health trainer programme, sports co-ordination, food and health programmes, walking programmes, master gardener, health support for offenders and reduced support for the smoking cessation programme.
5	Housing Related Support	- 994,739	Ref 5	Savings from the recent procurement exercise.
6	Substance Misuse	- 994,000	Ref 6	Savings from the recent procurement exercise.
7	**2017/18 BUDGET**	**27,216,501**		

REVENUE EXPENDITURE - WELLBEING

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	HEALTH IMPROVEMENT, PREVENTION AND SELF MANAGEMENT	4,037,428	-1,385,561	2,651,867
2	PUBLIC HEALTH STATUTORY SERVICE	3,027,318	369,321	3,396,639
3	WELLBEING SERVICE	7,320,370	-548,008	6,772,362
4	SEXUAL HEALTH	5,578,736	-51,767	5,526,969
5	HOUSING RELATED SERVICE	3,952,222	-450,578	3,501,644
6	PREVENTION AND TREATMENT OF SUBSTANCE MISUSE	6,651,426	-1,234,406	5,417,020
7	**NET TARGET BUDGET**	**30,567,500**	**- 3,300,999**	**27,266,501**

REVENUE EXPENDITURE - COMMUNITY RESILIENCE & ASSETS

Ref No	Main Area of Expenditure	2017/18 Estimate £		Notes
1	2016/17 BUDGET	11,260,670		
	BUDGET CHANGES:			
2	Inflation	11,104	Ref 2	An allocation for Inflation
3	Pension Contributions	- 18,433	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
	Savings			
4	Advice, information & Voluntary Sector	- 172,464	Ref 4	Savings generated via the reprocurement of Volunteer Infrastructure Support and cessation of the Service Level Agreement with Just Lincolnshire.
5	Financial Inclusion	- 684,594	Ref 5	The cessation of base budget support to Citizens Advice Bureau. The SLA has been extended for a further year funded via reserve.
6	Library & Information Services	- 400,000	Ref 6	This saving is part of the planned operating model of the library service contract.
7	**2017/18 BUDGET**	**9,996,283**		

REVENUE EXPENDITURE - COMMUNITY RESILIENCE & ASSETS

(1)	(2)	(3)	(4)	(5)
Line No	**Description**	**2016/17 Budget £**	**Budget Changes £**	**2017/18 Original Estimate £**
1	ADVICE, INFORMATION AND VOLUNTEER SECTOR INFRASTRUCTURE SECTOR	969,900	-178,174	791,726
2	COMMUNITY ENGAGEMENT AND DEVELOPMENT (CONTRIBUTION TO SPORTS CENTRES)	228,346	0	228,346
3	FINANCIAL INCLUSION	684,594	-684,594	0
4	LIBRARY AND INFORMATION SERVICES	5,937,002	-401,619	5,535,383
5	CUSTOMER SERVICES CENTRE	3,440,828	0	3,440,828
6	**NET TARGET BUDGET**	**11,260,670**	**- 1,264,387**	**9,996,283**

REVENUE EXPENDITURE - SUSTAINING & DEVELOPING PROSPERITY THROUGH INFRASTRUCTURE

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes
1	2016/17 BUDGET	44,824,077	
	BUDGET CHANGES:		
2	Inflation	164,741	Ref 2 An allocation for Inflation
3	Pension Contributions	- 410,009	Ref 3 A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures		
	Savings		
4	Transportation	- 363,000	Ref 4 Reduction in staffing
5	Highways Asset Maintenance	- 3,376,800	Ref 5 Additional reduction in area maintenance teams, amenity grass cutting, drainage cleansing and technical support. Reduction in the budget provision for winter maintenance (although no change in service levels) and efficiencies in street lighting from the use of new technologies and part night lighting
6	Heritage & Tourism	- 801,680	Ref 6 Move to self funding model of operation
7	**2017/18 BUDGET**	**40,037,329**	

REVENUE EXPENDITURE - SUSTAINING & DEVELOPING PROSPERITY THROUGH INFRASTRUCTURE

(1) Line No	(2) Description	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	TRANSPORTATION INCLUDING CONCESSIONARY FARES AND OTHER GOVERNMENT GRANTS ETC	14,011,058	-301,002	13,710,056
2	HIGHWAYS ASSET MAINTENANCE	19,686,403	-3,634,231	16,052,172
3	HIGHWAYS NETWORK MANAGEMENT	8,571,403	-241,718	8,329,685
4	NEW TRANSPORT INVESTMENTS INCLUDING HIGHWAYS IMPROVEMENTS AND BYPASSES, GROWTH CORRIDORS AND PROGRAMMES	607,828	122,569	730,397
5	ECONOMIC INFRASTRUCTURE AND REGENERATION	191,887	104,561	296,448
6	HERITAGE & TOURISM OPERATION AND DEVELOPMENT	1,755,498	-836,927	918,571
7	**NET TARGET BUDGET**	**44,824,077**	**- 4,786,748**	**40,037,329**

REVENUE EXPENDITURE - PROTECTING AND SUSTAINING THE ENVIRONMENT

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	23,308,727		
	BUDGET CHANGES:			
2	Inflation	31,527	Ref	An allocation for Inflation
3	Pension Contributions	- 75,487	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
4	Waste Management	1,932,000	Ref 4	To cover increases in disposal costs and growth. Pressure also includes £300,000 due to the delay in the provision of an alternative recycling centre in Boston
5	Lead Local Flood Authority Grant	110,679	Ref 5	Additional grant allocation
	Savings			
6	Flood Risk Management	- 89,658	Ref 6	Reduction in minor flood risk schemes
7	Protecting and enhancing the natural & built environment including carbon emissions	- 119,934	Ref 7	Reduction in service levels, grants and partnership projects
8	Sustainable Planning	- 144,253	Ref 8	Realigned to provide the basic level of service
9	**2017/18 BUDGET**	**24,953,601**		

REVENUE EXPENDITURE - PROTECTING AND SUSTAINING THE ENVIRONMENT

(1)	(2)	(3)	(4)	(5)
Line No	**Description**	**2016/17 Budget £**	**Budget Changes £**	**2017/18 Original Estimate £**
1	REDUCING CARBON EMISSIONS	162,527	18,441	180,968
2	FLOOD RISK MANAGEMENT	1,282,021	60,405	1,342,426
3	PROTECTING AND ENHANCING THE NATURAL AND BUILT ENVIRONMENT	283,627	-144,523	139,104
4	WASTE MANAGEMENT	20,538,177	1,610,543	22,148,720
5	SUSTAINABLE PLANNING	1,042,375	100,008	1,142,383
6	**NET TARGET BUDGET**	**23,308,727**	**1,644,874**	**24,953,601**

REVENUE EXPENDITURE - SUSTAINING AND GROWING BUSINESS AND THE ECONOMY

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes
1	2016/17 BUDGET	1,255,949	
	BUDGET CHANGES:		
2	Inflation	18,727	Ref 2 An allocation for Inflation
3	Pension Contributions	- 41,819	Ref 3 A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures		
	Savings		
4	**2017/18 BUDGET**	**1,232,857**	

REVENUE EXPENDITURE - SUSTAINING AND GROWING BUSINESS AND THE ECONOMY

(1)	(2)	(3)	(4)	(5)
Line No	**Description**	**2016/17 Budget £**	**Budget Changes £**	**2017/18 Original Estimate £**
1	IMPROVING SKILLS AND EMPLOYABILITY	213,711	-67,861	145,850
2	ENCOURAGE ENTERPRISE THROUGH SUPPORT TO BUSINESS & OUR GROWTH SECTORS	227,139	277,393	504,532
3	ATTRACTING & EXPANDING BUSINESS INVESTMENT	291,606	-210,046	81,560
4	LOBBYING & ATTRACTING FUNDING FOR LINCOLNSHIRE	523,493	-22,578	500,915
5	**NET TARGET BUDGET**	**1,255,949**	**- 23,092**	**1,232,857**

REVENUE EXPENDITURE - PROTECTING THE PUBLIC

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	23,408,720		
	BUDGET CHANGES:			
2	Inflation	210,759	Ref 2	An allocation for pay Inflation
3	Pension Contributions	- 129,120	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
4	Registration, Celebratory & Coroners	100,000	Ref 4	To support the transition to the new delivery model for Coroners service.
	Savings			
5	Registration, Celebratory & Coroners	- 60,455	Ref 5	Opportunities for the Registration Service to generate additional income
6	Preventing & Reducing Crime	- 37,053	Ref 6	This is the full year effect of reductions in Community Safety Initiatives
7	Preventing and Tackling Fires and Emergencies	- 1,005,000	Ref 7	An element (£153k) is the full year effect of changes already implemented during 2016/17. Savings will also be delivered following changes highlighted in the Integrated Risk Management Planning consultation in 2016/17
8	Improving Road Safety	- 47,261	Ref 8	Savings resulting from the Road safety Partnership becoming part self funding
9	**2017/18 BUDGET**	**22,440,590**		

REVENUE EXPENDITURE - PROTECTING THE PUBLIC

(1)	(2)	(3)	(4)	(5)
Line No	**PROTECTING THE PUBLIC**	**2016/17 Budget £**	**Budget Changes £**	**2017/18 Original Estimate £**
1	REGISTRATION, CELEBRATORY AND CORONERS	1,327,332	37,712	1,365,044
2	PREVENTING AND REDUCING CRIME	373,608	-39,154	334,454
3	TACKLING DOMESTIC ABUSE	308,568	-1,291	307,277
4	PREVENTING AND TACKLING FIRES AND EMERGENCIES	19,480,016	-890,032	18,589,984
5	TRADING STANDARDS	1,287,512	-16,845	1,270,667
6	PLANNING AND RESPONDING TO EMERGENCIES	285,961	-5,337	280,624
7	IMPROVING ROAD SAFETY	345,723	-53,183	292,540
8	**NET TARGET BUDGET**	**23,408,720**	**- 968,130**	**22,440,590**

REVENUE EXPENDITURE - HOW WE DO OUR BUSINESS

Ref No	Main Area of Expenditure	2017/18 Estimate £	Notes	
1	2016/17 BUDGET	8,154,397		
	BUDGET CHANGES:			
2	Inflation	64,442	Ref 2	An allocation for Inflation
3	Pension Contributions	- 127,925	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
4	Council Elections	1,100,000	Ref 4	An allocation for the 2017 County Council elections
	Savings			
5	Decision Making including Democratic Processes	- 100,000	Ref 5	A reduction in the number of County Councillors as recommended by the Boundary Commission.
6	Budget & Policy Framework - Finance & Audit	- 9,900	Ref 6	Savings generated from the finance element of the Serco contract
7	**2017/18 BUDGET**	**9,081,014**		

REVENUE EXPENDITURE - HOW WE DO OUR BUSINESS

(1) Line No	(2) How we do our business	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	BUDGET & POLICY FRAMEWORK - FINANCE & AUDIT	4,930,350	-67,880	4,862,470
2	CORPORATE STANDARDS & CULTURE INCLUDING CHIEF EXECUTIVE	534,310	-3,422	530,888
3	DECISION MAKING INCLUDING DEMOCRATIC PROCESSES	2,229,737	997,919	3,227,656
4	PRECEPTS - FISHERIES	460,000	0	460,000
5	**NET TARGET BUDGET**	**8,154,397**	**926,617**	**9,081,014**

REVENUE EXPENDITURE - ENABLERS & SUPPORT TO COUNCIL'S OUTCOMES

Ref No	Main Area of Expenditure	2017/18 Estimate £		Notes
1	2016/17 BUDGET	36,133,874		
	BUDGET CHANGES:			
2	Inflation	206,996	Ref 2	An allocation for Inflation
3	Pension Contributions	- 540,772	Ref 3	A movement of Pension costs from Service budgets to Corporate budgets
	Cost Pressures			
4	ICT Strategy & Support	1,613,615	Ref 4	The annual licence cost for the Microsoft Enterprise Agreement and improved contract management and information governance alongside a new consumption model.
5	Business Support	50,000	Ref 5	The cost of off site document storage
6	People Strategy & Support	31,730	Ref 6	The provision of asbestos medicals to operational firefighters
	Savings			
7	Business Support	- 1,282,848	Ref 7	The reshaping of the business support service to follow the changes in the rest of the council.
8	Property Strategy	- 234,160	Ref 8	Continued rationalisation of the property portfolio, and an increase in income from county farms
9	People Strategy & Support	- 132,944	Ref 9	The cessation of the graduate and leadership management & development programmes and a reduction in People Management staffing levels
10	Commissioning	- 161,430	Ref 10	The removal of a fixed term post from 31st March 2017.
11	Strategic Communications	- 202,000	Ref 11	A reduction in the staffing structure and reducing the number of County News editions to three.
12	**2017/18 BUDGET**	**35,482,061**		

REVENUE EXPENDITURE - ENABLERS & SUPPORT TO COUNCIL'S OUTCOMES

(1) Line No	(2) ENABLERS & SUPPORT TO COUNCIL'S OUTCOMES	(3) 2016/17 Budget £	(4) Budget Changes £	(5) 2017/18 Original Estimate £
1	ICT STRATEGY & SUPPORT	9,569,865	1,590,772	11,160,637
2	PROPERTY STRATEGY & SUPPORT - COUNTY FARMS	- 1,460,149	-75,000	-1,535,149
3	PROPERTY STRATEGY & SUPPORT - OTHER	9,743,021	-175,543	9,567,478
4	PEOPLE STRATEGY & SUPPORT	3,864,289	-110,603	3,753,686
5	LEGAL	- 446,085	-44,895	-490,980
6	COMMISSIONING	3,613,554	-205,434	3,408,120
7	BUSINESS SUPPORT	10,227,573	-1,417,373	8,810,200
8	STRATEGIC COMMUNICATIONS	1,021,806	-213,737	808,069
9	**NET TARGET BUDGET**	**36,133,874**	**- 651,813**	**35,482,061**

GLOSSARY OF FINANCIAL TERMS

Budget carry forward - The actual under/overspending at the end of the financial year compared with the revised budget target which is allowed to be carried forward into the next financial year.

Budget requirement - Net revenue expenditure to be financed from Business Rates, Revenue Support Grant, other non-ring fenced Government Grants and Council Tax Income.

Budget Target - A corporately determined spending limit for an individual service.

Capital Grants - Government grants received that contribute towards capital expenditure incurred on a particular service or project e.g. Highways Asset Protection Grant received from the government which contributes towards planned capital expenditure on roads.

Capital Receipts - Proceeds received from the sale of property and other fixed assets (assets which have a value beyond one financial year). These can be used to contribute towards the cost of capital expenditure, generally not revenue expenditure.

Central support - A charge to a service which is the service's share of the cost of the central administration and professional departments which support direct service provision.

Contingency - A sum of money set aside to provide for foreseen but unquantifiable commitments and for unforeseen expenditure that may occur at any time in the future.

County precept - The income which District Councils collect on the County Council's behalf from Council Tax payers.

Capital financing charges - Charges to the revenue account which fund capital expenditure. Such changes comprise debt charges, direct revenue financing and leasing payments.

Dedicated Schools Grant (DSG) - The main grant paid by central government to support schools within the county. This must all be spent on supporting schools.

Education Services Grant – New grant from 2013/14 non ring fenced grant paid by central government to local authorities. This grant is to cover central services costs of providing services to schools, e.g. admissions policy and administration.

Revenue Support Grant (RSG) - The main grant paid by central government to local authorities to support the provision of all services, except for schools.

Interest on revenue balances - The money earned or paid in relation to the temporary investment of, or temporary borrowing to support, the County Council's cash balances.

Local retention of business rates – Business rates set by central government and levied on business properties. This is collected by District Councils who pay this income over to the County Council.

Precept - An amount levied by one body on another e.g. the Environment Agency precepts on the County Council.

Reserves - The revenue reserves available to provide a working balance during the financial year, for example in periods when expenditure exceeds income.

Specific grants - Grants made to a local authority by central government for a particular project or service e.g. Private Finance Initiative.

Total Expenditure - Budget requirement plus expenditure financed by drawing from balances (or the budget requirement less contributions to balances).

COMMISSIONING STRATEGY	COMMISSIONING ACTIVITIES	DEFINITION OF COMMISSIONING STRATEGY
Readiness for School	Children Centres - and commissioned services	This commissioning strategy aims to ensure all children will be ready to learn when they start school enabling them to achieve their full potential.
	Early Years sufficiency and support to the Private, Voluntary and Independent sector	
	Birth to 5 Service	
Learn & Achieve	School Support Services	This commissioning strategy aims to ensure all children and young people will learn and achieve, enabling them to reach their potential.
	School Improvement	
	Statementing process and interventions (to be replaced with new health, education and social care plan)	
	Home to school/college transport	
	Children with Disabilities	
Readiness for Adult Life	Careers Service	This commissioning strategy aims to ensure all young people will be prepared and ready for adult life.
	Positive activities for young people	
	Teenage Pregnancy	
	Supported accommodation/lodgings	
	Supported employment	
	Lincs Secure Unit	
	Reducing youth offending	
	Leaving Care Service	
Children are Safe and Healthy	School Nursing	This commissioning strategy aims to ensure all children and young people will be safe and healthy.
	Healthy schools & healthy child	
	Child protection (contact, referral and assessment)	
	Targeted Support - young people	
	Looked after Children	
	Fostering and adoption	
	Residential homes	
	Child and Adolescent Mental Health Services	
	Family support	
	Commissioning Support for all Children's Strategies	
Adult Frailty, Long Term Conditions and Physical Disability	Supporting Adult frailty (older people)	This commissioning strategy aims to ensure that individuals receive appropriate care and support that enables them to feel safe and live independently.
	Physical disability	
	Dementia	
Carers	Adult & Young carers	This commissioning strategy aims to ensure that carers feel respected and are able to balance their caring roles and maintain their quality of life.
Adult Specialities	Supporting Adults with learning disability	This commissioning strategy aims to improve outcomes for adults with mental health, learning disabilities and/or autism.
	Mental health	
	Autism	
Adult Safeguarding	Adult Safeguarding (including Mental Capacity Act)	This commissioning strategy aims to ensure all vulnerable adults rights are protected to live in safety and free from abuse and neglect.

COMMISSIONING STRATEGY	COMMISSIONING ACTIVITIES	DEFINITION OF COMMISSIONING STRATEGY
Community Resilience and Assets	Advice, information and support services from community and voluntary sector infrastructure organisations	This commissioning strategy aims to assist communities in the county to support themselves. It will also include the community response to emergencies.
	Financial Inclusion	
	Library and information services	
	Customer Service Centre	
Wellbeing	Health Improvement, prevention and self management	This commissioning strategy aims to assist improvements in the health and wellbeing of the population as a whole, it covers advice, information and preventative services.
	Public Health statutory service	
	Wellbeing Service (including specialist equipment, assistive technology and Disabled Facility Grants)	
	Sexual Health	
	Housing related support	
	Prevention and treatment of substance misuse	
Protecting the Public	Preventing and reducing crime	This commissioning strategy will cover all of the work required in order to protect the communities in Lincolnshire.
	Tackling domestic abuse	
	Preventing and tackling fires & emergency response	
	Protecting the public through trading standards	
	Protecting the public by planning for and responding to emergencies	
	Improving road safety	
	Registration, Celebratory and Coroners service	
Sustaining & Developing Prosperity Through Infrastructure	Transportation including concessionary fares and other government grants etc	This commissioning strategy facilitates growth and prosperity through encouraging investment and enhancing the economic potential of the county.
	Highway asset maintenance	
	Highway network management	
	New transport investments including highways improvements and bypasses, growth corridors and programmes	
	Heritage & tourism operation and development	
Protecting & Sustaining the Environment	Reducing carbon emissions	This commissioning strategy covers how the Council will protect, enhance and balance our environmental needs.
	Flood risk management	
	Protecting and enhancing the natural & built environment	
	Waste management	
	Sustainable Planning	
Sustaining & Growing Business & the Economy	Improving skills and employability	This commissioning strategy covers how the council will help businesses to be the drivers of economic growth through supporting a climate in which they are able to invest, enhance their business performance, and offer attractive jobs to a skilled workforce.
	Encourage enterprise through support to business and our growth sectors	
	Attracting and expanding business investment	
	Lobbying and attracting funding for Lincolnshire	

COMMISSIONING STRATEGY	COMMISSIONING ACTIVITIES	DEFINITION OF COMMISSIONING STRATEGY
How We Do Our Business	Budget & Policy Framework - Finance & Audit	This commissioning strategy will include the overarching governance and standards for the Council, including decision making through the democratic process.
	Chief Executive's Office	
	Decision making, including the democratic processes and elections	
	Monitoring Officer requirements	
	Eastern Inshore Fisheries & Conservation Authority - Levy	
Enablers & Support to Council's Outcomes	Information Management & Technology Strategy & support	This commissioning strategy will include the enablers required to support the delivery of the Councils agreed outcomes.
	Property Strategy & support (including County Farms)	
	People Management Strategy & support	
	Legal Advice	
	Commissioning Strategy & Support	
	Business Support	
	Strategic Communications	
Enablers & Support to Key Relationships	Partnership engagement & support	This commissioning strategy encompasses the Council's corporate strategies and the support to our relationships with the public, service users, partners and outside bodies.

APPENDIX T

CONTACT INFORMATION FOR COMMISSIONING STRATEGY BUDGET DETAIL

The information on revenue budgets provided in this booklet summarises the detailed estimates approved by individual Commissioning Strategies. If you require further detail please contact:-

Email – finance@lincolnshire.gov.uk