

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

Report to:	Executive
Date:	02 October 2018
Subject:	Revenue and Capital Budget Monitoring Report 2018/19
Decision Reference:	I015179
Key decision?	No

Summary:

This report provides an update on spending compared with budgets for the financial year which started on 1 April 2018.

The tables in this report show the actual income and expenditure for four 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:

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| 1. | This report shows the actual revenue and capital expenditure to date, and projected outturns for 2018/19, therefore no alternatives have been considered. |
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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 £3.738m less than the total budget (excluding the projected under spending on Schools budgets);

- 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 £0.656m more than the budget at the end of the financial year.

DISCUSSION

Revenue

Table A (Position as at 31 July 2018)

	Revised Net Revenue Budget	Net Expenditure	Year End Forecast	Forecast Variance	Forecast Variance
	£'000	£'000	£'000	£'000	%
COMMISSIONING STRATEGIES					
Readiness for School	4,846	1,801	4,888	42	0.9
Learn & Achieve	34,495	11,965	34,537	42	0.1
Readiness for Adult Life	6,775	3,417	6,413	-361	-5.3
Children are Safe and Healthy	65,883	29,131	64,983	-900	-1.4
Adult Safeguarding	4,937	1,581	4,937	0	0.0
Adult Frailty & Long Term Conditions	120,705	21,293	120,705	0	0.0
Carers	2,464	1,164	2,464	0	0.0
Adult Specialities	65,808	36,528	65,808	0	0.0
Wellbeing	27,374	9,471	27,374	0	0.0
Community Resilience & Assets	10,375	3,797	10,375	0	0.0
Sustaining & Developing Prosperity Through Infra	40,480	6,872	40,480	0	0.0
Protecting & Sustaining the Environment	24,911	8,349	24,911	0	0.0
Sustaining & Growing Business & the Economy	1,313	-7,337	1,313	0	0.0
Protecting The Public	23,582	9,407	23,582	0	0.0
How We Do Our Business	7,754	2,825	7,754	0	0.0
Enablers & Support To Council's Outcomes	41,393	20,215	39,443	-1,950	-4.7
Enablers & Support To Key Relationships	0	-95	0	0	0.0
Public Health Grant Income	-32,662	-16,331	-32,662	0	0.0
Better Care Funding Income	-40,044	-9,940	-40,044	0	0.0
TOTAL COMMISSIONING STRATEGIES	410,391	134,114	407,263	-3,128	-0.8
SCHOOL BUDGETS					
Central School Services Block (DSB)	3,929	1,399	3,692	-238	-6.0
Early Years Block	40,579	16,689	40,486	-93	-0.2
High Needs Block	81,133	25,415	79,961	-1,172	-1.4
Schools Block	427,169	44,829	427,169	0	0.0
Dedicated Schools Grant	-538,857	-113,222	-538,857	0	0.0
Schools Budgets (Other Funding)	501	-3,546	501	0	0.0
TOTAL SCHOOL BUDGETS	14,453	-28,436	12,950	-1,503	-10.4
OTHER BUDGETS					
Contingency	1,749	0	1,749	0	0.0
Capital Financing Charges	43,937	196	43,937	0	0.0
Other Budgets	7,541	4,893	6,931	-610	-8.1
TOTAL OTHER BUDGETS	53,227	5,090	52,617	-610	-1.1
TOTAL EXPENDITURE	478,071	110,768	472,830	-5,241	-1.1
INCOME					
Revenue Support Grant	0	0	0	0	0.0
Business Rates	-163,200	-61,483	-163,200	0	0.0
Council Tax	-280,793	-112,317	-280,793	0	0.0
Other Non Specific Grants	-6,900	-3,445	-6,900	0	0.0
TOTAL INCOME	-450,894	-177,245	-450,894	0	0.0
USE OF BALANCES					
Use of Balances - Earmarked Reserves	-26,377	-22,801	-26,377	0	0.0
Use of Balances - General Reserves	-800	-800	-800	0	0.0
TOTAL USE OF RESERVES	-27,177	-23,601	-27,177	0	0.0
TOTAL	0	-90,079	-5,241	-5,241	

Children's Services

1.2 Over the four commissioning strategies, Children's Services is currently forecasting an under spend of £1.177m (-1.05%).

Readiness for School

1.3 Readiness for School commissioning strategy that focuses on Children Centre delivery is forecasting to be marginally over spend by £0.042m (0.87%).

Learn and Achieve

1.4 Learn and Achieve commissioning strategy is forecasting to be marginally overspent of £0.042m (0.12%) across delivery areas of Special Educational Needs & Disabilities, School Improvement, School Support Services and Home to School/College Transport.

1.5 The majority of this commissioning strategy relates to Home to School/College Transport (£25.518m), which is currently 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 spending and there are 191 transport days this year. Forecasts on spending will continue to be reviewed on a monthly basis by officers to ensure spend levels are controlled and any overspend mitigated.

Readiness for Adult Life

1.6 Readiness for Adult Life commissioning strategy is forecasting an under spend of £0.361m (-5.33%). The majority of the underspend (£0.328m) relates to the Local Authority's legal duty for Supported Accommodation, which comes from the work undertaken through the transformational group in determining a suitable accommodation pathway policy for young people who require support or who are experiencing homelessness, and providing suitable more cost effective accommodation. A saving is planned to be put forward through the 2019/20 budget setting process.

Children are Safe and Healthy

1.7 Children are Safe and Healthy commissioning strategy is forecasting an under spend of £0.900m (-1.37%). The under spend mainly relates to the funding of central staffing costs temporarily in 2018/19 from grants (relating to the social care peripatetic team and commissioning staff (£0.421m)), and the lower occupancy rates at the Beacon development which is being reviewed (£0.100m). The in-house transfer of the 0-19 Health Services in October 2017 has enabled a lower cost base structure through utilisation of existing Council sites, and a realisation of new ways of delivery (£0.400m).

1.8 The area of children's social care continues to face challenges nationally and locally. The national increase in Looked After Children is 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, and updates will be provided through the forecast cycle on spending levels. The service however feels confident that spending can be kept within the revised budgets for 2018/19.

Adult Care and Community Wellbeing

Adult Frailty & Long Term Conditions

1.9 The budget for this strategy is £120.705m and at this time it is considered that the outturn for 2018/19 will be a balanced budget.

1.10 Direct Payments growth in both Older Persons and Physical Disabilities has stabilised after two years of continuous growth. There are some cases to transfer from Children's to Physical Disabilities (PD), which will happen before financial year end, but it is considered that the budget will be underspent. Home Support activity has increased slightly from last year particularly in PD but this overspend will be offset by the under spend in Direct Payments.

1.11 Long term residential care numbers are projected to be similar to 2017/18 with approximately 1,200 new long term placements, Base placements are currently 60 more than same time in 2017/18. Short term residential care activity has increased slightly but it is estimated that this will also be on target.

1.12 Overall income continues to outperform targets set especially in regards to Direct Payment Audit. The first quarter of Debtor Income invoices is in the process of being completed - this income is mainly in relation to property debt and currently projecting on target for end of 2018/19

1.13 This strategy also includes the infrastructure budget.

Specialist Adult Services

1.14 The current budget for this commissioning strategy is £65.808m, and at this time it is considered that it will breakeven for the year. However, we are seeing a number of high cost placements being made in both Learning Disabilities and Mental Health that may have an effect on the budget during the year, but as we have also had a number of attritions to date, and an increase in income, we are at present projecting a balanced budget for the year.

1.15 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.

1.16 Part of the Learning Disabilities section 75 agreement is with Health and the 4 Lincolnshire Clinical Commissioning groups (CCG's) amounting to £11.900m relating to all service users with continuing health care that are either joint funded with Social Care, or fully funded through Health. Whilst we currently have an overspend of over £1.000m within this area, we have had verbal agreement from the CCG's that this will be repaid to LCC in 2018/19. Hence this overspend is currently not being reported as a pressure against the LCC budget.

1.17 Direct payments within the Learning Disabilities budget is currently under pressure 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.

1.18 Whilst growth in usage and costs has been built into the budget for Supported Living for 2018/19, we are seeing a higher than expected increase in care packages being approved at panel so far to date, which again may result in a pressure on this budget for the year.

1.19 Residential activity has seen an increase in new placement costs compared to those leaving the service this year. To date we have had 8 new placements, all of which have higher needs than the 4 lower cost de-commitments in year. If this trend continues then again we will see pressures mounting in the later part of the year.

1.20 Income is projected to outperform budgeted expectations by £0.700m, with increases in all areas with the exception of short term care income. The largest area of growth is in non-residential income. This additional income will help to minimize some of the additional pressures already reported above.

1.21 The current budget for Mental Health is £6.100m for 2018/19. The Council has a section 75 (S75) Partnership agreement set up with Lincolnshire Partnership Foundation Trust (LPFT) to provide this service on behalf of LCC. Demographic growth and inflationary increases around all of the Community care packages in year has created further pressures on this budget this year. LCC is currently working very closely alongside LPFT to ensure any higher than average cost placements are being challenged and that these packages are being checked for any Continuous Health care element, to ensure this is reclaimed from Health and reduce costs to Social Care. There is also an ongoing stringent review of the LPFT staffing structure in year. The current structure was set up in 2012 when the S75 was first signed. This now needs to be restructured to be able to meet and cope with the increasing demand and complex nature of this service. It is not yet known whether this change will cause any further pressure on this budget for 2018/19.

Community Wellbeing

1.22 The current budget for Community Wellbeing is £27.374m.

1.23 Based on information received to the end of August 2018/19 it is projected that this area will be within budget and breakeven for the year. Whilst there are overspends within the Wellbeing services, particularly the Integrated Community Equipment, these have been offset by underspends within the Sexual Health area and the Public Health Statutory services.

Safeguarding

1.24 The current budget for Safeguarding for 2018/19 is £4.937m, which has been increased in year by £0.700m which came from a successful bid from the Adult Care 1% carry forward from 2017/18. It is now envisaged that this budget will cover all of the additional costs for the increased Best Interest Assessments still coming through each month.

1.25 Whilst work was carried out last year to significantly reduce the backlog of Deprivation of Liberty Safeguarding (DoLS) assessments and reviews in the system, the volume of new assessments we are receiving each month is still very high. It is expected that this volume will continue whilst the Cheshire West Judgement is still in place.

1.26 This high volume continues to put pressure on the Mental Health Capacity team to ensure that all Best Interest Assessments and Reviews are completed on time so that backlogs are monitored and kept to a minimum.

Carers

1.27 The current budget for Carers for 2018/19 is £2.464m.

1.28 The number of carers receiving services from the Lincolnshire Carers Service 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.

Better Care Fund

1.29 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.

1.30 The total pooled amount in 2018/19 is £232.123m which includes £56.164m that was allocated to the Lincolnshire BCF from the Department of Health and Social Care. The BCF has recently been reviewed, which has resulted in minor changes to BCF expenditure plans. These have been agreed by the Lincolnshire Joint Executive Team, with confirmation issued to the regional Better Care Support Team confirming the changes. The nationally directed changes to Non-Elective Admissions and Delayed Transfers of Care metrics have also been noted and included within the local performance monitoring for 2018/19.

1.31 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

1.32 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 Improve Better Care Fund (iBCF) funding that was announced in the Chancellor's November 2015 budget totalling £14.249m in 2018/19; and
- The announcement of iBCF Supplementary funding in the Chancellor's March 2017 budget totalling £9.609m in 2018/19.

1.33 Overall BCF funding from central government has increased by £6.772m in 2018/19.

1.34 There is a requirement to ensure that the funding has a positive impact on performance in the areas of Delayed Transfers of Care, Non-Elective Admissions, Residential Admissions and positive outcomes following Re-ablement, these have been reflected in our plans.

Economy and Environment

Sustaining and Developing Prosperity through Infrastructure

1.35 The current budget for Sustaining and Developing Prosperity through Infrastructure is £40.480m.

1.36 Highways Asset Maintenance and the Network Management functions accounts for 60% of this budget. Included within this is an additional £3.300m to improve road conditions.

1.37 Included within this area is a budget of £0.859m for advanced design. This budget has a forecast overspend of £0.393m that will be accommodated through this budget and earmarked reserve for this area. This budget enables the service to prepare schemes for future grant funding opportunities.

Protecting and Sustaining the Environment

1.38 The current budget for Protecting and Sustaining the Environment is £24.911m.

1.39 Almost 90% of this budget is allocated to the Waste Management function. Potentially there are some small projected underspends in this area in relation to staff vacancies, however the service is volatile and forecasts will be monitored following the summer activities.

Finance and Public Protection

Enablers and Support to Council Outcomes

1.40 Enablers and Support to Council Outcomes is currently forecasting to be £1.950m underspent by year end.

1.41 IMT are in the process of revising coding structures to assist in financial management of the service following the funding of additional non-specific revenue pressures into the base budget (£3.000m).

1.42 The current forecast show a predicted under spend of £1.800m. However a number of projects are underway to allocate the remaining elements of the £3.000m base budget. This includes the following:

- Increase in broadband bandwidth for Lincoln Campus
- One off Support for windows 10 deployment
- Enhanced security monitoring service
- Serco Service Improvement programme
- An increased in the retained IMT staffing function in line with requirements
- IMT staff development and training programme
- Departmental process and modelling system
- Revenue costs of previous capital spend (eg migration to cloud services)

1.43 This will allow a balanced base budget position to be achieved during 2018/19.

1.44 People Strategy & Support are projecting to be £0.143m underspent by the year end. This underspend relates entirely to the income received as a result of the purchase of employee leave by Council staff. The annual income from employee's purchasing additional annual leave is a variable sum, of which People Management and CMB will consider options for its use.

Schools Budgets

1.45 Under government regulations, schools carry forward automatically their under and overspendings to the next financial year. Budgets held centrally within the ring-fenced 2018/19 Schools block, Central Schools Services block, Early Years block and High Needs block of the Dedicated Schools Grant (DSG) were once again set prudently due to the demand-led and volatile nature of the services demands, particularly in the area of High Needs. In line with the Department for Education (DfE) regulations any under or over spends will automatically be carried

forward to the next financial year and the Council will consult the Schools Forum on its use.

Other Budgets

1.46 Other Budgets is currently projecting an under spend of £0.610m. This is mainly explained by the following:

- National Living Wage is currently forecasting £0.500m underspend. After initial work undertaken during the financial year it is anticipated that this element of budget will not be required this year as the actual living wage rate is lower than anticipated.
- Successful prosecution against Mid UK Recycling Ltd for breaching planning and environmental controls resulting in the fire at Barkston Heath concluded with an award of £0.226m to the Council. Half of this was transferred to Fire and Rescue to cover blue light cost pressures. The other half, £0.113m is anticipated not to be used.

Use of Balances

1.47 The Council planned to use £5.076m from the Financial Volatility Reserve to balance the Council's budgets in 2018/19 and £0.800m from the General Fund. Additionally, to maintain the General Fund balance at 3.5% of the Council's budget requirement as part of the 2018/19 budget setting, a further £0.600m was transferred from the Financial Volatility Reserve to the General Fund Reserve.

1.48 Further earmarked reserves will be drawn down into service budgets during the financial year. The main drawdown of reserves so far this year is shown below:

- Schools - Drawdown of Schools' carry forward (£16.552m) from reserve and Dedicated Schools Grant under spend (£2.991m) from reserve to the service budgets;
- Up to 1% carry forward on 2017/18 service budgets (£3.576m), allocated to service budgets for use in 2018/19;
- Better Care Fund drawdown (£0.400m) to cover co-responding cost in 2018/19.

Capital Programme

Table B (Position as at 31 July 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
Children's Services								
<u>Readiness for School</u>								
Early Years Sufficiency / Extended Provision	36	135	36	-99	36	135	36	-99
Other Readiness for School	104	0	0	0	104	0	0	0
Sub Total	140	135	36	-99	140	135	36	-99
<u>Learn and Achieve</u>								
Devolved Capital	382	1,213	1,213	0	-755	0	0	0
Provision of School Places (Basic Need)	5,474	11,026	11,026	0	1,476	0	0	0
School Condition / Maintenance Capital	1,066	0	0	0	1,066	0	0	0
School Modernisation / Condition Capital	1,415	4,867	4,867	0	-879	0	0	0
Schools Access Initiative	80	0	0	0	80	0	0	0
Academy Projects	0	-8	0	8	0	-8	0	8
Other Learn and Achieve	438	2,831	2,371	-460	-333	2,060	1,600	-460
Sub Total	8,855	19,929	19,478	-452	653	2,052	1,600	-452
<u>Readiness for Adult Life</u>								
Other Readiness for Adult Life	0	2	0	-2	0	2	0	-2
Sub Total	0	2	0	-2	0	2	0	-2
<u>Children are Safe and Healthy</u>								
Universal Infant Free School Meals Capital	111	0	0	0	-44	0	0	0
Foster Capital	141	586	478	-108	141	586	478	-108
Short Breaks for Disabled Children	0	20	0	-20	0	20	0	-20
Phase 1 Children's IT	0	1,150	1,150	0	0	1,150	1,150	0
Sub Total	253	1,756	1,628	-129	97	1,756	1,628	-129
<u>Adult Care</u>								
<u>Adult Frailty, Long Term Conditions and Physical Disability</u>								
Adult Care	7	0	0	0	7	0	0	0
Better Care Fund - Disabled Facility Grants	5,698	0	0	0	0	0	0	0
<u>Wellbeing</u>								
Public Health	8	0	0	0	8	0	0	0
Sub Total	5,712	0	0	0	14	0	0	0
Environment and Economy								
<u>Community Resilience and Assets</u>								
Libraries	14	498	498	0	14	498	498	0
Sub Total	14	498	498	0	14	498	498	0
<u>Sustaining and Developing Prosperity Through Infrastructure</u>				0				0
Highways Asset Protection	28,606	44,156	44,156	0	9,979	13,077	13,077	0
Integrated Transport	923	5,972	5,972	0	-733	2,660	2,660	0
Lincoln Eastern Bypass	6,414	39,926	39,926	0	3,183	26,811	26,811	0
Lincoln East-West Link	152	-683	-683	0	152	-683	-683	0
Spalding Relief Road	0	8,000	8,000	0	0	8,000	8,000	0
Grantham Southern Relief Road	330	16,427	16,427	0	330	3,674	3,674	0
Transforming Street Lighting	45	871	871	0	45	871	871	0
Grantham Growth Point	0	2,264	2,264	0	0	2,264	2,264	0
Historic Lincoln	94	-1,338	0	1,338	110	-1,338	0	1,338
Lincolnshire Enterprise Partnership Contribution	0	2,537	2,537	0	0	2,537	2,537	0
National Productivity Investment Fund	1,512	3,166	3,166	0	1,512	1,166	1,166	0
A16/A1073 Spalding to Eye Road Improvement	3	-32	-32	0	3	-32	-32	0
Other Highways and Transportation	46	136	136	0	38	136	136	0
Lincoln Growth Point	11	33	33	0	19	33	33	0
Lincolnshire Waterways	1	8	8	0	1	8	8	0
Network Resilience	0	480	480	0	0	480	480	0
A46 Welton Roundabout (Integrated Transport/NPIF)	11	0	0	0	-469	0	0	0
Other Sustaining and Developing Prosperity Through Infrastructure	233	0	0	0	233	0	0	0
Sub Total	38,380	121,923	123,261	1,338	14,402	59,663	61,001	1,338
<u>Protecting and Sustaining the Environment</u>								
Flood Defence	0	1,100	1,100	0	0	1,100	1,100	0
Flood and Water Risk Management	26	938	938	0	-164	938	938	0
Boston Barrier	0	11,000	11,000	0	0	11,000	11,000	0
Boston Household Waste Recycling Centre	524	646	646	0	524	646	646	0
Energy from Waste	0	112	112	0	0	112	112	0
Equipment & Vehicles at Waste Transfer Stations	186	441	441	0	186	441	441	0
Other Protecting and Sustaining the Environment	0	283	283	0	0	283	283	0
Sub Total	736	14,520	14,520	0	546	14,520	14,520	0
<u>Sustaining and Growing Business and the Economy</u>								
Skegness Countryside Business Park				0				0
Teal Park, Lincoln	0	-69	-69	0	2	-69	-69	0
Other Sustaining and Growing Business and the Economy	346	2,737	2,737	0	442	2,737	2,737	0
Sub Total	346	2,668	2,668	0	444	2,668	2,668	0

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
Finance and Public Protection								
<u>Protecting the Public</u>								
Fire and Rescue and Emergency Planning	310	2,270	2,270	0	310	2,270	2,270	0
Fire Fleet Vehicles and Associated Equipment	19	2,437	2,437	0	19	2,437	2,437	0
Registration Celebratory & Coroners Services	12	120	120	0	12	120	120	0
Sub Total	341	4,827	4,827	0	341	4,827	4,827	0
<u>Enablers and Support to Council's Outcomes</u>								
Broadband	-783	4,660	4,660	0	-5,686	4,660	4,660	0
Infrastructure and Refresh Programme	274	1,087	1,087	0	272	1,087	1,087	0
Replacement ERP Finance System	942	1,601	1,601	0	942	1,601	1,601	0
Care Management System (CMPP)	46	-173	-173	0	43	-173	-173	0
ICT Development Fund	88	2,690	2,690	0	88	2,690	2,690	0
Property	1,170	6,080	6,080	0	1,170	6,080	6,080	0
Property Rationalisation Programme	788	649	649	0	780	649	649	0
Blue Light South Park	2,225	863	863	0	2,358	863	863	0
Sub Total	4,750	17,458	17,458	0	-32	17,458	17,458	0
<u>Other Programmes</u>								
New Developments Capital Contingency Fund	0	15,465	15,465	0	0	15,465	15,465	0
Sub Total	0	15,465	15,465	0	0	15,465	15,465	0
Total Programme	59,526	199,182	199,838	656	16,619	119,045	119,701	656

1.49 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.

1.50 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.

Children's Services

1.51 The £0.682m net under spend of Children's capital programmes relate to the following projects of supported accommodation, special schools, childcare sufficiency and foster carers. Supported accommodation and special schools relate to transformational projects that will run longer than one financial year, which will deliver outcomes for service users and value for money from a revenue perspective. Foster carers and childcare sufficiency capital enables local solutions to be provided when situations arise, which ensures the Council can meet its statutory duty and delivered through a cost effective approach.

Environment and Economy

Sustaining and Developing Prosperity Through Infrastructure

1.52 Highways Asset Protection and Integrated Transport are currently on target to spend the Department for Transport (DfT) grants. The budgets of the major schemes will be reviewed in the autumn and re-profiled as required.

1.53 The Historic Lincoln project is currently showing an over spend of £1.338m, the final claim for Heritage Lottery Fund for Lincoln Castle Revealed will be submitted shortly, and all final accounts will need to be settled by then. Officers are working to ensure that all grant income is received, and a final budget position will then be known.

Sustaining and Growing Business and the Economy

1.54 The current programme regarding Holbeach Food Enterprise Zone and Skegness Countryside Business Park within Other Sustaining and Growing the Business and Economy is being reviewed in light of negotiations with landowners and potential tenants. Budgets will be realigned across financial years later in the year.

Finance and Public Protection

Protecting the Public

1.55 The fire fleet replacement programme is underway and the profile of this budget will be reviewed and re-phased in the autumn to reflect the programme of expenditure.

Enablers and Support to Council's Outcomes

1.56 The Council's spend on the broadband project is expected to be approximately £6.000m offset by £5.000m contractual underspends and clawback. This is showing on target as it is intended to re-phase all budget not required in 2018/19 into future years.

1.57 The expected Council's contribution for the Blue Light project is £4.100m. The Council's contribution will be funded by this budget and from the New Developments Capital Contingency Fund.

Other Programmes

1.58 For 2018/19 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 under spend in 2017/18 of £9.299m which has been carried forward and is available for schemes in 2018/19.

1.59 To date during the financial year £1.333m has been allocated. This has been used to fund the following schemes:

- Children's Services IT investment for front line services such as social workers and early help workers (£1.150m); and
- County Farms – works to meet Minimum Efficiency Standards (£0.107m) and road improvement programme (£0.076m).

Capital Financing

1.60 The following table sets out the financing of the capital programme:

CAPITAL PROGRAMME FUNDING		
	Gross	Net
Source of Financing	£'000	£'000
Revenue Funding of Capital	3,900	3,900
Borrowing	110,827	110,827
Use of Capital Grants Unapplied	4,307	4,307
Grants and Contributions	80,137	
Use of Earmarked Reserves	11	11
TOTAL FUNDING	199,182	119,045

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 2018 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 report is due to be considered by the Overview and Scrutiny Management Board at its meeting on 27 September 2018. The comments of the Board will be passed onto the Executive for consideration at the meeting on 2 October 2018.

d) Have Risks and Impact Analysis been carried out?

No

e) Risks and Impact Analysis

N/A

7. Background Papers

Document title	Where the document can be viewed
Budget Book 2018/19	This can be found in the Council's website by following this link .

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