

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

Report to:	Executive
Date:	05 February 2019
Subject:	Revenue and Capital Budget Monitoring Report 2018/19
Decision Reference:	I015181
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 eight 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 2018/19, 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 £6.082m 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 £3.332m less than the budget at the end of the financial year.

DISCUSSION

Revenue

Table A (Position as at 30 November 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	2,896	5,026	179	3.70
Learn & Achieve	34,959	19,037	34,912	-47	-0.13
Readiness for Adult Life	6,775	3,861	5,864	-911	-13.44
Children are Safe and Healthy	65,976	46,580	65,582	-395	-0.60
Adult Safeguarding	4,447	2,946	4,611	165	3.70
Adult Frailty & Long Term Conditions	120,604	38,003	119,172	-1,432	-1.19
Carers	2,464	1,750	2,438	-26	-1.07
Adult Specialities	66,011	55,528	68,004	1,993	3.02
Wellbeing	27,845	17,567	27,817	-29	-0.10
Community Resilience & Assets	10,428	5,985	10,496	68	0.65
Sustaining & Developing Prosperity Through Infra	40,568	30,849	39,326	-1,241	-3.06
Protecting & Sustaining the Environment	24,891	13,255	24,381	-510	-2.05
Sustaining & Growing Business & the Economy	1,198	-6,717	1,198	0	-0.03
Protecting The Public	23,713	15,078	23,772	59	0.25
How We Do Our Business	7,838	4,670	7,534	-304	-3.88
Enablers & Support To Council's Outcomes	41,614	27,185	38,451	-3,163	-7.60
Enablers & Support To Key Relationships	15	-95	0	-15	-100.00
Public Health Grant Income	-32,662	-24,497	-32,662	0	0.00
Better Care Funding Income	-40,044	-15,904	-40,044	0	0.00
TOTAL COMMISSIONING STRATEGIES	411,487	237,978	405,878	-5,609	-1.36
SCHOOL BUDGETS					
Central School Services Block (DSB)	3,929	1,155	3,478	-452	-11.50
Early Years Block	40,730	25,533	40,512	-217	-0.53
High Needs Block	81,862	43,008	79,807	-2,054	-2.51
Schools Block	426,365	86,497	425,978	-387	-0.09
Dedicated Schools Grant	-538,857	-173,620	-538,857	0	0.00
Schools Budgets (Other Funding)	7,206	-1,900	7,206	1	0.01
TOTAL SCHOOL BUDGETS	21,234	-19,327	18,124	-3,110	-14.65
OTHER BUDGETS					
Contingency	1,734	0	1,734	0	0.00
Capital Financing Charges	44,369	-508	42,619	-1,750	-3.94
Other Budgets	7,525	9,809	8,154	629	8.37
TOTAL OTHER BUDGETS	53,628	9,300	52,508	-1,120	-2.09
TOTAL EXPENDITURE	486,349	227,952	476,510	-9,839	-2.02
INCOME					
Revenue Support Grant	0	0	0	0	0.00
Business Rates	-163,200	-112,120	-162,553	647	-0.40
Council Tax	-280,793	-196,555	-280,793	0	0.00
Other Non Specific Grants	-7,457	-5,218	-7,457	0	0.00
TOTAL INCOME	-451,451	-313,893	-450,804	647	-0.14
USE OF BALANCES					
Use of Balances - Earmarked Reserves	-34,099	-34,099	-34,099	0	0.00
Use of Balances - General Reserves	-800	-800	-800	0	0.00
TOTAL USE OF RESERVES	-34,899	-34,899	-34,899	0	0.00
TOTAL	0	-120,840	-9,192	-9,192	

Children's Services

1.2 Over the four commissioning strategies, Children's Services is currently forecasting an underspend of £1.172m (-1.04%).

Readiness for School

1.3 Readiness for School commissioning strategy that focuses on Children Centre delivery is forecasting to overspend by £0.179m (3.70%). This increase in costs relates to the resourcing requirements within the children centres, and cover arrangements.

Learn and Achieve

1.4 Learn and Achieve commissioning strategy is forecasting to be marginally underspent of £0.047m (-0.13%) 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 continues to be projected to be on target. This budget is volatile with many external factors influencing its final expenditure, and there are 191 transport days this year. Although a clearer position has been gained on pupils requiring transport for this academic year, there has been a high volume of contracts reaching their end date in December, which creates added uncertainty on the services final year-end position. 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 underspend of £0.911m (-13.44%). One of the main areas of underspend (£0.444m) relates to the Local Authority's (LA) 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 (16-17 year olds) who require support or who are experiencing homelessness, and providing suitable more cost effective accommodation. A saving has been put forward through the 2019/20 budget setting process. Additional income (£0.277m) has also been secured through the renegotiation of the contract, and the planned utilisation of the secure welfare bed at the Lincs Secure Unit.

Children are Safe and Healthy

1.7 Children are Safe and Healthy commissioning strategy is forecasting an underspend of £0.395m (-0.60%). The underspend 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 during the first half of the year at the Beacon site for looked after children with disabilities (£0.100m).

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. Growing costs relate to the increasing complexity, numbers and demand-led nature of providing specialist services for Looked After Children. Officers will continue to review the position of Looked After Children and Children in Need numbers.

Adult Care and Community Wellbeing

Adult Frailty & Long Term Conditions

1.9 The budget for this strategy is £120.604m and at this time it is considered that the outturn for 2018/19 for Older Persons/Physical Disability will be an underspend of £1.432m (-1.19%).

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 by £0.718m. 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. 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 out-perform targets set especially in regards to Direct Payment Audit. The third 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 and current activity indicates there will be a small underspend at end of 2018/19.

Adult Specialities

1.14 The current position is showing a projected overspend of £1.993m (3.02%) in 2018/19. There continues to be a number of high cost placements being made in both Learning Disabilities and Mental Health.

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. We currently have an over spend of over £1.756m within this area.

1.17 Direct payments within the Learning Disabilities budget is currently under pressure by £1.179m 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.

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 we will see pressures mounting in the later part of the year.

1.20 Income is projected to outperform budgeted expectations by £1.628m, 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 Mental Health - The Council has a section 75 (S75) Partnership agreement set up with Lincolnshire Partnership Foundation Trust (LPFT) to provide this service on behalf of the Council. Demographic growth and inflationary increases around all of the community care packages in year has created further pressures on this budget this year. The Council 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.

1.22 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. Currently the projected outturn for 2018/19 is an overspend of £0.350m.

Adult Safeguarding

1.23 The current budget for Adult Safeguarding for 2018/19 is £4.447m. 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.

1.24 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 current approach to

mental capacity remains in place – though there is a replacement Bill going through Parliament at present to reduce the pressure in this area.

1.25 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

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

1.27 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.

Wellbeing

1.28 The current budget for Wellbeing is £27.845m.

1.29 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.

Better Care Fund

1.30 The Lincolnshire Better Care Fund (BCF) is a framework agreement between Lincolnshire County Council and the four 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.

1.31 An updated BCF operating guidance was published on 18th July 2018, the purpose of which sets out:

- An updated accountability structure and funding flow diagrams reflecting recent changes to relevant government departments;
- Funding conditions which have now reduced from eight to four;
- Refreshed Metric Plans for 2018-19;
- Confirmation of the combined quarterly reporting process for BCF and Improved Better Care Fund (IBCF) funds; and
- Updated support, intervention and escalation processes.

1.32 The Council and the Lincolnshire CCG's took the opportunity to review the Lincolnshire BCF plan which resulted in minor changes to BCF expenditure plans. These were agreed by the Lincolnshire Joint Executive Team (JET), and a letter issued to regional Better Care Support Team (BCST) confirming the changes. The changes described above will result in the overall value of Lincolnshire's BCF planning total increasing to £232.123m.

1.33 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 Council and the four CCGs

1.34 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.

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

1.36 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

1.37 Sustaining and Developing Prosperity through Infrastructure is currently forecasting to be £1.241m (-3.06%) underspent by year end and this relates to the Transport function.

1.38 Concessionary fares are forecasting an underspend following the movement to the new model which reflects demand as opposed to fixed payments to contractors.

1.39 Local bus services have been reviewed, and where under-utilised support for these services has been ceased.

Community Resilience & Assets

1.40 Community Resilience and Assets is currently forecasting to be £0.068m (0.65%) overspent by year end.

1.41 The overspend represents the expected cost of the Customer Service Centre based on known demand levels at this stage of the financial year. These are, of course, subject to change and will continue to be monitored throughout the year.

Protecting & Sustaining the Environment

1.42 Protecting and Sustaining the Environment is currently forecasting to be £0.510m (-2.05%) underspent by year end and this mainly relates to the Waste Management function.

1.43 Key areas of underspending include lower compost costs due to the drier summer and reductions in recycle charges due to market conditions. This is offset by budget pressures that include increased contamination costs, repair work at Great Northern Terrace HWRC and other variations. Much of this underspend, £0.500m is to be utilised within the waste capital programme for fire suppression systems at transfer stations.

1.44 This forecast underspend is offset by budget pressures within the Planning function. This is primarily due to a number of matters that require legal input including three judicial reviews, an injunction and a number of prosecutions for breaches of planning control.

Finance and Public Protection

Protecting the Public

1.45 Protecting the Public is currently forecasting to be £0.059m (0.25%) overspent by year end.

1.46 Increased operational activity levels following a long hot dry summer have led to an increase in firefighter salary costs – particularly for our On Call firefighters where activity is directly related to cost. An extra 325 calls over the same period last year has led to a pressure of £0.059m.

How we do our Business

1.47 How we do our Business is currently forecasting to be £0.304m (-3.88%) underspent by year end.

1.48 There is a forecasted underspend on the schools finance service (£0.106m) following the enhancement of the service and a number of schools upgrading their service.

1.49 The Council expects to receive at least £0.197m net income after costs for the recovery of duplicate payments by Meridian.

Enablers and Support to Council Outcomes

1.50 Enablers and Support to the Council Outcomes is forecasting an underspend of £3.163m (-7.60%). This is mainly due to following areas within this strategy.

IMT Strategy and Support (£3.081m under)

1.51 IMT Strategy and Support forecasting an underspending of £3.081m for the current year.

1.52 The IMT budget was increased by £3.000m in 2018/19 in recognition of the increasing use of cloud services and the need to increase the capability of the retained client team.

1.53 Whilst there has been some delay in implementing these changes, the service have started with the recruitment to the team and an IMT Board is being set up, to ensure responsive decision making and improved financial management is in place. The Board will also consider the on-going revenue budget implications of capital investment in our IT.

1.54 As well as the staff recruitment, a number of projects and initiatives are under way many of which will be monitored by the IMT Board. These include:-

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

People Strategy and Support (£0.248m under)

1.55 People Strategy and Support within this commissioning strategy is currently forecasting an underspending of £0.248m (-6.79%). The majority of this underspend (£0.155m) relates to income received as a result of the purchase of employee leave. It is expected that this will be transferred to reserves at year end. The remainder relates to the funding of staffing costs temporarily in 2018/19 from grants.

Property Services (£0.146m under)

1.56 Included in this commissioning strategy is Property Services, which is forecasting an underspending of £0.146m for the current year.

1.57 This is due to the revised phasing of Archaeology works relating to the former lease of the mineral site at West Deeping. Budget will be required next financial year to cover the re-phased works.

Commissioning (£0.116m under)

1.58 The underspending this area is due to a number of senior vacancies during the first 6 months of the financial year. Recruitment is currently underway with an optimistic expectation that all vacancies will be filled over the next couple of months.

Business Support (£0.092m under)

1.59 Business Support continue to proactively manage their budgets to reduce spend across the service currently projecting an overall underspend of £0.092m.

1.60 Recruitment to fill posts is now undertaken bi-monthly to achieve savings from vacant positions and commissioned support functions are being fully recharged to service areas or the Better Care Fund (BCF).

1.61 Over recent months there have been increasing pressures on support provision to meet business needs which are being covered from the Business Support budgets and may impact on the final outturn for 2018/19.

Legal (£0.556m under)

1.62 A surplus in excess of target of £0.556m in Legal is predicted. This is due to projected income generation continuing to be higher than the target set for 2018/19.

1.63 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.

Schools Budgets

1.64 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 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

1.65 Capital Financing Charges are currently projecting an underspend of £1.750m. Capital financing charges are lower than originally planned due to slippage in the capital programme in 2017/18, which has resulted in lower minimum revenue provision (MRP), the amount set aside by the Council to repay outstanding capital debt liabilities for 2018/19

1.66 Other Budgets is currently projecting an over spend of £0.629m. This is mainly explained by the following:

- The Council's liability insurance budget is forecasting to be £0.899m overspent due to the base budget not being increased this year in the face of increasing liability as well as an increased number of claims relating to pot holes, which have been caused by worse than usual winter conditions last February/March 2018;
- Following a review of the properties earmarked for sale, it is not expected that the £8.000m income target will be met. It is anticipated that the sale receipts available to be applied to fund transformational projects under the flexible use of capital receipts strategy will be £0.373m lower than expected;
- National Living Wage is currently forecasting to be £0.500m underspent. 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 and £0.036m to cover the legal cost of the prosecution. This will leave £0.078m anticipated not to be used; and
- Corporate and Service Redundancy is projecting an underspending of £0.041m. The Corporate Redundancy budget funds the costs associated with the staffing restructuring changes that had been approved through the 2018/19 Council budget. These planned changes support the Council to bring down future expenditure in line with its current levels of planned income.

Council's General Funding

1.67 The Council's general funding is currently forecast to be £0.647m less than the revenue budget approved at full Council in February 2018. This is relates to Business Rates section 31 grant funding for the current year and is due to an exceptional adjustment made by central government in respect of 2017/18 tariffs and top ups changed to reflect the updated data following the 2017 Rates Revaluation.

Use of Balances

1.68 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. The current forecast includes this planned support from reserves, although the underspend position means that it is unlikely that reserves will be required to support the budget this year.

1.69 Further usage of £29.023m earmarked reserves has been drawn down into service budgets so far this financial year. This is shown in Table A within "Use of Balances – Earmarked Reserves", with the related expenditure included within expenditure budgets.

Capital Programme

Table B (Position as at 30 November 2018)

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
Children's Services								
Readiness for School								
Early Years Sufficiency / Extended Provision	50	135	64	-71	50	135	64	-71
Other Readiness for School	183	0	0	0	183	0	0	0
Sub Total	233	135	64	-71	233	135	64	-71
Learn and Achieve								
Devolved Capital	834	1,136	1,213	76	-303	0	0	0
Provision of School Places (Basic Need)	7,568	11,026	9,563	-1,463	1,510	0	0	0
School Condition / Maintenance Capital	2,474	0	0	0	2,474	0	0	0
School Modernisation / Condition Capital	2,073	4,511	1,321	-3,189	-1,825	0	0	0
Schools Access Initiative	99	0	56	56	99	0	56	56
Academy Projects	0	-8	0	8	0	-8	0	8
Other Learn and Achieve	559	1,215	1,226	11	-213	443	454	11
Sub Total	13,607	17,880	13,379	-4,502	1,743	436	510	75
Readiness for Adult Life								
Other Readiness for Adult Life	0	2	0	-2	0	2	0	-2
Sub Total	0	2	0	-2	0	2	0	-2
Children are Safe and Healthy								
Universal Infant Free School Meals Capital	135	0	0	0	-138	0	0	0
Foster Capital	186	586	274	-313	186	586	274	-313
Short Breaks for Disabled Children	0	20	0	-20	0	20	0	-20
Phase 1 Children's IT	995	1,855	1,855	0	995	1,855	1,855	0
Sub Total	1,315	2,461	2,129	-333	1,043	2,461	2,129	-333
Adult Care								
Adult Frailty, Long Term Conditions and Physical Disability								
Adult Care	36	0	0	0	36	0	0	0
Better Care Fund - Disabled Facility Grants	5,698	5,698	0	-5,698	0	0	0	0
Wellbeing								
Public Health	8	0	0	0	8	0	0	0
Sub Total	5,741	5,698	0	-5,698	43	0	0	0
Environment and Economy								
Community Resilience and Assets								
Libraries	20	348	348	0	20	348	348	0
Sub Total	20	348	348	0	20	348	348	0
Sustaining and Developing Prosperity Through Infrastructure								
Highways Asset Protection	37,667	44,156	44,156	0	-1,065	13,077	13,077	0
Integrated Transport	1,010	4,693	4,693	0	-1,478	1,381	1,381	0
Lincoln Eastern Bypass	15,036	39,926	30,735	-9,191	11,805	26,811	24,279	-2,532
Lincoln East-West Link	269	-683	-683	0	269	-683	-683	0
Spalding Relief Road	0	0	0	0	0	0	0	0
Grantham Southern Relief Road	351	14,267	2,700	-11,567	351	1,514	0	-1,514
Transforming Street Lighting	60	610	610	0	60	610	610	0
Historic Lincoln	334	-1,338	0	1,338	350	-1,338	0	1,338
Lincolnshire Enterprise Partnership Contribution	0	3,057	2,537	-520	0	3,057	2,537	-520
National Productivity Investment Fund	1,496	1,166	1,166	0	1,158	1,166	1,166	0
A16/A1073 Spalding to Eye Road Improvement	6	-32	62	94	6	-32	62	94
Other Highways and Transportation	46	136	69	-67	38	136	61	-75
Lincoln Growth Point	547	33	125	93	550	33	134	101
Lincolnshire Waterways	1	8	0	-8	1	8	0	-8
Network Resilience	0	480	480	0	0	480	480	0
A46 Welton Roundabout (Integrated Transport/NPIF)	23	2,000	258	-1,742	-777	0	0	0
Other Sustaining and Developing Prosperity Through Infrastructure	236	884	573	-312	-312	336	573	237
Sub Total	57,083	109,362	87,481	-21,881	10,958	46,554	43,675	-2,879
Protecting and Sustaining the Environment								
Flood Defence	0	1,100	1,100	0	0	1,100	1,100	0
Flood and Water Risk Management	188	1,128	1,128	0	-2	938	938	0
Boston Barrier	0	0	0	0	0	0	0	0
Boston Household Waste Recycling Centre	524	646	524	-122	524	646	524	-122
Energy from Waste	0	0	0	0	0	0	0	0
Equipment & Vehicles at Waste Transfer Stations	186	441	441	0	186	441	441	0
Other Protecting and Sustaining the Environment	0	56	56	0	0	56	56	0
Sub Total	898	3,370	3,249	-122	708	3,180	3,059	-122
Sustaining and Growing Business and the Economy								
Skegness Countryside Business Park	0	616	616	0	0	616	616	0
Teal Park, Lincoln	5	-69	-69	0	5	-69	-69	0
Other Sustaining and Growing Business and the Economy	595	1,308	1,308	0	691	1,308	1,308	0
Sub Total	600	1,855	1,855	0	696	1,855	1,855	0
Finance and Public Protection								
Protecting the Public								
Fire and Rescue and Emergency Planning	472	1,525	1,525	0	472	1,525	1,525	0
Fire Fleet Vehicles and Associated Equipment	1,261	4,882	4,882	0	1,261	4,882	4,882	0
Registration Celebratory & Coroners Services	14	55	55	0	14	55	55	0
Sub Total	1,746	6,462	6,462	0	1,746	6,462	6,462	0
Enablers and Support to Council's Outcomes								
Broadband	359	5,921	5,921	0	-4,545	1,018	1,018	0
Infrastructure and Refresh Programme	369	1,087	1,087	0	357	1,087	1,087	0
Replacement ERP Finance System	977	1,601	1,601	0	977	1,601	1,601	0
Care Management System (CMPP)	-193	-173	-173	0	-196	-173	-173	0
ICT Development Fund	878	2,690	2,690	0	878	2,690	2,690	0
Property	1,591	3,277	3,277	0	1,591	3,277	3,277	0
Property Rationalisation Programme	924	849	849	0	917	849	849	0
Blue Light South Park	5,580	863	863	0	3,713	863	863	0
	975	975	975	0	975	975	975	0
	0	2,500	2,500	0	0	2,500	2,500	0
Sub Total	11,460	19,590	19,590	0	4,668	14,687	14,687	0
Other Programmes								
New Developments Capital Contingency Fund	0	10,638	10,638	0	0	10,638	10,638	0
Sub Total	0	10,638	10,638	0	0	10,638	10,638	0
Total Programme	92,703	177,803	145,194	-32,609	21,857	86,759	83,427	-3,332

1.70 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.

1.71 As part of the budget monitoring process and in line with the budget setting process, the Council recently reviewed the phasing of spending in the Capital Programme to realign capital budgets with current spending plans.

Children's Services

1.72 The net underspend of Children's capital mainly relates to the foster carers capital. This budget 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. As these solutions often span across financial years, funding will be required to be carried forward into 2019/20.

Environment and Economy

Sustaining and Developing Prosperity Through Infrastructure

1.73 The major projects such as Lincoln Eastern Bypass and the Grantham Southern Relief attract grants and contributions. The forecasts reflect some uncertainty on the timing of these with any balances managed to delay any Council spending.

1.74 The Historic Lincoln project is currently showing an overspend 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.

Other Programmes

1.75 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.

1.76 To date during the financial year £6.161m has been allocated. This has been used to fund the following schemes:

- IT investment of £2.500m to support the upgrade to Windows 365;
- The purchase and refurbishment of Lexicon House for £1.975m. This will create additional office space, some of which may be rented by other organisations;

- Children's Services IT investment for front line services such as social workers and early help workers (£1.503m); and
- County Farms – works to meet Minimum Efficiency Standards (£0.107m) and road improvement programme (£0.076m).

Capital Financing

1.77 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	4,333	4,333
Borrowing	70,080	70,080
Use of Capital Grants Unapplied	12,335	12,335
Grants and Contributions	91,044	0
Use of Earmarked Reserves	11	11
TOTAL FUNDING	177,803	86,759

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

This report is due to be considered by the Overview and Scrutiny Management Board at its meeting on 31 January 2019. Any comments of the Board will be reported to the Executive at the meeting on 5 February 2019.

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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