



County Offices
Newland
Lincoln
LN1 1YL

18 November 2020

In accordance with the powers granted by the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 this will be a virtual meeting.

Overview and Scrutiny Management Board

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 26 November 2020 at 10.00 am as a Virtual - Online Meeting via Microsoft Teams** for the transaction of the business set out on the attached Agenda.

Access to the meeting is as follows:

Members of the Overview and Scrutiny Management Board and officers of the County Council supporting the meeting will access the meeting via Microsoft Teams.

Members of the public and the press may access the meeting via the following link: <https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=553&MId=5579&Ver=4> where a live feed will be made available on the day of the meeting.

Yours sincerely

A handwritten signature in black ink that reads 'Debbie Barnes'.

Debbie Barnes OBE
Chief Executive

Membership of the Overview and Scrutiny Management Board (11 Members of the Council and 3 Added Members)

Councillors R B Parker (Chairman), R Wootten (Vice-Chairman), B Adams, Mrs W Bowkett, Mrs J Brockway, R J Kendrick, C S Macey, C E H Marfleet, Mrs A M Newton, N H Pepper and E W Strengiel

Added Members

Church Representative: Reverend P A Johnson

Parent Governor Representatives: Mrs M R Machin and Miss A E I Sayer

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD AGENDA
THURSDAY, 26 NOVEMBER 2020**

Item	Title	Pages
1	Apologies for Absence/Replacement Members	
2	Declarations of Interest	
3	Minutes of the meeting held on 29 October 2020	5 - 12
4	Announcements by the Chairman, Executive Councillors and Chief Officers	
5	Consideration of Call-Ins	
6	Consideration of Councillor Calls for Action	
7	Revenue Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020 <i>(To consider a report from Michelle Grady, Assistant Director – Finance, which invites the Board to consider the Revenue Budget Monitoring Report 2020/21 – Quarter 2 which is being presented to the Executive on 1 December 2020. The views of the Board will be reported to the Executive as part of its consideration of this item)</i>	13 - 82
8	Capital Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020 <i>(To consider a report from Michelle Grady, Assistant Director – Finance, which invites the Board to consider the Capital Budget Monitoring Report 2020/21 – Quarter 2 which is being presented to the Executive on 1 December 2020. The views of the Board will be reported to the Executive as part of its consideration of this item)</i>	83 - 124
9	Covid-19 Update <i>(To consider an update report from Dan Quinn, Assistant Director – Corporate Recovery, on Covid-19 and its economic impact)</i>	125 - 152
10	Treasury Management Performance - Quarter 2 to 30 September 2020 <i>(To receive a report from Karen Tonge, Treasury Manager, on the Treasury Management Performance Quarter 2 (1 July to 30 September 2020))</i>	153 - 182
ITEMS FOR INFORMATION ONLY		
11	Overview and Scrutiny Management Board Work Programme <i>(To receive a report which enables the Board to note the content of its work programme for the coming year)</i>	183 - 192

Democratic Services Officer Contact Details

Name: **Nick Harrison**

E Mail Address nicholas.harrison@lincolnshire.gov.uk

Please note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

All papers for council meetings are available on:

<https://www.lincolnshire.gov.uk/council-business/search-committee-records>



**OVERVIEW AND SCRUTINY
MANAGEMENT BOARD
29 OCTOBER 2020**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors R Wootten (Vice-Chairman), B Adams, Mrs J Brockway, R J Kendrick, C S Macey, Mrs A M Newton, C R Oxby, N H Pepper and E W Strengiel

Added Members

Parent Governor Representative: Mrs M R Machin

Councillors: R D Butroid, L A Cawrey, M J Hill OBE, M A Whittington and B Young attended the meeting as observers

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Karen Cassar (Assistant Director - Highways), James Drury (Executive Director - Commercial), Simon Evans (Health Scrutiny Officer), John Giblin (Strategic Communications Team Leader), Andy Gutherson (Executive Director - Place), Kevin Hales (Serco Operations Director), Nick Harrison (Democratic Services Officer), Jason Harwin (Deputy Chief Constable, Lincolnshire Police), Arnd Hobohm (Serco Contract Manager), Kevin Kendall (Assistant Director - Corporate Property), Andrew McLean (Assistant Director - Transformation), Sophie Reeve (Assistant Director - Commercial), Clare Rowley (Head of Transformation) and Nigel West (Head of Democratic Services and Statutory Scrutiny Officer)

40 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

An apology for absence was received from Councillor Mrs W Bowkett. It was reported that, under Regulation 13 of the Local Government Committee and Political Groups) Regulation 1990, Councillor C R Oxby was replacing Councillor Mrs W Bowkett, for this meeting only. An apology was also received from Miss Alexandra Sayer (Parent Governor Representative). It was also noted that apologies for absence were received from Andrew Crookham (Executive Director – Resources).

41 DECLARATIONS OF INTEREST

There were no declarations of interest.

42 MINUTES OF THE MEETING HELD ON 24 SEPTEMBER 2020

RESOLVED: That minutes of the meeting held on 24 September 2020, be approved as a correct record and signed by the Chairman.

**43 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS
AND CHIEF OFFICERS****Chairman**

The Chairman reported that he had attended a meeting of the Executive on the 6 October 2020 and presented the comments from the Board on the Corporate Plan Performance Framework and the Performance Reporting against the Council Business Plan 2019-20 – Quarter 4. He had highlighted the Board's congratulations in relation to the Quarter 4 performance, and for the Performance Framework, he also highlighted that a number of criteria in the support high aspirations ambition would only be reported annually and that the Board had requested that consideration be given to ways in which this ambition could be monitored on a quarterly basis to show current performance.

Further to his announcement at the last meeting about Scrutiny Panel A conducting a short review of Developer Contributions, the first meeting was held in mid-October and would meet again at the start and end of November. It was proposed that the Panel would present its draft final report to the Board at its meeting on 17 December.

Chief Executive

The Chief Executive reported that the last tranche of Covid-19 funding had been recently received in the sum of just over £4m. Consideration would now be given to how the money could be used to mitigate the impact of Covid-19.

44 CONSIDERATION OF CALL-INS

None had been received.

45 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None had been received.

46 COVID-19 RECOVERY UPDATE

The Board considered a report presented by the Executive Director of Place and Deputy Chief Constable, Lincolnshire Police, on behalf of the Assistant Director – Corporate Recovery, which provided an overview of the partnership approach and governance arrangements to manage Lincolnshire's recovery from the Covid-19 pandemic. The report set out the progress and activity of the Lincolnshire's Local Resilience Forum (LRF) since August, highlighting the challenges faced and the threats, risks and harm that required mitigating.

Since August there had been a significant resurgence of the disease nationally and this had been reflected locally with an increase of infection within the communities in Lincolnshire. As of 19 October 2020 the figures for Lincolnshire were 4,945 confirmed cases, 813 cases in the last seven days. Since the start of the pandemic there had been 159 Covid-19 deaths in a hospital setting and 291 total Covid-19 deaths. These were people who had had a positive Covid-19 test result and died within 28 days of

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the first positive test. The numbers for Lincolnshire were lower than areas within the East Midlands region or reviewed against a national context. Lincolnshire was currently at Local Covid-19 alert level: medium.

Councillor M Hill, Leader of the Council, reported that the Lincolnshire Outbreak Engagement Board had met on 28 October and having taken advice from the Director of Public Health, had agreed that there was no reason to change the current alert level at this point in time. There had been a recent rise in the infection rate, especially in Lincoln, and officials would be keeping a watching brief on the rates on a daily basis. The Chief Executive reported the Board had been set up to provide political ownership and governance for the local outbreak management response and to ensure consistent messaging with Lincolnshire's population by overseeing public facing engagement and communication. It would discharge its responsibilities by means of recommendations to appropriate governance boards and relevant partner organisations. The Board would provide progress reports and updates, as required, to the Covid-19 Recovery meeting of the Lincolnshire Council Leaders, including District Council leaders, Chief Executives and Police and Crime Commissioner. The Board was chaired by the Leader of LCC. Other members of the Board included District Council Leaders, the Police and Crime Commissioner, NHS non-executive representatives from CCG and NHS providers, representative from Healthwatch Lincolnshire and Greater Lincolnshire Local Enterprise Partnership.

Members considered the report, and during the discussion the following points were noted:

- There was support for the Board to receive regular updates, especially as the infection rates were changing regularly and the Board needed to monitor the economic and social impact as well as the Council's and Government's responses and support plans.
- Lincolnshire was currently in Tier 1 (medium risk) of the government's three-tier Covid-19 alert system and Nottinghamshire would move to Tier 3 (highest level restrictions) from 30 October. Police advice was not to travel into or from Tier 3 areas unless essential. Public sector employees working in essential services should continue to go into work where necessary. The current advice was to comply with the rules in place in the area where you lived; be aware of the specific symptoms of Covid-19; carry out a risk assessment of your journey before travel and not to travel on public transport at peak times. There was currently no limit on travel in and out of Tier 2 and 3 areas in England for workers who must travel to work.
- It was noted that the tourist season had been extended on the Lincolnshire coast for economic reasons and there were some concerns from residents and business owners that some public from Tier 3 areas may still travel to visit the area. There were no specific measures or laws to prevent people from travelling, just advice not to do so and it was expected that the majority of the public would take a sensible approach.
- It was recognised that there were some question marks about the accuracy of some of the data especially for example whether a death was entirely due to Covid-19 or was part of another illness. Following later clarification it was noted that if a resident of Lincolnshire was to die in a hospital out of the

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County, the death would be recorded at their place of residency in the same way that the positive test was recorded in relation to the place they were resident. Technically they were considered to having been discharged from hospital back to their home.

- The statistics recorded test results by the postcode where a person lived and not the postcode of the test site. Some students had been recorded as at their home GP and not at their University location, however Lincoln University had its own test and trace system so the figures for Lincoln were more accurate than other areas.
- Support was being provided for businesses via Government grant schemes accessed via countywide business growth hubs and District Councils, however these were already oversubscribed.
- There had not been any significant delays in test and trace in Lincolnshire. Normally results were available within 24 to 48 hours. There were also no public health concerns re testing capacity.
- It was hoped that the report to the November Board meeting would include more information on the economic impact of Covid-19 in Lincolnshire and the recovery work being undertaken. It was noted that redundancies and employment claims were being monitored and would be part of any feedback.

RESOLVED:

1. That the report be noted;
2. That an update report be submitted to the next Board meeting on 26 November 2020.

47 TRANSFORMATION PROGRAMME OVERVIEW

The Board received a report from the Assistant Director – Corporate Transformation, Programmes and Performance and the Head of Transformation, on the Transformation Programme which was being presented to the Executive on 3 November 2020. The views of the Board would be reported to the Executive as part of its consideration of this item. The Executive would be asked to support the scope of the transformation programme, along with the approach recommended for running and managing the programme and provide feedback on any matters to support successful delivery.

The Council had developed a Corporate Plan which set out the goals and ambitions it wished to achieve for its residents over the coming years. It had been recognised that there was a need to focus and resource activity to deliver the Plan, driving innovation and efficiency that was best delivered through a corporate transformation programme, supported by change management and recognisable benefits realisation.

The Transformation Programme encompassed a number of wide-ranging projects that would positively impact upon residents, communities, staff, businesses, visitors and other stakeholders engaged with the Council. The programme was organised into three overarching workstreams of *Our People*, *Our Communities* and *Our Processes*, each of which had a number of projects delivered within them, with

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enabling technology acting as a key driver throughout. Dedicated funds of £10.790m had been identified to support the delivery of the programme and comprehensive governance arrangements were in place to oversee delivery.

The overall aims of the programme were to: develop a strong vision, direction and identity; put our customers at the heart of everything the Council did; become an employer of choice; be more flexible and agile in how the Council operated; have leadership that was collaborative and empowering through a distributed leadership approach; develop a culture that promoted ownership and accountability. A detailed overview of the objectives and deliverables for each of the workstreams and the projects currently being delivered was detailed in the report.

It was reported that the Council's effective response to the Covid-19 pandemic had accelerated and focussed its ambition for change, specifically the opportunities for greater digitalisation and automation, which would assist the Council to proactively manage its future financial challenges and protect the services delivered to the residents of Lincolnshire.

Members considered the report, and during the discussion the following points were noted:

- There was a request for periodic reports to the Board on the progress of the projects overall (work planned, expenditure and completion dates), including an evaluation of the costs and in particular the benefits of each project. Information on successes and failures could also be reported. It was also suggested that service specific projects could be considered by individual scrutiny committees.
- Each councillor was a source of intelligence on how County Council services were being delivered in their particular division. There should be consideration of whether and how this intelligence can be used as part of the Transformation Programme. There was a suggestion that the Chairman and Vice-Chairman of the Board would meet with the lead officers to discuss this.
- In Appendix 1 - Workstream and Project Objectives (*pages 32-47 of the agenda pack*), it was suggested that some of the wording for the objectives and deliverables would need to be clarified, to ensure that it was clear that the wording was specific to that particular objective or deliverable; and did not mislead the public to think that that the objective or deliverable applied to all Council services.
- It was confirmed that that the sum of £7.395 million (*page 22*) had been allocated from the overall County Council underspend for 2019-20, and represented an investment in the Transformation Programme and *One Council* approach.
- The additional costs (*fourth bullet point, page 48*) represent those costs not specifically covered by the Transformation Programme allocation, such as HR, as well as any further additional resources.

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RESOLVED:

1. That the Board support the recommendations to the Executive, as set out in the report;
2. That a summary of the above comments be passed on to the Executive as part of its consideration of this item.

48 SMARTER WORKING PROGRAMME UPDATE

The Board considered a report and presentation from the Assistant Director – Highways and the Assistant Director – Corporate Property, on a Smarter Working Programme which was being presented to the Executive on 3 November 2020. The views of the Board would be reported to the Executive as part of its consideration of this item. The Executive would be asked to note and support the Corporate Leadership Team's vision, goals and objectives for Smarter Working and the ongoing work to enable delivery of the project and, note the outcome of a Smarter Working Staff Survey.

The Covid-19 pandemic had required the workforce to work in a very different way with staff delivering services through innovative and creative approaches and IMT enabling staff to work virtually. This had opened up the opportunity to radically review how work was undertaken in the future. The Smarter Working programme had been established and sought to explore and define how the Council could operate in a more flexible and blended way to the traditional approaches to work, building on the strengths of our current delivery model.

The report outlined the vision, goals and how performance would be managed as objectives would focus on results and outcomes rather than presence. It also included:- how the use of office space across Lincolnshire could be maximised through designing options to create even smarter ways of working; how the risks to the environment from climate change could be managed; how to attract even more highly-skilled staff, retaining existing employees and being the employer of choice; how to improve connectivity and technology to improve business processes and reduce waste. The report highlighted that the number of office buildings would reduce by 50% and there would be savings from reduced maintenance and running costs. Reference was also made to the proposal for 'bookable workspaces' and how work spaces and offices would be occupied in the future, with no officers having their dedicated offices.

A Smarter Working survey had been completed by 2,610 employees. The survey addressed the benefits and challenges of working from home and a Smarter Working Project Group would be identifying priority actions to be taken, informed by the analysis of the survey results, to support smarter working now and in the future.

Members considered the report, and during the discussion the following points were noted:

- It was suggested that the proposed hybrid arrangements should aim to maintain the benefits of team-working and office contact, for example, informal

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training, creativity, idea-sharing, and providing mutual support to colleagues. The future arrangements should aim to be sustainable and workable and consolidate on the learning so far. Providing opportunities for peer to peer meetings without the involvement of managers was seen as one area for consideration.

- It was suggested that there should be an emphasis in the proposed hybrid arrangements on reducing isolation and enabling social contact, supporting both physical and mental wellbeing of members of staff.
- In addition to the challenges, there was a request for mitigations to be considered for all the challenges listed on pages 63-64 of the agenda pack.
- There was a request to consider any learning from good practice from the Council's own experiences as well as from other organisations.
- Although the impacts of Covid-19 were expected to continue for some time, it was stressed that the Smarter Working programme was focused on the medium to long term, which was Covid-19 free or where its effects were under control.
- It was stressed that one size did not fit all and the needs of each service area would be taken into account in developing the Smarter Working programme.
- It was confirmed that the Corporate Leadership Team would act as role models and early adopters of the shared space approach.

RESOLVED:

1. That the Board support the recommendations to the Executive, as set out in the report;
2. That a summary of the above comments be passed on to the Executive as part of its consideration of this item.

49 PERFORMANCE OF THE CORPORATE SUPPORT SERVICES CONTRACT

The Board received a detailed report from the Assistant Director – Commercial and the Serco Contract Manager, on the Performance of the Corporate Support Services Contract against contractual Key Performance Indicators specified in the Corporate Support Services Contract between December 2019 and September 2020. The last report to the Board had been on 19 December 2019.

The report noted that the general picture was one of good performance overall during this review period. The effect of Covid-19 on Serco services had mainly been felt in IMT and Corporate Support Services. Additional IT support and technology had been provided to staff. The number of contacts received by the service increased rapidly from the beginning of the Covid-19 pandemic. A dedicated Covid-19 line had been established, which handled 23,187 additional Covid-19 related contacts between 1 April and 30 June, at a cost to the Council of £228,095. However, this additional cost would be claimed against the Covid-related funding, and was offset in part as a result of a decrease in contacts across other services, and so the overall Customer Service Centre budget for 2020/21 remained on track. It was noted that all Serco services continued to be provided during the pandemic and at no time have any services been discontinued or suspended.

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Members considered the report, and during the discussion the following points were noted:

- There had been difficulties in keeping pace with the call demand regarding adult and children's services as there had been increased demand, however a comprehensive action plan was in place together with additional support which was now making a positive difference on capacity.
- The Board were pleased to see a positive report and were supportive of the work being undertaken.
- There would be a review of the Mosaic finance project KPI and how it would be measured in the future and the Chairman requested that an initial meeting be set up with himself and key staff to discuss the details following the Board meeting.

RESOLVED: That the report and comments outlined above be noted.

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PROGRAMME

Members were advised that this item was for information only and noted a change to Work Programme for 17 December. The Business World ERP System Re-Design Progress Report would be deferred to 28 January 2021, as a result of a review of the timelines and potential change to the go-live date. This was in part because of the impact of Covid-19.

RESOLVED: That the work programme be noted.

The meeting closed at 12.20 pm



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

Report to:	Overview and Scrutiny Management Board
Date:	26 November 2020
Subject:	Revenue Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on Revenue Budget Monitoring, which is being presented to the Executive on 01 December 2020. The views of the Board will be reported to the Executive as part of its consideration of this item.

It compares the Council's projected expenditure with the approved budget for 2020/21, and provides explanations for any significant over or under spending.

Actions Required:

The Overview and Scrutiny Management Board is invited to: -

- 1) Consider the attached report and to determine whether the Board supports the recommendation to the Executive as set out in the report.
- 2) Agree any additional comments to be passed on to the Executive in relation to this item.

1. Background

1.1 The Executive is due to consider the Revenue Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020 at its meeting on 01 December 2020.

1.2 The Executive report attached at Appendix 1 is the revenue budget monitoring report for the second quarter of financial year 2020/21 and has been prepared as at the end of 30 September 2020. It compares projected expenditure for the year with the approved budget and provides explanations for any significant over or under-spending.

2. Conclusion

2.1 Following consideration of the attached report, the Board is requested to consider whether it supports the recommendation in the report and whether it wishes to make any additional comments to the Executive. Comments from the Board will be reported to the Executive at its meeting on 01 December 2020.

3. Consultation

a) Risks and Impact Analysis

Not Applicable

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Revenue Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020 to be presented to the Executive at its meeting on 01 December 2020

5. Background Papers

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

Document title	Where the document can be viewed
Budget Book 2020/21	The details of the budget set for financial year 2020/21 is within the document Budget Book 2020/21, which can be found on the Council's website. https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&MId=5627

This report was written by Michelle Grady, who can be contacted on 01522 553235 or Michelle.Grady@lincolnshire.gov.uk.

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

Report to:	Executive
Date:	01 December 2020
Subject:	Revenue Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020
Decision Reference:	I020060
Key decision?	No

Summary:

- This report provides an update on revenue spending compared with budgets for the financial year which started on 1 April 2020.
- The tables in this report show the actual income and expenditure for the first six months of this financial year to 30 September 2020, along with the forecasts for spending and a comparison of the forecasts against the approved budgets.
- The report gives an overview of the financial position, with more detailed information on each budget area provided in Appendices A to O. The financial impacts of Covid-19 and other variances arising from our "business as usual" activity are considered separately in this report, with the combined position summarised in the Overall Financial Position section.
- The overall revenue position is that we are forecasting an underspend this year of **£1.973m** (excluding schools and Covid-19). There is also a forecast underspend on capital financing charges of £7.868m, this is excluded from this forecast position at this stage. It is planned that the capital financing underspend will be used to manage future fluctuations in the annual capital financing budget by transferring it to the capital financing earmarked reserve.
- We are assuming that our forecasted Covid-19 position will be contained within the government emergency grant forecasting a surplus of **£7.673m**. Included in this forecast is an estimated additional grant of around £4.200m which can be claimed to cover losses of income.
- 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 strong due to the current forecast of an underspend. We have healthy reserve balances and we will continue to strengthen our financial resilience as set out in paragraph 1.23.

Recommendation(s):

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

Alternatives Considered:

1. This report shows the actual revenue expenditure to 30 September 2020, and projected outturns for 2020/21, therefore no alternatives have been considered.

Reasons for Recommendation:

To maintain the Council's financial resilience.

1. Background**Overall Financial Position**

1.1 Table of Summary Position as at 30 September 2020.

	Current Budget	Forecast Outturn	Forecast (Under) / Overspend	Previous Forecast (Under) / Overspend	Direction of Travel
	£m	£m	£m	£m	
Children's Services	115.392	117.119	1.728	3.262	↑
Adult Care and Community Wellbeing Place	148.721	148.308	-0.413	-0.240	↓
Fire and Rescue & Public Protection	72.776	74.366	1.590	2.172	↓
Resources	26.033	25.033	-1.000	-0.989	↓
Commercial	23.030	22.802	-0.228	-0.393	↓
Corporate Services	37.389	36.711	-0.678	-0.047	↓
School Budgets	2.886	2.571	-0.315	-0.035	↓
Other Budgets	11.593	15.179	3.587	-1.475	↓
Total movement of Reserves	71.371	68.716	-2.655	-0.175	↓
Income	-16.213	-16.213	0.000	0.000	→
Total Excluding schools	-492.978	-492.978	0.000	-0.001	→
Total	481.386	479.413	-1.973	3.556	↓
	0.000	1.614	1.614	2.079	↓

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

1.3 This financial position assumes that the financial impacts of Covid-19 will be contained within the emergency grant funding we receive this year. Further detail on this is provided in the "Key Issues Highlighted – Financial Impact of the Coronavirus Pandemic" section of this report.

Key Issues Highlighted – "Business As Usual"

1.4 The overall revenue position is that we are forecasting an underspend of £1.973m (excluding schools and Covid-19). Within this figure the most significant variances are:

- 1.5 Children's Services (Children's Social Care): a forecast overspend of £0.431m. This comprises of a number of under and over spends culminating in a net overspend position. A forecast overspend relating to the increased demand for Looked After Children requiring specialist placements (£1.933m), an overspend on the increased legal costs for social care (£0.787m), offset by underspends arising from the Covid-19 pandemic (£0.472m) and additional grant received and staff vacancies for 0-19 public health (£0.896m) and Children's grant utilisation (£0.436m). There are also a number of other minor underspends totalling £0.485m (see Appendix B for further detail).
- 1.6 Children's Services (Children's Education): a forecast overspend of £1.297m due mainly to the higher cost per day transport delivery costs using the current academic year costs (pre-Covid-19) and applied to the September 2020 to March 2021 period. This higher cost per day transport costs are as a result of higher unit costs for contracted mainstream pupils transport, and an increase in the number of pupils eligible with special educational needs and disability (see Appendix B for further detail).
- 1.7 Place (Communities): a forecast overspend of £1.890m on waste services, due to a 5% increase in the volume of household waste being collected and increased cost of the Mixed Dry Recycling (MDR) contract. The price paid for the processing of MDR waste fluctuates depending on market conditions with the present expectation being that the rate payable during 2020/21 will be 27% higher than in previous years. Also reduced contract payments to bus operators on suspended or reduced bus services during the earlier part of the coronavirus pandemic and staff savings within Transport Services provide a forecast underspend of £1.005m (see Appendix D for further detail).
- 1.8 Fire and Rescue & Public Protection (Fire and Rescue and Emergency Planning): a forecast underspend of £1.000m. The fire pension schemes' employer contribution rates increased significantly from April 2019. In 2019/20 a grant was received to cover 90% of this increased cost, with no guarantee that further grant would be received in future years. The resultant cost pressure was therefore built into the 2020/21 base budget however a grant to help cover the 2020/21 cost of the pension increase has been now been received, creating an underspend of £1.437m. This is offset by an overspend of £0.437m in Public Protection in the main relating to mortuary and post-mortem services (see Appendix E for further detail).
- 1.9 Other Budgets is forecast to underspend by £2.655m. There is currently a relatively low level of restructuring taking place across the Council, therefore, an underspend is anticipated of approximately £1.500m; also there are some additional underspends relating to the National Living Wage and Pay Scale re-structuring. Excluded from this forecast is an underspend of £7.868m relating to Capital Financing Charges. This underspend is planned to be transferred to the Capital Financing Reserve at the end of the year to help manage future fluctuations in the annual capital financing

charges budget. The explanation of the underspend is that the current budget for Minimum Revenue Provision (MRP) was calculated in 2019 before the 2019/20 capital outturn position had been reported. The 2019/20 borrowing outturn was significantly lower than estimated due to re-phasing, underspend carry forward and the level of internal borrowing taken (see Appendix J for further detail).

- 1.10 Schools budget has a forecast overspend of £3.587m. This in the main relates to increased demand in the High Needs Block. Any overspend at the year-end will be funded from the Dedicated Schools Grant Reserve (see Appendix I for further detail).

Key Issues Highlighted – Financial Impact of the Coronavirus Pandemic

- 1.11 Appendix K is a table showing the latest forecast expenditure and losses of income arising from the impacts of the coronavirus (Covid-19) pandemic.
- 1.12 Actual expenditure and losses to 31 October are £22.987m, and forecast expenditure and losses to the end of the financial year are £40.657m. This latter figure includes £9.171m of expenditure and losses which may be incurred that are dependent on the behaviour of the virus during the remainder of the year, and also on the national and local response to this. The Council also incurred Covid-19 related expenditure in the last financial year amounting to £0.378m.
- 1.13 We expect to receive a total of £44.509m of emergency Covid-19 grant from the Government to fund both last year's and this year's costs. This is inclusive of £4.210m of tranche 4 grant recently announced in October. We will also receive additional grant to cover the loss of sales, fees and charges of c£4.200m. Appendix K shows a forecast surplus of £7.673m between the expected expenditure and losses and grant receivable. However due to the rapidly changing situation the surplus will be used to cover the costs arising from the "second spike" and further lockdown recently announced by Government.
- 1.14 We have also received some ring-fenced grants relating to Covid-19 which are to be spent on supporting specific services or activities. Examples of these are: Infection Control grant for adult social care (£19.372m); Test and Trace grant (£3.069m); and Emergency Supplies grant (£0.824m). These grants and their usage are not included in this report. We are also able to reclaim monies from Clinical Commissioning Groups to cover the additional cost of new or extended out of hospital health and social care support packages for people being discharged from hospital. These additional costs and the related funding are also not included in this report.
- 1.15 The most significant area of Covid-19 related expenditure is in Adult Care and Community Wellbeing, representing 38% of our total forecast. The Children's Services forecast for Covid-19 also represents 24% of our total forecast. Appendix L provides a full breakdown of all Covid-19 related expenditure and losses.

- 1.16 Due to the constraint of some of the Council's day to day operations during this pandemic, we have seen savings generated of c£4.848m. The table below summarises the kind of savings we have been able to make. Further details are contained within Appendix L within the relevant service area.

Summary of Covid19 Savings	
	Amount £'m
Staff Recruitment and Vacancies	0.949
Staff Travel and Training	0.540
Delay in Building Maintenance	0.082
Members Travel	0.072
Contract Savings	2.426
Utility Savings	0.240
Cancelled Events/ Reduction in Activities	0.419
Other	0.120
Total Savings	4.848

- 1.17 The financial impacts of Covid-19 are evolving as the year progresses and are being monitored and reported to the Corporate Leadership Team (CLT) as well as to the Government on a monthly basis. As the situation evolves we will update our reporting and start to consider any longer term impacts on our medium term financial plan for 2021/22 onwards.

Progress on Achievement of Budget Savings

- 1.18 Appendix M shows the savings built into the 2020/21 budget as part of the last budget process and indicates, for each saving, whether or not it is expected to be achieved this year. There are a number of savings which will not now be achieved, but these are almost all due to the impacts of Covid-19. We are therefore treating these overspends as Covid-19 related costs and using the Covid-19 emergency grant to cover these losses. Appendix M provides more detail on the non-achievement of savings.

Progress on Development Fund Initiatives

- 1.19 Appendix N 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.

Assessment of Impact on Financial Resilience

- 1.20 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 strong. However, it is important to note that the continuous uncertainty surrounding how the future of the Covid-19 pandemic will evolve will require us to closely and regularly monitor our position. The direct impact of the Covid-19 pandemic has been felt across the whole of the local

government sector with all authorities experiencing additional costs, income losses and losing the ability to achieve planned savings. There has also been some indirect consequences such as the reduction in the base rate at the start of the pandemic which has reduced the ability to achieve investment income on treasury management deposits.

- 1.21 Looking forward, there is some uncertainty about what impact Covid-19 will have on next year's council tax and business rates income. The Government has indicated that this issue will be addressed in the Government's Spending Review expected to be announced in December 2020.
- 1.22 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 maintain the current forecast of underspend then there will be no requirement to draw down our Financial Volatility Reserve to support the 2020/21 budgetary position; however if the position changes to an overspend then some reserve will be needed to be used. The balance of the Financial Volatility Reserve currently stands at £52.683m.
- 1.23 We will aim to strengthen our financial resilience by: continued monitoring of the financial position, undertaking work to address issues as they arise; continued reporting of the Covid-19 impacts to the Government alongside working 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; and focusing on transformation work to reduce cost pressures and create budget savings. Budget Holders have already been asked to preserve any budgetary savings incurred this year to help support the Council's overall financial position.

Reporting of Budget Virements

- 1.24 The Council's Financial Regulations now 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 can be found Appendix O.

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 and Wellbeing 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 underspend of £1.973m (excluding Schools and forecast Covid-19 surplus).
- 3.2 Also excluded from the overall forecast is a £7.868m underspend in capital financing charges that is planned to be transferred to the capital financing earmarked reserve to manage future fluctuations in the annual capital financing budget. We are assuming that Covid-19 costs and losses of income can be contained within the Government's emergency grant but note that it is difficult to predict how the coronavirus will continue to impact.

4. Legal Comments:

This report sets out an update on spending, including spending relating to Covid-19, as at 30 September 2020 compared with the revenue budget for the financial year starting on 1 April 2020 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 underspent and currently there is no requirement to use our Financial Volatility earmarked reserve to support the budgetary position. However continued effort in monitoring is essential to ensure that any additional cost pressure is identified and addressed as soon it occurs.

6. Consultation

a) Has Local Member Been Consulted?

Not Applicable

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 26 November 2020. 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. Appendices

These are listed below and attached at the back of the report	
Appendix A	Revenue Budget Monitoring Report 2020/21 as at 30 September 2020
Appendix B	Children's Services
Appendix C	Adult Care and Community Wellbeing
Appendix D	Place
Appendix E	Fire and Rescue & Public Protection
Appendix F	Resources
Appendix G	Commercial
Appendix H	Corporate Services
Appendix I	Schools
Appendix J	Other Budgets
Appendix K	Summary of Financial Impact of Covid-19 2020/21 as at 31 October 2020
Appendix L	Narrative of Summary of Financial Impact of Covid-19 2020/21 as at 31 October 2020
Appendix M	Monitoring of Planned Savings 2020/21
Appendix N	Monitoring of Development Fund Initiatives 2020/21
Appendix O	Approved Budget Virements 2020/21 as at 30 September 2020

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 2020/21	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CIId=120&MIId=5627
Budget Book 2020/21	https://www.lincolnshire.gov.uk/directory-record/61670/budget-and-financial-strategy

This report was written by Michelle Grady, who can be contacted on 01522 553235 or Michelle.Grady@lincolnshire.gov.uk.

APPENDIX A

Revenue Budget Monitoring Report 2020/21 as at 30 September 2020

	Revised Net Revenue Budget £m	Net Expenditure £m	Year End Forecast £m	Forecast Variance £m	Forecast Variance %
SERVICE DELIVERY					
Children's Social Care	74.635	39.572	75.066	0.431	0.6
Children's Education	40.756	14.582	42.053	1.297	3.2
Children's Services	115.392	54.154	117.119	1.728	1.5
Adult Frailty & Long Term Conditions	119.011	30.241	118.585	-0.425	-0.4
Adult Specialities	80.569	45.826	80.809	0.240	0.3
Public Health and Community Wellbeing	29.710	10.324	29.482	-0.228	-0.8
Public Health Grant Income	-33.546	-16.773	-33.546	0.000	0.0
Better Care Funding	-47.023	-16.624	-47.023	0.000	0.0
Adult Care and Community Wellbeing	148.721	52.993	148.308	-0.413	-0.3
Communities	46.241	19.869	47.274	1.033	2.2
Lincolnshire Local Enterprise Partnership	0.343	-16.166	0.343	0.000	-0.1
Growth	3.632	3.700	3.632	0.000	0.0
Highways	22.561	9.506	23.118	0.557	2.5
Place	72.776	16.909	74.366	1.590	2.2
Fire and Rescue and Emergency Planning	22.462	9.357	21.025	-1.437	-6.4
Public Protection	3.571	2.049	4.008	0.437	12.2
Fire and Rescue & Public Protection	26.033	11.406	25.033	-1.000	-3.8
Human Resources and Organisational Support	14.235	8.296	14.025	-0.211	-1.5
Finance	6.741	2.981	6.851	0.110	1.6
Legal and Governance Services	2.054	1.594	1.926	-0.127	-6.2
Resources	23.030	12.872	22.802	-0.228	-1.0
Property	9.907	5.983	9.607	-0.300	-3.0
Information Management Technology	14.223	9.666	14.787	0.564	4.0
Transformation	4.650	2.469	4.480	-0.170	-3.7
Commercial	8.609	4.424	7.837	-0.772	-9.0
Commercial	37.389	22.543	36.711	-0.678	-1.8
Corporate Services	2.886	1.141	2.571	-0.315	-10.9
Corporate Services	2.886	1.141	2.571	-0.315	-10.9
TOTAL SERVICE DELIVERY	426.227	172.018	426.910	0.683	0.2
SCHOOL BUDGETS					
Schools Block	142.756	58.733	142.756	0.000	0.0
High Needs Block	76.171	37.269	80.214	4.043	5.3
Central School Services Block	3.728	0.530	3.138	-0.590	-15.8
Early Years Block	42.169	19.993	42.303	0.134	0.3
Dedicated Schools Grant	-258.060	-133.972	-258.060	0.000	0.0
Schools Budget (Other Funding)	4.828	-3.835	4.828	0.000	0.0
TOTAL SCHOOLS BUDGETS	11.593	-21.282	15.179	3.587	30.9
OTHER BUDGETS					
Contingency	1.806	0.000	1.806	0.000	0.0
Capital Financing Charges	50.077	-0.434	50.077	0.000	0.0
Other	19.489	9.371	16.833	-2.655	-13.6
TOTAL OTHER BUDGETS	71.371	8.937	68.716	-2.655	-3.7
TOTAL NET EXPENDITURE	509.191	159.672	510.805	1.614	0.3
Transfer to/from Earmarked Reserves	-0.685	-0.344	-0.685	0.000	0.0
Contribution to/from School Reserves	-14.268	-14.610	-14.268	0.000	0.0
Contribution to Development Fund	-1.409	-3.981	-1.409	0.000	0.0
Transfer to/from General Reserves	0.150	0.000	0.150	0.000	0.0
TOTAL MOVEMENT OF RESERVES	-16.213	-18.935	-16.213	0.000	0.0
MET FROM:					
Business Rates local Retention	-123.271	-63.469	-123.271	0.000	0.0
Revenue Support Grant	-20.467	-10.643	-20.467	0.000	0.0
Other Non Specific Grants	-34.378	-35.097	-34.378	0.000	0.0
County Precept	-314.862	-157.431	-314.862	0.000	0.0
TOTAL MET FROM	-492.978	-266.640	-492.978	0.000	0
TOTAL	0.000	-125.903	1.614	1.614	

Children's Services

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Children's Services

This report details the key changes in position and/or risk faced within Children's Services. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £'000	Forecast Outturn £'000	Forecast Over/(Underspend) £'000	Previous Over/(Underspend) £'000	
Children's Service's	115,392	117,119	1,728	3,262	

Service Area	Current Budget £'000	Forecast Outturn £'000	Forecast Over/(Underspend) £'000	Previous Over/(Underspend) £'000	
Children's Social Care	74,635	75,066	431	2,178	

The financial position is driven by :-

- A continuing requirement for more looked after children requiring specialist placements has continued to identify a material forecast overspend (£1.933m or 35.5%). Last year's reported overspend was £1.612m. Contributing factors include: an increase in looked after children numbers (663 at the end of September 2020); a shift of placement composition from internal foster carer arrangements to more specialist external placements that have a significantly greater unit cost, and market forces within the external looked after children sector, which result in increasing placement costs. The forecast spend of £7.365m is based on currently known commitments and do not include any anticipated increase in looked after children numbers. This budget is determined as high risk (due to its demand-led factors), and placements and expenditure will continue to be reviewed monthly including undertaking financial forecasts to the end of the financial year.
- Social care legal costs continues to forecast an overspend (£0.787m or 30.0%). Spend for the first five months is £1.342m (or 50% of the budget), and disbursement fees represent 56% of the cost. Children's Services continue to apply the statutory threshold to initiating care proceeding and pre-proceedings. Contributing factors include: more proceedings being issued; there is an increase in the length of proceedings as a result of court availability and the circumstances of the cases; complexity of proceedings and an increase in the requirement for expert assessments, such as counsel, which represent the high disbursement costs to date. It remains that once the case has issued care proceedings, the costs can be dictated by the court. The management team continue to review the position.
- 0-19 Health Services are forecasting a £0.896m underspend. £0.465m of funding was made available from the Public Health grant allocation due to the Department's increase in the employer contribution rate to 20.6% for the NHS Pension Scheme. This represented a 6.3% increase. It has now been confirmed that transitional arrangements will continue for 2020/21 and 3.8% of the additional cost will be met by the Department. The forecast reflects this change. In addition Health Visitor vacancies continue at c.15% of the staffing establishment. The service has a rolling recruitment programme in place and whilst Health Visitors are difficult to recruit to, there has been some success with a recent recruitment drive and it is hoped that this will continue to improve.

- The announcement of a children's grant increase and a review of the grants utilisation has identified costs that are attributable to the grant elsewhere in Children's Services (£0.436m). This will assist in reducing Children's Services overall overspend in the current year. Other underspends have also taken place across the area of children's social care (£0.485m). Those underspends attributable to the impact of the pandemic, and focusing on core service delivery include social care training (£0.092m); children centre building maintenance (£0.082m), and social care (£0.110m) and early help (£0.188m) vacancies.

The movement in position relates to :-

- An increase in Out County Placement (£0.092m) costs (net of Covid-19 grant charges).
- The change in the Department's position in meeting 3.8% of the additional cost of the NHS pensions (£0.232m).
- Utilisation of grant funding attributable from service budgets (£0.436m).

Key Financial Risks to Delivery and Mitigating Actions

<p><i>Key Risk 1 – Looked After Children</i></p>	<ul style="list-style-type: none"> • Looked after children services are demand-led in nature and can be volatile. The impact can be significant financially, due to the cost of requiring externally commissioned specialist placements. There has been a rise in looked after children numbers, however Lincolnshire's benchmarked looked after children numbers per 10,000 of the population is at 43 per 10,000, compared to nationally in the prior year of 65 (over 50% more). Steps continue to be in place to mitigate and manage escalation of needs, and a looked after children service review has also commenced. <p>Increased costs come from the changing composition of looked after placements from internal foster carer arrangements to more specialist external placements. This is caused by the complex nature of family life, added with market forces in the sector. Lincolnshire compares well nationally for looked after children placement costs. Only CPI cost increases had been built into the 2020/21 budget.</p> <p>The Council recognises the financial risk of this due to the demand-led nature and complexity of support required for these young people in care. The Local Authority has agreed to support an increase in its internal residential estate to meet these growing needs, to deliver improved outcomes and achieve better use of resources.</p> <p>Social care legal costs have continued to rise annually, and in 2019/20 a material overspend of £1.014m was incurred due to the complexity and length of cases, the need for expert opinions and the use of counsel. The trajectory of spending remains the case in 2020/21. It is expected that legal costs will continue to rise based on current trends, added with delays in cases being concluded due to the Covid-19 restrictions and also because of the impact of deprivation on some of the children and families. Further work is being undertaken to consider measures to bring spending down.</p>
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Service Area	Current Budget £'000	Forecast Outturn £'000	Forecast Over/(Underspend) £'000	Previous Over/(Underspend) £'000
Children's Education	40,756	42,053	1,297	1,084

The financial position is driven by :-

- Home to School and College transport is forecasting an overspend (£2.243m or 8.2%). The forecast is based on the planned 191 transport days (one additional day than budgeted). Although the net overspend is £2.243m, the periods April 2020 to August 2020 and September 2020 to March 2021 have been impacted differently in its service delivery by the pandemic causing different financial impacts.

The period April 2020 to August 2020 has identified an underspend of £1.370m against the profiled budget since the majority of pupils were not in school during the summer term. The Council agreed to provide financial support to school transport providers for suspended services (below 100% contracted amount) in accordance with Procurement Policy Note (PPN) issued by the Cabinet Office to ensure service continuity. This resulted in a revised cost per day of c.£0.123m. The cost avoidance was £0.033m per day based on the academic year cost or the physical cost reduction compared to the budget of c.£0.021m per day.

The period September 2020 to March 2021 is forecast to overspend by £2.900m and is mainly attributable to the higher cost per day transport delivery costs (c. £0.167m versus the budgeted cost per day of c.£0.144m). This is due to higher unit costs for contracted mainstream pupils transport; an increase in the number of pupils eligible with special educational needs and disability; an increase in special schools transport costs, and the cost of delivering one additional transport day than budgeted. This is despite certain costs being eligible to claim from the Covid-19 grants. All known financial commitments have been built into the forecast.

The forecast for Home to School and College Transport is always difficult to predict until the start of the new academic year but this year it has been particularly difficult with the impact of the pandemic on transport costs. This budget is determined as high risk, and expenditure will continue to be reviewed monthly including undertaking financial forecasts to the end of the financial year.

- Special Educational Needs and Disabilities is forecasting an underspend of £0.508m. Areas of underspend include Domiciliary Care (£0.128m) and Direct Payments (£0.094m) – this is in part relating to activity levels, and families not requiring assistance during lockdown. The Educational Psychology budget continues to underspend largely as a result of the reduction in the number of Education, Health and Care (EHC) Needs Assessments during the Covid-19 lockdown period and the delay in progressing a new Psychology contract with an external provider.
- Other smaller underspends have also taken place across the area of children's education (£0.600m). Those underspends attributable to the impact of the pandemic include a delay in appointing to central staffing vacancies (£0.076m), a reduction in education legal costs (£0.060m) and savings on staff travel (£0.055m).

The movement in position relates to :-

- A clearer position on the expected increase in costs forecast for Home to School and College transport delivery as the financial year progresses for this demand-led budget (£0.499m increase).
- A reduction in costs within Special Educational Needs and Disabilities due to the impact of Covid-19 (£0.251m).

Key Financial Risks to Delivery and Mitigating Actions

*Key Risk 1 :
Home to
School and
College
Transport*

- The Home to School and College Transport is always difficult to predict and it is recognised that this particular budget is volatile with many external factors that will influence the final year-end spend. Officers will continue to meet monthly to review both the expenditure and forecasts due to its high risk category, and operational discussions continue to take place amongst Transport Services Group that procure transport on behalf of Children's Services.

For 2021/22, a request through the Council's budget process will seek to re-base the Home to School and College Transport budget to current spending levels per day. This area was identified as a deep dive. The output of this review categorised Lincolnshire's current policy between statutory and discretionary.

Following a request to CLT for a detailed review, the Corporate Transport Review will commence in November 2020 where it is hoped improvements or changes can be identified. A Termly Transport Board will also commence to further scrutinise key trends and issues.

- The One School One Operator financial model for special schools transport is being reviewed as a result of Covid-19. Whilst forecasts include an estimate of likely costs, this remains a financial risk at this stage. It has been agreed to have SEND representation at the monthly operational discussions to ensure the most cost effective transport solutions are in place.
- Home to school and college transport spending can be impacted by school reorganisations. When such instances occur, the financial impact is considered.

Adult Care and Community Wellbeing

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Adult Care & Community Wellbeing

This report details the key changes in position and/or risk faced within Adult Care and Community wellbeing. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Adult Care & Community Wellbeing	148.721	148.308	(0.413)	(0.240)	

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Adult Frailty & Long Term Conditions	119.011	118.586	(0.425)	(0.250)	

The financial position is driven by :-

- AF & LTC forecast an equivalent to 24wte (6%) vacancies and built a vacancy factor into the 2020-21 budget. This vacancy factor will be delivered. With the slowdown in recruitment resulting from Covid-19, AF & LTC are forecasting an equivalent to 41wte (10%), 17wte higher than forecast. The £0.410m resulting from the higher level of vacancies will be utilised to reduce the waiting list developed during Covid-19 due to constrained capacity.
- Direct payment (DP) refunds continue to recoup income higher than the planned 2020-21 levels. The DP audit team are reviewing all DP service users to ensure they have an audit within the last 12 months. The team have 371 audits still to do which is forecast to recoup £0.300m above the income budget set.
- £0.375m resulting from receipt of an external grant in full originally thought to reduce in 2020-21 but received in full 28 July.

The movement in position relates to :-

- The receipt of grant income, assumption through the budget setting was for ACCW to see a reduction in income received.

Key Financial Risks to Delivery and Mitigating Actions

<p>Key Risk 1 – Potential non delivery of £1.0m additional income recurrently.</p>	<ul style="list-style-type: none"> • A debt review programme is underway which will continue to resolve ACCW debt older than 1 year and implement alternative ways of working learning from the programme so far. Due to the age of the debt, the bulk of 2020-21 additional income forecast will be delivered from DP audit refunds. The risk is that this is non-recurrent and therefore additional focus is in place via the debt review programme to deliver a more efficient debt recovery process from 1st April 2021.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Adult Specialities	80.569	80.809	0.240	0.278	↑
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> Based upon current service users, forecast forward for the full year, the forecast spend is £9.840m against an allocation of £9.585m. The strengthened mental health governance structure is in place providing increased confirm and challenge and more frequent monitoring by LCC and LPFT for each package of care. Quarter 3 will see the conclusion of key elements of this work; early indications are highlighting a potential improvement in the financial position. 					
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> There is no material movement in position. 					
Key Financial Risks to Delivery and Mitigating Actions					
<i>Key Risk 1 : Higher demand than planned</i>	<ul style="list-style-type: none"> There continues to be a risk of additional costs resulting from increased demand, this is being monitoring through the strengthened governance arrangements in place. 				

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Public Health & Community Wellbeing	29.710	29.482	(0.228)	(0.267)	↑
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> there were plans to pilot improvement initiatives during 2020-21 however due to all staff needing to support the response to the pandemic, these have been delayed until 2021-22. a carer contract delivering a lower than planned level of activity. This is not material enough to impact on service delivery for users. 					
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> There is no material movement in position. 					
Key Financial Risks to Delivery and Mitigating Actions					
<i>Key Risk 1 -</i>	<ul style="list-style-type: none"> None to highlight at this time. 				

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Public Health Grant	-33.546	-33.546	0.000	0.000



The 2020-21 Public Health Grant allocation for Lincolnshire is confirmed as £33.546m. This announcement is £1.205m higher than included in the 2020-21 budget. The grant has been allocated in accordance with the plan contained in the quarter 1 report.

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Better Care (BCF) Grant	-47.023	-47.023	0.000	0.000



The BCF/iBCF structure has rolled over into 2020-21. We are expecting to submit the plan for 2020-21 during quarter 3, date and format to be confirmed nationally.

Place

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Place

This report details the key changes in position and/or risk faced within Place. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Place	72.776	74.366	1.590	2.171	

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Communities	46.241	47.274	1.033	1.815	

The financial position is driven by :-

- The most significant variance is a forecast overspend of £1.890m related to Waste due to the increased cost of the Mixed Dry Recycling (MDR) contract. Following the Administration of the previous contractor, a short-term contract was awarded to a new provider to allow for completion of a full re-procurement exercise. The extension of that contract for the first quarter of this year was at a 48% price increase and although the subsequent re-procurement reduced this, the current price is still some 27% higher than in previous years. This situation is further complicated by the mix of recyclable material being collected, the level of contamination and the price paid for the processing of MDR waste fluctuating depending on market values for recyclables.
- Reduced contract and concessionary fares payments to bus operators for suspended or reduced bus services during the earlier part of the coronavirus pandemic and staff savings within Transport Services provide a forecast underspend of £1.005m.
- Planning fee income, although improved from the previous quarter, is still forecast to be £0.133m below the ambitious target set for the year.
- A forecast overspend of £0.302m on the Countryside Service arises from increases in materials and contractor costs for the maintenance of public rights of way.
- In Heritage and Culture, the offset of Covid grants and reductions in expenditure during national lockdown and during phased recovery provides an underspend against budget of £0.142m.
- Staffing savings contribute a further underspend of £0.143m.

The movement in position relates to :-

- An increase in the cost of the MDR contract driven by falling market prices for the recyclables.
- Further assessment of the financial impact of reduced payments to bus operators due to reduced or suspended bus services during the earlier part of the coronavirus pandemic.
- An improvement in the level of planning fee income being secured.
- A re-assessment of the costs of maintaining public rights of way.
- Further assessment of Covid impact and the savings achieved during national lockdown and during phased recovery.
- Re-assessment of staffing costs following settlement of the pay award.

Key Financial Risks to Delivery and Mitigating Actions	
<i>Higher contract costs than planned</i>	Waste is a demand driven service and as such is exposed to the risk of increased cost due to activity levels being higher than planned. This risk is exacerbated by the fluctuating market prices for recyclable materials causing variation in the cost of processing.

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Lincolnshire Local Enterprise Partnership	0.343	0.343	0	0

The financial position is driven by :-

- This budget, which mainly relates to staffing costs is forecast to be in line with budget for the year.

The movement in position relates to :-

- The position is unchanged from the previous report.

Key Financial Risks to Delivery and Mitigating Actions	
	None to highlight at this time.

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Growth	3.632	3.632	0	(0.114)

The financial position is driven by :-

- This service area is now forecast to be in line with budget for the year.

The movement in position relates to :-

- Re-assessment of staffing costs following settlement of the pay award.

Key Financial Risks to Delivery and Mitigating Actions	
	None to highlight at this time.

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Highways	22.561	23.118	0.557	0.470	↓
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> • A forecast overspend of £1.125m relates to the pain / gain element on the term maintenance contract. This arises where the actual cost of completing work differs from the agreed target cost and is accounted for on a shared basis with the contractor, subject to a cap on the Council's contribution in any year. In the main this overspend is expected to be chargeable to capital when it arises, however, current estimate is that £0.325m will be related to revenue spend. This position will continue to be monitored on a monthly basis. • Increased labour costs, the continued use of white salt longer than expected, increased vehicle maintenance costs and route coverage beyond that budgeted for results in a forecast overspend for winter maintenance of £0.460m. • Forecast energy costs higher than budget create an overspend on street lighting of £0.114m. • Underspends in staffing costs due to unfilled vacancies contribute £0.254m to offsetting the above overspends. • Savings in Traffic Management, mainly due to reduced advertising costs for temporary Traffic Regulation Orders (TROs) provides a further underspend of £0.088m. • The trading position of Lincs Lab and the availability of funding for contract mobilisation costs may further mitigate the overspend. 					
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> • Income levels for Section 38 income, previously forecast to fall short of budget has now fully recovered. This is income received in advance where a developer proposes to construct a new estate road for residential, industrial or general purpose traffic that may be offered to the Highway Authority for adoption as a public highway. A reserve is maintained in order to provide resources to fund the future liabilities that arise and this will be reviewed at year-end to ensure it is still sufficient for that purpose. • An increase in the pain / gain chargeable to revenue. • Further assessment of the forecast cost of winter maintenance. • Emerging savings from TROs. • Increased savings forecast for unfilled vacancies. 					
Key Financial Risks to Delivery and Mitigating Actions					
None to highlight at this time.					

Fire and Rescue & Public Protection

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Fire and Rescue & Public Protection

This report details the key changes in position and/or risk faced within Fire and Rescue & Public Protection. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Fire and Rescue & Public Protection	26.033	25.033	(1.000)	(0.990)	

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Fire and Rescue and Emergency Planning	22.462	21.025	(1.437)	(1.437)	

The financial position is driven by :-

- The fire pension schemes' employer contribution rates increased significantly from April 2019. In 2019/20 a grant was received to cover 90% of this increased cost, with no guarantee that further grant would be received in future years.

The resultant cost pressure was therefore built into the 2020/21 base budget. However, a grant to help cover the 2020/21 cost of the pension increase has been now been received creating a positive variance (underspend) of £1.437m.

There is still no indication that the grant will continue in future so it appears the longer-term cost pressure remains.

The movement in position relates to :-

There is no material change since Q1.

Key Financial Risks to Delivery and Mitigating Actions

None to highlight at this time.

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Public Protection	3.571	4.008	0.437	0.447
<p>Explanations for the main variances are set out below:-</p> <p>The overspend is made up of a number of elements.</p> <ul style="list-style-type: none"> • A budget shortfall of £0.215m consists of £0.100m of prior year savings that are not yet achievable, with the service supported in 2019/20 by an allocation of legal surplus and underspends from within Fire & Public Protection. • There is also an additional £0.115m budget shortfall relating to the cost of mortuary and post-mortem services for Lincolnshire as identified during the budget setting process and which is being addressed through a "deep dive" review. • A further pressure of £0.232m has arisen from price increases following the direct award of a one year contract for mortuary and post-mortem services as the market is not yet in a position to tender for longer term contracts which are now planned for September 2021. • Trading Standards is forecasting to be £0.040m under due to lower legal fees and the secondment of a Principal Trading Standards officer to a regional post. 				
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> • There is no material change since Q1 as revised income is to be funded via Covid grant. 				
Key Financial Risks to Delivery and Mitigating Actions				
<i>Key Risk 1 : Higher demand than planned</i>	<ul style="list-style-type: none"> • Any further impacts on contracted costs for coroners, and income levels for registration services in line with Covid. <p>These will continue to be monitored via regular budgetary management.</p>			

Resources

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Resources

This report details the key changes in position and/or risk faced within Resources. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Resources	23.030	22.802	(0.228)	(0.393) 

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Legal and Governance Services	2.054	1.926	(0.127)	(0.050) 

The financial position is driven by :-

- Savings due to a councillor vacancy, by-election contingency (as no elections can be held before May 2021) and Members' training and travel expenses give a forecast underspend of £0.093m.
- Delays in the records management project (£0.040m) compared to planned target activity.
- This assumes that the full shortfall of Legal Lincolnshire (£0.430m) will be funded either via Covid grant or use of reserves.

The movement in position relates to :-

- More certainty regarding the timing of project costs since Q1 reporting and a reduction is forecasted in members' expenses.

Key Financial Risks to Delivery and Mitigating Actions

<i>Trading position of Legal Lincolnshire</i>	Ongoing monitoring of traded position and reporting to Legal Board.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Human Resources and Organisational Support	14.235	14.025	(0.211)	(0.533) 

The financial position is driven by :-

- The prioritisation of recruitment within business support during the early part of the year – although the service has now predominantly returned to business as usual.

This has resulted in a forecasted underspend of £0.166m.

- The development of income generating services to schools within Human Resources which has enabled the service to mitigate costs associated with one-off corporate initiatives.

This has resulted in a forecasted underspend of £0.044m.

The movement in position relates to :-

- A movement towards business as usual activity earlier than anticipated in the Q1 forecasts alongside the funding of corporate initiatives (rather than the need to request use of contingency/ reserve funding).

Key Financial Risks to Delivery and Mitigating Actions

<i>Changes in contractual volumes</i>	Regular liaison with our key contractual partners to identify variations on assumed volumes and impact on finance and performance.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Finance	6.741	6.851	0.110	0.146	↑

The financial position is driven by :-

- Higher than budgeted contract indexation on out-sourced Exchequer services (£0.032m) and increased activity volumes (£0.148m) give a combined overspend of £0.180m.
- The level of income from schools has increased resulting in a budgetary surplus of £0.031m due to a combination of more schools purchasing the finance service along with the selection of higher service options being taken up.
- Staffing vacancies have led to an underspend of £0.046m.
- Long term absences across the Corporate Audit & Risk Management (CARM) – alongside Covid delays – impacting on reduced income from schools / academies.

The movement in position relates to :-

- This is primarily due to reduced staffing costs with a number of current vacancies expected to be filled alongside a revision of CARM income.

Key Financial Risks to Delivery and Mitigating Actions

<i>Income levels from for external contracts</i>	Continual review of planned activity and liaison with our external partners.
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Commercial

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Commercial

This report details the key changes in position and/or risk faced within Commercial. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Commercial	37.389	36.711	(0.678)	(0.047)	

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Property	9.907	9.607	(0.300)	0.075	

The financial position is driven by :-

- Increased facilities management and centrally managed accommodation costs, most notably increased business rates for the Council's contribution towards South Park Blue Light Centre (£0.145m).
- There is also an overspend in traveller related costs due to increased security and the provision of a modern day slavery liaison service (£0.100m).
- Utility costs across the wider estate are forecasted to be underspent following a detailed review in Q2 primarily due to Covid closure (£240k).
- This is offset by increased rental income and the reduction of rents payable to the Crown Estate following the surrender of County Farm holdings in December 2019 (£260k).

The movement in position relates to :-

- There is more certainty (for this financial year) regarding the overall costs utility costs following the Q2 review.

Key Financial Risks to Delivery and Mitigating Actions

	There are no specific risks identified.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Commercial	8.609	7.837	(0.772)	(0.122)	↓
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> The Customer Service Centre forecasting an underspend of £0.673m. Covid-19 has significantly impacted on the Customer Service Centre with significant variations in demand for 'business as usual service calls' together with a large number of new Covid specific / related calls. In response to the increased call volume staff numbers have been increased and therefore the cost of service has increased. <p>However due to the large number of additional Covid related calls, we have been able to successfully use Covid grant funding where appropriate to subsidise the costs of these specific calls which have resulted in an underspend in this budget.</p> <ul style="list-style-type: none"> A number of vacancies within the Commissioning team of which recruitment has only just commenced. Consequently there is no requirement to utilise earmarked reserve this financial year. 					
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> An updated review of the demand led CSC budget. A delay in the recruitment of Commissioning vacancies and subsequent non-reliance upon use of earmarked reserves. 					
<p>Key Financial Risks to Delivery and Mitigating Actions</p>					
Customer Service Centre Demand	<p>The CSC is a demand driven service and as such is exposed to the risk of increased cost due to activity levels being higher than planned, which can be exacerbated by shifts in delivery models elsewhere in the Council stimulating higher call volumes.</p> <p>This is mitigated by the ongoing management of the provider contract.</p>				

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Information Management Technology	14.223	14.787	0.564	0	↓
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> • The need to continue to preserve access to data held in the SAP system has resulted in higher than budgeted licence costs with further costs being incurred in order to migrate this data to provide a longer-term solution (£0.350m). • The revised contract pricing model for the Serco contract and third party arrangements have resulted in increased costs of £0.490m. • Higher than budgeted contract indexation on out-sourced IT support services (£0.082m). • Savings in staffing costs, reduced training activity and a re-evaluation of Mosaic costs have enabled the service to manage these cost pressures at present (£0.358m) but the increasing need to engage specialist resource to progress Corporate IMT projects makes this unsustainable in the medium-term. <p>Work is ongoing on quantifying the additional systems, skills and resources required to support a more agile organisation.</p> <p>It will be critical to understand and capture the financial benefits of working in new ways that will accrue across a range of Council services as a result of enabling a smarter way of working.</p>					
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> • Key risks were highlighted in the previous (Q1) report. As at Q2, we have more certainty to confirm that we think these costs will come to fruition resulting in the reported overspend. 					
<p>Key Financial Risks to Delivery and Mitigating Actions</p>					
<p><i>Increased pace of IMT transformation projects</i></p>	<p>There is a risk that the increased pace of transformation of IMT services results in increased cost for more specialist resource or diverts existing resources causing delay and cost over-runs in existing activity.</p> <p>Further work in project design and identification of the accompanying budget requirement helps to mitigate this, together with identification and delivery of financial benefits across the Council from working in smarter ways.</p>				

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Transformation	4.650	4.480	-0.170	0	↓
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> Underspends across Performance, Transformation and Systems team on staffing costs whether direct or via business support with the Transformation Fund covering core staffing budget shortfalls within the systems team. The Performance team generating greater levels of income from schools than expected. <p>Going forward it will be essential to keep the core staffing as close to its full complement as possible in order to achieve the set objectives.</p>					
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> This is a new service following restructure and there is no direct comparison with Q1. 					
Key Financial Risks to Delivery and Mitigating Actions					
	No specific risks to identify.				

Corporate Services

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Corporate Services

This report details the key changes in position and/or risk faced within Corporate Services. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Corporate Services	2.886	2.571	(0.315)	(0.035)	

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Corporate Services	2.886	2.571	(0.315)	(0.035)	

The financial position is driven by :-

- The majority of this underspend relates to reduced direct and indirect staffing expenditure as a result of vacancies not being recruited to, compounded by delays in being able to progress recruitment and restructure consultation exercises, resulting from the impact of Covid-19. (£0.260m).
- A further £0.055m underspend arises in Corporate Communications activities due to the cancellation of events as a result of the pandemic.

The movement in position relates to :-

- Delays to progress recruitment and consultation exercises, resulting from the impact of Covid-19.
- Ongoing assessment of the impacts of Covid related expenditure and the corresponding funding.

Key Financial Risks to Delivery and Mitigating Actions

	No specific risks to identify.
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Schools

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Schools

This report details the key changes in position and/or risk faced within Schools. The key to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Schools	11.592	15.179	3.587	(1.475)	

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Schools Block	142.756	142.756	0	0	

The financial position is driven by :-

- Budget on target.

The movement in position relates to :-

- No variance to report.

Key Financial Risks to Delivery and Mitigating Actions

- No key risks identified at this time.

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
High Needs Block	76.171	80.214	4.043	(0.700)	

The financial position is driven by :-

- An increase in the top up funding (£1.536m) and targeted funding (£1.341m) to mainstream schools due to an increase in the number of pupils with Education Health and Care (EHC) plans. These are demand-led budgets and are difficult to forecast but current commitments and the potential for growth suggest that the national trend is now being seen in Lincolnshire. The transformational work is intended to influence future growth, and targeted funding criteria is being considered in conjunction with the national funding formula changes for 2021/22, which is likely to reduce funding commitments going forward.

- External SEND specialist placements are currently forecast to overspend (£0.923m) due to an increasing demand for those pupils with complex needs and the demand and shortage of places in special schools. This will be addressed through the major programme of capital investment to increase the capacity of special school places within the county.
- Additional provision of 80 places from September for those pupils with Social, Emotional and Mental Health (SEMH) needs (£1.290m).
- The pressures above have been offset by the Alternative Provision (AP) free school place funding (£2.053m) funded by the DfE for 2020/21 only – this is therefore a temporary underspend.
- Some other overspends on High Needs budgets make up the remaining overspend.

The movement in position relates to :-

- An increasing number of EHC plans and the associated top up and targeted funding, which has been offset by one-off temporary savings due to government funded AP free school place funding.

Key Financial Risks to Delivery and Mitigating Actions

Key Risks:

Increasing number of EHC Plans

- Lincolnshire's inclusive ambition for children and young people with high needs and their families has been co-produced and agreed by LCC, schools, health, parent representatives & other system partners. This aims to increase understanding across the partnership of the *Graduated Approach* and the support available in Lincolnshire to meet children's SEND needs at the right time and so avoid them escalating to a point where there is reliance on statutory plans and costly provision.
- Transformation work is also focused on ensuring that mainstream settings have strong knowledge and understanding of supporting children with additional needs and are able to teach social and emotional skills. There will also be a greater focus on settings working with families to ensure that the home environment reflects other support taking place.
- The launch of 'Ask SALL', a support and inclusion advice line, in September 2020 providing advice and guidance to settings to assist them in accessing early support and prevent escalation of need.
- The roll-out of the Valuing SEND tool to ensure there is robust evidence of early intervention, clear and measurable outcomes and a move away from EHC Plans as a default option. All key partners and parents will be trained in the use of Valuing SEND. Lincolnshire SENDCo completed the training in September 2020.
- On-going work to reframe the Local Offer ambition to increase understanding of the availability of support, provide clarity on early intervention and the *graduated approach* and enable families to self-help without reliance on statutory interventions.
- A Workforce Development Strategy to ensure that education providers have access to the right training to support them in meeting the needs of pupils in their settings. This will also give parents/carers increased confidence in the mainstream settings' ability to meet their children's needs without the requirement of a statutory plan.

Demand for Special School places, reliance on Home Tuition and perceived complexity of need

- A strengths-based approach to assessment will provide greater focus on *need*, and the appropriate provision required, rather than specialist provision as a default assumption, particularly for children and young people with Social, Emotional and Mental Health (SEMH) needs.
- The actions outlined above support better evidence gathering, more positive and ambitious relationships; focus on outcomes and support and building increased resilience in mainstream settings. This will reduce the reliance on specialist provision and give a clearer understanding of 'complexity'.
- The development of provision on mainstream school sites of specialist hubs/bases to support pupils who have difficulty accessing mainstream education; these are likely to be pupils with SEMH or Autism. Intervention

<i>Affordability of the High Needs Block</i>	<p>will include; behaviour management and regulation, nurture principles, and trauma informed principles. The ability to provide something in-between mainstream and Special School will be significant for pupils and the reduction in the demand for specialist provision.</p> <ul style="list-style-type: none"> • The actions above will be the driver to ensure that only the children who truly require independent specialist provision take up those places. • The <i>Building Communities of Specialist Provision</i> strategy is a major programme of capital investment to increase the capacity of Special School places within the county. This will reduce the reliance on costly INMS placements. • The <i>Building Communities of Specialist Provision</i> strategy means that all maintained and academy Special Schools in county remove their former designations and become 'all needs' specialist providers catering for a wider range of SEN and Disability and reducing reliance on independent specialist provision. • A Workforce Development Strategy to ensure that education providers in county have access to the right training to support them in meeting the needs of pupils in their settings. This will reduce the reliance on the specialisms offered in the INMS sector and will increase parental confidence in their child attending Lincolnshire's Special Schools. • The future sustainability of the High Needs Block specifically remains a high concern due to the continued pressures on SEND budgets. The government announcement of increased funding for High Needs in 2021/22 is welcomed (c.£8m net of grants mainstreamed) to support Lincolnshire achieve a sustainable budget. • Developing a more sophisticated means of monitoring and analysing the growing number of requests from schools for additional funding (these children already have EHC Plans). This will allow the service to understand trends, identify localities or individual settings where there are higher levels of requests for additional funding and begin to target work in an attempt to reverse the current anticipated trajectory.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Central School Services Block	3.728	3.138	(0.590)	(0.604)	↑

The financial position is driven by :-

- The underspend mainly relates to historical budgets of PFI contractual costs and the centralised schools broadband contract. These funding streams are outside the government's current national funding formula arrangements. The government is reducing these budget streams of Local Authorities annually by 20% to remove the perceived unfairness in funding. The budgets had been set prudently to respond to this future funding implication.

The movement in position relates to :-

- Prudently set historical budgets to enable the Local Authority to meet its future financial obligations whilst responding to 20% reductions in government funding.

Key Financial Risks to Delivery and Mitigating Actions

<i>Key Risk 1:</i>	<ul style="list-style-type: none"> • No risks highlighted at this time.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Early Years Block	42.169	42.303	0.134	(0.172)



The financial position is driven by :-

- An overspend on the Early Years participation budgets (£0.335m). Government guidance advised Local Authorities to fund early years providers at their Autumn 2019 participation levels if they were experiencing lower numbers in Autumn 2020 due to the Covid-19 pandemic. A government funding adjustment has been made, however Lincolnshire is experiencing an overspend of £0.562m due to this position. The cause being a significant number of providers have lower numbers of children, however a large cohort of providers are reporting increased numbers of children. This is likely to be due to parents taking up more provision at one provider rather than previously taking their hours over more than one provider. This may be due to the desire to minimise the risk of infection and maintaining as few "social bubbles" as possible. This overspend has been partly offset by an underspend in the 2 year old provision (£0.080m) and reduced allocations on the Disability Access Fund (£0.092m) and Early Years Pupil Premium (£0.090m). These budgets will need to be closely monitored over the next few months to see if this pattern continues.

The movement in position relates to :-

- A change in Government policy on participation funding arrangements for early year providers for Autumn 2020.

Key Financial Risks to Delivery and Mitigating Actions

<i>Key Risk 1 : Early Years</i>	<ul style="list-style-type: none"> • Covid-19 will impact on the services ability to delivery face to face training to the sector which may result in funding not being able to be fully utilised as planned in the current year. • The work to improve the quality and outcomes in setting has been hindered by the pandemic, and providers identified a lack of capacity for this. Work is being considered to understand this impact and how the service will adapt to this challenge. • Due to the change in Government policy, forecasts have been based on take up levels for the Autumn Term continuing for the remainder of the financial year. It is difficult at this stage to anticipate the impact of the pandemic on this sector although take up will be monitored on a monthly basis. The financial sustainability of early years providers during and after the pandemic is a key priority for the service to ensure the sufficiency of early years places are maintained across the county.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Dedicated Schools Grant	(258.060)	(258.060)	0	0
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> Budget on target. 				
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> No variance to report. 				
Key Financial Risks to Delivery and Mitigating Actions				
<p><i>Key Risk 1 :</i> <ul style="list-style-type: none">No risks highlighted at this time.</p>				

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Schools Budget (Other Funding)	4.828	4.828	0	0
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> Budget on target. No variance to report. 				
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> No variance to report. 				
Key Financial Risks to Delivery and Mitigating Actions				
<p><i>Key Risk :</i> <ul style="list-style-type: none">No risks highlighted at this time.</p>				

Other Budgets

Financial Position 1st April – 30th
September 2020

Revenue Budget Monitoring Report - Other Budgets

This report details the key changes in position and/or risk faced within Other Budgets to the report is shown below.

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

Forecast Key:	
	Underspends within 1% of budget
	Underspends >1%<2% of budget Overspends up to 2%
	Under / Over spends >2% of budget

Directorate Summary	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Other Budgets	71.371	60.848	(10.523)	(7.123)	

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Contingency	1.806	1.806	0	0	

The financial position is driven by :-

- The assumption currently is that all of the contingency will be fully spent by the end of the year. This is a prudent assumption at this point in the year.

The movement in position relates to :-

- The Contingency budget was £3.000m and so far £1.194m has been allocated to other service areas. This relates to Fire and Rescue Wholetime Recruits Course, £0.165m, and Pay Award inflation, £1.029m, following negotiation.

Key Financial Risks to Delivery and Mitigating Actions

<i>Key Risk 1 : Lower demand than planned</i>	<ul style="list-style-type: none"> If fewer emerging pressures are identified than forecasted, this will result in an underspend. This area is reviewed monthly and an update will be provided at next quarter's reporting.
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Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m	
Capital Financing Charges	50.077	42.209	(7.868)	(6.948)	
<ul style="list-style-type: none"> The Capital Financing Charges (CFC) budget comprises minimum revenue provision (MRP), interest cost of long term borrowing, revenue financing of capital and other costs of financing capital such as cost of asset disposals, leasing and PFI costs less interest receipts earned for cashflow balances. MRP is calculated based on the asset lives funded by borrowing in the previous calendar year and interest is derived from the estimated external borrowing requirement taken to finance the capital programme for the year. The amount of internal borrowing actually taken also therefore plays a significant role in the interest estimates derived. 					

The movement in position relates to :-

- The Current Budget for MRP was calculated in 2019 before the 2019/20 Capital Outturn. The 2019/20 Borrowing Outturn of £77.897m was significantly lower than estimated due to re-phasing, underspend carry forward and level of internal borrowing taken. Also a large proportion of the borrowing outturn (£39.755m) used to calculate MRP was also allocated to Infrastructure Under Construction Assets that are not due to start for a couple of years and hence the MRP calculated for this area was allocated forward to future years MRP. All this resulted in MRP showing a £4.600m underspend in the current budget period.
- The estimated interest cost of borrowing has fallen by £0.620m since last quarter due to the estimated Borrowing Requirement falling to just £26m in 2020/21 due to the allowance of internal borrowing in the year increasing to 25% from 15% due to current market conditions. Overall this is an underspend of £3.368m.
- The estimated interest received from cash balances has increased by £0.300m since the last quarter due to increased Covid funding received from Government not yet expended. Overall there is a shortfall on interest received of £0.600m.

Key Financial Risks to Delivery and Mitigating Actions

*Key Risk 1 :
Higher demand than planned*

- Further re-phasing of the capital programme and uncertain cash flow patterns due to Covid will affect the level of interest paid and received in 2020/21. We will continue to monitor the position regularly to mitigate the risk.

Service Area	Current Budget £m	Forecast Outturn £m	Forecast Over/(Underspend) £m	Previous Over/(Underspend) £m
Other	19.489	16.834	(2.655)	(0.175)



The financial position is mainly driven by :

- The redundancy budget for the year is £3.000m. There is currently a relatively low level of restructuring taking place within the Council, so the underspend is anticipated to be £1.500m lower than budgeted for.
- The budget set aside for any pay scale restructuring is not expected to be required this year, resulting in a £0.600m underspend.
- The level of increase in the National Living Wage is much lower than anticipated thereby resulting in a £0.359m underspend.
- There is a reduction of £0.214m in the monthly payment of teachers' pension and S24 payments due to a higher level of attrition than budgeted. The reduction in monthly payment is recycled to cover the yearly inflation increase of this pension. This was reviewed and longer term savings of £0.100m were offered as part of the budget setting process.

The movement in position relates to :-

- The low level of planned activities within the Council which are funded centrally will generate an underspend in this area.
- Budgets to further support the services are kept within this area due to uncertainties when the budget was set. As the position regarding this area becomes clearer, underspending is declared.

Key Financial Risks to Delivery and Mitigating Actions

*Key Risk 1 :
Lower demand than planned*

- Budget within Other Budget is set to cover the uncertainties surrounding the area that the Council operates in. As our position becomes clearer, the forecast is adjusted to consider the current situation. These areas are reviewed as part of the yearly budget setting and this year has provided £0.100m savings relating to the reduction in pension contribution.

APPENDIX K

SUMMARY OF FINANCIAL IMPACT OF COVID-19 2020/21 AS AT 31 OCT 2020

Covid-19 Costs and Losses - Actual To Date and Forecast				
	Actual March 2020 (19/20) £m	Actual to 31 October (19/20 + 20/21) £m	Estimated for Year 2020/21 £m	Estimate for Year 2020/21 incl. Contingency £m
<u>Adult Care and Community Wellbeing</u>				
Adult Frailty & Long Term Conditions	0.100	3.460	7.813	10.313
Adult Specialties	0.000	3.290	1.490	2.640
Public Health	0.000	0.877	2.390	2.390
Total ACCW	0.100	7.626	11.693	15.343
<u>Children's Services</u>				
Children's Social Care	0.178	2.920	5.072	7.685
Children's Education	0.031	1.443	2.082	2.240
Total Children's	0.208	4.363	7.155	9.926
<u>Place</u>				
Communities	0.060	1.008	1.763	2.763
Lincolnshire LEP	0.000	0.000	0.000	0.000
Growth	0.000	0.098	0.338	0.588
Highways	0.000	5.030	3.504	4.004
Total Place	0.060	6.136	5.605	7.355
<u>Fire and Rescue & Public Protection</u>				
Fire and Rescue & Emergency Planning	0.000	0.275	0.330	0.330
Public Protection	0.010	2.334	2.337	2.337
Total F and R & PP	0.010	2.609	2.667	2.667
<u>Resources</u>				
Resources	0.000	0.262	0.768	0.768
<u>Commercial</u>				
Commercial	0.000	0.771	1.310	1.310
<u>Corporate Services</u>				
Corporate Services	0.000	0.159	0.240	0.240
<u>Other Budgets</u>				
Other Budgets	0.000	0.000	0.000	0.000
Capital Expenditure	0.000	1.060	2.048	3.048
Other Budgets	0.000	1.060	2.048	3.048
Total Costs and Losses	0.378	22.987	31.486	40.657
Covid-19 Emergency Grant	-0.378	-22.987	-44.130	-44.130
Lost SFC income grant (estimated)			-4.200	-4.200
Total estimated income	-0.378	-22.987	-48.330	-48.330
Surplus / (Deficit)	0.000	0.000	16.844	7.673



Narrative of Financial Impact of Covid-19 as at 31 October 2020

Revenue Budget Monitoring Report - Children's Services Covid-19

Directorate Summary	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Children's Services	3.363	7.102	2.771	9.873

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Children's Social Care	2.293	5.072	2.613	7.685

The financial position is driven by :-

- An additional payment of £400 per carer household per month for period of 3 months (May to July 2020) was made to support foster carers and children in their care during this challenging period to continue securing placements and support of carers (£0.328m).
- Additional costs for specialist placements including out of county, fostering and supported accommodation (£3.319m). The impact of the Covid-19 restrictions has resulted in a number of foster carers unable to accept new children into their homes due to self-isolating and therefore children have had to be placed in alternative placements out of county. The criteria has been reviewed and refined.
- There has been a delay in implementing the new Youth Housing contract that was intending to accommodate more complex individuals by offering smaller units of accommodation for those young people of 16 and 17 years at risk of homelessness and looked after children and care leavers up to the age of 21 years. Children's Services had put forward a saving of £0.438m in 2020/21 following the transformation work and the new contract award; however circumstances have led to this not being achieved resulting in an additional cost of £0.658m.
- Additional financial risks of £2.613m have been identified for the recovery period that involve increased looked after children placement costs due to an escalation of need from lockdown; additional residential care capacity required to support the internal residential estate; a change to the employment position of carers and adopters that could lead to an increase to allowances, and continued support to foster carers.

The movement in position relates to :-

- The criteria for specialist placements being reviewed and refined, leading to an increase in costs that could be allocated against the Covid-19 grant (£0.731m) and additional costs arising from the delay in implementing the new Youth Housing contract (£0.387m).

Key Financial Risks to Delivery and Mitigating Actions

<i>Key Risk 1 – Looked After Children</i>	<ul style="list-style-type: none"> • A number of factors can influence spending in looked after children services. Assumptions have been made for the next phase, but as lockdown eases, family circumstances will become clearer.
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Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Children's Education	1.070	2.030	0.210	2.240
The financial position is driven by :-				
<ul style="list-style-type: none"> Loss of income from parents for post 16 transport for the Summer term and anticipated impact on the next academic year (£0.700m). Holiday transport costs relating to Easter and May half-term (£0.112m), delayed procurement activities (£0.165m) and grants to operators to meet some of the additional costs associated with Covid-19 e.g. PPE, cleaning materials, signage etc. (£0.345m) are earmarked against the Covid-19 grant. Loss of income from parents for the Music Service in the Summer term, and an anticipated 20% income reduction for the new academic year (£0.462m). Reduction in income from fines for children not attending school (e.g. absent from school due to going away on holiday). It has been assumed that no fines will be issued until Jan 2021 (£0.113m). The Local Authority may be required to respond to a higher number of Education, Health and Care plan requests during the autumn term, therefore a financial risk has been identified (£0.158m). 				
The movement in position relates to :-				
<ul style="list-style-type: none"> More accurate information available regarding costs and loss of income associated with the impact of Covid-19. 				
Key Financial Risks to Delivery and Mitigating Actions				
<i>Key Risk 1 – Home to School College Transport</i>	<ul style="list-style-type: none"> The Local Authority will continue working in accordance with the government guidelines on transporting pupils to schools, including the utilisation of government additional transport grant. 			

Covid Savings		
Directorate Summary	Savings Resulting from Covid	Savings £m
Children's Services		
Children's Social Care	Reduction in Social Care Training delivery	0.092
	Pause in Children Centre building maintenance due to reduced centre activity	0.082
	Delay in recruitment to vacancies within social care and early help.	0.298
	Savings on car allowances	0.151
Children's Education	Home to School/College Transport – suspension of services for the summer term (other than for key worker and vulnerable groups transport only).	1.370
	Children with Disabilities – a drop in activity levels (due to parents being at home) during the summer term	0.094
	Education Psychology - reduction in the number of Education, Health and Care (EHC) Needs Assessments during the first lockdown period and the delay in progressing a new Psychology contract with an external provider.	0.270
	Delay in recruitment to central staffing vacancies.	0.073
	Reduction in legal fees due to the suspension of fines for children not attending school.	0.060
	Savings on car allowances	0.055

2020-21 Emerging Costs

Emerging Costs Due to Covid		
Directorate Summary	Details of Cost	Amount £m
Children's Services		
Children's Social Care	There are no emerging costs identified at present.	
Children's Education	There are no emerging costs identified at present.	

Revenue Budget Monitoring Report - Adult Care & Community Wellbeing Covid-19

Directorate Summary	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Adult Care & Community Wellbeing	20.966	39.801	3.650	43.451

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Adult Frailty & Long Term Conditions	3.742	7.813	2.500	10.313

The financial position is driven by:-

- The Sustainability Fund provides financial support to all commissioned providers across adult social care (ASC). Through an open book approach, this fund has supported 170 ASC providers.
- Key costs relate to Personal Protective Equipment (PPE) usage, the social care workforce and the adult social care (ASC) environment. The majority of care home and home care providers will be able to procure their PPE through the recently introduced national process going forward. The funds access criteria is kept under regular review with changes agreed with LiNCA prior to implementation.

The movement in position relates to :-

- A continuation of the above financial support as a result of Covid-19 environment.

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Adult Specialties	0.921	1.490	1.150	2.640

The financial position is driven by ;-

- £0.85m incurred as a result of service users being unable to access services due to closure/shielding etc. Following individual needs assessments, 61 service users have received changes to their packages of care. Each individual is regularly reviewed to understand on going need.
- A few small/ local providers have escalated financial hardship to the Council as a result of non-payment of direct payment service user contributions. Whilst all providers were signposted to government schemes and, working together, redeploy staff where appropriate, approx. £0.068m has been paid to providers as one-off financial support.
- £0.30m costs identified to date resulting from the provision of a payment break to service users who were not in receipt of their usual quantity of service during the pandemic due to Covid-19 restrictions.

The movement in position relates to :-

- A continuation of the above financial support as a result of Covid-19 environment.

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Public Health & Wellbeing	2.012	2.390		2.390

The financial position is driven by ;-

- £0.63m costs incurred in the distribution of PPE and community equipment for service users
- £0.43m PPE costs incurred to date for use across council services / staff.
- £0.32m loss of income from the suspension of telecare charges to encourage increased use.
- £0.30m costs incurred in operating a 7 day a week Covid response community hub during the emergency phase of the pandemic.
- £0.30m increased costs resulting from a delay in the procurement of housing related services.

The movement in position relates to :-

- The continued public health and wellbeing response to the pandemic.

Covid Savings		
Directorate Summary	Savings	Savings £m
Adult Care & Community Wellbeing		
Adult Frailty & LTC (inc. infrastructure)	Delay in recruitment	0.410
	Energy, Training, Stationery costs	0.052
Public Health & Wellbeing	Improvement initiative delay	0.060

The following areas are funded through specific ring fenced grants or monies not held by LCC

Infection Control Grant	Current Spend £m	Forecast Outturn £m
Wave 1 Released 50% May / 50% July	10.423	10.423
Wave 2 Released 50% October / 50% December		8.949
	10.423	19.372

This grant is to provide support to adult social care providers to reduce the rate of COVID-19 transmission within and between care settings. Wave 1 paid 76% (£7.9m) to residential providers and 24% (£2.5m) to community providers. Wave 2 grant received stipulates a further 60% (£5.4m) to residential providers, 20% (£1.7m) to community providers and 20% (£1.8m) to other care settings and IPC measures.

NHS Recharge, Accelerated Discharge	Current Spend £m	Forecast Outturn £m
Scheme 1 19Mar-31Aug : Scheme now closed	3.603	3.603
Scheme 2 1Sep-31Mar	0.263	2.063
	3.866	5.666
Scheme 1 saw the local authority take responsibility for commissioning both residential and home care placements following discharge from hospital, regardless of the individuals need being social or health. Scheme 2 sees the restart of the continuing healthcare team.		

Test & Trace Grant	Current Spend £m	Forecast Outturn £m
To support expenditure incurred in relation to the mitigation against and management of local outbreaks of COVID-19.	0.467	3.069
This grant is to support costs incurred by Lincolnshire County Council and the 7 District Councils. To date costs incurred have been in relation to additional staff and the procurement of a digital outbreak and contact management platform.		

Revenue Budget Monitoring Report - Place Covid-19

Directorate Summary	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Place	1.227	5.605	1.750	7.355

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Communities	1.008	1.763	1.000	2.763

The financial position is driven by :-

- Loss of income from cultural and heritage sites due to closure and social distancing measures £1.400m.
- Household Waste Recycling Centres – additional staffing costs and loss of income from recyclable sales £0.087m.
- Waste – increased volume of household waste material being processed from District Councils kerbside collections due to people spending more time at home and increased packaging from on-line shopping. Risk of reduced income from energy sales at the Energy from Waste plant. £1.276m.

The movement in position relates to :-

- Further assessment of Covid impact and the savings achieved during national lockdown and during phased recovery.
- Increases in the volume and cost of processing household waste collections.
- Inclusion of the new risk related to energy sales at the Energy from Waste (EfW) Plant.

Key Financial Risks to Delivery and Mitigating Actions

<i>Key Risk 1 –</i>	<ul style="list-style-type: none"> • The loss of income from the sale of electricity generated by the Energy from Waste Plant due to low demand from the grid causing prices to fall below the base case.
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Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Lincolnshire Local Enterprise Partnership	0	0	0	0

The financial position is driven by :-

- Nothing to report to date.

The movement in position relates to :-

- Position unchanged from previous report

Key Financial Risks to Delivery and Mitigating Actions	
Key Risk 1 –	

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Growth	0.098	0.338	0.250	0.588

The financial position is driven by :-

- Cost of economic recovery plan, additional staffing costs and potential loss of rental income within Growth £0.588m.

The movement in position relates to :-

- Reduction in the assessment of the likely cost of Agri-Food consultancy support.

Key Financial Risks to Delivery and Mitigating Actions	
Key Risk 1 –	

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Highways	5.030	3.504	0.500	4.004

The financial position is driven by :-

- Implementation of Covid-safe ways of working on capital schemes £1.388m.
- Loss of income from suspension of parking enforcement and reduction in permitting activity £0.665m.
- Lincs Laboratory loss of income £0.300m.
- Loss of income from course fees for National Driver Offender Retraining Scheme £0.700m.
- Covid compensation events relating to highways contracts £0.950m.

The movement in position relates to :-

- On-going assessment of resultant costs and income losses.
- Inclusion of a contingency sum for second wave.

Key Financial Risks to Delivery and Mitigating Actions	
Key Risk 1 –	<ul style="list-style-type: none"> • Increased infection rates resulting in loss of key workers and disruption to Capital projects.

Covid Savings		
Directorate Summary	Savings Resulting from Covid	Savings £m
Place		
Communities	Reduced contract payments to bus operators on suspended or reduced bus services. Savings in running costs from closure of cultural and heritage sites.	1.018
Lincolnshire Local Enterprise Partnership	No significant savings identified.	0
Growth	Reduced staff travel and training.	0.010
Highways	Reduced staff travel and training.	0.015

Revenue Budget Monitoring Report - Fire and Rescue & Public Protection Covid-19

Directorate Summary	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Fire and Rescue & Public Protection	2.599	2.667		2.667

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Fire and Rescue and Emergency Planning	0.275	0.330		0.330

The financial position is driven by :-

- Additional staffing costs to respond to the pandemic (£0.108m).
- The cost of personal protective equipment to allow staff to interact with our communities (£0.144m).
- The loss of income from commercial training (£0.079m).

The movement in position relates to :-

- Additional costs relating to Retained Duty System staff supporting the East Midlands Ambulance Service (£0.005m).
- Additional costs for staff to attend Local Resilience Forum / Silver Command (£0.003m).
- The cost of personal protective equipment (-£0.032m).
- Cleansing/decontamination costs (£0.019m).

Key Financial Risks to Delivery and Mitigating Actions

Key Risk 1 –

- Activity volume for retained firefighters is variable by nature for a demand led service but regular monitoring against predefined budget assumptions helps to identify the financial impact of such changes.

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Public Protection	2.324	2.337		2.337

The financial position is driven by :-

- The potential need to deal with excess deaths arising from the coronavirus (£2.045m) – capital spend.
- Loss of income from celebratory ceremonies and Trading Standards work (£0.292m).

The movement in position relates to :-

- The construction of a temporary mortuary facility (-£0.282m).
- Loss of income from celebratory ceremonies which have had to be cancelled (£0.009m).

Key Financial Risks to Delivery and Mitigating Actions	
Key Risk 1 –	<ul style="list-style-type: none"> Further waves of the virus may result in an increase in the running costs of the temporary mortuary and in further restrictions being placed on ceremonies.

Covid Savings		
Directorate Summary	Savings Resulting from Covid	Savings £m
Fire and Rescue & Public Protection		
Fire and Rescue and Emergency Planning	Reduction in staff travel.	0.025
Public Protection		

Revenue Budget Monitoring Report - Resources Covid-19

Directorate Summary	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Resources	0.262	0.768		0.768

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Resources	0.262	0.768		0.768

The financial position is driven by :-

- The additional costs of Business Support and HR staff covering additional Covid-19 related work (£0.058m).
- The potential increase in insurance claims resulting from Covid-19 (£0.250m).
- Loss of income from schools, academies, District Councils and internal charges by HR, Legal & Audit (£0.460m).

The movement in position relates to :-

- The reduction in work for schools, academies, District Councils and internal charges has become clearer as the pandemic draws on (£0.460m).

Key Financial Risks to Delivery and Mitigating Actions

<i>Trading Position of Legal Lincolnshire</i>	<ul style="list-style-type: none"> • Ongoing monitoring of traded position and reporting to Legal Board.
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Covid Savings		
Directorate Summary	Savings Resulting from Covid	Savings £m
Resources		
Legal and Governance Services	Members travel expenses – less travel.	0.072
Human Resources and Organisational Support	Occupational Health Contract – reduction in referrals	0.038
	Reduction in travel costs.	0.040
Finance	Vacancies within service held back due to Covid.	0.166
		0

Revenue Budget Monitoring Report - Commercial Covid-19

Directorate Summary	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Commercial	0.771	1.310		1.310

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Commercial	0.771	1.310		1.310

The financial position is driven by :-

- Re-direction of the Customer Service Centre to deal with Covid-19 issues (£0.600m).
- Maintaining hygiene measures and purchasing hygiene consumables (£0.037m).
- Enabling homeworking capability for workforce, and extending current software licences (£0.540m).
- Loss of income from traded services to Schools (£0.015m).
- New post to oversee the Council's recovery from Covid-19 (£0.118m).

The movement in position relates to :-

- The additional costs related to the Customer Service Centre (-£0.194m).
- Cost of rolling out technologies to give staff the capability of working from home (£0.222m).
- Reduction in the forecast of additional buildings related costs (-£0.060m)
- Reduced forecast loss of income from traded services to Schools (-£0.081m).

Key Financial Risks to Delivery and Mitigating Actions

<i>Customer Service Centre Demand</i>	Through effective contract management and relationships.
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Covid Savings		
Directorate Summary	Savings Resulting from Covid	Savings £m
Commercial		
Property	Utility costs across the wider estate are forecasted to be underspent following a detailed review in Q2 primarily due to Covid closure (£240k).	0.240
Commercial		
Information Management Technology	Reduced training costs	0.100
Transformation		

Revenue Budget Monitoring Report - Corporate Services Covid-19

Directorate Summary	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Corporate Services	0.159	0.240	0.000	0.240

There are no significant new costs incurred this quarter, the details are shown below.

Service Area	Current Spend £m	Forecast Outturn £m	Additional Risks £m	Revised 2020-21 Forecast £m
Corporate Services	0.159	0.240	0.000	0.240
<p>The financial position is driven by :-</p> <ul style="list-style-type: none"> This position is mainly driven by the local Member coronavirus grant scheme (£0.210m) The need to communicate with the public on Covid-19 matters (£0.020m) 				
<p>The movement in position relates to</p> <ul style="list-style-type: none"> A small increase in printing and advertising used to communicate messages and information about council services during the pandemic (£0.008m). 				
Key Financial Risks to Delivery and Mitigating Actions				
<i>Key Risk 1 –</i>				

Covid Savings		
Directorate Summary	Savings Resulting from Covid	Savings £m
Corporate Services		
Corporate Services	Reduction in Corporate Communications expenditure due to cancellation of events	0.055

2020-21 Emerging Costs

Emerging Costs Due to Covid		
Directorate Summary	Details of Cost	Amount £m
Corporate Services		
Corporate Services	There are no emerging costs.	

Monitoring of Planned Savings 2020/21

Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
			Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
BUDGET SAVINGS						
Children's Services	Home to School/College transport	Budget Reductions to meet service requirements	8	Y		
Children's Services	Special Educational Needs & Disability	Additional income generation and budget reductions for training materials and legal costs	6	Y		
Children's Services	Education Support Services	Additional income generation, a reduction in the cost of software and budget reductions to meet service requirements	17	Y		
Children's Services	School Improvement	Budget reductions to meet service requirements	7	Y		
Children's Services	Statutory Regulatory Duties	Removal of peripatetic social worker vacant posts, a reduction in the cost of software licences, a reduction in funding required to support market management as part of service reviews and budget reductions to meet service requirements	286	Y		
Children's Services	0-19 Health Services	A more effective clinic utilisation leading to a reduction in home visiting	180	Y		
Children's Services	Early Help Services	Budget reductions to meet service requirements	85	Y		
Children's Services	Family Assessment and Support Team	Utilisation of grant income and budget reductions to meet service requirements	103	Y		
Children's Services	Adoption and Fostering Services	Budget reductions to meet service requirements	3	Y		
Children's Services	Leaving Care Services	Savings from the new supported accommodation pathway in meeting 16-17 year olds and care leavers	438	N		There is a cost pressure of £0.271m in this area. This is due to the delay in implementing the new Youth Housing contract due to the pandemic. The new contract was intending to accommodate more complex individuals. These circumstances will result in savings not being achieved in 2020/21. This cost has been put to the Covid-19 grant.
Children's Services	Targeted Support for Young People	Efficiencies as a result of the joint delivery of provision	43	Y		
Children's Services	Youth Offending	Rationalisation of work activities with the Performance Team and budget reductions to meet current service requirements	56	Y		
Adult Care and Community Wellbeing	Budget 2020 Savings Programme	Reduction in Director's consolidated running costs	210	Y		
Adult Care and Community Wellbeing	Home based Service	Reablement Service efficiencies	320	N		LCC reablement provider changed service delivery to support increased volumes of hospital discharges as a result of covid19 accelerated discharge model introduced nationally. This and the continued demand has meant the planned savings have not been possible to implement. This loss of savings is captured against the Covid19 grant received therefore reporting financial position on target. Recurrent saving still planned.

Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
			Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
BUDGET SAVINGS						
Adult Care and Community Wellbeing	Peak Demand efficiencies	Improvement in Peak Demand efficiencies	800	Y		
Adult Care and Community Wellbeing	Assessment and Care Management	Savings from gaps in posts being filled from staff turnover	579	Y		
Adult Care and Community Wellbeing	Transport	Reduction in service demand	100	Y		
Adult Care and Community Wellbeing	Residential/Nursing placements	Reduction in service demand as more requirement for Community based services	500	Y		
Adult Care and Community Wellbeing	Other Expenditure budget	Reduction in service demand	90	Y		
Adult Care and Community Wellbeing	Adult Care Charging	Impact of legislative changes	-500	Y		
Adult Care and Community Wellbeing	Public Health and Community Wellbeing	Agreed reduction in budget based on current service requirements and savings based on contract re-procurement	1,390	N		Against the £1m Housing Related Support saving, there is a shortfall in delivery of £424,655 in 2020-21 only. This is due to a delay in contract start resulting from Covid19. This is funded through the Covid19 grant received therefore reporting financial position on target. Recurrent saving still planned
Place	Transport Services	Contract payments reviewed to provide more emphasis on the reducing actual passenger number as eligibility age for a concessionary pass rises	425	Y		
Place	Heritage and Archive Services	Budget revision to library vehicles, staffing and associated expenses	201	Y		
Place	Environmental Services	Budget revisions to meet current service requirements	66	Y		
Place	Waste Services	Reduction in repairs, maintenance and transport costs together with contract savings and reduced tonnages of compost and other materials at Household Waste Recycling Centres	591	N		There is currently a forecast overspend of £1.890m related to Waste Services due to a 5% increase in the volume of household waste being collected and increased cost of the Mixed Dry Recycling (MDR) contract.
Place	Design Services	Efficiency saving on system maintenance costs	39	Y		
Place	Highways Services	Efficiency savings on winter maintenance operations with the remainder due to increased charges for a range of highway services including road closures, fixed penalty notices and searches	664	N		Although charge rates were reviewed at the start of the year, the ability to secure additional income has been severely affected by Covid but the shortfall is currently planned to be met from grant support. Savings identified on winter maintenance will be a challenge as we move into gritting season.
Place	Highways Asset Management	Increase in charges for skip and scaffold permits and a reduction in the scanner and scrim surveying contracts	35	Y		
Fire and Rescue and Public Protection	Fire and Rescue	A reduction in costs associated with unwanted fire signals (false alarms) policy and a reduction in budget to cover fire-fighter absence to maintain operational resilience	115	Y		

Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
			Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
BUDGET SAVINGS						
Resources	Human Resources	Restructure of Human Resources following the return of staff to LCC	440	Y		
Resources	Legal Services	Realignment of Legal Lincolnshire surplus target in line with recent performance	450	N		Legal Services Income figures in quarters 1 and 2 are down on previous years. This is due to a fall in instructions during the Covid crisis and is currently forecast to be funded from grant support.
Resources	Democratic Services	The permanent removal of a vacant position	15	Y		
Resources	Business Support	Implementation of a paper reduction strategy	16	Y		
Commercial	Property Services	Reductions in building and programme costs and alignment of county farms income in line with current year performance	279	Y		
Commercial	Information Management	Budget revision to meet current service requirements	567	N		Costs for enabling homeworking capability for workforce, and extending current software licences are expected to be picked up by the Covid grant. The need to continue to preserve access to data held in the SAP system has resulted in higher than budgeted licence costs with further costs being incurred in order to migrate this data in order to provide a longer-term solution. The revised contract pricing model for the Serco contract and third party arrangements have resulted in increased costs.
Commercial	Commercial Management	Budget revision to meet current service requirements	104	Y		
Other Budgets	Commercial Discount	Reduction in contract payments	706	Y		
TOTAL BUDGET SAVINGS			9,434	0	0	

Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
			Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
GROWTH IN INCOME						
Adult Care and Community Wellbeing	Adult Frailty and Long Term Conditions	Proportionate increase in Service User Contributions from increase in benefits	1,595	Y		
Adult Care and Community Wellbeing	Adult Frailty and Long Term Conditions	Increase in Direct Payment Refund income	575	Y		
Adult Care and Community Wellbeing	Adult Frailty and Long Term Conditions	Increase in Debtor income	1,000	Y		
Adult Care and Community Wellbeing	Adult Specialities	Increase in Direct Payment Refund income	250	Y		
Adult Care and Community Wellbeing	Adult Specialities	Additional CHC Funding from CCG's	1,800	Y		
Resources	Financial Strategy	Increased income from Schools	43	Y		
Resources	Audit and Risk	Increased income from audit services	22	N		Loss of income due to being unable to deliver planned audit work in Quarter 1 and 2 to District clients. Covid-19 costs and savings are being captured and it is anticipated that additional grant funding will cover the overspend.
Resources	Information Assurance	Increased income from Schools	17	Y		
Other Budgets	Dividend Income	Increase in dividend relating to investment	206	Y		This is received in December relating to the performance of our investment. At this stage, it is anticipated that we will still meet this income and will be updated in next quarter's monitoring.
TOTAL GROWTH IN INCOME			5,508	0	0	
TOTAL REDUCTIONS TO BUDGET			14,942	0	0	

Monitoring of Development Fund Initiatives 2020/21

Directorate	Service Area	Development Initiative	Planned One-Off Investment £000's	Progress to date
Place	Environment	Green Masterplan	350	Activity progressing but delayed due to COVID and now unlikely to fully spend in 2020/21
Place	Communities	Anaerobic digestion Facilities - Business Case Viability	150	Work on this is progressing and planned to be completed by end of 2020/21.
Place	Highways and Communities	Highways Advance Design/Economic Development Pipeline Projects	2,713	Forecast spend of £0.940m in 2020/21 is being managed alongside the annual allocated ADB budget and agreed with Exec Directors and Exec Members.
Place	Highways	Traffic signals - Wireless communications	5	Successfully installed and operated trial site, roll-out being planned and decommissioning of broadband connections being progressed. This is now complete and reserve will be drawdown in the next quarter.
Place	Highways	Drainage Investigation and Flood Repairs	200	Individual projects been agreed. Projects now commenced in Long Bennington and Timberland Chapel Lane. It is planned that this will span two years.
Fire and Rescue and Public Protection	Fire and Rescue	Research study - LFR prevention work	10	Lincoln University has been commissioned and are currently underway with the analysis to evaluate our Prevention activities. This work will be completed by end of this calendar year and time for us to utilise for the upcoming HMICFRS Inspection. The costs have been confirmed at 10K.
Commercial	Transformation	Transformation Programme (Business Process re-engineering)	280	Transformation Programme Board established. Governance arrangements and outline programme developed
Commercial	IMT	Broadband - 4G	135	Discussions have taken place with potential providers and these are currently being evaluated prior to making a decision regarding implementation.
	Reserves	Future Transformation & Covid-19 Recovery Plans	7,394	This programme will be reported separately.
	Reserves	Development Fund Reserve balance still to be allocated	1,444	
TOTAL DEVELOPMENT INITIATIVES			12,681	

APPENDIX O

Approved Budget Virements up to 30 September 2020

Revenue

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
Adult Frailty & LTC	Adult Specialties	Transfer of revenue budget between Adult Frailty (Infrastructure) to Mental Health for community care fund.	Executive (3 rd March 2020)	£0.569m
Adult Frailty & LTC	Commercial	Movement of budgets from Adult Frailty (Infrastructure) to Commercial to assist with the delivery of Mental Health contract.	AD Specialist Adult Services & Safeguarding and General Manager Service Development	£0.045m

Capital

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
Property	Safeguarding	Transfer Capital Care Leavers Housing budget back to Children's from Corporate Property	Business Manager Corporate Property	£0.053m

Revenue to Capital

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
Highways (Revenue)	Capital Financing Charges	Salix national loan repayments 20/21	S151 Officer and Head of Design Services	£0.030m
Revenue funding (Capital)	Energy Efficiency Street Lighting scheme	This is part of Capital Programme approved by the Council in February 2020 but can only transfer in year (when the revenue budget is available).		



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

Report to:	Overview and Scrutiny Management Board
Date:	26 November 2020
Subject:	Capital Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on Capital Budget Monitoring, which is being presented to the Executive on 01 December 2020. The views of the Board will be reported to the Executive as part of its consideration of this item.

It compares the Council's projected expenditure with the approved budget for 2020/21 and provides explanations for any significant over or under spending. It also compares total projected expenditure for capital projects spanning more than one year with the total approved budget.

Actions Required:

The Overview and Scrutiny Management Board is invited to: -

- 1) Consider the attached report and to determine whether the Board supports the recommendation to the Executive as set out in the report.
- 2) Agree any additional comments to be passed on to the Executive in relation to this item.

1. Background

1.1 The Executive is due to consider the Capital Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020 at its meeting on 01 December 2020.

1.2 The Executive report attached at Appendix 1 is the capital budget monitoring report for the second quarter of financial year 2020/21 and has been prepared as at 30 September 2020. It compares projected expenditure with the approved budget and provides explanations for any significant over or under-spending.

2. Conclusion

2.1 Following consideration of the attached report, the Board is requested to consider whether it supports the recommendation in the report and whether it wishes to make any additional comments to the Executive. Comments from the Board will be reported to the Executive at its meeting on 01 December 2020.

3. Consultation

a) Risks and Impact Analysis

Not Applicable

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Capital Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020 to be presented to the Executive at its meeting on 01 December 2020

5. Background Papers

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

Document title	Where the document can be viewed
Budget Book 2020/21	The details of the budget book set for financial year 2020/21 is within the document Budget Book 2020/21, which can be found on the Council's website. https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&MId=5627

This report was written by Michelle Grady, who can be contacted on 01522 553235 or Michelle.Grady@lincolnshire.gov.uk.

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

Report to:	Executive
Date:	01 December 2020
Subject:	Capital Budget Monitoring Report 2020/21 - Quarter 2 to 30 September 2020
Decision Reference:	I020061
Key decision?	No

Summary:

- This report provides an update on capital spending compared with budgets for the financial year which started on 1 April 2020.
- The tables in this report show the net expenditure for the first six months of this financial year to 30 September 2020, along with the forecasts for spending and a comparison of the forecasts against the latest revised budgets.
- For capital projects which span more than one financial year, the forecast position for the whole life of the project is given.
- The tables are split into "Blocks" which are annual recurrent allocations of funding, usually for maintenance or rolling replacements of assets, and "Projects". The Gross Programme tables show the total value of the project - some schemes are wholly or partially funded by Grant and income from outside bodies. The Net Programme tables, after having deducted the Grants and income, show the actual cost of the project to be funded by the Council.
- The report gives an overview of the financial position, with more detailed information on selected capital programme schemes in Appendix C.
- The current forecasted position is an underspend of **£5.424m** (Block schemes £0.763m, Project schemes £4.661m). For the project schemes, the whole life budget is forecast to be overspent by **£22.542m**. This whole life position will be considered as part of the forthcoming budget setting process to ensure that the overall capital programme remains affordable.

Recommendation(s):

That the Executive notes the position on the capital programme and decide on any corrective action necessary.

Alternatives Considered:

This report shows the actual capital financial performance to 30 September 2020, and forecast outturns for 2020/21, therefore no alternatives have been considered.

Reasons for Recommendation:

To maintain the Council's financial resilience.

1. Background**Overall Financial Position**

1.1 The table below shows the Net Summary position for Block schemes as at 30 September 2020.

	2020/21					
	Original Budget £'000	In Year Changes £'000	Revised Budget £'000	Net Expenditure £'000	Forecast £'000	Forecast Variance £'000
Blocks						
Adult Care	0	0	0	-692	50	50
Children's Services	514	788	1,302	-797	612	-691
Commercial	10,109	-4,881	5,228	3,459	4,922	-306
Fire and Rescue and Public Protection	8,068	-3,472	4,596	1,711	4,422	-174
Place	23,524	-4,805	18,719	-16,333	19,076	357
Resources	0	0	0	0	0	0
Other Budgets	11,638	7,701	19,339	-203	19,339	0
Total Block	53,853	-4,669	49,184	-12,856	48,421	-763

The table below shows the Net Summary position for Project schemes as at 30 September 2020.

	2020/21					
	Original Budget £'000	In Year Changes £'000	Revised Budget £'000	Net Expenditure £'000	Forecast £'000	Forecast Variance £'000
Projects						
Adult Care	0	0	0	0	5	5
Children's Services	1,460	-1,085	375	2,788	100	-275
Commercial	4,540	-481	4,059	1,148	4,064	6
Fire and Rescue and Public Protection	0	0	0	0	0	0
Place	78,041	-22,995	55,046	28,198	50,649	-4,397
Resources	0	0	0	0	0	0
Other Budgets	0	0	0	0	0	0
Total Project	84,041	-24,561	59,480	32,134	54,818	-4,661

	Whole Life total				
	Original Approved Budget £'000	Total Budget and CGU £'000	Total Net Expenditure to Date £'000	Scheme Total Forecast £'000	Variance £'000
Projects					
Adult Care	0	1,400	1,400	1,400	0
Children's Services	1,500	8,569	3,555	8,569	0
Commercial	42,556	45,625	26,324	45,785	160
Fire and Rescue and Public Protection	0	0	0	0	0
Place	176,258	190,963	87,869	213,346	22,382
Resources	0	0	0	0	0
Other Budgets	0	0	0	0	0
Total Project	220,314	246,558	119,148	269,100	22,542

1.2 The capital programme comprises a series of schemes/projects which often span a number of years. The detailed listing for both Block and Project schemes can be found in Appendix A and B, respectively.

1.3 Where a scheme/project is known to be exhibiting a material variance to its spending profile this will be explained in Appendix C. This also shows further detail for selected Block Schemes and Projects, including those highlighted below.

1.4 Where the coronavirus pandemic has led to increased costs in the current year, we will fund these from the Government's emergency Covid-19 grant and these additional costs are reported in the Revenue Monitoring report for quarter two which is on the same agenda as this report. Where the Covid-19 impacts will affect future years, there is no guarantee of future grant funding to cover those impacts, these will need to be managed within the context of the whole capital programme.

Key Issues Highlighted

1.5 The forecast position for this year on the Block Schemes is a net underspend of £0.763m. The most significant variances within this figure are:

1.6 Property: forecasting an underspend of £0.268m, which is mainly due to lower costs of works at the former St Guthlacs school and current year's requirements for asbestos work.

1.7 Provision of School Places – Basic Need: forecasting an underspend of £0.549m, this will be transferred to a reserve to fund future years' schemes.

1.8 The provision of ICT infrastructure in Libraries is expected to underspend by £0.271m due to the delay in the programme as a result of the Covid-19 pandemic. This underspend will be carried forward into next year to fund the delayed programme.

- 1.9 A range of schemes to alleviate flood risk are currently showing an overspend of £0.269m, this will be contained by using the Floods reserve and an increase in partner's contribution.
- 1.10 Other Transport Initiatives has a forecast underspend of £0.403m. This will be partially carried forward (£0.288m) into next year and the remaining balance of £0.115m will be used to fund the increased cost of the Electronic Ticket Machine project.
- 1.11 A46 Roundabouts is currently showing a forecast overspend of £0.893m. An allocation of budget from the Integrated Transport Block will be used to offset this overspend.
- 1.12 Holdingham Roundabout (Sleaford Growth Schemes) is forecasting an underspend of £0.535m as a result of the decision to postpone the start of work until the middle of February 2021. The underspend will be carried forward into next year to fund the delayed work.
- 1.13 The balance is made up of other variances on a number of schemes, which are almost all forecast underspends. Appendix A provides more detail on these.
- 1.14 The forecast position for this year on Capital Projects is a net underspend of £4.661m. The most significant variances within this figure are:
- 1.15 Place (Lincoln Eastern Bypass): forecast overspend of £1.883m. The whole life forecast is also an overspend (see para 1.23 below).
- 1.16 Place (Lincoln Castle Revealed Phase 2): forecast underspend of £0.281m. This project is now complete and it is planned to return this to the New Developments Capital Contingency Fund for use on emerging schemes in the future.
- 1.17 Place (Electronic Ticket Machines): forecast of a £0.114m overspend. This is due to the increased cost of the scheme and it is planned to be funded from the underspend within the Other Transport Initiative block as previously mentioned in paragraph 1.10.
- 1.18 Place (Holbeach Food Enterprise Zone): forecast overspend of £0.362m this year and £4.017m overspend over the whole life. A budget allocation from the New Developments Capital Contingency Fund has been requested for £3.400m and a contribution of £1.100m will be received from SHDC.
- 1.19 Place (Grantham Southern Relief Road): forecast underspend of £10.493m by the end of this year. However the whole life of the project is forecast to be £8.833m overspent (see para 1.24 below).
- 1.20 Place (A52 Skegness Roman Bank Reconstruction): forecast overspend of £3.503m by the end of this year but the whole life of the project will be on target. This will be funded by a Department of Transport Highways

Challenge fund grant (£3.649m) and an allocation from the Local Highways Improvements (Pinchpoint) as part of the Coastal Route Programme.

1.21 The balance is made up of other variances on a number of schemes and Appendix B provides more detail on these.

1.22 The forecast whole life position on Capital Projects is a net overspend of £22.542m. The most significant variances within this figure are:

1.23 Place (Lincoln Eastern Bypass): forecast overspend of £8.755m. The forecast costs for this road scheme have increased as a result of a number of extreme weather events and the need to modify working practices to comply with the Health Protection (Coronavirus) Regulations 2020. The forecast expenditure is still subject to change and is based on the contractor's forecast costs and the Council's assessment of the other costs associated with the project. Several Compensation Events (CEs) are yet to be resolved and adverse weather events and Covid-19 risks still remain. Highways senior management are currently developing plans for the management of this potential overspend from within the existing capital programme.

1.24 Place (Grantham Southern Relief Road): forecast overspend of £8.833m for the whole life of the project. Work on the Grantham Southern Relief Road has similarly been affected by extreme weather events, exacerbated by technical issues and ecological considerations. Operation of the site has also been affected by the Covid-19 pandemic and although work has continued with appropriate social distancing measures implemented some activity, such as the diversion of high voltage power cables that are dependent on third party agencies, have been delayed. The forecast expenditure is based on the contractor's forecast costs but contain a number of risks and uncertainties and are therefore still subject to change. Consequently, on the basis of current cost estimates the whole life project cost may eventually rise further than the forecast stated above. Highways senior management are currently developing plans for the management of this potential overspend from within the existing capital programme.

Impact of the Capital Position

1.25 The current year's forecast underspend of £5.424m will not increase our need to borrow. This position also leads to a forecast underspend on capital financing charges which is reported in the Revenue Monitoring report for quarter two on the same agenda as this report.

Progress on Development Fund Initiatives

1.26 Appendix D shows a list of initiatives where the capital costs are to be funded by the Development Fund earmarked reserve. Progress on each of these is reported in the appendix.

Assessment of Impact on Financial Resilience

1.27 The forecast underspend in the current year on Capital Projects will not adversely impact on the Council's financial resilience. However, the forecast whole life overspend is a significant amount and is currently being considered as part of the budget setting process. Our Capital Strategy 2020/21 requires the capital programme to be affordable over the longer term and this assessment of affordability will need to be made. If necessary the capital programme will need to be modified to ensure this affordability, thereby maintaining our financial resilience.

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 capital 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 capital 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 capital budget, there are no implications that need to be taken into account by the Executive.

3. Conclusion

3.1 The Council's current position on the capital programme is highlighted in this report for the Executive to note.

4. Legal Comments:

This report sets out an update on spending to 30 September 2020 compared with the capital budget for the financial year starting on 1 April 2020 to assist the Executive to monitor the financial performance of the Council. It also incorporates forecast total expenditure against budget for the whole life of capital projects which span more than one financial year, including 2020/21.

5. Resource Comments:

This report indicates that the current year capital budget is projected to be underspent by £5.424m, therefore, no other call on reserves is expected to be required within the current financial year. The forecast whole life overspend on Capital Projects will need to be managed as part of the budget setting process to ensure that the affordability of the capital programme over the longer term is maintained.

6. Consultation

a) Has Local Member Been Consulted?

n/a

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 26 November 2020. Any comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

An assessment of the impact of the reported position on the Council's financial resilience has been made and is shown in paragraph 1.27.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Capital Monitoring Report for Block Schemes as at 30 September 2020
Appendix B	Capital Monitoring Report for Projects as at 30 September 2020
Appendix C	Capital Programme Detail for Selected Projects and Blocks as at 30 September 2020.
Appendix D	Monitoring of Development Fund Initiatives 2020/21

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
Budget Book 2020/21	This can be found in the Council's website by following this link .

This report was written by Michelle Grady, who can be contacted on 01522 553235 or Michelle.Grady@lincolnshire.gov.uk

Capital Monitoring Report for Block Schemes as at 30 Sept 2020

	2020/21					
	Actuals £'000	Original Budget £'000	In Year Changes £'000	Revised Budget £'000	Forecast £'000	Forecast Variance £'000
Adult Care	8	0	0	0	50	50
Adult Frailty & Long Term Conditions	8	0	0	0	50	50
Better Care Fund - Disabled Facility Grants	-700	0	0	0	0	0
Better Care Fund	-700	0	0	0	0	0
Adult Care and Community Wellbeing	-692	0	0	0	50	50
Infrastructure and Refresh Programme	600	2,908	-1,063	1,845	1,969	124
Replacement ERP Finance System	10	0	10	10	10	0
ICT Development Fund	58	0	300	300	300	0
Improvement Transformation	0	1,000	-1,000	0	0	0
Information Management Technology	667	3,908	-1,753	2,155	2,279	124
Property	2,267	3,151	-2,206	946	677	-268
Property Rationalisation Programme	1	0	0	0	0	0
Property Maintenance	525	3,050	-923	2,127	1,966	-161
Property	2,792	6,201	-3,128	3,073	2,644	-429
Commercial	3,459	10,109	-4,881	5,228	4,922	-306
Fire & Rescue and Emergency Planning	134	858	-466	393	393	0
Fire Fleet & Equipment	1,577	7,210	-3,113	4,097	4,029	-67
Fire and Rescue	1,711	8,068	-3,579	4,489	4,422	-67
Registration Celebratory & Coroners Services	0	0	82	82	0	-82
Safer Communities	0	0	25	25	0	-25
Public Protection	0	0	107	107	0	-107
Fire and Rescue & Public Protection	1,711	8,068	-3,472	4,596	4,422	-174
Devolved Capital	-317	0	0	0	0	0
Provision of School Places - Basic Need	-221	0	80	80	-469	-549
School Modernisation Condition	-1,099	0	0	0	-61	-61
Provision of School Places (Basic Needs - Deepings)	0	0	0	0	5	5
Provision of School Places (Basic Needs - Sleaford)	3	0	0	0	50	50
Early Years Sufficiency / Extended Provision	362	0	892	892	892	0
Healthy Pupils	-45	0	3	3	3	0
Full Fibre Broadband Capital	20	0	-1	-1	109	109
Education	-1,297	0	975	975	530	-445
Foster Capital	5	50	114	164	24	-139
Lincolnshire Secure Unit	21	0	21	21	21	0
Other Children's Social care	474	464	-322	142	36	-106
Social Care	500	514	-187	327	82	-245
Children's Services	-797	514	788	1,302	612	-691

	2020/21					
	Actuals £'000	Original Budget £'000	In Year Changes £'000	Revised Budget £'000	Forecast £'000	Forecast Variance £'000
Libraries	17	0	521	521	250	-271
Other Environment and Planning	0	0	43	43	43	0
Flood & Water Risk Management	360	0	572	572	840	269
Equipment & Vehicles at Waste Transfer Stations	0	465	0	465	465	0
Fire Suppression at Waste Transfer Stations	4	794	27	821	821	0
Local Flood Defence Schemes	0	1,300	-700	600	472	-128
Historic Lincoln	200	0	-50	-50	0	50
Other Transport Initiatives	474	655	458	1,113	710	-403
Waste	0	135	0	135	135	0
Communities	1,055	3,349	872	4,221	3,737	-484
Lincoln Growth Point	15	159	-400	-240	63	304
Lincolnshire Waterways	2	0	-144	-144	0	144
Teal Park, Lincoln	0	0	-1	-1	0	1
LEP Skills Investment Programme	398	0	232	232	0	-232
Economic Development - Business Unit Development	0	500	0	500	500	0
Other Growth and the Economy - Economic Infrastructure	50	0	293	293	356	63
Growth	465	659	-20	640	919	279
Highways Asset Protection	-17,710	0	-7,296	-7,296	-7,270	26
Integrated Transport	-1,302	100	886	986	1,005	19
A16/A1073 Spalding to Eye Road Improvement	-6	0	0	0	32	32
Network Resilience	33	120	61	181	193	12
Holdingham Roundabout (Sleaford Growth Schemes)	106	2,115	-1,580	535	0	-535
A46 Roundabouts	1,022	0	435	435	1,329	893
A18 Safer Road Fund	0	0	162	162	162	0
Energy Efficiency Street Lighting Schemes	0	179	30	209	209	0
Local Highways Improvements (pinchpoints) to support coastal	2	3,000	550	3,550	3,575	25
Other Highways	0	0	-19	-19	25	44
Boston Development Schemes	1	0	1,159	1,159	1,159	0
Highways	-17,853	5,514	-5,612	-98	419	516
Lincolnshire Enterprise Partnership Contribution	0	14,001	-45	13,956	14,001	45
LEP	0	14,001	-45	13,956	14,001	45
Place	-16,333	23,524	-4,805	18,719	19,076	357
New Developments Capital Fund	0	11,638	7,905	19,542	19,542	0
Capital Fund	-203	0	-203	-203	-203	0
Finance	-203	11,638	7,701	19,339	19,339	0
Other Budgets	-203	11,638	7,701	19,339	19,339	0
	-12,856	53,853	-4,669	49,184	48,421	-763

Capital Monitoring Report for Project Schemes as at 30 September 2020

	2020/21					
	Actuals £'000	Original Budget £'000	In Year Changes £'000	Revised Budget £'000	Forecast £'000	Forecast Variance £'000
De Wint Court - Extra Care Housing	0	0	0	0	5	5
Adult Frailty & Long Term Conditions	0	0	0	0	5	5
Adult Care and Community Wellbeing	0	0	0	0	5	5
Broadband	85	2,500	-1,860	640	640	0
Care Management System (CMPP)	0	0	9	9	9	0
IMT (Cloud Navigator/Windows 10)	44	0	136	136	126	-10
Azure Data Migration Project	157	0	604	604	604	0
Information Management Technology	287	2,500	-1,110	1,390	1,380	-10
Blue Light South Park	61	0	284	284	173	-111
Lexicon House	0	1,000	-950	50	50	0
Childrens Services - Childrens Homes	0	0	0	0	0	0
County Emergency Centre	211	0	87	87	160	73
Property Area Review	4	390	-165	225	225	0
School Mobile Classroom Replacement	0	390	-90	300	300	0
County Farms Grain Stores	0	-80	80	0	0	0
Property Improvement	360	320	-14	306	360	54
County Farms Private Roads	0	20	-3	17	17	0
Orchard House Repairs	225	0	1,400	1,400	1,400	0
Property	861	2,040	629	2,669	2,685	16
Commercial	1,148	4,540	-481	4,059	4,064	6
SEND capital funding with pupils with EHC plans	2,788	1,085	-1,085	0	0	0
Educaton	2,788	1,085	-1,085	0	0	0
Children's Homes	0	375	0	375	100	-275
Social Care	0	375	0	375	100	-275
Children's Services	2,788	1,460	-1,085	375	100	-275
Boston Household Waste Recycling Centre	0	0	0	0	0	0
New HWRCs	0	2,000	-1,950	50	50	0
Lincoln Castle Revealed phase 2	0	0	281	281	0	-281
Heritage / Archives	0	2,500	0	2,500	2,500	0
Boston Barrier	0	0	0	0	0	0
Electronic Ticket Machines	0	0	250	250	364	114
Communities	0	4,500	-1,419	3,081	2,914	-167
Holbeach Food Enterprise Zone	1,756	0	0	0	362	362
Economic Development – Horncastle Industrial Estate	0	500	0	500	500	0
Skegness Countryside Business Park 2	201	0	9	9	0	-9
Growth	1,956	500	9	509	862	353
Lincoln Eastern Bypass	15,624	20,707	3,936	24,643	26,526	1,883
Lincoln East-West Link	0	0	0	0	0	0
Spalding Western Relief Road (Section 5)	2,668	10,000	-10,012	-12	0	12
Grantham Southern Relief Road	5,117	40,163	-18,274	21,889	11,396	-10,493
Street Lighting Transformation	93	150	78	228	228	0
A46 Welton Roundabout (Integrated Transport/NPIF)	1,049	1,304	1,750	3,054	3,054	0
A1084 Safer Road Fund	0	0	0	0	0	0
A631 Middle Rasen to Bishops Bridge Safer Road Fun	1	0	0	0	0	0
Gainsborough Corringham Road (Dev with WLDC)	947	716	89	804	1,070	265
Sleaford Rugby Club (Sleaford Growth Scheme)	711	0	247	247	1,095	848
A631 Louth to Middle Rasen Safer Road Fund	1	0	601	601	0	-601
A52 Skegness Roman Bank Reconstruction	31	0	0	0	3,503	3,503
Highways	26,242	73,041	-21,585	51,455	46,873	-4,583
Place	28,198	78,041	-22,995	55,046	50,649	-4,397
Project Total	32,134	84,041	-24,561	59,480	54,818	-4,661

Capital Monitoring Report for Project Schemes – Whole Life

	Whole Life total				
	Original Approved Budget £'000	Total Net Budget and CGU £'000	Total Net Expenditure to Date £'000	Scheme Total Forecast £'000	Variance £'000
De Wint Court - Extra Care Housing	0	1,400	1,400	1,400	0
Adult Frailty & Long Term Conditions	0	1,400	1,400	1,400	0
Adult Care and Community Wellbeing	0	1,400	1,400	1,400	0
Broadband	10,000	13,042	8,736	13,042	0
Care Management System (CMPP)	2,500	4,648	4,634	4,648	0
IMT (Cloud Navigator/Windows 10)	16,500	11,182	3,090	11,182	0
Azure Data Migration Project	1,165	2,053	440	2,053	0
Chief Technology Officer	30,165	30,924	16,901	30,924	0
Blue Light South Park	7,140	6,910	6,687	6,910	0
Lexicon House	1,975	1,975	975	1,975	0
Childrens Services - Childrens Homes	500	0	0	0	0
County Emergency Centre	500	500	625	500	0
Property Area Review	550	550	126	550	0
School Mobile Classroom Replacement	600	2,400	210	2,400	0
County Farms Grain Stores	387	387	0	387	0
Property Improvement	500	465	518	500	35
County Farms Private Roads	239	115	58	239	124
Orchard House Repairs	0	1,400	225	1,400	0
County Property Officer	12,391	14,701	9,424	14,861	160
Commercial	42,556	45,625	26,324	45,785	160
SEND capital funding with pupils with EHC plans	0	7,069	3,555	7,069	0
Educaton	0	7,069	3,555	7,069	0
Children's Homes	1,500	1,500	0	1,500	0
Social Care	1,500	1,500	0	1,500	0
Children's Services	1,500	8,569	3,555	8,569	0
Boston Household Waste Recycling Centre	1,500	1,670	1,670	1,670	0
New HWRCs	4,000	4,000	0	4,000	0
Lincoln Castle Revealed phase 2	1,200	427	146	480	53
Heritage / Archives	5,000	5,000	0	5,000	0
Boston Barrier	11,000	0	0	0	0
Electronic Ticket Machines	0	250	0	250	0
Communities	22,700	11,347	1,815	11,400	53
Holbeach Food Enterprise Zone	6,025	3,350	-80	7,367	4,017
Economic Development – Horncastle Industrial Estate	1,500	1,500	0	1,500	0
Skegness Countryside Business Park 2	2,398	0	192	0	0
Growth	9,923	4,850	112	8,867	4,017
Lincoln Eastern Bypass	47,640	73,731	64,712	82,486	8,755
Lincoln East-West Link	15,197	12,628	12,628	12,626	-2
Spalding Western Relief Road (Section 5)	10,000	13,291	2,021	13,291	0
Grantham Southern Relief Road	64,000	68,630	9,156	77,463	8,833
Street Lighting Transformation	2,082	1,332	1,047	2,082	750
A46 Welton Roundabout (Integrated Transport/NPIF)	3,216	3,250	-288	3,250	0
A1084 Safer Road Fund	0	0	-1,018	0	0
A631 Middle Rasen to Bishops Bridge Safer Road Fun	0	0	-608	0	0
Gainsborough Corringham Road (Dev with WLDC)	1,500	804	947	505	-299
Sleaford Rugby Club (Sleaford Growth Scheme)	0	400	863	1,376	976
A631 Louth to Middle Rasen Safer Road Fund	0	700	100	0	-700
A52 Skegness Roman Bank Reconstruction	0	0	-3,618	0	0
Highways	143,635	174,766	85,942	193,079	18,312
Place	176,258	190,963	87,869	213,346	22,382
Project Total	220,314	246,558	119,148	269,100	22,542

Capital Programme Detail for Selected Projects and Blocks as at 30 September 2020

Type of Scheme Block Scheme
 Directorate Adult Care and Community Wellbeing
 Area Better Care Fund
Scheme Name Better Care Fund - Disabled Facility Grants

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.000	Net Expenditure Budget	0.000
Gross Income Budget	0.000	Actual	-0.700
Net Expenditure Budget	0.000	Forecast Net Outturn	0.000
Forecast Net Over/(Underspend)			0.000

Direction of Travel from previous forecast →

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.000	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.000		

Purpose of Scheme

A Disabled Facility Grant or DFG is means tested and is available from Lincolnshire County Council to pay for essential housing adaptations to help disabled people live safely and independently in their own homes.

Performance of Scheme

The budget for 20/21 is £6.149m . This will be fully passported to the district councils.

At the end of September 2020, only the payment to West Lindsey District Council is outstanding. This was paid in October 2020.

Type of Scheme Project
 Directorate Children's Services
 Area Education
Scheme Name SEND Capital Funding with pupils with EHC Plans **Status of Project In progress**

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.771	Net Expenditure Budget	0.000
Gross Income Budget	-0.771	Actual	2.788
Net Expenditure Budget	0.000	Forecast Net Outturn	0.000
Forecast Net Over/(Underspend)			0.000

Direction of Travel from previous forecast ➡

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	15.531	Original Gross Income Budget 2020/21	-14.446
Budget b/f from Previous Year	5.000	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	-13.675	New Grants and Contributions	13.675
Budget Re-phased into Future Years	-6.085		
Gross Expenditure Budget	0.771	Gross Income Budget	-0.771

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	52.023	Net Expenditure budget	7.069
Gross Income Budget	-44.954	Scheme Total Forecast	7.069
Net Expenditure Budget	7.069	Whole Life Variance	0.000

Direction of Travel from previous forecast ➡

Purpose of Scheme
 Capital funding to create communities of specialist education across the county for pupils with SEND, in both special and mainstream schools, through collaboration and collective responsibility ensuring all pupils' needs can be met at their nearest schools. When fully implemented, pupils will no longer have to travel considerable distances to a school to have their needs met, nor will pupils need to be educated away from home, unless a very specific need dictates. This includes Department of Education grant funding to improve the special provision for children and young people with education, health & care (EHC) plans.

Performance of Scheme
 The relevant project timescales have been revised and several of the schemes will now start and complete at later dates than previously planned. All forecast spend in this financial year will be funded from Department for Education grants currently held in reserves. These will be drawn down over the next few months. It should be noted that the forecasts are based on the current project plan and its delivery timetable. As the entire SEND strategy is subject to a continuing decision making process, projects may be re-prioritised over the coming months.

Type of Scheme Project
 Directorate Childrens
 Area Social Care
Scheme Name Children's Homes

Status of Project Approved in principle

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.375	Net Expenditure Budget	0.375
Gross Income Budget	<u>0.000</u>	Actual	0.000
Net Expenditure Budget	0.375	Forecast Net Outturn	0.100
Forecast Net Over/(Underspend)			-0.275
Direction of Travel from previous forecast			↓

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.375	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.000	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.375		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	1.500	Net Expenditure budget	1.500
Gross Income Budget	<u>0.000</u>	Scheme Total Forecast	1.500
Net Expenditure Budget	1.500	Whole Life Variance	0.000
Direction of Travel from previous forecast			⇒

Purpose of Scheme
 Construction of two new small children's homes to meet the highly complex needs of looked after children in Lincolnshire. This will reduce the need to make the placement of children in specialist provision.

Performance of Scheme
 Although plans are currently being developed it is not anticipated that projects will be in the delivery phase by the end of the financial year. However expenditure on the projects during the year is expected to be £0.100m with further spend continuing in 2021-22.

Type of Scheme Block Scheme
 Directorate Children's Services
 Area Education
Scheme Name Provision of School Places - Basic Need

Financial Information 2020/21 £m			
Gross Expenditure Budget	3.431	Net Expenditure Budget	0.080
Gross Income Budget	-3.351	Actual	-0.221
Net Expenditure Budget	0.080	Forecast Net Outturn	-0.469
Forecast Net Over/(Underspend)			-0.549

Direction of Travel from previous forecast: ↓

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	12.351	Original Gross Income Budget 2020/21	-12.351
Budget b/f from Previous Year	0.080	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	-9.000	New Grants and Contributions	9.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	-3.351
Gross Expenditure Budget	3.431		

Purpose of Scheme
 Allocation paid by the Department for Education to support the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies, and by establishing new schools. This capital funding is not ring-fenced and is not time-bound so that local authorities can make the best decisions for their local area.

Performance of Scheme
 Expenditure on schemes is expected to be £3.031m which is funded by government grant. As there is no time limit on the grant the balance will be transferred to reserves to be utilised in future years.

Type of Scheme Block Scheme
 Directorate Place
 Area Highways
Scheme Name Highways Asset Protection

Financial Information 2020/21 £m			
Gross Expenditure Budget	43.419	Net Expenditure Budget	-7.296
Gross Income Budget	-50.716	Actual	-17.710
Net Expenditure Budget	-7.296	Forecast Net Outturn	-7.270
Forecast Net Over/(Underspend)			0.026

Direction of Travel from previous forecast: 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	24.955	Original Gross Income Budget 2020/21	-24.955
Budget b/f from Previous Year	-11.876	Grants & Contributions Previous Years	0.599
Budget Allocated from Other Schemes	30.340	New Grants and Contributions	-26.359
Budget Re-phased into Future Years	0.000	Gross Income Budget	-50.716
Gross Expenditure Budget	43.419		

Purpose of Scheme
 This block includes spending on surface treatment, potholes, structures, traffic signals, street lighting and a variety of minor works to maintain highway assets and is predominantly funded by a Department of Transport (DfT) annual grant.

Performance of Scheme
 Spend on the grant has been allocated including the over allocation brought forward from the previous year. Programme allocations for this year show that the grant will be fully utilised.

Type of Scheme Block Scheme
 Directorate Place
 Area Communities
Scheme Name Libraries

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.521	Net Expenditure Budget	0.521
Gross Income Budget	0.000	Actual	0.017
Net Expenditure Budget	0.521	Forecast Net Outturn	0.250
Forecast Net Over/(Underspend)			-0.271

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.521	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.521		

Purpose of Scheme
 The provision of updated ICT infrastructure in libraries.

Performance of Scheme
 Project is now progressing well following some delays earlier in the year due to Libraries being closed as a result of the Coronavirus pandemic.

Type of Scheme Block Scheme
 Directorate Place
 Area Communities
Scheme Name Flood & Water Risk Management

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.572	Net Expenditure Budget	0.572
Gross Income Budget	<u>0.000</u>	Actual	0.360
Net Expenditure Budget	0.572	Forecast Net Outturn	0.840
Forecast Net Over/(Underspend)			0.269

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.572	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	0.572	Gross Income Budget	0.000

Purpose of Scheme
 A range of projects to alleviate flood risk, generally on a matched funding basis with national government agencies.

Performance of Scheme
 Projects have now commenced at Long Bennington and Timberland Chapel Lane and any over spends will be accommodated within flood reserves and partner contributions.

Type of Scheme Block Scheme
 Directorate Place
 Area Highways
Scheme Name Integrated Transport

Financial Information 2020/21 £m			
Gross Expenditure Budget	4.254	Net Expenditure Budget	0.986
Gross Income Budget	<u>-3.267</u>	Actual	-1.302
Net Expenditure Budget	0.986	Forecast Net Outturn	1.005
Forecast Net Over/(Underspend)			0.019

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	3.412	Original Gross Income Budget 2020/21	-3.312
Budget b/f from Previous Year	1.099	Grants & Contributions Previous Years	0.040
Budget Allocated from Other Schemes	-0.257	New Grants and Contributions	0.005
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	4.254	Gross Income Budget	-3.267

Purpose of Scheme
Annual grant from DfT with a flexibility to be used to fund (or part fund) a range of projects. The grant can be used across financial years as projects can be delayed.

Performance of Scheme
All of this grant is now allocated to schemes. However, utilising the allowed flexibility in funding, some schemes will not be completed until next year.

Type of Scheme Block Scheme
 Directorate Place
 Area Highways
Scheme Name Network Resilience

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.181	Net Expenditure Budget	0.181
Gross Income Budget	<u>0.000</u>	Actual	0.033
Net Expenditure Budget	0.181	Forecast Net Outturn	0.193
Forecast Net Over/(Underspend)			0.012

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.120	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.061	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	0.181	Gross Income Budget	0.000

Purpose of Scheme
 Annual programme of replacing winter maintenance vehicles as they come to the end of their lease. The replacements are purchased by LCC leading to substantial savings on the revenue budget.

Performance of Scheme
 Small changes to the replacement programme. Expenditure is on target for the current year.

Type of Scheme Block Scheme
 Directorate Place
 Area Highways
Scheme Name Holdingham Roundabout (Sleaford Growth Schemes)

Financial Information 2020/21 £m			
Gross Expenditure Budget	2.035	Net Expenditure Budget	0.535
Gross Income Budget	<u>-1.500</u>	Actual	0.106
Net Expenditure Budget	0.535	Forecast Net Outturn	0.000
Forecast Net Over/(Underspend)			-0.535

Direction of Travel from previous forecast: ↓

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	3.615	Original Gross Income Budget 2020/21	-1.500
Budget b/f from Previous Year	0.258	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	-1.838		
Gross Expenditure Budget	2.035	Gross Income Budget	-1.500

Purpose of Scheme
 Road improvement to manage the traffic flows around Sleaford.

Performance of Scheme
 The decision has been made to postpone the start of work until the middle of February 2021.

Type of Scheme Block Scheme
 Directorate Place
 Area Communities
Scheme Name Other Transport Initiatives

Financial Information 2020/21 £m			
Gross Expenditure Budget	1.113	Net Expenditure Budget	1.113
Gross Income Budget	0.000	Actual	0.474
Net Expenditure Budget	1.113	Forecast Net Outturn	0.710
Forecast Net Over/(Underspend)			-0.403

Direction of Travel from previous forecast: 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.655	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.458	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	1.113		

Purpose of Scheme
 Capital programme for transport services to support the purchase of assets such as vehicles and new technologies.

Performance of Scheme
 There is a forecasted under spend in the current year but £0.115m of this will be needed to fund the electronic ticketing machine project. The remainder will need to be carried forward to fund commitments in 2021/22.

Type of Scheme Block Scheme
 Directorate Place
 Area Highways
Scheme Name A46 Roundabouts

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.435	Net Expenditure Budget	0.435
Gross Income Budget	0.000	Actual	1.022
Net Expenditure Budget	0.435	Forecast Net Outturn	1.329
Forecast Net Over/(Underspend)			0.893

Direction of Travel from previous forecast: 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.435	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.435		

Purpose of Scheme
 Improvements to traffic flows on the A46 around Lincoln.

Performance of Scheme
 Work has started last February 2020. Although there have been some delays due to the impact of Covid-19, the scheme is now nearing completion.
 The apparent overspend is due to the agreed Integrated Transport Block funding having not yet been transferred.

Type of Scheme Block Scheme
 Directorate Place
 Area Growth
Scheme Name LEP Skills Investment Programme

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.232	Net Expenditure Budget	0.232
Gross Income Budget	0.000	Actual	0.398
Net Expenditure Budget	0.232	Forecast Net Outturn	0.000
Forecast Net Over/(Underspend)			-0.232

Direction of Travel from previous forecast: ➔

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.000	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.232	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.232		

Purpose of Scheme
Promotion of skills investment in Lincolnshire by the LEP.

Performance of Scheme
Forecast under spend due to the delayed start of the Lincoln College project due to Covid-19. This will be required in 2021/22.

Type of Scheme Project
 Directorate Place
 Area Highways

Scheme Name Lincoln Eastern Bypass

Status of Project In progress

Financial Information 2020/21 £m			
Gross Expenditure Budget	24.643	Net Expenditure Budget	24.643
Gross Income Budget	0.000	Actual	15.624
Net Expenditure Budget	24.643	Forecast Net Outturn	26.526
Forecast Net Over/(Underspend)			1.883

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	20.707	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	3.936	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	24.643		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	124.228	Net Expenditure budget	73.731
Gross Income Budget	-50.497	Scheme Total Forecast	82.486
Net Expenditure Budget	73.731	Whole Life Variance	8.755

Direction of Travel from previous forecast 

Purpose of Scheme
Construction of 7.5km highway scheme to the east of Lincoln, connecting sections of the A15 to the north and south of Lincoln.

Performance of Scheme
As previously reported, the forecast costs for the Lincoln Eastern Bypass have increased as a result of a number of extreme weather events and the need to modify working practices to comply with The Health Protection (Coronavirus) Regulations 2020. The forecast expenditure is still subject to change and is based on the contractor's forecast costs and the Council's assessment of the other costs associated with the project. Several Compensation Events (CEs) are yet to be resolved and adverse weather events and Covid risks still remain. Highways senior management are currently developing plans for the management of this potential overspend from within the existing capital programme.

Type of Scheme Project
 Directorate Place
 Area Highways

Scheme Name Grantham Southern Relief Road **Status of Project** In progress

Financial Information 2020/21 £m			
Gross Expenditure Budget	27.581	Net Expenditure Budget	21.889
Gross Income Budget	<u>-5.692</u>	Actual	5.117
Net Expenditure Budget	21.889	Forecast Net Outturn	11.396
Forecast Net Over/(Underspend)			-10.493

Direction of Travel from previous forecast ↓

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	45.855	Original Gross Income Budget 2020/21	-5.692
Budget b/f from Previous Year	-0.389	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	-17.885		
Gross Expenditure Budget	27.581	Gross Income Budget	-5.692

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	101.630	Net Expenditure budget	68.630
Gross Income Budget	<u>-33.000</u>	Scheme Total Forecast	77.463
Net Expenditure Budget	68.630	Whole Life Variance	8.833

Direction of Travel from previous forecast ↓

Purpose of Scheme

The Grantham Southern Relief Road aims to improve the town's infrastructure and growth by the construction of a 3.5km relief road in three phases:
 Phase One - creation of a roundabout off the B1174.
 Phase Two - the B1174 will join the A1 trunk road.
 Phase Three - link the A52 at Somerby Hill to the new roundabout.

Performance of Scheme

Work on the Grantham Southern Relief Road has similarly been affected by extreme weather events, exacerbated by technical issues and ecological considerations. Operation of the site has also been affected by the COVID-19 pandemic and although work has continued with appropriate social distancing measures implemented, some activity such as the diversion of high voltage power cables, that are dependent on third party agencies, have been delayed. The forecast expenditure is based on the contractor's forecast costs but contain a number of risks and uncertainties and are therefore still subject to change. Consequently, on the basis of current cost estimates, the whole-life project cost may eventually rise further than the forecasts stated above. Highways senior management are currently developing plans for the management of this potential overspend from within the existing capital programme.

Type of Scheme Project

Directorate Place

Area Highways

Spalding Western Relief Road

Scheme Name (Section 5)

Status of Project

In progress

Financial Information 2020/21 £m			
Gross Expenditure Budget	10.488	Net Expenditure Budget	-0.012
Gross Income Budget	-10.500	Actual	2.668
Net Expenditure Budget	-0.012	Forecast Net Outturn	0.000
Forecast Net Over/(Underspend)			0.012

Direction of Travel from previous forecast ⇒

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	20.500	Original Gross Income Budget 2020/21	-10.500
Budget b/f from Previous Year	-0.012	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	-10.000	Gross Income Budget	-10.500
Gross Expenditure Budget	10.488		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	26.291	Net Expenditure budget	13.291
Gross Income Budget	-13.000	Scheme Total Forecast	13.291
Net Expenditure Budget	13.291	Whole Life Variance	0.000

Direction of Travel from previous forecast ↓

Purpose of Scheme
<p>The Spalding Western Relief Road (SWRR) will be a 6.5km road linking the A1175 and A16 to the south and east of Spalding, to the B1356 Spalding Road to the north of Spalding, via the B1172 Spalding Common.</p> <p>The SWRR is a strategic infrastructure project essential to delivering the growth of Spalding and required to address the strategic transport connectivity around the town as well as addressing specific transport problems within Spalding.</p>

Performance of Scheme
<p>The completion of detailed design for the embankments of the scheme has resulted in a significant increase in construction costs from that envisaged at the planning stage. The requirement for construction traffic access to further land has also caused increases in the forecast costs. However an additional grant allocation of £8.130m secured from the Housing Infrastructure Fund will be used to accommodate these additional costs.</p>

Type of Scheme Project

Directorate Place

Area Highways

Scheme Name A46 Welton Roundabout **Status of Project** In progress

(Integrated Transport/NPIF)

Financial Information 2020/21 £m			
Gross Expenditure Budget	3.054	Net Expenditure Budget	3.054
Gross Income Budget	<u>0.000</u>	Actual	1.049
Net Expenditure Budget	3.054	Forecast Net Outturn	3.054
Forecast Net Over/(Underspend)			0.000

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	1.304	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	1.800	Grants & Contributions Previous Years	-0.800
Budget Allocated from Other Schemes	-0.050	New Grants and Contributions	0.800
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	3.054	Gross Income Budget	0.000

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	5.250	Net Expenditure budget	3.250
Gross Income Budget	<u>-2.000</u>	Scheme Total Forecast	3.250
Net Expenditure Budget	3.250	Whole Life Variance	0.000

Direction of Travel from previous forecast 

Purpose of Scheme
Construction of a new roundabout on the A46 with the junction to the village of Welton to increase safety and the flow of traffic.

Performance of Scheme
The project started on site on 20 July 2020 and is funded by a National Productivity Investment Fund (NPIF) grant (£2m), forward funding of developer contributions from LCC (£1.1m), an allocation from the Coastal Highways budget (£0.750m) and up to £2.7m from Integrated Transport Block. The project is currently forecast to be within budget.

Type of Scheme Project

Directorate Place

Area Communities

Scheme Name Lincoln Castle Revealed phase 2 **Status of Project** In progress

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.281	Net Expenditure Budget	0.281
Gross Income Budget	0.000	Actual	0.000
Net Expenditure Budget	0.281	Forecast Net Outturn	0.000
Forecast Net Over/(Underspend)			-0.281

Direction of Travel from previous forecast: ➔

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.281	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.281		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	1.391	Net Expenditure budget	0.427
Gross Income Budget	-0.965	Scheme Total Forecast	0.480
Net Expenditure Budget	0.427	Whole Life Variance	0.053

Direction of Travel from previous forecast: ➔

Purpose of Scheme
Capital investment for improvements to Lincoln Castle.

Performance of Scheme
Work is now complete and awaiting final confirmation of grant to close the project.

Type of Scheme Project

Directorate Place

Area Highways

Scheme Name Gainsborough Corringham
Road (Dev with WLDC)

Status of Project

In progress

Financial Information 2020/21 £m			
Gross Expenditure Budget	1.804	Net Expenditure Budget	0.804
Gross Income Budget	-1.000	Actual	0.947
Net Expenditure Budget	0.804	Forecast Net Outturn	1.070
Forecast Net Over/(Underspend)			0.265

Direction of Travel from previous forecast: ↑

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	1.716	Original Gross Income Budget 2020/21	-1.000
Budget b/f from Previous Year	0.089	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	-1.000
Gross Expenditure Budget	1.804		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	1.804	Net Expenditure budget	0.804
Gross Income Budget	-1.000	Scheme Total Forecast	0.505
Net Expenditure Budget	0.804	Whole Life Variance	-0.299

Direction of Travel from previous forecast: ⇒

Purpose of Scheme
This project is for junction improvement to help traffic flow and safety.

Performance of Scheme
The main construction on this project started 7 September. This project is funded by a mix of Integrated Transport grant (£654k), LEP funding (£500k) and a contribution by WLDC (£500k). The latter being forward funded by LCC. The apparent overspend is due to the agreed Integrated Transport Block funding having not yet been transferred to the project and the scheme is currently forecast to be within budget.

Type of Scheme Project
 Directorate Place
 Area Highways
Scheme Name A52 Skegness Roman Bank Reconstruction **Status of Project In progress**

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.000	Net Expenditure Budget	0.000
Gross Income Budget	<u>0.000</u>	Actual	0.031
Net Expenditure Budget	0.000	Forecast Net Outturn	3.503
Forecast Net Over/(Underspend)			3.503

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.000	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.000		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	3.649	Net Expenditure budget	0.000
Gross Income Budget	<u>-3.649</u>	Scheme Total Forecast	0.000
Net Expenditure Budget	0.000	Whole Life Variance	0.000

Direction of Travel from previous forecast 

Purpose of Scheme
 To fully reconstruct a total of 550m of the A52 Roman Bank in Skegness.

Performance of Scheme
 Design work is complete, work commenced on site in September 2020 and is estimated to take between 7 and 8 months. This project is funded by a Department for Transport Highways Maintenance Challenge Fund grant (£3.649m) and up to £1.200m from the Local Highways Improvements (Pinchpoints) to support Coastal Route Programme. Current forecasts for the scheme show it to be within budget over the full life of the project.

Type of Scheme Project
 Directorate Place
 Area Highways
Scheme Name Sleaford Rugby Club (Sleaford Growth Scheme) **Status of Project In progress**

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.997	Net Expenditure Budget	0.247
Gross Income Budget	<u>-0.750</u>	Actual	0.711
Net Expenditure Budget	0.247	Forecast Net Outturn	1.095
Forecast Net Over/(Underspend)			0.848

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.750	Original Gross Income Budget 2020/21	-0.750
Budget b/f from Previous Year	0.247	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	0.997	Gross Income Budget	-0.750

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	1.230	Net Expenditure budget	0.400
Gross Income Budget	<u>-0.830</u>	Scheme Total Forecast	1.376
Net Expenditure Budget	0.400	Whole Life Variance	0.976

Direction of Travel from previous forecast 

Purpose of Scheme
 To improve safety, increase capacity and traffic flow at the A153 / A17 Sleaford Rugby Club junction and facilitate local economic growth.

Performance of Scheme
 Following delays due to Covid-19 this project has now completed. It is funded by a mix of Integrated Transport grant (£0.400m), LEP (£0.900m), NKDC (£0.250m) and S106 Developer income (£1.014m). Although the project is physically complete, final accounts have yet to be settled, however, it is expected to be within budget.

Type of Scheme Project

Directorate Place

Area Growth

Scheme Name Holbeach Food Enterprise Zone **Status of Project** In progress

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.000	Net Expenditure Budget	0.000
Gross Income Budget	0.000	Actual	1.756
Net Expenditure Budget	0.000	Forecast Net Outturn	0.362
Forecast Net Over/(Underspend)			0.362

Direction of Travel from previous forecast: →

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.000	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.000	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	0.000		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	6.385	Net Expenditure budget	3.350
Gross Income Budget	-3.035	Scheme Total Forecast	7.367
Net Expenditure Budget	3.350	Whole Life Variance	4.017

Direction of Travel from previous forecast: ↑

Purpose of Scheme
To facilitate the development of purpose built employment space in order to grow the agri-food sector, with particular emphasis on small to medium sized enterprises developing cutting edge technology and techniques (agri-tech).

Performance of Scheme
The whole life variance will be met by a £3.4m LCC budget to be drawdown from the contingency bid reserve during November, and a further £1.1m to be received from SHDC.

Type of Scheme Block Scheme
 Directorate Fire and Rescue & Public Protection
 Area Fire and Rescue
Scheme Name Fire & Rescue and Emergency Planning

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.393	Net Expenditure Budget	0.393
Gross Income Budget	0.000	Actual	0.134
Net Expenditure Budget	0.393	Forecast Net Outturn	0.393
Forecast Net Over/(Underspend)			0.000

Direction of Travel from previous forecast 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	0.858	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.609	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	-1.074	Gross Income Budget	0.000
Gross Expenditure Budget	0.393		

Purpose of Scheme
To update the IMT infrastructure and systems of the service.

Performance of Scheme
The original budget for 20/21 was £0.858m
This was increased by £0.609m from underspends on the 19/20 final in year budget.
Following a review of the planned profile, LFR rephased spend on the current position based on the cumulative approved budget up to and including 24/25.
This was due to delays in the procurement of the LFR availability system as part of the review of ICT infrastructure for the East Coast Consortium.
The service is forecast to be on target to the current year allocation at this time.

Type of Scheme Block Scheme
 Directorate Commercial
 Area Property
Scheme Name Property

Financial Information 2020/21 £m			
Gross Expenditure Budget	0.946	Net Expenditure Budget	0.946
Gross Income Budget	0.000	Actual	2.267
Net Expenditure Budget	0.946	Forecast Net Outturn	0.677
Forecast Net Over/(Underspend)			-0.268

Direction of Travel from previous forecast: 

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	3.151	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	0.451	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.079	New Grants and Contributions	0.000
Budget Re-phased into Future Years	-2.736	Gross Income Budget	0.000
Gross Expenditure Budget	0.946		

Purpose of Scheme
To fund the improvement programme for council properties, asbestos work, disabled access and improvements to the county farms estates.
This was allocated to:
£0.298m to maintain the County Farms estate
£2.853m for property refurbishment / development.

Performance of Scheme
The original budget for 20/21 was £3.151m
This was increased by £0.451m from underspends on the 19/20 final in year budget.
Allocated funding has been rephased into future years (£2.736m) with £0.053m transferred to the Children's programme to support Care Leavers.
The current forecast is an underspend on the current year budget of £0.268m.
This is due to :
County Farms (£0.060m)
This is due to the expected timing of planning approvals for grain store work and it is envisaged that some cost will occur in the new financial year.
Other works (£0.202m)
This is primarily due to the lower cost of works at the former St Guthlacs school and current year requirements for Asbestos work.
It is proposed that this funding is reallocated to support work for Property Improvement.

Type of Scheme Block Scheme
 Directorate Centralised
 Area Other Budget
Scheme Name New Developments Capital Fund

Financial Information 2020/21 £m			
Gross Expenditure Budget	19.542	Net Expenditure Budget	19.542
Gross Income Budget	0.000	Actual	0.000
Net Expenditure Budget	19.542	Forecast Net Outturn	19.542
Forecast Net Over/(Underspend)			0.000

Direction of Travel from previous forecast →

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	11.638	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	7.905	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	19.542	Gross Income Budget	0.000

Purpose of Scheme
Funds set aside for capital schemes which emerge throughout the year.

Performance of Scheme
The original budget set for 2020/21 was for £7.500m. This was increased by £4.138m from last year's re-phasing and £7.905m underspend from 2019/20 outturn, making the total budget this year to be £19.542m.
Funds for £6.046m was set aside for emerging schemes and this will be allocated as soon as further information becomes available.
Therefore, £13.497m is still available for future use. The balance of this fund is currently being reviewed and any underspending will be reported in the next reporting period.

Type of Scheme Block Scheme
 Directorate Centralised
 Area Other Budget
Scheme Name New Developments Capital Fund

Financial Information 2020/21 £m			
Gross Expenditure Budget	19.542	Net Expenditure Budget	19.542
Gross Income Budget	0.000	Actual	0.000
Net Expenditure Budget	19.542	Forecast Net Outturn	19.542
Forecast Net Over/(Underspend)			0.000

Direction of Travel from previous forecast →

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	11.638	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	7.905	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	0.000	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	19.542	Gross Income Budget	0.000

Purpose of Scheme
Funds set aside for capital schemes which emerge throughout the year.

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The original budget set for 2020/21 was for £7.500m. This was increased by £4.138m from last year's re-phasing and £7.905m underspend from 2019/20 outturn, making the total budget this year to be £19.542m.
Funds for £6.046m was set aside for emerging schemes and this will be allocated as soon as further information becomes available.
Therefore, £13.497m is still available for future use. The balance of this fund is currently being reviewed and any underspending will be reported in the next reporting period.

Monitoring of Development Fund

Directorate	Service Area	Development Initiative	Planned One-Off Investment £000's	Progress to date
Children's Services	Strategic Commissioning	Education Transport links to School (Route sustainability)	440	<p>This project is still at design stage in order to identify the most cost effective routes for improvement. One scheme in particular is more advanced.</p> <p>Progress has been limited by the impact of Covid-19 on the day-to-day workload of the transport entitlement team.</p> <p>No monies have been spent to date, and expenditure is expected to start in the next financial year.</p>
Place	Highways	Traffic signals - Wireless communications	80	<p>Successfully installed and operated trial site, roll-out being planned and decommissioning of broadband connections being progressed. This is now complete and reserve will be drawdown in the next quarter.</p>
Place	Highways	Community Maintenance Gangs	3,981	<p>The resource allocation and works type was agreed with Executive Members and Executive Director in April 2020. Balfour Beatty started on site in May 2020 and will continue delivering the works until April 2021. Updated reports on budget spend and productivity are presented on a monthly basis. These are shared with the Assistant Director, Executive member and Scrutiny Committee and expected to be fully spent by end of 2020/21.</p>
Place	Highways	Drainage Investigation and Flood Repairs	2,000	<p>Individual projects been agreed. Projects now commenced in Long Bennington and Timberland Chapel Lane. It is planned that this will span two years.</p>
Fire and Rescue and Public Protection	Fire and Rescue	Flood Management Pumps	116	<p>Planning / specification completed, no spend to date due to delay on ordering the vehicles due to COVID, but we expect this to be moved forward in quarter 2 for orders to be placed.</p>
Fire and Rescue and Public Protection	Fire and Rescue	Replacement Trading standards Metrology equipment	50	<p>Specification and quote provided but upgrade delayed due to COVID, now expected to be progressed during quarter 3.</p>
Commercial	IMT	Broadband - 4G	800	<p>Discussions have taken place with potential providers and these are currently being evaluated prior to making a decision regarding implementation</p>
TOTAL DEVELOPMENT INITIATIVES			7,467	



Open Report on behalf of Andy Gutherson, Executive Director - Place and Senior Responsible Officer for Covid-19 Recovery

Report to:	Overview and Scrutiny Management Board
Date:	26 November 2020
Subject:	Covid-19 Update

Summary:

This report provides an overview of the work by the Local Resilience Forum (LRF), partners and Lincolnshire County Council (LCC) to manage Lincolnshire's response to the Covid-19 pandemic.

The significant disruption created by Covid-19 has forced authorities and communities to change their behaviours and routine working practices, which although unsettling, has demonstrated what is achievable through collaborative working, and the Council and its strategic partners aim to ensure that such positive outcomes are maintained to help inform future service delivery to improve our services.

As well as serious implications for people's health and public services, Covid-19 is having a significant impact on the economy and the response / recovery approach will need to be considered against an uncertain economic backdrop. This issue is compounded by increases in demand in areas of service activity such as social care teams, wellbeing services, infection control etc.

Actions Required:

The Overview and Scrutiny Management Board (OSMB) is invited to:

- 1) Consider the report and provide feedback on the points raised.
- 2) Review and agree future reporting requirements into OSMB to monitor the progress of the Council's recovery.

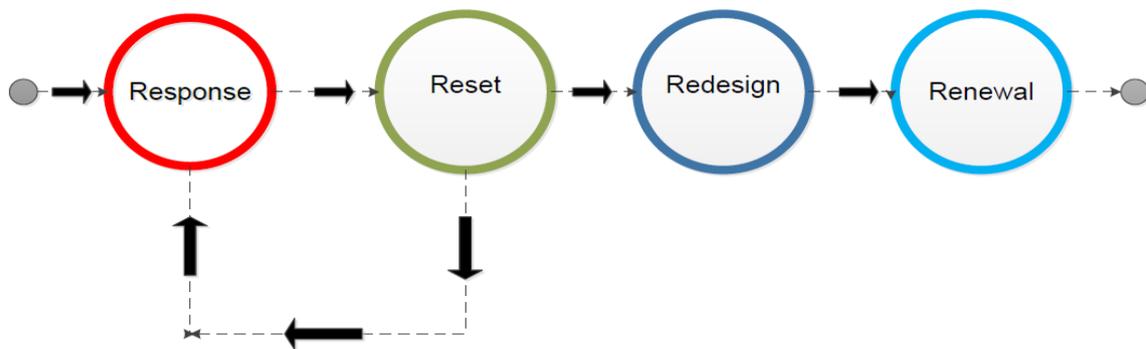
1. Background

At the Board meeting in October, consideration was given to a report which provided an overview of the partnership approach and governance arrangements to manage Lincolnshire's response to the Covid-19 pandemic.

Members were advised that as well as serious implications for people's health and public services, Covid-19 had impacted on the economy and the recovery approach would need to be considered against an uncertain economic backdrop, which was compounded by an increase in demand in areas of service activity such as social care teams, wellbeing services and infection control.

OSMB requested that a further report be prepared for the November meeting and this report sets out the progress and activity of the Lincolnshire's Local Resilience Forum (LRF) since October, highlighting the challenges we face and the threat, risk and harm we must mitigate.

As discussed at the October meeting of the Board, recovery and response will overlap depending on the 'R' value. There will not be a clear separation between the response and recovery phases during this emergency.



However, since the meeting in October, we have seen a significant resurgence of the disease nationally and this has been reflected locally with a significant increase of infection within the communities in Lincolnshire.

On the 5 November 2020, the UK began a second period of lockdown. The UK Government maintained we must act to control the spread of the virus. They maintain the single most important action we can all take to fight coronavirus is to stay at home, to protect the NHS and save lives.

Guidance issued by [GOV.UK](https://www.gov.uk) requires us to reduce our day-to-day contact with other people, to reduce the spread of the infection. Consequently, from Thursday 5 November until Wednesday 2 December, Lincolnshire must:

1. Stay at home, except for specific purposes.
2. Avoid meeting people you do not live with, except for specific purposes.
3. Close certain businesses and venues.

These new measures will reduce the growth rate of the virus, which will:

- prevent the NHS from being overwhelmed
- ensure schools, colleges and universities can stay open
- ensure that as many people as possible can continue to work

On Thursday 5 November these national restrictions replaced the Local Covid Alert Level measures (the Board was updated on a three tier approach in October).

The new measures will apply nationally for four weeks up to and including Wednesday 2 December. At the end of that period, the UK may return to a regional approach, based on the latest data (please see section 2 of this report). Therefore Lincolnshire is currently under lockdown and continues to follow the national guidance of:

- **Hands** – wash your hands regularly and for 20 seconds
- **Face** – wear a face covering in indoor settings where social distancing may be difficult, and where you will come into contact with people you do not normally meet
- **Space** – stay two metres apart from people you do not live with where possible, or one metre with extra precautions in place (such as wearing face coverings or increasing ventilation indoors)

The public health measures introduced to mitigate the transmission of Covid-19 include social distancing, Test & Trace and the wearing of PPE including face masks which continue to minimise the spread of infection and risk to life within Lincolnshire. As before, the key to response and recovery continues to be a concerted effort from all partners and the public to maintain the ‘R’ value below 1.

These measures will be underpinned by law. Police and other authorities will have powers to give fines and break up gatherings.

2. Latest Data

As of the 13 November 2020 the latest data for Lincolnshire can be found in the table below:

Tests¹ (Updated: 13 November 2020 at 15:07)

	Total tests Carried Out	Total Positive Tests	% Positive Tests	Positive Cases	Rate of Positive Cases per 100,000 population
Lincolnshire	14,871	2,270	15.3%	2,050	269.3
Boston	1,236	245	19.8%	231	329.2
East Lindsey	3,375	620	18.4%	556	392.3
Lincoln	2,241	362	16.2%	327	329.3
North Kesteven	2,191	308	14.1%	277	236.9
South Holland	1,425	208	14.6%	182	191.5
South Kesteven	2,623	277	10.6%	255	179.0
West Lindsey	1,780	250	14.0%	222	232.1

¹ The data in the table above is a rolling 7 day summary of Pillar 1 and Pillar 2 Tests.

Data has been extracted from Public Health England (PHE) daily line lists, which provide data on laboratory confirmed cases and tests captured through their Second Generation Surveillance System (SGSS). The rates shown are crude rates per 100,000 resident population.

Cases (updated: 13 November 2020 at 15:07)

11,327 cases to date for Lincolnshire Residents, 2,050 in the last 7 days

	Cases in the last 7 Days	Cases to Date	Daily Cases
Lincolnshire	2,050	11,327	4
Boston	231	1,235	1
East Lindsey	556	2,130	1
Lincoln	327	1,875	0
North Kesteven	277	1,497	0
South Holland	182	1,488	1
South Kesteven	255	1,854	1
West Lindsey	222	1,247	0

Data on cases are sourced from Second Generation Surveillance System (SGSS). This is PHE's surveillance system for laboratory confirmed cases. Lab confirmed positive cases of Covid-19 confirmed in the last 24 hours are reported daily by NHS and PHE diagnostic laboratories. This is the most accurate and up to date version of data and as such it will not align with the data that is published nationally ([link to tracker](#)) due to delays in reporting.

Deaths (Updated: 15 November 2020 at 16:09)

Area	Total deaths	Total deaths in the last 7 days
Lincolnshire	393	42
Boston	43	8
East Lindsey	85	13
Lincoln	43	3
North Kesteven	43	3
South Holland	76	6
South Kesteven	61	5
West Lindsey	42	4

Total number of deaths since the start of the pandemic of people who had had a positive test result for Covid-19 and died within 28 days of the first positive test.

The actual cause of death may not be Covid-19 in all cases. People who died from Covid-19 but had not tested positive are not included and people who died from Covid-19 more than 28 days after their first positive test are not included. Data on Covid-19 associated deaths in England are produced by Public Health England from multiple sources linked to confirmed case data. Deaths newly reported each day cover the 24 hours up to 5pm on the previous day.

As of 31 August 2020, the methodology for counting Covid-19 deaths was amended and as such the total number of Covid-19 related deaths was

reduced. Data is available to Local Authorities and the general public here <https://coronavirus.data.gov.uk/deaths>.

3. LRF Activity

As highlighted in October's report, with the escalation of infection and subsequent change in approach (from recovery to response) has meant the way in which the LRF is managed has also changed. On the 24 September 2020, the decision was taken by the LRF to move from recovery back to response phase of this emergency, with the reintroduction of Strategic Coordination Group (SCG) / Tactical Coordination Group (TCG) structure.

The LRF continues to identify the threat, risk and harm presented by the infection. With this improved understanding of the risk, a response plan has been approved by the SCG to inform how we support Covid-19 secure measures locally. This plan will be monitored and owned by the SCG, working closely with partners, government and voluntary/community groups to ensure the needs of communities are supported.

The LRF is working hard in identifying problems and vulnerabilities in our community, which may require priority attention and feeding them back to the relevant response cells, in addition to disseminating credible information and advice back to the community, supporting community cohesion and providing public reassurance.

Response Cells Update

The continued priority for the LRF is to provide assurance over how frontline services are provided in a way that continues to save and protect life. An update on key cell activity is outlined in the following sections based on the LRF structure (Appendix A).

Multi-Agency Information Cell

Supporting the LRF in sharing knowledge and information is the Multi Agency Information Cell (MAIC). The purpose of the MAIC is to source, assess, analyse, display and disseminate situational information on the progress of the Covid-19 incident, through the Power Bi Dashboard and the weekly Foresight and Intelligence Report. The foresight report (shared with partners across Lincolnshire) is available to Members upon request. This is due to the sensitive nature of the information contained within the report.

System Coordination Centre

The System Coordination Centre (SCC) co-operates and co-ordinates local system responses to Covid-19 outbreaks across the LRF system, to ensure a proportionate response is being instigated to areas of concern or confirmed outbreaks.

The main update from the SCC is the issues previously reported around Pillar 1 testing issues, are now mostly resolved. The problems centred on the existing analysers as they were not built to process this capacity. As a result, new machines are now in place which has seen a return to Pillar 1 test turnaround times in under 27 hours.

In addition, there are no major issues with Pillar 2, which has also been used to support care home outbreaks.

Health and Social Care Cell

The overarching role of the Health and Social Care (H&SC) cell in response is to assess the health/social/educational service provision needs for affected communities and to enable vulnerable communities and/or individuals to be identified and that tactical options to support their needs are put in place. The key issues that the H&SC cell are dealing with are:

Commissioned Service Cell

- The cell is continuing to work through mitigation for staff absence in the homecare sector, and a RAG (Red/Amber/Green) tool for the sector is being developed.
- LCC Commercial Team moving to 7 day working to support escalation.
- Designated care settings – one up and running and accepting referrals/placements. Work on-going to identify further sites following first bidding round (6 bids, 1 currently live, 1 further potential site but awaiting approvals from Care Quality Commission (CQC)).

Homelessness

- The 'Protect Programme' funding (the £15m that The Secretary of State for Housing, Communities and Local Government, Robert Jenrick, announced) is only for London Boroughs and ten areas of highest need outside London – which does not include Lincolnshire. Therefore there is no further funding or a specific plan for local implementation. We remain reliant on district councils doing all they can on a daily basis to find accommodation and bring rough sleepers in during the lockdown and the longer winter period. The team will continue to look at potential for 'warming centres' and district councils will continue to source suitable temporary accommodation in case the Severe Weather Emergency Protocol (SWEP) needs to be initiated in any district.
- The new protections for renters during national lockdowns (which stops landlords from bringing in bailiffs to remove someone from their property) will continue until 11 January 2021 where they have fallen behind with their rent through no fault of their own.
- The moratorium on evictions has ended, however the extended timeline that is required (to get possession) is now 6 months. The possible increase of homeless presentations remains on hold.

Vaccination Cell / Vaccination Roll Out

The overarching role of the Vaccination Cell is to develop and implement an immunisation strategy (Covid-19 and Influenza) and delivery plan for the Lincolnshire STP (Sustainability and Transformation Partnership). Although achievement of uptake targets is the overarching objective of the cell, the reduction in inequalities in flu immunisation uptake will be a critical consideration in the development of the delivery models and will be supported by the production of an Equality Impact Assessment. It is worth noting that this cell is led by the NHS (command and control) who are responsible for delivery of the vaccine. However the LRF are supporting the NHS with logistical help and linking directly into the Warn and Inform Cell.

During November the cell has focused on the vaccination roll out and include the following key points to note:

- Working to go live 1 December for Vaccination Roll Out Programme.
- Two mass sites have been identified within the County.
- The Military will be delivering the pods over the next 10 days into one of those mass sites, and demonstrating set up for the other local sites.
- Primary Care Networks (PCN) will designate their sites by 18 November. If there are any short falls or PCNs choosing not to engage, the gaps will be covered by the Vaccination cell.
- Communications commencing with Care Homes and health and social care workforce vaccination week commencing 16 November.
- Data will be “locked in” on Wednesday to enable cohort planning for December. This will identify volume and therefore resource needs.
- There will be national and regional Vaccination Coordination Centres that will resource, coordinate and deliver vaccine nationally. This becomes the Number 1 priority for NHS. The NHS will review the requirement to change all resources models and processes to accommodate this. Business As Usual (BAU) work will still continue.

The LRF is providing support to the Vaccination Cell with data sharing and logistical support.

Communities and Volunteer Coordination Cell

The Communities and Volunteer Coordination (CVC) Cell has now moved back into Response which means that:

- The focus has returned to supporting those who are most vulnerable, particularly in relation to local outbreaks.
- The focus is on actively mobilising volunteers and community groups.

- The learning from Wave 1 and the work to secure a legacy is now 'business as usual' for LCC's Community Engagement Team, and others including Involving Lincs and the Voluntary Executive Team.

This month the CVC Cell has been focussed on the following:

- Emergency food provision - the Cell is reviewing the existing arrangements under review in relation to the DEFRA funds and emergency food parcels.
- Volunteer Co-ordination – the Cell is co-ordinating the following activity:
 - Door knocks to support CEV requests for help (if no reply to three phone calls, volunteer is sent to check).
 - Weekend Testing in Care Homes – supporting delivery and collection of testing kits to homes / homes to lab.
 - Request to support contact tracing with door knocks / leaflet – go live week commencing 16 November.
 - Request to support vaccination centres – discussion this week.
- Test & Trace Support
 - Monitoring payments with District Council (DC) colleagues.
 - Emergency food arrangements as required.
- Winter Payments
 - Working closely with LCC Children's Services to join up schemes (e.g. food provision).

Mortality Planning Cell

The role of the Mortality Planning Cell is to provide a capability to meet key planning assumptions relating to excess deaths as agreed by the Director of Public Health (DPH) and SCG, based on reasonable worst case scenario. In addition, the Cell maintains an understanding of the local demand and capacity, as well as provides data into reporting mechanisms as required.

The Cell is starting to consistently see rise in deaths in Lincolnshire, particularly in Boston. A decision has been taken this month to move to 'active management' of excess deaths. Other activities include:

- Lincoln body storage is up and running.
- Week commencing (w/c) 16 November, Fire and Police are up and running to help with body movement.
- Registered deaths (w/c 16 November) are 158
- Funeral Director webinar this week (w/c 16 November)
- The option to open up the site at Woodhall remains under review given there is a two week lead in time to make it operational.

Engagement, Education and Compliance Cell

The purpose of the Engagement, Education and Compliance (EEC) Cell is to develop, map, manage and co-ordinate a structured approach across partners (public sector, partners, business and volunteer sector) that support strategic and tactical recovery plans. This is achieved by co-ordinating the capture, collection, analysis and re-dissemination of information and data to support improved enforcement and compliance decision making across Lincolnshire.

The key activity from the EEC Cell this month has been:

- Lockdown has not brought any reduction. Trading Standards (TS) and districts and police are receiving an increasing number of calls from business and public regarding what is acceptable and compliant.
- More 'click and collect', so far more open on 'High Streets' and lots more compliance visits.
- Few issues with interpretations - car washes should close but some automatic ones have stayed open. Carpet showrooms claim to be part of building trade. Pawn brokers are financial services but retail elements of shops cannot open.
- Still seeing shops open with food shelves with tea bags etc. Can sell those but not other things they would normally sell.

LRF partners are seeing progress with compliance supported by a more consistent approach across the county. However, they report seeing some tension and animosity across the retail sector, particularly in Lincoln and Boston. The team will keep an eye on this as we come out of lockdown. Support is available for businesses.

Business and Economy Cell

The main aim of the Business and Economy (B&E) Cell is to work across business, partners, charities and community to deliver long term sustainable recovery across the county of Lincolnshire. This is achieved in the current response phase by supporting the LRF to engage and educate business in respect of their responsibilities within current Government guidance and legislation. In addition the B&E Cell will help develop LRF resource and capability to support the business community and ensure LRF are applying national guidance and policy.

Key activity this month from the B&E Cell includes:

- Thinking about key messages before and as we come out, working collectively together with cells to discuss.
- Develop a paper for SCG which will be presented at a future meeting as this is more about recovery and the medium / long term vision for B&E in Lincolnshire.
- Support for businesses – how to access support from Government

- Two elements to grant - standard grant and then discretionary grant to fill gaps (NB. gaps not yet defined nationally or locally).
- B&E Cell is working hard to make sure there is not a postcode lottery in terms of focus. The Cell will be making sure consistency is applied across B&E in Lincolnshire.
- Online job and career (11 November) - matched up 60 businesses and 200 job seekers. There was an ability to have individual online chats. The virtual event was a success and will be monthly over the next year due to rising numbers of vacancies and redundancies.

In addition, at the last meeting of the Board, a request was made for an update on the economic impact of Covid-19 in Lincolnshire and the recovery work being undertaken. The report attached at Appendix B provides full detail on the economic impact of Covid-19 as we currently know it, and it sets out the actions that have already been carried out by Lincolnshire County Council (LCC), the Greater Lincolnshire Local Enterprise Partnership (LEP), and other partners to reduce the impact.

Warn and Inform Cell

The role of the Warn and Inform (W&I) Cell is to shape and deliver a communications strategy that ensures all audiences across Lincolnshire are aware and understand the latest government announcements and advice as well as develop targeted communication assets (digital and social) that reach out to all communities. It achieves this by helping to formulate, update and deliver a communications activity plan that is clear and can be communicated to all relevant partners. In addition it will deliver frequent communication briefings to all LRF partners with concise key messaging and digital assets and be proactive in media opportunities as and when they arise.

Key activity this month from the W&I Cell includes:

- Reiteration of basic messages, Hands/Face/Space, Travel, Shopping etc.
- Support to NHS in terms of pressures - not to attend A&E ring 111, follow up with more localised communications in East Lindsey, Boston and South Holland.
- Vaccination communications is a large issue with media interest - NHS will be leading. The W&I Cell and NHS Communications joined up to agree messaging and briefed key spokespersons with advice to follow national lines.
- Critical phase for W&I Cell - mindful of national message that vaccination is not silver bullet and message that complacency may set in with vaccination coming.
- Social media coverage has picked up, analysis in progress.

BBC Look North attended the County Emergency Centre (CEC) on 17 November and spent time with the LRF / LCC Emergency Planning teams. The coverage

received positive feedback and was a great opportunity to raise the profile of the work that is being carried out by partners across Lincolnshire.

4. Exit Strategy post Lockdown#2

The previous update in October to OSMB highlighted the three tier approach to the country in an effort to reduce the levels of transmission in the community (announced by the UK Government on the 12 October 2020).

Before England went into its second lockdown, nearly a fifth of the population was living in tier three areas - those under the toughest coronavirus restrictions. They included those in West Yorkshire, South Yorkshire, Greater Manchester, Lancashire, the Liverpool City Region, Warrington and Nottinghamshire.

As mentioned earlier in this report, this has been replaced by a National Lockdown on the 5 November until 2 December. However at the end of that period, the UK may return to a regional approach, based on the latest data and the three-tier system (Covid alert levels medium, high and very high) which was used in England to tackle the spread of coronavirus before the national lockdown began.

The UK government is committed to ensuring the right levels of intervention in the right places to manage outbreaks, however the 'tiering of the country' had different effects in each area. Prior to the lockdown, 'Tier three plus' had led to a reduction in cases in the North West, but nationally there was very little effect from tier one. Over the coming weeks the UK Government will review what tiers may be in the future, and possibly strengthening them to help the UK get through the winter months until the vaccine is available for everyone.

That said, the LRF is working hard to ensure that Lincolnshire is ready for 2 December. Work continues on contingency planning for a return to a tiered system of restrictions. All cells have been tasked with contingency planning around different tiers, movement between tiers and working in the county with different tiers.

There are many variables and it is too early to define the plan. However as a group we have collated the cell responses around these contingencies, identifying some common risks. Partners are currently working on where those risks fit and what mitigation we can influence or put in place to help reduce the impact of our Threat, Risk and Harm. It is important that the LRF coordinates the response and we are satisfied our current reporting procedures and structures are fit for purpose.

In addition, preparation continues for life after Lockdown#2. We expect retail and NTE coming back with a vengeance and want to avoid cramming people in. Joint visits are being planned by the EEC Cell and how we can make the best use of marshals across the County.

It is too early to know the impact of the second lockdown in England. Ministers will want to see exactly what happens to cases over the rest of the month. It is hoped the Government will set out next week (w/c 23 November) what the replacement regime will be and if that will be a return to the localised approach. However,

officers strongly recommend that we have a clear understanding about easing of restrictions, with a template approach with re-introduction of the tiers as the preferred approach to exiting lockdown. It is also suggested that Members should also give consideration to lobbying the Government for clear guidance on coming out of lockdown for greater consistency and evidence to see which of the measures employed so far were actually the most impactful on the virus.

5. Conclusion

It will be a fine balance to continue to respond to the risks to health of Covid-19 and protect our communities, whilst responding to a wide range of challenges from across the county. A lot of uncertainty remains about the lifting of public health measures, and subsequent restrictions in the medium term. Protecting the public’s health, and mitigating harm to our residents, families and vulnerable people will continue to be our priority.

The Council and its strategic partners have developed the appropriate governance arrangements to lead Lincolnshire's recovery from the impact of Covid-19, whilst ensuring arrangements can be flexed to respond to any future spikes in infection rates.

6. Consultation

a) Risks and Impact Analysis

A full risk register is maintained as part of the SCG.

An Impact Analysis is in place and is a live document which will be reviewed throughout the period of the response. This has been developed from the detailed impact assessment and action plan that has been agreed by the LRF.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Return to Response SCG Structure
Appendix B	Report on Post COVID Mid Term Economic Strategy to be presented to the Environment and Economy Scrutiny Committee on 24 November 2020.

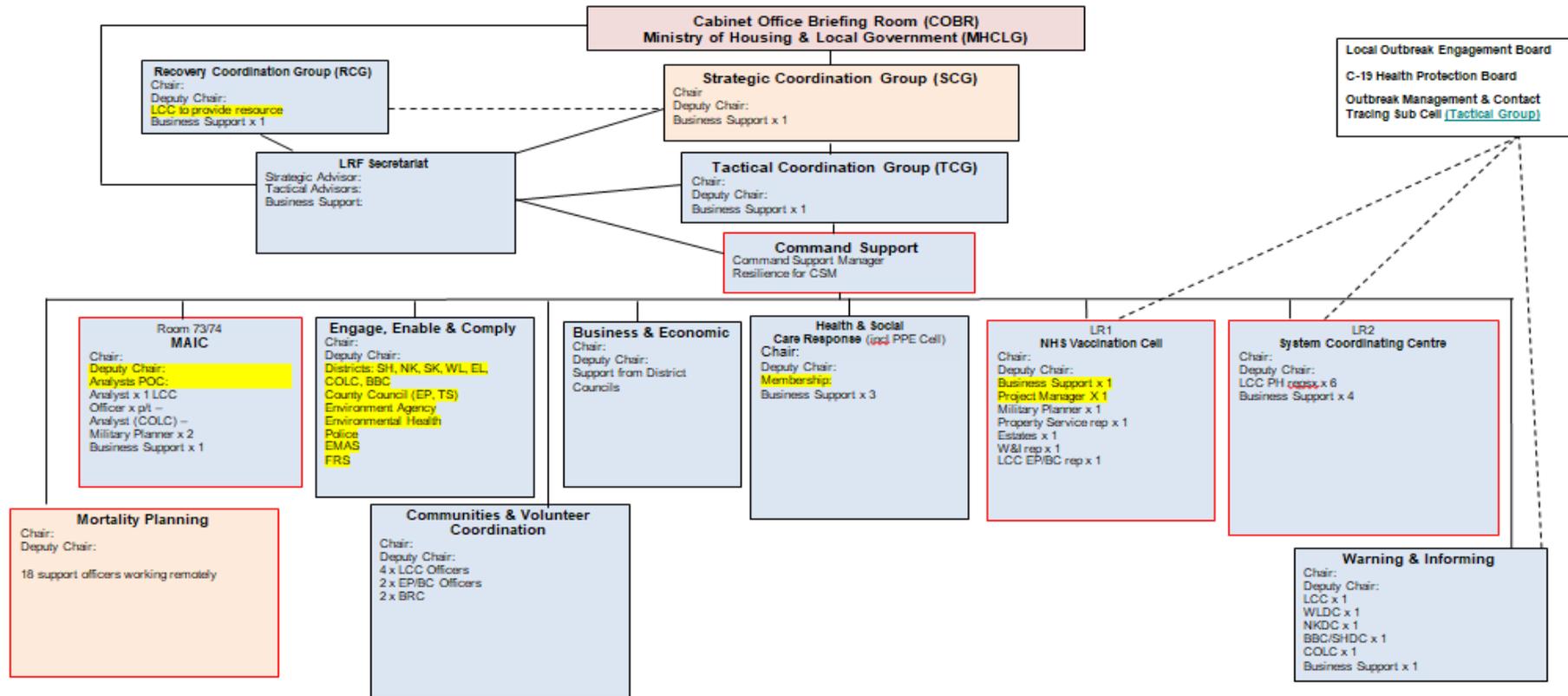
8. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Dan Quinn, who can be contacted on 07799110529 or dan.quinn@lincoln.fire-uk.org

Appendix A

LINCS LRF COMMAND AND CONTROL STRUCTURE FOR RETURN TO RESPONSE PHASE with Resources



KEY	
	Physical Cells within CEC
	All other cells operating remotely
	Cell on standby
	Representative required

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Open Report on behalf of Andy Gutherson, Executive Director – Place

Report to:	Environment and Economy Scrutiny Committee
Date:	24 November 2020
Subject:	Post COVID Mid Term Economic Strategy

Summary:

This report describes the economic impact of Covid-19 as we currently know it, and it sets out the actions that have already been carried out by Lincolnshire County Council (LCC), the Greater Lincolnshire Local Enterprise Partnership (LEP), and other partners to reduce the impact. It explains the priorities of the mid-term economic recovery strategy which the LEP has co-ordinated and will communicate to government, and it goes on to outline some short-term actions that are being developed. It seeks the view of members on those short-term actions.

Actions Required:

It is recommended that members:

1. Note the ways that Covid-19 is impacting on the local economy.
2. Congratulate officers and partner organisations on the steps that they have already taken to reduce the economic impact.
3. Support the content of the mid-term economic recovery strategy.
4. Comment on the scope of the short-term actions that are proposed to tackle the economic impact of Covid-19.

1. Background

Members will recognise the economic impact of Covid-19 which has occurred at a time when economic challenges were already occurring. Changes to the high street, and to global trade, were already taking place and Covid-19 has led to a deepening of these problems plus other problems notably to the hospitality sector.

LCC and the Greater Lincolnshire LEP have jointly been leading the economic response and recovery aspects of Covid-19. The LEP has led on the response phase, and LCC has led on the short term recovery phase.

Looking longer-term, the LEP has regular meetings with senior government officials, with MPs, and business board members are regularly invited to roundtable

meetings with ministers. Therefore the LEP is in a good position to articulate the mid-term requirements for economic growth to the government and it has led the production of a mid-term economic recovery strategy.

Emerging economic impact of Covid-19

Page 2 of Appendix One explains that the economic impact of Covid-19 can be described as: rising unemployment, tightening labour market, reduced business investment, rapid digitisation, and localised impacts.

Rising unemployment: at this stage unemployment is starting to grow in Lincolnshire, but the furlough scheme has cushioned some of the impact. Nonetheless, some trends are starting to emerge such as a reduction in part-time jobs and the closure of small necessity businesses. At this stage, high street retail has seen the main incidences of significant redundancies but we continue to be concerned about the cumulative effect should several small scale redundancies in a single town occur.

Tightening labour market: there are still jobs available for people to apply for, but the number of them is reducing and the ability of employers to train and support new recruits is less than before Covid-19. This means that there is a risk that people without relevant experience and skills for businesses which are changing as a result of Covid-19 will struggle to find employment. This is a particularly large risk for young people.

Reduced business investment: a substantial proportion of businesses report that they have substantially less cash available to invest because of the reduction in their markets since Covid-19, because of low interest rates, etc. Yet Covid-19 means that businesses need to operate differently and trade differently, all of which will require investment.

Rapid digitisation: in order to respond to social distancing requirements digitisation has become essential whether that is online trading, working from home, distance learning etc. Whilst many organisations have adapted successfully, individuals and some businesses have not for a variety of reasons. Availability and affordability of digital services are two examples, but awareness of how to make the best use of digital services is also critical.

Localised impacts: analysis shows that some areas, for example those where the tourism and hospitality sector provides a high proportion of jobs/business activity, are most vulnerable to the long-term impact of Covid-19. As previously mentioned, we continue to monitor the risk of a cumulative impact of several small job losses on market towns which could also have a significant localised impact.

Activity so far

Appendix Two shows that a substantial amount of work has been delivered to support the economy through the immediate impact and the short term recovery aspects of Covid-19.

Councillor Colin Davie on behalf of LCC, and Councillors Nick Worth and Barry Dobson on behalf of the district councils, have had political leadership of the response and recovery phase.

LCC and the LEP have used their convening powers to establish response and short-term recovery actions, all of which have delivered direct support to businesses and individuals. Some examples are:

- District councils have distributed more than 19,000 grants with a value of £227m to businesses.
- LCC's Business Growth Hub has provided advice to 600 businesses and provided web based information that has been used by 42,000 users.
- Redundancy task forces have been designed by the LEP and trained so that they can stand up should significant redundancies occur.
- The LEP has attracted £26m of infrastructure grant funding which is being invested in accelerating schemes like LCC's Holbeach Food Enterprise Zone.
- Weekly assessments of the economic impact in Lincolnshire have been produced and government officials have been briefed weekly.

Mid-term recovery plan

The outcomes of the short-term recovery plan are summarised in the previous section.

Greater Lincolnshire LEP has co-ordinated a mid-term economic recovery strategy which describes the way that Greater Lincolnshire and Rutland wishes to work with government to support economic recovery. Pages 3 and 4 of Appendix One shows the detail of the mid-term strategy which is structured around three headings: protect, progress, and prosper.

Protect: this is concerned with continuing to address those issues that arise immediately from the pandemic and it recognises that it is likely that there will be a period when changing tiers of restriction and changing lockdown regulations may continue. Members views are sought on this aspect – see below.

Progress: this is concerned with ensuring that the strategic priorities that had already been set and were being delivered against continue to be supported. This may involve different types of support to projects from strategic bodies like the LEP and LCC. Strategic priorities included raising technical skills, delivering infrastructure for growth, helping towns to be resilient to change, and helping the area to take advantage of global and low carbon opportunities.

Prosper: these are new initiatives which build upon the area's strengths – tourism zone, defence sector cluster, food valley, internationalisation and low carbon strategies, etc. The LEP has co-ordinated small groups of officers, all with LCC officer membership, to work up the detailed plans for these initiatives. It is hoped that they will be presented to the government for investment when their business case is strong enough.

The "protect" aspect of the mid term recovery plan

This is the element which is concerned with immediate actions, to start to be delivered now and to last over the next two to three years. The table below shows the actions that are most directly relevant to addressing the short-term economic impact of Covid-19 and that are already being considered or developed by LCC officers. It is not intended to be a comprehensive economic development strategy.

Issue	Proposed action
Rising unemployment	Establish a task force approach to redundancy situations Provide advice to help businesses to reduce in scale
Tightening labour market	Ensure that the Kickstart scheme which places long-term unemployed people in jobs is available across Lincolnshire Deliver online Jobs Fairs and careers information to help people to understand about career opportunities in the county Promote self-employment as a career opportunity, especially to young people
Reduced business investment	Support "Buy Local" campaigns thereby providing more cash to local retailers Explore ways that small businesses can collaborate to reduce costs
Rapid digitisation	Deliver the next phase of the rural broadband programme and lobby for government investment in Lincolnshire in new technologies Deliver digital training to help people to have the digital skills that the economy requires
Localised impacts	Work with One Public Estate to explore whether public buildings can be used to deliver services for job seekers and local businesses within their community Continue to promote and deliver green tourism as a way of increasing visitors to Lincolnshire's coast

Members' views on the content/prioritisation of these would be welcomed. Specifically:

1. Are there any gaps in the list?
2. Do you think that the balance of proposed activities is right? Are there any that you would recommend prioritising over others?
3. Is there a particular group that is affected economically by Covid-19 that you would want to focus on?
4. How can the Council give reassurance to the community that it is addressing the economic impact of Covid-19?

2. Conclusion

This report sets out the current economic impact of Covid-19, and the actions that have already been carried out to reduce the impact. It explains the priorities of the mid-term economic recovery strategy and outlines some short-term actions that are being developed. The report seeks support from members for the content of the mid-term economic recovery strategy and the view of members on the short-term actions.

3. Consultation

a) Risks and Impact Analysis

None

4. Appendices

These are listed below and attached at the back of the report	
Appendix One	Protecting, Progressing, Prospering: A Covid-19 recovery strategy for Greater Lincolnshire
Appendix Two	Greater Lincolnshire Business and Economy Working Group – 6 Month Highlights

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Justin Brown, Assistant Director – Growth, who can be contacted on 07887 545356 or by e-mail at justin.brown@lincolnshire.gov.uk

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Protecting, Progressing, Prospering: A Covid-19 recovery strategy for Greater Lincolnshire

Greater Lincolnshire LEP

30/10/20

Immediate challenges:



Rising unemployment, which could become mass unemployment



Slow labour market recovery from previous recession



High levels of corporate debt weighing on business investment



Rapid digitisation excluding some from the labour market



Very localised effects, requiring different treatment

How we will work together to respond:



Local partnership

Confirming the LIS and LEP geography, and working with businesses and local authority colleagues on local actions



Rapid introduction of national policy

Including Kickstart, Job Support Scheme, and sector-based policies



An agreement with government to respond to local need

Funding to unlock strategic opportunities and pilots for national schemes (e.g. free ports)



Data sharing between authorities

To allow for real-time monitoring of the economic situation, enabling adaptability

Roadmap to Recovery

PROTECTING

Protecting our businesses and people from pandemic impacts

- Short-term Recovery Plan
- National recovery programmes
- Plus local responses

Progressing our plans which are already underway and quickly implementing funding and opportunities.

For example:

- Institute of Technology
- Getting Building Funding
- Towns Fund investments
- Strategic Infrastructure Delivery Plan
- ORE Catapult and Velocys bids
- Humber Free Port

PROGRESSING

Prospering with new programmes and ideas to transform and grow the Greater Lincolnshire economy.

For example:

- UK food Valley
- Industrial Decarbonisation cluster
- Defence clustering
- Centre for Food Logistics
- EV connectivity
- Energy Testbed
- Tourism zone
- Internationalisation strategy
- Widespread adoption and utilisation of 5G and increased FTTP

PROSPERING

Five Year Outputs

We will reduce CO2 emissions by 50% on 2005 levels while protecting jobs in the

We will have an established Tourism Zone, halving the shortfall between visitor numbers for peak and non-peak

Health solutions developed in Greater Lincolnshire will be being rolled out in rural and ageing communities



With the creation of the UK's first Food Valley, the most advanced food and farm technology will be found in Greater

We will be home to the UK's biggest freeport, by volume and value of trade

We will have established a distinct Defence cluster, visible on the ground and in national statistics

We will reverse the 12% decline in manufacturing productivity, catching up with the UK average



A quarter of firms will be undertaking R&D activities

The number of claimants will be back down below 3% in all districts by supporting quality jobs with career progression.

All businesses will be operating in a connected environment supported by a package of business services

We will have moved 10% of car users into more environmentally friendly modes of

We will bring vacancy rates down to below 10% in every town through adopting

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GREATER LINCOLNSHIRE BUSINESS AND ECONOMY WORKING GROUP **6 MONTH HIGHLIGHTS**

PROVIDING EMERGENCY FUNDING TO BUSINESSES



19,499 grants
have been provided to businesses,
totalling nearly **£227m** via the Small
Business Grant Fund and the Retail,
Hospitality and Leisure Grant Fund.



1,067 businesses
have benefitted from grants
totalling **£9.68m** through the Discretionary
Grant Fund.

ADVISING BUSINESSES AND HELPING THEM ADAPT TO THE FUTURE



Information about changes to
businesses are put on our website
within **24 hours** of them being
announced.



42,299 users
have accessed the website since
March 2020.



601 businesses
have been enrolled onto our
Business Growth Hub programme
with **1165** enrolled on our
support programme.



26 online events
have been delivered since March 2020
with a wide range of topics - from selling
online, to redundancy support to tools to
support working from home.

BEING READY TO TACKLE THE CHALLENGES FACING OUR WORKFORCE



We have briefed all partners on the
support that is available to help
individuals to retrain and the
support that is available to
businesses who are restructuring.
**All of this information is in one
single place that is accessible.**



£8 million
of grant funding has been allocated to
help fund our post-16 education providers
to invest in modern facilities.

ADAPTING FUNDING TO MEET NEW CIRCUMSTANCES



£25.8 million
has been attracted from the
government to invest in
economic growth.



£0.730 million
has been attracted from the Kickstart
grants and these were all allocated to
businesses within **24 hours** of the
programme opening.

KEEPING STAKEHOLDERS UP TO DATE WITH CHANGES



We have produced a weekly
economic assessment which has
advised the Local Resilience Forum
and government officials.



We have positioned the Quarterly
Economic Survey as the way of checking
business sentiment, and have increased the
number of businesses completing the
survey significantly.

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

Report to:	Overview and Scrutiny Management Board
Date:	26 November 2020
Subject:	Treasury Management Performance 2020/21 - Quarter 2 to 30 September 2020

Summary:

This report details the treasury management activities and performance for Quarter 2 of 2020/21 to 30th September 2020, comparing this to the Treasury Management Strategy and Annual Investment Strategy 2020/21 that was approved by the Executive Councillor for Resources and Communications on 20th March 2020. This report meets the reporting requirements as detailed in the CIPFA Code of Practice for Treasury Management which we follow.

Actions Required:

That the report is noted and any comments be passed onto the Executive Councillor for Resources and Communications.

1. Background

- 1.1. The Treasury Management Strategy and Annual Investment Strategy 2020/21 sets the framework for how we manage the cashflow, borrowing and treasury investments of the Council and the risks involved.
- 1.2. Actual activity and performance compared to this strategy is reported quarterly, this report being the second quarter report for 2020/21 covering the period up to 30th September 2020.
- 1.3. Activity and performance up to 30th September 2020 compared to the strategy is detailed in the Conclusion in Section 2 below. Supporting information is detailed in the attached appendices.

2. Conclusion

Comparison of Activity and Performance to Strategy for Period up to 30th September 2020

Interest Rate Forecast:

Strategy:

At the time of writing the Strategy:

- *Short term and long term rates were forecast to rise moderately over the next three years, by no more than 0.90%, and no more than 0.25% in 2020/21.*
- *This forecast based on assumption of an agreed deal on the Brexit withdrawal and set prior to the impacts of the Covid-19 pandemic to the economy and interest rates.*

Activity & Performance to 30th September 2020:

Short term Rates.	Due to measures to tackle the Covid-19 pandemic, Base Rate was cut to 0.10% by the end of March 2020 and has remained at that level since. Short Term LIBID rates have fallen below zero as LIBOR rates have fallen close to zero. The Bank of England is not expected to move Base Rate further for a considerable period, as impacts on the economy due to Covid-19 play out, although negative interest rates have been ruled out for the time being.
Long Term Rates.	Long term rates fell by up to 1.0% in March 2020 as the Covid-19 pandemic effects on the economy took hold and they have remained relatively flat over the period since.
Economic Review.	The Covid-19 pandemic caused severe shocks to the economy as the country was placed in lockdown in March 2020, with record falls in GDP and record increases in unemployment rate reported. Since the easing of lockdown, the economy has experienced a small recovery in these key areas. CPI inflation is expected to increase to over the 2% target by 2023 from 0.2% at present, although the Bank of England will not change interest rates until they see this as a persistent increase. Recovery of the economy is not expected to be a rapid V shape, more an elongated prolonged one. The recent announcement of the second national lockdown in November is likely to slow any improvement in GDP and keep interest rates low.

Appendix A shows a graph of key interest rate movements to 30th September 2020 together with an economic overview at this date and the latest interest rate forecast from Link Asset Services Ltd (TM Advisor) dated 11th August 2020.

Investments:

Strategy:

- *Investment priority – security first, liquidity second and finally yield.*
- *Aim to invest in all periods up to 2 years to suit direction of interest rates, at rates in excess of market levels.*
- *Low risk counterparty strategy adopted: minimum long term rating for approved counterparties set at 'A' and Sovereign Rating of 'AA-' for any two from three credit rating agencies.*

Activity & Performance to 30th September 2020:

Investment Position and Performance.

Investments outstanding at 30th September 2020, stemming from the Council's cash flow resources, stood at £341.7m. The return on investments has continued to exceed benchmark returns and benchmark comparators, for the level of risk taken, by some margin. Achieved by having a longer weighted average maturity of investments, which was 124 days at the end of the period, whilst benchmark rates have fallen drastically due to Covid-19 measures. Investment returns are on a falling trend however and higher liquidity balances are being held due to cash flow uncertainty caused by the Covid-19 measures that yield the lowest return. For more detail see **Appendix B**.

Lending List Changes.

There have been some downgrades (one notch) and negative watches placed on some countries and banks, including the UK, due to the impact of Covid-19. However this has not resulted in any changes to Lending or Maturity Limits at present. There has also been no change to the Annual Investment Strategy that sets the Council's investment risk appetite. The Lending List as at 30th September 2020 is shown in **Appendix C**.

Appendix D shows a full list of investments held at 30th September 2020, combined with the creditworthiness list provided by Link Asset Services (TM Advisor). It shows that the proportion of lending to other Councils has increased over the period (at lower risk), whilst lending to banks has fallen as many banks have withdrawn from the market, securing funding by Central Banks at this time.

Borrowing:

Strategy:

- *Long term external borrowing at start of year was £501.5m, costing 3.757%.*
- *New borrowing requirement for 2020/21 to finance capital programme was set at £137.9m.*

- *It was agreed that internal borrowing would be maintained at around 15%-16% of the capital financing requirement for 2020/21 which is around £122.9m. (Internal borrowing is using the Council's own internal cash balance to meet borrowing requirement).*
- *Any external long term borrowing would be taken with the aim to reduce the overall cost of debt and for periods to ensure an even debt maturity profile.*

Activity & Performance to 30th September 2020:

Revised Borrowing Requirement. Taking into account carry forwards, internal borrowing and estimated rephasing and underspends, the borrowing requirement at 30th September 2020 was revised down to £20.675m and projected internal borrowing increased to £162.0m by 31st March 2021.

Borrowing Position and Performance.

No external borrowing has been undertaken in the period to date. This is due to several factors: further rephasing expected during the year resulting in a reduction in borrowing requirement; awaiting the outcome of a PWLB Consultation whereby rates are expected to be reduced again by 1% for non-commercial lending; little expectation of an increase in borrowing rates expected over the year so can afford to wait and avoid cost of carry on borrowing. Due to repayment of borrowing to date, the cost of the Council's borrowing has fallen to 3.750%. The projected balance of long term debt at the year-end has fallen to £507.9m from £618.4m forecast when writing the Strategy.

Temporary Borrowing.

Temporary borrowing of £15.5m was undertaken in the period at an average cost of 0.08% to cover forecasted liquidity shortfalls later in the year. No temporary borrowing is expected to remain outstanding at 31st March 2021.

Debt Rescheduling.

No debt rescheduling was undertaken in the period.

Prudential Indicator Limits 2020/21.

All prudential limits were met with no breaches during the period.

Appendix E shows borrowing detail and latest maturity profile at 30th September 2020.

3. Consultation

a) Risks and Impact Analysis

Risk & impact analysis for treasury management forms TMP1 of the Treasury Management Practices that are required by the CIPFA Code of Practice 2017. A treasury management risk register details the main risks for treasury management and this is reviewed annually. Both the TMPs and the risk register are held in the Corporate Section of Financial Strategy at County Offices.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Movement of Key Interest Rates to 30 th September 2020, Economic Background and Latest Interest Rate Forecast from Link Asset Services Ltd.
Appendix B	Investments: Activity & Performance at 30 th September 2020.
Appendix C	Authorised Lending List at 30 th September 2020 and Credit Rating Key.
Appendix D	Investment Analysis Review at September 2020 - Link Asset Services Ltd.
Appendix E	Borrowing: Activity & Performance and Long Term Maturity Profile at 30 th September 2020.

5. Background Papers

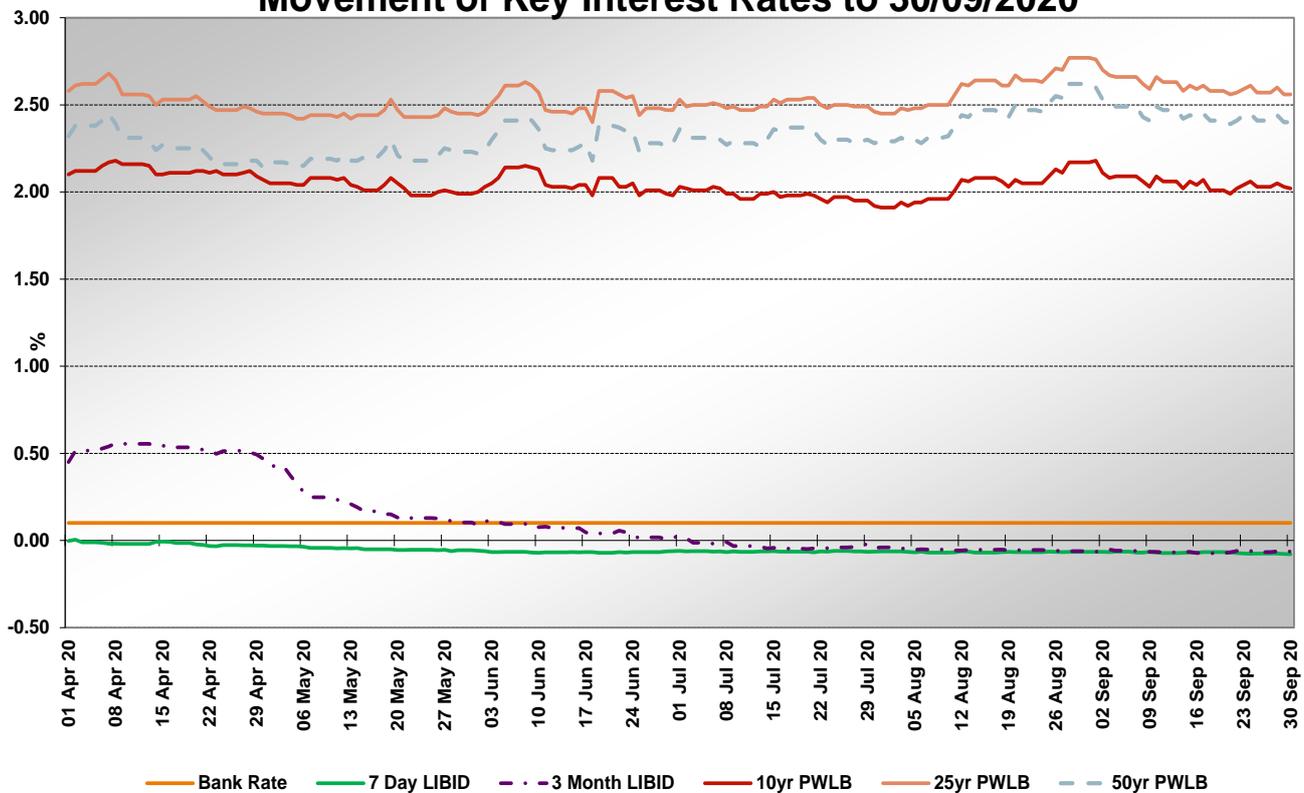
The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Treasury Management Strategy Statement and Annual Investment Strategy 2020/21 - 20/3/2020	https://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=590
Council Budget 2020/21 - 21/2/2020	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&MId=5627

This report was written by Karen Tonge, who can be contacted on 01522 553639 or karen.tonge@lincolnshire.gov.uk.

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Movement of Key Interest Rates to 30/09/2020



Interest Rate Forecast – Link Asset Services Ltd (11 Aug 2020)

Link Group Interest Rate View 11.8.20		Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings		0.05	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings		0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings		0.15	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate		1.90	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate		2.10	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate		2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate		2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

1. Economic Overview – Link Assets Services Ltd – (September 2020)

- The global economy experienced a solid bounce following the easing of the initial pandemic lockdowns; however it remains weighed down by the effects of COVID. Additionally, the ongoing, recent increases in infections across the economic regions have seen fresh localised lockdowns that could spread and would potentially hold back recovery. The major challenge to all areas will be how the labour markets and businesses react to the cessation of the widespread furlough, job and business support schemes that have essentially prevented a total economic collapse.
- **UK.** The Bank of England's Monetary Policy Committee (MPC) kept Bank Rate unchanged on 6th August and subsequently on 16th September. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of the following areas:
 - The fall in **GDP** in the first half of 2020 was revised from 28% to 23% then subsequently revised to a final reading of -21.5%. However monthly GDP data for July confirmed that the economy grew by 6.6% compared to June. Whilst the economy has grown by 18.6% since the April contraction, it still remains 11.7% smaller than in February prior to the outbreak of the pandemic.
 - **Unemployment rate** rose to 4.1% in the three months to July from 3.9% in the three months to June as the number of people in work fell by 12000. However, the number of people claiming unemployment benefits rose by 73700 in August, little changed from July's 69,900 rise, suggesting that the majority of the 3 million workers that have come off furlough since June have, to date, gone back to their jobs rather than into unemployment or inactivity. This may explain why average earnings increased in July as many workers receiving 80% of their salaries on furlough to 100% upon returning to work.
 - **CPI Inflation** fell to 0.2% in August compared to 1% in July, but was slightly higher than market expectations of a flat reading. This was driven largely by big price falls from restaurants and cafes due to the Eat Out to Help Out Scheme. CPI inflation was projected to be above the 2% target by 2023 due to spare capacity in the market. With inflation so far below the target, there was no change to interest rates by the MPC at its September meeting.
 - **Retail sales** are now 4% higher than their pre-pandemic level in February and up 2.8%/y/y, buoyed by easing of lockdown restrictions and the Eat Out to Help Out scheme.
- Whilst the MPC has been briefed on how a **negative Bank Rate** might be implemented effectively, it is not thought that negative interest rates will be used, at least in the next six months or so, with other instruments being available, including QE and the use of forward guidance.
- The MPC expected the £300bn of **quantitative easing** purchases announced between its March and June meetings to continue until the "turn of the year". This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.
- The MPC however acknowledged that the "medium-term projections were a less informative guide than usual" and the minutes had multiple references to **downside risks**, which were judged to persist both in the short and medium term. One has only to look at the way in which second waves of the virus are now impacting many countries including Britain, to see the dangers. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down of the

initial generous furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in the year. Admittedly, the Chancellor announced in late September a second six month package from 1 November of government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours. There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce still on furlough in mid-September.

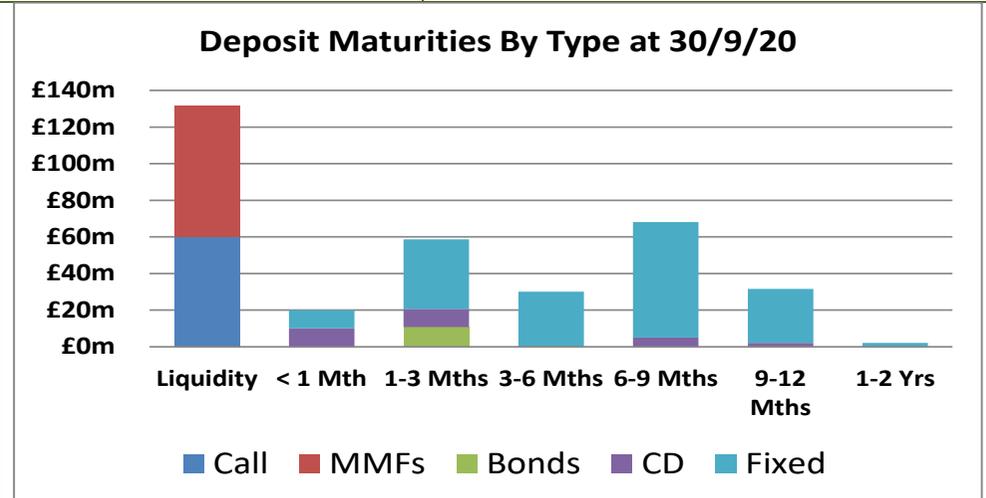
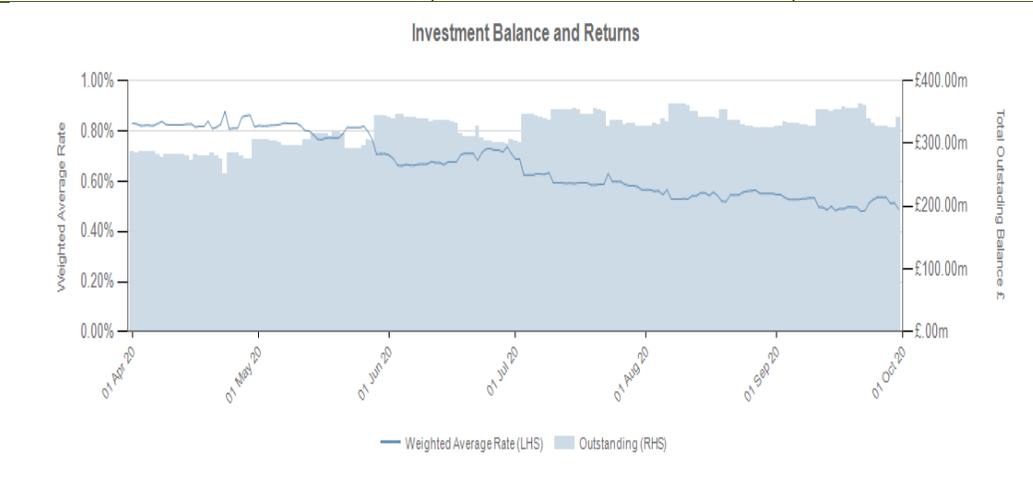
- Overall, **the pace of recovery** is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.
- One key addition to **the Bank's forward guidance** was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate
- The UK reported a public sector current budget deficit (excluding public sector banks) of £32.0 billion in August, compared to £13.6 billion deficit in July and a £3.1 billion a year deficit in earlier years. Borrowing was a record £35.9 billion in August, roughly 7 times the level from the same time last year.
- **US.** The incoming sets of data during the first week of August were almost universally stronger than expected. With the number of new daily coronavirus infections beginning to abate, recovery from its contraction this year of 10.2% should continue over the coming months and employment growth should also pick up again. However, growth will be dampened by continuing outbreaks of the virus in some states leading to fresh localised restrictions. At its end of August meeting, the Fed tweaked **its inflation target** from 2% to maintaining an average of 2% over an unspecified time period i.e. following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This change is aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. The Fed also called on Congress to end its political disagreement over providing more support for the unemployed as there is a limit to what monetary policy can do compared to more directed central government fiscal policy. The FOMC's updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely

to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

- **EU.** The economy was recovering well towards the end of Q2 after a sharp drop in GDP, (e.g. France 18.9%, Italy 17.6%). However, the second wave of the virus affecting some countries could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and has enabled it to recover all of the contraction in Q1. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.
- **Japan.** There are some concerns that a second wave of the virus is gaining momentum and could dampen economic recovery from its contraction of 8.5% in GDP. It has been struggling to get out of a deflation trap for many years and to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. The resignation of Prime Minister Abe is not expected to result in any significant change in economic policy.
- **World growth.** Latin America and India are currently hotspots for virus infections. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

Investment Position at 30th September 2020

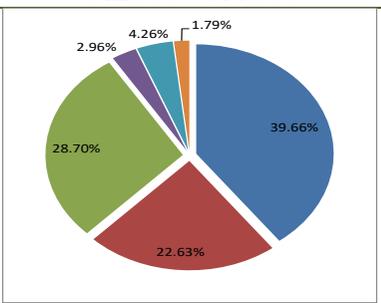
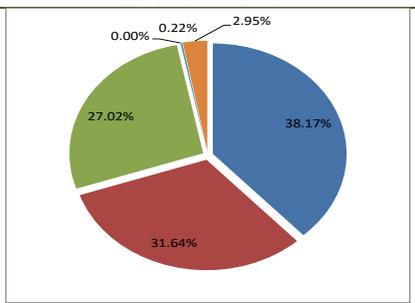
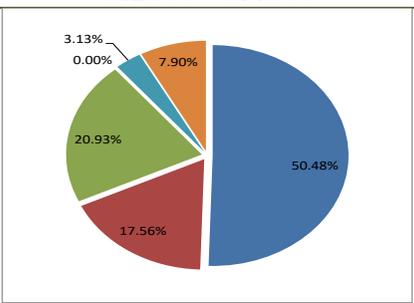
Investments Outstanding 30.9.20	Weighted Average Maturity (WAM)	Benchmark Return (7Day/ 3 Month LIBID) - Annualised	Council Performance- Annualised
£341.728m	124 Days	0.073%	0.665%



Link Benchmarking Analysis of Investments at 30th September 2020

	LCC	Benchmark Group (14)	English Counties(14)
Return at 30.9.20	0.49%	0.28%	0.34%
WAM	124	69	78
Risk Weighted Score (Duration & Credit Quality)	2.20	2.75	2.48
Model Banding- Expected Return for Risk Taken	0.28% - 0.45%	0.21% - 0.38%	0.23% - 0.40%

0.690%	Fixed Deposits
0.360%	Call & O/N
0.060%	MMFs
0.000%	Enhanced MMFs
0.460%	Bonds
0.610%	CDs



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Appendix C

LINCOLNSHIRE COUNTY COUNCIL		LENDING OF TEMPORARY SURPLUSES				FITCH IBCA		For Treas
Country		Lending Limit £m	Maturity Limit	# Watch/ Outlook Adjusted		Long Term	Credit Rating Sovereign	CDS Overlay
	1 Other Local Authorities	20 each	24 Months					
	2 Debt Management Account Deposit Facility	50	6 Month					
	3 UK Banks :							
	# HSBC Group	20	365 Day					
UK	HSBC Bank Plc (RFB)	20	365 Day	365 Day	NO	AA-	AA-	365 Day
	HSBC Evergreen Notice Account	20	365 Day					
	# RBS Group - Part Nationalised	40	365 Day					
UK	National Westminster Bank Plc (RFB)	40	365 Day	365 Day	NO	A+	AA-	365 Day
UK	Royal Bank of Scotland Plc (RFB)	40	365 Day	365 Day	NO	A+	AA-	365 Day
	# LloydsHBOS Group	20	365 Day					
	Lloyds TSB Bank Plc (RFB)	20	365 Day	365 Day	NO	A+	AA-	365 Day
	Bank of Scotland PLC (RFB)	20	365 Day	365 Day	NO	A+	AA-	365 Day
UK	Barclays Bank PLC (NRFB)	15	6 Months	6 Months	NW	A+	AA-	6 Months
UK	Close Brothers Ltd	15	6 Months	6 Months	NO	A-	AA-	6 Months
UK	Nationwide Building Society	15	6 Months	6 Months	NO	A	AA-	6 Months
UK	Santander UK PLC	15	6 Months	6 Months	NO	A+	AA-	6 Months
UK	Standard Chartered Bank	15	6 Months	6 Months	NO	A+	AA-	6 Months
	4 Other Banks							
AUS	Australia & New Zealand Banking Group	20	365 Day	365 Day	NO	A+	AAA	365 Day
AUS	Commonwealth Bank of Australia	20	365 Day	365 Day	NO	A+	AAA	365 Day
AUS	National Australia Bank	20	365 Day	365 Day	NO	A+	AAA	365 Day
AUS	Macquarie Bank Ltd.	15	6 Months	6 Months	NO	A	AAA	6 Months
AUS	Westpac Banking Corporation	20	365 Day	365 Day	NO	A+	AAA	365 Day
	# BNP Paribas Group	20	365 Day					
BEL	BNP Paribas Fortis	15	6 Months	6 Months	NW	A+	AA	6 Months
FRA	BNP Paribas	20	365 Day	365 Day	NW	A+	AA	365 Day
CAN	Bank of Montreal	20	365 Day	365 Day	NO	AA-	AAA	365 Day
CAN	Bank of Nova Scotia	20	365 Day	365 Day	NO	AA-	AAA	365 Day
CAN	Canadian Imperial Bank Commerce	20	365 Day	365 Day	NO	AA-	AAA	365 Day
CAN	National Bank of Canada	15	6 Months	6 Months	NO	A+	AAA	6 Months
CAN	Royal Bank of Canada	20	365 Day	365 Day	NO	AA	AAA	365 Day
CAN	Toronto Dominion Bank	20	365 Day	365 Day	NO	AA-	AAA	365 Day
DEN	Danske A/S	15	6 Months	6 Months	SB	A	AAA	6 Months
FRA	Credit Industriel et Commercial	15	6 Months	6 Months	NO	A+	AA	6 Months
FRA	Societe Generale	15	6 Months	6 Months	SB	A-	AA	6 Months
FIN	Nordea Bank Abp	20	365 Day	365 Day	NO	AA-	AA+	365 Day
FIN	OP Corporate Bank	20	365 Day	365 Day	NO	AA-	AA+	365 Day
GER	DZ Bank AG	20	365 Day	365 Day	NO	AA-	AAA	365 Day
GER	Landesbank Hessen-Thuringen Girozentrale (Heleba)	20	365 Day	365 Day	NO	A	AAA	365 Day
NETH	Bank Nederlande Gemeenten	25	24 Months	24 Months	SB	AAA	AAA	24 Months
NETH	Cooperative Centrale Raiffeisen Boerenleenbank BA (Rabobank)	20	365 Day	365 Day	NO	A+	AAA	365 Day
NETH	ING Bank NV	20	365 Day	365 Day	NO	AA-	AAA	365 Day
SING	DBS Bank Ltd	20	365 Day	365 Day	NW	AA-	AAA	365 Day
SING	Oversea Chinese Banking Corporation Ltd	20	365 Day	365 Day	NW	AA-	AAA	365 Day
SING	United Overseas Bank	20	365 Day	365 Day	NW	AA-	AAA	365 Day
SWITZ	UBS AG	20	365 Day	365 Day	NO	AA-	AAA	365 Day
SWITZ	Credit Suisse AG	15	6 Months	6 Months	SB	A	AAA	6 Months
SWE	Skandinaviska Enskilda Banken AB	20	365 Day	365 Day	NO	AA-	AAA	365 Day
SWE	Swedbank AB	20	365 Day	365 Day	SB	A+	AAA	365 Day
	# Svenska Group	20	365 Day					
SWE	Svenska Handelsbanken AB	20	365 Day	365 Day	NO	AA	AAA	365 Day
UK	Handelsbanken Plc	20	365 Day	365 Day	NO	AA	AA-	365 Day
	Svenska Handelsbanken - 35 Day Notice Account	20	365 Day	365 Day				365 Day
	Svenska Handelsbanken- 10 Day Notice Account	20	365 Day	365 Day				365 Day
	Svenska Handelsbanken- Call Account	20	365 Day	365 Day				365 Day
USA	Bank of New York Mellon	25	24 Months	24 Months	SB	AA	AAA	24 Months
USA	Bank of America NA	20	365 Day	365 Day	SB	AA-	AAA	365 Day
USA	JP Morgan Chase Bank NA	20	365 Day	365 Day	NO	AA	AAA	365 Day
	5 AAA Money Market Funds							
	# MMF Group	100	24 Months					
	HSBC Global Liquidity Fund	20	24 Months			AAA		
	Morgan Stanley Sterling Liquidity Fund	20	24 Months			AAA		
	Deutsche Managed Sterling Fund	20	24 Months			AAA		
	Insight GBP Liquidity Fund	20	24 Months			AAA		
	Aberdeen Standard Liquidity Fund	20	24 Months			AAA		
	# Group Limit of applies where indicated.							
	** A maximum of 20% of total funds to be held in the Building Society Sector.							
	** No more than 20% of total funds to be held in any one institution or group, excluding Govt/MMFs.							
	Any adverse press comments concerning borrowers/potential borrowers should be referred to M Grady / S Maycock / K Tonge / N Kay.							
					Revised:	30th September 2020		

Definition of Credit Ratings and Credit Default Swap Spreads

Credit Ratings:

Long Term Rating (Fitch)

The Long Term rating assesses the borrowing characteristics of banks and the capacity for the timely repayment of debt obligations which apply to instruments of up to 5 years duration.

Long Term Ratings range from AAA, AA, A to DDD, DD, D. Only Institutions with Ratings of A+ and above are acceptable on the Councils Lending List as follows:

AAA - Highest Credit Quality - lowest expectation of credit risk. Exceptionally strong capacity for timely payment of financial commitments. Highly unlikely to be adversely affected by foreseeable events.

AA - Very High Credit Quality - Very low expectation of credit risk. Very strong capacity for timely payment of financial commitments. Not significantly vulnerable to foreseeable events.

A - High Credit Quality - Low expectation of credit risk. Strong capacity for timely payment of financial commitments. More vulnerable to adverse foreseeable events than the case for higher ratings.

“+” Or “-” may be appended to a rating to denote relative status within major rating categories.

Sovereign Ratings (Fitch)

The Sovereign (Governments of Countries) Rating measures a sovereign’s capacity and willingness to honour its existing and future obligations in full or on time. It looks at factors such as:

- Macroeconomic performance and prospects;
- Structural features of the economy that render it more or less vulnerable to shocks as well as political risk and governance factors;
- Public finances, including the structure and sustainability of public debt as well as fiscal financing;
- The soundness of the financial sector and banking system, in particular with respect to macroeconomic stability and contingent liability for the sovereign; and
- External finances, with a particular focus on the sustainability of international trade balances, current account funding and capital flows, as well as the level and structure of external debt (public and private).

Sovereign Ratings range from AAA, AA, A to DDD, DD, D. Only countries with a Sovereign Rating AA- are acceptable on the Councils Lending List.

Credit Rating Watches and Outlooks issued by Credit Rating Agencies

Rating Watches -indicate that there is a heightened probability of a rating change in the short term either in a positive or negative direction. A Rating Watch is typically event-driven and, as such, it is generally resolved over a relatively short period.

Rating Outlooks -indicate the direction a rating is likely to move over a one- to two-year period reflecting a position not yet reached but if trends continue will do so hence triggering a rating move.

Money Market Fund Rating (Moody's)

Aaa/MR1+ - this rating denotes the lowest expectation of default risk. It is assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. Funds rated MR1+ are considered to have the lowest market risk.

Credit Default Swap (CDS) Spreads

A CDS is effectively a contract between two counterparties to 'insure' against default. The higher the CDS price of a counterparty, the higher the supposed risk of default. The CDS level therefore provides a perceived current market sentiment regarding the credit quality of a counterparty and generally the movement in the CDS market gives an early warning of the likely changes in credit ratings of a counterparty.

Link has employed a benchmark system which compares the CDS spread of a counterparty against a pre-determined benchmark rate (iTraxx Senior Financial Index) to produce a CDS status overlay of 'In Range', 'Monitoring' or 'Out of Range' and this status is used to further determine the creditworthiness of the counterparty.

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Lincolnshire County Council

Monthly Investment Analysis Review

September 2020

Monthly Economic Summary

General Economy

The UK Flash (i.e. provisional) Manufacturing PMI fell to 54.3 in September from August's final release of 55.2, as both output and new business growth slowed from August's recent peak. Similarly, the Flash Services PMI eased to 55.1 in September from 58.8 in August, signifying the slowest growth in the sector for three months. In turn, these releases led to the Flash Composite PMI (which incorporates both sectors), falling to 55.7 in September from 59.1 in August. Meanwhile, the construction PMI, which is released one month behind the others, fell to 54.6 in August from 58.1 in July, as a lack of new contracts to replace completed contracts acted as a brake on the speed of expansion. In spite of the recent reduction in activity levels, all sectors remained comfortably in "expansion" territory – i.e. a reading in excess of 50 – as the economy continued to recover.

The final reading of second quarter GDP confirmed that the UK contracted by 19.8% q/q and 21.5% y/y, which were both marginally lower than preliminary estimates (of 20.4% and 21.7% respectively). However, more timely monthly GDP data for July confirmed that the economy grew by 6.6% m/m compared to June, registering its third consecutive month of growth since April's 20.4% m/m contraction. During this time the UK economy has grown by 18.6%, although it remains 11.7% smaller than in February, prior to the outbreak of the pandemic. Elsewhere, data showed that imports rose 7.5% m/m in July, outpacing a 3.5% rise in exports, causing the UK's trade surplus to narrow to £1.1 billion from a downwardly revised £3.9 billion in June.

Although the economy grew during July, the unemployment rate rose to 4.1% in the three months to July from 3.9% in the three months to June, as the number of people in work fell by 12,000. Since this data related to the period before the furlough scheme started to be unwound in August however, arguably of greater significance was the fact that the number of people claiming unemployment benefits rose by 73,700 in August, little changed from July's 69,900 rise – perhaps suggesting that the overwhelming majority of the estimated 3 million workers that have come off furlough since June have, to date, gone back to their jobs rather than into unemployment or inactivity. This may, in turn, explain July's upturn in average earnings (including bonuses), which contracted just 1% y/y in the three months to July compared to a 1.2% y/y fall in the three months to June - as many of those workers would have gone from receiving 80% of their salaries on the furlough to 100% upon returning to work.

UK inflation, as measured by the Consumer Price Index, fell to just 0.2% y/y in August compared to 1% in July, but was slightly higher than market expectations of a flat reading. This was the lowest reading since December 2015, driven largely by big price falls from restaurants and cafes due to the Eat Out to Help Out Scheme which was live throughout the month. This scheme had also had a positive impact on service sector activity in August and its conclusion can account for the last part of the fall in the PMI in September. As a result, consumer prices fell by 0.4% m/m in August, recording their biggest drop since January 2019. Similarly, the core inflation rate – which strips out the more volatile components like energy, food and alcoholic beverages – fell to 0.9% y/y in August, down from 1.8% in July, recording its lowest reading since June 2015. With inflation so far below target, it was no surprise to see the Monetary Policy Committee leave monetary policy unchanged during its September meeting - although the market did note that the Committee had been briefed on how a negative Bank Rate might be implemented effectively. As detailed in our forecast below, Link Group continues to expect Bank Rate to remain at 0.1%.

Buoyed partly by the impact of the Eat Out to Help Out scheme, retail sales rose by 0.8% m/m in August, slightly outperforming market expectations of a 0.7% rise. Retail sales are now 4% higher than their pre-pandemic level in February and up 2.8% y/y. The

GfK Consumer Confidence Index, meanwhile, rose to -25 in September from -27 in August, but remains considerably lower than the -7 reading in February, prior to the pandemic. Reflecting the impact of public health measures and government policies to support the economy during the coronavirus pandemic, the UK reported a record public sector current budget deficit (excluding public sector banks) of £32.0 billion in August, compared July's £13.6 billion deficit. August's deficit compares to a deficit of just £3.1 billion a year earlier. Excluding public sector-owned banks, borrowing was a record £35.9 billion, roughly seven times more than in August 2019. In the US, the economy added another 1.4 million jobs in August, which was slightly below both market expectations and the downwardly revised 1.7 million jobs added in July. Nevertheless, the unemployment rate fell further as a result, to 8.4% from July's 10.2% rate, and below market expectations of 9.8% rate. With prices (as measured by the Fed's preferred core Personal Consumption Expenditure deflator) having fallen by 0.8% in Q2, it was no surprise to see the Federal Reserve maintain their current monetary policy stance during September's meeting. In so doing however, they also noted that the Federal Funds Rate target range is expected to remain between 0-0.25% until labour market conditions are consistent with their assessment of maximum employment and that inflation is above 2% and on track to moderately exceed it for some time. In Europe, the final estimate for GDP confirmed that the Eurozone economy shrank by 11.8% q/q in Q2, compared to a 3.6% contraction in the previous quarter, and slightly lower than initial estimates of a 12.1% contraction. While better than the initial estimates, two consecutive periods of contraction meant that the bloc's economy was now in recession. In addition, this figure meant that, for the second quarter in a row, the bloc has suffered its steepest ever contraction. With the final estimate of Eurozone inflation showing that prices fell by 0.2% y/y in August, the ECB decided again to leave both policy rates and its coronavirus stimulus programme unchanged during its September meeting.

Housing

Both the Halifax and Nationwide house price indices rose during August, by 1.6% m/m and 2% m/m respectively. As such, prices are now 5.2% and 3.7% higher than a year ago respectively, their recent gains partly driven by the stamp duty holiday announced by the Chancellor earlier this year.

Currency

The prospect of a no deal Brexit undermined Sterling this month, which fell against both the Dollar and the Euro.

September	Start	End	High	Low
GBP/USD	\$1.1241	\$1.1025	\$1.1241	\$1.0805
GBP/EUR	€ 1.34	€ 1.29	€ 1.34	€ 1.27

Forecast

Both Link Group and Capital Economics have maintained their interest rate forecasts amid the coronavirus outbreak. Bank Rate is forecast to remain unchanged at 0.1% throughout 2020 and 2021.

Bank Rate	Now	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Group	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Capital Economics	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-	-

Lincolnshire County Council

Current Investment List

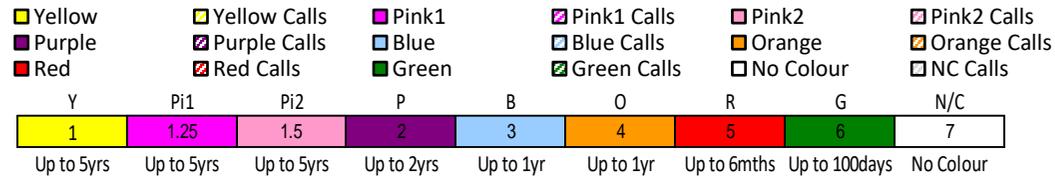
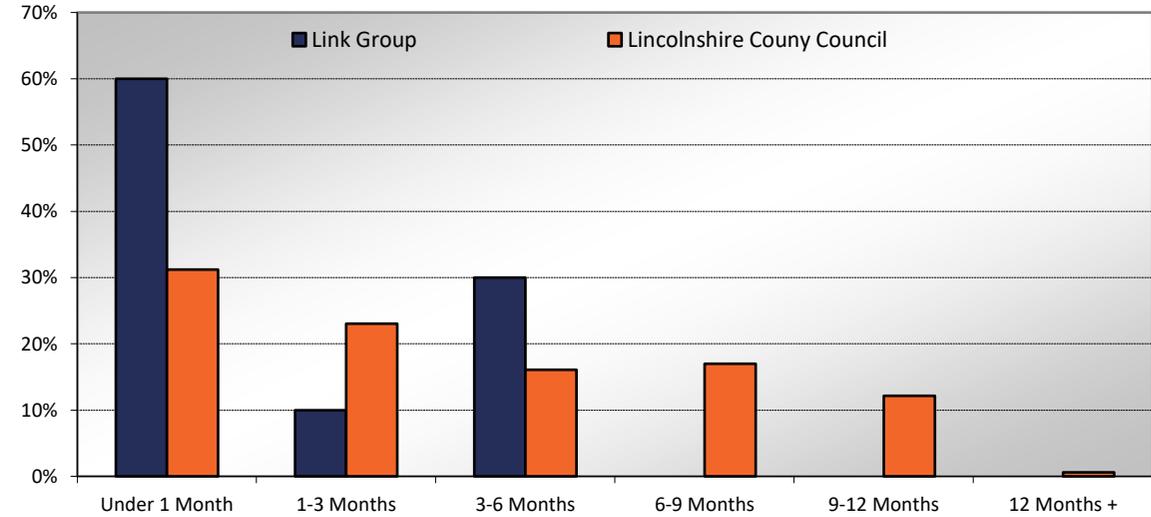
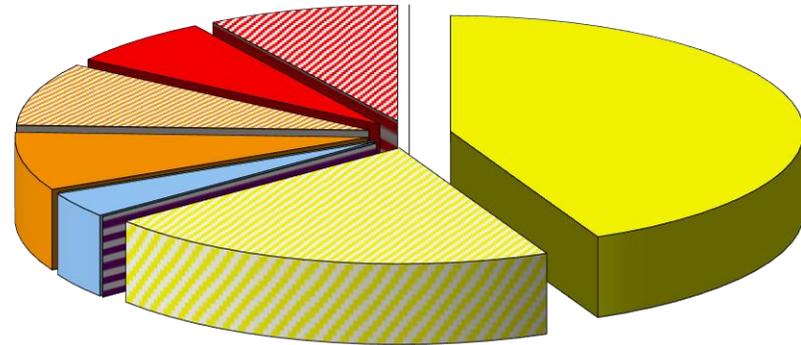
Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
MMF Deutsche	20,000,000	0.06%		MMF	AAA	0.000%
MMF Insight	11,540,000	0.02%		MMF	AAA	0.000%
MMF Aberdeen Standard Investments	20,000,000	0.09%		MMF	AAA	0.000%
MMF Morgan Stanley	20,000,000	0.07%		MMF	AAA	0.000%
Cherwell District Council	5,000,000	1.00%	18/10/2019	16/10/2020	AA-	0.001%
Standard Chartered Bank	5,000,000	1.00%	27/04/2020	27/10/2020	A	0.004%
Handelsbanken Plc	20,000,000	0.25%		Call30	AA-	0.002%
Standard Chartered Bank	5,000,000	0.82%	30/04/2020	30/10/2020	A	0.004%
Elmbridge Borough Council	5,000,000	0.90%	23/04/2020	02/11/2020	AA-	0.002%
Eastleigh Borough Council	10,000,000	0.05%	07/08/2020	09/11/2020	AA-	0.003%
Standard Chartered Bank	5,000,000	0.48%	15/05/2020	16/11/2020	A	0.007%
DBS Bank Ltd	5,000,000	0.36%	29/05/2020	27/11/2020	AA-	0.004%
National Westminster Bank Plc (RFB)	5,000,000	0.40%	28/05/2020	30/11/2020	A	0.009%
Plymouth City Council	5,000,000	0.60%	02/06/2020	02/12/2020	AA-	0.004%
UBS AG	1,051,758	0.62%	03/06/2020	10/12/2020	A+	0.010%
UBS AG	1,009,365	0.62%	03/06/2020	10/12/2020	A+	0.010%
UBS AG	1,009,814	0.53%	09/06/2020	10/12/2020	A+	0.010%
UBS AG	4,543,338	0.57%	11/06/2020	10/12/2020	A+	0.010%
Fife Council	5,000,000	1.00%	14/02/2020	14/12/2020	AA-	0.005%
DBS Bank Ltd	5,000,000	0.09%	15/09/2020	15/12/2020	AA-	0.005%
Thurrock Borough Council	2,000,000	0.95%	19/12/2019	17/12/2020	AA-	0.005%
Macquarie Bank Limited	3,074,102	0.18%	06/08/2020	18/12/2020	A	0.011%
Reigate & Banstead Borough Council	6,000,000	1.00%	18/12/2019	18/12/2020	AA-	0.005%
HSBC UK Bank Plc (RFB)	10,000,000	0.18%		Call90	A+	0.013%
DBS Bank Ltd	5,000,000	0.10%	28/09/2020	31/12/2020	AA-	0.006%
Barclays Bank Plc (NRFB)	15,000,000	0.30%		Call95	A	0.014%
Stockport Metropolitan Borough Council	5,000,000	1.00%	20/02/2020	18/02/2021	AA-	0.009%
Canterbury City Council	2,000,000	1.10%	24/02/2020	24/02/2021	AA-	0.010%
Corby Borough Council	2,000,000	1.06%	27/02/2020	25/02/2021	AA-	0.010%
Close Brothers Ltd	5,000,000	0.45%	17/09/2020	17/03/2021	A-	0.024%
Bury Metropolitan Borough Council	5,000,000	1.00%	20/03/2020	19/03/2021	AA-	0.011%
Wokingham Borough Council	5,000,000	1.42%	27/03/2019	26/03/2021	AA-	0.012%
Santander UK Plc	15,000,000	0.70%		Call180	A	0.026%
Walsall Metropolitan Borough Council	1,000,000	1.00%	31/03/2020	30/03/2021	AA-	0.012%
Bedford Borough Council	3,000,000	0.47%	15/07/2020	15/04/2021	AA-	0.013%
Plymouth City Council	5,000,000	0.50%	23/07/2020	23/04/2021	AA-	0.014%
Stockport Metropolitan Borough Council	5,000,000	0.95%	30/04/2020	29/04/2021	AA-	0.014%
Blaenau Gwent County Borough Council	5,000,000	0.95%	21/05/2020	20/05/2021	AA-	0.015%

Lincolnshire County Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Slough Borough Council	5,000,000	0.95%	29/05/2020	28/05/2021	AA-	0.016%
Brentwood Borough Council	5,000,000	0.45%	16/09/2020	16/06/2021	AA-	0.017%
Rugby Borough Council	5,000,000	1.20%	31/01/2020	18/06/2021	AA-	0.017%
Rotherham Metropolitan Borough Council	5,000,000	0.95%	23/06/2020	22/06/2021	AA-	0.018%
Liverpool City Council	5,000,000	0.65%	24/06/2020	23/06/2021	AA-	0.018%
Glasgow City Council	5,000,000	0.30%	24/09/2020	24/06/2021	AA-	0.018%
DBS Bank Ltd	5,000,000	0.40%	26/06/2020	25/06/2021	AA-	0.018%
Fife Council	5,000,000	0.79%	29/06/2020	28/06/2021	AA-	0.018%
National Westminster Bank Plc (RFB)	5,000,000	0.42%	03/07/2020	02/07/2021	A	0.040%
Doncaster Metropolitan Borough Council	5,000,000	1.10%	16/08/2019	02/07/2021	AA-	0.018%
National Westminster Bank Plc (RFB)	2,000,000	0.42%	06/07/2020	05/07/2021	A	0.040%
Redcar & Cleveland Borough Council	5,000,000	0.50%	27/07/2020	26/07/2021	AA-	0.020%
London Borough of Croydon	5,000,000	1.00%	06/08/2020	05/08/2021	AA-	0.020%
Blackpool Borough Council	5,000,000	0.47%	07/08/2020	06/08/2021	AA-	0.020%
Broxbourne Borough Council	2,000,000	0.40%	21/08/2020	20/08/2021	AA-	0.021%
Corby Borough Council	2,500,000	0.45%	25/08/2020	24/08/2021	AA-	0.022%
Canterbury City Council	5,000,000	0.35%	18/09/2020	17/09/2021	AA-	0.023%
South Ayrshire Council	5,000,000	0.45%	21/09/2020	20/09/2021	AA-	0.023%
Cardiff City Council	2,000,000	1.55%	10/01/2020	10/01/2022	AA-	0.029%
Total Investments	£341,728,377	0.49%				0.010%

Portfolio Composition by Link Group's Suggested Lending Criteria



Portfolios weighted average risk number = 2.20

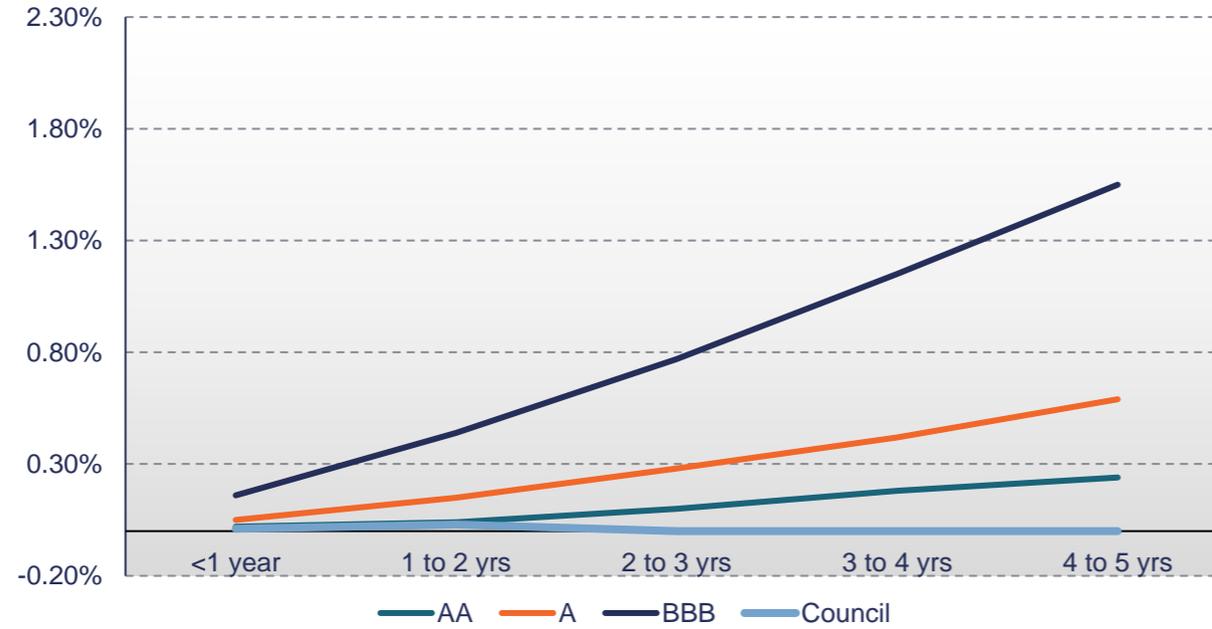
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Colour		Amount of		% of Call		Excluding Calls/MMFs/USDBFs			
	% of Portfolio	Amount	in Calls	Colour in Calls	in Portfolio	WARoR	WAM	WAM at Execution	WAM	WAM at Execution
Yellow	64.10%	£219,040,000	32.66%	£71,540,000	20.93%	0.53%	137	238	204	354
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	3.51%	£12,000,000	0.00%	£0	0.00%	0.41%	186	290	186	290
Orange	16.86%	£57,614,275	52.07%	£30,000,000	8.78%	0.28%	78	114	109	183
Red	15.53%	£53,074,102	56.52%	£30,000,000	8.78%	0.55%	108	154	69	176
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£341,728,377	38.49%	£131,540,000	38.49%	0.49%	124	206	176	308

Lincolnshire County Council

Investment Risk and Rating Exposure

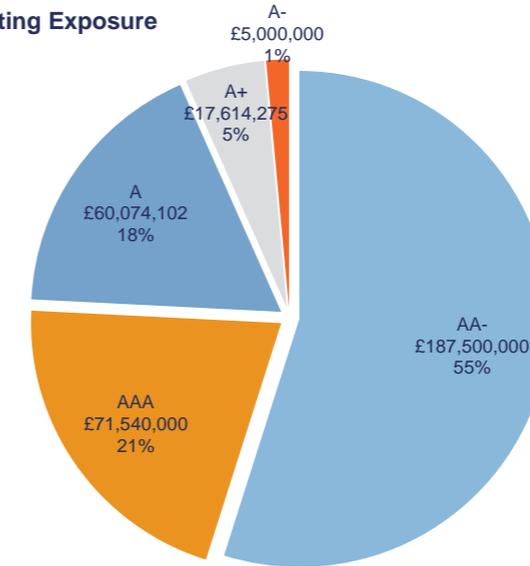
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.10%	0.18%	0.24%
A	0.05%	0.15%	0.28%	0.42%	0.59%
BBB	0.16%	0.44%	0.77%	1.15%	1.55%
Council	0.010%	0.029%	0.000%	0.000%	0.000%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Lincolnshire County Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
15/09/2020	1772	Cooperatieve Rabobank U.A.	Netherlands	The Long Term and Short Term ratings were downgraded to 'A+' from 'AA'- and 'F1' from 'F1+' respectively. At the same time, the Negative Watch on the Long Term, Short Term and Viability ratings were removed. The Long Term Rating was placed on Negative Outlook.
15/09/2020	1773	ABN AMRO Bank N.V.	Netherlands	The Long Term Rating was downgraded to 'A' from 'A+'.
16/09/2020	1774	ING Bank N.V.	Netherlands	The Long Term, Short Term and Viability Ratings were removed from Negative Watch. At the same time, the bank's Long Term Rating was placed on Negative Outlook.
18/09/2020	1775	Svenska Handelsbanken AB	Sweden	The Long Term and Viability Rating were removed from Negative Watch. At the same time, the Long Term Rating was placed on Negative Outlook.
18/09/2020	1776	Skandinaviska Enskilda Banken AB	Sweden	The Long Term, Short Term and Viability Ratings were removed from Negative Watch. At the same time, the bank's Long Term Rating was placed on Negative Outlook.
18/09/2020	1777	Nordea Bank Abp	Finland	The Long Term, Short Term and Viability ratings were removed from Negative Watch. At the same time, the bank's Long Term Rating was placed on Negative Outlook.
28/09/2020	1779	DBS Bank Ltd.	Singapore	The Long Term and Viability Ratings were removed from Negative Watch. At the same time, the bank's Long Term Rating was placed on Negative Outlook.
28/09/2020	1779	United Overseas Bank Ltd	Singapore	The Long Term and Viability Ratings were removed from Negative Watch. At the same time, the bank's Long Term Rating was placed on Negative Outlook.
28/09/2020	1779	Oversea-Chinese Banking Corporation Ltd	Singapore	The Long Term and Viability Ratings were removed from Negative Watch. At the same time, the bank's Long Term Rating was placed on Negative Outlook.

Lincolnshire Couny Council

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
03/09/2020	1771	Wells Fargo Bank, NA	United States	The Outlook on the Long Term Rating was changed to Negative from Stable.
21/092020	1778	West Bromwich Building Society	United Kingdom	The Outlook on the Long Term Rating was changed to Negative from Stable.

Lincolnshire County Council

Monthly Credit Rating Changes
S&P

Date	Update Number	Institution	Country	Rating Action
				No rating changes to report.

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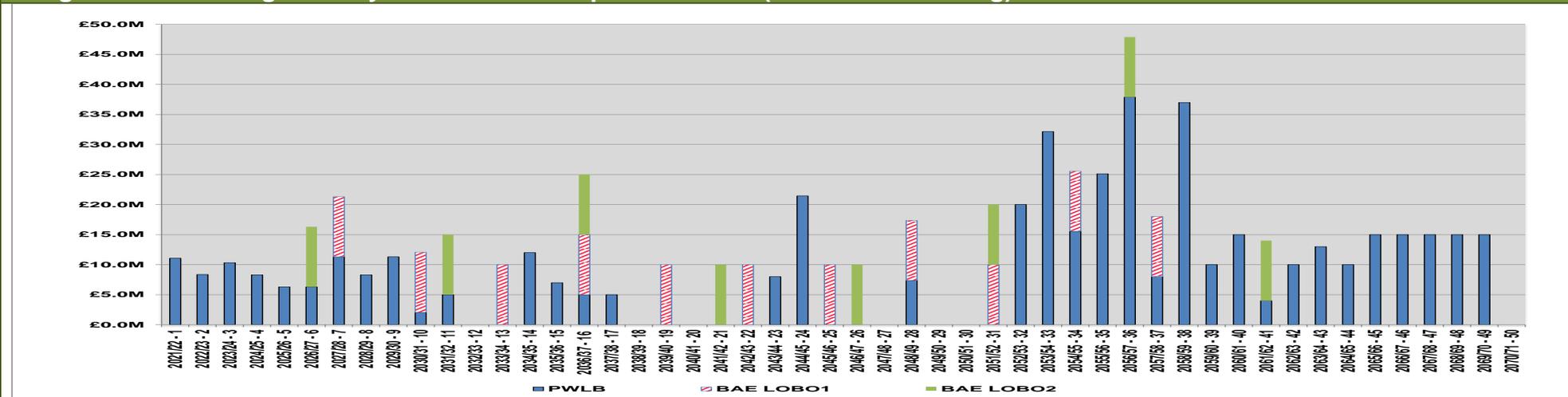
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Borrowing: Activity & Performance and Long Term Maturity Profile at 30th September 2020

Long Term Borrowing Position at 30 th September 2020			Borrowing Requirement Position at 30/9/2020	
External Borrowing Position 30/9/2020 and Forecast for 2020/21				
Borrowing Position 1/4/2020	£501.540m	3.757%	Borrowing Requirement 2020/21	£137.893m
New Borrowing Taken to 30/9/20	£0.000m		Plus Carry Forward from 2019/20	<u>£17.003m</u>
Debt Repaid to 30/9/2020	-£10.677m			£154.896m
Borrowing Position 30/9/2020	£490.863m	3.750%	Less adjustment for Internal Borrowing, Projected Underspends/Rephasing & Voluntary Repayments.	<u>(£134.221m)</u>
Further action required in 2020/21:				£20.675m
Remaining Borrowing Requirement 2020/21	£20.675m		Less Borrowing Taken- to 30/9/2020	<u>(£0.000m)</u>
Further Debt Repayments	-£3.677m		Remaining Borrowing Requirement 2020/21 At 30.9.2020	£20.675m
Projected Borrowing at 31/3/2021	£507.861m			

Long Term Borrowing Maturity Profile At 30th September 2020 (External Borrowing)



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

Report to:	Overview and Scrutiny Management Board
Date:	26 November 2020
Subject:	Overview and Scrutiny Management Board Work Programme

Summary:

This item informs the Board of its current work programme for 2020/21. These meetings may be held remotely under the new "Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020" which have been introduced in April 2020 in response to the Coronavirus pandemic.

Actions Required:

This item is for information only.

1. Background

Work Programme

The current version of the work programme for the Overview and Scrutiny Management Board is set out in Appendix A.

Executive Forward Plan

The Executive Forward Plan of key decisions is set out at Appendix B. This is background information for the Board to ensure that all key decisions are scrutinised by the relevant scrutiny committee.

2. Conclusion

This item is to inform the Overview and Scrutiny Management Board of its current work programme for 2020/21, which is attached at Appendix A to this report.

3. Consultation

a) Risks and Impact Analysis

Not Applicable

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Overview and Scrutiny Management Board – Work Programme
Appendix B	Forward Plan of Decisions

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Nigel West, Head of Democratic Services and Statutory Scrutiny Officer, who can be contacted on 01522 552840 or by e-mail at nigel.west@lincolnshire.gov.uk

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Each agenda includes the following standard items:

- Call-in (if required)
- Councillor Call for Action (if required)

26 November 2020 – Virtual Meeting		
Item	Contributor	Purpose
Revenue Budget Monitoring Report 2020/21 – Quarter 2	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 1 December 2020)
Capital Budget Monitoring Report 2020/21 – Quarter 2	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 1 December 2020)
Covid-19 Update	Dan Quinn, Assistant Director – Corporate Recovery	Policy Development / Review
Treasury Management Performance 2020/21 - Quarter 2 to 30 September 2020	Karen Tonge, Treasury Manager	Performance Scrutiny

17 December 2020 – Virtual Meeting		
Item	Contributor	Purpose
Corporate Support Services Review - Scope, Prime BPO Provider and Draft IMT Model	Sophie Reeve, Assistant Director - Commercial John Wickens, Assistant Director – IMT and Enterprise Architecture	Policy Development
Covid-19 Update	Andy Gutherson, Executive Director - Place	Policy Development / Review
Scrutiny Panel A – Developer Contributions Draft Final Report	Councillor Linda Wootten, Chairman of Scrutiny Panel A	Scrutiny Review Activity

17 December 2020 – Virtual Meeting		
Item	Contributor	Purpose
Establishment of the Legal Services Company – Progress Report	David Coleman, Chief Legal Officer	Performance Scrutiny
Update on IMT Services <ul style="list-style-type: none"> • Data Services • Service KPI's & Service Issues 	Sue Cline, Head of Data Services and Business Intelligence Paul Elverstone, ICT Contracts and Licensing Officer	Performance Scrutiny

28 January 2021		
Item	Contributor	Purpose
Performance Reporting against the Corporate Plan Performance Framework 2020-2021 - Quarters 1 and 2	Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 2 February 2021)
Covid-19 Update	Andy Gutherson, Executive Director - Place	Policy Development / Review
Service Budget Proposals 2021/22	Keith Noyland, Head of Finance - Communities	Budget Scrutiny (Executive decision on 2 February 2021) (Council Decision on 19 February 2021)
County Council Budget 2021/22	Michelle Grady, Assistant Director - Strategic Finance	Budget Scrutiny (Executive decision on 2 February 2021) (Council Decision on 19 February 2021)

Capital Strategy 2021/22	Sue Maycock, Head of Finance - Corporate Michelle Grady, Assistant Director for Strategic Finance	Pre-Decision Scrutiny (Executive decision on 2 February 2021)
Business World ERP System Re-Design – Progress Report	Louisa Harvey, ERP System Delivery Manager Andrew McLean, Assistant Director – Corporate Transformation, Programmes and Performance	Performance Scrutiny

25 February 2021		
Item	Contributor	Purpose
Covid-19 Update	Andy Gutherson, Executive Director - Place	Policy Development / Review
Treasury Management Performance Quarter 3 (1 October 2020 to 31 December 2020)	Karen Tonge Treasury Manager	Performance Scrutiny
Treasury Management Strategy Statement and Annual Investment Strategy 2021/22	Karen Tonge Treasury Manager Chris Scott, Link Asset Services	Pre-Decision Scrutiny (Executive Councillor Decision on 11 March 2021)
Performance Reporting against the Corporate Plan Performance Framework 2020/21 - Quarter 3	Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 2 March 2021)
Update on IMT Services <ul style="list-style-type: none"> Project Portfolio Business Enablement 	Donna Fryer, Head of Portfolio and Resources Allison Kapethanasis, ICT Business Relationship and User Engagement Manager	Performance Scrutiny

25 February 2021		
Item	Contributor	Purpose
Revenue Budget Monitoring Report 2020/21 – Quarter 3	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 2 March 2021)
Capital Budget Monitoring Report 2020/21 – Quarter 3	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 2 March 2021)
Performance of the Corporate Support Services Contract	Sophie Reeve, Assistant Director - Commercial Arnd Hobohm, Serco Contract Manager	Performance Scrutiny

25 March 2021		
Item	Contributor	Purpose

29 April 2021		
Item	Contributor	Purpose

17 June 2021		
Item	Contributor	Purpose
Introduction to Service Areas reporting to the Overview and Scrutiny Management Board	Debbie Barnes, Chief Executive Andrew Crookham, Executive Director – Resources James Drury, Executive Director - Commercial	Induction

1 July 2021		
Item	Contributor	Purpose
Treasury Management Annual Report 2020/21	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Performance Scrutiny
Review of Financial Performance 2020/21	Michelle Grady, Assistant Director - Strategic Finance	Pre-Decision Scrutiny (Executive decision on 6 July 2021)
Performance Reporting against the Corporate Plan Performance Framework 2020/21 - Quarter 4	Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 6 July 2021)
Update on IMT Services <ul style="list-style-type: none"> Plan Delivery Service KPI's & Service Issues 	John Wickens, Assistant Director - IMT and Enterprise Architecture Miranda Johnson, Head of Contracted Services, IMT	Performance Scrutiny
HR Management Information and Workforce Plan Update Report	Lucy Shevill, Strategic HR Business Partner Fiona Thompson, Head of Human Resources	Performance Scrutiny

Items to be programmed:

- Transformation Programme Update
- Property Services Contract Year Five Report

For more information about the work of the Overview and Scrutiny Management Board please contact Tracy Johnson, Senior Scrutiny Officer, on 01522 552164 or by e-mail at Tracy.Johnson@lincolnshire.gov.uk

FORWARD PLAN OF KEY DECISIONS FROM 01 DECEMBER 2020

PUBLISH DATE 02 NOVEMBER 2020

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
I021297 New!	Approval to award a contract for the Supply of Winter Maintenance Vehicles	Open	Executive Councillor: Highways, Transport and IT Between 14 Dec 2020 and 18 Dec 2020	Highways and Transport Scrutiny Committee	Reports	Senior Commercial and Procurement Officer Email: dan.charlsworth@lincolnshire.gov.uk	All Divisions
I020062	Council Budget 2021/22	Open	Executive 15 Dec 2020		Report	Assistant Director for Strategic Finance Email: michelle.grady@lincolnshire.gov.uk	All Divisions
I021123 New!	Schools funding update 2021/22 - mainstream schools	Open	Executive Councillor: Adult Care, Health and Children's Services 20 Jan 2021	Children and Young People Scrutiny Committee	Reports	Head of Finance (Children's Services) Email: mark.popplewell@lincolnshire.gov.uk	All Divisions
I021047 New!	The expansion of St Bernard's School, Louth	Open	Leader of the Council (Executive Councillor: Resources and Communications) Between 25 Jan 2021 and 29 Jan 2021	Children and Young People Scrutiny Committee	Reports	Head of Property Development Email: dave.pennington@lincolnshire.gov.uk Programme Manager, Special Schools Strategy Email: eileen.mcmorrow@lincolnshire.gov.uk	Louth South
I020523	County Council Budget 2021/22	Open	Executive 2 Feb 2021	Overview and Scrutiny Management Board	Report	Assistant Director - Strategic Finance Email: michelle.grady@lincolnshire.gov.uk	All Divisions
I021125 New!	Charging for Pre-Application Advice	Open	Executive 2 Feb 2021	Environment and Economy Scrutiny Committee	Reports	Head of Planning Email: neil.mcbride@lincolnshire.gov.uk	All Divisions
I021124 New!	Hoplands, Sleaford Extra Care Housing Scheme	Open	Executive 2 Feb 2021	Adults and Community Wellbeing Scrutiny Committee	Reports	Senior Project Manager Email: emma.rowitt@lincolnshire.gov.uk	All Divisions

I021048 New!	The expansion of the Priory School, Spalding	Open	Leader of the Council (Executive Councillor: Resources and Communications) Between 10 Mar 2021 and 15 Mar 2021	Children and Young People Scrutiny Committee	Reports	Head of Property Development Email: dave.pennington@lincolnshire.gov.uk Programme Manager, Special Schools Strategy Email: eileen.mcmorrow@lincolnshire.gov.uk	Spalding South
I021049 New!	The expansion of St Lawrence's School, Horncastle	Open	Leader of the Council (Executive Councillor: Resources and Communications) Between 28 Jun 2021 and 2 Jul 2021	Children and Young People Scrutiny Committee	Reports	Head of Property Development Email: dave.pennington@lincolnshire.gov.uk Programme Manager, Special Schools Strategy Email: eileen.mcmorrow@lincolnshire.gov.uk	Horncastle and the Keals
I021050 New!	The expansion of St Christopher's School, Lincoln	Open	Leader of the Council (Executive Councillor: Resources and Communications) Between 29 Nov 2021 and 3 Dec 2021	Children and Young People Scrutiny Committee	Reports	Head of Property Development Email: dave.pennington@lincolnshire.gov.uk Programme Manager, Special Schools Strategy Email: eileen.mcmorrow@lincolnshire.gov.uk	Swallow Beck and Witham

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