

Open Report on behalf of Pete Moore, Executive Director of Finance and Public Protection and Richard Wills, Executive Director for Environment & Economy

Report to:	Public Protection and Communities Scrutiny Committee
Date:	23 January 2018
Subject:	Council Budget 2018/19

Summary:

The report describes the budget proposals for the next two financial years based on the four year funding deal announced by Government as part of the 2018/19 Local Government Finance Settlement. This report specifically looks at the budget implications for the following commissioning strategies:-

- Community Resilience and Assets
- Protecting the Public
- Sustaining & Developing Prosperity Through Infrastructure (Heritage Services only)

The budget proposals are now open to consultation. Members of this committee have the opportunity to scrutinise them and make comment, prior to the Executive meeting on 6 February 2018.

Actions Required:

The Public Protection and Communities Scrutiny Committee is asked to consider this report and members of the committee are invited to make comments on the budget proposals. These will be considered by the Executive at its meeting on 6 February 2018.

1. Background

1.1 The Executive are currently consulting on a two year financial plan for revenue and capital budgets to take the Council to the end of the four year funding deal from government. This is the first time in four years the Council has been able to develop budget plans for more than the next financial year. The Council continues to face 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. Uncertainty around government funding beyond the four year funding deal (which runs from 2016/17 to 2019/20) means the Council doesn't consider it practicable, at present, to develop sustainable long term financial plans into the next decade.

1.2 In developing its two year 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. 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.

1.3 At its meeting on 19 December 2017 the Executive agreed proposals for the Council's revenue and capital budgets, and Council Tax level for 2018/19 to be put forward as a basis for consultation.

Community Resilience and Assets

1.4 Table A shows the proposed revenue budget changes for the commissioning strategy ' Community Resilience and Assets '.

TABLE A

Change of Previous Year	£'000
Original Budget 2017/18	9,996
<u>Changes for 2018/19</u>	
Pay Inflation	13
Cost Pressures	73
Savings	0
Proposed Budget 2018/19	10,082
<u>Changes for 2019/20</u>	
Pay Inflation	13
Cost Pressures	42
Savings	0
Proposed Budget 2018/19	10,137
Percentage Change	1.4%

1.5 Within this strategy there are proposed cost pressures of £0.073 in 2018/19 which relate to on-going commitments within the Library service (£0.012m) and a pressure with the Chance to Share agreement with North Kesteven District Council (this SLA is due to finish in March 2021). Cost pressures of £0.042m in 2019/20 will meet committed inflationary increases in the Library Service contract.

1.6 The approved model of delivery for the Library Service agreed to support Community Groups with an annual revenue grant for period of four years. The Council is not proposing to remove the funding for the Community Hubs as a saving.

1.7 The budget proposals assume inflation increases of 1% for pay for the next two financial years.

1.8 Table B below shows the impact of these changes on the activities included within this commissioning strategy.

TABLE B

COMMUNITY RESILIENCE & ASSETS		Original budget	Changes 2018/19	Proposed Budget 2018/19	Changes 2019/20	Proposed Budget 2019/20	% Change
		£000	£000	£000	£000	£000	
1	Advice , Information and Volunteer Sector Infrastructure	792	11	803	5	808	2.04%
2	Community Engagement and Development (Contribution to Sports Centres)	228	54	283	0	283	23.76%
3	Library and Information Services	5,535	20	5,556	50	5,606	1.27%
4	Customer Services Centre	3,441	0	3,441	0	3,441	0.00%
	Total	9,996	86	10,082	55	10,137	1.4%

Heritage Services

1.9 Table C shows the proposed revenue budget changes for the Heritage Services which are part of the commissioning strategy ' Sustaining and Developing Prosperity Through Infrastructure'.

TABLE C

Change of Previous Year	£'000
Original Budget	919
<u>Changes for 2018/19</u>	
Pay Inflation	22
Cost Pressures	100
Savings	0
Proposed Budget 2018/19	1,041
<u>Changes for 2019/20</u>	
Pay Inflation	22
Cost Pressures	0
Savings	-1,019
Proposed Budget 2019/20	45
Percentage Change	-95.2%

1.10 It is proposed to fund a cost pressure of increased rates costs on revalued Heritage sites (£0.100m) and inflation increases of 1% for pay for the next two financial years. The Heritage service is moving towards a self-financing model of delivery and this increase of rates costs, will in turn increase the expected savings

from the service which have been included in the budget proposals for 2019/20 (£1.019m).

Protecting The Public

1.11 Table D shows the proposed revenue budget changes for the commissioning strategy ' Protecting The Public'.

TABLE D

Change of Previous Year	£'000
Original Budget	22,441
<u>Changes for 2018/19</u>	
Pay Inflation	509
Cost Pressures	85
Savings	-114
Proposed Budget 2018/19	22,921
<u>Changes for 2019/20</u>	
Pay Inflation	197
Cost Pressures	89
Savings	-100
Proposed Budget 2019/20	23,107
Percentage Change	3.0%

1.12 The Protecting the Public strategy is proposing to make savings of £0.114m in 2018/19 and £0.100m in 2019/20. In 2018/19 this saving is proposed from the Fire and Rescue Service, by withdrawing funding for the Group Manager post supporting the Blue Light project, and reducing the use of 'bank' operational staff to support Retained Duty System availability. In 2019/20 the saving is to recognise the new model of delivery for the Coroners Service (£0.100m)

1.13 Within this strategy there are also proposed cost pressures of £0.085m in 2018/19 within the Fire and Rescue Service relating to increased rates costs of fire stations and in 2019/20 of Emergency Services Network costs (£0.029m). There are also cost pressures in 2019/20 within Trading Standards relating to the increased costs of product safety testing (£0.020m) and safeguarding checks required for scams on vulnerable victims (£0.040m).

1.14 The budget proposals include a pay inflation increase of 3% for firefighters and 1% for other LCC staff in 2018/19 and a general pay allowance of 1% for the following year.

1.15 Table E below shows the impact of these changes on the activities included within this commissioning strategy.

TABLE E

PROTECTING THE PUBLIC	Original budget	Changes 2018/19	Proposed Budget 2018/19	Changes 2019/20	Proposed Budget 2019/20	% Change
	£000	£000	£000	£000	£000	
1 Registration, Celebratory and Coroners	1,365	13	1,378	-87	1,291	-5.43%
2 Preventing & Reducing Crime	277	28	306	3	308	11.23%
3 Tackling Domestic Abuse	364	-25	340	1	340	-6.59%
4 Preventing & Tackling Fires and Emergencies	18,590	416	19,006	188	19,194	3.25%
5 Trading Standards	1,271	11	1,282	71	1,353	6.49%
6 Planning and Responding to Emergencies	281	31	311	4	315	12.28%
7 Improving Road Safety	293	6	299	6	305	4.12%
Total	22,441	480	22,921	186	23,107	3.0%

County Council Capital Programme

1.16 The proposed capital programme matches the revenue budget and runs until 2019/20, plus major schemes which stretch into future years. Schemes comprise: a number of major highways schemes, the rolling programme of renewal and replacement of fire fleet vehicles, and the new rolling programmes to replace the gritters fleet and equipment and vehicles at the Waste Transfer Stations). The gross programme is set at £322.647m from 2018/19 onwards, with grants and contributions of £132.088m giving a net programme of £190.559m to be funded by the County Council.

1.17 Table F shows the proposed net capital programme for these commissioning strategies. The net contributions relate mainly to the fire fleet replacement programme.

TABLE F

Capital Programme	Net Programme 2018/19	Net Programme 2019/20
	£000's	£000's
Community Resilience and Assets	200	0
Protecting The Public	4,485	10,310

Further consultation

1.18 A consultation meeting with local business representatives, trade unions and other partners will take place on 26 January 2018.

1.19 The proposals will be publicised on the Council website together with the opportunity for the public to comment.

1.20 All consultation comments and responses will be available to be considered when the Executive makes its final budget proposals on 6 February 2018.

2. Conclusion

2.1 These budget proposals reflect the level of government funding available to the Council and the proposal to increase Council Tax in 2018/19 by 1.95% and in 2019/20 by 1.95%. Adult Care Premium is proposed to increase by 2.00% in 2018/19 and 2.00% in 2019/20. They are based on a thorough and comprehensive review of the Council's services. The budget proposals therefore aim to reflect the Council's priorities whilst operating with the resources available to it.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

An Equality Impact Assessment will be completed for the proposed increase in Council Tax. This will be reported to the Executive at its meeting on 6 February 2018.

Further risk and impact assessments will need to be undertaken on a service by service basis.

4. Background Papers

Document title	Where the document can be viewed
Council Budget 2018/19 - Executive Report 19 December 2017	Democratic Services, County Offices , Newland, Lincoln

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