

Council Budget 2011

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1. BUDGET RECOMMENDATIONS

It is recommended that the Council:

1. considers the responses to consultation on the Council's budget proposals described at Appendix C of this report ;
2. considers the Section 151 officer's statement on the robustness of the budget and the adequacy of reserves as detailed in Section 9 of this report ;
3. agrees :
 - 3.1. the service revenue budgets for 2011/12 to 2014/15 detailed at Table 4 of this report;
 - 3.2. the capital programme 2011/12 to 2014/15 and its funding described in Section 5 and detailed at Appendix J ;
 - 3.3. the County Council element of the council tax for a band D property at £1,065.69 for 2011/12 as set out in Appendix B of this ;
 - 3.4 and that together these form the Council's Budget ;
4. agrees the prudential targets for capital finance and notes prudential indicators as set out in Appendix I of this report ;
5. agrees the minimum revenue provision be based on the average life method and made in equal instalments over the estimated life of the assets acquired through borrowing as set out in Section 7 of this report.

Councillor K Smith
Executive Councillor
For Finance and HR

P Moore BA, CPFA
Executive Director of Resources
for Finance and Community Safety

2. THE FINANCIAL BACKGROUND

Local Government Finance Settlement

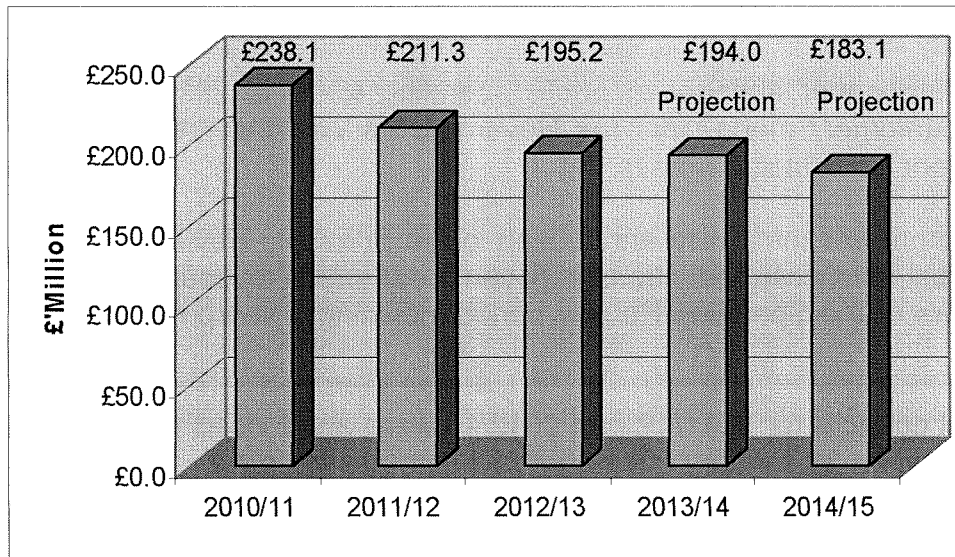
2.1 The Chancellor of the Exchequer announced public spending totals to 2014/15 in his *Budget 2010* in June. The statement made clear the Government's view that "reducing the budget deficit is the most urgent issue facing Britain."

2.2 Plans for public spending programmes were announced in the *Spending Review 2010* on 20 October. This included substantial cash reductions in government grants to local authorities in England over the four years of the Spending Review period including a sharp reduction in the first year – 2011/12.

2.3 The details for individual councils for 2011/12 and 2012/13 were announced in the *Local Government Finance Settlement* on 31 January 2011 and are summarised below.

- The Settlement covers two years. Grant allocations for 2013/14 and 2014/15 will be considered after the review of local government finance commencing in January 2011.
- Formula Grant is the main general grant to councils and there are substantial reductions in Formula Grant as expected.
- Lincolnshire's Formula Grant reduces by £26.8m (11.3%) in 2011/12 and a further £16.1m (7.6%) in 2012/13. There is an 18% cash reduction over two years. Further reductions in grant are expected in the following years
- Whilst this is a tough Settlement, the Council does relatively well compared with other councils.
- Only two shire counties have a lower grant reduction than Lincolnshire (Norfolk and Cumbria).
- Grant losses are limited to a variety of maxima. The largest 2011/12 loss for a shire county is 14.3%. Eight counties – mostly in the South East – have this maximum reduction
- Protection for the higher grant losers is funded by reducing grants to other authorities through the formula damping mechanism. Lincolnshire's grant is reduced by £12.2m in 2011/12 and by £13.9m in 2012/13 through this damping mechanism.

TABLE 1 – LCC FORMULA GRANT



Annual Change -11.3% -7.6% -0.6% -5.6%

Change over 2010/11 -11.3% -18.0% -18.6% -23.1%

Note:

The amount shown for 2010/11 is the Council's actual Formula Grant allocation adjusted to reflect changes in the structure of government grant funding. The adjustment provides a base figure which, in the government's view, is comparable with those for 2011/12 and future years.

2.4 The Local Government Finance Settlement also simplified government grant funding. The number of specific grants ringfenced for specified purposes has been reduced very substantially. Some of these grants have ceased, some have transferred into Formula Grant or into one of the continuing specific grants including the Dedicated Schools Grant. The previous Area Based Grant has also ceased with part of this funding transferred into other grants. Government grants for 2011/12 are shown in Appendix G.

The change in the structure of grant funding is shown in Table 2 below:-

TABLE 2 – Revenue Grants

REVENUE GRANTS	2010/11 £m	2011/12 £m
Formula Grant	192.0	211.3
Area Based Grant	54.0	0
Dedicated Schools Grant	397.8	475.2
Other specific grants	107.1	32.3
Council Tax Freeze Grant	0	6.3
Total	750.9	725.1

Notes:
The Dedicated Schools Grant for 2011/12 has not yet been determined.
Further details are shown in Appendix G.

3. REVENUE BUDGET OVERVIEW

The Council's overall revenue budget

3.1 Government grants – the Council's main source of income – will be reduced substantially and for a prolonged period. The Council's other main source of income – council tax – is set by the Council and can be increased. However, the Council would not wish to increase the council tax substantially particularly as it aims "to keep the level of council tax one of the lowest in the country." The Secretary of State also has powers to limit council tax increases.

The Council's total income will therefore reduce and its spending must reduce accordingly.

3.2 The Council also faces pressures due to increased costs. Some of these can be accommodated within existing budgets but some external pressures will add to the Council's costs. These include the county's increasing population and, in particular, the impact on the Council's social care budgets of increasing numbers of older people. Price increases, including energy price increases, will also impact on the Council's costs as will other costs such as annual increases in landfill tax. Budgets allow for price increases of 1% in 2011/12 and 2% p.a. thereafter. No provision has been made for pay awards over the next two years. In addition, the Council will have some new responsibilities including concessionary fares and acting as the lead flood management authority for Lincolnshire.

3.3 Substantial savings are necessary in order to bridge the potential funding gap between current spending plus unavoidable cost pressures, and the income available to the Council. Proposed savings have been identified in a thorough review of all the Council's services and activities. The review has identified those essential services which the Council must maintain or largely protect and those which, whilst desirable, must be reduced or stopped.

3.4 Particular priority has been given to public safety issues with the following services wholly or largely protected:

- Safeguarding children
- Fire and rescue services
- Winter maintenance of roads
- Council funding for police community support officers
- Emergency planning.

3.5 It is also proposed to:

- Maintain existing provision for concessionary fares
- Maintain community grants
- Maintain current spending on road maintenance taking both revenue and capital spending together
- Provide for new responsibilities in relation to flood management.

3.6 Total annual savings rise to £125m over a four year period, or 25% of the base budget. An analysis of savings by service is shown in Appendix H. A large portion of the total savings – 46% - are planned for 2011/12 since the largest government grant reductions fall in the first year of the Spending Review period.

The overall position is shown in Table 3 below:-

TABLE 3 – Summary Revenue Budget

SUMMARY REVENUE BUDGET (excluding schools)	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
EXPENDITURE :				
Base budget	495.6	463.3	453.2	458.4
Cost pressures	51.5	6.7	24.5	13.6
Savings	-57.1	-30.5	-19.3	-17.9
Total expenditure	490.0	439.5	458.4	454.1
Council Tax Freeze Grant	-6.3			
Change in use of reserves	-20.4	13.7		
Budget requirement	463.3	453.2	458.4	454.1
INCOME :				
Formula Grant	211.3	195.2	194.0	183.1
Council tax	252.0	258.0	264.4	271.0
Total income	463.3	453.2	458.4	454.1
PERCENTAGE ANNUAL CHANGES :				
Budget requirement	-6.5%	-2.2%	+1.1%	-0.9%
General government grants	-11.3%	-7.6%	-0.6%	-5.6%
Council tax	0.0%	2.5%	2.5%	2.5%

A more detailed analysis for 2011/12 is included at Appendix M.

TABLE 4 – Service Budgets

Service Budgets	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Adult Social Care	140.000	130.639	125.933	123.223	124.394
Culture & Adult Education	13.400	12.212	11.321	10.539	9.647
Safer Communities	8.020	6.576	6.085	6.207	6.276
Healthier Communities	19.418	18.160	17.999	17.859	18.203
Children's Universal Services	41.099	57.661	57.409	57.627	58.423
Children's Targeted Services	19.395	15.641	9.615	9.733	9.794
Children's Specialist Services	39.574	40.837	39.563	39.838	40.084
Early Intervention Grant	0.000	-24.052	-25.537	-26.048	-26.570
Highways & Transportation	45.014	48.383	48.576	49.794	50.844
Environmental Management	26.274	26.413	27.070	24.985	23.575
Economic Regeneration	4.112	2.987	2.984	3.044	3.073
Fire & Rescue and Emergency Planning	23.647	22.641	22.721	24.062	24.353
Resources	28.065	25.476	24.376	24.236	23.356
Chief Executive's Office	28.436	28.161	24.720	24.714	24.855
Delegated Schools Budgets	346.026	435.065	435.065	435.065	435.065
Central Services within the Dedicated Schools Budget	35.092	35.092	35.092	35.092	35.092
Other Budgets	57.515	70.289	65.435	73.675	68.884
Dedicated Schools Grant	-386.164	-475.203	-475.203	-475.203	-475.203
Total Net Expenditure	488.924	476.978	453.224	458.442	454.146
Transfer to reserves	6.703	-13.700	0.000	0.000	0.000
Budget Requirement	495.627	463.278	453.224	458.442	454.146

3.7 The budget includes an emerging pressures contingency of £3m to meet new demands including those which may arise from the Council's lead management responsibilities for flood management.

3.8 The corporate redeployment and redundancy budget is increased to £15m for 2011/12 but reduced to £2m p.a. thereafter.

3.9 In order to balance the budget, it is proposed to use £13.7m of the Waste Management Reserve in 2011/12. The budgets for the following three years are balanced with no planned

use of reserves. The Waste Management Reserve set aside to help fund the Energy from Waste project, is planned to rise to £25.5m at 31 March 2011.

3.10 No change is planned in the use of the Council's general reserves which, at 31 March 2010, stood at £14.9m or 3.1% of the Council's budget.

Council Tax

3.11 It is proposed that the Council sets the 2011/12 council tax at the same level as the 2010/11 tax. The government will provide a Council Tax Freeze Grant where a council sets its tax increase at 2.5% or less. This is provided for at least the four years of the Spending review period. The grant is worth £6.3m per annum to the Council and is calculated as the equivalent to the extra income which the Council would have received if it had increased council tax by 2.5%. The proposed council tax for 2011/12 is shown at Appendix B.

3.12 Council tax increases for future years are projected at 2.5%.

4. SERVICE REVENUE BUDGETS

Service revenue budgets in each year are shown in Appendix A and described below.

The net change in service budgets over the next four years is shown in Table 5 below. This includes both additions to budgets as well as savings, and is adjusted to remove the effects of changes in functions and funding so as to give a like for like comparison.

TABLE 5

CHANGE IN SERVICE REVENUE BUDGETS OVER FOUR YEARS	Budget savings %	Overall net change in budget %
Fire and rescue services	-3%	-1%
Highways and Transportation	-18%	-3%
Universal children's services	-15%	-4%
Specialist children's services including children's social care	-11%	-5%
Healthier communities – health and wellbeing	-13%	-6%
Environmental management including waste management	-58%	-10%
Adult social care	-28%	-11%
Resources	-22%	-15%
Chief Executive's Office	-21%	-16%
Trading Standards, Youth Offending and safer communities	-27%	-24%
Economic regeneration	-28%	-25%
Culture and adult education	-31%	-28%
Targeted children's services	-64%	-62%
Average reduction in service budgets	-25%	-12%

The phasing of savings is shown in Table 6 below together with the phasing of the reductions in Formula Grant.

TABLE 6 – Annual Profile of Savings

% of four year savings	Formula Grant	LCC Budget Savings
	%	%
By 2011/12	49%	46%
By 2012/13	78%	70%
By 2013/14	80%	86%
By 2014/15	100%	100%

4.1 Adult Social Care

4.1.1 The priorities which have been determined as part of the review of services are

- Support for adults who meet our eligibility criteria
- Prevention – both universal and targeted
- Safeguarding

The rationale for these priorities is that they cover all of what is deemed as core business and therefore allow the organisation to continue to meet need.

4.1.2 The reasons behind the proposals are twofold, firstly to help achieve the Councils' objective to reduce its budget commitment over four years, and secondly for adult social services to achieve a balanced budget position and an on-going sustainable budget.

Therefore the proposals being put forward offer a range of actions in order to achieve the proposed annual savings between April 2011 and 2015.

4.1.3 The total current budget for Adult Social Care is £140.0m.

The proposed budgets are:

2011/12	£130.6m
2012/13	£125.9m
2013/14	£123.2m
2014/15	£124.4m

4.1.4 The budget assumes a saving of 28% over the four years - with years one and two showing the most reduction, with savings coming from improved efficiencies and value for money wherever possible.

4.1.5 Funding for demographic pressures of £12m has been allocated over the coming four years including increasing numbers of older people.

The NHS is receiving substantial additional funding intended to support social care particularly where this reduces demand on health services. The Council will be seeking NHS financial support for preventative work to supplement the provision which it is making for increasing demand.

4.1.6 The service will be receiving a new learning disabilities and health reform grant to support the additional costs following the transfer of further learning disability responsibilities from Health. The allocations are £5.755m in 2011/12 and £5.892m in 2012/13.

4.1.7 Adult social care is the Council's largest budget and the net reduction in the budget over four years is 11% which is slightly below the average reduction required in service budgets.

4.1.8 A savings plan details the service areas we will be targeting over the coming four years, and ranges from staff reductions, particularly management layers, to changes to service and how we provide them.

There are a large number of proposals to change contracts with providers and particularly how the Council contracts with the onset of personal budgets. The service will ensure it fully utilises and maximises contracts, whether they are internal or external.

A number of services will be changed with new and different service models developed which will deliver improved value for money.

4.1.9 The service will still meet the statutory requirements of an adult services provision. The National Assistance Act 1948 is clear that local authorities have a duty of care through assessing and meeting the person's needs. The Council however is allowed to determine what resources will be made available to meet people's needs. Therefore although individuals may perceive services are being stopped, in the majority of cases it will be provided in a different way e.g. further developments of personal budgets and with different providers.

4.1.10 Although the service is seeking to front load the savings to the first two years of the plan it is confident that phasing allows for flexibility and importantly minimises some of the risks.

4.1.11 As the service provides social care, which is meeting in most cases people's personal care needs, there will of course be a number of risks. These have been identified in the savings plan and will form part of the service risk register. The service has also undertaken an equality impact assessment of the proposed plan which again highlights areas of potential risk which are built into the process, all of which will be monitored through the transformation programme.

4.2 Children's Services

4.2.1 The total budget for children's services in 2010/11 is £100.068m. The budget for 2011/12 includes an addition of £0.450m for front line social work.

Savings, phased over four years, are :

2011/12	£11.379m
2012/13	£9.564m
2013/14	£1.520m
2014/15	£0.589m

The savings represent 23% of the base budget.

4.2.2 The service has carried out a complete overhaul of the services currently provided. It proposes that front line safeguarding services are largely protected to ensure our most vulnerable children are safe from harm. Children's Services are committed to retaining as much preventative services as are affordable including Children's Centres and Family Support as there is evidence that early intervention targeted on those most in need helps children and

families to thrive. The service also proposes protecting services which are statutory duties such as school admissions, education of excluded children and home to school transport, although it seeks policy changes in this area.

4.2.3 The priorities for Children's Services in the future will be:

- Safeguarding
- Looked After Children
- Support for Children with Additional Needs
- Prevention

4.2.4 The service expects that there will be visible reductions in the level of service provision across almost all areas as it seeks to protect safeguarding and statutory services.

The more significant areas of change in the proposals are:

- The number of managers reduced as a result of the senior management restructuring.
- Back office functions decreased to protect frontline services.
- A traded offer for services which promote inclusion and behaviour has been made to Academies. If not financially viable, these services could stop.
- School based interventions reduce as funds are given to schools directly and the regulations change as outlined in "The Importance of Teaching: The School's White Paper".
- Statutory transport home to school/college continues - with policy changes.
- Teenage Services remodelled to mirror Government Big Society aspirations.
- Careers information, guidance and advice to young people provided in future by schools and a national careers service.
- Contracts for non-statutory community based services stopped.
- Remodelling of services for children with disability to drive forward the personalisation agenda through direct payments.

4.2.5 The scale of these cuts has inevitably led to a refocus of priorities and a reconfiguration of the service's management and workforce in order to meet our statutory duties and retain safeguarding services. The impact on local families, children young people and our workforce will be significant and should not be underestimated. The service will focus resources on the most vulnerable children and young people moving away from universal provision. In doing this it will seek to maintain a level of targeted prevention which will, it is hoped, contain the number of referrals into child protection and regulated services. This is part of a deliberate strategy to maintain costs in these areas.

4.2.6 Policy changes in transport will impact on home to school / college routes and contributions and this will be subject to a separate consultation process.

4.2.7 Children's Services seek to front load budget reductions in management and back office functions so that it can protect front line safeguarding services. Services which the service trades with schools will be phased for years 2 and 3 so that it can explore the commercial viability of these services. The shift from universal services to a targeted model of delivery will be implemented across year 2, so by year 3 we will have a revised service delivery model. Transport policy changes will be introduced from 2011 onwards.

4.2.8 Key risks in deliverability are:

- Mobilisation time to realise staffing savings

- Transport policy changes are required to be subject to public statutory consultation which will take a minimum of 12 weeks
- Volatility of transport budget: though we are proposing ambitious savings in relation to policy changes and procurement savings, transport is inherently at risk due to volatility.
- Dissatisfaction in the community of proposed reductions and policy changes

4.2.9 Risks to the service areas include:

- Escalating costs for fostering and out of county residential – Children’s Services have been highly successful in reducing and effectively managing these budgets which are highly volatile. A key risk is that reduction of preventative services may lead to an imbalance of effective support leading to the numbers of children in need of statutory services escalating
- Reduced Universal Services for Children and Young People – Children’s Services have been highly successful in the delivery of services to Teenagers. Youth Work, whilst a non-statutory service, features highly in communities as a method of reducing the perception of; and actual anti-social behaviour by young people. This risk could be managed through a community development model with volunteers and community members encouraged to support the delivery of positive activities
- Services to promote learning – reductions in resources to assist LCC to intervene within schools causing concern places at risk our ability to promote high standards of education. However, as funding is going direct to schools, there are opportunities for schools to purchase services which best meet their needs

4.3 Schools

4.3.1 The Department for Education announced arrangements for school funding on 14 December 2010. The key points are set out below:

4.3.2 Local Authority and school funding

- This is a two year settlement for councils, with one year’s details for schools.
- School funding will maintained at ‘flat cash per pupil’ until 2014-15 i.e. funding will rise with pupil numbers. The pupil premium will be additional to that.
- The current distribution methodology for funding councils remains unchanged.
- The Department is simplifying arrangements and the Dedicated Schools Grant will now include resources from previous specific grants. Councils will be required to take account of the previous level of these grants in constructing their settlement for schools, to prevent turbulence in grant distribution.
- The 2010/11 guaranteed unit of funding in Lincolnshire was £4,098 per pupil. The streamlining of grants will add a further £699 to that in 2011/12.
- Some individual schools may see cash cuts in their budgets due to falling rolls or because of other changes made by the Council to its local funding formula.
- To provide a degree of protection, the minimum funding guarantee has been set so that no school will see a reduction, compared with its 2010-11 budget (excluding sixth form funding), of more than 1.5% (in the previous three year period, schools were guaranteed a 2.1% increase in per pupil funding). The guarantee applies to a school’s overall 2010-11 budget including grants that have been mainstreamed.
- The Department will stop double funding pupils registered at both schools and at pupil referral units. This may reduce funding in Lincolnshire by c.£0.3m.
- New arrangements will ensure that councils with falling rolls lose no more than 2% of their budget.
- Academies in Lincolnshire currently receive an extra c.£460 per pupil to cover services no longer provided to them by the LA. The Department is recovering the funding of this

from councils by reducing their Formula Grant allocations. Lincolnshire's Formula Grant is reduced by £2.4m in 2011/12 and by a further £1.9m in 2012/13.

4.3.3 The pupil premium :

- The pupil premium is in addition to the underlying schools budget.
- Nationally, the pupil premium will be £625m in 2011-12, rising each year until 2014-15 when it will be worth £2.5bn.
- In 2011-12, it will be allocated to those pupils eligible for free school meals.
- However, from 2012-13 the aim is to extend the reach of the premium to those who have previously been on free school meals (this might record children that were eligible, say, in the previous 2 or 5 years).
- The level of the premium in 2011/12 will be £430 per pupil and will be the same for every deprived pupil, no matter where they live.
- The Government's objective is to reform the underlying funding system to ensure that over time deprived children in every part of the country receive the same level of support. Therefore, shire counties may gain more than many other LAs in future years because their overall funding level is currently lower.
- Schools will be free to deploy the pupil premium as they see fit, to raise the attainment of those children.
- However, new measures in the performance tables will help capture the impact at school level.
- As Looked-after children face additional barriers to reaching their potential, those pupils will also receive a premium of £430.
- A premium for the children of armed services personnel will be allocated at a rate of £200 in 2011-12.

4.4 Roads and Transport

4.4.1 The total base budget for Highways and Transportation Services for 2011-12 is £48.383 million.

This total includes funded cost pressures for energy, £246k; transfer of the forward design costs from capital to revenue, £875k (to be reviewed during the year) and new funding for the Concessionary Fares Scheme of £7.071 million and an additional £2.736m for road maintenance.

4.4.2 The new budget includes identified savings to the value of £8.276 million phased over 2011-12 (-£7.849 million) and 2012-13 (-£0.427m).

4.4.3 Highways and Transportation has undertaken a "zero based budget review" prioritising front line, safety and road maintenance services.

In particular the winter maintenance service remains funded as 2010-11 at £4.63 million.

4.4.4 The management of concessionary bus fares for older people transfers to the County Council from district councils in 2011-12. It is proposed to continue funding use of the concessionary bus pass above the minimum statutory requirements.

The Council will continue to support the Road Safety Partnership.

4.4.5 There will be reductions in service levels across most areas of service provision.

The most significant changes are:

- cessation of funding for “dial a ride” services and reductions to the supported bus services network.
- reduction within environmental maintenance of highways resulting in reduced frequencies of grass cutting, weed control and public rights of way maintenance.
- less funding for the divisional highways service, which will require different ways of handling requests from the public, Highways Act enforcement and inspection programmes.
- reductions to the Public Rights of Way service.
- frequencies for routine maintenance will reduce for minor road repairs, street lighting, traffic signals and structures.

4.4.6 These reductions will lead inevitably to a refocus of priorities and a reconfiguration of our management and workforce as well as those of the Council’s Alliance Partners as we attempt to meet our statutory duties and retain acceptable levels of safety and serviceability across the network.

The impact on the community and travelling public will be noticeable. The service will, however, prioritise its resources on providing essential maintenance and safety whilst striving to deliver a reasonable level of public service including support for public transport.

4.4.7 In order to effectively manage the impact of these proposed changes in service levels, the majority (95%) of the savings will be realised in year 1 (2011-12) with the remainder predicted to be recovered in year 2 (2012-13).

4.5 Environment

4.5.1 The Environmental Services Department provides a range of services including Waste Management, Environmental Management, including Flood Risk, and Spatial Planning.

4.5.2 The Waste Management budget will reduce from £21.63m to £20.07m over the four year spending period. This service will see increased pressures from increasing waste arising due to population growth and additional landfill taxation charges. The service will also commission its new Energy from Waste Facility in 2013 and whilst there is a revenue cost for the facility itself and the four new transfer stations required, the facility will make considerable savings overall as a result of diversion of waste from landfill charges and associated taxation.

4.5.3 The Waste Management service will also look to provide in the second year of the spending period additional savings of £1.2m from optimising its Household Waste Recycling Centre operations. These savings will be made through a combination of closures and reduced opening hours, it is hoped that this will have a limited impact on service. Other savings will be found from changes to external services contract terms and conditions and general development and administration costs.

4.5.4 The Environmental Management services budget will be reduced from £1.84m to £1.15m over the spending period. The majority of this saving will be made within the first year and will involve a review and scaling down of strategic, environmental projects, services and functions, including the Council’s support to the partnerships it currently supports, and its sustainability/climate change function. The latter will be largely maintained to help deliver wider council savings from improved energy efficiency. In 2011/12 the Council takes on new duties for flood risk management under the Floods and Water Management Act, Defra are providing specific grant funding of £239,000 in 2011/12 and £689,000 in 2012/13, however, the council is continuing to work with Defra to secure additional funding to enable the works to be carried out together with match funding from within the Council’s proposed budget.

4.5.5 The Spatial Planning services budget will reduce from £1.43m to £1.34m. Most of this saving will be made through vacancy management, reduced consultancy/advisory costs and introduction of some charges for services (i.e. monitoring and enforcement). The service will maintain its capability in terms of the processing and determination of planning applications, but may suffer losses within the spending period as a result of reduced income from planning and inspection fees. The department is also exploring the possibility of working within districts for the provision of joint Historic Environment services.

4.6 Healthier Communities

4.6.1 The objective of the service is to provide excellent services to local people which protect and promote their health and wellbeing within the resources available to the Council. To focus reductions in costs on services that are not proven to be effective or are not well regarded by service users and the public.

4.6.2 To retain spending on areas of service that save money in the medium to longer term by keeping people well and independent, increasing their ability to help themselves and are proven to be effective.

The total budget for the current Public Health Directorate is £19.418m.

The proposed budgets, on the basis of the current Directorate are:

2011/12	£18.160m
2012/13	£17.999m
2013/14	£17.859m
2014/15	£18.203m

These totals are inclusive of unavoidable cost pressure and savings required to support the organisations overall financial position in subsequent years.

4.6.3 In order to reduce impact of forecast increases in demand for higher level and more costly services, as well as keeping people well and independent for as long as possible a number of preventative services have been protected.

Longer and shorter term preventative services are protected ranging from services that support people to adapt to their changing needs like the award winning First Contact service through to services that prevent people being evicted from their homes if they fall behind on their mortgages in these tough economic times.

4.6.4 Supported Housing services to lower risk customer are being reduced or changed to allow them to be provided at lower cost than previously.

4.6.5 The overall reduction in services will be around 12% over four years and this will enable preventative services to be protected as described above. The majority of savings will be delivered in 2011/12 with a 'flat' profile of reductions over the remaining three years.

4.6.6 A number of the service changes have already been subject of much public debate and the risk of not delivering them is low.

4.7 Trading Standards, Youth Offending and Safer Communities

4.7.1 The Youth Offending Service (YOS) receives 40% of its funding from LCC, the remainder of the core budget is made up of a grant from the Youth Justice Board, contributions from partner agencies within the county (police, probation service etc) and some time-limited central funding.

4.7.2 An independent review of the YOS has been commissioned, which sees a streamlining of the service structure and a realignment of resources to required areas. Since commencement of the review, all vacant posts have been frozen and resources re-distributed in anticipation of implementing the new structure. We still await confirmation about some time limited funding, but consultation has begun with staff who may be at risk. Implementation of the YOS Review has been delayed as a result of the organisational-wide, budget challenge process and the review will form part of the wider organisational change as a result of the budget changes.

4.7.3 The Drug and Alcohol Action Team will move to the Director of Public Health (as part of the LCC management restructure). Some Community Safety Partnership support resources have been reduced (primarily analytical resources) but frontline services in respect of Multi-Agency Risk Assessment 1(MARAC) have been protected as have other programmes. The final year of these programmes focuses on reducing violent crime and anti-social behaviour, domestic abuse, substance misuse and the level of re-offending. Often these resources are centred around families with complex needs and all interventions are county-wide initiatives involving all partner agencies. Implementation of the changes detailed above will begin in the New Year.

4.7.4 External time limited funding of £350k will expire within the arena of Trading Standards as of 31 March 2011. This includes targeted work in packaging reduction, monitoring animal movements, doorstep crime initiatives etc. The Trading Standards Unit has statutory functions including consumer safety, fair trading, food quality, animal health & welfare, weight & measures etc.

4.7.5 In light of a reduced budget, these activities will have to be informed by an accurate risk assessment and with a reduced capacity, the Unit will have to devise targeted interventions into specific areas. All activities will continue but each will have to be scalable i.e. targeted enforcement, prevention or education work will have to be informed by a risk or threat assessment. This area of work will merge with Safer Communities and its restructure will begin in 2011.

4.8 Fire & Rescue and Emergency Planning

4.8.1 Fire and Rescue provide a range of activities across the 4th largest geographical county area in England, designed to protect and preserve life and reduce the harm to the community from risks ranging from flood to fire, environmental damage to road traffic collisions. The service is organised under three key doctrines of prevention, protection and response and delivers the services under those doctrines to all communities across Lincolnshire with the prevention and protection strategies targeted at the most vulnerable and higher risk groups. The service only delivers statutory services for which it generally performs well with many activities judged as good when compared with others and is judged to be efficient in its use of resources. Lincolnshire generally is a safe place to live, work, and visit and the risk from fire is low.

4.8.2 The current budget for Fire & Rescue is £23.1m which includes £412k for the final phase of developing water rescue response across the county. The budget will reduce by £1.0m in 2011/12 to £22.14m with the bulk of the reduction from efficiencies such as internal restructuring, removing posts currently vacant, and reducing activity in areas such as community fire safety.

4.8.3 There are targeted increases in income generation as well as reductions in the number of appliances attending fire alarms and a reduction in contract payments. Some of the reductions in activity will be offset by an improved use of wholetime resources.

4.8.4 There are a number of cost pressures facing F&R in the coming 4 years, all driven externally. In order that F&R may assess their impact the budget has been reviewed on a single year only basis so as to allow time to complete a further review and identify potential savings in the light of those costs pressures and the need to ensure a sustainable service in the longer term.

4.8.5 Fire & Rescue will, therefore, undertake a fundamental review of its response services in 2011/12. No changes to the number of fire stations or the numbers of appliances delivering the response strategy are planned. There will be some adjustments to the manner in which stations are staffed in order to continue to protect the front line service.

4.8.6 Emergency Planning provides the statutory response on behalf of the County Council in preparing to meet emergencies across the county including floods, animal disease and pandemic flu. It oversees the county's risk register and acts as secretary to the Local Resilience Forum. It maintains a number of statutory plans and liaises with the top tier major risk sites in planning for community protection. An external peer review in 2010 shows the service to be very lean and high performing.

4.8.7 The current budget is £549k and in 2011/12 this budget will reduce to £500k (9.8%). This will be achieved by not replacing staff who are due to leave and some re-prioritisation of plans prepared.

4.8.8 In 2011/12 a review of the service level agreement with the districts and city council is planned to be carried out to look at a shared service approach to improve the levels of emergency planning provided across the county.

4.9 Culture and Adult Education

4.9.1 The Culture and Adult Education service will see it's base budget reduce by £3.6m over the four year spending period reducing from £13.4m to £9.6m.

The main service areas that have been protected during this review are those where there are statutory requirements, contractual obligations or significant claw back clauses for external funding received.

4.9.2 The Council will be reducing it's Outreach and Community Education programme. The Council is currently reviewing the library service including options for community involvement. The Heritage service has already undertaken a review of it's activity, and alternative methods of managing it's collections in some heritage sites is already being implemented. Any Service Level Agreements which the service is currently funding will be reviewed before they are renewed.

4.9.3 The Adult Learning that is currently commissioned by the service, is wholly funded by the Skills Funding Agency, we should shortly receive clarification of the status of the funding for

the academic year 2011/12 onwards. There will also be some winding down of the regional activity through the Renaissance East Midlands (REM) programme, which is funded by the Museums Libraries and Archives Council. This funding reduction will also have an impact on the service.

4.10 Economic Regeneration

4.10.1 The 2010/11 budget of £4.112m will reduce to £3.073m in 2014/15 a reduction of 25%.

Economic Regeneration has assessed the way that the local economy requires support over the coming years. The emphasis is on creating and maintaining the infrastructure which will enable businesses to thrive. The service will continue to make the case for government investment in Lincolnshire, both through its own local government routes and through the strong business voice that the Local Enterprise Partnership brings. The service's priorities will be:

- Investing in, and facilitating, economic infrastructure –digital networks, business sites and premises, tourism attractions, area based growth and regeneration programmes
- Raising skills levels in the county to meet employers' needs
- Supporting Business networks that deliver growth and investment
- Accessing funding to support economic growth
- Lobbying for Lincolnshire

4.10.2 The service expects that there will be a reduction in the level of service provision as we seek to protect the priorities set out above. These have been based on an analysis of where there is not a market failure – i.e. where other providers, or the private sector businesses themselves, deliver services - and of the likely impact of initiatives within the current economic climate. There will be a more prioritised approach including:

- Back office functions decreased to protect frontline services
- targeted promotion of Lincolnshire to private investors and tourists
- Less direct support to community groups

The emphasis on creating the conditions for economic growth is expected, however, to enable the Lincolnshire economy to continue to grow.

4.10.3 The budget reductions have been frontloaded in order to ensure the priority areas are shaped quickly and provide a stable, sustainable economic regeneration service. The benefit of this is that it sends a clear message to partners that the County Council's approach is clear and they can have confidence in it as they plan their own actions.

4.11 Organisational Support and Improvement

4.11.1 The Resources Directorate provides a range of support services to the Council such as finance, internal audit, strategic property, business support, procurement and legal services. Such services are generally delivered through partnership arrangements with other partners in the public and private sector. Public facing services in the form of registration and celebratory services together with a coroners service are also provided and there are only marginal adjustments in these service budgets.

4.11.2 The current budget for this Directorate of £28.1m will reduce by £2.6m (9%) in 2011/12 and by a total of £4.7m (17%) by 2014/15. There are no identified significant cost pressures in these areas that require additional funding over the next four years.

4.11.3 In essence savings are being delivered by scaling back of existing provision whilst maintaining a level of service commensurate with any relevant statutory requirements or client expectations. No major service areas are being removed and, in overall terms, it is expected that services of an adequate standard will continue to be provided.

4.11.4 The savings impact upon strategic partners of which Mouchel is the most significant in expenditure terms. The expectation is that Mouchel support services can be scaled down commensurate with the level of overall reduction required. This represents a key risk for this initiative and has been reflected in a savings profile that, in many cases, spreads the burden over the four year budget period. In cases where savings are within the direct control of the Directorate these have generally been planned to take place during 2011/12.

4.11.5 The Chief Executive's Directorate current budget will reduce by £3.6m, over the four year spending period, going from a current budget of £28.4m to £24.8m in 2014/15. Chief Executive's provides support services to the Council, such as HR, ICT, Programme and Performance Management, Corporate Communications and also provides support and scrutiny functions to Councillors and the democratic process.

4.11.6 A significant cost pressure, included in the service budget, is for IT licence cost which can no longer be met from capital budgets due to a change in accounting requirements.

A development for the operation of Community Based Budgets has been added to the service budget, along with a resource for LCC to engage with new government initiatives.

4.11.7 The savings of £6.1m (21% of the base budget) will be delivered by scaling back existing provision and amalgamating teams to reduce management costs. Changes to IT managed services will also contribute towards these savings but also improve service. No service areas are being removed, and it is expected that services will continue to be provided at an adequate, though reduced level.

4.11.8 Temporary resources previously added to this area to facilitate the Value for Money programme will be reduced in 2011/12 and removed in 2012/13.

4.11.9 The phasing of these reductions are in the main planned to be implemented in 2011/12. Major change will take place across the Council in the next year so HR services will be reviewed once initial major changes have been implemented.

5. CAPITAL PROGRAMME

5.1 2010/11 is the third year of the current five year programme.

The programme was reduced by 20% last year but continues to generate a major cost pressure in the Council's revenue budget as a result of additional debt repayments and interest on new borrowing.

The programme has been reviewed so as to reduce the impact on the revenue budget particularly in 2011/12, largely through rephasing and removing unallocated provision within the programme.

5.2 The Council, as part of the Local Government Finance Settlement, has also been notified of capital grants for roads, schools and adult social care. Previously, government support for capital was largely through supported borrowing. The new capital grants are welcome since

they allow the Council to increase capital spending on roads and schools whilst reducing the impact on its revenue budget.

The proposed programme is shown in Table 7 below.

TABLE 7

Capital Programme 2010/11 to 2014/15					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Roads and Transport	53.1	29.8	48.2	27.5	27.7
Schools	81.1	35.5	9.4	0	0
Environment	28.5	44.0	54.0	26.0	0
Economic Development	11.0	33.8	13.4	2.5	9.0
Other Services	22.9	24.0	12.3	1.0	0.9
Unallocated	0.6	0	0	33.5	39.1
Gross Programme	197.2	167.1	137.3	90.5	76.7
Revenue Funding	4.5	4.5	4.5	4.5	4.5
Use of Capital Receipts	1.9	4.0	13.4	2.0	2.0
Use of Waste Management Reserve	0	0	0	11.7	0
Use of Other Reserves	2.6	0	0	0	0
Government Grants	86.1	58.6	36.6	27.5	27.7
Contributions	2.3	14.3	0.4	0	0
Borrowings	99.8	85.7	82.4	44.8	42.5
Total Funding	197.2	167.1	137.3	90.5	76.7

5.3 The capital programme for schools from 2012/13 does not at this stage include spending which will be funded by capital grants. The Secretary of State has not yet announced capital grant allocations for 2012/13 and future years. He did, however, indicate that "the level of support for basic need and for capital maintenance each year to 2014/15 is expected to stay in line with the total amounts allocated for 2011/12." The amount allocated for 2011/12 is £21m.

5.4 Substantial elements of the programme for 2013/14 and 2014/15 are not allocated between programmes at this stage and will increase spending on service programmes once allocated.

The net programme is shown at Appendix J. This excludes capital spending funded by grants and contributions and is the basis on which the capital programme will be monitored and controlled.

6. PRUDENTIAL INDICATORS

6.1 The Council is required to agree targets for specified prudential indicators in relation to capital financing and other treasury management matters. The Council also sets its own targets in addition to the statutory ones. The main purpose of these targets is to ensure that the Council's capital financing, in particular its long term borrowing, is prudent, affordable and sustainable. The proposed targets are set out in Appendix I.

6.2 One of the key targets in the Council's Financial Strategy is that "the repayment of external debt including interest will be less than 10% of annual income from general government grants, Dedicated Schools Grant and council tax." This is projected to increase to 6.7% by 2014/15

7. MINIMUM REVENUE PROVISION

7.1 The Council has a duty to set a minimum revenue provision (MRP) which "it considers prudent". The aim is to ensure that debt is repaid over a period reasonably commensurate with the period over which the capital expenditure funded by borrowing provides benefits.

7.2 The Council's current policy is to apply the average life method for calculating MRP. This is a prudent approach which is consistent with the Council's Financial Strategy. It is proposed to continue this method in 2011/12.

8. RESERVES

8.1 The Council's target is to maintain general reserves within a range of 2.5% to 3.5% of the Council's total budget. Reserves at 31 March 2011 are estimated to be £14.9m or 3.1% of the total budget. No use of or addition to general reserves is proposed.

8.2 General reserves are projected to increase to 3.3% of total expenditure as a consequence of the projected reduction in total expenditure.

8.3 The Waste Management Reserve is estimated to be £25.4m at 31 March 2011. The budget proposes to use £13.7m of this during 2011/12. The remaining £11.7m will be used toward funding the Energy from Waste Project.

9. SECTION 151 OFFICER'S STATEMENT ON THE ROBUSTNESS OF THE BUDGET AND ADEQUACY OF RESERVES

9.1 The Local Government Act 2003 includes a statutory duty for the Council's Section 151 officer to report to the Council when it is calculating the council tax on "the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves." The Council has a statutory duty to "have regard to the report when making decisions about the calculations."

9.2 The Financial Strategy requirement in relation to reserves is based on a full assessment of the Council's potential financial risks undertaken in November 2010, informed by the Government's October 2010 Spending Review. A key aspect of that strategy is that Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

9.3 Currently the Council's projected year end general reserves stand at £14.9m or 3.1% of the budget requirement (i.e. towards the top of the target range). There are no proposals to add further to general reserves as part of the 2011/12 budget. Similarly, at present, there are no further proposals to add to general reserves in either the provisional 2011/12 or 2012/13 budgets. However, the severity of the reduction in formula grant funding in 2011/12, coupled with a range of unavoidable cost pressures in that year, requires the temporary use of £13.7m from the Waste Reserve, an earmarked reserve established to assist with the financing of an Energy from Waste facility for the county. Such funding will not be required in 2011/12 and therefore provides appropriate bridging finance to cover the budget shortfall in that year. No further use of earmarked reserves is envisaged in years beyond 2011/12.

9.4 The November 2010 risk assessment encompassed a full assessment of the potential financial risks facing the Council included the following:

The realism of budget estimates for –

- Pay awards
- Price increases
- Income, including higher risk areas such as capital receipts
- Savings
- Provision for demand led services including children's services, waste disposal, adult social care, home to school transport, etc
- Legislative changes in such areas as flood & water management and concessionary fares

Financial management arrangements including –

- The recent history of financial management performance
- Current financial management arrangements

Potential Losses including –

- Claims against the Council
- Bad debts or failure to collect income
- Major emergencies or disasters
- Failure to deliver budget savings
- Default on loans made by the Council for cash management purposes

9.5 An assessment was also made of the provision against these financial risks including:

- A provision in the contingency budget which has been disaggregated between a general provision and one set aside to deal with the estimated impact of emerging pressures related to real or potential legislative change or other unforeseen impacts upon the Council.
- Specific provisions in the accounts and earmarked reserves
- Provision for the funding of capital which provides additional financial flexibility
- The potential for slippage and underspending of the capital programme
- The level of the Council's general reserves

9.6 The Government grant settlement for 2011/12 and the year thereafter gives rise to an 18% reduction in formula grant for the County Council over that period. Further reductions are expected, but not yet quantified, for 2013/14 and 2014/15. This presents a significant challenge to the Council in balancing service delivery needs with the resources available. The 2011/12 budget therefore includes cash savings of £57.3m. For the most part the areas that have been targeted to deliver these savings have been identified and are included elsewhere in this report. A number of savings initiatives, particularly those targeted for 2011/12 and 2012/13, rely on completing and implementing service rationalisations and therefore an element of risk exists in terms of the timing of the delivery of such savings. Close monitoring of the delivery of these savings will be undertaken and, if necessary, corrective action will be initiated to examine alternative options should this be necessary. The delivery of the detailed schedule of planned savings will be monitored and reported regularly to senior management teams and to Executive councillors as part of the formal, published reports.

9.7 Financial management remains an important consideration. Spending pressures continue to arise in Adult Social Care relating to a range of factors such a demographic growth of the

client base. In general terms budget pressures in 2010/11 are at, or slightly below, those experienced in recent years. However, it is still expected that service related spending over the whole Council will be in balance at the current year end with no need to apply the available general reserves of the Council.

9.8 In relation to the 2011/12 budget, Assistant Directors have provided brief notes on the realism of their proposed budgets and their ability to manage within these budgets. In that context the following points are relevant:

- All Assistant Directors are aware that the savings target that has been set is a significant one and will demand sustained and rigorous management action to ensure it is delivered on target. All have affirmed their commitment to achieving the demanding targets set with appropriate caveats as necessary.
- Funding pressures will continue to exist in a number of service areas. The key pressure areas are as follows:
 - (i) Adult Social Care – ongoing demographic factors are placing increasing pressure on service demand at a time when historic supplementary funding streams from the National Health Service and Central Government are reducing albeit that new supplementary funding may be available from the NHS subject to the conclusion of satisfactory agreements on the use of the funds in question.
 - (ii) Environment (Flood & Water Management) – new legislation has assigned the Council a range of additional responsibilities relating to flood and water management within the County. This is likely to place an additional financial burden on the Council's finances in both revenue and capital terms. Some basic provision has been included within the revenue budget with the potential that this may be supplemented from the emerging pressures contingency mentioned earlier.
 - (iii) Road Maintenance – two consecutive severe winters have had a detrimental impact on the general condition of road surfaces within the County. The road maintenance budget has been supplemented above the level originally envisaged in order to recognise the present situation.
 - (iv) Concessionary Fares – the County Council will inherit responsibility for this service from the District Councils in April 2011. The Council has made what it believes to be an adequate budgetary provision for delivering this service but it recognises the demand led nature of the service may require that provision to be reviewed in due course.
 - (v) Academies – The number and timing of Lincolnshire schools who will seek to attain academy status presents a financial risk to the Council in terms of the loss of funding for education specific and general support service costs. Relevant services will be required to realign provision in the light of the take-up of academy status by schools.
- The capital programme has been reviewed as part of the current budget cycle and the four year programme has been reprioritised in line with the strategic objectives of the Council. Decisions on the actual use of the allocated funding in the later two years of the period will be taken at a future date.

9.9 Taking into account all these factors the Section 151 officer is satisfied that the budget is realistic and that the level of reserves is adequate but notes that the assessment relies heavily on:

- Continued improvement of financial management across the Council.
- Achievement of expected savings that rely on the timing of the delivery of organisational restructurings arising from the budget core offer review.

9.10 The Government has announced an intention to undertake a fundamental review of the funding of local government during the first half of 2011. This is likely to impact upon the local government grant settlements for 2013/14 onwards. The outcome of that review may well have significant impact on the amount of Government funding available to the Council. This will be dealt with in future budget setting exercises.

10. CONSULTATION

10.1 The Council invited comments on its response to the financial challenges which it faces and has consulted on its initial budget proposals. The comments and suggestions received are summarised in Appendix C.

10.2 Individual scrutiny committees have considered proposals in their service areas and the Value for Money Scrutiny Committee has considered the proposals as a whole. Scrutiny Committee comments are also summarised in Appendix C.

REVENUE EXPENDITURE

APPENDIX A

LINE REF	2010/11 BUDGET	SERVICE BUDGETS	2011/12 BUDGET CHANGES	2011/12 ORIGINAL ESTIMATE
	£		£	£
		SERVICE BUDGETS		
1	140,000,256	Adult Social Care	-9,361,256	130,639,000
2	13,399,931	Culture and Adult education	-1,187,931	12,212,000
3	8,020,037	Safer Communities	-1,444,037	6,576,000
4	19,418,076	Healthier Communities	-1,258,076	18,160,000
5	41,099,238	Universal Children's Services	16,561,762	57,661,000
6	19,394,592	Targeted Children's Services	-3,753,592	15,641,000
7	39,574,000	Specialist Children's Services	1,263,000	40,837,000
8	0	Early Intervention Grant	-24,052,000	-24,052,000
9	45,013,745	Highways and Transportation	3,369,255	48,383,000
10	26,273,968	Environmental Management	139,032	26,413,000
11	4,112,125	Economic Regeneration	-1,125,125	2,987,000
12	23,647,412	Fire & Rescue and Emergency Planning	-1,006,412	22,641,000
13	28,065,312	Resources	-2,589,312	25,476,000
14	28,436,308	Chief Executive's Office	-275,308	28,161,000
15	436,455,000	TOTAL SERVICE BUDGETS	-24,720,000	411,735,000
		SCHOOLS BUDGETS		
16	346,025,800	Delegated Schools Budget	89,039,000	435,064,800
17	-386,164,000	Dedicated Schools Grant	-89,039,000	-475,203,000
18	35,092,410	Central Services within the Dedicated Schools Budget	0	35,092,410
19	-5,045,790	TOTAL SCHOOLS BUDGETS	0	-5,045,790
		OTHER BUDGETS		
20	3,000,000	Contingency	500,000	3,500,000
21	8,000,000	Emerging Pressures Contingency	-5,000,000	3,000,000
22	42,140,377	Capital Financing Charges	13,017,766	55,158,143
23	0	Council Tax Freeze Grant	-6,293,000	-6,293,000
24	0	New Homes Bonus Grant	0	0
25	4,374,513	Other	10,548,909	14,923,422
26	57,514,890	TOTAL OTHER BUDGETS	12,773,675	70,288,565
27	488,924,100	TOTAL NET EXPENDITURE	-11,946,325	476,977,775
28	6,703,000	Transfer to Earmarked Reserves	-20,403,000	-13,700,000
29	0	Transfer to General Reserves	0	0
30	495,627,100	BUDGET REQUIREMENT	-32,349,325	463,277,775
		MET FROM:		
31	53,993,894	Area Based Grant	-53,993,894	0
32	192,068,932	Formula Grant	19,269,568	211,338,500
33	249,564,274	County Precept	2,375,001	251,939,275
34	495,627,100	TOTAL MET FROM	-32,349,325	463,277,775

COUNTY PRECEPT 2011/12

Council tax requirement				£
Total Budget Requirement				463,277,774.64
less	Formula Grant			211,338,500.00
County precept				251,939,274.64
less	Net surplus on district council collection funds			218,980.60
Council tax requirement				251,720,294.04

Precepts to be levied on District Councils	Number of Band D equivalent properties	Council tax requirement	Collection fund +surplus/-deficit	County precept
		£	£	£
City of Lincoln	26,556.88	28,301,401.45	146,628.00	28,448,029.45
Boston	19,548.90	20,833,067.24	35,383.00	20,868,450.24
East Lindsey	47,860.00	51,003,923.40	-71,727.00	50,932,196.40
West Lindsey	30,557.87	32,565,216.48	218,037.00	32,783,253.48
North Kesteven	36,600.00	39,004,254.00	0.00	39,004,254.00
South Kesteven	46,744.40	49,815,039.64	193,168.60	50,008,208.24
South Holland	28,336.00	30,197,391.84	-302,509.00	29,894,882.84
Total	236,204.05	251,720,294.04	218,980.60	251,939,274.64

County Council element of council tax by property band		
Property Band	Proportion of band D	Council tax per property £
Band A	6 / 9	710.46
Band B	7 / 9	828.87
Band C	8 / 9	947.28
Band D	9 / 9	1,065.69
Band E	11 / 9	1,302.51
Band F	13 / 9	1,539.33
Band G	15 / 9	1,776.15
Band H	18 / 9	2,131.38

The Council invited comments on its response to the financial challenges which it faces and has consulted on its initial budget proposals. The comments and suggestions received are summarised below.

Consultation with the public

The Council invited comments from the public during November and December via *Inside Lincolnshire* and the Council web site. The financial position which the Council faced was explained and comments invited including requesting suggestions for reducing spending.

30 responses were received which covered a variety of topics. Many of the responses provided constructive suggestions on areas where spending might be reduced. Some of the responses suggested how resources might be reallocated by identifying both areas for saving and areas for additional spending.

The responses covered many of the numerous services provided by the Council and there was no clear, overall majority view.

A further 15 responses were received on the specific budget proposals agreed by the Executive on 5 January. Some of these provided further suggestions for savings. Some responses raised concerns over proposed budget reductions including :

- Rural bus services
- Trading Standards
- Targeted children's services
- Services for children with mental health issues
- Support for community radio.

All of these responses have been reviewed by Executive councillors.

Consultation with businesses, trades unions and other partners

The Council held two consultation meetings with partners both of which were well attended and entailed useful discussions. The meetings were chaired by the Leader of the Council and other Executive councillors also attended.

The first meeting was held on 30 November 2010. Council officers described the outcome of the government's Spending Review, the financial outlook for the Council and the Council's approach to this challenge. This was followed by a wide ranging discussion

A second meeting was held on 26 January following the publication of the Executive's initial budget proposals. Council officers described the provisional Local Government Finance Settlement which set government grants to the Council for the next two years. The Executive's budget proposals were also explained including the need to reduce the Council's spending by £125m or 25% over the next four years in order for the Council to balance its expenditure to its projected income. This was followed by a discussion with contributions from most of those attending. The comments included some support for the Council's general approach and also some concerns on the impact of the proposed budget reductions.

The Schools Forum also considered the Executive's budget proposals at its meeting on 26 January. Amongst the issues which the Schools Forum considered was the impact of reduced Council spending on services.

Detailed minutes of all these meetings are available.

Trade unions comments on Adult Social Care

Trade union members of the JCC requested to make representations to the Executive on the budget proposals as they affect consultations on Adult Social Care. "While trade union members are opposed to any cuts to services for vulnerable people, they are particularly focussed on the disproportionate cuts that the Council is proposing for its own staff.

In 2011/12 it is proposed to cut the Adult Social Care Operations budget by £8m, a 25% reduction in a single year. A further £1.4 m is to be cut from the staffing budget in the Commissioning service area. In contrast, the £100m plus spent on commissioned services will see no reduction in cash terms, and even taking account of cost pressures the impact will be a small fraction of the cuts to be imposed on County Council employees.

We ask that the budget proposed by the Executive on 1 February, and determined by the Council on 11 February, will allow sufficient leeway to enable a negotiated end to the Adult Social care dispute on 18 February. We confirm the trade unions commitment to achieving such a resolution."

Comments from the Council's scrutiny committees

Highways, Transport and Technology Scrutiny Committee – 10 January 2011

The Highways, Transport and Technology Scrutiny Committee supported the budget proposals presented at the meeting.

The Committee noted that the time taken to respond to complaints from the public could increase because of a likely reduction in resources to this area and that there was no indication at this stage that there would be additional funding from the Government to repair potholes.

With regard to Concessionary Fares, which would in future be operated by the County Council, the Committee was concerned about the pressures on bus operators and the ability of the Council to be able to support bus services in the current financial climate.

Economic Scrutiny Committee – 11 January 2011

The Economic Scrutiny Committee raised concerns regarding the constraints on the discussion due to the level of detail which was able to be provided at the time of the meeting.

The Committee had concerns over which community groups would be affected by the budget reductions and would not be receiving any support in the future.

Adults Scrutiny Committee – 12 January 2011

The Adults Scrutiny Committee supported the three elements in the core offer, and in particular noted the emphasis on prevention, which aims to help people retain a better quality of life for longer.

In relation to additional funding allocated by the Department of Health to NHS Lincolnshire for adult social care for 2011-12, the Adults Scrutiny Committee was advised that both NHS Lincolnshire and the County Council would have to submit a joint plan to the Department of Health, detailing how the funding would be spent. The Adults Scrutiny Committee requested information at a later meeting on this topic.

The Adults Scrutiny Committee would continue to monitor its adult social care budget as a regular element in its work programme.

Children and Young People Scrutiny Committee – 14 January 2011

The Children and Young People Scrutiny Committee was in agreement regarding the necessary cuts suggested, but was very concerned that it has not been able to scrutinise the budget fully, due to the lack of detail provided.

The Committee had concerns over school and college transport and felt that this was an area that needed review and that whatever changes were ultimately made should be effectively communicated to the general public.

Environmental Scrutiny Committee – 21 January 2011

The Environmental Scrutiny Committee considered a presentation relating to budget proposals for Environmental Management Services and during a wide ranging discussion the Committee highlighted a number of issues:

Planning Applications

The Committee recommended that advice on making planning applications should continue to be available to individual members of the public and that the initial part of any advice should be free of charge. In relation to business applications, the Committee felt that a charge should be levied for any advice given as the taxpayer should not be subsidising an aspect of a potentially profit making business enterprise. It was also recommended that retrospective applications should attract a penalty charge.

Energy from Waste

The Committee was reassured that the budget proposals would not compromise this project and that reserves had been set aside for this purpose. The Committee was also reassured that the development would be complete and functioning before the more punitive landfill taxes were introduced. The Committee explored options with officers for generation of income from the facility, in particular the sale of heat that was generated.

Household Waste Recycling Centres

The Committee discussed the potential for the frequency of collection of household waste to be increased. It was recognised that this was not a County Council function but it was queried whether more frequent collections would put undue strain on Household Waste Recycling Centres in the future. The Committee was reassured that the Centres would be able to deal with more frequent deliveries of waste.

Environmental Partnerships

It was recognised that some partnerships would experience changes as a consequence of the budget proposals. However, if handled correctly there should be no impact on the ability of

partnerships to deliver a good quality natural environment that is at the heart of the County's philosophy.

Value for Money Scrutiny Committee – 25 January 2011

The Value for Money Scrutiny Committee considered an overview of the budget proposals across the Council, feedback from those scrutiny committees that had already met and information about proposals for the Chief Executive's and Resources areas.

The Committee would have welcomed the opportunity to have considered more detailed information at this time. The Committee looked forward to receiving more information regarding the core offer so that councillors could better understand the impact on the provision of services and the effects this would have on their constituents. It was also suggested that in future years the budget process could be managed so that scrutiny meetings could be scheduled at a time when more information was available.

The Committee discussed the Council's partnership working and expressed the hope that this would not be adversely impacted by the budget proposals.

The Committee also supported the review of all existing contracts to identify where savings could be made and where contracts could be modified to reflect the changing needs of the Council. The Committee recognised that there would be less potential to negotiate on short-term contracts but felt that there should be more flexibility with longer-term contracts.

Communities Scrutiny Committee – 26 January 2011

The Committee considered a presentation detailing the budget proposals for Fire & Rescue/Emergency Planning, Trading Standards, Youth Offending & Safer Communities and Culture & Adult Education.

Members were reassured that there were no immediate plans to close libraries and that a comprehensive assessment process was being undertaken prior to any further decisions being taken. Members asked to be kept informed of the progress of the library needs assessment and that any future plans regarding libraries are brought back to the Committee prior to any final decisions being taken. Members also stressed the importance of County Councillors being kept informed of plans regarding libraries in their division.

Members were encouraged by how the County Council was working in partnership with some communities to enable them to continue to provide services, such as a library. The Committee recommended that such initiatives continue to be supported. The Committee were supportive of Community Access Points and would like to see more of these in venues across the county.

The Committee supported the proposals presented to them, but stressed the need for Members to be kept informed and that future plans be brought back to the Committee prior to final decisions being made.

1	Spending and council tax
1.1	Resources will be allocated in revenue and capital budgets to support and promote achievement of the Lincolnshire Sustainable Communities Strategy and the Council's Business Plan.
1.2	<p>Total spending and the council tax will be set with regard to :</p> <ul style="list-style-type: none"> • the impact on Lincolnshire service users • the impact on Lincolnshire council tax payers • the impact on the local economy • and government requirements, in particular likely council tax capping limits or other government constraints. <p>The Council will aim to keep the level of council tax one of the lowest in the country.</p>
1.3	<p>The Council will implement a planned programme of major improvement, efficiency and transformation projects.</p> <p>The programme will aim to achieve substantial savings to keep the Council's spending within the funding available from government grants and the council tax , and to allow modest development and improvement of priority services where possible.</p> <p>Savings will be achieved through improved efficiency wherever possible.</p>
1.4	There will be a rolling programme of strategic service reviews focussing on value for money.
1.5	Revenue and capital budgets, covering at least three years, will be prepared and set realistically, taking into account the outcomes of strategic service reviews.
2	Financial standing
2.1	The Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.
2.2	The Council will implement its Risk Management Strategy and keep it under review, including the maintenance and regular review of a Corporate Risk Register.
2.3	The Council will annually review and report on its governance arrangements including the system of internal control and address any significant governance issues.
2.4	The Audit Committee will monitor the effectiveness of risk management and governance arrangements.
2.5	The Council will maintain an internal audit function operating in accordance with

	the CIPFA Code of Practice.
2.6	The Council will operate a combination of self and external insurance arrangements. The balance between self and external insurance will be reviewed regularly. The Council's external insurance needs will be tendered at least triennially and on each occasion the opportunity will be taken to examine the cost effectiveness of alternative combinations of self and external insurance.
3	Financial management standards
3.1	Training and information will be provided appropriate for the financial skills required of councillors, including treasury management.
3.2	The financial competencies of managers and staff will be identified, reviewed and tested regularly, and training and development needs identified.
3.3	The Assistant Director - Finance and Asset Management must ensure that appropriate training and development in financial competencies is provided to meet agreed needs.
3.4	He/she must also ensure that appropriate, specialist financial expertise is available to provide high quality financial advice to the Council and to manage its financial affairs.
3.5	The Assistant Director - Finance and Asset Management will seek actively to improve financial performance in any poorer performing areas of the Council.
3.6	Financial management standards in schools – to be included following discussion at the Audit Committee.
4	Financial decision making
4.1	The Executive Director for Resources and Community Safety will provide comments on financial implications, compliance and value for money as necessary for all decisions to be taken by the Council, Executive or Executive councillors.
4.2	Business cases and option appraisals, in the format agreed by the Assistant Director - Finance and Asset Management, will be completed and agreed before all major revenue and capital projects, developments and change programmes are commenced.
5	Budget management
5.1	The Executive and officers discharging executive functions must manage within approved budgets.
5.2	Executive directors and budget holders must : <ul style="list-style-type: none"> • Monitor and report financial performance monthly • Control expenditure and income within their area against approved budgets • And take any action necessary to avoid exceeding approved budgets.
5.3	Executive members will monitor financial performance on a monthly basis.

	<p>The Value for Money Scrutiny Committee and the Executive will receive detailed quarterly reports on performance and spending.</p> <p>The Value for Money Scrutiny Committee and the Executive will seek detailed explanations from executive directors where expenditure is not being managed within approved budgets.</p> <p>The Value for Money Scrutiny Committee and the Executive will review financial performance at each year end.</p>
5.4	<p>The Council's organisational arrangements will reflect the principles of good financial management. They will:</p> <ul style="list-style-type: none"> • Promote budget ownership • Establish clear responsibility and accountability • Recognise budget management as an essential part of good management.
6	Budget changes
6.1	<p>The Council's Constitution requires that decisions can only be taken in line with the Council's approved budget. Decisions which would be contrary to, or not wholly in accordance with, the budget approved by full Council will only be taken by full Council following a recommendation from the Executive.</p>
6.2	<p>Changes to the budget which increase the Council's total expenditure and require either the use of the Council's general reserves or increased borrowing must be referred by the Assistant Director - Finance and Asset Management to the Executive for consideration before being referred to the full Council for approval.</p>
6.3	<p>Subject to the above, budgets can be reallocated between service headings as follows :</p> <ul style="list-style-type: none"> • Reallocations of up to £250k may be approved by the relevant executive director • Reallocations of between £250k and £500k may be approved by the relevant Executive councillor/s in consultation with the Assistant Director - Finance and Asset Management and the relevant executive directors • Reallocations over £500k will be considered by the Executive and must be approved by the full Council.
7	Carry forward of over and under spendings
7.1	<p>All under and overspendings on service revenue budgets of up to 1% will be carried forward without exception.</p> <p>The use of all underspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.</p> <p>The means of funding all overspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.</p>
7.2	<p>All under and overspendings on capital budgets and on the Dedicated Schools Budget will be carried forward.</p>

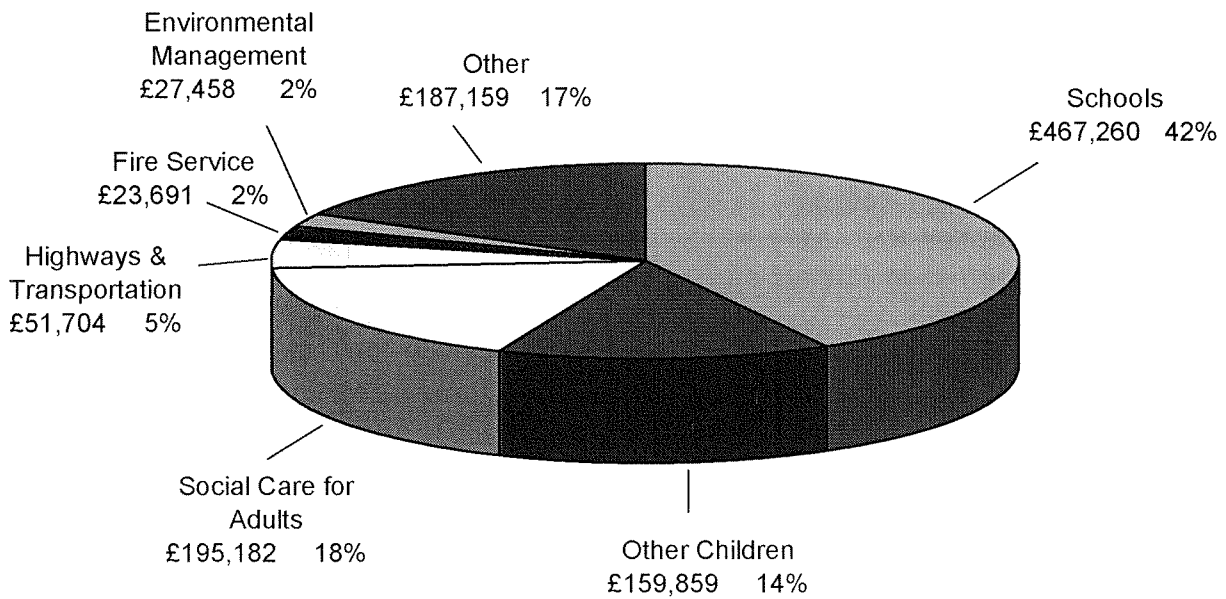
8	Expenditure
8.1	The Council will acquire goods and services to achieve best value in accordance with Procurement Lincolnshire's Sustainable Procurement Strategy in order to : <ul style="list-style-type: none"> • Deliver year on year efficiencies but not at the cost of quality • Develops and embraces socially responsible procurement that delivers value for money, promotes the local economy, and takes into account the social and environmental impact of spending decisions.
8.2	Undisputed invoices will be paid in line with either contracted terms or within 30 days on a reasonable endeavours basis. The Council will seek actively to resolve disputed invoices.
8.3	Procurement and payment processes will utilise available technology where appropriate including e-procurement and the use of procurement cards.
9	Income
9.1	The Council will review its policies on fees and charges for discretionary services bearing in mind the impact on both service users and council tax payers.
9.2	The Council will aim to collect all the income owed to it, to collect it promptly, and to take effective action to pursue non-payment, taking into account the circumstances of the individual debtor.
9.3	Income collection processes will utilise available technology where appropriate including the use of the on-line payments and credit cards.
9.4	The Council will not seek to use the discretionary power to set a Supplementary Business Rate unless there is general support from Lincolnshire businesses.
10	External funding and partnerships
10.1	The Council will work with partners and national bodies to ensure that Lincolnshire receives appropriate levels of government grant.
10.2	In deciding whether or not to make a bid for external funding directors, Executive councillors or the Executive <u>must ensure</u> that : <ul style="list-style-type: none"> • The project contributes to the Council's corporate objectives • Matched funding is available within existing budgets • Partner contributions are confirmed • Risks are assessed and minimized including : <ul style="list-style-type: none"> ○ Where funding is linked to the achievement of specific outcomes ○ Where success relies on others • The Council has the capacity to deliver the outcomes and timescales required • There is a clear exit strategy where external funding is for a limited period, And <u>must consider</u> : <ul style="list-style-type: none"> • The probability of success in obtaining funding, particularly in relation to the resource costs of preparing bids • Co-ordination of bids and initiatives within the Council and with partners • Whether the project represents value for money.
10.3	Approval for external funding bids should be sought from :

	<ul style="list-style-type: none"> • the appropriate Executive councillor or the Executive – for projects costing more than £250,000 • officers authorised to bid for external funding under directorate Schemes of Authorisation – for projects costing less than £250,000.
10.4	<p>The Assistant Director - Finance and Asset Management must</p> <ul style="list-style-type: none"> • ensure that costs, benefits and risks are assessed fully before partnership agreements are made • He/she must ensure that governance, accountability and reporting arrangements are appropriate and clear • and he/she must ensure that financial arrangements are appropriate and safeguard the Council's interests.
11	Funding the capital programme
11.1	The Council will actively dispose of surplus assets where appropriate in order to reinvest in capital assets.
11.2	A proportion of capital programme will be funded directly from revenue income so as to qualify for Dedicated Schools Grant and to provide an element of flexibility.
11.3	Capital spending will be funded largely through long-term borrowing in accordance with government policy.
11.4	Annual provision will be made for the repayment of long term borrowing. The amount repaid will be related directly to the useful life of the assets acquired through borrowing so that debt is not outstanding after an asset's useful life.
11.5	Provision for the repayment of long term borrowing including interest will not exceed a long term limit of 10% of annual income from general government grants, Dedicated Schools Grant and council tax.
12	Accounting and financial processes
12.1	Strong financial controls will be maintained with the Assistant Director - Finance and Asset Management responsible for determining or agreeing all financial processes, systems and financial records used by the Council.
12.2	Accounting policies will comply fully with International Financial Reporting Standards and statutory regulations as set out in the Code of Practice on Local Authority Accounting in the UK. The annual statement of accounts will give a true and fair view of the financial position and transactions of the Council in the opinion of its external auditor.
13	Treasury management
13.1	The Council will comply at all times with the CIPFA Code of Practice on Treasury Management and related locally determined statements, strategies and practices.
13.2	The Council will employ external treasury management advisors and will outline the service received and the arrangements in place with the advisors within the

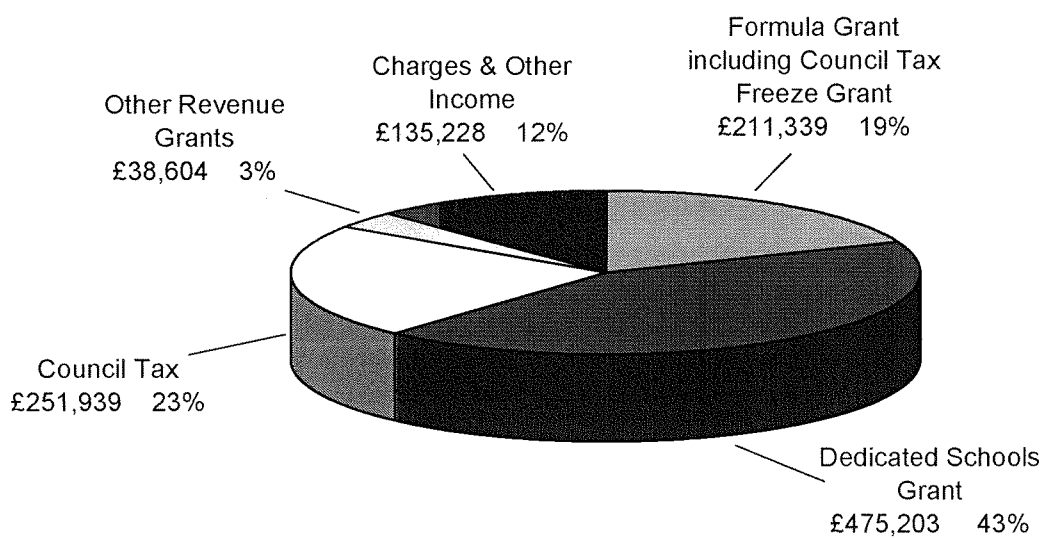
	Annual Treasury Management Strategy. The overall responsibility for risk management and control of the treasury operation rests with the Council.
13.3	The committee responsible for the scrutiny of the treasury management function is the Value For Money Scrutiny Committee, which will receive the Treasury Management Strategy and Annual Report on an annual basis and also quarterly monitoring reports throughout the year that will compare activity against approved strategy.
13.4	The Council will finance long term debt relating to capital expenditure at periods and interest rate levels that minimise the cost to the Council. The total level of long term debt will be managed within prudential levels pre-determined by the Council. The maturity profile of long term debt will also be managed with the aim of achieving an even maturity structure.
13.5	The Council will actively pursue debt rescheduling to the extent that it will generate financial savings without adding significantly to the overall debt burden.
13.6	The Council will operate a lending strategy in line with best professional practice that seeks to minimise the risk of capital loss while maximizing the income return to the Council. Priority will be given to security and liquidity over return within the lending strategy at all times.
13.7	When making investments, the Council will make use of a wide range of information, including credit ratings, financial press, market data and other relevant information, when determining an appropriate counterparty creditworthiness policy. Limits which diversify investments over country, sector and counterparty group will be applied.
14	Performance measures and targets
14.1	Implementation of the Financial Strategy will be monitored and managed with reference to the measures of financial health and performance attached at Appendix E.
14.2	The Financial Strategy will be reviewed every four years at the start of each new Council.

REF	PERFORMANCE INDICATOR	MEDIUM TERM TARGET	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
1	Council tax compared with other counties	In lowest quartile of all English county councils (out of 27 county councils)	Yes 25th	Yes	Yes	Yes
2	Efficiency gains and value for money	Cash reduction in budgets of at least £80m over the four years 2009/10 to 2012/13	£47.3m	£104.4m	£134.9m	£154.2m
3	Government grants (excluding area based grant)	Lobby for annual increases/(decreases) in general government grants to be above/(below) the county average.	Yes +1.5%	Yes +1.4%	Yes +1.1%	
4	External funding	Successful in winning at least 25% of approved external funding bids submitted in competition	Not yet available			
5	Capital receipts	At least £20m over four years 2009/10 to 2012/13.	£1.9m	£5.9m	£19.3m	£21.3m
6	Repayment of external debt including interest	Less than 10% of annual income from general government grants, Dedicated Schools Grant and council tax.	4.36%	5.34%	6.18%	6.72%
7	General reserves	Within the range 2.5% to 3.5% of the Council's annual budget requirement net of Dedicated Schools Grant.	3.1%	3.3%	3.3%	3.3%
8	Budget management	(a) Actual revenue spending within 1% of budget for all service budgets.	69%			
		(b) Actual capital spending within 5% of budget for all capital projects.	Not yet available			
		(c) All budget holders assessed as achieving at least minimum financial standards	Not yet available			
		(d) All schools attain Financial Management in Schools Standard	Not available			
9	Accounting	Unqualified external audit opinion.	Yes	Yes	Yes	Yes
10	Risk Management	Reduce risks to the target level set for the Corporate Risk Register (actual compared with target)	53%			
11	Internal control	None of the processes audited receive a "no assurance" opinion from internal audit	Yes	Yes	Yes	Yes
12	Income collection	Overall top quartile performance compared with other counties (100% = top quartile)	85.0%			
13	Expenditure - prompt payment	At least 90% of undisputed invoices paid within 30 days	92.5%			
14	Expenditure - accurate payment	Overall top quartile performance compared with other counties	25.0%			
15	Treasury management	(a) Risk adjusted return comparison being developed	Not yet available			
		(b) Interest paid on debt comparison being developed	Not yet available			
16	General	Use of Resources scores of 3 out of 4 ("performing well") for Managing Finances:	Not available			
		• financial management	Not available			
		• value for money	Not available			
		• financial reporting	Not available			

GROSS EXPENDITURE ON SERVICES £'000



SOURCES OF FINANCE £'000



GOVERNMENT GRANTS 2011/12**APPENDIX G**

	Amount
	£'000s
Revenue Grants	
Formula Grant	211,339
Council Tax Freeze Grant	6,293
Dedicated Schools Grant (ringfenced)	475,203
Early Intervention Grant	24,052
PFI	1,170
Learning Disabilities & Health Reform	5,755
Lead Local Flood Authorities	239
Inshore Fisheries Conservation Authorities	128
Fire Urban Search & Rescue	947
Fire New Burden	20
Total Revenue Grants	<u><u>725,146</u></u>
Capital Grants	
Highways Asset Protection	25,068
Highways Integrated Transport	3,877
Schools Basic Need	7,901
Capital Maintenance	13,095
Schools Devolved Capital	2,348
Academies Grant	4,560
Adults' Personal Social Services Capital Grant Allocation	1,731
Total Capital Grants	<u><u>58,580</u></u>

REVENUE BUDGET SAVINGS BY SERVICE					
	2011/12	2012/13	2013/14	2014/15	4 year cumulative savings
	£000	£000	£000	£000	£000
Adult Social Care	-17,524	-9,422	-8,229	-3,845	-39,020
Healthier Communities	-1,534	-499	-500	0	-2,533
Universal Children's Services	-3,061	-1,822	-930	-255	-6,068
Targeted Children's Services	-6,315	-6,077	-74	0	-12,466
Specialist Children's Services	-2,003	-1,665	-516	-334	-4,518
Highways & Transportation	-7,849	-427	0	0	-8,276
Environmental Management	-1,873	-1,342	-6,475	-5,468	-15,158
Economic Regeneration	-1,149	0	0	0	-1,149
Resources	-2,869	-1,345	-655	-1,240	-6,109
Fire & Rescue and Emergency Planning	-756	0	0	0	-756
Safer Communities	-1,647	-513	0	0	-2,160
CX Office	-3,351	-1,953	-500	-250	-6,054
Culture and Adult Education	-1,211	-999	-1,008	-1,000	-4,218
Total Service Budgets	-51,142	-26,064	-18,887	-12,392	-108,485
Capital Financing Charges	-2,997	-3,468	-376	-5,499	-12,340
Other Budgets	-2,978	-1,000	0	0	-3,978
Total Expenditure	-57,117	-30,532	-19,263	-17,891	-124,803

PRUDENTIAL INDICATORS

APPENDIX I

PRUDENTIAL INDICATORS	2010/11	2011/12	2012/13	2013/14	2014/15
PRUDENTIAL INDICATOR TARGETS					
External Debt:					
1	Authorised limit for external debt -				
	The authority will set for the forthcoming financial year and the following three years an authorised limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Authorised limit for external debt -</u>				
	borrowing	£m	£m	£m	£m
	other long term liabilities	547.452	595.954	641.938	658.688
	Total	19.200	18.500	18.000	17.250
		566.652	614.454	659.938	675.938
					691.842
2	Operational boundary -				
	The authority will set for the forthcoming financial year and the following three years an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Operational boundary -</u>				
	borrowing	£m	£m	£m	£m
	other long term liabilities	532.452	571.954	617.938	634.688
	Total	17.200	16.500	16.000	15.250
		549.652	588.454	633.938	649.938
					665.842
Treasury Management Indicators:					
Interest Rate Exposures					
The Authority will set for the forthcoming financial year and the following three years upper limits to its exposures to the effects of changes in interest rates. These prudential indicators relate to both fixed and variable interest rates.					
3	Upper limit for fixed interest rate exposure				
	Net principal re fixed rate borrowing less investments				
	£m	£m	£m	£m	£m
	620.870	620.870	620.870	620.870	620.870
4	Upper limit for variable rate exposure				
	Net principal re variable rate borrowing less investments				
	£m	£m	£m	£m	£m
	186.261	186.261	186.261	186.261	186.261
Total principal sums invested for periods longer than 364 days					
Where a local authority plans to invest, for periods longer than 364 days the local authority will set an upper limit for each forward year period for the maturing of such investments					
5	Upper limit for total principal sums invested for over 364 days				
	(per maturity date)				
	£m	£m	£m	£m	£m
	40.000	40.000	40.000	40.000	40.000

PRUDENTIAL INDICATORS TO NOTE						
6	Repayment of minimum revenue provision and interest will not exceed 10% of Net Revenue Stream (Voluntary Indicator)	4.36%	5.34%	6.18%	6.72%	6.70%
7	Estimates of capital expenditure - The Authority shall make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the two following years. Reported in the Revenue Budget and Capital Programme to Full Council	Yes	Yes	Yes	Yes	Yes
8	Ratio of Financing Costs to Net Revenue Stream The Authority will estimate for the forthcoming financial year and the following three years the ratio of financing costs to Net Revenue Stream.	4.32%	5.28%	5.91%	6.14%	6.08%
9	Capital Financing Requirement The Authority shall make reasonable estimates of the total of capital financing requirement at the end of the forthcoming financial year and the following three years. Estimate of the Capital Financing Requirement for the Authority	£m 487.734	£m 552.804	£m 605.561	£m 620.870	£m 635.454
10	Estimate of the incremental impact of Capital Investment decisions on the Council Tax The Authority will calculate the addition or reduction to Council Tax that results from any proposed changes to the capital programme Band D Council Tax	£6.41	£31.79	£28.73	£20.38	-£2.12
11	Treasury Management: The Authority has adopted the CIPFA's Code of Practice for Treasury Management in Public Services	Yes	Yes	Yes	Yes	Yes
12	Treasury Management Indicator: Maturity structure of new fixed rate borrowing The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of borrowing					
	under 12 months	upper limit		lower limit		
	12 months and within 24 months	25%		0%		
	24 months and within 5 years	25%		0%		
	5 years and within 10 years	50%		0%		
	10 years and above	75%		0%		
		100%		0%		

CAPITAL PROGRAMME

	Net 2010/11 £000's	G & C 2010/11 £000's	Gross 2010/11 £000's	Net 2011/12 £000's	G & C 2011/12 £000's	Gross 2011/12 £000's
Highways and Transportation						
Major schemes	7,114	7,476	14,590	175	0	175
Other Road Improvement Schemes	2,000	0	2,000	0	0	0
Asset protection	23,096	2,528	25,624	0	25,068	25,068
Integrated transport	8,614	1,613	10,227	689	3,877	4,566
Other	685	0	685	0	0	0
Sub Total	41,509	11,617	53,126	864	28,945	29,809
Economic Development and Tourism						
Objective 2 - related	899	606	1,505	0	0	0
Premises and Programmes	3,930	2,406	6,336	17,606	8,680	26,286
Boston Barrage	0	0	0	0	0	0
Tourism and New Employment Sectors	2,443	668	3,111	2,339	5,154	7,493
Sub Total	7,272	3,680	10,952	19,945	13,834	33,779
Environmental, Planning & Transport						
Energy from Waste	28,000	454	28,454	44,000	0	44,000
Flood Defence	0	0	0	0	0	0
Other EPT	0	0	0	0	0	0
Sub Total	28,000	454	28,454	44,000	0	44,000
Fire and Rescue						
Fire and Rescue	1,890	790	2,680	2,261	0	2,261
Sub Total	1,890	790	2,680	2,261	0	2,261
Children's Services						
Devolved capital	-30	10,000	9,970	0	2,348	2,348
School capacity and modernisation	6,282	2,148	8,430	958	20,996	21,954
Extended Schools	0	1,995	1,995	0	0	0
Gainsborough Schools	810	923	1,733	2,143	0	2,143
School access	300	0	300	347	0	347
Schools IT	2,300	4,697	6,997	2,457	0	2,457
Lincoln South - Partnership for Schools	-87	31,305	31,218	0	4,560	4,560
Targeted Capital Fund	0	0	0	0	0	0
New funding Primary Capital	0	12,175	12,175	0	0	0
BSF	0	0	0	0	0	0
Other children's services	2,469	5,863	8,332	1,715	0	1,715
Sub Total	12,044	69,105	81,149	7,620	27,904	35,524
Adult Social Care						
Adult Social Care	2,063	2,338	4,401	1,113	1,731	2,844
Sub Total	2,063	2,338	4,401	1,113	1,731	2,844
Culture and Adult Education						
Culture and adult education	1,901	400	2,301	548	500	1,048
Sub Total	1,901	400	2,301	548	500	1,048
Corporate Services						
Property	4,254	0	4,254	3,200	0	3,200
Crown Court	0	0	0	8,198	0	8,198
NWoW	1,250	0	1,250	5,348	0	5,348
IT-related	8,050	0	8,050	1,142	0	1,142
Sub Total	13,554	0	13,554	17,888	0	17,888
Other Programmes						
Unallocated	620	0	620	0	0	0
Sub Total	620	0	620	0	0	0
TOTAL	108,853	88,384	197,237	94,239	72,914	167,153

APPENDIX J

Net 2012/13 £000's	G & C 2012/13 £000's	Gross 2012/13 £000's	Net 2013/14 £000's	G & C 2013/14 £000's	Gross 2013/14 £000's	Net 2014/15 £000's	G & C 2014/15 £000's	Gross 2014/15 £000's
313	0	313	0	0	0	0	0	0
19,000	0	19,000	0	0	0	0	0	0
0	24,038	24,038	0	23,330	23,330	0	21,929	21,929
689	4,136	4,825	0	4,136	4,136	0	5,816	5,816
0	0	0	0	0	0	0	0	0
20,002	28,174	48,176	0	27,466	27,466	0	27,745	27,745
0	0	0	0	0	0	0	0	0
5,119	3,459	8,578	0	0	0	0	0	0
0	0	0	2,000	0	2,000	9,000	0	9,000
1,458	3,329	4,787	515	0	515	0	0	0
6,577	6,788	13,365	2,515	0	2,515	9,000	0	9,000
47,035	0	47,035	26,000	0	26,000	0	0	0
6,000	0	6,000	0	0	0	0	0	0
1,000	0	1,000	0	0	0	0	0	0
54,035	0	54,035	26,000	0	26,000	0	0	0
650	0	650	0	0	0	0	0	0
650	0	650	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
4,891	0	4,891	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
347	0	347	0	0	0	0	0	0
2,457	0	2,457	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,715	0	1,715	0	0	0	0	0	0
9,410	0	9,410	0	0	0	0	0	0
0	1,778	1,778	975	0	975	858	0	858
0	1,778	1,778	975	0	975	858	0	858
296	200	496	0	0	0	0	0	0
296	200	496	0	0	0	0	0	0
3,200	0	3,200	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
383	0	383	0	0	0	0	0	0
5,794	0	5,794	0	0	0	0	0	0
9,377	0	9,377	0	0	0	0	0	0
0	0	0	33,551	0	33,551	39,142	0	39,142
0	0	0	33,551	0	33,551	39,142	0	39,142
100,347	36,940	137,287	63,041	27,466	90,507	49,000	27,745	76,745

Highways and transportation :

Maintenance on roads, bridges, safety fencing, street lighting, signs and lines, and traffic signals
Integrated transport schemes e.g. in Boston

Economic development and tourism :

Online Lincolnshire - a programme to trigger the installation of digital infrastructure in communities and businesses
Lincoln Castle Revealed - maintenance of castle walls as the first stage of improving the castle as a tourist attraction
Routes Not Barriers - a programme to increase the number of tourist facilities along Lincolnshire's waterways
Heritage Skills Centre - construction of a small training centre in Lincoln Castle to train people in traditional craft skills
Boston Market Place - environmental enhancement
Grantham Growth Points - environmental enhancement (Market Place)
Grantham Station Approach - office park
Kesteven Mews - Redevelopment of former Lincoln coal yard as an office development
Alford - industrial units

Environmental services and planning

Development of the Energy from Waste Scheme

Fire and Rescue:

Replacement fire station at Sleaford
Replacement of Firefighters' personal protective equipment

Children's services :

A programme of modernisation in primary schools to meet the statutory responsibility for provision of educational places
Various schemes to improve the condition of school buildings
Measures to address issues at Crowland primary and secondary schools.
Series of projects to rationalise special educational needs provision in Grantham, Lincoln and East Lindsey

Adult Social Care:

Adults Finance System Programme - consolidation of several systems and initiatives into one
Community Hubs for adults with disabilities - to help people live as independently as possible

Culture and Adult Education:

Self Issue Technology in Libraries
Small Site Improvement Schemes
Sports Centre Improvements
Collections Storage Improvements

Corporate services :

Property:

Repairs and maintenance of council property
New Crown Court
New Ways of Working - projects throughout the county

ICT:

IT Development
Replacement of PCs and other IT equipment
ICT infrastructure

EARMARKED RESERVES

	Actual balance at 31.3.2010	Planned use in 2010/11	Estimated balance at 31.3.2011	Planned use in 2011/12	Estimated balance at 31.3.2012
	£000's	£000's	£000's	£000's	£000's
Capital programme reserve	2,586	-2,586	0		0
Capital funding reserve	1,957	-1,957	0		0
Other Earmarked Reserves:					
Schools	13,559		13,559		13,559
Waste Disposal	19,742	5,703	25,445	-13,700	11,745
Development	3,466	-3,466	0		0
Health and Wellbeing	7,652		7,652		7,652
Other Services budgets carried forward	4,630	-4,630	0		0
Insurance	1,210		1,210		1,210
Adverse Weather	0	53	53		53
Children's Fund	16		16		16
Objective 2	438		438		438
Invest to Save	185		185		185
School Boarding	254		254		254
Schools Sickness Insurance Scheme	575		575		575
Purchase on Museums Exhibits	140		140		140
Salix Carbon Management	192	-20	172		172
Carbon Management	49		49		49
Safer Communities Commissioning Project	1,495		1,495		1,495
Safer Communities Positive Future	500	125	625		625
LPSA Reward Grant Reserves :					
Crime and Disorder	387	-387	0		0
Highways	232	-232	0		0
Public Footpaths	136	-136	0		0
Culture and Adult	687	-687	0		0
LPSA2 - Improving Road Safety	627	-627	0		0
LPSA2 - Healthier Communities	257	-257	0		0
LPSA2 - Waste Management	626	-626	0		0
LPSA2 - Economic Regeneration	626	-626	0		0
LPSA2 - Children's Services	716	-716	0		0
Total earmarked reserves	62,940	-11,072	51,868	-13,700	38,168

CHANGES BETWEEN THE 2010/11 BUDGET AND THE 2011/12 BUDGET

Budget changes	Amount	Impact on budget requirement
	£m	%
Cost pressures :		
Inflation	2.612	0.5%
Capital financing charges	16.516	3.3%
Transfer of specific grants to Formula Grant	6.022	1.2%
Concessionary fares - cost of new function	7.071	1.4%
Adult social care demography	3.000	0.6%
Increase in redeployment and redundancy budget	13.500	2.7%
Emerging Pressures Contingency	-5.000	-1.0%
Increase in landfill tax and other waste disposal costs	1.457	0.3%
Transfer from capital programme	1.911	0.4%
Road maintenance	2.736	0.6%
Community budgets / Big Society	1.000	0.2%
Other cost pressures	0.638	0.1%
Total cost pressures	51.463	10.4%
Savings	-57.117	-11.5%
Use of reserves	-20.403	-4.1%
Council Tax Freeze Grant	-6.293	-1.3%
Total change in the Budget Requirement	-32.350	-6.5%
Reduction in general government grants	-34.724	
Increase in council tax base i.e.number of council tax payers	2.455	
Reduction in council tax collection fund surpluses	-0.081	
Change in general grant and council tax income	-32.350	

SUMMARIES OF SERVICE REVENUE ESTIMATES

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	140,000,256	
2	Inflation	960,000	Ref 2 An allocation of 1% towards inflation has been applied to non pay budgets.
3	Demography	3,000,000	Ref 3 Pressure relating to more clients joining the service than leaving in 2011/12
4	Telecare	145,000	Ref 4 Increase in number of people benefitting from Telecare
5	LD Health reform	5,755,000	Ref 5 Expenditure relating to the transfer of responsibility for LD from Health
6	LD Health reform Grant	5,755,000	Ref 6 Income relating to the transfer in 2011/12 of responsibility for LD from Health
7	Additional funding for LD	500,000	Ref 7 Additional funding to compensate for reduced NHS income
8	Additional training funding	111,000	Ref 8 Additional training funding
9	HIV/Stroke Grant	173,000	Ref 9 funding to cover completion of grant
10	Campus Grant	2,318,000	Ref 10 funding to cover completion of grant
11	Improvement grant income	1,256,000	Ref 11 funding to cover completion of grant
12	change in investment for prevention	300,000	Ref 12 Change in level of investment to prevention
13	Reduction to future service levels	- 17,524,256	Ref 13 Reduction to future service levels.
14	2011/12 BUDGET	130,639,000	
15	Inflation	1,732,999	Ref 14 An allocation of 2% towards inflation has been applied to non pay budgets.
16	Demography	3,000,000	Ref 15 Pressure relating to more clients joining the service than leaving in 2011/12
17	Telecare	83,000	Ref 16 Increase in number of people benefitting from Telecare
18	change in investment for prevention	100,000	Ref 17 Change in level of investment to prevention
19	Reduction to future service levels	- 9,421,999	Ref 18 Reduction to future service levels.
20	2012/13 BUDGET	125,933,000	
21	Inflation	2,519,000	Ref 19 An allocation of 2% towards inflation has been applied to all budgets.
22	Demography	3,000,000	Ref 20 Pressure relating to more clients joining the service than leaving in 2011/12
23	Reduction to future service levels	8,229,000	Ref 21 Reduction to future service levels.
24	2013/14 BUDGET	123,223,000	
25	Inflation	2,016,999	Ref 22 An allocation of between 1% and 2% towards inflation has been applied to all budgets.
26	Demography	3,000,000	Ref 23 Pressure relating to more clients joining the service than leaving in 2011/12
27	Reduction to future service levels	3,845,999	Ref 24 Reduction to future service levels.
28	2014/15 BUDGET	124,394,000	

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	Management and Development team	2,030,119	-	1,990,000	1,960,000	1,960,000	1,960,000
2	Commissioning Services	2,294,406	3,452,594	5,747,000	7,065,000	9,371,000	11,173,000
3	Older People Services	65,559,095	-	63,427,000	62,258,000	60,942,000	61,517,000
4	Directly Provider Services	27,989,451	-	21,733,000	19,324,000	16,952,000	15,043,000
5	Adults with Physical Disability	13,886,649	-	13,076,000	12,641,000	12,429,000	12,612,000
6	Adults with Learning Difficulties	20,440,142	-	17,574,000	16,343,000	15,727,000	16,622,000
7	Adults with Mental Health problems	7,842,000	-	7,092,000	6,342,000	5,842,000	5,467,000
	NET TARGET BUDGET	140,041,862	-	130,639,000	125,933,000	123,223,000	124,394,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	19,418,076	
	BUDGET CHANGES:		
2	Inflation allocation	181,438	Ref 2 An allocation of 1% towards inflation has been applied to non pay budgets.
3	Director of Public Health	94,486	Ref 3 This is the County Council's contribution to the Director of Public Health.
4	Reduction to future service levels	- 1,534,000	Ref 4 Reduction to future service levels.
5	2011/12 BUDGET	18,160,000	
6	Inflation allocation	337,715	Ref 6 An allocation of 2% towards inflation has been applied to non pay budgets.
7	Reduction to future service levels	- 498,715	Ref 7 Reduction to future service levels.
8	2012/13 BUDGET	17,999,000	
9	Inflation allocation	359,980	Ref 9 An allocation of 2% towards inflation has been applied to all budgets.
10	Reduction to future service levels	- 499,980	Ref 10 Reduction to future service levels.
11	2013/14 BUDGET	17,859,000	
12	Inflation allocation	344,000	Ref 12 An allocation of between 1% and 2% towards inflation has been applied to all budgets.
13	2014/15 BUDGET	18,203,000	

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	SUPPORTING PEOPLE ADMINISTRATION (incl Direct Payments and Brokerage)	1,108,631	-	927,772	930,077	948,680	959,366
2	SUPPORTING PEOPLE PROGRAMME	17,360,885	-	16,182,494	16,007,429	15,827,578	16,144,130
3	HEALTHIER COMMUNITIES MANAGEMENT	159,054	97,896	256,950	262,091	267,352	272,518
4	SUBSTANCE MISUSE	236,075	2,361	238,436	243,204	248,068	253,029
5	SUPPORTED EMPLOYMENT	291,987	-	290,923	288,773	294,548	296,375
6	HEALTH & WELL BEING	261,444	1,981	263,425	267,426	272,774	277,582
7	TOTAL FOR HEALTHIER COMMUNITIES	19,418,076	-	18,160,000	17,999,000	17,859,000	18,203,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	41,099,238	
	BUDGET CHANGES:		
2	Inflation	312,263	Ref 2 Inflation based on 0% for pay and 1% for prices and income.
3	Savings	- 2,761,516	Ref 3 Reductions to future service levels.
4	Removal of specific grants	18,908,484	Ref 4 The removal of ring fenced specific grants the majority of which have been replaced by the non-ring fenced Early Intervention grant.
5	Other changes	102,531	NB Due to the late notification of the Early Intervention Grant, allocations of the grant have yet to be finalised. For the purpose of the budget book specific grants have been removed and the remaining balance held against the unallocated budget line.
6	2011/12 BUDGET	57,661,000	
7	Inflation	955,761	Ref 7 Inflation based on 0% for pay and 2% for prices and income.
8	Savings	- 1,207,761	Ref 8 Reductions to future service levels.
9	2012/13 BUDGET	57,409,000	
10	Inflation	1,148,180	Ref 10 Inflation based on 2% for pay, prices and income.
11	Savings	- 930,180	Ref 11 Reductions to future service levels.
12	2013/14 BUDGET	57,627,000	
13	Inflation	1,051,836	Ref 13 Inflation based on 1% for pay and 2% for prices and income.
14	Savings	- 255,836	Ref 14 Reductions to future service levels.
15	2014/15 BUDGET	58,423,000	

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	HOME TO SCHOOL TRANSPORT	27,648,730	-	26,856,780	26,718,104	26,712,466	27,180,035
2	HOME TO COLLEGE TRANSPORT	2,065,100	-	1,834,290	1,289,288	925,074	1,106,959
3	REDUNDANCIES IN SCHOOLS	4,165,760	41,660	4,207,420	4,287,697	4,373,451	4,453,277
4	EXTENDED PROVISION EXPENDITURE	17,564,811	410,153	17,974,964	18,270,057	18,635,458	18,975,602
5	EXTENDED PROVISION INCOME	-	17,564,811				
6	CENTRAL SUPPORT STAFFING	5,888,756	-	4,700,680	4,183,355	4,267,022	3,944,311
7	OTHER UNIVERSAL SERVICES	1,609,952	-	1,480,685	1,037,752	1,058,327	1,077,403
8	UNALLOCATED BUDGET - UNIVERSAL SERVICES	-	639,841	606,181	1,622,747	1,655,202	1,685,413
	SUB TOTAL	41,344,638	16,316,362	57,661,000	57,409,000	57,627,000	58,423,000
9	EFFICIENCY IMPROVEMENTS - UNIVERSAL SERVICES	-	245,400				
10	NET TARGET BUDGET	41,099,238	16,561,762	57,661,000	57,409,000	57,627,000	58,423,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	19,354,592	
	BUDGET CHANGES:		
2	Inflation	63,123	Ref 2 Inflation based on 0% for pay and 1% for prices and income.
3	Savings	- 6,314,867	Ref 3 Reductions to future service levels.
4	Removal of specific grants	1,984,416	Ref 4 The removal of ring fenced specific grants the majority of which have been replaced by the non-ring fenced Early Intervention grant.
5	Former LSC staff	514,000	Ref 5 Additional funding for the costs of staffing previously employed by the Learning & Skills Council.
6	Other changes	39,736	NB Due to the late notification of the Early Intervention Grant, allocations of the grant have yet to be finalised. For the purpose of the budget book specific grants have been removed within the Parent Partnership Service, the Youth Service and Area Based and Other Grants. A number of Standards Funds grants previously delegated to schools have now been included within the Dedicated Schools Grant. Therefore expenditure budgets and the specific grant income relating to these allocations have been removed from Targeted Services. A small number of central Standards Funds are expected to remain but are currently under review.
7	2011/12 BUDGET	15,641,000	
8	Inflation	51,174	Ref 8 Inflation based on 0% for pay and 2% for prices and income.
9	Savings	- 6,077,174	Ref 9 Reductions to future service levels.
10	2012/13 BUDGET	9,615,000	
11	Inflation	192,300	Ref 11 Inflation based on 2% for pay, prices and income.
12	Savings	- 74,300	Ref 12 Reductions to future service levels.
13	2013/14 BUDGET	9,733,000	
14	Inflation	61,221	Ref 14 Inflation based on 1% for pay and 2% for prices and income less reductions to future service
15	Savings	- 221	Ref 15 Reductions to future service levels.
16	2014/15 BUDGET	9,794,000	

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	WELFARE SERVICE	699,630	-	681,410	681,768	695,403	699,777
2	MUSIC SERVICE EXPENDITURE	2,794,120	-	2,312,290	2,067,695	2,109,049	2,122,315
3	MUSIC SERVICE INCOME	-	-	1,685,630	-	1,730,585	-
4	ETHNIC MINORITY EDUCATION	255,780	50	255,830	255,862	260,979	262,621
5	PARENT PARTNERSHIP SERVICE	144,232	823,281	967,513	972,346	991,793	998,031
6	STANDARDS FUNDS DELEGATED TO SCHOOLS	35,689,375	-	35,689,375	-	-	-
7	STANDARDS FUNDS OTHER SERVICES	11,933,676	-	786,497	791,060	806,400	811,251
8	STANDARDS FUND GRANT INCOME	-	-	837,730	-	860,072	-
9	SCHOOL IMPROVEMENT SERVICE (CfBT)	2,616,340	34,750	2,651,090	2,668,425	2,721,793	2,738,914
10	SERVICE DEVELOPMENT	959,980	3,440	963,420	615,686	628,000	631,950
11	STRATEGIC HR & LEARNING & DEVELOPMENT	675,030	-	569,060	531,340	541,967	545,376
12	YOUTH SERVICE	2,815,249	-	1,881,660	887,561	905,312	911,006
13	CONNEXIONS	3,910,855	-	3,765,625	53,290	54,356	54,698
14	TEENAGE PREGNANCY SERVICE	267,180	-	267,180	-	-	-
15	AREA BASED AND OTHER GRANTS	6,839,359	-	3,379,965	2,780,155	2,761,940	2,779,313
16	UNALLOCATED BUDGET - TARGETED SERVICES	1,857	-	1,857	-	-	-
	SUB TOTAL	20,242,592	-	15,691,000	9,765,328	9,886,335	9,948,300
17	EFFICIENCY IMPROVEMENTS - TARGETED SERVICES	-	838,000	-	-	153,335	-
18	NET TARGET BUDGET	19,354,592	-	15,641,000	9,615,000	9,733,000	9,794,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	39,574,000	
	BUDGET CHANGES:		
2	Inflation	182,787	Ref 2 Inflation based on 0% for pay and 1% for prices and income.
3	Cost Pressures	450,000	Ref 3 Additional budget to fund the full year effect of maintaining social workers caseloads at the nationally recognised level of 16.
4	Savings	- 2,002,783	Ref 4 Reductions to future service levels.
5	Removal of specific grants	2,645,100	Ref 5 The removal of ring fenced specific grants the majority of which have been replaced by the non-ring fenced Early Intervention grant.
6	Other changes	- 12,104	NB Due to the late notification of the Early Intervention Grant, allocations of the grant have yet to be finalised. For the purpose of the budget book specific grants have been removed within Fostering Services and Other Family Support Services.
7	2011/12 BUDGET	40,837,000	
8	Inflation	390,834	Ref 8 Inflation based on 0% for pay and 2% for prices and income.
9	Savings	- 1,664,834	Ref 9 Reductions to future service levels.
10	2012/13 BUDGET	39,563,000	
11	Inflation	791,260	Ref 11 Inflation based on 2% for pay, prices and income.
12	Savings	- 516,260	Ref 12 Reductions to future service levels.
13	2013/14 BUDGET	39,838,000	
14	Inflation	579,548	Ref 14 Inflation based on 1% for pay and 2% for prices and income.
15	Savings	- 333,548	Ref 15 Reductions to future service levels.
16	2014/15 BUDGET	40,084,000	

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	ADOPTION SERVICES	1,595,940	-	1,381,140	1,392,795	1,320,651	1,339,864
2	LEAVING CARE SERVICES	1,615,590	-	1,553,900	1,200,680	1,024,694	1,039,601
3	OTHER CHILDREN & FAMILY SERVICES	667,070	1,540,280	2,207,350	2,148,441	2,145,669	2,176,884
4	COMMISSIONING & SOCIAL WORK	12,727,806	-	12,222,562	12,099,420	12,282,950	12,228,180
5	RESIDENTIAL SERVICES	5,919,970	-	5,162,060	4,799,095	4,895,077	4,966,288
6	SECURE ACCOMMODATION EXPENDITURE	1,882,550	6,740	1,889,290	1,895,686	1,933,600	1,961,729
7	SECURE ACCOMMODATION INCOME	-	93,600	-	2,200,284	-	2,276,939
8	FOSTERING SERVICES	7,641,950	-	7,259,605	7,374,596	7,522,087	7,631,516
9	OTHER CHILDREN LOOKED AFTER	739,503	-	662,192	617,799	598,155	606,857
10	PSYCHOLOGY SERVICE	1,045,440	380	1,045,820	1,046,530	1,067,460	1,082,989
11	CHILD PROTECTION SERVICE	740,757	-	362,487	364,610	371,902	377,312
12	CHILDREN'S SERVICES GRANT	1,622,670	-	1,292,727	1,017,140	1,037,483	1,052,576
13	FAMILY CENTRES	1,124,842	1,376,037	2,500,879	2,247,944	2,212,903	2,245,095
14	OTHER FAMILY SUPPORT SERVICES	5,266,628	187,790	5,454,418	5,558,548	5,669,659	5,652,048
15	UNALLOCATED BUDGET - SPECIALIST SERVICES	-	31,066	-	-	-	-
	SUB TOTAL	40,495,820	341,180	40,837,000	39,563,000	39,838,000	40,084,000
16	EFFICIENCY IMPROVEMENTS - SPECIALIST SERVICES	-	921,820	-	-	-	-
17	NET TARGET BUDGET	39,574,000	1,263,000	40,837,000	39,563,000	39,838,000	40,084,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	45,013,745	
	BUDGET CHANGES:		
2	Inflation	261,953	Ref 2 A contribution of 1% towards Prices & Income inflation
3	Electricity energy	246,000	Ref 3 Roads Maintenance electricity energy costs
4	Advance Design Fees	875,000	Ref 4 Advance Design Fees transferred from Capital
5	Concessionary Fares	7,071,000	Ref 5 Concessionary Fares
6	Roads Maintenance	2,736,000	Ref 6 Highways Maintenance (potholes)
7	Transportation	28,302	Ref 7 Other Transportation budgetary re-alignment
8	Savings	- 7,849,000	Ref 8 Reduction to future service levels
9	2011/12 BUDGET	48,383,000	
10	Budget changes	193,000	Ref 10 A contribution of 2% towards Prices & Income inflation, plus agreed Cost Pressures and Savings
11	2012/13 BUDGET	48,576,000	
12	Budget changes	1,218,000	Ref 12 A contribution of 2% towards Pay, Prices & Income inflation, plus agreed Cost Pressures
13	2013/14 BUDGET	49,794,000	
14	Budget changes	1,050,000	Ref 14 A contribution of 1% towards Pay inflation, 2% Prices & Income inflation, plus agreed Cost Pressures
15	2014/15 BUDGET	50,844,000	

REVENUE EXPENDITURE - HIGHWAYS AND TRANSPORTATION

DEVELOPMENT

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	HIGHWAYS & TRANSPORTATION						
2	ROADS MAINTENANCE	23,928,028	-	23,718,006	24,071,769	24,882,587	25,614,429
3	DIVISIONAL SERVICES	5,768,946	-	4,632,670	4,331,985	4,403,969	4,460,215
4	HIGHWAYS, COMMISSIONING & TECHNICAL TRANSPORTATION	3,679,662	-	3,406,938	3,442,470	3,499,673	3,544,369
5	SUPPORT & PERFORMANCE MANAGEMENT	8,299,647	5,496,181	13,795,828	13,920,708	14,152,025	14,332,768
6	FINANCIAL PROVISIONS	985,319	-	841,319	800,093	813,388	823,777
7	NET TARGET BUDGET	2,352,143	-	1,988,239	2,008,975	2,042,358	2,068,442
		45,013,745	3,369,255	48,383,000	48,576,000	49,794,000	50,844,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	26,273,968	
	BUDGET CHANGES:		
2	Inflation	235,201	Ref 2 A contribution of 1% towards prices & income inflation
3	Waste including Landfill Tax	1,486,831	Ref 3 Increases in Landfill Tax, landfill disposal costs and recycling credit rates, other minor changes
4	Flood & Water Risk	100,000	Ref 4 Flood & Water risk strategy work
5	Carbon Tax	150,000	Ref 5 Carbon Tax
6	Local Development Framework	40,000	Ref 6 Increase in respect of Local Development Framework
7	Savings	- 1,873,000	Ref 7 Reduction to future service levels
8	2011/12 BUDGET	26,413,000	
9	Budget Changes	657,000	Ref 9 A contribution of 2% towards Prices & Income inflation, plus agreed Cost Pressures and Savings
10	2012/13 BUDGET	27,070,000	
11	Budget Changes	- 2,085,000	Ref 11 A contribution of 2% towards Pay, Prices & Income inflation, plus agreed Cost Pressures and Savings
12	2013/14 BUDGET	24,985,000	
13	Budget Changes	- 1,410,000	Ref 13 A contribution of 1% towards Pay inflation, 2% Prices & Income inflation, plus agreed Cost Pressures and Savings.
14	2014/15 BUDGET	23,575,000	

REVENUE EXPENDITURE - ENVIRONMENTAL MANAGEMENT

DEVELOPMENT

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	SPATIAL PLANNING	1,433,000	-	1,165,000	1,190,000	1,229,000	1,262,000
2	ENVIRONMENTAL MANAGEMENT	2,118,000	-	1,798,000	1,757,000	1,814,000	1,862,000
3	WASTE MANAGEMENT	22,125,276	721,055	22,846,331	23,507,258	21,313,943	19,810,382
4	FLOOD DEFENCE PRECEPT	597,692	5,977	603,669	615,742	628,057	640,618
5	NET TARGET BUDGET	26,273,968	139,032	26,413,000	27,070,000	24,985,000	23,575,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	4,112,125	
	BUDGET CHANGES:		
2	Inflation	9,454	Ref 2 Contribution towards Prices & Income Inflation 1%
3	Attracting funding / information for external organisations	14,000	
4	Reduction to future service levels	- 1,149,000	
5	Other Minor Changes	421	
6	2011/12 BUDGET	2,987,000	
7	Inflation	- 3,594	Ref 7 Contribution towards Prices & Income Inflation 2%
8	Other Minor Changes	594	
9	2012/13 BUDGET	2,984,000	
10	Inflation	59,680	Ref 10 Contribution towards Prices, Pay & Income Inflation 2%
11	Other Minor Changes	320	
12	2013/14 BUDGET	3,044,000	
13	Inflation	28,580	Ref 13 Contribution towards Prices & Income Inflation 2% Pay Inflation 1%
14	Other Minor Changes	420	
15	2014/15 BUDGET	3,073,000	

REVENUE EXPENDITURE - ECONOMIC REGENERATION

DEVELOPMENT

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	COMMUNITIES	633,012	-	430,012	429,562	438,202	442,234
2	POLICY	1,949,802	-	1,179,677	1,178,569	1,202,254	1,214,307
3	PROGRAMMES	1,059,431	-	928,431	927,459	946,114	954,820
4	ENTERPRISE DEVELOPMENT	469,880	-	448,880	448,410	457,430	461,639
5	NET TARGET BUDGET	4,112,125	-	2,987,000	2,984,000	3,044,000	3,073,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	23,647,412	
	BUDGET CHANGES:		
2	Inflation	50,257	Ref 2 A contribution to inflation based on 1% for prices & income
3	Water rescue training & equipment	-	Ref 3 A budget provided over 2 years to resolve identified risks associated with water rescue across the county can now be reduced whilst maintaining this capability.
4	Savings	742,669	Ref 4 Reduction to future service levels
5	2011/12 BUDGET	22,641,000	
6	Change in budget	80,000	Ref 6 A contribution of 2% on prices & income towards inflation
7	2012/13 BUDGET	22,721,000	
8	Change in Grant Funding Mechanism	887,000	Ref 8 The specific grants for Urban Search & Rescue will be combined with the general support grants
9	Change in budget	454,000	Ref 9 A contribution of 2% on prices, income & pay towards inflation
10	2013/14 BUDGET	24,062,000	
11	Change in budget	291,000	Ref 11 A contribution of 2% on prices & income and 1% on pay towards inflation
12	2014/15 BUDGET	24,353,000	

REVENUE EXPENDITURE - FIRE & RESCUE AND EMERGENCY PLANNING

RESOURCES AND COMMUNITY SAFETY

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	FIRE & RESCUE	23,098,412	- 957,412	22,141,000	22,220,000	23,551,000	23,836,000
2	EMERGENCY PLANNING	549,000	- 49,000	500,000	501,000	511,000	517,000
3	NET TARGET BUDGET	23,647,412	- 1,006,412	22,641,000	22,721,000	24,062,000	24,353,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	8,020,037	
	BUDGET CHANGES:		
2	Inflation	25,963	Ref 2 A contribution to inflation based on 1% for prices and income
3	Savings	- 996,000	Ref 3 A reduction to future service levels
4	Phased reduction in funding	- 474,000	Ref 4 Phased reduction of expenditure on the crime reduction programme in line with the reduction in ABG funding
5	2011/12 BUDGET	6,576,000	
6	Inflation	22,000	Ref 6 A contribution to inflation based on 2% for prices and income
7	Savings	- 513,000	Ref 7 A reduction to future service levels
8	2012/13 BUDGET	6,085,000	
9	Inflation	122,000	Ref 9 A contribution to inflation based on 2% for pay, prices and income
10	2013/14 BUDGET	6,207,000	
11	Inflation	69,000	Ref 11 A contribution to inflation based on 2% for prices and income and 1% for pay
12	2014/15 BUDGET	6,276,000	

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	SAFER COMMUNITIES	3,480,539	-	2,848,372	2,844,395	2,901,283	2,953,217
2	YOUTH OFFENDING	1,333,015	-	1,072,317	962,709	981,963	977,094
3	TRADING STANDARDS	3,206,483	-	2,655,311	2,277,896	2,323,754	2,345,689
4	NET TARGET BUDGET	8,020,037	-	6,576,000	6,085,000	6,207,000	6,276,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	28,065,312	
2	BUDGET CHANGES:		
	Inflation	150,688	Ref 2 A contribution to inflation based on 1% for prices and income
3	Property Rents & Accommodation	100,000	Ref 3 Increase in property costs
4	Registrars	29,000	Ref 4 A range of improvements including electronic access to indices and improved face to face contact points, funded by increased income generation
5	Inshore Fisheries Grant	-	Ref 5 New grant in relation to inshore fisheries conservation authorities
6	Inshore Fisheries	400,000	Ref 6 Payment of grant to Eastern Inshore Fisheries Conservation Authority
7	Savings	-	Ref 7 A reduction to future service levels
8	2011/12 BUDGET	25,476,000	
9	Inflation	252,000	Ref 9 A contribution to inflation based on 2% for prices and income
10	Registrars	7,000	Ref 10 Removal of funding for one off expenditure, and Tell Us Once programme costs
11	Savings	-	Ref 11 A reduction to future service levels
12	2012/13 BUDGET	24,376,000	
13	Inflation	500,000	Ref 13 A contribution to inflation based on 2% for pay, prices and income
14	Registrars	15,000	Ref 14 Reduced opportunity to generate income due to changes in immigration policy and the Tell Us Once programme
15	Savings	-	Ref 15 A reduction to future service levels
16	2013/14 BUDGET	24,236,000	
17	Inflation	360,000	Ref 17 A contribution to inflation based on 2% for prices and income and 1% for pay
18	Savings	-	Ref 18 A reduction to future service levels
19	2014/15 BUDGET	23,356,000	

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	TREASURY & FINANCIAL MANAGEMENT	5,812,183	-	4,704,494	4,114,400	4,201,374	4,284,167
2	CORPORATE AUDIT & RISK MANAGEMENT	1,422,174	-	1,145,613	1,052,961	1,074,021	1,082,463
3	STRATEGIC ASSET MANAGEMENT	10,764,651	-	10,234,848	10,233,563	10,038,235	9,177,596
4	FINANCE AND ASSET MANAGEMENT	17,999,008	-	16,084,955	15,400,924	15,313,630	14,544,226
5	COMMERCIAL & LEGAL STRATEGIC MANAGEMENT	185,747	-	76,229	77,202	78,746	80,040
6	BUSINESS SUPPORT	8,210,909	-	7,890,622	7,550,143	7,461,146	7,340,710
7	CORONERS	1,093,607	-	1,081,314	1,076,483	1,098,013	1,116,679
8	REGISTRARS	399,998	-	374,935	322,308	328,754	325,065
9	PARTNERSHIP AND CONTRACT MANAGEMENT	-	-	503,303	-	532,143	-
10	PROCUREMENT LINCOLNSHIRE	861,231	-	860,934	860,335	877,542	886,005
11	LEGAL SERVICES	389,686	-	389,686	-	389,688	-
12	CORPORATE STANDARDS	79,877	-	79,877	-	-	-
13	COMMERCIAL AND LEGAL	10,066,304	-	9,391,045	8,975,076	8,922,370	8,811,774
14	NET TARGET BUDGET	28,065,312	-	25,476,000	24,376,000	24,236,000	23,356,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	13,399,931	
	BUDGET CHANGES:		
2	Inflation allocation	32,875	Ref 2 An allocation of 1% towards inflation has been applied to non pay budgets.
3	SFA grant criteria	140,000	Ref 3 Pressure arising from a change in the Skills Funding Agency learning grant criteria.
4	Engaging Volunteers	- 149,806	Ref 4 The two year project aimed at engaging volunteers finishes in 2011/12.
5	Reduction to future service levels	- 1,211,000	Ref 5 Reduction to future service levels.
6	2011/12 BUDGET	12,212,000	
7	Inflation allocation	41,992	Ref 7 An allocation of 2% towards inflation has been applied to non pay budgets.
8	Revenue costs of capital programme	66,008	Ref 8 Additional revenue costs of the IT capital programme.
9	Reduction to future service levels	- 999,000	Ref 9 Reduction to future service levels.
10	2012/13 BUDGET	11,321,000	
11	Inflation allocation	226,420	Ref 11 An allocation of 2% towards inflation has been applied to all budgets.
12	Reduction to future service levels	- 1,008,420	Ref 12 Reduction to future service levels.
13	2013/14 BUDGET	10,539,000	
14	Inflation allocation	107,633	Ref 14 An allocation of between 1% and 2% towards inflation has been applied to all budgets.
15	Reduction to future service levels	- 999,633	Ref 15 Reduction to future service levels.
16	2014/15 BUDGET	9,647,000	

REVENUE EXPENDITURE - CULTURE & ADULT EDUCATION

CORPORATE SERVICES

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	NETWORK MANAGER EAST	2,506,459	- 189,373	2,317,086	2,140,965	1,889,284	1,615,582
2	NETWORK MANAGER WEST	3,305,734	- 97,949	3,207,785	3,060,247	2,826,952	2,506,572
3	INCLUSION	2,357,405	- 610,234	1,747,171	1,246,998	1,144,938	1,101,042
4	REGENERATION	3,699,556	- 238,971	3,460,585	3,482,033	3,432,673	3,321,113
5	LEARNING AND IMPROVEMENT	1,948,597	- 469,224	1,479,373	1,390,757	1,245,153	1,102,691
6	UNALLOCATED	- 417,820	417,820				
7	TOTAL FOR CULTURE & ADULT EDUCATION	13,399,931	- 1,187,931	12,212,000	11,321,000	10,539,000	9,647,000

Ref No	Main Area of Expenditure	2011/12 Estimate £	Notes
1	2010/11 BUDGET	28,436,000	
2	Inflation	184,000	Ref 2 A contribution of 1% towards inflation on non-pay budgets.
3	Cost Pressures	1,492,000	Ref 3 Includes ICT items that can no longer be charged against capital so will transfer to revenue budgets.
4	Developments	1,400,000	Ref 4 Programmes & Performance - A development for the operation of Community Based Budgets (£1,000k) and a resource for LCC to engage with new government initiatives (£400k).
5	Savings	- 3,351,000	Ref 5 Agreed reduction to future service levels.
6	2011/12 BUDGET	28,161,000	
7	Inflation	362,000	Ref 7 A contribution of 2% towards inflation on non-pay budgets .
8	Reduction in budget	- 3,803,000	Ref 8 Agreed reduction to future service levels.
9	2012/13 BUDGET	24,720,000	
10	Inflation	494,000	Ref 10 A contribution of 2% towards inflation on all budgets.
11	Reduction in budget	- 500,000	Ref 11 Agreed reduction to future service levels.
12	2013/14 BUDGET	24,714,000	
13	Inflation	392,000	Ref 13 A contribution of 1% towards inflation on pay budgets and 2% towards inflation on non-pay budgets.
14	Reduction in budget	- 251,000	Ref 14 Agreed reduction to future service levels.
15	2014/15 BUDGET	24,855,000	

REVENUE EXPENDITURE - CHIEF EXECUTIVES

CHIEF EXECUTIVES

(1) Line No	(2) Description	(3) 2010/11 Budget £	(4) Budget Changes £	(5) 2011/12 Original Estimate £	(6) 2012/13 Original Estimate £	(7) 2013/14 Original Estimate £	(8) 2014/15 Original Estimate £
1	IT	9,462,700	371,692	9,834,392	9,269,918	8,955,318	8,874,398
2	DEMOCRATIC SERVICES & COMMUNICATIONS	5,251,800	-	4,808,445	4,608,325	4,700,486	4,770,696
3	PROGRAMMES & PERFORMANCE	5,243,600	658,663	5,902,263	4,064,752	4,145,647	4,205,634
4	HR & LEARNING	5,009,000	-	4,403,375	4,107,367	4,189,511	4,259,472
5	CUSTOMER OPERATIONS	3,121,000	-	2,955,645	2,458,012	2,507,179	2,525,921
6	COMMUNITY ENGAGEMENT	347,900	-	256,880	211,626	215,859	218,879
7	NET TARGET BUDGET	28,436,000	-	28,161,000	24,720,000	24,714,000	24,855,000

Glossary of Terms

Budget carry forward - The actual under/overspending at the end of the financial year compared with the revised budget target which is allowed to be carried forward into the next financial year.

Budget requirement - Net revenue expenditure to be financed from National Non Domestic Rates, Formula Support Grant, Early Intervention Grant and Council Tax Income.

Budget Target - A corporately determined spending limit for an individual service.

Capital Grants - Government grants received that contribute towards capital expenditure incurred on a particular service or project e.g. Transport Supplementary Grant received from the government which contributes towards planned capital expenditure on roads.

Capital Receipts - Proceeds received from the sale of property and other fixed assets (assets which have a value beyond one financial year). These can be used to contribute towards the cost of capital expenditure, but not revenue expenditure.

Central support - A charge to a service which is the service's share of the cost of the central administration and professional departments which support direct service provision.

Contingency - A sum of money set aside to provide for foreseen but unquantifiable commitments and for unforeseen expenditure that may occur at any time in the future.

Corporate and democratic core - The cost of those activities which the local authority is engaged in specifically because it is an elected multi-purpose authority. This includes the cost of democracy (such as local elections and payments to members) and corporate policy making committee costs.

County precept - The income which District Councils collect on the County Council's behalf from Council Tax payers.

Capital financing charges - Charges to the revenue account which fund capital expenditure. Such charges comprise debt charges, direct revenue financing and leasing payments.

Dedicated Schools Grant (DSG) - The main grant paid by central government to support schools within the county. This must all be spent on supporting schools.

Early Intervention Grant – new from 2011/12 non ring fenced grant paid by central government to local authorities. This replaces a number of previous specific grants eg Surestart, Early Years and Childcare.

Formula Grant - The main grant paid by central government to local authorities to support the provision of all services, except for schools.

Interest on revenue balances - The money earned or paid in relation to the temporary investment of, or temporary borrowing to support, the County Council's cash balances.

Non-domestic rates - Rates set by central government and levied on business properties. This is collected by District Councils who pay it over to the government who then redistribute it amongst Local Authorities.

Precept - An amount levied by one body on another e.g. the Environment Agency precepts on the County Council.

Reserves - The revenue reserves available to provide a working balance during the financial year, for example in periods when expenditure exceeds income.

Specific grants - Grants made to a local authority by central government for a particular project or service e.g. PFI.

Total Expenditure - Budget requirement plus expenditure financed by drawing from balances (or the budget requirement less contributions to balances).

DETAILED INFORMATION ON SERVICE BUDGETS

The information on revenue budgets provided in this booklet summarises the detailed estimates approved by individual services. If you require further detail please contact :-

Adult Social Care Service	01522 836480
Healthier Communities	01522 836480
Universal Children's Services	01522 836404
Targeted Children's Services	01522 836404
Specialist Children's Services	01522 836404
Highways and Transportation	01522 836437
Environmental Management	01522 836437
Economic Regeneration	01522 836437
Fire & Rescue and Emergency Planning	01522 836437
Safer Communities	01522 836437
Resources	01522 836437
Culture and Adult Education	01522 836480
Chief Executive's Office	01522 836480

