

**Open Report on behalf of the Les Britzman, Chief Fire Officer and
Andy Gutherson, Executive Director - Place**

Report to:	Public Protection and Communities Scrutiny Committee
Date:	28 January 2020
Subject:	Revenue and Capital Budget Proposals 2020/21

Summary:

The report outlines the budget proposals for the next financial year 2020/21.

The Provisional Local Government Finance Settlement for 2020/21 has not been issued at the time of writing this report, but it is expected that the settlement will be in line with the funding announced in the Local Government Finance Settlement 2020/21 Technical Consultation released on 9 October 2019. The budget proposals for 2020/21 are therefore estimated at this stage.

This report specifically looks at the budget implications for the Council's Public Protection and Communities services.

The Executive will consider budget proposals at its meeting on 7 January 2020, following which they will be open to consultation.

Members of this committee have the opportunity to scrutinise them and make comment, prior to the Executive meeting on 4 February 2020 when it will make its final budget proposals for 2020/21.

Actions Required:

The Public Protection and Communities Scrutiny Committee is asked to consider this report and members of the committee are invited to make comments on the budget proposals. These will be considered by the Executive at its meeting on 4 February 2020.

1. Background

- 1.1. The Executive is preparing to consult on a single year revenue budget for 2020/21 following the government delaying the full spending review until 2020. The Council continues to face the effects of significant reductions in government funding, growing cost pressures from demand led services such as adult and children's social care and inflationary pressures on contracted services. Uncertainty around government funding beyond that announced in the Local Government Finance Settlement 2020/21 Technical Consultation

on 9 October 2019, means that it is not considered practicable for the Council, to develop detailed long-term financial plans. However, a review of the Medium Term Financial Plan (MTFP), maintained by the Executive Director – Resources, which sets out expectations for what the Council's budget will look like over the next three years is included in the budget proposals being considered by the Executive on 7 January 2020.

- 1.2. A Government Spending Review is due to take place in 2020 to determine the amounts to be allocated to each Government spending department. It is not yet known what period of time the Spending Review outcomes will cover. The impact of the Government's Fair Funding Review and Business Rates Retention reforms is expected to be known in the autumn of 2020 and the MTFP will then be updated.
- 1.3. For 2020/21 budgets have been reviewed in detail based on the latest available information to arrive at the proposals set out in this report. In developing its financial plan the Council has considered all areas of current spending, levels of income and council tax plus use of one off funding (including use of reserves and capital receipts) to set a balanced budget.
- 1.4. All areas of service expenditure have been reviewed to identify cost pressures which must be funded and savings which can be made through efficiencies with no or minimal impact on the level of service provided.
- 1.5. On an annual basis the Council has the opportunity to review the level of Council Tax. Central government sets thresholds above which a local authority would be required to hold a referendum for Council Tax increases. In the Technical Consultation on the Local Government Finance Settlement it was proposed that the referendum threshold for general Council Tax would be 2% for 2020/21. This means that, together with the 2% Council Tax increase for Adult Social Care allowable in 2020/21, Lincolnshire County Council may increase council tax in 2020/21 by up to 4% before requiring a referendum.
- 1.6. At its meeting on 7 January 2020 the Executive will consider proposals for the Council's revenue and capital budgets to be put forward as a basis for consultation including the proposed level of council tax increase for 2020/21.
- 1.7. Funding for 2020/21 is estimated based on the Local Government Finance Settlement 2020/21 Technical Consultation which was released on 9 October 2019.

- 1.8. Table A shows the total proposed revenue budget for the Council's Public Protection and Communities services.

TABLE A

2020/21 Revenue Budget	Original Budget £000	Pay Inflation £000	Cost Pressures £000	Savings £000	Proposed Budget 2020/21 £000
Registration, Celebratory and Coroners	1,362	32			1,394
Trading Standards & Community Safety	2,029	36			2,065
Fire and Rescue	19,551	343	1,793	-115	21,573
Emergency Planning	321				321
Road Safety	321	16			337
Cultural Services	7,051	61	284	-201	7,195
Community Engagement	523	7			529
Total	31,159	495	2,077	-316	33,414

- 1.9. The budget proposals for these services have allowed for pay inflation of 2% for 2020/21.
- 1.10. There are also the following service specific cost pressures for 2020/21. In Fire and Rescue, £1.737m related to fire pension employer contributions and £0.056m for increased Business Rates arising from revaluation of Fire premises.
- 1.11. For Cultural Services, a cost pressure of £0.284m in 2020/21 relates to ICT provision and inflation on the Libraries contract.
- 1.12. The Public Protection and Communities Services are proposing to make savings totalling £0.316m in 2020/21.
- 1.13. In Fire and Rescue, efficiencies in the Station cover model is expected to yield savings of £0.060m in 2020/21, with a further £0.055m saving derived from reducing attendance to unwanted fire signal calls (false alarms) to commercial, non-life risk premises.
- 1.14. For the Libraries Service, savings in IT maintenance costs and from leasing smaller vehicles result in budgeted savings for 2020/21 of £0.124m. In Heritage Services, staffing efficiencies provide a further saving of £0.077m, making the total saving for Cultural Services £0.201m in 2020/21.

Capital Programme

- 1.15. A ten year Capital Programme has been compiled in line with the principles set out in the Council's Capital Strategy, including the principle of affordability. Schemes include a number of major highways projects, provision of school places, replacement of two Household Waste Recycling Centres, the rolling programme of renewal and replacement of fire fleet vehicles, gritters fleet and vehicles at the Waste Transfer Stations, improvements and review of the property portfolio, Information Technology developments and re-phasing of existing schemes.
- 1.16. The full Gross Programme totals £170.077m for 2020/21 plus a further £364.159m for future years, with grants and contributions of £127.864m giving a net programme of £406.372m to be funded by the County Council.
- 1.17. Table B shows the proposed gross capital programme for the Council's Public Protection and Communities services.

TABLE B

Capital Programme (2019/20 plus Future Years)		Revised Gross Programme 2019/20 £000	Revised Gross Programme 2020/21 £000	Gross Programme Future Years £000
CULTURE				
Historic Lincoln	Improvement programme for Lincoln Castle.	72	0	0
Libraries	RFID replacement kiosks and library hub capital works.	259	0	0
Heritage / Archives	Future development of the Heritage service.	0	2,500	2,500
Culture Total		330	2,500	2,500
PUBLIC PROTECTION				
Registration Celebratory & Coroners Service	Coroners IT system for case management, and improvement to Gainsborough celebratory premises.	98	0	0
Public Protection Total		98	0	0
FIRE AND RESCUE & EMERGENCY PLANNING				
Fire and Rescue & Emergency Planning	Refurbishment of fire and rescue properties.	2,335	0	0
Fire Fleet Vehicles and Associated Equipment	Rolling programme for the replacement of fire and rescue fleet vehicles and associated equipment.	6,254	6,656	6,489
Fire and Rescue & Emergency Planning Total		8,590	6,656	6,489

- 1.18. The main changes that have been made to the capital programme as part of the budget setting process for 2020/21 related to Public Protection and Communities services are:
- Addition of a further £2.000m in future years for the continuation of a rolling replacement of Fire and Rescue vehicles and associated equipment.
 - Addition of a programme of development for the Heritage Service, £2.500m in 2020/21 and £2.500m in future years.

Further consultation

- 1.19. A consultation meeting with local business representatives, trade unions and other partners is scheduled to take place on 23 January 2020.
- 1.20. The proposals will be publicised on the Council website together with the opportunity for the public to comment.
- 1.21. All consultation comments and responses will be available to be considered when the Executive makes its final budget proposals on 4 February 2020.

2. Conclusion

- 2.1. These budget proposals reflect the level of funding expected to be available to the Council from central government and an assumed increase in Council Tax in 2020/21 of 1.5% and an Adult Social Care "precept" assumed to increase by 2.00% in 2020/21 giving a total Council Tax increase of 3.5%.
- 2.2. A thorough review of the Council's services was carried out during the budget process which has identified unavoidable cost pressures, some savings with minimal or no impact on the level of service provided and the capital programme has been reviewed. The budget proposals therefore aim to reflect the Council's priorities whilst operating within the resources available to it.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

An Equality Impact Assessment will be completed for the proposed increase in Council Tax. This will be reported to the Executive at its meeting on 4 February 2019.

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

4. Background Papers

Document title	Where the document can be viewed
Medium Term Financial Strategy and Council Budget 2020/21 Executive Report January 2020	Democratic Services

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