



**Open Report on behalf of Andrew Crookham, Executive Director - Resources**

|                     |   |
|---------------------|---|
| Report to:          | <b>Executive</b>  |
| Date:               | <b>06 September 2022</b>                                    |
| Subject:            | <b>Revenue Budget Monitoring Report 2022/23 - Quarter 1</b> |
| Decision Reference: | <b>I027768</b>  |
| Key decision?       | <b>No</b>   |

**Summary:**

- This report provides an update on revenue spending compared with budgets for the financial year which started on 01 April 2022.
- The tables in this report show the actual income and expenditure for the first three months of this financial year to 30 June 2022, along with the forecasts for spending and a comparison of the forecasts against the approved budgets for the year.
- The report gives an overview of the financial position, with more detailed information on each budget area provided in Appendices B to J.
- Further work has been carried out since 30 June on the impacts of inflationary increases on the Council. This report also includes an early warning that inflationary impacts are likely to be significant.
- The overall revenue position is that we are forecasting an overspend this year of **£0.705m** (excluding schools) at 30 June 2022, which is **0.13%** of the net revenue budget.
- We forecast that our general reserves at the end of the year will remain within the target range of 2.5% to 3.5%.
- The impact of this revenue budget forecast on the Council's resilience has been assessed and the conclusion is that our financial resilience remains relatively strong at this point in time. We are currently assessing the impact of high levels of inflation in the wider economy and the results of this assessment will be reported in quarter 2, together with any mitigating actions and any implications for financial resilience.

**Recommendation(s):**

That the Executive notes the current position on the revenue budget and decide on any corrective action necessary.

## Alternatives Considered:

1. This report shows the actual revenue expenditure to 30 June 2022, and projected outturns for 2022/23, therefore no alternatives have been considered.

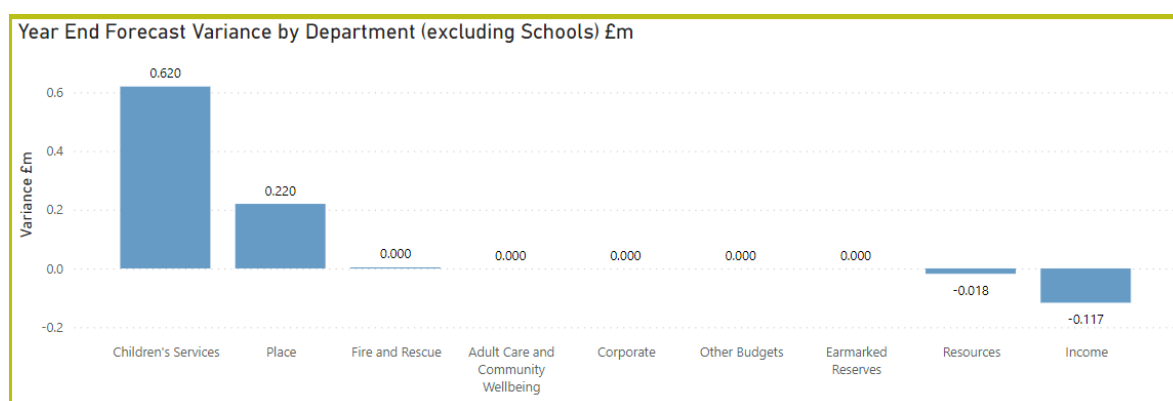
## Reasons for Recommendation:

To maintain the Council's financial resilience.

## 1. Background

### Overall Financial Position

#### 1.1 Graph of Summary Position as at 30 June 2022.



#### 1.2 Appendix A shows an expanded version of this summary table.

### Key Issues Highlighted

- 1.3 The overall revenue position is that we are forecasting an overspend of £0.705m (excluding schools), which is a variance of 0.13% of the overall net revenue budget. Further details of the financial position for each Directorate are given in appendices B to I. The most significant variances are highlighted below:
- 1.4 Children's Services. There are two areas of overspends in the area of Children's Social Care, relating to social care legal costs, which is a known pressure from 2021/22, and a rise in children in care external placements. These have been partially offset by Health Visitor staffing vacancies, and grant funding received. Further detail is provided in Appendix B.
- 1.5 Place. The overspend is mainly in the Highways area as the service contends with supply issues and high inflation on its contracts and materials. Further detail is provided in Appendix D.

- 1.6 Income. The income budget will be exceeded as additional Independent Living Fund grant has been received above the level budgeted for.
- 1.7 Schools. The forecast underspend of £1.686m is in the High Needs Block of the Dedicated Schools Grant. The temporary underspend relates to Alternative Provision free school place funding. Further detail is provided in Appendix H. Any underspend will be carried forward to future years.

### Progress on Achievement of Budget Savings

- 1.8 The chart below shows the savings per Directorate built into the 2022/23 budget as part of the last budget process. At quarter 1 it is reported that all savings are expected to be delivered this year. The list includes both budgetary savings on costs (£4.774m) and budgeted increases in income (£0.044m).

| Directorate                      | Prior Year under achieved Savings £000s | This Year savings £000s |
|----------------------------------|---|-------------------------|
| Place                            | 0                                       | 1,828                   |
| Resources                        | 0                                       | 981                     |
| Commercial                       | 0                                       | 819                     |
| Adult Care & Community Wellbeing | 0                                       | 707                     |
| Children's Services              | 0                                       | 435                     |
| Fire and Rescue                  | 0                                       | 23                      |
| Corporate Services               | 0                                       | 20                      |
| Other Budgets                    | 0                                       | 6                       |
| <b>Total</b>                     | <b>0</b>                                | <b>4,818</b>            |

### Earmarked Reserves Position and Forecast Spend for 2022/23

- 1.9 Appendix J shows the current balance on the Council's earmarked reserves, together with amounts forecast to be drawn down from reserves to cover expenditure in the current year. The opening balance for earmarked reserves in total is £244.267m and it is currently forecast that £44.521m of this will be used in 2022/23 to support expenditure in accordance with the purposes of the reserves.

### Progress on Development Fund Initiatives

- 1.10 Appendix K shows a list of initiatives where the revenue costs are to be funded by the Development Fund earmarked reserve. Progress on each of these initiatives is reported in the appendix. Expenditure on Development Fund initiatives is currently forecast to be £11.756m in 2022/23.

## **Assessment of Impact on Financial Resilience**

- 1.11 The impact of this revenue budget forecast on the Council's resilience has been assessed and it has been concluded that our financial resilience remains relatively strong. We are currently assessing the impact of high levels of inflation in the wider economy and the results of this assessment will be reported in quarter 2, together with any implications for financial resilience.
- 1.12 We forecast that our general reserves at the end of the year will remain within the target range of 2.5% to 3.5%. If we are able to contain the current forecast of an overspend of £0.705m within the overall budget then there will be no requirement to draw down our Financial Volatility Reserve to support the 2022/23 budgetary position. The balance of the Financial Volatility Reserve currently stands at £46.922m.
- 1.13 We will aim to maintain our financial resilience by continued monitoring of the financial position, undertaking work to address issues as they arise; continuing to work with the Society of County Treasurers to ensure that the Government understands the particular issues faced by County Councils; refreshing and updating the Medium Term Financial Plan and Strategy; focusing on transformation work to reduce cost pressures and create budget savings.

## **Reporting of Budget Virements**

- 1.14 The Council's Financial Regulations require us to report on any budget virements made during the year. A budget virement is where budget is moved from one service area to another and where the original purpose the budget was approved for has changed. A list of all such virements made in quarter 1 can be found Appendix L.

## **2. Legal Issues:**

### **Equality Act 2010**

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

As this report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

#### Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

As this report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

#### Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

As this report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

### **3. Conclusion**

- 3.1 The Council's overall forecast revenue position is an overspend of £0.705m (excluding Schools).
- 3.2 This position will continue to be monitored and reported throughout the year, and the effects of inflationary increases will be shown in the quarter 2 report.

### **4. Legal Comments:**

This report sets out an update on spending as at 30 June 2022 compared with the revenue budget for the financial year starting on 1 April 2022 to assist the Executive in monitoring the financial performance of the Council.

### **5. Resource Comments:**

This report indicates that the current year revenue budget is projected to be overspent, however the forecast overspend is relatively small at 0.13% of the net revenue budget and it is hoped that this can be contained within the overall budget as the year progresses. Continued effort in monitoring is essential to ensure that any additional cost pressures are identified and addressed throughout the year.

### **6. Consultation**

#### **a) Has Local Member Been Consulted?**

Yes

#### **b) Has Executive Councillor Been Consulted?**

Yes

#### **c) Scrutiny Comments**

This report is due to be considered by the Overview and Scrutiny Management Board on 25 August 2022. Any comments of the Board will be reported to the Executive.

#### **d) Risks and Impact Analysis**

The impact of this reported financial position on the Council's overall financial resilience has been assessed and is reported on within this report.

## 7. Background Papers

|   |   |
|---|---|
| These are listed below and attached at the back of the report |   |
| Appendix A  | Revenue Budget Monitoring Report 2022/23 as at 30 June 2022 |
| Appendix B  | Children's Services   |
| Appendix C  | Adult Care and Community Wellbeing                          |
| Appendix D  | Place   |
| Appendix E  | Fire and Rescue   |
| Appendix F  | Resources   |
| Appendix G  | Corporate Services  |
| Appendix H  | Schools   |
| Appendix I  | Other Budgets   |
| Appendix J  | Earmarked Reserves Position and Forecast 2022/23            |
| Appendix K  | Monitoring of Development Fund Initiatives 2022/23          |
| Appendix L  | Approved Budget Virements 2022/23 as at 30 June 2022        |

## 8. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

| Document title         | Where the document can be viewed    |
|------------------------|-------------------------------------|
| Council Budget 2022/23 | <a href="#">Council Budget</a>      |
| Budget Book 2022/23    | <a href="#">Budget Book 2022/23</a> |

This report was written by Michelle Grady, who can be contacted on 01522 553235 or [Michelle.Grady@lincolnshire.gov.uk](mailto:Michelle.Grady@lincolnshire.gov.uk).

## Revenue Budget Monitoring Report 2022/23 as at 30 June 2022

|  | Revised Net<br>Revenue<br>Budget<br>£m | Net<br>Expenditure<br>£m | Forecast<br>Outturn<br>£m | Forecast<br>Variance<br>£m | Forecast<br>Variance<br>% |
|--|--|--------------------------|---------------------------|----------------------------|---------------------------|
| <b>SERVICE DELIVERY</b>                    |  |                          |                           |                            |                           |
| Children's Social Care                     | 80.807                                 | 16.245                   | 81.605                    | 0.798                      | 1.0                       |
| Children's Education                       | 13.064                                 | 4.266                    | 12.886                    | (0.178)                    | (1.4)                     |
| <b>Children's Services</b>                 | <b>93.871</b>                          | <b>20.510</b>            | <b>94.491</b>             | <b>0.620</b>               | <b>0.7</b>                |
| Adult Frailty & Long Term Conditions       | 125.924                                | 8.041                    | 125.924                   | (0.000)                    | (0.0)                     |
| Adult Specialities                         | 92.327                                 | 22.177                   | 92.327                    | 0.000                      | 0.0                       |
| Carers                                     | 1.441                                  | 0.351                    | 1.441                     | 0.000                      | 0.0                       |
| Public Health                              | 29.301                                 | 4.175                    | 29.301                    | 0.000                      | 0.0                       |
| Public Health and Community Wellbeing      | 30.743                                 | 4.527                    | 30.743                    | 0.000                      | 0.0                       |
| Public Health Grant Income                 | (34.847)                               | (8.712)                  | (34.847)                  | 0.000                      | 0.0                       |
| Better Care Funding                        | (56.610)                               | (8.564)                  | (56.610)                  | 0.000                      | 0.0                       |
| Public Protection                          | 5.086                                  | (1.438)                  | 5.086                     | (0.000)                    | (0.0)                     |
| <b>Adult Care and Community Wellbeing</b>  | <b>162.622</b>                         | <b>16.032</b>            | <b>162.622</b>            | <b>(0.000)</b>             | <b>(0.0)</b>              |
| Communities                                | 85.588                                 | 10.680                   | 85.583                    | (0.005)                    | (0.0)                     |
| Lincolnshire Local Enterprise Partnership  | 0.361                                  | 3.163                    | 0.361                     | 0.000                      | 0.0                       |
| Growth                                     | 2.225                                  | 0.469                    | 2.225                     | 0.000                      | 0.0                       |
| Highways                                   | 37.195                                 | (4.168)                  | 37.421                    | 0.225                      | 0.6                       |
| <b>Place</b>                               | <b>125.369</b>                         | <b>10.144</b>            | <b>125.589</b>            | <b>0.220</b>               | <b>0.2</b>                |
| Fire & Rescue                              | 21.888                                 | 4.042                    | 21.888                    | 0.000                      | 0.0                       |
| <b>Fire and Rescue</b>                     | <b>21.888</b>                          | <b>4.042</b>             | <b>21.888</b>             | <b>0.000</b>               | <b>0.0</b>                |
| Corporate Property                         | 11.856                                 | 5.043                    | 11.856                    | 0.000                      | 0.0                       |
| Commercial                                 | 8.745                                  | 2.366                    | 8.745                     | 0.000                      | 0.0                       |
| Finance                                    | 7.466                                  | 1.557                    | 7.466                     | 0.000                      | 0.0                       |
| Information Management Technology          | 15.389                                 | 3.226                    | 15.389                    | 0.000                      | 0.0                       |
| Governance Services                        | 2.138                                  | 1.444                    | 2.138                     | (0.000)                    | (0.0)                     |
| Organisational Support                     | 14.553                                 | 5.633                    | 14.535                    | (0.018)                    | (0.1)                     |
| Transformation                             | 4.740                                  | 1.286                    | 4.740                     | 0.000                      | 0.0                       |
| <b>Resources</b>                           | <b>64.888</b>                          | <b>20.554</b>            | <b>64.870</b>             | <b>(0.018)</b>             | <b>(0.0)</b>              |
| Corporate Services                         | 3.011                                  | 0.793                    | 3.011                     | (0.000)                    | (0.0)                     |
| <b>Corporate Services</b>                  | <b>3.011</b>                           | <b>0.793</b>             | <b>3.011</b>              | <b>(0.000)</b>             | <b>(0.0)</b>              |
| <b>TOTAL SERVICE DELIVERY</b>              | <b>471.650</b>                         | <b>72.076</b>            | <b>472.472</b>            | <b>0.822</b>               | <b>0.2</b>                |
| <b>OTHER BUDGETS</b>                       |  |                          |                           |                            |                           |
| Contingency                                | 6.500                                  | 0.000                    | 6.500                     | 0.000                      | 0.0                       |
| Capital Financing Charges                  | 43.104                                 | (0.035)                  | 43.104                    | (0.000)                    | (0.0)                     |
| Other                                      | 28.259                                 | 9.691                    | 28.259                    | 0.000                      | 0.0                       |
| <b>TOTAL OTHER BUDGETS</b>                 | <b>77.864</b>                          | <b>9.657</b>             | <b>77.863</b>             | <b>(0.000)</b>             | <b>(0.0)</b>              |
| <b>TOTAL NET EXPENDITURE (EXC SCHOOLS)</b> | <b>549.514</b>                         | <b>81.732</b>            | <b>550.336</b>            | <b>0.822</b>               | <b>0.1</b>                |
| <b>MOVEMENT OF RESERVES</b>                |  |                          |                           |                            |                           |
| Transfer to/from Earmarked Reserves        | (2.177)                                | (2.177)                  | (2.177)                   | 0.000                      | 0.0                       |
| <b>TOTAL MOVEMENT OF RESERVES</b>          | <b>(2.177)</b>                         | <b>(2.177)</b>           | <b>(2.177)</b>            | <b>0.000</b>               | <b>0.0</b>                |
| <b>MET FROM:</b>                           |  |                          |                           |                            |                           |
| Business Rates local Retention             | (122.595)                              | (29.558)                 | (122.595)                 | 0.000                      | (0.0)                     |
| Revenue Support Grant                      | (21.220)                               | (5.729)                  | (21.220)                  | 0.000                      | 0.0                       |
| Other Non Specific Grants                  | (55.884)                               | (11.310)                 | (56.001)                  | (0.117)                    | 0.2                       |
| County Precept                             | (344.872)                              | (68.974)                 | (344.872)                 | 0.000                      | (0.0)                     |
| <b>TOTAL MET FROM</b>                      | <b>(544.571)</b>                       | <b>(115.572)</b>         | <b>(544.688)</b>          | <b>(0.117)</b>             | <b>0.0</b>                |
| <b>TOTAL (EXCLUDING SCHOOLS)</b>           | <b>2.766</b>                           | <b>(36.017)</b>          | <b>3.471</b>              | <b>0.705</b>               |                           |
| <b>SCHOOL BUDGETS</b>                      |  |                          |                           |                            |                           |
| Schools Block                              | 141.240                                | 27.191                   | 141.240                   | 0.000                      | 0.0                       |
| High Needs Block                           | 96.068                                 | 22.167                   | 94.383                    | (1.686)                    | (1.8)                     |
| Central School Services Block              | 3.392                                  | 1.453                    | 3.392                     | 0.000                      | 0.0                       |
| Early Years Block                          | 40.902                                 | 11.660                   | 40.902                    | 0.000                      | 0.0                       |
| Dedicated Schools Grant                    | (284.368)                              | (79.662)                 | (284.368)                 | 0.000                      | 0.0                       |
| Schools Budget (Other Funding)             | 0.000                                  | (1.589)                  | 0.000                     | 0.000                      | 0.0                       |
| <b>TOTAL SCHOOLS BUDGETS</b>               | <b>(2.766)</b>                         | <b>(18.780)</b>          | <b>(4.452)</b>            | <b>(1.686)</b>             | <b>160.9</b>              |
| <b>TOTAL (INCLUDING SCHOOLS)</b>           | <b>(0.000)</b>                         | <b>(54.797)</b>          | <b>(0.981)</b>            | <b>(0.981)</b>             |                           |



# Children's Services

Financial Position 1st April – 30th June  
2022

## Position

Children's Services is forecasting a spend of £94.491m against a budget of £93.871m. This is a forecast overspend of £0.620m.

|                            | Annual Budget | Forecast Outturn | Forecast Variance |
|----------------------------|---------------|------------------|-------------------|
|                            | £m            | £m               | £m                |
| Children's Social Care     | 80.807        | 81.605           | 0.798             |
| Children's Education       | 13.064        | 12.886           | (0.178)           |
| <b>Children's Services</b> | <b>93.871</b> | <b>94.491</b>    | <b>0.620</b>      |

## Children's Services

### Children's Social Care

- Social care legal costs are a known cost pressure and continue to be higher than the budget due to the complexity of cases, reliance on expert advice and the use of counsel. Legal costs are forecast to overspend by £1.475m (or 55.4%). The forecast legal spending (£4.136m) is comparable to the final spend in 2021/22. Children's Services continue to apply the statutory threshold to initiating care proceeding and pre-proceedings.
- There has been an increase in the number of Children in Care (CiC), in line with the rise nationally. CiC numbers at the end of June 2022 were 742 compared to 731 at the end of March 2022, or 682 at the end of March 2021 driving the need for external placements. The following budgets are currently forecast to overspend on residential placements (£0.099m or 0.8%) and out of county fostering placements (£0.268m or 16.0%). In addition, the internal residential homes are forecasting a £0.241m overspend (4.3%) due to the challenges associated with staffing complex children, increased sickness levels and parental leave. A review has commenced to address these challenges. It is still very early in the financial year, and the transformational work will continue

to have strong oversight and rigour of the budget position of these demand-led and volatile budgets with a view of delivering on these ambitious financial trajectories.

- The 0-19 children's health service is forecasting an underspend of £0.500m (or 5.9%), due to county-wide Health Visitor vacancies (11%) are at a similar level to that experienced in 2021/22. Health Visitor recruitment is a national issue, and a re-design of the workforce structure has commenced, this includes the conversion of Health Visitor posts to recruit 10 Family Health Workers (FHWs), which are now in post and supporting delivery of the Healthy Child Programme. The vacancy position will reduce further in the autumn when Health Visitor students take up substantive posts. Workforce development and ongoing recruitment remain key priorities for the service.
- Further underspends are expected on the Unaccompanied Asylum Seekers grant (£0.419m) in addition to other smaller service underspends, and an apportionment of costs to the Outbreak Management grant to part fund the costs of the Healthy Minds delivery in schools following the pandemic (£0.259m).

#### Children's Education

- Most of the underspend is within Special Educational Needs & Disabilities of £0.128m (or 4.0%). The contributing factor to the forecast underspend relates to the Domiciliary Care contract (£0.148m or 31.6%), which is unable to access care resources and packages of support due to limited availability within the marketplace. The service constantly reviews and searches for alternatives.

# Adult Care and Community Wellbeing

Financial Position 1st April – 30<sup>th</sup> June  
2022

## Position

Adult Care and Community Wellbeing is forecasting a balanced budget as at 30 June 2022.

|   | Budget<br>£m   | Forecast<br>Outturn<br>£m | Forecast<br>Variance<br>£m |
|---|----------------|---------------------------|----------------------------|
| Adult Frailty & Long Term Conditions      | 125.924        | 125.924                   | (0.000)                    |
| Adult Specialities                        | 92.327         | 92.327                    | 0.000                      |
| Public Health and Community Wellbeing     | 30.743         | 30.743                    | 0.000                      |
| Public Health Grant Income                | (34.847)       | (34.847)                  | 0.000                      |
| Better Care Funding                       | (56.610)       | (56.610)                  | 0.000                      |
| <b>Adult Care and Community Wellbeing</b> | <b>162.622</b> | <b>162.622</b>            | <b>(0.000)</b>             |

## Adult Care & Community Wellbeing

The balanced position reported is supported by the planned drawdown of £1.1m from the adult care reserve. An increase in working age adult's residential packages of care was forecast and the reserve set aside to support.

Older People's services continue to see a higher usage of interim beds however the spend is offset by an underspend in homecare services.

# Place

## Financial Position 1st April – 30th June 2022

Place is forecasting a 2022-23 spend of £125.589m against a budget of £125.369m. This is a forecast overspend of £0.220m.

|                          | Annual Budget  | Forecast Outturn | Forecast Variance |
|--------------------------|----------------|------------------|-------------------|
|                          | £m             | £m               | £m                |
| Communities              | 85.588         | 85.583           | (0.005)           |
| Greater Lincolnshire LEP | 0.361          | 0.361            | 0.000             |
| Growth                   | 2.225          | 2.225            | 0.000             |
| Highways                 | 37.195         | 37.421           | 0.225             |
| <b>Place</b>             | <b>125.369</b> | <b>125.589</b>   | <b>0.220</b>      |

### Communities

Although currently very close to target, the budget for the key services of Waste Management and Transport are being closely monitored as seasonal demand factors and market volatility present a risk of budget variances later in the year.

**Greater Lincolnshire LEP** is expected to be on target again this year

**Growth** is currently showing on target as income from grants and business units are being managed within the budget.

### Highways

The current budget forecast is for a £0.225m overspend as the service contends with supply issues and high inflation on its contracts and materials. However, the budget remains under close review to ensure expenditure is directed to priority areas. At this early stage in the year, it is not possible to accurately forecast budgets such as winter maintenance which are driven by weather conditions and therefore outside the direct

control of the service. These risks continue to be monitored and will be updated in future reports.

# Fire and Rescue

Financial Position 1st April – 30<sup>th</sup> June  
2022

At the end of the first quarter, Fire and Rescue is forecasting a balanced budget for 2022-23 with a spend of £21.888m against a budget of £21.888m.

|                        | Annual<br>Budget | Forecast<br>Outturn | Forecast<br>Variance |
|------------------------|------------------|---------------------|----------------------|
|                        | £m               | £m                  | £m                   |
| Fire & Rescue          | 21.888           | 21.888              | 0.000                |
| <b>Fire and Rescue</b> | <b>21.888</b>    | <b>21.888</b>       | <b>0.000</b>         |

Fire and Rescue is currently forecasting a balanced budget for the year with no variances to report.

# Resources

## Financial Position 1st April – 30<sup>th</sup> June 2022

Resources is forecasting a 2022-23 spend of £64.870m against a budget of £64.888m, which is an underspend of £0.018m.

|                                   | Annual Budget | Forecast Outturn | Forecast Variance |
|-----------------------------------|---------------|------------------|-------------------|
|                                   | £m            | £m               | £m                |
| Corporate Property                | 11.856        | 11.856           | 0.000             |
| Commercial                        | 8.745         | 8.745            | 0.000             |
| Finance                           | 7.466         | 7.466            | 0.000             |
| Governance Services               | 2.138         | 2.138            | (0.000)           |
| Information Management Technology | 15.389        | 15.389           | 0.000             |
| Organisational Support            | 14.553        | 14.535           | (0.018)           |
| Transformation                    | 4.740         | 4.740            | 0.000             |
| <b>Resources</b>                  | <b>64.888</b> | <b>64.870</b>    | <b>(0.018)</b>    |

At the end of the first quarter Resources is forecasting a broadly balanced budget for 2022/23 with no material variances.

However, following the re-procurement of the Council's Wide Area Network (WAN) service effective from November 2022, there is an expected increase in cost for the Council. The overall Information Management Technology budget is being reviewed to determine the extent to which the impact of this in the 2022/23 financial year can be accommodated within existing budgetary provision and the outcome will be reported in the next forecast. The cost pressure for future years will be addressed as part of the Council's normal planning process.

# Corporate Services

Financial Position 1st April – 30<sup>th</sup> June  
2022

Corporate Services is forecasting a 2022-23 spend of £3.011m against a budget of £3.011m.

|                           | Annual<br>Budget | Forecast<br>Outturn | Forecast<br>Variance |
|---------------------------|------------------|---------------------|----------------------|
|                           | £m               | £m                  | £m                   |
| Corporate Services        | 3.011            | 3.011               | (0.000)              |
| <b>Corporate Services</b> | <b>3.011</b>     | <b>3.011</b>        | <b>(0.000)</b>       |

Corporate Services are currently forecasting a balanced budget for the year with no variances to report.



# Schools

## Financial Position 1st April – 30<sup>th</sup> June 2022

The Dedicated Schools Budget are forecasting a 2022/23 net spend (less of grant funding) of (£4.452m) against a net budget of (£2.766m). This is a forecast underspend of £1.686m.

|                                | Annual Budget  | Forecast Outturn | Forecast Variance |
|--------------------------------|----------------|------------------|-------------------|
|                                | £m             | £m               | £m                |
| Schools Block                  | 141.240        | 141.240          | 0.000             |
| High Needs Block               | 96.068         | 94.383           | (1.686)           |
| Central School Services Block  | 3.392          | 3.392            | 0.000             |
| Early Years Block              | 40.902         | 40.902           | 0.000             |
| Dedicated Schools Grant        | (284.368)      | (284.368)        | 0.000             |
| Schools Budget (Other Funding) | 0.000          | 0.000            | 0.000             |
| <b>Schools</b>                 | <b>(2.766)</b> | <b>(4.452)</b>   | <b>(1.686)</b>    |

### High Needs Block

- The Alternative Provision (AP) free school place funding has underspent by £1.630m. This is a temporary underspend following Department for Education confirmation that funding is only being recouped from the Local Authority for 89 places for this financial year.
- Non-Maintained Schools placements and independent mainstream placements are overall forecasting an underspend (£0.221m or 1.51%). External placements arise where there are increases in demand for those pupils with more complex needs and insufficient places within Lincolnshire special schools exist. The Building Communities of Specialist Provision Strategy is delivering an increase in the number of places within Lincolnshire to support the forecast trajectory of growth.
- A further financial variance includes an overspend on Pilgrim Home Tutoring (£0.163m or 37.51%), where the forecast has been based on the

previous year's activity. This service provides education for medically certified pupils requiring home tutoring support. This has been identified and is being addressed through a direct workstream with Pilgrim school and a new Social, Emotional and Mental Health (SEMH) strategy.

# Other Budgets

Financial Position 1st April – 30<sup>th</sup> June  
2022

Other Budgets is currently forecasting a balanced budget for the year with no variances to report at this stage.

|                           | Annual<br>Budget | Forecast<br>Outturn | Forecast<br>Variance |
|---------------------------|------------------|---------------------|----------------------|
|                           | £m               | £m                  | £m                   |
| Contingency               | 6.500            | 6.500               | 0.000                |
| Capital Financing Charges | 43.104           | 43.104              | (0.000)              |
| Other Budgets             | 28.259           | 28.259              | 0.000                |
| <b>Other Budgets</b>      | <b>77.864</b>    | <b>77.863</b>       | <b>(0.000)</b>       |

## Contingency

It is expected that the contingency budget is likely to be required in full this year to cover inflationary impacts as well as potential pay awards above the level budgeted for. Therefore, it is assumed at this stage that the budget will be spent in full.

## Capital Financing Charges

The carry forward of capital programme underspends from 2021/22 will feed into the capital financing charges position for quarter 2.

## Other Budgets

No forecast variances are reported at this stage in the year.

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## Earmarked Reserves Position and Forecast Spend 2022/23

## Appendix J

| Reserve  | Purpose of Reserve   | Closing Balance 31/03/22 | Forecast Spend 2022/23 as at Jan 22 | Forecast Spend 2022/23 as at Jun 22 | Change in Forecast 2022/23 | Commentary  |
|--|--|--------------------------|-------------------------------------|-------------------------------------|----------------------------|---|
| <b>Adult Care and Community Wellbeing</b>          |  |                          |                                     |                                     |                            |   |
| Community Safety Reserve                           | This allocation is made up of historic partner contributions to support the cost of Domestic Homicide Reviews. The timing of requirement is demand driven and cannot be quantified on an annual basis.   | -49,814                  | 0                                   | 0                                   | 0                          |   |
| <b>Subtotal Adult Care and Community Wellbeing</b> |  | <b>-49,814</b>           | <b>0</b>                            | <b>0</b>                            | <b>0</b>                   |   |
| <b>Childrens Services</b>                          |  |                          |                                     |                                     |                            |   |
| Young People in Lincolnshire                       | This reserve came from the liquidation of the former Connexions company's including a share of the Co-op distribution (£35,750), which is to be spent on young people of Lincolnshire. DLT have agreed to the commitment for NEET for two dedicated posts for 12 months initially (by responding to the impact of the pandemic), designed to focus on employment options and to assist care leavers future outcomes.   | -227,511                 | 76,292                              | 76,292                              | 0                          |   |
| Families Working Together Reserve                  | The purpose of the Grant is to enable Local Authorities to deliver the Government's Troubled Families Programme, which is around working with complex families at an Early Help stage to facilitate and sustain a range of outcomes. There is also a requirement to 'transform services' across partnerships based upon learning from the Programme. This is a Payment by Results Grant. The conditions are set in a detailed Financial Framework.   | -599,275                 | 0                                   | 197,000                             | 197,000                    | Forecast now includes a commitment to spend which was not known at the time of the Jan 22 forecast, to support a temporary increase in staffing capacity in the social care front door. |
| Youth Offending Service Reserve                    | The reserve was set aside for two key eventualities. The first was to support remand costs to youth secure accommodation of CYP, and as such treated as 'looked after'. Many of these remand events cannot be predicted and relate to complex and high profile cases that generate costs sometimes running into hundreds of thousands of pounds. Secondly, the reserves have also been held to offset the potential impact of grant reductions by the Youth Justice Board and the Lincolnshire PCC. The service staffing model is fully supported by the grants and any change would necessitate a review and have a potential impact upon service delivery. The Youth Justice grant is always a delayed settlement sometimes into April & May and this leaves no scope for financial planning or contingency. | -200,299                 | 0                                   | 0                                   | 0                          |   |

| Reserve   | Purpose of Reserve  | Closing Balance 31/03/22 | Forecast Spend 2022/23 as at Jan 22 | Forecast Spend 2022/23 as at Jun 22 | Change in Forecast 2022/23 | Commentary   |
|---|---|--------------------------|-------------------------------------|-------------------------------------|----------------------------|--|
| Lincolnshire Music Service Reserve                    | This is a reserve that was set up shortly after the Music Service became a fully traded service (i.e. the base budget was fully recovered from the service). It is intended that the Music Service use this reserve to cover any changes to income levels, planned or ad hoc spending priorities. | -419,687                 | 50,000                              | 50,000                              | 0                          |  |
| S77 School Projects                                   | Section 77 of the Schools Standards monies that has to be spent on playing fields related replacement work (earmarked for the primary St Christopher's special schools site (2022/23).  | -400,780                 | 400,780                             | 400,780                             | 0                          |  |
| <b>Subtotal Childrens Services</b>                    |   | <b>-1,847,552</b>        | <b>527,072</b>                      | <b>724,072</b>                      | <b>197,000</b>             |  |
| <b>Corporate Services</b>                             |   |                          |                                     |                                     |                            |  |
| Community Engagement Reserve                          | Provides financial support to community based initiatives   | -58,524                  | 0                                   | 0                                   | 0                          |  |
| <b>Subtotal Corporate Services</b>                    |   | <b>-58,524</b>           | <b>0</b>                            | <b>0</b>                            | <b>0</b>                   |  |
| <b>Other Budgets</b>                                  |   |                          |                                     |                                     |                            |  |
| Insurances - Earmarked Reserve                        | To cover unknown future insurance claims. As claims are received this will be transferred to the insurance provision. It may also be increased following actuarial assessment.  | -6,775,061               | 1,000,000                           | 1,000,000                           | 0                          |  |
| Financial Volatility Reserve                          | This reserve will support future budget deficits, to allow time for savings to be implemented to balance the budget over the longer term. The planned use of reserve is based on MTFP as at January 2022 i.e. no requirement to be used to balance the 2022/23 budget.                            | -46,922,262              | 0                                   | 0                                   | 0                          |  |
| Coronavirus Recovery Reserve                          | This reserve was created at the end of the 2020/21 financial year to help support on-going covid costs in future years.   | -2,304,000               | 0                                   | 2,304,000                           | 2,304,000                  | Budget approval by Council in February 2022 including approving using this reserve to balance the 2022/23 revenue budget |
| Development Fund                                      | Allocated to various revenue and capital schemes and separately reported  | -23,451,202              | 8,355,574                           | 11,756,000                          | 3,400,426                  | Spending requirements have been reassessed following the 2021/22 outturn position  |
| Energy from Waste Plant Lifecycle replacement Reserve | Amounts are added to this reserve annually from the revenue budget to allow for future replacement of assets. Amounts are drawn down to fund asset replacements in year   | -4,720,982               | 750,000                             | 750,000                             | 0                          |  |
| Business Rates Volatility Reserve                     | This reserve was created from a BR Collection Fund surplus in a previous year. It will be used to cover collection fund deficits e.g. due to rates appeals as and when they arise   | -6,151,613               | 0                                   | 0                                   | 0                          |  |

| Reserve                                       | Purpose of Reserve  | Closing Balance 31/03/22 | Forecast Spend 2022/23 as at Jan 22 | Forecast Spend 2022/23 as at Jun 22 | Change in Forecast 2022/23 | Commentary   |
|---|---|--------------------------|-------------------------------------|-------------------------------------|----------------------------|--|
| Reserves Requiring Council Approval September | To hold carry forwards from previous year pending Council approval of proposals to use these carry forwards. Approval takes place at Council meeting in September each year. After this the carry forwards are disaggregated into the appropriate reserves. | -12,670,171              | 0                                   | 0                                   | 0                          |  |
| <b>Subtotal Other Budgets</b>                 |   | <b>-102,995,291</b>      | <b>10,105,574</b>                   | <b>15,810,000</b>                   | <b>5,704,426</b>           |  |
| <b>Place</b>                                  |   |                          |                                     |                                     |                            |  |
| Museum Exhibits - Earmarked Reserve           | Reserve for the purchase of Museum Exhibits in future years. Any budget under/over spends are transferred at year end.  | -133,356                 | 0                                   | 0                                   | 0                          |  |
| Growth Reserve                                | Used for one-off service development and improvement projects in Economic Development.  | -1,147,923               | 0                                   | 922,000                             | 922,000                    | Forecast for 2022/23 now reflects committed funds not included in Jan'22 forecast. |
| Carbon Management Reserve                     | Revolving fund to facilitate the installation of energy saving measures in LCC buildings and maintained schools.  | -35,668                  | 0                                   | 0                                   | 0                          |  |
| Flood & Water Risk Management                 | Utilised for risk to the capital programme and unplanned costs associated with the implementation of Waterways Development Plan.  | -199,999                 | 0                                   | 0                                   | 0                          |  |
| Civil Parking Enforcement Reserve             | Statutory reserve to manage surplus on parking enforcement activity for reinvestment in future parking initiatives.   | -88,406                  | 0                                   | 0                                   | 0                          |  |
| Cultural Services Reserve                     | Reserve made up of unspent bequests and contributions given to make purchases for collection in accordance with the Collections, Acquisitions and Disposals Policy.   | -295,438                 | 172,600                             | 172,600                             | 0                          |  |
| Traffic Management Reserve                    | Reserve to manage surplus on traffic permitting activity to help smooth seasonal peaks and troughs.   | -1,290,408               | 50,000                              | 50,000                              | 0                          |  |
| Lincoln Cultural Quarter Earmarked Reserve    | To fund future remedial works in Lincoln Cultural Quarter.  | -175,731                 | 0                                   | 0                                   | 0                          |  |
| Support to Businesses                         | This reserve is for the implementation of schemes to support Lincolnshire Businesses including Business Recovery Fund Grants, Digital Voucher Scheme, Rural Business Grant Scheme and Invest for the Future.  | -3,302,586               | 0                                   | 0                                   | 0                          |  |

| Reserve  | Purpose of Reserve   | Closing Balance<br>31/03/22 | Forecast Spend<br>2022/23 as<br>at Jan 22 | Forecast Spend<br>2022/23 as<br>at Jun 22 | Change in<br>Forecast<br>2022/23 | Commentary  |
|--|--|-----------------------------|---|---|----------------------------------|---|
| <b>Subtotal Place</b>                                    |  | <b>-6,669,515</b>           | <b>222,600</b>                            | <b>1,144,600</b>                          | <b>922,000</b>                   |   |
| <b>Resources</b>   |  |                             |   |   |                                  |   |
| Procurement Reserve                                      | Used to fund 8 FTE in the Commercial Team - 3 G10 FTE in People, 5 FTE from G12 to G6 in Infrastructure. Will consume reserve until it reaches zero. Assumptions on 'Use of Reserves' tab.   | -1,244,646                  | 394,230                                   | 394,230                                   | 0                                |   |
| CSSC Transformation Including BW Rebuild and Development | To support transformation costs regarding the Corporate Support Service Contract review and Business World development project.  | -1,957,481                  | 1,292,690                                 | 1,292,690                                 | 0                                | Any excess expenditure will be funded from the Development Fund |
| Property Management Reserve                              | This is required for further legal advice for the proposed Billingborough housing development  | -24,508                     | 0   | 0   | 0                                | earmarked reserve   |
| Legal Earmarked Reserve                                  | The build up of historic surplus following distribution to partners.<br>The LCC surplus target was increased for 20/21 in line with the previous performance and therefore excess surpluses are unlikely to be material, if any, into the future.<br>Any deficits, should there be any, will be funded from this reserve.  | -811,256                    | 0   | 0   | 0                                |   |
| Purchase of Employee Leave Scheme Reserve                | This reserve was created from the income received from the purchase of annual leave by staff with the intention of reinvesting this providing employee benefits and supporting corporate initiatives for the benefit of employees.<br>The service now has an income target of £180k pa and this reserve will increase/ decrease depending upon employee take up against this target and plans to support initiatives against the criteria above. | -305,046                    | 50,500                                    | 50,500                                    | 0                                |   |



| Reserve   | Purpose of Reserve  | Closing Balance 31/03/22 | Forecast Spend 2022/23 as at Jan 22 | Forecast Spend 2022/23 as at Jun 22 | Change in Forecast 2022/23 | Commentary   |
|---|---|--------------------------|-------------------------------------|-------------------------------------|----------------------------|--|
| Elections Reserve                                     | There is an annual £300k budget to fund elections. In a non-election year the underspend is transferred to this reserve, and then the reserve is used in an election year to cover the costs.   | 0                        | 0                                   | 0                                   | 0                          |  |
| <b>Subtotal Resources</b>                             |   | <b>-4,342,937</b>        | <b>1,737,420</b>                    | <b>1,737,420</b>                    | <b>0</b>                   |  |
| <b>Schools</b>  |   |                          |                                     |                                     |                            |  |
| Schools Sickness Insurance Scheme - Earmarked Reserve | This an insurance fund operated on behalf of the Local Authority Finance team for maintained and academy schools. The scheme allows schools to buy into a level of sickness cover. Claims do vary from year to year, therefore having a suitable level of reserve (which the closing balance is considered to be) enables this to be managed without the need to significantly change the premiums. | -772,933                 | 0                                   | 0                                   | 0                          |  |
| <b>Subtotal Schools</b>                               |   | <b>-772,933</b>          | <b>0</b>                            | <b>0</b>                            | <b>0</b>                   |  |
| <b>Total Earmarked Reserves</b>                       |   | <b>-116,686,752</b>      | <b>12,592,666</b>                   | <b>19,416,092</b>                   | <b>6,823,426</b>           |  |
| Reserve   | Purpose of Reserve  | Closing Balance 31/03/22 | Forecast Spend 2022/23 as at Jan 22 | Forecast Spend 2022/23 as at Jun 22 | Change in Forecast 2022/23 | Commentary   |
| <b>Subtotal Adult Care and Community Wellbeing</b>    |   | <b>-65,374,378</b>       | <b>14,869,297</b>                   | <b>16,234,136</b>                   | <b>1,364,839</b>           | Amended to reflect Covid-19 grants outturn position 2021/22, and change in MTFP    |
| <b>Subtotal Childrens Services</b>                    |   | <b>-9,757,713</b>        | <b>1,793,598</b>                    | <b>1,793,598</b>                    | <b>0</b>                   |  |
| <b>Subtotal Corporate Services</b>                    |   | <b>-212,872</b>          | <b>0</b>                            | <b>0</b>                            | <b>0</b>                   |  |
| <b>Subtotal Fire and Rescue</b>                       |   | <b>-384,024</b>          | <b>116,673</b>                      | <b>116,673</b>                      | <b>0</b>                   |  |
| <b>Subtotal Other Budgets</b>                         |   | <b>-1,627,524</b>        | <b>0</b>                            | <b>0</b>                            | <b>0</b>                   |  |
| <b>Subtotal Place</b>                                 |   | <b>-14,121,682</b>       | <b>1,680,000</b>                    | <b>4,680,000</b>                    | <b>3,000,000</b>           | Spending requirements have been reassessed following the 2021/22 outturn position. |
| <b>Subtotal Resources</b>                             |   | <b>-605,589</b>          | <b>48,500</b>                       | <b>48,500</b>                       | <b>0</b>                   |  |
| <b>Subtotal Schools</b>                               |   | <b>-8,892,955</b>        | <b>115,260</b>                      | <b>115,260</b>                      | <b>0</b>                   |  |
| <b>Total Revenue Grants</b>                           |   | <b>-100,976,737</b>      | <b>18,623,328</b>                   | <b>22,988,167</b>                   | <b>4,364,839</b>           |  |

| Reserve                                     | Purpose of Reserve | Closing      | Forecast                | Forecast                | Change in  | Commentary |
|---|--------------------|--------------|-------------------------|-------------------------|------------|------------|
|   |                    | Balance      | Spend                   | Spend                   | Forecast   |            |
|   |                    | 31/03/22     | 2022/23 as<br>at Jan 22 | 2022/23 as<br>at Jun 22 | 2022/23    |            |
| Subtotal Childrens Services                 |                    | -16,967      | 0                       | 0                       | 0          |            |
| Subtotal Schools                            |                    | -26,536,330  | 2,117,196               | 2,117,196               | 0          |            |
| Total Schools                               |                    | -26,553,297  | 2,117,196               | 2,117,196               | 0          |            |
| <b>Grand Total - all earmarked reserves</b> |                    | -244,216,787 | 33,333,190              | 44,521,455              | 11,188,265 |            |

## Monitoring of Development Fund Initiatives 2022/23

| Directorate / Service Area | Project  | Amount Approved from Development Fund<br>£000's | Funding Utilised up to 31/03/22<br>£000's | Use of Funding / Planned Use of Reserve |                        | Update on Progress   |
|----------------------------|--|---|---|---|------------------------|--|
|                            |  |   |   | 2022/23<br>£000's                       | Future Years<br>£000's |  |
| <b>REVENUE</b>             |  |   |   |   |                        |  |
| Place - Environment        | Green Masterplan   | 350   | 92  | 258                                     | 0                      | <p><b>Green Masterplan approved, GMP Website developed, Lincolnshire Carbon Tool developed, Zero Carbon Castle</b> project commenced to examine how a zero carbon tourist attraction can be developed. On going process of conversion of street lights to <b>LED lamps</b> funded through the Salix Fund. <b>Lincolnshire Climate Summit</b> held in October 2021.</p> <p>The carbon dioxide emission baseline established for the county in 2021 showed challenges around decarbonising transport, businesses and local communities. Projects have therefore been developed to address these areas. On engaging with local communities, we have worked with 30 local <b>schools</b> on an <b>Environmental Engagement Programme</b> – this has lead to the creation of an artwork, which uses the views of the pupils on environmental issues and is touring tourist locations around the county over the summer holidays. We are also working with local communities on the <b>Zero Carbon Parishes</b> project. We have a carbon footprint for every parish in the county and 12 parishes have come forward to develop carbon reduction plans based around small scale environmental projects. Example projects include a bike maintenance project in Holbeach, energy efficiency in Heighington and solar panels in Nettleham.</p> <p>The GMP is supporting the Council's <b>Tree Planting Programme</b>. We have secured £169k of funding from the Forestry Commission to undertake tree planting work in early 2022. This will be followed up with another tree planting programme for winter 2022/23. Working with the Lincolnshire Co-op we have identified around 20 larger, privately owned sites for tree planting schemes.</p> <p>We are funding a report from the <b>Energy Catapult</b>, which looks at the opportunities in the Central Lincolnshire Local Plan area to incorporate renewables into buildings and the size of the potential resource.</p> <p>Following on from the new Local Transport Plan, we are working on a project to look at options to decarbonise freight deliveries.</p> <p>The GMP funding is also supporting work with businesses to look at supporting the installation of <b>Electric Vehicle Charging Points</b> at hospitality businesses on the coast and we are working to develop a wider support scheme to help small and medium businesses with reducing their energy bills.</p> |
| Place - Communities        | Anaerobic digestion Facilities - Business Case Viability | 150   | 93  | 57                                      | 0                      | <p>The Environment Act 2021 will place statutory responsibility on Waste Disposal Authorities such as LCC for the separate disposal of food waste. The specific requirements of the Act are due to be released imminently but all indications are that separate weekly food waste collections will be a priority, which is likely to necessitate significant investment in the county's waste infrastructure.</p> <p>A study has been commissioned to examine whether Anaerobic Digestion is the preferred solution to treat municipal food waste. The report will enable a detailed Technical Options Appraisal to be undertaken and development of an Outline Business Case.</p>   |

| Directorate / Service Area  | Project  | Amount Approved from Development Fund<br>£000's | Funding Utilised up to 31/03/22<br>£000's | Use of Funding / Planned Use of Reserve |                        | Update on Progress  |
|-----------------------------|--|---|---|---|------------------------|---|
|                             |  |   |   | 2022/23<br>£000's                       | Future Years<br>£000's |   |
| <b>REVENUE contd.</b>       |  |   |   |   |                        |   |
| Place - Highways and Growth | Highways Advance Design/Economic Development Pipeline Projects | 2,713   | 681                                       | 450                                     | 1,582                  | This funding is being utilised to supplement the Advance Design Block budget to accelerate development of Traffic Models, Transport Strategies and Feasibility Studies while still investing the previous level of revenue funding into developing detailed designs for highway based projects and capital funding bids to third parties (e.g. DfT, DLUHC, etc). In addition, it has enabled the development of a pipeline of Economic Infrastructure schemes to bid against emerging government, LCC and other funding opportunities. Some 22 Transport Strategies, Models, Feasibilities and Highway Designs are currently being progressed, overseen by the Capital Programme Steering Group. In 2020/21 and 2021/22, 7 Economic Infrastructure feasibility studies were completed, and 4 are currently in delivery.   |
| Place -Highways             | Traffic signals - Wireless communications                      | 5   | 0   | 5                                       | 0                      | Small revenue element for ducting surveys on-track with maintenance duties to be carried out later in 2022/2023.  |
| Place -Highways             | Drainage Investigation and Flood Repairs                       | 200   | 167                                       | 33                                      | 0                      | Revenue cost is for technical staff to undertake investigations. A full update on the overall project is provided in the Capital section below.   |
| Fire and Rescue             | Research study - LFR prevention work                           | 10  | 8   | 2                                       | 0                      | Although the expected start date of the evaluation was initially delayed by Covid, close liaison with the University of Lincoln has allowed the team to develop alternative methods for collecting data to support the evaluation. The period of data collection has been reduced to ensure progress is made, with discussions held to ensure the outcomes as outlined in the scoping document can still be met. The University have confirmed they are confident that the report will provide the details and recommendations required.  |
| Resources - Transformation  | Business Process re-engineering                                | 280   | 259                                       | 21                                      | 0                      | Prioritised opportunities from the discovery phase have been translated into a Digital Delivery Blueprint. Further work has been completed to link all digital work underway or planned into this piece of work (CSC project, Adults digital projects and future plans within IMT). The blueprint has been created to support the development of the Council's Digital Strategy. The top six opportunities for cashable / non cashable benefits have now been identified and agreement on the roadmap for this delivery is to be agreed by CLT over the summer. Work has now concluded on the School Admissions and Transport Discovery & Service Design with several opportunities for efficiencies and cashable benefits. This will form part of the Digital Delivery Blueprint and help inform decisions on the replacement of the education transport entitlement software (STAMP). |

| Service Area               | Project                  | Amount Approved from Development Fund<br>£000's | Funding Utilised up to 31/03/22<br>£000's | Use of Funding / Planned Use of Reserve |                        | Update on Progress   |
|----------------------------|--------------------------|---|---|---|------------------------|--|
|                            |                          |   |   | 2022/23<br>£000's                       | Future Years<br>£000's |  |
| <b>REVENUE contd.</b>      |                          |   |   |   |                        |  |
| Resources - Transformation | Transformation Programme | 7,384   | 0   | 2,861                                   | 4,523                  | The Transformation Programme was set up to develop a strong vision, identity and brand for the Council, put customers at the centre, enable the Council to become an employer of choice and support Lincolnshire County Council (LCC) in being more flexible and agile with a culture that promotes ownership and accountability. Initially built around three core delivery workstreams (people, communities and processes), the programme has initiated and driven a range of transformation activity, delivering impact for the people and place of Lincolnshire. The achievements and impact of the programme are regularly reviewed by the Overview and Scrutiny Management Board. The latest report can be viewed at:<br><a href="https://lincolnshire.moderngov.co.uk/documents/s48062/8.0%20Transformation%20Programme%20Update.pdf">https://lincolnshire.moderngov.co.uk/documents/s48062/8.0%20Transformation%20Programme%20Update.pdf</a> |
| Place - Growth             | Broadband - 4G           | 135   | 0   | 0                                       | 135                    | Revenue funding for additional project management resource to enable the capital element of this project has not yet been required. A more detailed update on the overall project is reported in the Capital section below.  |
|                            |                          | <b>11,227</b>                                   | <b>1,300</b>                              | <b>3,687</b>                            | <b>6,240</b>           |  |

| Service Area        | Project   | Amount Approved from Development Fund<br>£000's | Funding Utilised up to 31/03/22<br>£000's | Actual Use of Funding / Planned Use of Reserve |                        | Update on Progress  |
|---------------------|---|---|---|--|------------------------|---|
|                     |   |   |   | 2022/23<br>£000's                              | Future Years<br>£000's |   |
| <b>CAPITAL</b>      |   |   |   |  |                        |   |
| Place - Communities | Education<br>Transport links to School (Route sustainability) | 440   | 0   | 30   | 410                    | <p>The Sustainable Travel Group has been focused on enabling more pupils to walk and cycle to and from school. There are currently three priority schemes, with work originally planned to commence 2022/23. However, further work is needed to analyse the cost vs benefit of these schemes, alongside other potential schemes. A joint approach between the Sustainability Team and Transport Services Group now have an initial priority likely to be a headline review of the county in order to establish the potential for modal shift. The current priority schemes are:</p> <ul style="list-style-type: none"> <li>•<b>Fishtoft</b> - A project lead has been assigned the work. costs currently being scoped. This is an improvement to an existing suitable walking route, but where there is no footpath, and further supports the removal of previously existing transport entitlements to specific students and safeguards against future applications/appeals. Estimated cost c. £60k. Annual savings estimate c. £12-18 p.a.</li> <li>•<b>Toynton All Saints</b> – There has been an objection to the planned works and the Public Rights of Way (PROW) team now needs to submit a case to the Secretary of State, which will delay progress by more than 12 months. Estimated cost c. £100k. Annual savings estimate £7k.</li> <li>•<b>Greenfields, Grantham</b> – headline cost versus benefit analysis demonstrated that this should not be a priority. As such, this scheme is on hold. The walking route to the school has been deemed unsafe and this will likely have an increase on the cost of educational travel as more pupils will be eligible. However, all transport for this school has been optimised and re-tendered, likely generating a saving on the current costs irrespective of this increase in the number of eligible pupils.</li> </ul> <p>No drawdown of the Development Fund has yet taken place for the scheme. It is expected that the expenditure incurred in 2022/23 will relate to the review needing to be undertaken, which will require some of the Development funding currently identified as capital, re-allocating to revenue.</p> |
| Place - Highways    | Traffic signals - Wireless communications                     | 80  | 80  | 0  | 0                      | <p>Two regions have been fully commissioned and are utilising the wireless facilities. All the equipment has been installed into the additional regions by the contractor. The network settings require changing for these additional regions to allow the contractor to test the wireless links and complete the project.</p>  |
| Place - Highways    | Community Maintenance Gangs                                   | 3,981   | 3,981                                     | 0  | 0                      | <p>The allocation was fully committed in 2020/21 to deliver a variety of community maintenance gangs throughout the financial year. This additional resource was well received by local members and the general public in solving a variety of minor maintenance improvements and repairs.</p>  |

| Service Area                                 | Project   | Amount Approved from Development Fund<br>£000's | Funding Utilised up to 31/03/22<br>£000's | Actual Use of Funding / Planned Use of Reserve |                        | Update on Progress   |
|--|---|---|---|--|------------------------|--|
|  |   |   |   | 2022/23<br>£000's                              | Future Years<br>£000's |  |
| <b>CAPITAL contd.</b>                        |   |   |   |  |                        |  |
| Place - Highways                             | Drainage Investigation and Flood Repairs          | 3,444   | 1,207                                     | 850  | 1,387                  | Schemes totalling £700k were commissioned in 2020/21 with an in year spend of £646k. A further £561k was spent in 2021/22 and the remaining budget from the original funding allocation is expected to be spent in 2022/23. Our contractors, Balfour Beatty, identified additional resources for delivering these works and we have also employed additional specialist drainage engineers to complete all investigation and design work on the more complex schemes that our Technical Services Partnership design team is overseeing. Following the successful interventions made utilising this funding, Council approved a further allocation of £1.444m as part of the 2022/23 Budget to continue the programme for a further two years.  |
| Place - Highways                             | Works on B class roads and lower                  | 10,000  | 0   | 10,000   | 0                      | Expenditure of £1.7m was incurred during 2021/22 on patching sites in preparation for the surface dressing 2022/23 programme, reactive patching to deal with pothole clusters, additional maintenance drainage gangs for jetting and CCTV and ironwork adjustments across various sites in the county. The remaining £8.3m is committed to a programme of work on residential and terraced streets and a village road improvement programme, to be completed in 2022/23. In total, £10m is expected to be drawn down from the Development Fund in the 2022/23 financial year.  |
| Fire and Rescue                              | Flood Management Pumps                            | 116   | 116                                       | 0  | 0                      | Project completed in terms of asset purchase and auxiliary equipment added. Stations equipped with necessary charging systems to ensure 24/7 response. Driver training to be undertaken at Holbeach & Alford stations however other stations have necessary training to mobilise if required. Project now complete.  |
| ACCW - Public Protection - Trading Standards | Replacement Trading standards Metrology equipment | 50  | 0   | 50   | 0                      | New software and licences have been delivered for 3 out of 5 machines and these are installed and working. Remote installation was carried out with a remote training session due to pandemic. 2 more licences are on order and due to be delivered and installed with support.  |
| Place - Growth                               | Broadband - 4G                                    | 800   | 0   | 0  | 800                    | Delivery of the overall Broadband project is currently progressing in line with the revised contractual milestones, having experienced some delays due to Covid and the worldwide shortage of semi-conductors that affected equipment availability. The need for funding 4G development as a means of providing wider, mobile broadband access is now being overtaken by progress in both 4G and 5G in urban centres and improvements to rural areas being funded by the Building Digital UK (BDUK) £1bn Shared Rural Network programme. Following the conclusion of the latest BDUK Open Market Review to establish suppliers existing networks and planned build over the next 3 years, the need and prioritisation of interventions, including that originally proposed by this project, is being reviewed. This review is expected to be completed by December 2022. |
|  |   | <b>18,911</b>                                   | <b>5,384</b>                              | <b>10,930</b>                                  | <b>2,597</b>           |  |
|  |   | <b>30,138</b>                                   | <b>6,684</b>                              | <b>14,617</b>                                  | <b>8,837</b>           |  |

## Budget Virements April - June 2022

Revenue

| SERVICE FROM           | SERVICE TO                          | REASON   | Approved by                                       | AMOUNT  |
|------------------------|-------------------------------------|--|---|---------|
| Public Health Grant    | Public Health & Community Wellbeing | Increase in Public Health Grant budget to match the grant allocated to Lincolnshire County Council for 2022/23 | Head of Finance, Adult Care & Community Wellbeing | £0.952m |
| Children's Social Care | Organisational Support              | Budget for fulltime Business Support post to support the increase in the residential estates provision         | Assistant Director - Children's Safeguarding      | £0.018m |

Capital

No budget virements to 30 June 2022.

Revenue to Capital

| SERVICE FROM                        | SERVICE TO                                | REASON   | Approved by                     | AMOUNT  |
|-------------------------------------|---|--|---------------------------------|---------|
| (Revenue) Highways                  | Capital Financing Charges                 | Movement of revenue funding to cover the Salix National Loan repayments due in 2022/23 | Head of Highway Design Services | £0.115m |
| (Capital) Funding – Revenue Funding | Energy Efficiency Street Lighting schemes |  |                                 |         |





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