

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

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

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

Directorate Children's Services

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

Directorate

Adult Care and Community Wellbeing

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

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

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

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

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

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

Directorate

Information and Commissioning

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

Appendix C – Prudential Indicators 2016/17

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