

**OPEN REPORT ON BEHALF OF THE EXECUTIVE DIRECTOR (RESOURCES AND COMMUNITY SAFETY)**

<b>REPORT TO:</b>	<b>Executive</b>
<b>DATE OF MEETING:</b>	<b>2 February 2010</b>
<b>SUBJECT:</b>	<b>Gainsborough Educational Village and other budget changes</b>
<b>DECISION REFERENCE:</b>	<b>01686</b>
<b>KEY DECISION?</b>	<b>Yes</b>

**SUMMARY:**

**This report asks the Executive to consider the proposed budget changes in the current year 2009/10.**

**RECOMMENDATION:**

The Executive is asked to consider the proposed budget changes and to recommend them to the Council for approval.

**ALTERNATIVES CONSIDERED:**

1. Not to approve the proposed budget changes.

**REASONS FOR SELECTING THE OPTION RECOMMENDED:**

The proposals will set budgets realistically to reflect changes since the current budget was set.

## 1. BACKGROUND

### Gainsborough Educational Village

The Project Board for the Gainsborough Educational Village agreed to use provision within the Schools Budget to help fund improvements to this major scheme including an all weather sports pitch. Formal approval is now required to transfer £0.918m from the Schools revenue budget to the capital programme for the project.

### Programme Centre

The Programme Centre within the Chief Executive's Office is progressing transformation and efficiency projects which will contribute substantially to securing savings of over £80m per annum. The expenditure being incurred by the Programme Centre needs to be recognised in the budget for the current year. This will be £2.980m. Provision for future years is included in the Revenue Budget and Capital Programme proposals.

### Health and Wellbeing Reserve

The Council's Health and Wellbeing Reserve is funded by contributions both from the Council and from NHS Lincolnshire and is used to support Opportunities for Good Health in the Lincolnshire Sustainable Communities Strategy. A Council contribution of £0.162m is proposed, with a further contribution of £0.316m at the year end.

### Area Based Grant

The Council's ABG allocation for the current year has been increased by £0.077m.

The Council's policy has been to set ABG related budgets at 95% of the provision made in the grant.

This would require the following budget increases:

Education health partnerships	£45,610
Care Matters White Paper	£12,460
Social care checks	£1,570
Community Call for Action	£13,930

### Residential children's homes

Some residential care officers were omitted from the Council wide job evaluation project. The salary grades for these officers have now been evaluated and this has resulted in some increases. The additional costs of £0.048m would have been funded as part of job evaluation costs had the position been known at that time.

### Public Service Agreement Reward Grants

The Council is expected to receive £7.904m in Reward Grant for achieving PSA targets. £3.244m was received in 2008/09 and a further £4.660m is expected this year.

This relates to:

Achievement of vocational awards for young people	£1.253m
Improving educational attainment for looked after children	£0.130m
Increasing successful treatments for alcohol misuse	£0.258m
Increasing take up of pension credit	£0.513m
Improving road safety	£1.253m
Improving adult skills	£1.253m

The Council's policy on Reward Grant is that 50% is retained in the service achieving the PSA target and 50% is retained corporately.

It is proposed to transfer the service element to earmarked reserves for use by those services in future years. It is proposed to use the corporate element to fund part of the budget additions proposed in this report.

### Capital financing charges

Interest receipts will be £0.425m more than estimated. This included £0.225m interest on a VAT refund.

Interest paid on the Council's borrowing is slightly less than estimated with an average rate for new borrowing of less than 4%. There is a saving to the Council of £0.400m in the current year.

### Contingency

There is a balance of £0.032m in the contingency budget and it is proposed to use this toward funding the budget additions proposed.

### Summary

The table below summarises these proposals.

Proposed budget changes	£m
Budget additions :	
Gainsborough Educational Village	0.918
Programme Centre	2.980
Health and Wellbeing	0.162
Education health partnerships etc	0.074
Residential children's homes	0.048
Transfers to PSA reserves	2.330
<b>Total budget additions</b>	<b>6.512</b>
Funding :	
Schools budget	0.918
Area Based Grant	0.077
Public Service Agreement Reward Grant	4.660
Capital financing charges	0.825
Contingency	0.032
<b>Total funding</b>	<b>6.512</b>

## 2. CONCLUSION

The budget additions proposed can be funded as shown in the table above.

## 3. CONSULTATION

### (a) Legal Comments

The financial regulations provide that reallocations of budget over £500,000 must be referred to the Executive for consideration and to the Council for approval. The recommendation is lawful in accordance with the Constitution and within the remit of the Executive.

### (b) Resources Comments

The proposals would update and reallocate budgets with increases being offset by reduced spending and additional income.

### (c) Scrutiny Comments

None.

### (d) Policy Proofing Actions Required

Not applicable.

## 4. APPENDICES

None.

## 5. BACKGROUND PAPERS

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.	
DOCUMENT TITLE	WHERE THE DOCUMENT CAN BE VIEWED
CLG letter : Area Based Grant 2009/10 : mid-year revised allocations	Executive Director of Resources and Community Safety

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