

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

Report to:	<b>Executive</b>
Date:	<b>03 October 2017</b>
Subject:	<b>Revenue and Capital Budget Monitoring Report 2017/18</b>
Decision Reference:	<b>I014135</b>
Key decision?	<b>No</b>

**Summary:**

This report provides an update on spending compared with budgets for the financial year which started on 1 April 2017.

The tables in this report show the actual income and expenditure for five months of this financial year, along with the projections for spending and a comparison of the projections against the approved budgets.

**Recommendation(s):**

Note the current position on the revenue and capital budgets.

**Alternatives Considered:**

1. This report shows the actual revenue and capital expenditure to date, and projected outturns for 2017/18, therefore no alternatives have been considered.

**Reasons for Recommendation:**

To consider the Council's budget monitoring position and decide on any corrective action necessary.

## **1. Background**

### **1.1 In summary:**

- Total Council revenue spending is predicted to be £7.098m less than the total budget (excluding the projected overspendings on Schools budgets);

- Total revenue income is predicted to be £3.447m more than the total budget;
- General reserves at the year-end are forecast on this basis to be within the 2.5% to 3.5% range. They are estimated to be at 3.5% of the total budget based on current spending; and
- Net capital spending is projected to be on target at the end of the financial year, subject to a review of the phasing of spend in the capital programme, planned to be undertaken in the Autumn of 2017.

## **DISCUSSION**

### **Revenue**

Table A (Position as at 31 August 2017)

	<b>Revised Net Revenue Budget</b>	<b>Net Expenditure</b>	<b>Year End Forecast</b>	<b>Forecast Variance</b>	<b>Forecast Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
<b>COMMISSIONING STRATEGIES</b>					
Readiness for School	4,890	1,882	4,890	0	0.00
Learn & Achieve	32,342	11,098	32,342	0	0.00
Readiness for Adult Life	4,475	2,499	6,182	1,707	38.15
Children are Safe and Healthy	65,764	28,265	64,926	-838	-1.27
Adult Safeguarding	4,146	1,291	4,146	0	0.00
Adult Frailty & Long Term Conditions	121,037	21,786	121,037	0	0.00
Carers	2,304	646	2,304	0	0.00
Adult Specialities	62,080	32,205	62,080	0	0.00
Wellbeing	27,568	8,933	27,568	0	0.00
Community Resilience & Assets	10,103	3,827	10,103	0	0.00
Sustaining & Developing Prosperity Through Infrastructure	40,473	3,574	40,451	-22	-0.05
Protecting & Sustaining the Environment	25,372	8,672	25,658	286	1.13
Sustaining & Growing Business & the Economy	1,255	826	1,255	0	0.00
Protecting The Public	22,563	8,632	22,826	263	1.17
How We Do Our Business	9,468	4,250	9,185	-283	-2.99
Enablers & Support To Council's Outcomes	35,771	17,573	35,431	-340	-0.95
Enablers & Support To Key Relationships	0	-119	0	0	0.00
Public Health Grant Income	-33,524	-16,762	-33,524	0	0.00
Better Care Funding Income	-34,497	-7,238	-34,497	0	0.00
<b>TOTAL COMMISSIONING STRATEGIES</b>	<b>401,590</b>	<b>131,840</b>	<b>402,363</b>	<b>773</b>	<b>35.17</b>
<b>SCHOOL BUDGETS</b>					
Delegated Schools Budget	483,277	95,874	485,280	2,003	0.41
Dedicated Schools Grant	-515,950	-112,555	-515,950	0	0.00
Schools Related Expenditure	31,026	10,920	31,026	0	0.00
Schools Budgets (Other Funding)	5,559	-6,872	5,559	0	0.00
<b>TOTAL SCHOOL BUDGETS</b>	<b>3,912</b>	<b>-12,633</b>	<b>5,915</b>	<b>2,003</b>	<b>51.20</b>
<b>OTHER BUDGETS</b>					
Contingency	3,000	0	3,000	0	0.00
Capital Financing Charges	40,616	127	40,616	0	0.00
Other Budgets	18,023	6,472	10,152	-7,871	-43.67
<b>TOTAL OTHER BUDGETS</b>	<b>61,639</b>	<b>6,599</b>	<b>53,768</b>	<b>-7,871</b>	<b>-12.77</b>
<b>TOTAL EXPENDITURE</b>	<b>467,141</b>	<b>125,806</b>	<b>462,046</b>	<b>-5,095</b>	<b>-1.09</b>
<b>INCOME</b>					
Revenue Support Grant	-48,292	-21,248	-48,292	0	0.00
Business Rates	-106,837	-45,363	-108,608	-1,771	1.66
Council Tax	-264,868	-105,947	-264,868	0	0.00
Other Non Specific Grants	-18,024	-9,116	-19,700	-1,676	9.30
<b>TOTAL INCOME</b>	<b>-438,021</b>	<b>-181,674</b>	<b>-441,468</b>	<b>-3,447</b>	<b>0.79</b>
<b>USE OF BALANCES</b>					
Use of Balances - Earmarked Reserves	-29,020	-29,020	-29,020	0	0.00
Use of Balances - General Reserves	-100	-100	-100	0	0.00
<b>TOTAL USE OF RESERVES</b>	<b>-29,120</b>	<b>-29,120</b>	<b>-29,120</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL</b>	<b>0</b>	<b>-84,988</b>	<b>-8,542</b>	<b>-8,542</b>	

## **Children's Services**

1.2 Over the four commissioning strategies, Children's Services is currently forecasting an overspend of £0.869m (0.81%).

### Readiness for School

1.3 Readiness for School commissioning strategy that focuses on Children Centre delivery is forecasting to be on target.

### Learn and Achieve

1.4 Learn and Achieve commissioning strategy is forecasting as being on target. The majority of this commissioning strategy relates to Home to School/College Transport (£24.137m), which is also projecting to be on target. At this stage of the financial year the final position of the Home to School/College Transport budget is difficult to predict. A clearer position will be known when all the invoices for the new academic year have been processed and analysed. Home to School/College Transport is a volatile budget with many external factors influencing its final spend, which was evident in the 2016/17 overspend position. Forecasts on spending will continue to be reviewed on a monthly basis by officers to ensure spend levels are controlled and an overspend mitigated.

### Readiness for Adult Life

1.5 Readiness for Adult Life commissioning strategy is forecasting an overspend of £1.707m (38.15%). The majority of this (£1.641m) relates to Supported Accommodation. This is the Local Authority's legal duty to provide supported accommodation for homeless 16-17 year olds and care leavers. It is creating a significant financial pressure despite a £0.600m increase to the budget agreed by full Council due to the increase in demand and complexity of young adults. A strategic review is being undertaken to consider ways of controlling the costs and commissioning more cost effective provision.

### Children are Safe and Healthy

1.6 Children are Safe and Healthy commissioning strategy is forecasting an underspend of £0.838m (-1.27%). The underspends relate to one-off monies, such as the reduction in insurance premiums (£0.226m) which are being put forward as a saving in 2018/19; the distribution of legal underspendings from the Shared Service (£0.345m), and the phased introduction of bed capacity at the Beacon development from 7 to 11 beds (£0.267m). The area of children's social care is however facing significant challenges nationally and locally. The national increase in Looked After Children is currently considered by the sector to be at 8% due to a number of reasons: case law, the impact of austerity, and the increasingly complex nature of family life as a result of substance use, mental health and domestic abuse. Officers will continue reviewing the position of Looked After Children and Children in Need numbers due to the demand-led nature of these services and placement costs, and updates will be provided through the forecast cycle on spending levels. It must also be noted that the in-house transfer of the 0-19 health

services will take place on the 1<sup>st</sup> October 2017; therefore managing one-off transition costs will be important.

## **Adult Care and Community Wellbeing**

1.7 Adult Care and Community Wellbeing are currently projecting a break even budget for the year as at the end of August 2017. The net budget has been updated to reflect the additional costs allocated for the Better Care Fund (BCF) projects, hence has increased from £183.066m to £217.136m. However this additionality is offset via a separate analysis in the report which identifies the receipt of £34.497m BCF funding. As a result the net budget remains the same overall.

### Adult Safeguarding

1.8 The Lincolnshire Safeguarding Adults Board discharges its function to safeguard adults on a multi-agency basis. This is led by an Independent Chair.

1.9 The current budget for Safeguarding for 2017/18 is £4.146m. This has increased by £1.800m due to a realignment of Adult Care Budgets, and also due to a £0.490m transfer from the Better Care Fund in August. The additional fund is being used to resource continuing pressures that the service has in the current financial year as a direct result of the Cheshire West ruling in Deprivation of Liberty Safeguards (DoLs).

1.10 The growth in available funds means the service now has resource to provide an additional amount of activity around DoLs for the current year and produce a balanced budget; however pressure in this area will continue to be significant until there is a change in the current legal framework.

### Adult Frailty & Long Term Conditions

1.11 Adult Frailty & Long Term Conditions is currently projecting on target against the budget of £121.037m.

1.12 Long Term Residential Activity has slowed down following the increase seen last year and is therefore expected to be on target for 2017/18.

1.13 Short Term Care placements have also decreased from the high levels seen last year and due to this reduction the current forecast is a small underspend in this area. One of the reasons for this reduction has been from the increase in the number of block beds that are being purchased and by the improved capacity seen in the Home Care Market where the amount of hours provided each week is increasing.

1.14 Growth has been built into Direct Payments for 2017/18 and they are currently on target against this forecast growth.

1.15 There are currently a number of small pressures on the Transport, Day Care and Supported Living budgets but at present they are covered by the underspends above.

1.16 Whilst Staffing costs are presently showing an underspend due to a number of vacancies across the service, it is anticipated that as these vacancies are filled the expenditure will be back on line with budget for the year.

1.17 Analysis of Income collection suggests this will be on target for 2017/18. However an area of concern is the increase in unsecured debts due to the removal of the Council's right to impose legal charges on properties due to non-cooperation or where legal authority to manage finances is in progress. The power which was under the old Health and Social Services and Social Security Adjudications Act 1983 (HASSASSA) was revoked with the implementation of the Care Act in April 2015 and the Council has already had to increase its bad debt provision as a direct result of this.

1.18 Estimates also suggest that the infrastructure budget will produce a small number of underspends in 2017/18 due to a number of vacancies across several teams within the infrastructure area.

### Carers

1.19 This strategy is responsible for services provided to all carers including children, helping to prevent inappropriate caring, and helping to reduce the negative impact on the carer's wellbeing and development, by ensuring adequate support for both service user and carer.

1.20 Carers will continue to see activity grow compared to last year including the number of direct payments made. However, at this stage it is envisaged that Carers will stay within the budget of £2.304m for 2017/18.

### Adult Specialties

1.21 Adult Specialties are currently projecting to break even against the budget of £62.080m.

1.22 The Adult Learning Disabilities Service (LD) is administered via a Section 75 (S75) agreement between the Council and NHS commissioners in Lincolnshire along with additional services related to Learning Disability that sit outside of the S75 that include the provision of in-house day services along with additional commissioning and management activity.

1.23 There have been a number of large support packages as a result of ongoing transitions from Children's Services to Adult Care and from those service users previously unknown to the Council. There has also been a number of high cost placements made in residential so far this year that are well above the average cost. Whilst growth within the service has been built into this year's budget, these additional high cost packages have placed additional pressure on the budget for 2017/18. Hence, early signs are that LD S75 may move towards a small overspend

in 2017/18. However, at this early stage it is still uncertain as there have not been any de-commitments to date to offset these additional costs.

1.24 The service has also continued to see an increase in levels of refunds back into the system from unspent service user Direct Payments. This is expected to at least double for the whole year which should help to mitigate some of the unexpected high cost placements described above.

1.25 The Mental Health service is run on behalf of the Council by the Lincolnshire Partnership Foundation Trust (LPFT) by way of a Section 75 agreement. Current reports from LPFT suggest an increase in services activity, however there is an expectation that LPFT budgets will remain on target in 2017/18.

### Wellbeing

1.26 This strategy is responsible for services related to the Council's statutory obligation for the delivery of Public Health services in Lincolnshire which include Health Improvement, Prevention and Self-Management, Housing Related Support, Prevention and Treatment of Substance Misuse and Sexual Health Services.

1.27 This strategy is projecting to break even for the year against the budget of £27.568m.

### Better Care Fund

1.28 The Better Care Fund (BCF) is a programme spanning both the NHS and local government to jointly plan and deliver local services while protecting ongoing Adult Care services within Lincolnshire.

1.29 The Better Care Funding for 2017/18 is being received by the Council in three separate income streams. The protection for Adult Care services (£17.130m) is drawn down on a monthly basis from the four Clinical Commissioning Groups (CCG's), Improved Better Care Funding (£2.106m) and the Supplementary Better Care Funding (£15.265m) is paid directly to Lincolnshire County Council (LCC). Adult Care protected services that continue to be funded include Reablement, Hospital discharge teams, and Adult Frailty and Specialist Adult Services. The two new areas of BCF are funding Market stabilisation, Delayed transfer of care and further system pressures within Adult Care.

## **Economy and Environment**

### Sustaining and Developing Prosperity through Infrastructure

1.30 Heritage is forecast to overspend by £0.172m due to increased business support costs and one-off payments. The service continues to review the level of income generated as it comes towards the conclusion of this summer's events. This is offset by some forecast underspends within Transport and Highways. This relates to vacancies following a service restructure and a forecast underspend on concessionary fares due to lower than expected travel over the summer.

## Protecting and Sustaining the Environment

1.31 The forecasting variance on Waste Management is currently showing a potential overspend of £0.207m. This forecast will continue to be monitored and refined as waste volumes are updated throughout the year.

## **Finance and Public Protection**

### Protecting the Public

1.32 Protecting the Public is forecasting an overspend of £0.263m. The Coroners Service is forecasting to overspend, caused mainly around long inquests due to the delay in appointing an Area Coroner alongside the continuing high level of deaths and costs of judicial review. It is expected this overspend will be offset, at least partially, by additional income from the Registration Service.

### How We Do Our Business

1.33 How We Do Our Business is currently forecasting to underspend £0.283m by year end. This is within the Budget & Policy Framework – Finance and Audit area. The underspend is mainly due to the following:

- there is an underspend of £0.180m on Serco contract volumes which mainly relates to the delay in implementing the Care Act;
- there is a small underspend on staffing costs (£0.041m) due to a delay in recruitment into a number of vacant posts and secondments within the finance team; and
- additional income from schools finance service £0.034m.

### Enablers and Support to Council Outcomes

1.34 Enablers and Support to Council Outcomes is currently forecasting to be £0.340m underspent by year end.

1.35 Business Support has been asked to save £2.566m from base budget since 2015/16 as part of the financial challenge. The service continues to review all opportunities to deliver such savings and has achieved over £2m in the last two years alongside increased demand to support services in delivering their outcomes. This has resulted in a forecast overspend of £0.430m for the current financial year.

1.36 An underspend of £0.512m in Legal is predicted. This is due to projected income generation continuing to be higher than the forecast for 2017/18. The Legal Management Board will decide on the use of any surplus at year end. In recent years it has taken a decision to redistribute the surplus in full to partner authorities in proportion to their use of the service.



1.37 People Strategy & Support is expecting to be £0.269m underspent by year end. This is mainly due to staffing vacancies within both the People Management and Graduate staffing areas alongside reductions within the anticipated costs for DBS checks and Fire & Rescue Pension Administration.

### **Schools Budgets**

1.38 Under government regulations, schools carry forward automatically their under and overspendings to the next financial year. Budgets held centrally within the ring-fenced 2017/18 Dedicated Schools Grant (DSG) were once again set prudently due to the demand led and volatile nature of the services demands. In line with the DfE regulations any under or overspends will automatically be carried forward to the next financial year and the Local Authority will consult the Schools Forum on its use.

### **Other Budgets**

1.39 Other Budgets is currently projecting an underspend of £7.871m. This is mainly explained by the following:

- National Living Wage is currently forecasting £4.603m underspend. After initial work undertaken during the financial year it is anticipated that this will be less than what was budgeted for.
- Pension Secondary Payment to the Pension Fund was reduced by £3.016m following advice from the actuary, Hymans Robertson, upon receipt of additional schools pensionable payroll information.

### **Council's General Funding**

1.40 The Council's general funding is currently forecast to be £3.447m more than the revenue budget approved at full Council in February 2017. The most significant reasons for this forecast increase in funding are as follows:

- Business Rates-Pooling with Districts - £1.771m (more than was budgeted for). Following the lack of gains in pooling income for the Council in previous financial years (due to the timing and size of business rate appeals received by the district councils) the Council did not budget to receive any income in 2017/18. The income we are currently estimated to receive from business rates pooling for 2017/18 is £1.771m.
- Partners in Practice - £1.339m (more than budgeted for). This S31 grant is intended to support projects relating to innovation and reform in Children's Social Care. This income was notified to us after the budget setting process had been completed. The full allocation for 2017/18 will be £2.678m.

- New Homes Bonus Returned Funding Grant - £0.249m (more than was budgeted for). At the time of budget setting, the Council had not been notified that it would be receiving this funding in 2017/18. This is funding that was originally allocated from the Local Government Finance Settlement to fund New Homes Bonus with a commitment from the Government that any unused funding would be returned to local authorities.
- Independent Living Fund - £0.088m (more than was budgeted for). The Independent Living Fund provides funds to help disabled people live an independent life. At the time of budget setting the Council had not been notified of this grant.

## **Use of Balances**

1.41 The Council planned to use £17.870m from the Financial Volatility Reserve to balance the Council's budgets in 2017/18 and £0.100m from the General Fund to keep this balance at 3.5% of the Council's budget requirement. Further earmarked reserves will be drawn down into service budgets during the financial year. The main drawdown of reserves so far this financial year is shown below:

- Drawdown of Schools Grant and Contribution Reserve (£6.610m) to the service budgets;
- Up to 1% carry forward on 2016/17 service budgets (£3.144m), allocated to service budgets for use in 2017/18;
- Growth Points Lincoln Reserve (£0.807m) drawdown to cover Historic Teal Park expenditure (£0.587m) and East-West Link Tentercroft Street compensation claims (£0.220m); and
- Re-distribution of excess Legal Services trading surplus returned to departments (£0.731m).

# Capital Programme

Table B (Position as at 31 August 2017)

Capital Programme	Gross Actual Expenditure £'000	Gross Revised Budget £'000	Gross Latest Forecast £'000	Gross Forecast Variance £'000	Net Actual Expenditure £'000	Net Revised Budget £'000	Net Latest Forecast £'000	Net Forecast Variance £'000
<b>Children's Services</b>								
<u>Readiness for School</u>								
Early Years Sufficiency / Extended Provision	817	136	136	0	817	136	136	0
Other Readiness for School	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>817</b>	<b>136</b>	<b>136</b>	<b>0</b>	<b>817</b>	<b>136</b>	<b>136</b>	<b>0</b>
<u>Learn and Achieve</u>								
Devolved Capital	271	1,266	1,266	0	-941	0	0	0
Provision of School Places (Basic Need)	4,588	8,914	8,914	0	1,598	0	0	0
School Modernisation / Condition Capital	2,502	5,028	5,028	0	339	0	0	0
Academy Projects	0	1,040	1,040	0	0	1,040	1,040	0
Other Learn and Achieve	47	1,252	1,252	0	47	1,252	1,252	0
<b>Sub Total</b>	<b>7,408</b>	<b>17,500</b>	<b>17,500</b>	<b>0</b>	<b>1,043</b>	<b>2,292</b>	<b>2,292</b>	<b>0</b>
<u>Readiness for Adult Life</u>								
Other Readiness for Adult Life	1	2	2	0	1	2	2	0
<b>Sub Total</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>
<u>Children are Safe and Healthy</u>								
Universal Infant Free School Meals Capital	562	0	0	0	562	0	0	0
Other Children are Safe and Healthy	17	697	697	0	17	697	697	0
<b>Sub Total</b>	<b>579</b>	<b>697</b>	<b>697</b>	<b>0</b>	<b>579</b>	<b>697</b>	<b>697</b>	<b>0</b>
<b>Adult Care</b>								
<u>Adult Frailty, Long Term Conditions and Physical Disability</u>								
Adult Care	343	0	0	0	343	0	0	0
Better Care Fund - Disabled Facility Grants	5,291	0	0	0	0	0	0	0
<u>Wellbeing</u>								
Public Health	133	0	0	0	133	0	0	0
<b>Sub Total</b>	<b>5,767</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>476</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environment and Economy</b>								
<u>Community Resilience and Assets</u>								
Libraries	63	603	603	0	63	603	603	0
<b>Sub Total</b>	<b>63</b>	<b>603</b>	<b>603</b>	<b>0</b>	<b>63</b>	<b>603</b>	<b>603</b>	<b>0</b>
<u>Sustaining and Developing Prosperity Through Infrastructure</u>								
Highways Asset Protection	21,632	43,587	43,587	0	2,711	5,516	5,516	0
Integrated Transport	2,103	4,826	4,826	0	41	1,514	1,514	0
Lincoln Eastern Bypass	5,860	20,242	20,242	0	-4,469	-416	-416	0
Lincoln East-West Link	447	-1,766	-1,766	0	396	-1,766	-1,766	0
Spalding Relief Road	0	250	250	0	0	250	250	0
Grantham Southern Relief Road	657	17,148	17,148	0	657	2,898	2,898	0
Transforming Street Lighting	48	793	793	0	48	793	793	0
Grantham Growth Point	0	2,214	2,214	0	0	2,214	2,214	0
Historic Lincoln	397	-1,442	-1,442	0	1,936	-1,442	-1,442	0
Lincolnshire Enterprise Partnership Contribution	0	18,004	18,004	0	0	18,004	18,004	0
National Productivity Investment Fund	702	0	0	0	-4,664	0	0	0
Other Sustaining and Developing Prosperity Through Infrastructure	201	142	142	0	201	142	142	0
<b>Sub Total</b>	<b>32,047</b>	<b>103,998</b>	<b>103,998</b>	<b>0</b>	<b>-3,143</b>	<b>27,707</b>	<b>27,707</b>	<b>0</b>
<u>Protecting and Sustaining the Environment</u>								
Flood Defence	0	2,200	2,200	0	0	2,200	2,200	0
Flood and Water Risk Management	106	954	954	0	58	954	954	0
Boston Barrier	0	11,000	11,000	0	0	11,000	11,000	0
Boston Household Waste Recycling Centre	1	0	0	0	1	0	0	0
Other Protecting and Sustaining the Environment	29	1,682	1,682	0	29	1,682	1,682	0
<b>Sub Total</b>	<b>136</b>	<b>15,836</b>	<b>15,836</b>	<b>0</b>	<b>88</b>	<b>15,836</b>	<b>15,836</b>	<b>0</b>
<u>Sustaining and Growing Business and the Economy</u>								
Skegness Countryside Business Park	-350	823	823	0	-350	823	823	0
Holbeach Peppermint Junction Programme	1,660	3,053	3,053	0	1,660	3,053	3,053	0
Other Sustaining and Growing Business and the Economy	788	885	885	0	788	885	885	0
<b>Sub Total</b>	<b>2,098</b>	<b>4,761</b>	<b>4,761</b>	<b>0</b>	<b>2,098</b>	<b>4,761</b>	<b>4,761</b>	<b>0</b>
<b>Finance and Public Protection</b>								
<u>Protecting the Public</u>								
Fire and Rescue	185	2,811	2,811	0	185	2,811	2,811	0
Fire Fleet Vehicles and Associated Equipment	23	1,414	1,414	0	23	1,414	1,414	0
Registration Celebratory & Coroners Services	0	20	20	0	0	20	20	0
<b>Sub Total</b>	<b>208</b>	<b>4,245</b>	<b>4,245</b>	<b>0</b>	<b>208</b>	<b>4,245</b>	<b>4,245</b>	<b>0</b>
<u>Enablers and Support to Council's Outcomes</u>								
Broadband	1,183	8,985	8,985	0	1,183	8,985	8,985	0
Infrastructure and Refresh Programme	36	1,997	1,997	0	36	1,997	1,997	0
Replacement ERP Finance System	-136	1,719	1,719	0	-136	1,719	1,719	0
Care Management System (CMPP)	57	72	72	0	57	72	72	0
ICT Development Fund	0	2,690	2,690	0	0	2,690	2,690	0
Property	834	5,008	5,008	0	834	5,008	5,008	0
Property Rationalisation Programme	3,459	6,802	6,802	0	3,451	6,802	6,802	0
<b>Sub Total</b>	<b>5,433</b>	<b>27,273</b>	<b>27,273</b>	<b>0</b>	<b>5,425</b>	<b>27,273</b>	<b>27,273</b>	<b>0</b>
<u>Other Programmes</u>								
New Developments Capital Contingency Fund	0	10,465	10,465	0	0	10,465	10,465	0
<b>Sub Total</b>	<b>0</b>	<b>10,465</b>	<b>10,465</b>	<b>0</b>	<b>0</b>	<b>10,465</b>	<b>10,465</b>	<b>0</b>
<b>Total Programme</b>	<b>54,557</b>	<b>185,516</b>	<b>185,516</b>	<b>0</b>	<b>7,655</b>	<b>94,017</b>	<b>94,017</b>	<b>0</b>

1.42 The capital programme comprises a series of schemes/projects which often span a number of years. Where a scheme/project is known to be exhibiting a material variance to its spending profile this will ordinarily be described in the narrative associated with that Director area.

1.43 The net capital programme is forecasting to be on target by end of the financial year. As part of budget monitoring process and in line with budget setting process, the Council will review the phasing of spending in the Capital Programme in autumn to realign capital budgets with current spending plans.

### Other Programmes

1.44 For 2017/18 the Council set aside £7.500m in a New Development Capital Contingency Fund for capital schemes which emerge during the financial year. There was also an underspending in 2016/17 of £7.718m which has been carried forward and is available for schemes in 2017/18. To date during the financial year £4.753m has been allocated. This has been utilised to fund the following schemes:

- Net Council contribution to Holbeach Peppermint Junction (£3.020m);
- Lancaster House Improvement Works (£1.600m); and
- County Farms - Road Improvement Schemes (£0.057m) and works to meet Minimum Energy Efficiency Standards (MEES) (£0.076m).

### Capital Financing

1.45 The following table sets out the financing of the net capital programme:

<b>NET CAPITAL PROGRAMME FUNDING</b>	
<b>Source of Financing</b>	<b>£'000</b>
Revenue Contributions to Capital	4,007
Borrowing	83,423
Use of Capital Grants Unapplied	5,695
Use of Revenue Grants Reserves to Fund the Capital Programme	857
Use of Other Reserves to Fund the Capital Programme	35
<b>TOTAL FUNDING</b>	<b>94,017</b>

## 2. Legal Issues:

### Equality Act 2010

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

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

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

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

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

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

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

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

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

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

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

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

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

As the Report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

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

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

As the Report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

## Crime and Disorder

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

As the Report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

### **3. Conclusion**

3.1 The Council's current position on the revenue budget and capital programme are within the report for the Executive to note.

### **4. Legal Comments:**

The Report sets out an update on spending compared with budgets for the financial year starting on 1 April 2017 to assist the Executive to monitor the financial performance of the Council.

### **5. Resource Comments:**

The report indicates that both the current year revenue and capital budgets are projected to be spending within the resources available and therefore no additional call on the reserves of the Council are expected be required within the current financial year.

### **6. Consultation**

#### **a) Has Local Member Been Consulted?**

N/A

#### **b) Has Executive Councillor Been Consulted?**

Yes

#### **c) Scrutiny Comments**

The Overview and Scrutiny Management Board will consider this report at its meeting on 28 September 2017. Comments from the Overview and Scrutiny Management Board will be circulated to the Executive.

**d) Have Risks and Impact Analysis been carried out?**

No

**e) Risks and Impact Analysis**

N/A

**7. Background Papers**

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

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