

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

Report to:	<b>Executive</b>
Date:	<b>06 February 2018</b>
Subject:	<b>Revenue and Capital Budget Monitoring Report 2017/18</b>
Decision Reference:	<b>I014134</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 nine months of this financial year, along with the projections for spendings and a comparison of the projections against the approved budgets.

Revenue Budget Change – Transfer of Funding to Supported Accommodation for Homeless Young People

The report asks that the Executive recommend to full Council the approval of the transfer of £1.500m from Readiness for Schools (Children's Centres) to Readiness for Adult Life for supported accommodation for homeless young people. Spending on Children's Centres is not being reduced, it will be funded by utilising £1.500m from the Public Health grant reserve in 2017/18.

**Recommendation(s):**

The report recommends the following:

1. Note the current position on the revenue and capital budgets; and
2. Recommend to full Council the transfer of £1.500m from Readiness for Schools revenue budget to Readiness for Adult Life.

**Alternatives Considered:**

1. Do not approve the reallocation of budget from Children's Centres to Support Accommodation for Homeless Young People.

**Reasons for Recommendation:**

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

The transfer from Children's Centres to Supported Accommodation for Homeless Young People is recommended. Public Health Grant can be legitimately be used to fund spending on Children's Centres. This will release £1.500m from this budget which can then be transferred to cover the projected overspending on Supported Accommodation in 2017/18.

**1. Background****1.1 In summary:**

- Total revenue spending is predicted to be £13.814m less than the total budget (excluding the projected underspendings on Schools budgets);
- Total revenue income is predicted to be £3.008m, more than the total budget;
- General reserves at year end are forecast on this basis to be within the 2.5% to 3.5% range at the upper end, estimated to be at 3.5% of the total budget based on current spending; and
- Net capital spending is projected to be £1.520m overspend at the end of the financial year.

## **DISCUSSION**

### **Revenue**

Table A (Position as at 02 January 2018)

	Revised Net Revenue Budget	Net Expenditure	Year End Forecast	Forecast Variance	Forecast Variance
	£'000	£'000	£'000	£'000	%
<b>COMMISSIONING STRATEGIES</b>					
Readiness for School	4,949	3,408	4,942	-7	-0.1
Learn & Achieve	33,238	22,225	33,490	251	0.8
Readiness for Adult Life	5,107	3,933	7,138	2,030	39.8
Children are Safe and Healthy	65,084	51,021	63,918	-1,166	-1.8
Adult Safeguarding	4,146	2,686	4,368	222	5.4
Adult Frailty & Long Term Conditions	121,034	45,543	120,282	-752	-0.6
Carers	2,304	1,503	2,305	1	0.0
Adult Specialities	62,114	57,808	62,256	142	0.2
Wellbeing	27,121	19,534	27,260	139	0.5
Community Resilience & Assets	10,103	6,402	10,103	0	0.0
Sustaining & Developing Prosperity Through Infra	40,697	26,855	40,723	26	0.1
Protecting & Sustaining the Environment	25,081	16,116	24,030	-1,051	-4.2
Sustaining & Growing Business & the Economy	1,255	3,663	1,255	0	0.0
Protecting The Public	22,668	17,098	22,668	0	0.0
How We Do Our Business	9,493	7,047	9,178	-315	-3.3
Enablers & Support To Council's Outcomes	36,339	30,332	35,553	-786	-2.2
Enablers & Support To Key Relationships	0	-86	0	0	0.0
Public Health Grant Income	-33,524	-25,143	-33,524	0	0.0
Better Care Funding Income	-34,497	-13,028	-34,497	0	0.0
<b>TOTAL COMMISSIONING STRATEGIES</b>	<b>402,712</b>	<b>276,917</b>	<b>401,447</b>	<b>-1,265</b>	<b>34</b>
<b>SCHOOL BUDGETS</b>					
Delegated Schools Budget	496,389	167,052	496,618	229	0.0
Dedicated Schools Grant	-515,050	-193,522	-515,050	0	0.0
Schools Related Expenditure	28,155	18,721	26,107	-2,048	-7.3
Schools Budgets (Other Funding)	2,838	-6,240	2,838	0	0.0
<b>TOTAL SCHOOL BUDGETS</b>	<b>12,333</b>	<b>-13,989</b>	<b>10,514</b>	<b>-1,819</b>	<b>-14.8</b>
<b>OTHER BUDGETS</b>					
Contingency	2,870	0	2,870	0	0.0
Capital Financing Charges	42,415	-436	40,734	-1,681	-4.0
Other Budgets	16,985	7,783	6,117	-10,868	-64.0
<b>TOTAL OTHER BUDGETS</b>	<b>62,269</b>	<b>7,347</b>	<b>49,720</b>	<b>-12,549</b>	<b>-20.2</b>
<b>TOTAL EXPENDITURE</b>	<b>477,315</b>	<b>270,275</b>	<b>461,681</b>	<b>-15,634</b>	<b>-3.3</b>
<b>INCOME</b>					
Revenue Support Grant	-48,292	-36,702	-48,292	0	0.0
Business Rates	-106,961	-81,105	-108,380	-1,419	1.3
Council Tax	-264,868	-211,894	-264,868	0	0.0
Other Non Specific Grants	-18,024	-15,434	-19,613	-1,588	8.8
<b>TOTAL INCOME</b>	<b>-438,144</b>	<b>-345,134</b>	<b>-441,152</b>	<b>-3,008</b>	<b>0.7</b>
<b>USE OF BALANCES</b>					
Use of Balances - Earmarked Reserves	-39,070	-30,650	-39,070	0	0.0
Use of Balances - General Reserves	-100	-100	-100	0	0.0
<b>TOTAL USE OF RESERVES</b>	<b>-39,170</b>	<b>-30,750</b>	<b>-39,170</b>	<b>0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>0</b>	<b>-105,609</b>	<b>-18,641</b>	<b>-18,641</b>	

### **Children's Services**

1.2 Over the four commissioning strategies, Children's Services is currently forecasting an overspend of £1.108m (1.02%).

1.3 Readiness for School commissioning strategy that focuses on Children Centre delivery is forecasting to be marginally underspent by £0.007m (0.15%).

1.4 Learn and Achieve commissioning strategy is forecasting an overspend of £0.251m (0.76%). The majority of this commissioning strategy relates to Home to School/College Transport (£24.137m), which is currently projecting an overspend of £0.190m (0.78%). This projection has been reviewed using the new academic year data but Home to School/College Transport continues to be a volatile budget with many external factors influencing its final spend. It should also be noted that the number of school days required for transport in 2017/18 is 187 but the budget allows for 191 school days indicating daily transport costs are increasing. Forecasts on spending will continue to be reviewed on a monthly basis by officers to ensure spend levels are controlled and an overspend mitigated.

1.5 Readiness for Adult Life commissioning strategy is forecasting an overspend of £2.030m (39.76%). This relates to Supported Accommodation, which is the Local Authority's legal duty to provide supported accommodation for homeless 16-17 year olds and care leavers. This cost pressure is due in part to case law, referred to the Southwark judgement, and the complex needs and increased demand of this age group where parents are refusing to continue to provide care for them. A transformational group has been established to consider ways of controlling the level of demand through more suitable and cost effective provision to best meet the needs of the young people.

1.6 The Council plan to utilise £1.500m from the Public Health grant reserve in 2017/18 to meet the costs associated with children centres in line with the grant conditions. This drawdown from the Public Health Grant reserve will release £1.500m which could be redirected to cover the reported overspending in Readiness for Adult Life on Supported Accommodation. It is proposed, for Full Council consideration to transfer £1.500m budget as a one year budget change from children centres, Readiness for School commissioning strategy to Readiness for Adult Life commissioning strategy to support the cost pressure relating to the Local Authority's legal duty to provide supported accommodation for homeless young people over 16 years, and care leavers. The proposed one year budget change will offset a significant share of the £2.030m budget pressure identified in this commissioning strategy, and address the overall Children's Services overspend.

1.7 Children are Safe and Healthy commissioning strategy is forecasting an underspend of £1.166m (-1.79%). The underspends relate to one-off monies, such as the distribution of Children's Services share of the surplus generated by the Legal Shared Service (£0.345m), the phased introduction of bed capacity at the Beacon development from 7 to 11 beds (£0.267), reduced central staffing costs as a result of the utilisation of grants (£0.287m), lower staffing costs especially in the early help area (£0.429m), and a lower number of Health Service staff transferred from Lincolnshire Community Health Services on 1<sup>st</sup> October 2017 (£0.938m). This has been offset by increased costs on social care budgets (£1.100m) such as out county placements and looked after children. The area of children's social care is 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 increasing 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.

## **Adult Care and Community Wellbeing**

1.8 The Adult Care & Community Wellbeing (AC&CW) net budget is £216.719m. Based on current information available to 31 December 2017 it is estimated that AC&CW will produce an underspend of £0.248m.

1.9 The increasing strategic importance of the Better Care Fund (BCF) has meant that the impact to AC&CW now has to be reflected in service budgets, with a detailed exercise undertaken over the summer and autumn months to incorporate all schemes funded via the BCF into the AC&CW budget from 2017/18 onwards.

1.10 The BCF has a growing influence on how AC&CW pressures are funded in the Council with it being the only means in which the vast majority of pressures identified below will be funded over the next two years.

### Adult Safeguarding

1.11 The current budget for Safeguarding for 2017/18 is £4.146m, at this time it is considered that the Safeguarding budget will overspend by £0.222m.

1.12 Work is currently ongoing to reduce the backlog of Deprivation of Liberty Safeguarding (DoLS) assessments and reviews that have built up over the last two years due to lack of capacity following the Cheshire West Judgement.

1.13 As a result there are continuing pressures in the Mental Health Capacity team to ensure that all Best Interest Assessments and Reviews are completed on time so that backlogs are reduced significantly.

1.14 In addition to this Mental Health Capacity and Emergency Duty Teams are also showing a pressure against their budgets.

### Adult Frailty & Long Term Conditions

1.15 The budget for this strategy is £121.034m, at this time it is considered that it will produce a small underspend of £0.752m or 0.62% of the total budget

1.16 Direct Payments continues to see growth against the same period last year with the average cost per case increasing. Home Support activity remains lower following the transition to Prime Provider Contracts, though there has been some growth this financial year.

1.17 Long term residential care numbers are projected to be similar to 2016/17 with approximately 1,300 new long term placements producing an overspend in the area, however this is being offset by a reduction in short term residential care activity.

1.18 Overall income continues to outperform targets set especially in regards to Direct Payment Audit income and Residential income; however Non Residential income is showing a shortfall against target. This is due to a combination of financial assessment delays and the reduced home support service activity.

1.19 This strategy also includes the infrastructure budget for expenditure in relation to the Executive Director for AC&CW, along with individual Heads of Service costs as well as budgets for Policy and Service Development, Performance and Brokerage Teams.

1.20 There are small levels of underspend in the Quality Assurance team due to staff vacancies that are yet to be filled, but this has been taken up by the additional staff costs within the Brokerage team for the year.

1.21 There was also a transfer of £0.180m to Infrastructure from Business Support in the last year that related to CSC staff costs that have now been transferred to Serco. It is envisaged that the majority of this budget will be unspent this year and will form part of the Adult Care savings for the 18/19 budget.

### Carers

1.22 The current budget for Carers for 2017/18 is £2.304m.

1.23 The number of carers receiving services from the Lincolnshire Carers Service during 2017/18 continues to increase with a focus on early identification and support of carers providing a wide range of services including carers universal support services, community networks, information and advice as well as statutory assessments. This increase has been delivered within the allocated budget.

### Adult Specialities

1.24 The current budget for this commissioning strategy is £62.114m, and at this time it is considered that it will produce a small overspend of £0.142m or 0.22% of the total budget.

1.25 The majority of the services in this strategy are administered via two Section 75 agreements between the Council and NHS commissioners and providers in Lincolnshire; however a small budget allocation exists for the Council's remaining in-house day care services.

1.26 Direct payments in the area are now projecting an overspend due to a higher than anticipated increase in new packages agreed during the summer months relating to school and college leavers. We have also built in an estimate for the additional cost of night rate payments that will affect clients who employ personal assistants using their direct payment.

1.27 Supported Living budgets are also projected to overspend this year as a result the increasing cost of care packages that have been approved via panel.

1.28 Residential activity has seen an increase in new placements compared to the same time last year but with no service de-commitments. In addition to this the service has also incurred a further £0.150m of costs as a result of fee increases.

1.29 Continuing health care (CHC) cases made on behalf of Lincolnshire Clinical Commissioning Groups (CCGs) are also expected to grow this year. CCGs contribute £11.400m to the Council as part of the S75 agreement. As a result of the growth in CHC cases the CCGs will commit an additional £0.500m as per the S75 risk share agreement to offset this additional cost.

1.30 Income is projected to outperform budgeted expectations by £1.400m, with increases in all areas with the exception of short term care income. The largest area of growth is in non-residential income.

1.31 Mental Health services are run on behalf of the Council by the Lincolnshire Partnership Foundation Trust 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

1.32 The current budget for Community Wellbeing is £27.121m.

1.33 Based on information received up to 31 December 2017 it is projected that this area will overspend by £0.139m this financial year with overspends in Wellbeing, Sexual Health services which have been partially offset by underspends in costs related to Public Health Statutory services.

#### Better Care Fund

1.34 The Lincolnshire Better Care Fund (BCF) is a framework agreement between Lincolnshire County Council and the Lincolnshire Clinical Commissioning Groups (CCGs) and looks to pool funds from those organisations to help support the national and local objective of closer integration between the Council and the CCGs.

1.35 The total pooled amount in 2017/18 is £226.000m and includes £54.817m that was allocated to the Lincolnshire BCF from the Department of Health.

1.36 Lincolnshire's fund is one of the largest in the country and includes pooled budgets for Learning Disabilities, Children and Adolescence Mental Health Services (CAMHS) and Community Equipment plus 'aligned' Mental Health funds from the County Council and the four CCGs.

1.37 In addition to the continuation of existing pooled funds, there are a number of other funding streams, these increases result from:

- Inflationary increases in CCG funding, and as a result in the CCG funding for the Protection of Adult Care Services;

- The addition of the iBCF funding that was announced in the Chancellor's November 2015 budget totalling £2.105m in 2017/18; and
- The announcement of iBCF Supplementary funding in the Chancellor's March 2017 budget. This provides an additional £15.265m in 2017/18.

1.38 There is a requirement to ensure that the funding has a positive impact on performance in the areas of Delayed Transfers of Care and Non-Elective Admissions, this has been reflected in our plans.

1.39 The resulting Narrative Plan and the related Planning Templates for the two years 2017-2019 were submitted to NHS England on September 2017 and approved without conditions on 30 October 2017.

1.40 Work has recently been completed between the Council and the Lincolnshire CCG's to agree the overarching Framework Agreement within a mandated deadline of 30 November 2017. The agreements were signed by all partners on 29 November 2017.

## **Economy and Environment**

### Sustaining and Developing Prosperity through Infrastructure

1.41 Heritage is forecast to overspend by £0.400m. The service continues to review the level of income generated as it comes towards the conclusion of the 2017 Summer & Autumn event calendar. There have continued to be a small (and reducing) number of one off legacy costs to bring Lincoln Castle's servicing and maintenance in line with Total Facilities Management and provide longer term efficiencies along with increased Business Support costs (currently under review), as the Heritage Service continues to implement disciplined and detailed financial and accounting processes.

1.42 This is offset by some forecast underspends within Transport (£0.375m) due to the lower than expected travel using concessionary fares. There are also some savings due to staff vacancies within the Highways service. These budgets are currently under review to enable the most efficient and effective spend for the remainder of the financial year.

### Protecting and Sustaining the Environment

1.43 The main forecast variance on Waste Management is currently showing a potential underspend of £0.998m. This forecast has been refined based on the latest waste tonnages, seasonality quantities and associated pricing as at the November contract update. Although cost pressures associated with the higher tonnages processed through the Energy from Waste plant remain there are savings on reduced costs from mixed dry recycling and a reduced tonnage for composting and other areas of recycling, which reflects the volatility of the waste industry.



## Finance and Public Protection

### Protecting the Public

1.44 How We Do Our Business is forecasting an underspending of £0.315m. This is due to the underspendings within Financial Strategy which are explained as below:

- There is an underspend of £0.245m on Serco contract volumes which mainly relates to the delay in implementing the Care Act;
- £0.030m additional income from schools finance service in 2017/18; and
- There is a small underspend on staffing costs (£0.040m) due to a delay in recruitment into a number of vacant posts and secondments within the finance team.

1.45 Enablers and Support to Council's Outcomes is forecasting an underspending of £0.786m against their budget of £36.339m. This is explained by the following:

- ICT Strategy and Support is forecasting to overspend by £0.210m (1.8% of their budget). This is due to a number of minor variations as the service continues to review its delivery model.
- In relation to Legal Services Lincolnshire, a surplus in excess of target of £0.512m 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
- Commissioning is forecasting to underspend by £0.200m. This is due to a number of staffing vacancies that have occurred throughout the year.
- Business Support has been asked to save £2.566m from the base budget since 2015/16 as part of the financial challenge. The service continues to review all opportunities to deliver such changes and has achieved over £2.000m in the last two years alongside increased demand to support services in delivering their outcomes. This has resulted in a forecast overspend of £0.140m for the current financial year (previously October forecast of £0.430m overspending).
- People, Strategy and Support is forecasting an underspending of £0.424m. This is mainly due to staffing vacancies within both the People Management and Graduate staffing areas, increased income from the purchase of employee leave, reductions within the anticipated costs for DBS checks and Fire and Rescue Pension Administration and a potential budget saving as a result of last year's budget re-alignment exercise.

## Schools Budgets

1.46 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

1.47 Capital Financing Charges are currently projecting an underspend of £1.681m. Capital financing charges are lower than originally planned due to:

- Slippage in the capital programme in 2016/17, which has resulted in lower minimum revenue provision (MRP), the amount set aside by the Council to repay outstanding capital debt liabilities for 2017/18;
- A lower interest rate environment has reduced the forecast interest payments; and
- The new MRP Policy has also reduced the cost to the Council in this area.

1.48 Other Budgets is currently projecting an underspend of £10.868m. This is mainly explained by the following:

- National Living Wage is currently forecasting £8.740m underspend. This is primarily due to national living wage growth in Adult Care being funded by the new BCF monies in 2017/18. Beyond 2017/18 it is anticipated that national living wage costs in Adult Care will continue to be funded from BCF income;
- 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;
- A dividend of £0.565m was received from Eastern Shires Purchasing Organisation (ESPO). The council is a member of the ESPO joint committee and as such is entitled to receive a share of the dividend generated by the organisation;
- Corporate and Service Redundancy is projecting an underspend of £0.169m. The Corporate Redundancy budget funds the costs associated with the staffing restructuring changes that had been approved through the 2017/18 Council's budget. These planned changes support the Council to bring down expenditure in line with its current levels of planned income; and

- The above underspending is offset by £1.643m reduced capital receipt. Some disposals related to former school playing fields are covered by Section 77 of Schools Standards and Framework Act 1998. This requires that the capital receipts have to be re-invested as part of the consent application to sell these playing fields from Department of Education rather than accounted for within the year.

## **Council's General Funding**

1.49 The Council's general funding is currently forecast to be £3.008m 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 - £1.420m (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 £1.420m.
- 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.

## **Use of Balances**

1.50 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 use of £21.200m earmarked reserves were drawn down into service budgets so far this financial year.

## **Revenue Budget Change – Transfer of Funding to Supported Accommodation for Homeless Young People**

1.51 The Council plan to utilise £1.500m from the Public Health grant reserve in 2017/18 to meet the costs associated with children centres in line with the grant conditions. This drawdown from the Public Health Grant reserve will release £1.500m which could be redirected to cover the reported overspending in Readiness for Adult Life on Supported Accommodation. It is proposed, for Full Council consideration to transfer £1.500m budget as a one year budget change from children centres, Readiness for School commissioning strategy to Readiness for Adult Life commissioning strategy to support the cost pressure relating to the Local Authority's legal duty to provide supported accommodation for homeless young people over 16 years, and care leavers. This cost pressure is due in part to case law, referred to the Southwark judgement, and the complex needs and increased demand of this age group where parents are refusing to continue to provide care for them. The proposed one year budget change will offset a significant share of the £2.030m budget pressure identified in this commissioning strategy.

1.52 The budget proposals for 2018/19 include a funded cost pressure of £1.641m for supported accommodation for homeless young people over 16 years, and care leavers. The cost pressure value is to align the budget to anticipated demand and recommended commissioning arrangements following the establishment of a transformational group to consider ways of controlling the level of demand through more suitable and cost effective provision to best meet the needs of the young people.

# Capital Programme

Table B (Position as at 02 January 2018)

Capital Programme	Gross Actual Expenditure	Gross Revised Budget	Gross Latest Forecast	Gross Forecast Variance	Net Actual Expenditure	Net Revised Budget	Net Latest Forecast	Net Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Children's Services</b>								
<b>Readiness for School</b>								
Early Years Sufficiency / Extended Provision	1,139	136	120	-16	1,140	136	120	-16
Other Readiness for School	1	0	0	0	1	0	0	0
<b>Sub Total</b>	<b>1,140</b>	<b>136</b>	<b>120</b>	<b>-16</b>	<b>1,140</b>	<b>136</b>	<b>120</b>	<b>-16</b>
<b>Learn and Achieve</b>								
Devolved Capital	803	1,213	1,266	53	-410	0	0	0
Provision of School Places (Basic Need)	9,998	8,914	15,222	6,308	3,994	0	0	0
School Condition/Maintenance Capital	1,887	0	5,028	5,028	-819	0	0	0
School Modernisation / Condition Capital	3,494	4,867	5,412	545	1,819	0	1,040	1,040
Academy Projects	0	1,040	0	-1,040	0	1,040	0	-1,040
Other Learn and Achieve	133	454	367	-87	133	454	367	-87
<b>Sub Total</b>	<b>16,315</b>	<b>16,488</b>	<b>27,296</b>	<b>10,808</b>	<b>4,719</b>	<b>1,494</b>	<b>1,407</b>	<b>-87</b>
<b>Readiness for Adult Life</b>								
Other Readiness for Adult Life	20	3	0	-3	-5	3	0	-3
<b>Sub Total</b>	<b>20</b>	<b>3</b>	<b>0</b>	<b>-3</b>	<b>-5</b>	<b>3</b>	<b>0</b>	<b>-3</b>
<b>Children are Safe and Healthy</b>								
Universal Infant Free School Meals Capital	939	0	0	0	939	0	0	0
Other Children are Safe and Healthy	60	220	200	-20	60	220	200	-20
<b>Sub Total</b>	<b>999</b>	<b>220</b>	<b>200</b>	<b>-20</b>	<b>999</b>	<b>220</b>	<b>200</b>	<b>-20</b>
<b>Adult Care</b>								
<b>Adult Frailty, Long Term Conditions and Physical Disability</b>								
Adult Care	416	0	0	0	381	0	0	0
Better Care Fund - Disabled Facility Grants	5,291	5,291	5,291	0	0	0	0	0
<b>Wellbeing</b>								
Public Health	183	0	0	0	183	0	0	0
<b>Sub Total</b>	<b>5,890</b>	<b>5,291</b>	<b>5,291</b>	<b>0</b>	<b>564</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environment and Economy</b>								
<b>Community Resilience and Assets</b>								
Libraries	87	403	403	0	87	403	403	0
<b>Sub Total</b>	<b>87</b>	<b>403</b>	<b>403</b>	<b>0</b>	<b>87</b>	<b>403</b>	<b>403</b>	<b>0</b>
<b>Sustaining and Developing Prosperity Through Infrastructure</b>								
Highways Asset Protection	29,440	38,221	37,250	-971	3,618	5,516	1,831	-3,685
Integrated Transport	4,380	3,954	3,592	-362	1,466	642	280	-362
Lincoln Eastern Bypass	13,796	20,242	28,986	8,743	-13,516	-416	1,674	2,090
Lincoln East-West Link	-1,041	-1,766	1,500	3,266	-1,092	-1,766	1,500	3,266
Spalding Relief Road	0	0	250	250	0	0	250	250
Grantham Southern Relief Road	1,093	14,882	14,250	-632	1,093	632	0	-632
Transforming Street Lighting	220	293	293	0	220	293	293	0
Grantham Growth Point	0	0	0	0	0	0	0	0
Historic Lincoln	389	-1,442	0	1,442	1,697	-1,442	0	1,442
Lincolnshire Enterprise Partnership Contribution	0	0	0	0	0	0	0	0
National Productivity Investment Fund	1,220	5,366	5,366	0	-4,143	0	0	0
Other Sustaining and Developing Prosperity Through Infrastructure	1,119	638	1,235	597	1,113	638	51	-587
<b>Sub Total</b>	<b>50,617</b>	<b>80,388</b>	<b>92,721</b>	<b>12,333</b>	<b>-9,542</b>	<b>4,097</b>	<b>5,878</b>	<b>1,782</b>
<b>Protecting and Sustaining the Environment</b>								
Flood Defence	0	1,100	1,100	0	0	1,100	1,100	0
Flood and Water Risk Management	346	1,060	918	-142	21	1,060	836	-224
Boston Barrier	0	0	0	0	0	0	0	0
Boston Household Waste Recycling Centre	275	1,705	1,705	0	275	1,817	1,817	0
Other Protecting and Sustaining the Environment	248	89	89	0	248	-23	-23	0
<b>Sub Total</b>	<b>868</b>	<b>3,953</b>	<b>3,812</b>	<b>-142</b>	<b>543</b>	<b>3,953</b>	<b>3,730</b>	<b>-224</b>
<b>Sustaining and Growing Business and the Economy</b>								
Skegness Countryside Business Park	-369	823	823	0	-369	823	823	0
Holbeach Peppermint Junction Programme	3,887	2,753	2,736	-16	3,887	2,753	2,736	-16
Other Sustaining and Growing Business and the Economy	1,039	1,283	1,387	104	1,039	1,283	1,387	104
<b>Sub Total</b>	<b>4,557</b>	<b>4,859</b>	<b>4,947</b>	<b>88</b>	<b>4,557</b>	<b>4,859</b>	<b>4,947</b>	<b>88</b>
<b>Finance and Public Protection</b>								
<b>Protecting the Public</b>								
Fire and Rescue	337	561	561	0	337	561	561	0
Fire Fleet Vehicles and Associated Equipment	38	390	390	0	38	390	390	0
Registration Celebratory & Coroners Services	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>375</b>	<b>951</b>	<b>951</b>	<b>0</b>	<b>375</b>	<b>951</b>	<b>951</b>	<b>0</b>
<b>Enablers and Support to Council's Outcomes</b>								
Broadband	2,949	5,500	5,500	0	2,568	5,500	5,500	0
Infrastructure and Refresh Programme	1,251	1,297	1,297	0	1,245	1,297	1,297	0
Replacement ERP Finance System	242	1,904	1,904	0	242	1,904	1,904	0
Care Management System (CMPP)	164	72	72	0	164	72	72	0
ICT Development Fund	0	690	690	0	0	690	690	0
Property	2,028	2,765	2,765	0	2,028	2,765	2,765	0
Property Rationalisation Programme	6,354	6,812	6,812	0	6,349	6,812	6,812	0
Blue Light South Park	1,800	0	0	0	1,153	0	0	0
<b>Sub Total</b>	<b>14,788</b>	<b>19,040</b>	<b>19,040</b>	<b>0</b>	<b>13,749</b>	<b>19,040</b>	<b>19,040</b>	<b>0</b>
<b>Other Programmes</b>								
New Developments Capital Contingency Fund	0	10,139	10,139	0	0	10,139	10,139	0
<b>Sub Total</b>	<b>0</b>	<b>10,139</b>	<b>10,139</b>	<b>0</b>	<b>0</b>	<b>10,139</b>	<b>10,139</b>	<b>0</b>
<b>Total Programme</b>	<b>95,657</b>	<b>141,870</b>	<b>164,919</b>	<b>23,049</b>	<b>17,187</b>	<b>45,295</b>	<b>46,815</b>	<b>1,520</b>

1.53 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 spend profile this will be described in the narrative associated with that Director area.

1.54 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 recently reviewed the phasing of spending in the Capital Programme last autumn to realign capital budgets with current spending plans.

### **Children Services – (£0.123m under budget)**

1.55 The capital underspend in year is earmarked for future projects which will not take place this financial year.

### **Environment and Economy**

1.56 The capital programme has recently been reviewed with some re-phasing of work into future years. Within the current year a variety of income streams are being managed to stay within the agreed council budgets.

### **Other Programmes**

1.57 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 £5.079m 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);
- Going to School Project to cover the initial licenses and implementation assistance to realise the functionality required to support school admissions, free school transport entitlement, free-school meals eligibility checking and governor support (£0.226m);
- Replacement IT system for case management of the Coroners' Service (£0.100m); and
- County Farms - Road Improvement Schemes (£0.057m) and works to meet Minimum Energy Efficiency Standards (MEES) (£0.076m).

## Capital Financing

1.58 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	-850
Borrowing	-36,548
Use of Capital Grants Unapplied	-5,456
Use of Revenue Grants Reserves to Fund the Capital Programme	-1,655
Use of Other Reserves to Fund the Capital Programme	-786
<b>TOTAL FUNDING</b>	<b>-45,295</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.

3.2 The proposed amendments to the 2017/18 revenue budget represents sound financial management in that the authority are funding allowable expenditure from the public health grant and it formally moves funding from this area to where additional expenditure has been incurred.



#### **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.

##### Revenue Budget Change

Under paragraph B16 of the Council's Financial Regulations reallocations of budget between service headings in excess of £500,000 must be referred to the Executive for consideration and approved by full Council.

Reallocations of budget between service heading of £500,000 or less can be approved by the Executive.

Consideration of this proposal for the reallocation of £1.500m is therefore within the remit of the full Council on the basis of a recommendation from the Executive.

#### **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 will be required within the current financial year.

##### Revenue Budget Change

Virements in excess of £0.500m require the approval of full Council, this report will allow this approval to be sought.

#### **6. Consultation**

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

n/a

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

Yes

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

Comments from the Overview and Scrutiny Management Board (25 January) will be verbally reported to the Executive.

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

No/A

##### **e) Risks and Impact Analysis**

N/A

## 7. Background Papers

Document title	Where the document can be viewed
No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.	

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