

REVENUE BUDGET MONITORING REPORT 2020/21 - QUARTER 2 TO 30 SEPTEMBER 2020

COMMENTS FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At a virtual meeting on 26 November 2020, the Overview and Scrutiny Management Board considered the report and unanimously agreed to support the recommendation to the Executive.

Members of the Board asked a number of questions, when the following points were confirmed:

- The impact of Covid-19 – the current forecast surplus of £7.673m would be used to cover the additional costs arising due to a rapidly changing situation. The Government has announced additional support going into the new year for Covid-19, and the Council was expecting some additional costs to filter into the new year, particularly in relation to adult social care but also in relation to Children's Services and home to school transport. The Government has so far provided funding when pressures were known and has committed to supporting councils in the new year with any shortfalls such as around council tax and tax base losses. There was no immediate concern for the finances of the Council, however it was expected that some businesses and members of the public were likely to struggle to pay rates and council tax in the future. Concerns were highlighted about the longer term impact on funding in future years.
- Cost pressures in Children's Services social care budget – the high cost pressures related to Higher Needs, an increase in requests for Education, Health and Care Plans due to children being off school for a significant amount of time, and Looked After Children requiring specialist placements and the lack of market provision for children with complex needs in the independent sector. To address these two cost pressures, the Transformation Programme contained two projects to look at how best to support Special Educational Needs and Disabilities (SEND) and children who were at risk of becoming looked after by the local authority. In relation to SEND, a Specialist Advice Hub has been set up to enable SENCOs in schools to access specialist advice early and signpost schools to other services such as mental health who could better meet the needs of children and young people. This was still in the early stages but was already demonstrating positive results. For Looked After Children, a Valuing Care project was being considered to better meet and match the needs of children looked after in their foster placements and also investment in specialist small residential homes to be more local and cost effective, and provide better quality services. These would be brought to future meetings of the Children and Young People Scrutiny Committee for consideration.
- Cost pressures in Children's Services Home to School Transport budget – the impact of Covid-19 on school transport had resulted in additional vehicles needing to be put in place to cope with social distancing rules in line with national guidance. The Council had received a grant from the Government for

school transport and this was currently covering the increased costs for the additional vehicles but there was a risk that this could become a future cost pressure. A wider issue post Covid-19 could be less competition for school transport contracts which could create further cost pressures. A wider project under the Transformation Programme was being scoped out to address the ongoing cost pressures on the school transport budget.

- Out of county placements for SEND – through the Building Communities of Specialist Provision Strategy, the Council was investing capital in special schools to create more spaces and investing in new special schools as well. This strategy would enable more children and young people to receive education within Lincolnshire.
- Overspend on Waste Services – this was due to the previous contractor going into administration and needing to find a new contractor, from a limited number of providers, to quickly take over running the services. Due diligence is undertaken before entering into a contract with a provider to check cashflow and that they had a sufficient trading record. However there was always a time lag and it would be based on a snapshot at the end of the financial year. Some contracts have been going for a number of years now, and during this time the financial position of a contractor could have changed. The level of contamination in recycled material continued to be an issue as this degraded the value of the waste. The proposals to do a separate cardboard collection should reduce contamination going forward. In addition, due to Covid-19, more waste and recycling had been created due to people being at home more. A forward plan of priorities for the next three to five years was being drafted which would look at measures to mitigate cost pressures and invest to save. The importance of working closely with district councils and The Waste Partnership on any new measures and issues was highlighted. The forward plan would be brought to a future meeting of the Environment and Economy Scrutiny Committee for consideration.
- Underspend on the Redundancy budget – this was a base budget which was included each year to cover any potential redundancy costs and pension costs as a result of restructuring. As there had been relatively low level of restructuring taking place across the Council recently, an underspend was anticipated of approximately £1.5m. Going forward, there might be some changes in the workforce as a result of the Transformation Programme and therefore a redundancy budget might be required in future.
- The Chairman of the Adults and Community Wellbeing Scrutiny Committee highlighted that the Committee had considered the adults social care budget at its meeting on 25 November. The Committee was impressed with the service area continuing to provide its services within budget and on target despite Covid-19. The staff and partners had been thanked for this great achievement. It was suggested that other Chairmen of Scrutiny Committees may want to write to staff in their service areas to recognise their efforts in maintaining services during these challenging times.

CAPITAL BUDGET MONITORING REPORT 2020/21 - QUARTER 2 TO 30 SEPTEMBER 2020

COMMENTS FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At a virtual meeting on 26 November 2020, the Overview and Scrutiny Management Board considered the report and unanimously agreed to support the recommendation to the Executive.

Members of the Board asked a number of questions, when the following points were confirmed:

- Overspend of £8.755m on Lincoln Eastern Bypass – the forecast overspend on the Lincoln Eastern Bypass was due to a number of issues which could not be foreseen. This has included the public inquiry, the bankruptcy of the original contractor Carillion, flooding, redesigns and Covid-19. There were always a number of unknowns, such as bad weather, which were factored in as risks. The project should be physically completed this calendar year, but would not be financially completed for some time due to outstanding claims such as for bad weather.
- Overspend of £8.833m on Grantham Southern Relief Road – Delays and costs were increasing, mainly due to Covid-19 and waiting for third parties, namely Network Rail, Highways England and utility companies, to divert power and water supplies.
- Overspend trends – the Board suggested that it would be useful to have a breakdown of overspends in previous quarters included in the report going forward so that quarters could be compared and any trends could be identified.
- Review and analysis of major projects on completion – there was no formal process to review and consider lessons learnt at the end of a major project. An officer led Capital Review Group was in place to strengthen reporting to scrutiny committees and the Executive. Lessons learnt from major projects could be considered by the Capital Review Group going forward.
- Managing overspends from within the existing capital programme – it was likely that there would be an impact on other capital projects from managing forecast overspends for the Lincoln Eastern Bypass and the Grantham Southern Relief Road. Work was being undertaken to rebalance the programme and this would be set out in the Budget report for 2021/22 which would be presented to the Board early in the new year.
- Risk assessments for funding from other developments for highways projects – Section 106 agreements would be put in place to ensure funding from developers was made available to help provide infrastructure. The Council was reliant on developers working with district councils to deliver developments and provide funding. The Council forward funds infrastructure, such as roads, in case there was any delay to funding being received from developers.

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