



County Offices
Newland
Lincoln
LN1 1YL

23 June 2021

Overview and Scrutiny Management Board

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 1 July 2021 at 10.00 am in Council Chamber, County Offices, Newland, Lincoln LN1 1YL** for the transaction of the business set out on the attached Agenda.

Yours sincerely

A handwritten signature in cursive script 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), T Smith (Vice-Chairman), B Adams, Mrs J Brockway, P M Dilks, R J Kendrick, C S Macey, C E H Marfleet, N H Pepper, E W Strengeiel and R Wootten

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, 1 JULY 2021**

Item	Title	Pages
1	Apologies for Absence/Replacement Members	
2	Declarations of Interest	
3	Minutes of the meeting held on 17 June 2021	7 - 18
4	Announcements by the Chairman, Executive Councillors and Chief Officers	
5	Consideration of Call-Ins	
6	Consideration of Councillor Calls for Action	
7	Treasury Management Annual Report 2020/21 <i>(To consider a report from Karen Tonge, Treasury Manager, on the Treasury Management Annual Report 2020/21)</i>	19 - 60
8	One Council Commissioning Framework <i>(To consider a report from Sophie Reeve, Assistant Director – Commercial, on a One Council Commissioning Framework which is being presented to the Executive on 6 July 2021. The views of the Board will be reported to the Executive as part of its consideration of this item)</i>	61 - 72
9	Review of Financial Performance 2020/21 <i>(To consider a report from Tony Warnock - Head of Operations and Financial Advice, on a Review of Financial Performance 2020/21, which is being presented to the Executive on 6 July 2021. The views of the Board will be reported to the Executive as part of its consideration of this item)</i>	73 - 164
10	Performance Reporting against the Corporate Plan Performance Framework 2020/21 - Quarter 4 <i>(To consider a report from Caroline Jackson, Head of Corporate Performance, and Jasmine Sodhi, Performance and Equalities Manager, on the Performance Reporting against the Corporate Plan Performance Framework 2020/21 - Quarter 4, which is being presented to the Executive on 6 July 2021. The views of the Board will be reported to the Executive as part of its consideration of this item)</i>	165 - 202

11 Business Support Programme Reserve Funds 203 - 214
(To consider a report from Justin Brown, Assistant Director – Growth, on the Business Support Programme Reserve Funds which is being presented to the Leader of the Council for decision between 2nd and 7th July 2021. The views of the Board will be reported to the Leader of the Council as part of his consideration of this item)

12 Update on IMT Service Plan and Serco Contract Performance 215 - 232
(To consider a report from John Wickens, Assistant Director - IMT and Enterprise Architecture, and Paul Elverstone, ICT Contracts and Licensing Officer on an Update on IMT Service Plan and Serco Contract Performance)

13 HR Management Information and Workforce Plan Update 233 - 244
(To consider a report from Tony Kavanagh, Assistant Director Human Resources and Organisational Support, on HR Management Information and the Workforce Plan)

ITEM FOR INFORMATION ONLY

14 Overview and Scrutiny Management Board Work Programme 245 - 262
(To receive a report which enables the Board to note the content of its work programme for the coming year)

15 CONSIDERATION OF EXEMPT INFORMATION
In accordance with Section 100 (A)(3) of the Local Government Act 1972, agenda item 16 has not been circulated to the press and public on the grounds that it is considered to contain exempt information as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. The press and public may be excluded from the meeting for the consideration of this item of business.

16 Future Wide Area Network (WAN) Options Appraisal 263 - 308
(To consider an exempt report from Sophie Reeve, Assistant Director – Commercial, on a Future Wide Area Network (WAN) Options Appraisal, which is being presented to the Executive on 6 July 2021. The views of the Board will be reported to the Executive as part of its consideration of this item)

Democratic Services Officer Contact Details

Name: **Nick Harrison**

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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.

Please note: This meeting will be broadcast live on the internet and access can be sought by accessing [Agenda for Overview and Scrutiny Management Board on Thursday, 1st July, 2021, 10.00 am \(moderngov.co.uk\)](#)

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**OVERVIEW AND SCRUTINY MANAGEMENT
BOARD
17 JUNE 2021**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors T Smith (Vice-Chairman), B Adams, Mrs J Brockway, P M Dilks, R J Kendrick, C S Macey, C E H Marfleet, N H Pepper, R Wootten and P E Coupland

Added Members

Parent Governor Representative: Miss A E I Sayer

Councillors: H Spratt and M A Whittington attended the meeting as observers

The following members attended as observers via Teams: P A Skinner (at the invitation of the Chairman) and Mrs S Woolley

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Andrew Crookham (Executive Director Resources), James Drury (Executive Director Commercial), John Giblin (Strategic Communications Team Leader), Nick Harrison (Democratic Services Officer), Tracy Johnson (Senior Scrutiny Officer) and Nigel West (Head of Democratic Services and Statutory Scrutiny Officer)

The following Officers joined the meeting remotely via Teams:-

Michelle Andrews (Assistant Director – Corporate Recovery), Justin Brown (Assistant Director Growth), Andrew McLean (Assistant Director - Transformation), Clare Rowley (Head of Transformation)

1 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

An apology for absence was received from Councillor E Strengei. It was reported that, under Regulation 13 of the Local Government Committee and Political Groups) Regulation 1990, Councillor P Coupland was replacing Councillor E Strengei for this meeting only.

An apology for absence was also received from Mrs M Machin (Added Member).

2 DECLARATIONS OF INTEREST

None received.

2
OVERVIEW AND SCRUTINY MANAGEMENT BOARD
17 JUNE 2021

3 MINUTES OF THE MEETING HELD ON 17 MARCH 2021

RESOLVED:

That minutes of the meeting held on 17 March 2021 be approved as a correct record and signed by the Chairman.

4 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND CHIEF OFFICERS

Chairman's Announcements

The Chairman reported that he had attended the Executive's meeting on 7 April and presented the Board's comments on the Draft One Council Commissioning Framework. He had highlighted that the Board had recognised that the development of the workforce was a work in progress and that this was a very good piece of work but that the Board would like to review it in around nine to 12 months to examine how it was operating. The Executive had raised concerns around some of the language that was used and there was a need for a balance between using Lincolnshire based businesses and the cost-benefit. The Executive requested that a revised version be brought back to a future meeting for final approval. The revised version would be considered by the Board for pre-decision scrutiny on 1 July before going to the Executive for approval on 6 July.

5 CONSIDERATION OF CALL-INS

None received.

6 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None received.

7 INTRODUCTION TO SERVICE AREAS REPORTING TO THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Consideration was given to presentations from the Chief Executive, the Executive Director – Resources, and the Executive Director – Commercial, on their responsibilities and the service areas reporting to the Board.

Members made the following additional points following the presentations:-

- A member suggested that the Board may find it helpful to receive further training on some of the more complex areas of finance, particularly treasury management. The Executive Director reported that a training session had been arranged for councillors on *Introduction to Local Government Finance* which would include treasury management. He undertook to consider whether any further sessions for the Board would be beneficial going forward.

- It was reported that responsibility for Business World would move to Hoople Ltd and the Council would become a shareholder in readiness for when the Serco contract ended in 2024. Hoople Ltd was a subsidiary of Herefordshire County Council.
- It was confirmed that regular and extensive performance monitoring was undertaken with regards to contracts the Council engaged in with contractors.
- Following a request from a member, the Executive Director – Commercial, undertook to circulate to the Board, following the meeting, information on County Farms including:- the number of farms, amount of land owned and income received/capital receipts.
- The Executive Director – Commercial, responded to a question on the shortage of building materials due to the on-going global impact of Covid-19. He reported that there were some shortages and costs of certain materials had increased significantly ie timber up 40% in recent months. To date there had been no adverse impact on any current projects. Measures had been taken to use a wider range of suppliers, and in some circumstances, more creative approaches had been considered to deliver desired outcomes.

RESOLVED:

That the presentations be noted.

8 INTRODUCTION TO THE TRANSFORMATION PROGRAMME

Consideration was given to a presentation from the Assistant Director – Corporate Transformation, Programmes and Performance and the Head of Transformation, on the Transformation Programme.

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 enabling technology acting as a key driver throughout.

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.

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Engagement sessions had been planned on the customer and digital strategies with councillors.

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

- Consultation on the key elements of the programme with the Board should be in a timely fashion to ensure input before important decisions were made.
- It was re confirmed that there would be regular engagement with Councillors and stakeholders and feedback analysed.
- It would be important to analyse and measure the impact of any changes as a result of the programme on, for example, the community, new processes and any financial savings to determine whether the original aims and objectives had been achieved.
- The Assistant Director – Corporate Transformation, Programmes and Performance and the Head of Transformation, undertook to forward further information to the Board following the meeting on the monitoring of potential benefits of the programme. In particular, further information on any planned moves surrounding the digital access to services by the public, the affordability and benefits/disadvantages. There was some concern about the impact on those members of the public without or with limited access to the appropriate IT.

RESOLVED:

That the presentation be noted.

9 SUBMISSION OF APPLICATION FOR FUNDING TO UK COMMUNITY RENEWAL FUND AND LEVELLING UP FUND

Consideration was given to a report from the Assistant Director – Growth, on the Submission of Application for Funding to UK Community Renewal Fund and Levelling Up Fund which was due to be considered by the Leader of the Council on 18 June 2021. The views of the Board would be reported to the Leader of the Council as part of his consideration of this item.

The Board was invited to:- consider the report and to determine whether the Board supported the recommendations to the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning). The recommendations included: Approval of the submission of a Lincolnshire-wide bid to the UK Community Renewal Fund in accordance with Table 1 in the report; Approval of the submission of a Lincolnshire County Council bid to the Levelling Up Fund for transport improvements which supported the growth of the food manufacturing sector in the A16 corridor which connected Boston and Spalding; and the authorisation of the Executive Director for Place to determine the detail of the final form of both bids for submission.

The County Council had the opportunity to make two bids into the funds that the government had made available for regional growth – the UK Community Renewal Fund and the Levelling Up Fund. Lincolnshire County Council (LCC) was the lead organisation for Community Renewal Fund and had run a consultation programme which had led to

projects of sufficient quality to make a bid with a value of £9m to government. As the local highway authority LCC could make one bid to the Levelling Up Fund and because of the economic impact and because of deliverability it was proposed that the bid submitted by LCC was for £20m for transport improvements on the A16 between Boston and Spalding. Bids should be submitted on 18th June 2021.

The following points were raised:

For consideration for the submission of the bids:

- Improvements to the A16 were important. The A16, an essential route from the north to the south of Lincolnshire, was not designed for growth when it was originally built. As a result of additional routes connecting onto the A16, the road was now regularly congested due to the volume of traffic. The Government needed to be mindful of planning for growth when allocating funding.
- It was recognised that this was a partnership project, with the County Council working with the Greater Lincolnshire Local Enterprise Partnership and other partners, and was also part of an economic recovery strategy which should be welcomed. All of the projects would be delivered as part of a partnership strategy to tackle growth and recovery, particularly as a result of Covid-19 and the UK's exit from the European Union. In addition, the bids clearly show that they would contribute substantially to delivering the economic recovery strategy.

For consideration by the Council:

- Some infrastructure projects were not originally designed with growth in mind. Going forward, infrastructure designs should plan for future expansion purposes, such as to avoid traffic congestion. When designing new capital investments, the Council should consider whole life costs and long term growth, while making sure that the Council would not have to finance long term improvements to respond to growth. The Board advised that some lobbying of the Government might be necessary for a review of the planning system and additional funding, as it was becoming increasingly difficult for the County Council to fund more and more associated projects due to a reduction in funding.
- Information on the four District Council's Levelling Up Fund bids would have been useful so that they could have been supported, if appropriate, by the County Council.
- Monitoring the performance of those organisations who had requested finance would be important. This would ensure that the achievement of outcomes was monitored and managed within projects.

RESOLVED:

- 1) That the recommendations as outlined in the report and above, be supported;
- 2) That a summary of the comments as outlined above be reported to the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning) as part of his consideration of this item.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD
17 JUNE 2021**10 COVID-19 UPDATE

Consideration was given to an update report from the Assistant Director – Corporate Recovery, on Covid-19. The report provided an overview of the work by the Local Resilience Forum (LRF) partnership to manage Lincolnshire's response to the Covid-19 pandemic since the most recent briefing paper provided to the Board via email on the 20th April 2021. The report outlined the latest data and information on recovery planning.

The final step in the roadmap was planned for the 21st June. However the prime minister's announcement on Monday 14th June confirmed that this final step of easing restrictions would be delayed until 19th July 2021. This equated to a four week extension with a review to be undertaken after two weeks. The delay meant limits remained on how many people could meet, with groups of up to 30 allowed to meet outdoors, and up to six people (or two households) allowed indoors. A very limited number of restrictions were being lifted from 21st June (as initially planned). These were: The number of guests at weddings and wakes would no longer be limited to 30, however venues would have to adhere to social distancing and hosts must undertake a risk assessment. Table service would be required - with six people per table - and no indoor dance floors would be allowed. Care home residents would no longer have to isolate for 14 days after returning from visits outside. Exceptions would include high-risk trips such as overnight hospital stays. Children could go on overnight trips in groups of 30 with, for example, the Scouts or Guides, or as part of summer residential schools. Some large events pilots would continue, including additional Euro 2020 football matches as well as a number of other sports, arts, and music events. Social distancing precautions were to be maintained. The indoor 'rule of 6' was to be maintained. Working from home was to be maintained where users could continue to do so. The night time economy i.e. nightclubs were to remain closed.

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

- Recent modelling suggested that 50-60% of current Covid-19 cases in Lincolnshire are likely to be the Delta Variant. At present this rate was below the national average. The Delta Variant was expected to become the dominant variant in the UK at some point due to its transmission rate. Covid-19 cases were predominantly amongst those who had not yet been vaccinated.
- The report was welcomed and it was noted that the next update would be submitted to the August meeting of the Board.

RESOLVED:

That the report be noted.

11 PROPOSALS FOR SCRUTINY REVIEWS

Consideration was given to a report from the Head of Democratic Services and Statutory Scrutiny Officer, inviting topics for consideration by Scrutiny Panels A and B.

The Board was invited to identify and agree potential topics for in-depth scrutiny reviews to be undertaken by the two Scrutiny Panels, taking into account the Prioritisation Toolkit. Councillor Phil Dilks, Chairman of Scrutiny Panel A, was in attendance for this item. Nigel West, Head of Democratic Services and Statutory Scrutiny Officer, presented the report.

The Board was asked to determine whether a scrutiny review should be undertaken on *Lincolnshire Agricultural Sector Support* and, if agreed, approve the terms of reference as set out in Appendix B to the report and determine which Scrutiny Panel would undertake the review. They were also invited to identify and agree topics for future scrutiny reviews to be undertaken by the Scrutiny Panels and to delegate to the Chairman and Vice Chairman of the Board approval of the terms of reference for future scrutiny reviews.

The report identified the following potential topics for the Board's consideration:

- Lincolnshire Agricultural Sector Support – proposed terms of reference were set out in Appendix B.
- Town Centre Improvements – to consider what opportunities existed for the revitalisation of town centres around the county.
- Capital Programme Planning – An assessment and challenge of the current capital project lifecycle arrangements and any lessons learned from major projects, and how Overview and Scrutiny could be involved in the process.

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

- It was suggested that the Chairmen of the Scrutiny Committees be asked to consider one idea for in depth scrutiny review and report back to the 1 July Board meeting on this in more detail. It was also suggested that all councillors should be invited to put forward suggestions. A further suggestion was to consult Scrutiny Committees and report back on ideas to the September Board meeting.
- Suggestions of ideas made at the meeting included:-
 - Brexit and its impact on the availability of overseas farmworkers and on farming in the County.
 - The impact of robotics on employment in the food services industry.
 - How councillors' ways of working had changed as a result of the Covid-19 pandemic and the positive impact these changes have had, and how they should work going forward, given that there would be hybrid working by officers under the Smarter Working Policy. The Executive Director – Resources offered to provide some wording on this suggestion.
 - The Policy Team would provide some Horizon Scanning for feeding into the suggestions for scrutiny reviews.
 - Traffic management, speeding, signage etc - to consider whether current policies on these were up to date or required review.
- There were mixed views and some doubts expressed about whether a review of *Lincolnshire Agricultural Sector Support* would be a good idea at this moment in time, especially in the light of the uncertainty surrounding the outcome and content of the proposed Agricultural Bill currently going through Parliament. It was

recognised that any Bill or change in subsidies would have an impact on County Farms.

RESOLVED:

- 1) That Scrutiny Chairmen be invited to submit detailed ideas for scrutiny reviews to the September Board meeting for further discussion and decision;
- 2) That the ideas included in the report submitted to the meeting be noted and be included in the above report to the September meeting.

(Councillor C E H Marfleet gave his apologies and left the meeting)

12 UPDATES FROM THE CHAIRMEN OF THE SCRUTINY COMMITTEES

Consideration was given to verbal updates from the Chairmen of the Scrutiny Committees. This item was to enable the Board to receive verbal updates from the chairmen of the scrutiny committees on their future work programmes so that the Board was aware of the key issues being considered across the scrutiny function. The Chairman welcomed Councillor Paul Skinner, Chairman of the Flood and Water Management Scrutiny Committee, who was attending via Teams to provide his update.

Children and Young People Scrutiny Committee

Councillor R Kendrick, reported that the Children and Young People Scrutiny Committee continued to be very busy with a number of key themes on their agendas. The Building Communities of Special Provision Strategy continued to be one of the main considerations for the Committee. The Strategy had been approved by the Executive in November 2018, and implementation of the strategy commenced in January 2019 and would take place over the next five years with the final school changes being made in September 2024. The decisions for the capital appraisals and changes to the special schools were now making their way through the Committee for its consideration. Over the last 18 months, the Committee had considered the capital appraisals for Boston Endeavour Academy, which was a brand new school being built; the Willoughby Academy in Bourne; the Eresby School in Spilsby; and St Bernard's School in Louth. Over the next few months, the Committee would be considering the capital appraisals for St Christopher's School in Lincoln, Priory School in Spalding and St Lawrence's Academy in Horncastle. In addition, the Committee received an annual report every October which set out the overall progress and implementation of the Strategy and the capital build programme. Subject to Covid restrictions, it was hoped that Committee members could visit the schools once the work had been completed, with the first visit hopefully being to the Boston Endeavour Academy in September. Another matter which the Committee would be considering over the next year was in relation to the Children in Care Transformation Programme. The Committee received a report at its March meeting setting out the progress and the six workstreams for the programme. The Committee would be receiving two reports at its meeting on 19 November in relation to *Children in Care Transformation - Residential Estate Expansion Programme*, and *Wickenby Children's Home*, both of which were for pre-decision scrutiny. The Committee would also continue

to scrutinise the work of the Lincolnshire Safeguarding Children Partnership (LSCP) through six monthly updates. The Committee would receive an introductory presentation from the LSCP at its meeting on 25 June and then further updates at its November and April meetings. Representatives from the Office of the Police and Crime Commissioner and the NHS Lincolnshire Clinical Commissioning Group were also invited to attend to represent the Police and Health on behalf of the Partnership and to participate for these items. In addition, the Committee would continue to monitor the impact of the Covid-19 pandemic on children and young people, especially in relation to the effect on their education. The Committee would receive the Children Missing Out on Education Annual Report 2020/21 at its 14 January meeting, and also a report on the Lincolnshire Local Authority School Performance for 2020-21 at its meeting on 4 March.

Communities and Public Protection Scrutiny Committee

Councillor N H Pepper reported that the Public Protection and Communities Scrutiny Committee had held an induction on the 15th June where Officers had introduced areas reporting to the Committee, namely Public Protection, Communities, Corporate Service and the Fire and Rescue Service. Throughout the year the Committee was expected to receive Quarterly reports on Service Performance for each area. Moreover, the Committee would consider pre-decision scrutiny reports on which the Committee would make recommendations to the Executive; these included: Community Strategy; Coroners Service's Update on Transformation Project and Potential Merger with North and North East Lincolnshire; Outcomes from the Technical Response Unit Provision Consultation. In addition, in the 2021-22 Programme Members would review amongst others: Performance of the Library Services Contract – Year Five Review – Library and Heritage (July 2021); Integrated Risk Management Plan 2020-2024– Fire & Rescue (September 2021); Community Hub Year 5 Update - Library and Heritage (November 2021); Road Safety Partnership Annual Report – Road Safety Partnership (December 2021); Trading Standards Annual Update – Road Safety Partnership (January 2022).

The Committee also sat as the Crime and Disorder Scrutiny Committee and as such would receive updates from areas such as Domestic Abuse (Annual Update), Stay Safe (Annual Update), Section 17 Crime & Disorder Act. 1998 (Duty Update), Prevent (Annual Update) and Modern Day Slavery (Annual Update).

Environment and Economy Scrutiny Committee

Councillor R Wootten reported that the Committee was due to hold its induction meeting on the 22nd June. Heads of Service Areas reporting to the Environment and Economy Scrutiny Committee had been invited to deliver presentations on their activities. Throughout the year the Committee was expected to receive Quarterly updates on the Service Performance Reporting Against the Performance Framework 2020 – 2021; the Committee would also receive an update on the Development Fund – Drainage Investigations & Flood Repairs (flood risk team) and on Area of Outstanding Natural Beauty (Countryside Services); finally, topics that would be reviewed include amongst others: Impact of Covid-19 on the High Streets – Economic Infrastructure Investment (July 2021); Internationalisation Strategy - Economic Development (July 2021); Litter initiative and fly tipping Options Paper - Waste Operations (July 2021);

Developing a Climate Change Partnership for Lincolnshire – Environment Sustainability (September 2021); Historic Places Team Strategy – Historic Places Management (September 2021); Green Masterplan Progress - Environment Sustainability (September 2021); Local Transport Plan – Planning & Infrastructure (October 2021); South Lincolnshire Food Enterprise Zone – Growth, Regeneration, Economic Infrastructure (October 2021); Humber and East Coast Strategies -Environment (October 2021); Resilience Innovation Programme Progress - Flood Risk (November 2021); Carbon Reporting Tool - Environment Sustainability (January 2021). Other items that would be programmed throughout the year included: - Coastal Car Park Strategy; Review of land sales policy – regeneration; Skegness Business Park; Planning White Paper; Green Technology Grant; Updating the Lincolnshire Minerals and Waste Local Plan: Issues and Options; Natural Flood Management.

Flood and Water Management Scrutiny Committee

Councillor P Skinner reported that the Committee was due to hold an induction meeting on 21st June, on the service areas which report to it, as well as to introduce its core partners to members, namely the Environment Agency and Anglian Water. These partners would be providing the committee with updates at every meeting. Throughout the year the Committee was expected to receive reports on topics such as:

- Progress Update on Development Fund – Drainage Investigations and Flood Repairs – Flood Risk (September 2021)
- Funding for Riparian Rights and Responsibilities – Flood Risk (September 2021)
- Emergency Planning Response and Co-ordination - Emergency Planning & Business Continuity (September 2021)
- Coastal Adaptation Strategy - Environment (November 2021)
- Lincolnshire Fire and Rescue New Pumping Equipment – Fire & Rescue (November 2021)
- Property Level Resilience Trial Project – Flood Risk (February 2022)

Health Scrutiny Committee for Lincolnshire

Councillor C Macey reported that the agenda for the Health Scrutiny Committee's meeting on 23 June had five substantive items on the agenda. Firstly, United Lincolnshire Hospitals NHS Trust (ULHT) was consulting on a proposal for urology services. The proposal meant that patients with urgent urological conditions requiring hospital admission would be taken to Lincoln County Hospital. Currently patients may be admitted at both Lincoln and Pilgrim. In turn, Lincoln would see a reduction in the number of patients seen on a planned basis, as more patients requiring planned care would be treated in Pilgrim and at Grantham. The report on the agenda had more detail, and the Committee would be responding to the consultation. The second item to highlight was paediatric services at Pilgrim. In August 2018 an interim service model was introduced at Pilgrim for paediatrics, as a result of both medical and nursing staff shortages. This model introduced a paediatric assessment unit, where children and young people would be treated and monitored for up to twelve hours. After twelve hours, any children requiring further care would be transferred to Lincoln. The report to the Committee indicated that over time the model had evolved so that children and young people may be treated for up to 24 hours as part of short stay paediatric

assessment unit. The Committee would be giving its view to ULHT, which was seeking to make this arrangement 'more permanent'.

There were seven new members of the Committee and the Chairman intended to offer them scope to influence the content of the Committee's work programme. However, the NHS at a national level was expected shortly to sign off the Lincolnshire Acute Services Review. He had been advised that a full public consultation could begin soon, and would take a lot of time on the agenda, possibly even from July onwards.

Highways and Transport Scrutiny Committee

Councillor B Adams reported that the Committee would meet six weekly (7 meetings scheduled in 2021-22) for members to review items programmed and to consider any additional scrutiny activity that could be included on the Work Programme. The Committee would hold a formal meeting on 28th June to receive an introduction to Service Areas reporting to it, as well as to consider two pre-decision scrutiny items for which recommendations would be made to the Executive meeting in July and also a quarterly performance report of Highways Services. Throughout the year the Committee was expected to receive reports on topics such as:

- Update on Gully Cleansing/Repair and Surface Water Flooding – Highways and Flood Risk (July 2021)
- Winter Service Plan 2021/22 (pre-decision Scrutiny)– Highways (September 2021)
- Engagement with Network Rail and Train Operating Companies - Strategic Transport (October 2021)
- Local Transport Plan – Infrastructure, Transport and Growth (October 2021)
- Road Safety Partnership Update – Road Safety Partnership (January 2022)

There was no update on the Adults and Community Wellbeing Scrutiny Committee as Councillor C E H Marfleet had to leave the meeting before this item.

RESOLVED:

That the updates be noted.

13 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

The Board received a report which enabled the consideration of the content of its work programme for the coming year. The Head of Democratic Services and Statutory Scrutiny Officer took the Board through the agendas for the next couple of meetings.

RESOLVED:

That the work programme be agreed.

The meeting closed at 1.06 pm

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

Report to:	Overview and Scrutiny Management Board
Date:	01 July 2021
Subject:	Treasury Management Annual Report 2020/21

Summary:

This report has been prepared in accordance with the reporting recommendations of the CIPFA Code of Practice 2017 and details the results of the Council's treasury management activities for the financial year 2020/21. The report compares this activity to the Treasury Management Strategy for 2020/21, approved by the Executive Councillor for Resources, Communications, and Commissioning on 20 March 2020. It will also detail any issues arising in treasury management during this period.

Actions Required:

The Overview and Scrutiny Management Board is requested to review the contents of the report and pass any comments onto the Executive Councillor for Resources, Communications, and Commissioning.

1. Background

1. Introduction and Background

1.1. Treasury Management relates to the policies, strategies and processes associated with managing the cash and debt of the Council through appropriate borrowing and lending activity. It includes the effective control of the risks associated with the lending and borrowing activity and the pursuit of optimum performance consistent with the risks.

1.2. This Annual Treasury Report will cover the following matters for the year 2020/21:

- **Economic overview and interest rate review.**
- **Treasury Investments** - Treasury investment policy, risk appetite, treasury activity and return, comparing this with treasury strategy.
- **Long Term Borrowing** - Capital expenditure plans, borrowing requirement and activity, control of interest rate risk, debt rescheduling activity and internal borrowing position, comparing this with treasury strategy.

- **Other treasury issues** arising during 2020/21.

1.3. For reference, a **Key Points Summary** arising from this report has been included in the Conclusion in Section 6 of this report.

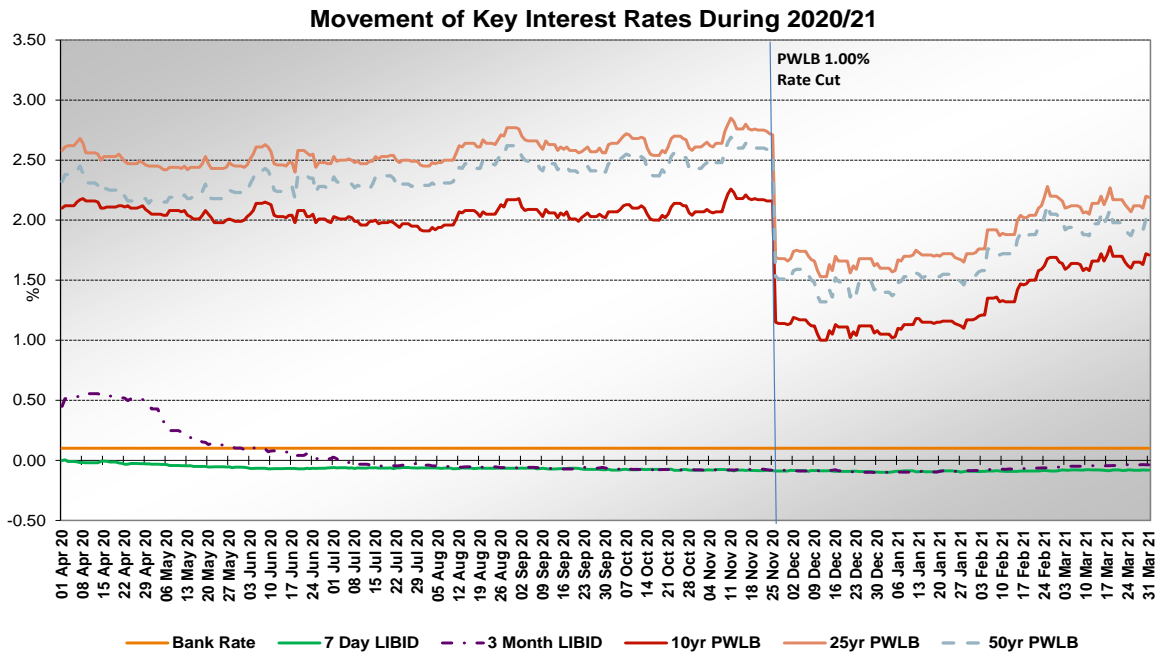
1.4. For further reference, a list of abbreviations used throughout this report is shown in **Appendix A**.

2. Economic Overview and Interest Rate Review 2020/21

2.1. At the time of setting the Strategy in March 2020, both short term bank rate and long term rates were forecast to rise only moderately by no more than 0.25% in 2020/21 and this was set before the full impact of Covid-19 played out and assumed deal on Brexit would be agreed.

2.2. The graph below shows what actually happened:

- **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 it 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 remained relatively flat over the period until 26 November 2020, when the PwLB reduced its rates by 1.0% across all periods following a review and consultation over how it operates. Since this cut, rates gradually rose again by around 0.50% to the end of March 2020, as confidence in the economic recovery rebounded with the success of the vaccine rollout.



2.3. **UK Coronavirus.** The financial year 2020/21 will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage was caused compared to the first one. The advent of vaccines starting in November 2020, were a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during Quarter 1 of 2022 (January to March).

2.4. **Bank Rate.** Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs. The MPC cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing (QE) (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC then increased QE by £100bn in June and by £150bn in November to a total of £895bn. The Bank Rate remained unchanged for the rest of the year and is not expected to change for the foreseeable future. Negative rates were discounted on the basis that banks would be unable to implement negative rates for at least six months – by which time

the economy was expected to be making a strong recovery and negative rates would no longer be needed.

- 2.5. **CPI Inflation** has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern to the MPC who have indicated that they will not raise the Bank Rate until they can clearly see that the level of inflation is going to be persistently above target if it takes no action.
- 2.6. **Budget Deficit.** The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit ballooning in 2020/21 and 2021/22 so that the Debt to GDP ratio has now reached around 100%. The Budget on 3 March 2021 announced fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This is planned to help further strengthen the economic recovery from the pandemic and return the Government's finances to a balanced budget on a current expenditure and income basis by 2025/26 and stop the Debt to GDP ratio rising further from 100%. With the Government's debt at such a high level, with mainly variable rate debt due to QE operations, it is now twice as sensitive to interest rate rises as before the pandemic. There is, therefore, much incentive for the Government to promote the Bank Rate staying low by using fiscal and monetary policy measures in the coming years.
- 2.7. **Brexit.** The final agreement on 24 December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.
- 2.8. **USA:** The US economy did not suffer as much damage as the UK economy due to the pandemic. The Democrats won the presidential election in November 2020 and have control of both Congress and the Senate, although power is more limited in the latter. This enabled the Democrats to pass a \$1.9trn (8.8% of GDP) stimulus package in March on top of the \$900bn fiscal stimulus deal passed by Congress in late December. These, together with the vaccine rollout proceeding swiftly to hit the target of giving a first job to over half of the population within the President's first 100 days, will promote a rapid easing of restrictions and strong economic recovery during 2021. The Democrats are also planning to pass a \$2trn fiscal stimulus package aimed at renewing infrastructure over the next decade. Although this package is longer-term, if passed, it would also help economic recovery in the near-term. The Fed has also indicated that they do not intend to raise rates until they can clearly see that the level of inflation is going to be persistently above target if it takes no action. It expects

strong economic growth during 2021 to have only a transitory impact on inflation, which explains why the majority of Fed officials project US interest rates to remain near-zero through to the end of 2023. However concerns on the impact to inflation over the sheer amount of fiscal stimulus undertaken and how and when the Fed will eventually wind down its QE programme have pushed treasury yields sharply up in the US in 2021 and is likely to have also exerted some upward pressure on gilt yields in the UK.

- 2.9. **EUROZONE:** Both the roll out and take up of vaccines has been disappointingly slow in the EU in 2021, at a time when many countries are experiencing a sharp rise in cases which are threatening to overwhelm hospitals in some major countries; this has led to renewed severe restrictions or lockdowns during March. This will inevitably put back economic recovery after the economy had staged a rapid rebound from the first lockdowns in Quarter 3 (Q3) of 2020 but contracted slightly in Q4 to end 2020 only 4.9% below its pre-pandemic level. Recovery is expected to be delayed until Q3 of 2021 and a return to pre-pandemic levels is expected in the second half of 2022. Inflation was well under 2% during 2020/21. **The ECB** did not cut its main rate of -0.5% further into negative territory during 2020/21. It embarked on a major expansion of its QE operations in March 2020 and added further to that in its December 2020 meeting when it also greatly expanded its programme of providing cheap loans to banks. The total QE scheme of €1,850bn is providing protection to the sovereign bond yields of weaker countries like Italy. There is, therefore, unlikely to be a euro crisis while the ECB is able to maintain this level of support.
- 2.10. **WORLD GROWTH:** World growth was in recession in 2020. Inflation is unlikely to be a problem in most countries for some years due to the creation of excess production capacity and depressed demand caused by the Coronavirus crisis. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. In March 2021, western democracies implemented limited sanctions against a few officials in charge of government policy on the Uighurs in Xinjiang; this led to a much bigger retaliation by China and is likely to mean that the China / EU investment deal then being negotiated will be torn up. After the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products and vice versa. This is likely to reduce world growth rates.

3. Treasury Investments 2020/21

Treasury Investment Policy

- 3.1. The Council's treasury investment policy, governed by the MHCLG investment guidance, is implemented in the Council's Annual Investment Strategy for Treasury Investments 2020/21, that was approved by the Executive Councillor for Resources, Communications, and Commissioning on 20 March 2020, after being scrutinised by the Overview and Scrutiny Management Board on 27 February 2020.
- 3.2. The policy sets out the Council's approach for choosing authorised investment counterparties with appropriate limits (amount and maturity) that meet the risk appetite set by the Council. This selection is based on credit ratings issued by the three main credit rating agencies, supplemented by additional market data such as rating outlooks, credit default swaps and bank share prices. The Council's treasury advisors, Link Asset Services (LAS), provide the Council this data in the form of a creditworthiness matrix of suggested counterparties and limits, which the Council follows. **Appendix B** shows the Council's Authorised Lending List at 31 March 2021, based on this creditworthiness approach, together with a key explaining the credit rating scores.
- 3.3. **Note: The treasury investment policy relates to treasury investments only. The policy relating to non-treasury investments, held for service or commercial reasons, is covered in the Council's Capital Strategy.**

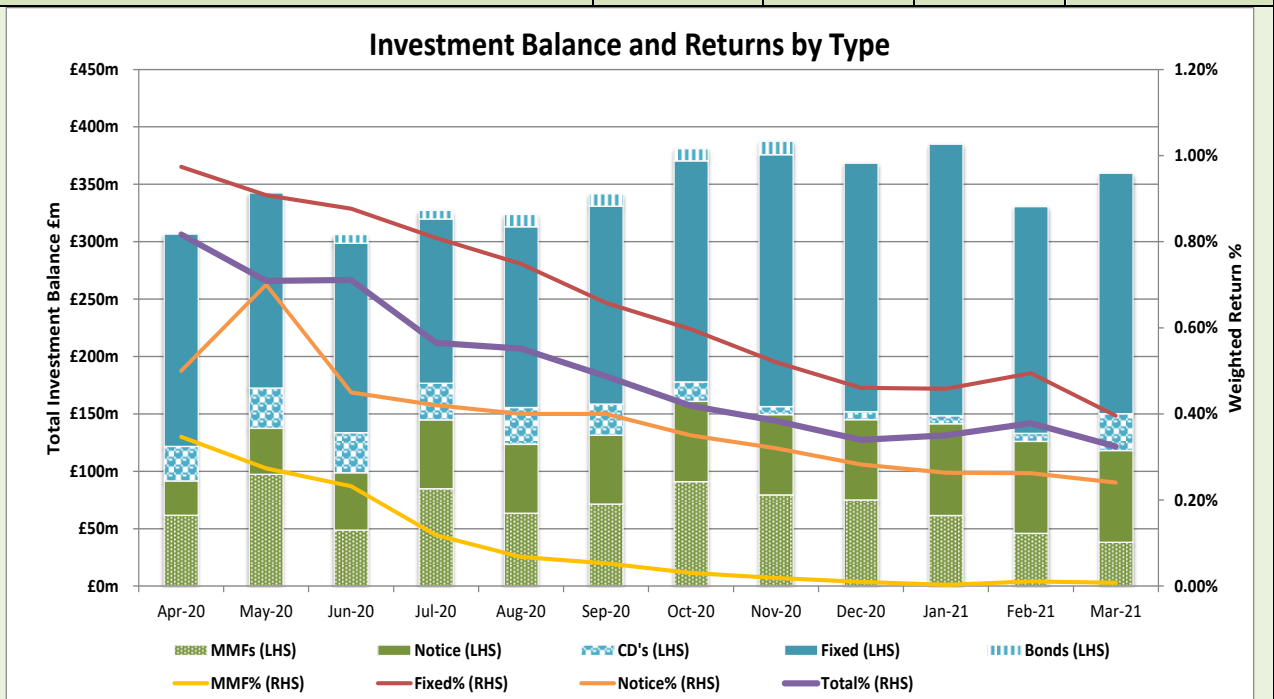
Treasury Investment Risk Appetite

- 3.4. The Council prioritises the **security of capital** and the **liquidity of investments**, over and above the **return** achieved on its treasury investments and hence the risk appetite set for its treasury investments is **low**.
- 3.5. As such, in addition to LAS's credit methodology, the Council also maintains a minimum limit of **A+ Long Term Rating (two out of three agencies)** for all its Counterparties, excluding part-nationalised UK banks, and a **minimum limit AA-Sovereign Rating, (two out of three agencies)** for any Country in which a Counterparty is based to ensure investments are only placed with highly credit rated financial institutions and hence the return achieved is commensurate with this level of risk taken. For information the UK Sovereign Rating is currently AA-.
- 3.6. The Covid-19 pandemic has not resulted in increased Credit Risk as Central Banks across the world have supported both their economies and banking sectors during the year. As such there have been no significant credit rating changes to Counterparties on the Authorise Lending List during the year.

Treasury Investment Activity 2020/21

3.7. The Council's treasury investment position and movement in activity during 2020/21 is shown as follows:

INVESTMENT PORTFOLIO	31.3.20 £m	Annual Return %	31.3.21 £m	Annual Return %
Treasury Investments:				
Money Market Liquidity Funds	63.105	0.71%	38.225	0.10%
Notice Accounts	40.000	0.94%	80.000	0.35%
Fixed Deposits, CD's & Bonds	185.000	1.03%	241.450	0.68%
Total Treasury Investments	288.105	0.98%	359.675	0.52%



Maturity Structure	31.3.2020		31.3.2021	
Weighted Average Maturity (WAM)	114 Days		114 Days	
Liquidity	£103.105m	35.79%	£118.225m	32.87%
< 1 Month	£15.000m	5.21%	£20.000m	5.56%
1-3 Months	£75.000m	26.03%	£82.950m	23.06%
3-6 Months	£45.000m	15.62%	£91.500m	25.44%
6-9 Months	£18.000m	6.25%	£20.000m	5.56%
9-12 Months	£20.000m	6.94%	£22.000m	6.12%
1-2 Years	£12.000m	4.17%	£5.000m	1.39%
Total	£288.105m	100.00%	£359.675m	100.00%

- 3.8. The investment balances shown above are made up of general and earmarked reserves, Pension Fund cash (£74.1m at 31 March 2021 / £12.1m at 31 March 2020), income received but not yet used/spent and general movement of working capital. The data shows that the investment balance at 31 March 2021 was some £71.5m higher than the previous year. This is predominantly due to the higher Pension Fund balance at the year end. The cash of the Pension Fund is pooled with that of the Council's cash for investment purposes and the Pension Fund received £50m cash in March following the redemption of a Fund. For strategic asset allocation reasons this redemption will be left as cash for at least six months and will therefore remain within the investment balance of the Council.
- 3.9. The average value of investments during 2020/21 was £348m, some £50m higher than the previous year. This is a consequence of receiving a huge amount of Covid-19 finance from Government during the year to pass onto businesses/individuals for support or to finance additional Covid-19 services. This extra funding had two major effects during the year on investments, that of disrupting normal cash flow and creating uncertainty of cash flow timings and flooding the market with liquidity in general, thus leading to plummeting liquidity rates.
- 3.10. The graph at 3.7 above shows how the investment fund balance fluctuated per month over the year and also how these funds were invested by type of investment, split between investments held for liquidity (Money Market Funds and Notice accounts)(green bars) as opposed to fixed term investments (blue bars) held for return. It shows that liquidity investments remained high throughout the year to manage the uncertainty of cashflow, at the same time as returns on liquidity, especially Money Market funds, fell to nearly zero (yellow line).
- 3.11. All investments made during the year were in line with the strategy, including making some one and two year investments where possible to lock into higher rates above benchmark levels and lengthen the Weighted Average Maturity (WAM) of the fund which ended the year at 114 days, the same as the previous year. The table above shows the maturity profile of the investments made in light of this strategy which is very similar to the previous year.
- 3.12. Temporary borrowing of £40.5m was taken when required during the year to cover liquidity shortfalls at an average cost of 0.08%, below money market fund yield levels. This was in line with strategy and as an alternative to drawing on higher yielding Notice Accounts. No temporary borrowing remained outstanding at 31 March 2021.
- 3.13. A full list of the investments held at 31 March 2021, compared to Link's creditworthiness list, and changes to credit rating of counterparties during March 2021 are shown in **Appendix C**.

Treasury Investment Return and Benchmarking Results

3.14. The table below shows the Council's annualised investment return for 2020/21 based on the above activity against the benchmark return for internal investments (weighted 7 day LIBID and 3 month LIBID market rates to reflect low risk appetite taken), compared to the previous year, and also the actual versus budgets investment income earned as a result. The significant underspend in both the Capital and Revenue budgets in 2019/20 was also a contributory factor to the surplus investment income achieved over that budgeted, shown below.

	2019/20	2020/21
Annualised Investment Return	0.98%	0.52%
Annualised Benchmark Rate	0.61%	0.07%
Outperformance	0.37%	0.45%
Total Investment Return Income	£2.42m	£1.78m
Budgeted Investment Return Income	£2.00m	£1.30m
Surplus Investment Return Income	£0.42m	£0.48m

3.15. The table highlights how the investment return and income have fallen sharply in 2020/21 as a result the impact of Covid-19 on the economy and interest rates. Despite this the investment benchmark was exceeded by 0.45% and the budgeted investment return was exceeded by £480k. The significant underspend in both the Capital and Revenue budgets in 2020/21 was a contributory factor to the surplus investment income achieved over that budgeted.

3.16. The level of return achieved directly correlates with the level of risk taken with investments. To demonstrate this, **Appendix D** shows the performance of a variety of major asset classes over several years ranked by riskier assets first (risk to capital loss). The Council has set its risk appetite at the bottom of this spectrum, including Money Market Funds held for liquidity and 3 to 12 month LIBID money market deposits.

3.17. The Council's investment return was also benchmarked against analysis as at 31 March 2021, provided by LAS, which comprised a mixture of 14 other Councils in the East Midlands area and 13 English Counties. The results of this benchmarking are detailed below.

Link Benchmarking – Position at 31/3/2021			
	LCC	Benchmark Group(14)	English Counties (13)
31st March Return %	0.32%	0.18%	0.23%
Risk Banding	0.22% -0.32%	0.13% - 0.24%	0.18% -0.28%
Performance	Above	Inline	Inline
Risk Weighted Score (Duration/Credit Quality)	2.45	2.92	2.40
WAM (days)	114	82	85

3.18. The benchmarking results show that the Council is above par with the investment returns achieved by its LAS comparators in 2020/21, mainly as a result of having a longer WAM (duration of investments). This is a good result given the low risk nature of the Counterparties allowed on the Council's Lending List (restricted to a Long Term minimum rating of A+), which does not apply to other comparators. LAS calculate a risk banding return that should be achievable for the level of risk being taken on investments and the Council has performed above this banding.

4. Long Term Borrowing 2020/21

Capital Expenditure Plans and Borrowing Requirement 2020/21

- 4.1. The Council's capital expenditure plans are the key driver of treasury management activity, as they set the long term borrowing requirement plans for the Council.
- 4.2. The Council is required by regulation to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017 (referred to as the 'Prudential Code') when assessing the **affordability, prudence** and **sustainability** of its capital investment plans. It does this by setting a series of **Prudential Indicators** that ensure and demonstrate the Council's capital expenditure plans remain affordable, prudent and sustainable.
- 4.3. **Appendix E** shows a summary of the actual Prudential Indicators for 2020/21, compared to those estimated and approved by the County Council at its meeting on 21 February 2020, along with the Council Budget 2020/21. It can be confirmed that no Prudential Indicators were breached during 2020/21.
- 4.4. Extracted from these Prudential Indicators, shown in the table below, is the Council's **net capital expenditure** for 2020/21 and the resulting **borrowing requirement** for 2020/21 (the element of this expenditure which is not to be financed straight away from cash resource or grants, hence to be financed at a future date by borrowing). Plans were revised during 2020/21 from that agreed by the County Council and both actual spending and borrowing requirement were under budget for the year.

	Original Budget at 1/4/2020 £m	Final Budget at 31/3/2021 £m	Actual at 31/3/2021 £m	Underspend £m
Net Capital Expenditure Programme 2020/21	137.923	111.769	52.235	59.534
Borrowing Requirement 2020/21	137.893	90.537	28.313	62.224

Capital Financing Requirement, Borrowing Strategy and Control of Interest Rate Risk 2020/21

- 4.5. **The Capital Financing Requirement (CFR)** is another Prudential Indicator shown in Appendix E. It is a measure of the amount of capital expenditure that the Council has already spent that has yet to be funded from cash resources or the Council's total indebtedness or **need to borrow for capital financing purposes**. Credit arrangements (finance leases and PFI) are also included in the CFR as they have the same practical impact as borrowing. The CFR is increased each year by the **new borrowing / credit arrangement** requirement, as highlighted in the table above, and reduced each year by the **Minimum Revenue Provision (MRP)**, a provision the Council has to set aside to repay its debt each year.
- 4.6. In fulfilling the underlying need to borrow to finance its capital expenditure plans, the Council has flexibility when it takes external borrowing to ensure borrowing is taken at a time when interest rates are at their lowest (thereby controlling interest rate risk) and to minimise cost of carry (where borrowing costs exceed investment return, until utilised by capital expenditure). The Council utilises its own internal cash resource to finance borrowing requirement not taken externally and this is known as **Internal Borrowing**.
- 4.7. A benefit of internal borrowing is the reduction of Counterparty risk as a reduced cash balance leads to reduced investments made and in times when investment returns are low this is a prudent strategy. Cash resource is depleted by internal borrowing and therefore there is an ultimate limit as to how much internal borrowing can be done before cash resource is put at risk. The Council tries to maintain the **level of internal borrowing at 15% of CFR** in order to maintain a suitable level of cash resource. However for 2020/21 the level of internal borrowing was increased to 20%, given the excess cash balance held in the year as explained in 3.8 and 3.9 above.
- 4.8. Another Prudential Limit states that external borrowing should not exceed the CFR two years hence in order to ensure that borrowing remains prudent and affordable and not undertaken for revenue purposes. Appendix E shows that the Council has maintained this limit.
- 4.9. The table below shows the final CFR position for 2020/21 and how this is split between External and Internal Borrowing.

CFR 2020/21	£m	£m	%
Opening CFR Balance at 1.4.2020		616.220	
Net Capital Expenditure 2020/21	52.235		
Financed by Cash Resource:			
Grants	9.401		
Capital Receipts	(2.690)		
Reserves	(4.080)		
Revenue	(7.751)		
Add: Borrowing Requirement 2020/21		28.313	
Less: Minimum Revenue Provision 2020/21		(20.235)	
Closing CFR Balance at 31.3.2021		624.298	100.0%
Represented By:			
External Borrowing (Including Credit Arrangements)		496.296	79.5%
Internal Borrowing		128.002	20.5%

External Borrowing Activity 2020/21

4.10. The Strategy for 2020/21 stated that new external borrowing would be undertaken in all periods with the aim of achieving an even spread of maturity profile and keeping an increase in the average cost of the Council's debt to a minimum. Borrowing would be undertaken at a time appropriate to coincide with an identified dip in borrowing rates available.

4.11. The Council's actual borrowing position as at 31 March 2021 and activity during 2020/21, is detailed in the table below:

Borrowing Activity 2020/21	Market Debt (LOBO) £m	PWLB Debt £m	Total £m	% Cost
Opening Balance at 1.4.2020	20.000	481.540	501.540	3.757%
New Borrowing in 2020/21	0.000	0.000	0.000	
Borrowing Matured/Repaid in 2020/21	0.000	(14.354)	(14.354)	
Debt Rescheduling:-				
Borrowing Repaid in 2020/21	(0.000)	0.000	(0.000)	
Borrowing Replaced in 2020/21	0.000	0.000	0.000	
Closing Balance at 31.3.2021	20.000	467.186	487.186	3.743%
Authorised Limit For External Debt 2020/21			715.305	

4.12. The table above shows that no new external borrowing was taken during the year with the Borrowing Requirement for 2020/21 met in full from internal borrowing in an

attempt to reduce surplus cash balances held in the year and to save on borrowing costs.

- 4.13. **Appendix F** shows this maturity profile at 31 March 2021, including the variability effect of the £20m LOBO debt held. The graph shows that no debt maturing in any one year exceeds 9.83% of the total debt portfolio.
- 4.14. The table also shows that no debt rescheduling was undertaken in 2020/21 and the balance of LOBO debt still remains at £20m, all held with BAE Systems Pension Fund. This is well within the LOBO limit set in the Strategy of 10% of total external debt (equating to £48.7m). A limit is set on this type of borrowing to limit the amount of variability within the debt portfolio for debt repayment.
- 4.15. Total long term debt outstanding at 31 March 2021 fell to £487.186m and is well within the Council's Authorised Limit for External Debt of £715.305m. This is the Council's statutory 'Affordable Borrowing Limit' as per the Local Government Act 2003, which should not be breached and is also another Prudential Indicator.

External Borrowing Cost and Benchmarking Position

- 4.16. The table below shows the interest cost of the Council's total external debt. This is benchmarked against the average cost of debt that was available from the PWLB in the year. Savings in the cost of borrowing was due to no external debt taken in the year together with significant underspend of the capital programme in 2020/21 which has been carried forward to 2021/22.

	2019/20		2020/21	
	% Cost	£m	% Cost	£m
Long Term Borrowing Outstanding at 31 st March.	-	501.540	-	487.186
Actual Interest Cost of External Debt	3.757%	18.809	3.743%	18.484
Budgeted Cost of External Debt	-	21.858	-	22.093
Underspend		£3.049m		£3.609m
New Borrowing Taken and Average Cost	1.848%	50.000	-	0.000
Benchmark Cost of Borrowing Available in Year (50 Year PWLB)	2.320%	-	2.140%	-
Outperformance	0.472%	£0.236m	0.0%	£0.000m

Internal Borrowing Activity 2020/21

- 4.17. The borrowing requirement (CFR) not taken externally is known as 'internal borrowing' and this utilises the internal balances of the Council to finance the capital spend. The level of internal borrowing is adjusted for amounts carried forward along with any capital programme underspends each year and also for adjustment to

borrowing taken for any voluntary repayment of debt or excess borrowing taken for maturing debt in excess of MRP level. The balance of internal borrowing at 31 March 2021 stood at £128.002m and the table below shows how this balance has been derived.

Internal Borrowing 2020/21	£m	£m
Internal Borrowing Balance BF		104.965
Original Borrowing Requirement 2020/21	90.537	
Less Underspend Carried Forward	(62.224)	
Adjustment for Voluntary /Maturing Debt	(5.067)	
Final Borrowing Requirement 2020/21		23.246
Actual External Borrowing Undertaken		(0.209)
Internal Borrowing Balance CF		128.002

The £62.224m carry forward of internal borrowing for 2020/21 will be carried forward to 2021/22, along with the Capital Programme and Borrowing Requirement underspends. The Council will take external borrowing in 2021/22, after adjusting for debt repayments and underspends to ensure internal borrowing remains around 20% of CFR in order that sufficient cash balance is maintained.

4.18. It is worth pointing out that the internal borrowing balance detailed above can be taken externally at any time if investment interest rate yield curves reverse and move higher than long term borrowing rates in the future. This would bring internal borrowing down below 20%.

5. Other Treasury Management Issues

5.1. Public Works Loan Board (PWLB); Future Lending Terms Consultation

The Government increased the margin on all PWLB debt by 1% in October 2019 and the Chancellor's Budget on 11 March 2020 clarified some of the rationale behind the rate increase, whilst stating that it did not support the use of cheap long-term PWLB funding for commercial type ventures and so intended not to lend for this type of activity. To counteract funding commercial activities:

- The Government issued a consultation, the deadline for response being July 2020, on revising the terms of PWLB lending (process and interest rates), to ensure Councils continue to invest in housing, infrastructure and front-line services (i.e. non-commercial activities).
- Immediately cut the PWLB margin for social housing projects by 1%, back to the pre-October increase level.

- Made an extra £1.15bn of discounted loans available for local infrastructure projects at a margin of only 0.60%.

In response to this Consultation, on 25 November 2020, a new PWLB lending procedure was introduced requiring Councils to confirm they do not plan to buy investment assets primarily for yield (i.e. for commercial activity), through the Government Delta System on an annual basis. Any purchase of investments assets for this purpose declared would automatically exclude a Council from future borrowing from the PWLB for any reason.

Councils that could confirm no such investments for commercial reasons were automatically subject to a new Certainty Rate from the PWLB for borrowing that was once again reduced by the 1% margin previously increased in 2019.

I can confirm that at 31 March 2021 the Council had no commercial investments held purely for return or any plans to undertake any and as such can now benefit from the reduced Certainty Rates from the PWLB for external borrowing during 2021/22.

6. Conclusion

Key Points Summary:

- This report relates to Treasury Investments only. Non-Treasury Investments made for service reasons are covered in the Council's Capital Strategy.
- Bank Base rate has remained at 0.10% over 2020/21 and the MPC is not expected to move this for the foreseeable future to support the economy's recovery from the pandemic. Short term rates (LIBID) are now also negative. Long term rates remained relatively flat until 26 November 2020 where they were cut by 1% due to PWLB procedural changes. They have drifted upward since then to end the year 0.50% higher due to a rebound in economic recovery.
- The financial year 2020/21 will be remembered as the year of the pandemic as economies across the world, including the UK, took a nose dive as Governments have tried to support their nations through lockdown. The way in which the UK and the US have led the world implementing a fast vaccine program has been instrumental in speeding economic recovery and coming out of lockdown. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity by March 2022.
- The main impact of the pandemic on treasury activity in 2020/21 was to cash flows, with normal cash flows disrupted by the injection of Government Support for Covid-19 measures throughout the year and extra Covid-19 expenditure measures taken to support businesses and individuals in Lincolnshire. This uncertainty of cash flow has required a larger proportion of investments to be held in liquidity instruments than normal, which are yielding the lowest return.

- The Council's risk appetite for its treasury investments remains low, as it prioritises security of capital and liquidity over return. The Council has outperformed the benchmark set for this risk level, by 0.45%, which equated to £0.48m in monetary terms. It also outperformed benchmarking comparators whilst having a lower risk profile, primarily by having a longer weighted average maturity of investments.
- Short term borrowing at less than investment rate levels was taken during the year to support predicted liquidity shortfalls, in line with the Strategy.
- The Council adheres to the CIPFA Prudential Code for Capital Finance by setting Prudential Indicators to ensure its capital plans are affordable, prudent and sustainable. All prudential limits have been adhered to with no breaches in 2020/21.
- Both capital expenditure and hence its borrowing requirement for 2020/21 were significantly underspent in the region of £62m. This will be carried forward into 2021/22.
- The Council's CFR at 31 March 2021 (or underlying need to finance its capital expenditure plans by borrowing) has been met by a combination of both external and internal borrowing as follows:

External Borrowing	£496.3m	79.5%
Internal Borrowing	<u>£128.0m</u>	20.5%
CFR	£616.3m	

- No new external borrowing was taken in 2020/21; £14.4m of debt was repaid which has reduced the total cost of the Council's external debt to 3.743%, equating to £18.5m borrowing interest paid in 2020/21, £3.6m under budget.
- No debt rescheduling was undertaken in 2020/21.
- Internal borrowing was increased in 2020/21 by £23.0m after balances brought forward and carried forward, outturn borrowing requirement and external debt taken, leaving the balance of internal borrowing at £128m which, at 20.5% is in line with the target level for internal borrowing that has been increased to 20% of the CFR, as the general level of cash surplus has increased to support this new level.
- New PWLB terms for process and interest rates were published in November 2020, following a Consultation from MHCLG. These terms preclude Councils from taking PWLB borrowing if they have taken commercial investments purely for return, but the Certainty Rate for those councils with no such investments was reduced by 1 % for any new borrowing required. The Council has no such commercial investments at 31 March 2021 and is free to utilise this new Certainty rate for 2021/22.

7. Consultation

a) Risks and Impact Analysis

Risk & Impact Analysis for Treasury Management forms TMP1 of the Treasury Management Practices, as required by the CIPFA Code of Practice 2017. A Risk Register which details the main risks for Treasury Management has been completed and is reviewed annually. Both the TMPs and the Risk Register are held in the Treasury Files held on IMP at County Offices.

8. Appendices

These are listed below and attached at the back of the report	
Appendix A	Glossary of Abbreviations Used in this Report
Appendix B	Authorised Lending List at 31 March 2021 and Credit Rating Key
Appendix C	Investment Analysis Review at 31 March 2021 - Link Asset Services Ltd
Appendix D	Risk and Reward per Asset Class 2020/21 and Comparative Years
Appendix E	Prudential Indicators - Actuals Compared to Estimate 2020/21
Appendix F	LCC Long Term Borrowing Maturity Profile as at 31 March 2021

9. 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&Ver=4

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GLOSSARY OF ABBREVIATIONS USED IN THIS REPORT

CFR: capital financing requirement - the Council's annual underlying borrowing need to finance capital expenditure and a measure of the Council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone - those countries in the EU which use the euro as their currency

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members - the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies - the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom - that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

LAS: Link Asset Services, Treasury solutions – the Council's treasury management advisers.

LIBID: the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend).

LOBO: a 'Lenders Option, Borrowers Option' money market loan whereby the Lender has the option to change the rate of a loan after a designated fixed period of time and the Borrower (LCC) has the option to accept this new rate or repay the loan.

MHCLG: the Ministry of Housing, Communities and Local Government -the Government department that directs local authorities in England.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision - a statutory annual minimum revenue charge to reduce the total outstanding CFR (the total indebtedness of a local authority).

PFI: Private Finance Initiative – capital expenditure financed by the private sector i.e. not by direct borrowing by a local authority.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – CPI. The main difference between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.

WAM: Weighted Average Maturity (Duration) of investment portfolio.

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

March 2021

Monthly Economic Summary

General Economy

The UK Flash (i.e. provisional) manufacturing PMI increased to 57.9 in March from 55.1 in February. This signalled the strongest rate of factory output growth since November 2017, despite COVID-19 restrictions remaining in place. The Flash Services PMI, meanwhile, rose to 56.8 in March from 49.7 in February, signalling the first month of expansion in the services sector since October 2020. Together, these gains saw the Flash Composite PMI (which incorporates both sectors), rise to 56.6 in March compared to 49.8 in February, and above the no change 50 mark for the first time in three months. The construction PMI, meanwhile, which is released one month behind, rose to 53.3 in February from 49.2 in January, as project starts increased ahead of the impending end of the third national lockdown.

Monthly GDP data for January revealed that the reimposition of national lockdown measures on the economy at the end of December resulted in output contracting by 2.9% m/m, compared to December's 1.2% m/m expansion. Although this left GDP 9.2% lower than a year ago, the decline was better than the 4.9% contraction expected by the consensus and significantly better than the contractions witnessed during the first lockdown, which started in March last year, suggesting that the economy has become more resilient to lockdowns. Trade data, meanwhile, revealed that an 18.5% fall in imports outweighed a record 11.5% contraction in exports during January, ultimately causing the UK's trade deficit to fall to £1.6 billion in January from £6.2 billion in December. According to analysts, the stockpiling of goods ahead of Brexit and the impact of COVID-19 lockdowns in the UK and Europe contributed to the decline.

The UK's unemployment rate fell to 5% in the three months to January, compared to 5.1% in the previous period, registering its first decline since September 2019. To an extent, this result highlighted the effectiveness of the government's Job Retention Scheme (extended until September during the month), which is currently estimated to be supporting about 4 million jobs. However, it also reflects the combined impact of 147,000 job losses recorded during the period being offset by a 136,000 fall in the labour force, meaning that unemployment only rose by a net 11,000 during the three months. More timely data, however, suggests that the number of people claiming unemployment benefits in the UK increased by 86,600 to 2.7 million during February. Although average weekly earnings including bonuses surged 4.8% y/y in the three months to January, this partly reflects the loss of low paid jobs during the pandemic. Excluding this effect, earnings were estimated to have risen at a 3.2% y/y rate.

UK inflation, as measured by the Consumer Price Index, surprisingly eased to 0.4% y/y in February from 0.7% y/y in January, below market forecasts of a rise to 0.8% y/y. The smaller than expected result was largely due to a 5.7% fall in clothing and footwear prices, which represented the largest annual decline since November 2009. On a monthly basis, consumer prices rose by 0.1% in February, compared to a 0.2% fall in January and market forecasts of a 0.4% drop. With the annual rate still well below the Monetary Policy Committee's 2% target, the Committee voted unanimously to keep Bank Rate at 0.1% and left its bond-buying programme unchanged during its March meeting.

Retail sales, meanwhile, matched market forecasts by rising 2.1% m/m in February, rebounding strongly from the 8.2% contraction recorded in January. As a result, sales remained 3.7% lower than a year earlier, although this represented an improvement on the 5.9% y/y contraction posted in January. The GfK Consumer Confidence index also registered an improvement, rising 7 points to -16 in March, ahead of market forecasts of -20. This was the highest reading since March last year, as prospects for economic recovery

improved amid vaccination rollouts.

Reflecting the impact of public health measures and government policies to support the economy during the coronavirus pandemic, the UK's public sector net borrowing (excluding public sector banks) reached £19.1 billion in February, £17.6 billion more than during the same month last year. Borrowing in the first 11 months of this financial year, meanwhile, is estimated to have been £278.8 billion, £228.2 billion more than in the same period last year and the highest public sector borrowing in any April to February period since records began in 1993. The fiscal burden is likely to remain high in the near term, given that the Chancellor provided further support amounting to approximately £70bn in this year's Spring Budget.

Aided by an easing of COVID restrictions and an acceleration of vaccinations, the US economy added 379,000 jobs in February, outperforming market expectations of a 182,000 rise. This enabled the unemployment rate to ease to 6.2% in February from 6.3% in January. The third and final estimate of GDP, meanwhile, confirmed that the US economy expanded by an annualised 4.3% rate during Q4 2020. Future growth prospects also received a boost following the signing into law of President Biden's \$1.9 trillion stimulus package. Against this backdrop, prices (as measured by the Federal Reserve's preferred core Personal Consumption Expenditure deflator), rose 1.6% y/y in February compared to expectations of 1.7% y/y and the Federal Reserve's 2% average target. With inflation still below target, the Federal Reserve maintained their ultra-accommodative monetary policy stance during its March meeting, signalling that the Federal Funds Rate is unlikely to rise before 2023.

The third and final estimate of GDP confirmed that the Eurozone economy shrank by 0.7% q/q in Q4 2020 compared to the previous estimate of a 0.6% fall. Core inflation, meanwhile, fell from 1.4% y/y in January to 0.9% y/y in February. With inflation still well below the ECB's 2% target, the central bank left interest rates unchanged at their record lows during its March meeting. However, the ECB announced that "bond purchases under the PEPP over the next quarter [would be] conducted at a significantly higher pace than during the first months of this year", as the central bank aimed to lower government bond yields and support Eurozone economic recovery.

Housing

House prices rose by 5.7% y/y during March according to the Nationwide house price index and 5.2% y/y in February according to the Halifax house price index. On a monthly basis however, prices fell by 0.2% and 0.1% respectively, likely reflecting a softening of demand ahead of the original end of the stamp duty holiday before the Chancellor announced its extension in the Budget.

Currency

Sterling improved against the Euro as the UK's vaccine rollout progressed as planned whilst parts Europe witnessed rising COVID 19 cases. However, the passage of President Biden's stimulus package boosted US growth prospects further, which contributed to Sterling easing against the Dollar.

March	Start	End	High	Low
GBP/USD	\$1.3938	\$1.3797	\$1.3991	\$1.3712
GBP/EUR	€1.1565	€1.1739	€1.1739	€1.1565

Forecast

Both Link Group and Capital Economics have made no change to their interest rate forecasts. Bank Rate is forecast to remain unchanged at 0.1% throughout 2021.

Bank Rate	Now	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	0.10%	0.10%	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%	0.10%	0.10%	-	-	-	-	

Lincolnshire County Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
MMF Deutsche	18,225,000	0.00%		MMF	AAAm		
MMF Aberdeen Standard Investments	20,000,000	0.01%		MMF	AAAm		
Cornwall Council	5,000,000	0.05%	07/01/2021	07/04/2021	AA-	0.000%	0
Bedford Borough Council	3,000,000	0.47%	15/07/2020	15/04/2021	AA-	0.001%	0
Maidstone Borough Council	2,000,000	0.06%	22/03/2021	22/04/2021	AA-	0.001%	0
Plymouth City Council	5,000,000	0.50%	23/07/2020	23/04/2021	AA-	0.001%	0
Stockport Metropolitan Borough Council	5,000,000	0.95%	30/04/2020	29/04/2021	AA-	0.002%	0
Handelsbanken Plc	20,000,000	0.02%		Call30	AA-	0.002%	383
HSBC UK Bank Plc (RFB)	10,000,000	0.15%		Call31	A+	0.004%	400
Brentwood Borough Council	2,000,000	0.10%	02/11/2020	04/05/2021	AA-	0.002%	0
London Borough of Brent	10,000,000	0.12%	04/11/2020	04/05/2021	AA-	0.002%	0
Blaenau Gwent County Borough Council	5,000,000	0.95%	21/05/2020	20/05/2021	AA-	0.003%	0
Slough Borough Council	5,000,000	0.95%	29/05/2020	28/05/2021	AA-	0.004%	0
Brentwood Borough Council	5,000,000	0.45%	16/09/2020	16/06/2021	AA-	0.005%	0
Nationwide Building Society	5,000,000	0.04%	17/03/2021	17/06/2021	A	0.010%	504
Rugby Borough Council	5,000,000	1.20%	31/01/2020	18/06/2021	AA-	0.005%	0
Luton Borough Council	5,000,000	0.12%	18/12/2020	18/06/2021	AA-	0.005%	0
Rotherham Metropolitan Borough Council	5,000,000	0.95%	23/06/2020	22/06/2021	AA-	0.005%	0
Australia and New Zealand Banking Group Ltd	5,950,000	0.10%	22/03/2021	22/06/2021	A+	0.011%	638
Liverpool City Council	5,000,000	0.65%	24/06/2020	23/06/2021	AA-	0.005%	0
Nationwide Building Society	10,000,000	0.04%	23/03/2021	23/06/2021	A	0.011%	1085
Barclays Bank Plc (NRFB)	15,000,000	0.15%		Call85	A	0.011%	1647
Glasgow City Council	5,000,000	0.30%	24/09/2020	24/06/2021	AA-	0.005%	0
DBS Bank Ltd	5,000,000	0.40%	26/06/2020	25/06/2021	AA-	0.005%	274
Fife Council	5,000,000	0.79%	29/06/2020	28/06/2021	AA-	0.006%	0
HSBC UK Bank Plc (RFB)	10,000,000	0.14%		Call90	A+	0.012%	1162
National Westminster Bank Plc (RFB)	5,000,000	0.42%	03/07/2020	02/07/2021	A	0.012%	601
Doncaster Metropolitan Borough Council	5,000,000	1.10%	16/08/2019	02/07/2021	AA-	0.006%	0
National Westminster Bank Plc (RFB)	2,000,000	0.42%	06/07/2020	05/07/2021	A	0.012%	248
Redcar & Cleveland Borough Council	5,000,000	0.50%	27/07/2020	26/07/2021	AA-	0.007%	0
London Borough of Croydon	5,000,000	1.00%	06/08/2020	05/08/2021	AA-	0.008%	0
Blackpool Borough Council	5,000,000	0.47%	07/08/2020	06/08/2021	AA-	0.008%	0
Eastleigh Borough Council	10,000,000	0.10%	09/02/2021	09/08/2021	AA-	0.008%	0
Great Yarmouth Borough Council	5,000,000	0.12%	19/02/2021	19/08/2021	AA-	0.009%	0
Broxbourne Borough Council	2,000,000	0.40%	21/08/2020	20/08/2021	AA-	0.009%	0
Corby Borough Council	2,500,000	0.45%	25/08/2020	24/08/2021	AA-	0.009%	0
DBS Bank Ltd	10,000,000	0.11%	15/03/2021	15/09/2021	AA-	0.011%	1072
Canterbury City Council	5,000,000	0.35%	18/09/2020	17/09/2021	AA-	0.011%	0

Lincolnshire County Council

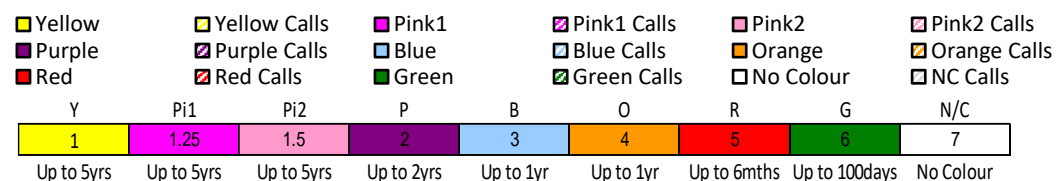
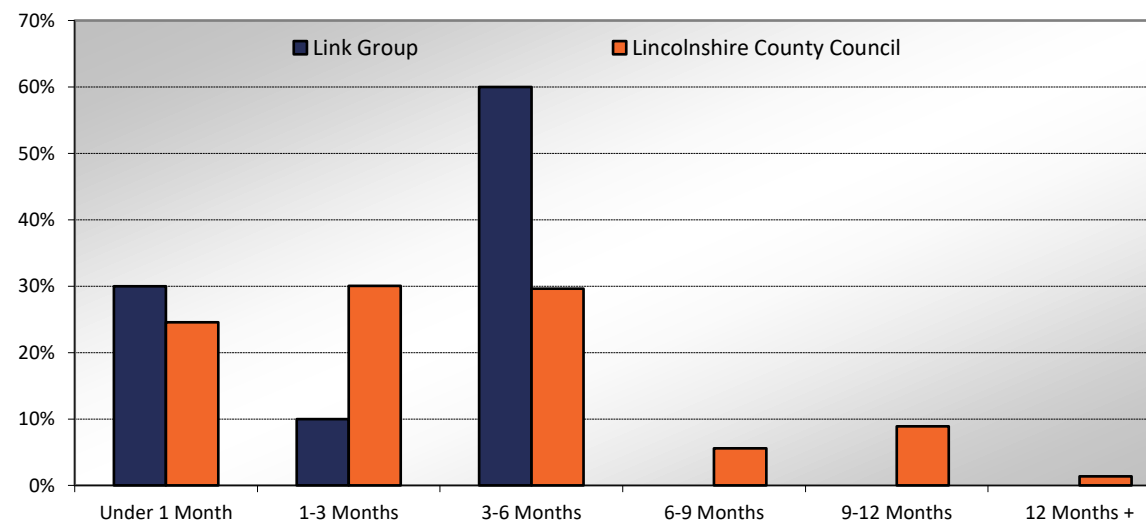
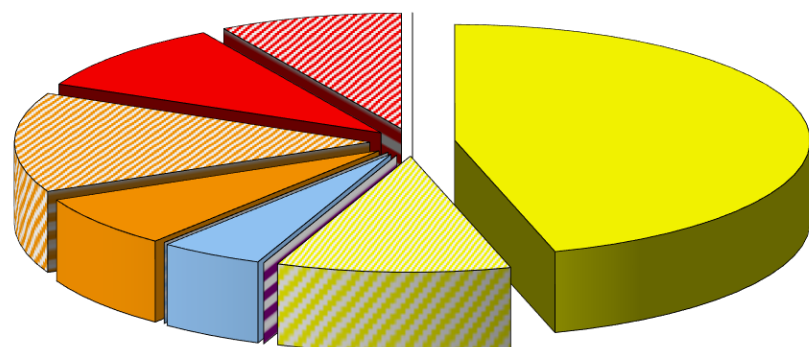
Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
Standard Chartered Bank	10,000,000	0.10%	17/03/2021	17/09/2021	A	0.022%	2196
South Ayrshire Council	5,000,000	0.45%	21/09/2020	20/09/2021	AA-	0.011%	0
Standard Chartered Bank	5,000,000	0.12%	19/03/2021	20/09/2021	A	0.022%	1117
Santander UK Plc	15,000,000	0.58%		Call180	A	0.023%	3487
Close Brothers Ltd	5,000,000	0.25%	26/03/2021	27/09/2021	A-	0.023%	1162
DBS Bank Ltd	5,000,000	0.14%	31/03/2021	30/09/2021	AA-	0.012%	584
Australia and New Zealand Banking Group Ltd	10,000,000	0.40%		Call185	A+	0.024%	2389
Cherwell District Council	5,000,000	0.75%	16/10/2020	15/10/2021	AA-	0.013%	0
Blackburn with Darwen Borough Council	5,000,000	0.45%	27/01/2021	27/10/2021	AA-	0.013%	0
National Westminster Bank Plc (RFB)	10,000,000	0.14%	30/03/2021	31/12/2021	A	0.036%	3552
Northumberland County Council	5,000,000	0.45%	06/01/2021	05/01/2022	AA-	0.018%	0
Kingston Upon Hull City Council	5,000,000	0.45%	08/01/2021	07/01/2022	AA-	0.018%	0
Cardiff City Council	2,000,000	1.55%	10/01/2020	10/01/2022	AA-	0.018%	0
Cambridgeshire County Council	5,000,000	0.40%	18/01/2021	17/01/2022	AA-	0.019%	0
West Dunbartonshire Council	5,000,000	0.42%	24/03/2021	23/03/2022	AA-	0.023%	0
Cambridgeshire County Council	5,000,000	0.62%	16/10/2020	16/05/2022	AA-	0.026%	0
Total Investments	£359,675,000	0.32%				0.011%	£22,502

Note: An historic risk of default and expected credit loss are only provided if a counterparty has a counterparty credit rating and are not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default and expected credit loss therefore measure the historic risk of default and expected credit loss attached only to those investments for which a counterparty has a counterparty credit rating and also do not include investments which are not rated.

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2020 for Fitch, 1983-2020 for Moody's and 1981-2020 for S&P.

Portfolio Composition by Link Group's Suggested Lending Criteria



Portfolios weighted average risk number = **2.45**

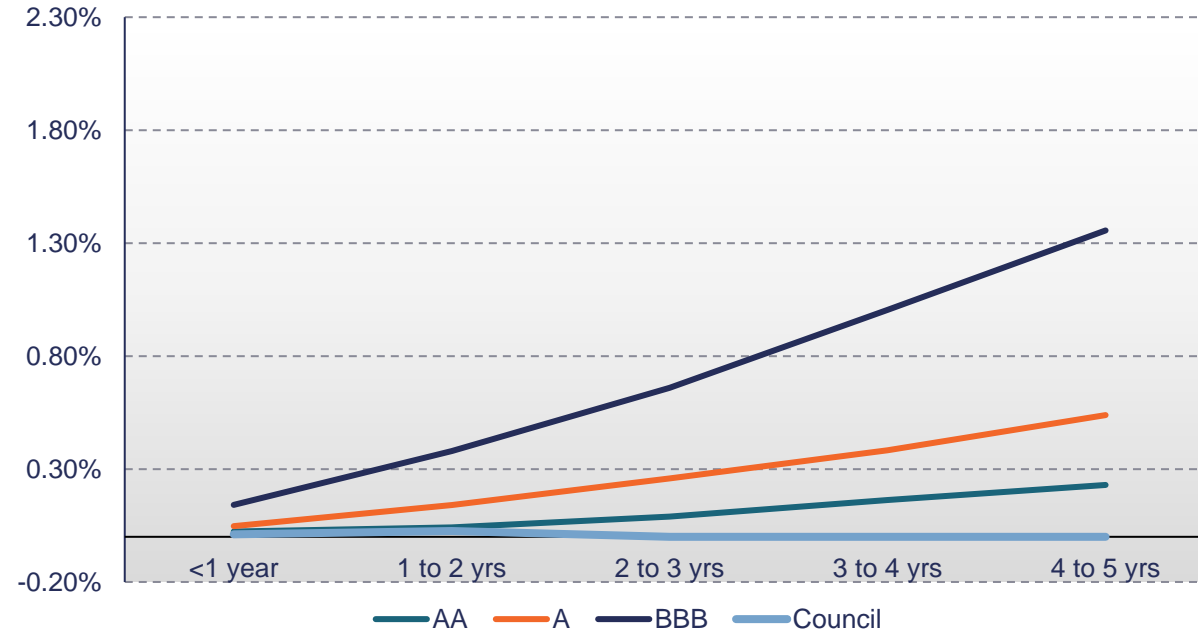
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs	
									WAM	WAM at Execution
Yellow	56.09%	£201,725,000	18.95%	£38,225,000	10.63%	0.43%	107	266	132	328
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	4.73%	£17,000,000	0.00%	£0	0.00%	0.26%	200	312	200	312
Orange	21.12%	£75,950,000	65.83%	£50,000,000	13.90%	0.15%	95	116	136	197
Red	18.07%	£65,000,000	46.15%	£30,000,000	8.34%	0.22%	133	139	134	145
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%	£359,675,000	32.87%	£118,225,000	32.87%	0.32%	114	213	138	286

Lincolnshire County Council

Investment Risk and Rating Exposure

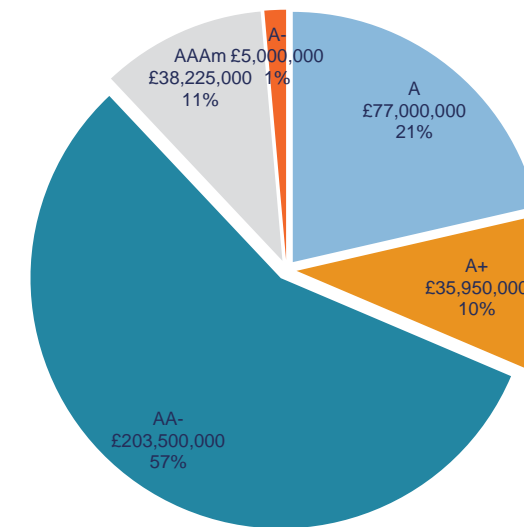
Investment Risk Vs. Rating Categories



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%	0.09%	0.16%	0.23%
A	0.05%	0.14%	0.26%	0.38%	0.54%
BBB	0.14%	0.38%	0.66%	1.01%	1.36%
Council	0.011%	0.026%	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.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

Lincolnshire County Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
03/03/2021	1795	UBS AG	Switzerland	The Outlook on the Long Term Rating was changed to Stable from Negative.
04/03/2021	1796	Commerzbank AG	Germany	All ratings were affirmed and simultaneously withdrawn.

Lincolnshire County Council

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
31/03/2021	1798	Credit Suisse AG	Switzerland	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
01/03/2021	1793	Nordea Bank Abp	Finland	The Outlook on the Long Term Rating was changed to Stable from Negative.
01/03/2021	1793	Deutsche Bank AG	Germany	The Outlook on the Long Term Rating was changed to Positive from Negative.
01/03/2021	1794	Barclays Bank PLC (NRFB)	United Kingdom	The Outlook on the Long Term Rating was changed to Stable from Negative.
01/03/2021	1794	Barclays Bank UK PLC (RFB)	United Kingdom	The Outlook on the Long Term Rating was changed to Stable from Negative.
30/03/2021	1797	Credit Suisse AG	Switzerland	The Outlook on the Long Term Rating was changed to Negative from Stable.

Whilst Link Group makes every effort to ensure that all the information it provides is accurate and complete, it does not guarantee the correctness or the due receipt of such information and will not be held responsible for any errors therein or omissions arising there from. All information supplied by Link Group should only be used as a factor to assist in the making of a business decision and should not be used as a sole basis for any decision. The Client should not regard the advice or information as a substitute for the exercise by the Client of its own judgement.

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Risk and Reward per Asset Class 2020/21 and Comparative Years.

Asset Class (Local Authority Sector unless stated)	2019	2020	YTD-April 2021	Average Annual Return (since 2005)
UK All Companies	22.51%	-6.22%	10.17%	10.05%
UK Equity Income	19.84%	-10.78%	10.40%	9.20%
Mixed Investments 40-85% Shares	15.94%	5.16%	4.81%	7.84%
UK Equity & Bond Income	16.69%	-9.78%	5.74%	7.70%
UK Index Linked Gilts	5.84%	12.04%	-5.99%	6.36%
Mixed Investments 20-60% Shares	12.21%	3.50%	3.16%	5.98%
UK Property (IPD/AREF, UK PFI Other Balanced Funds)	1.80%	-1.00%	2.20%	5.29%
£ Corporate Bond	9.47%	7.75%	-2.52%	5.23%
Mixed Investments 0-35% Shares	8.87%	3.80%	0.63%	4.70%
UK Gilts	6.89%	9.00%	-7.10%	4.39%
Bloomberg Barclays £ 0-5yr Corporate Bond Index	4.46%	3.52%	-0.21%	4.11%
RPI	2.20%	1.20%	2.90%	2.89%
FT\$E Conventional Gilt up to 5yr Index	1.12%	1.52%	-0.79%	2.67%
12 month LIBID	0.88%	0.35%	0.01%	2.02%
Money Market Funds	0.83%	0.36%	0.07%	1.71%
3 month LIBID	0.69%	0.17%	-0.06%	1.67%

Key :

Equity	Multi-Asset	Physical	Fixed Income	Money Market	Economic Data Index
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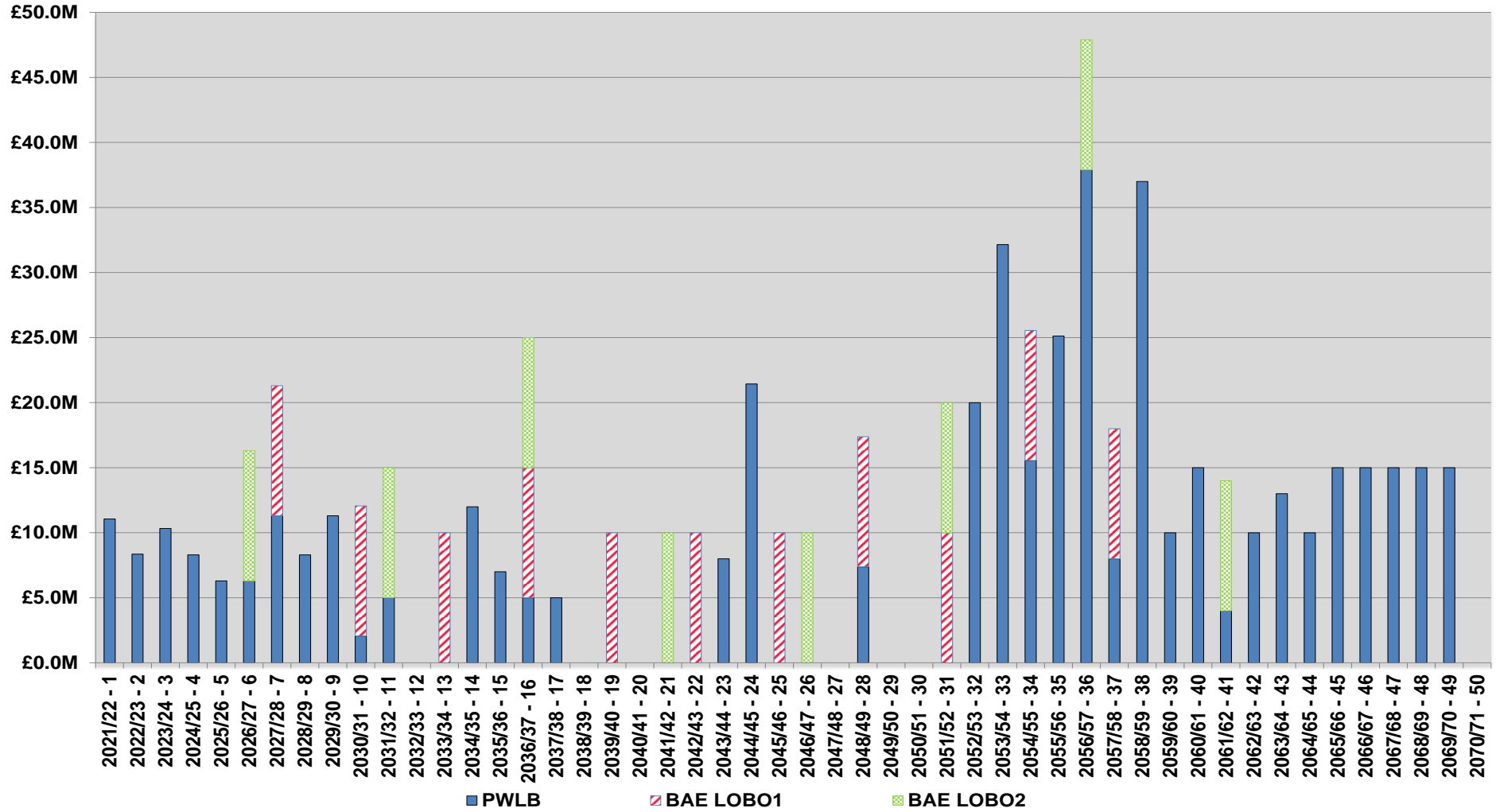
Source: Link Asset Services Ltd

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PRUDENTIAL INDICATORS ACTUAL COMPARED TO ESTIMATED 2020/2021			
Original Estimate	2020/21 £000	Actuals	2020/21 £000
Prudence Indicators:			
1) Capital Expenditure & Financing			
Net Capital Expenditure	137,923	Actual Net Capital Expenditure (Excl Sch RCCO & Leasing)	52,235
2) Capital Financing Requirement			
Capital Financing Requirement 31/3/2021	749,599	Actual Capital Financing Requirement 31/3/2021	624,299
Capital Financing Requirement Estimate at 31/3/2023	822,627	Capital Financing Requirement Estimate 31/3/2023	697,327
3) Gross Borrowing and the Capital Financing Requirement			
Gross External Borrowing	628,398	Actual Gross External Borrowing	488,365
Headroom Over CFR at 31/3/2023	194,229	Actual Headroom Over CFR at 31/3/2023	208,962
4) External Debt			
Authorised Limit for External Debt		Actual external debt at 31/3/2021	
Borrowing	715,305	Long Term LCC	487,186
Other Long Term Liabilities	11,488	Long Term Schools	756
Total Authorised Limit	726,793	Salix	423
		Temporary(Home Office)	0
Operational Boundary for External Debt		Borrowing	488,365
Borrowing	700,305	Other Long Term Liabilities (Credit Arrangements)	8,688
Other Long Term Liabilities	9,488	Total Debt	497,053
Total Operational Boundary	709,793		
Affordability Indicators:			
5) Financing Costs & Net Revenue Stream			
Estimated Ratio of Financing Costs To Net Revenue Stream	5.60%	Actual Ratio of Financing Costs To Net Revenue Stream	4.88%
Estimated Ratio of MRP & Interest Costs To Net Revenue Stream	5.78%	Actual Ratio MRP & Interest Costs To Net Revenue Stream	4.98%
Proportionality Indicators			
6) Limit for Maximum Usable Reserves at Risk from Potential Loss of Investments			
Estimated Proportion of Usable Reserves at Risk from Potential Loss of Investments -Limit 10%	1.43%	Actual Proportion of Usable Reserves at Risk from Potential Loss of Investments	0.48%
7) Income from Non Treasury Investments & Net Service Expenditure			
Estimated Proportion of Non-Treasury Investment Income to Net Service Expenditure -Limit 3%	0.46%	Actual Proportion of Non-Treasury Investment Income to Net Service Expenditure	0.50%
Treasury Indicators:			
8) Interest Rate Exposures (Variable)			
Upper limit for variable interest rate exposures		Actual variable interest rate exposure at 31 March 2021	
Borrowing	30%	Borrowing	0%
Investments	100%	Investments	44%
9) Total Principal Sums Invested			
Upper limit for total principal sums invested for over 365 days (per maturity date). Treasury and Non Treasury Investments.	40,000	Actual principal sums invested > 365 Day. Treasury and Non Treasury Investments.	6,419
10) Maturity Structure of borrowing			
Upper Limit for maturity structure of borrowing		Actual maturity structure of borrowing at 31 March 2021	
Under 12 months	25%	Under 12 months	2.30%
12 months and within 24 months	25%	12 months and within 24 months	1.80%
24 months and within 5 years	50%	24 months and within 5 years	5.20%
5 years and within 10 years	75%	5 years and within 10 years	12.20%
10 years and above	100%	10 years and above	78.50%
11) Borrowing in Advance of Need			
Estimated borrowing in advance of need limit equal to 25% of the expected increase in CFR over 3 year budget period	18,257	Actual borrowing taken in advance of need in 2020/21	0

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Long Term Borrowing Maturity Profile at 31st March 2021 - Showing Impact of LOBO Variability



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Open Report on behalf of James Drury – Executive Director - Commercial

Report to:	Overview and Scrutiny Management Board
Date:	01 July 2021
Subject:	One Council Commissioning Framework

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on the One Council Commissioning Framework, which is due to be considered by the Executive on 06 July 2021. The views of the Board will be reported to the Executive as part of its consideration of this item.

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

The Executive is due to consider the One Council Commissioning Framework on 06 July 2021. The full report to the Executive is attached at Appendix 1 to this report.

2. Conclusion

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.

3. Consultation

The Board is being consulted on the proposed decision of the Executive on 06 July 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report to the Executive on One Council Commissioning Framework

5. Background Papers

No background papers as defined in section 100D of the Local Government Act 1972 were relied upon in the writing of this report.

This report was written by Sophie Reeve, Assistant Director - Commercial, who can be contacted on sophie.reeve@lincolnshire.gov.uk

Open Report on behalf of James Drury, Executive Director - Commercial

Report to:	Executive
Date:	06 July 2021
Subject:	One Council Commissioning Framework
Decision Reference:	I022263
Key decision?	No

Summary:

The Council has an opportunity to set out its ambition for commissioning, enabling us to fulfil the expectations of our communities through delivering to our Corporate Plan.

Our One Council Commissioning Framework outlines our definition of commissioning and our vision, aim and principles.

It was presented to the Executive on 7 April 2021 when Executive Councillors raised some points and asked for further work to be done and the report to be presented back to the new Executive for further consideration.

As a result changes have been made to the One Council Commissioning Framework which are set out in red in Appendix A.

Recommendation(s):

That the Executive approves the One Council Commissioning Framework in Appendix A.

Alternatives Considered:

Retain the existing approach to commissioning with no change.

The advantages would be:

- It is reasonably well understood.

The disadvantages would be:

- It denies us the opportunity to add to and improve our approach.
- It prevents us from more closely reflecting the Corporate Plan in a One Council approach.

Reasons for Recommendation:

The proposed new Commissioning Framework creates a vision and an ambition for Council commissioning closely aligned to the Corporate Plan and puts residents at the centre of what we do. At the same time it retains the key strengths of the current approach and benefits from consideration of the approaches taken by other authorities.

1. Background

- 1.1 In 2020, the Council undertook a piece of work with external consultants, Impower, to review the current commissioning model and overall approach in use across the Council to consider how current commissioning practices could be more effective. This was partially in response to the Peer Review in December 2019 which found that commissioning activity within the Council could be improved by placing it in a 'One Council' corporate context. The Impower work also noted the scope for having a consistent and common ambition for and approach to commissioning.
- 1.2 Currently the Council has a definition of what commissioning is and some principles which underpin it which have not been reviewed for a number of years. There is no commissioning vision or overall objective and it does not reflect the Council's Corporate Plan.
- 1.3 An officer commissioning group was set up with a senior representative from each Directorate. It reviewed the work of other councils who had looked at commissioning recently and found some common themes including:
 - The continued use of the Analyse, Plan, Do, Review model.
 - A focus on outcomes and evidence based decision making.
- 1.4 The Framework at Appendix A retains some of the existing Council approach such as the four stages of commissioning (Analyse, Plan, Do, Review). However the biggest influence has been the Council's Corporate Plan and the proposed new commissioning framework closely mirrors that with an increased emphasis on listening, collaboration and partnership, supporting local business and the environment.
- 1.5 At the Executive on 7 April 2021 points were raised about:
 - no or insufficient reference to cost effectiveness and choice;
 - how the commissioning principles would be applied;
 - what championing Lincolnshire meant;
 - not innovating or using technology for the sake of it.
- 1.6 Further comments were received from the Corporate Leadership team (CLT), in particular the need to work closely with the NHS Lincolnshire Clinical Commissioning Group on health and social care commissioning to develop an integrated care system when opportunities present.

1.7 As a result changes have been made to the proposed Commissioning Framework as set out in Appendix A.

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.

The draft Commissioning Framework sets out the guiding vision and strategic ambitions for commissioning across the Council. It is expected to impact positively on people with a protected characteristic as set out below. No negative impacts on people with protected characteristics have been identified and this will be in part because of the overarching nature of the Framework. It is more likely that these will be identified as a result of specific commissioning activity under the Framework and at that time due regard to the Council's equality duties will be given.

The creation of a new One Council Commissioning Framework, establishing a vision, aim, key principles and defining commissioning in the context of the Corporate Plan will link commissioning more closely to delivery on the key strategic ambitions of the Corporate Plan many of which are aimed at improving outcomes for older people and young people and those with a disability. At the same time under the proposed One Council Commissioning Framework the Council is committed to improving services to service users any of whom may have protected characteristics by:

- Listening more to its residents to better understand needs and aspirations and to shape services accordingly to improve outcomes.
- Maximising independence.
- Increasing integration in the commissioning of services to reduce gaps in services.
- Improving the way we commission services to help make public funding go further in the provision of services.
- 'Buying local' to support and strengthen the county's economy and those people with protected characteristics working in the local economy.

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.

The contents of the draft Commissioning Framework have had due regard to both the JSNA and the JHWS and will support delivery of the Corporate Plan which contains ambitions for the health and wellbeing of the Council's area and residents.

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.

Due regard has been had to crime and disorder matters. The Commissioning Framework will apply across the Council's services including those in the area of public protection which deal with crime and disorder reduction.

3. Conclusion

3.1 The draft new One Council Commissioning Framework in Appendix A outlines our definition of commissioning and our vision, aim and principles. It is closely aligned to the Council's Corporate Plan and puts residents at the centre of what we do whilst seeking to build our locality.

4. Legal Comments

The Council has the power to adopt the proposed Commissioning Framework.

The decision is consistent with the Policy Framework and within the remit of the Executive.

5. Resource Comments

This report outlines our One Council Commissioning Framework and as such does not directly impact on the Council's resources. However the application of the framework will impact on the Council's finances and it is expected that these impacts will occur through our normal budget and spend processes.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by the Overview and Scrutiny Management Board at its meeting on 1 July 2021 and the comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

The equality impact is referred to above.

There is a risk that the Commissioning Framework is developed and then "put in a drawer". This risk is mitigated by the high level of engagement with and from all

areas of the Council in developing the Framework but it will continue to depend on strong management buy in.

7. Background Papers

The following Background Papers within section 100D of the Local Government Act 1972 were used in the preparation of this Report.

Document title	Where the document can be viewed
Lincolnshire County Council Corporate Plan	Link to Corporate Plan
Lincolnshire County Council Corporate Peer Challenge Feedback Report September 2019	Link to Feedback Report
Report to the Executive - 7 April 2021	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=5753
Decision by the Executive – 7 April 2021	https://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=691

This report was written by Sophie Reeve, Assistant Director - Commercial, who can be contacted on sophie.reeve@lincolnshire.gov.uk.

Lincolnshire County Council One Council Commissioning Framework

What do we mean by Commissioning?

“Commissioning is the process for deciding how to use the total resources available to meet needs and improve outcomes in the most efficient, effective and sustainable way.”

We are a local authority, offering our residents and communities the services they need, operating in a political environment with statutory obligations that we must fulfil, including supporting and safeguarding our most vulnerable residents. Our Corporate Plan demonstrates our ambition for Lincolnshire, the outcomes we aspire to achieve and our One Council approach – working consistently as one team for Lincolnshire. All commissioning takes place within this context.

Commissioning is an important part of what we do and shapes so many of our interactions with our residents and communities. It is the process by which the needs and demand of our residents and communities are analysed, plans are put in place, services are delivered and all outcomes are monitored.

The commissioning process enables the Council to decide how to use the total resources available (including finances, physical assets, data, providers, workforce, community assets and our residents) to meet needs and improve outcomes in the most efficient, effective and sustainable way **which is cost effective and affordable and which makes best use of the scarce public pound in Lincolnshire.**

Public bodies achieve their objectives through a variety of routes, including delivering services themselves, purchasing from external organisations (contracting with our suppliers) or by influencing and working with partners as part of a Lincolnshire-wide approach or by enabling individuals to commission their own services for example through direct payments, or a combination of these. In broad terms this process can be described as ‘commissioning’.

The commissioning cycle is a continuous process that supports the development of new services and their ongoing improvement to meet the needs of service users. Commissioning comprises a range of activities across four key stages:

- **Analyse** – Understanding the type and volume of people's needs, identifying priorities and outcomes that are to be met, using forward-looking projections & modelling based on evidence, intelligence and analysis which provides insight into the consequences (both financial and in population outcomes) of commissioning decisions;
- **Plan** – Reviewing options for delivery based on known and future needs, to select the best way forward, designing and planning services to meet our intended outcomes and manage demand, choosing the best delivery model so that people's needs can be met in the most effective, efficient and sustainable ways;

- **Do** – Securing and implementing the chosen delivery model to achieve the desired outcomes, finding the right partners or suppliers if external provision is appropriate; and
- **Review** – Managing, reviewing and monitoring the service for customer experience, quality and value to evaluate the impact of the intervention and provide evidence informed reports to decision makers on how well needs and outcomes are being met over time and how these may be changing.

Our vision

When we commission services, we will tailor services to the needs of our residents and communities, seeking to maximise independence, build resilience, enhance every individual's strengths **and provide choice where possible (notably in social care)**. We will use an intelligence informed approach which manages demand and maximises Lincolnshire's resources **cost effectively**, through joining up services with partners where appropriate and possible.

Our overarching aim

We will use the Council's purchasing power ethically and fairly to secure social value, promote economic productivity and local business growth, and support community needs and priorities so that people have the opportunity to enjoy life to the full and have high aspirations, whilst protecting the environment for the future.

Our guiding principles

The following principles will be considered during the commissioning process, to guide and inform our decision making. There is no hierarchy, and the principles will need to be balanced against each other on a case by case basis.

- **Resident focused** – We will listen to residents and communities to better understand the needs and aspirations of Lincolnshire's people and to shape services accordingly.
- **Intelligence informed** – All aspects of commissioning will be forward looking and informed by robust evidence, analysis, intelligence, projections and modelling.
- **Working in partnership** – We will make best use of Lincolnshire's resources by co-commissioning and co-producing solutions with our partners, communities and suppliers, where opportunities present **and in particular in relation to health and social care commissioning with the NHS Lincolnshire Clinical Commissioning Group with the emphasis on the development of an integrated care system.**
- **Delivering good value outcomes** – We will commission for sustainable and effective outcomes for Lincolnshire, offering safe, affordable, quality services and good value (*outcomes – the direct results or benefits for individuals, families, groups, communities, organisations, and/or systems*).
- **Championing Lincolnshire** – **Our commissioning will have regard to building our local economy, local sustainability, local communities and to support our local environment, providing information so local providers know how to submit responses to opportunities.**
- **Innovate** – We will ~~enhance our services~~ use technology **and innovate** to transform the way we meet customer and community need **when it is beneficial to do so.**

Our commissioning processes will be underpinned by the following principles:

- **Locally driven** – Councillors will be at the heart of shaping and making strategic decisions and ensuring commissioning delivers against the outcomes in our Corporate Plan.
- **Robustness** – Options appraisals will enable informed decision making and consider the best service delivery model from Council delivery in-house through to procuring external suppliers for delivery, **that makes best use of the scarce public pound in Lincolnshire, ensuring cost-effectiveness and affordability.**
- **Performance** – All those delivering services will be held accountable for effective service provision that delivers the required outcomes and meets the needs of our residents and communities.
- **One Council** - the commissioning cycle will be managed consistently across the Council.

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

Report to:	Overview and Scrutiny Management Board
Date:	01 July 2021
Subject:	Review of Financial Performance 2020/21

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on the Review of Financial Performance 2020/21 which is being presented to the Executive on 6 July 2021. The views of the Board will be reported to the Executive as part of its consideration of this item.

Actions Required:

The Overview and Scrutiny Management Board is invited to

- 1) consider the attached report and to determine whether the Board supports the recommendations to the Executive as set out in the report.
- 2) agree any additional comments to be passed to the Executive in relation to this item.

1. Background

- 1.1 The Executive is due to consider the Review of Financial Performance Report 2020/21 at its meeting on 6 July 2021.
- 1.2 The Executive report attached at Appendix 1 sets out the Council's financial performance in 2020/21. It identifies and explains variances from the revenue and capital budget, and makes proposals for use of the carry forward of under and over spends into the current financial year 2021/22.
- 1.3 Table 1 summarises the proposals on the use of the Council's underspend from 2020/21. Full details explaining this are set out in the Executive report (paragraphs 1.60 to 1.65).

TABLE 1: Proposed Use of Underspend in 2020/21	
	£m
Council Underspend for 2020/21 (excluding Schools)	28.746
<u>Service Net Underspends up to 1% Carried Forward:</u>	
- Adult Care and Community Wellbeing	2.167
- Children's Services	1.136
- Place	0.766
- Fire & Rescue and Emergency Planning	0.103
- Commercial	0.408
- Resources	0.288
- Corporate Services	0.031
	4.899
<u>Business As Usual Items, for ringfenced items (para 1.60):</u>	
- Civil Parking Enforcement & Permitting	0.088
- Strategic Commissioning & procurement surplus	0.148
- Interest Lincoln Cultural Quarter	0.001
	0.237
<u>Proposed Transfers to Existing Earmarked Reserves (para 1.61):</u>	
- Flood & Water Risk Management	0.045
- Purchase of Employee Leave	0.114
- Capital Financing Charges	8.647
	8.806
<u>Proposed Transfers to New Earmarked Reserves (para 1.62):</u>	
- Elections	0.300
	0.300
Balance Remaining for Consideration	14.504
<u>Proposals for Balance Remaining (paras 1.64 to 1.65):</u>	
- Replenish Financial Volatility Reserve	12.200
- Create new Coronavirus Recovery Reserve	2.304
	14.504

2. Conclusion

Following consideration of the attached report, the Board is requested to consider whether it supports the recommendations 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.

3. Consultation

The Board is being consulted on the proposed decision of the Executive on 06 July 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report on Review of Financial Performance 2020/21 to be presented to the Executive at its meeting on 6 July 2021, including Appendices A to N.

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 Michelle Grady, who can be contacted on 01522 553235 or michelle.grady@lincolnshire.gov.uk

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

Report to:	Executive
Date:	06 July 2021
Subject:	Review of Financial Performance 2020/21
Decision Reference:	I022020
Key decision?	Yes

Summary:

This report:

- describes the Council's financial performance in 2020/21 and reports on the underspends of £28.746m on Council budgets and £13.976m on Schools budgets;
- identifies and explains variances from the Council's revenue and capital budgets;
- makes proposals on the carry forward of over and under spends into the current financial year 2021/22; and
- reports Prudential and Financial Performance Indicators for 2020/21.

Recommendations:

That the Executive:

1. Notes the carry forwards set out in paragraphs 1.58 to 1.60 of this report, which are made in line with the Council's Financial Regulations;
2. Recommends to the County Council that the proposals in paragraphs 1.61 to 1.65, relating to the treatment of underspends, be approved;
3. Notes the transfers to and from reserves carried out in 2020/21 as set out in Table F;
4. Notes the financial performance in 2020/21 as set out in Table A (Key Financial Performance Measures), Table B (Revenue Budget Final Outturn), Table C (Net Capital Programme Summary Outturn), Appendix N (Prudential Indicators).

Alternatives Considered:

This report describes the actual position for the 2020/21 financial year and is factual in content and follows current Council policy. No alternatives are being considered in relation to this aspect.

In relation to the treatment of underspends as set out in paragraphs 1.61 to 1.65, there are a number of different ways these could be used. The proposed usages will support our financial resilience by increasing the Financial Volatility earmarked reserve to its previous level, and add to the resources we have earmarked for recovering from the Covid-19 situation.

Reasons for Recommendation:

Financial governance requires that the Executive reviews the financial performance of each year. This report facilitates this.

The treatment of underspends and overspends are considered appropriate and prudent for supporting the Council's future budgets.

1. Background

1.1 We set our spending plans for 2020/21 in the context of continuing uncertainty about longer term government funding, growing cost pressures from demand led services such as adult and children's social care, and the Council's responsibility to pay the National Living Wage. In developing our financial plan for the year we considered all areas of current spending, levels of income and council tax to set a balanced budget. The budget proposals included an increase in council tax level of 3.50% (1.50% general increase, plus 2.00% for Adult Social Care).

1.2 The budget for 2020/21 was set before the coronavirus pandemic had taken hold in the UK, and the pandemic has not only had a material impact on our activities over the past year, it has also impacted on our financial performance during the year. This is because significant sums of money have been paid to us by the government in the form of various coronavirus grants, and significant amounts have consequently been paid out. As our 2020/21 expenditure due to the pandemic has been funded by the government during the year, there has been no impact on the local council tax payer.

Annual Revenue Spending and Funding

1.3 We spent £1,044,840m in 2020/21 on providing public services. This equated to £1,382 for every person in Lincolnshire.

1.4 We have had to deal with a number of cost pressures, amounting to £44.773m in budgetary terms. These include: pay inflation; additional school transport contract costs

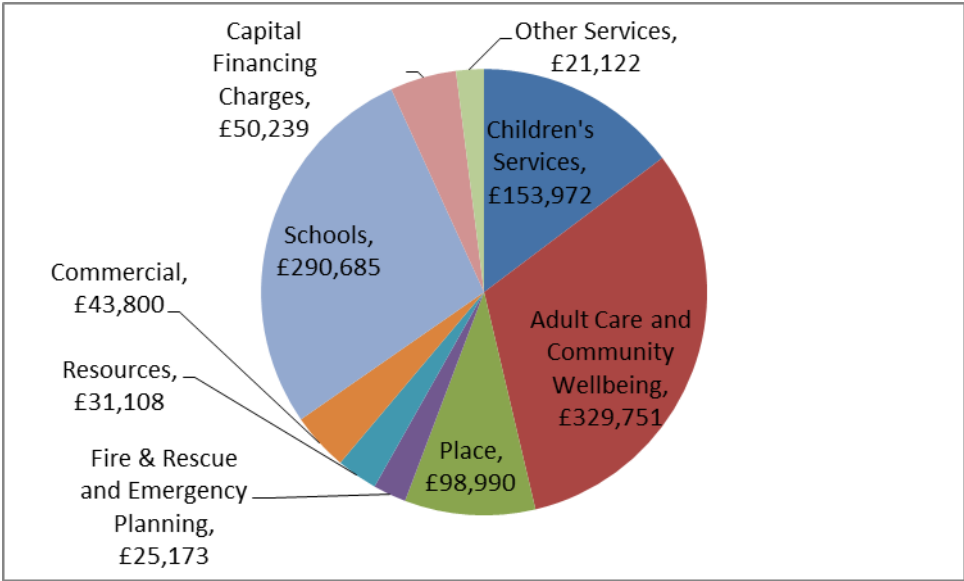
associated with rises in the national living wage; demographic growth pressures and increased costs for residential / nursing, homecare and community based services; an increase in employer pension contributions for the firefighter pension scheme; additional contract costs for our support services provider; an increase in the employer's contribution towards the local government pension scheme deficit; the removal of the budget used to fund transformation costs from capital receipts. To help counteract these cost pressures a range of efficiency savings were implemented and additional income from service user contributions was budgeted for, including: increased service user contributions for adult social care; increased funding from Clinical Commissioning Groups for adult social care; savings from contract re-procurements and a range of efficiency savings across all service areas. These reductions in the budget totalled £14.943m.

1.5 When we set our budget for 2020/21 it was for one year only, as we were expecting the government to implement two funding reforms which together are expected to change the way funding is distributed to all types of local authorities across the country. At that time we expected the reforms to be implemented with effect from April 2021 but this has since been deferred to April 2022.

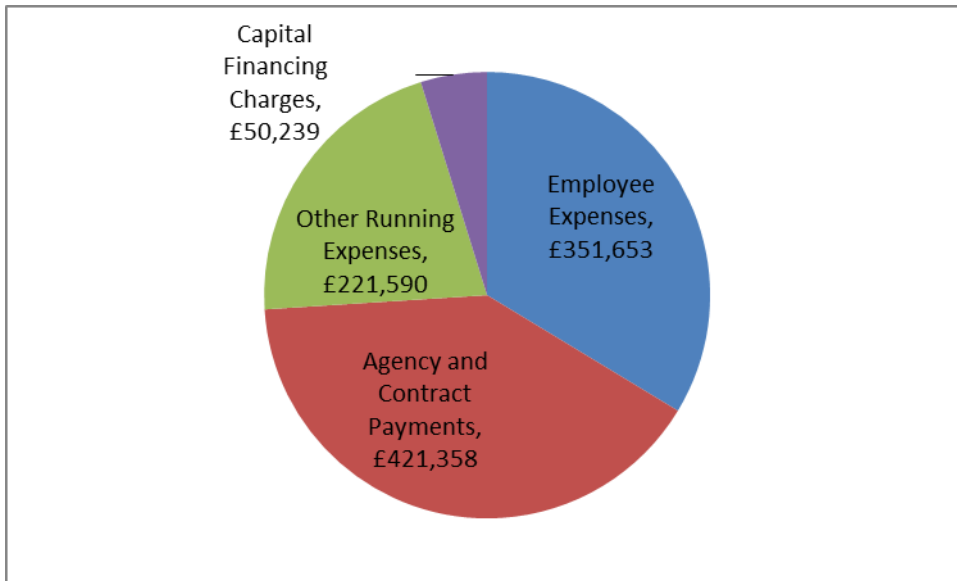
1.6 The level of expenditure in 2020/21 indicates that during the year we have been able to deliver an underspend against the revenue budget of £28.746m (as well as an underspend on Schools of £13.976m).

1.7 The Council's annual spending on providing public services is set out in the charts below and analyses expenditure both by type of service provided and by type of expenditure.

Gross Expenditure Service Analysis 2020/21 £1,044,840 (£000's)



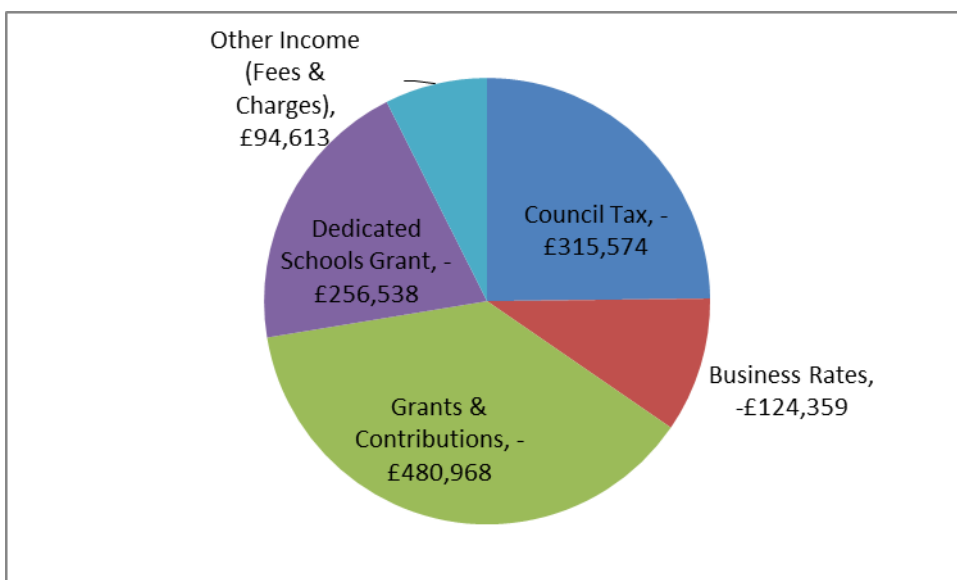
Gross Expenditure Subjective Analysis 2020/21 £1,044,840 (£000's)



The distribution of expenditure type differs significantly between different services. For example employee expenses comprises 55% of gross expenditure in schools, but only 26% of gross expenditure in all other (non-school) services, where agency and contracted services represents 54% of the total.

1.8 The Council's revenue spending was funded by:

Sources of Income Analysis 2020/21 £1,082,826 (£000's)



1.9 In 2020/21 we increased Council Tax by 3.50% and also saw growth of 1.49% on the number of band D equivalent properties in Lincolnshire. This in total generated additional

income for the Council of £14.951m. The Council Tax collection funds in Lincolnshire also generated a surplus in 2020/21, a further £3.193m for the County Council.

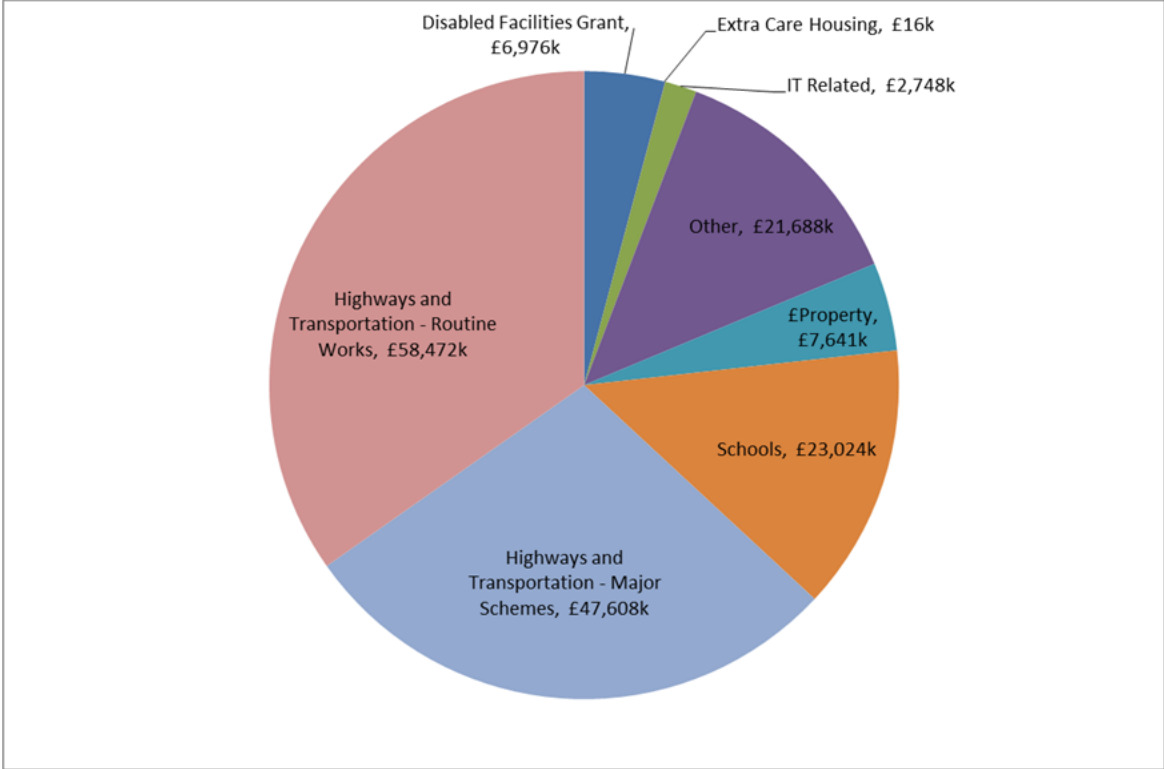
1.10 Business Rates generated £124.359m. This was made up of a number of elements: £22.031m collected from businesses in Lincolnshire; £91.302m received as a top up from central government and £7.822m Section 31 grants from central government. The Council, along with its District Council partners, was in a Business Rates Pool in 2020/21 and the Pool generated an estimated surplus for us of £3.204m in the year.

1.11 The Council received a Revenue Support Grant (RSG) of £20.467m in 2020/21. In addition, a number of specific government grants were received in the year, the most significant of these being £256.538m Dedicated Schools Grant, which is used for funding education, £50.019m Better Care Fund Grant which is used for adult social care, and £33.546m Public Health Grant.

Capital Spending and Funding

1.12 The Council spent £168.174m on the County's major assets, in particular on road schemes and schools. The net capital spend was £52.235m, which was £59.534m less than planned. The main reasons for this position are shown in the section below on Capital Programme Outturn. The following pie chart sets out the spending on major investment projects by service area:

Gross Expenditure on Major Investment Projects 2020/21 £168,174 (£000's)



Other includes: economic development, waste, flood defences, fire and rescue vehicles and equipment.

1.13 In 2020/21 expenditure was incurred on the following major schemes:

- Completing construction and opening of the Lincoln Eastern Bypass scheme.
- Continuing construction of the Grantham Southern Relief Road scheme.
- Continuing construction of the De Wint Extra Care Housing scheme.
- Continuing construction of the Spalding Western Relief Road (section 5) scheme.
- Expansion and remodelling work in Lincolnshire special schools through the Building Communities of Specialist Provision Strategy delivering an increase in places and access to all-needs provision.
- Expansion works to a number of schools to provide additional places for pupils, as well as a programme of addressing condition issues of school buildings.

1.14 The Council has received grants from central government and other bodies of £115.938m in the year to fund: road maintenance and building work, the provision of additional school places, addressing the condition of school buildings, the provision of broadband in the community and the provision of grants for adaptations in the homes of disabled people. The amount of capital grants and contributions actually used to fund the capital programme this year includes grants and contributions from previous years and is shown in the table below, which summarises how the capital programme has been financed in 2020/21:

Capital Financing Table 2020/21 £000'S

	£'000
Revenue Contributions	7,751
Use of Reserves	4,080
Grants and Contributions	125,340
Capital Receipts	2,690
Borrowing	28,313
Total	168,174

1.15 The Council sets a voluntary limit on its total borrowing to ensure that it remains prudent and affordable over the longer term. This target is to ensure that the annual minimum revenue provision (MRP) charge plus interest on loans amount to no more than 10% of the Council's annual income. The MRP charge is the amount set aside by the Council each year as a provision to repay debt over the period when the assets purchased and built provide a benefit to the communities of Lincolnshire. The total cost of these capital financing charges for 2020/21 amounted to 4.98% of total income.

The Council's financial standing

Key Financial Performance Measures: Financial Health and Performance

1.16 The County Council has identified a number of key indicators to monitor its Financial Health and Performance. The Council's actual performance against these key indicators for 2020/21 is shown in **TABLE A**.

TABLE A – Key Financial Performance Measures: Financial Health and Performance

REF	PERFORMANCE INDICATOR	MEDIUM TERM TARGET	2020/21 Estimate	2020/21 Actual
1	Council tax compared with other counties	In lowest quartile of all English county councils (out of 26 county councils)	Yes	Yes
2	Government grants	Lobby for annual increases in general government grants to be above the county average	Yes	Yes
3	Minimum Revenue Provision and Interest	MRP and Interest repayments not to exceed 10% of net income	5.61%	4.98%
4	Accounting	Unqualified external audit opinion	Yes	Yes
5	General Reserves	Maintained within the range of 2.5% to 3.5% of the annual budget requirement net of Dedicated Schools Grant	Within range 2.5% - 3.5%	3.20%
6	Internal control	None of the processes audited receive a "low assurance" opinion from internal audit	Yes	No *
7	Expenditure - prompt payment	At least 90% of undisputed invoices paid within 30 days	90%	97%
8	Treasury management	Risk adjusted return comparison	Weighted Benchmark 0.074%	0.522%

* One Internal Audit report in the year was issued with a "Low Assurance" opinion

The Council's Balance Sheet

1.17 The Council's Balance Sheet, as reported in the Statement of Accounts 2020/21, shows the Council's financial position as at 31 March 2021. Overall, the Council's net assets position has decreased by £224.915m from £308.336m to £83.421m.

1.18 The most significant factor contributing to this reduction in the net assets value is the increased long term liability for pensions. This liability has increased by £254.850m to £1,111.464m. This is the estimated value of the commitment to pay future retirement benefits to the Council's employees, although it does not represent an immediate call on reserves as it is a long term commitment. Around £184m of this increase relates to the Local Government Pension Scheme (LGPS) Fund with a further £71m relating to the Firefighter Pension Schemes Fund. The main reasons for the change are that firstly the rate of return on LGPS assets is higher than in 2019/20 which has decreased the liability, and secondly that a fall in bond yields has effected a reduction in the discount rate, and there has been a rise in future inflation expectations impacting on the expected salary increase rate and the expected pension increase rate. This has more than offset the

increase in asset values to increase the overall pension liability for both the LGPS and the Firefighter Funds. This position changes from year to year, and the increase in the liability has no impact on the Council's annual budget.

Balance Sheet Extract

31 March 2020		31 March 2021
£000's		£000's
1,466,482	Long Term Assets	1,479,590
344,069	Current Assets	420,760
-141,347	Current Liabilities	-211,896
-1,360,868	Long Term Liabilities	-1,605,033
308,336	Net Assets	83,421
337,415	Usable Reserves	366,195
	Unusable Reserves	
831,100	Re Long Term Assets	847,224
-1,346	Re Financial Instruments	-1,318
-856,614	Re Pensions	-1,111,464
-2,219	Re Other	-17,215
-29,079	Total Unusable Reserves	-282,774
308,336	Total Reserves	83,421

Revenue Budget Outturn

1.19 The revenue budget outturn for 2020/21 is summarised below:

- a) Total service revenue spending, excluding schools, was underspent by £15.510m or 3.5%.
- b) There was an underspend of £12.811m on other budgets or 16.5%.
- c) The Council received £0.425m (less than 0.1%) more general funding income than originally budgeted for.

This gives the Council (excluding schools) an overall underspend of £28.746m.

1.20 In addition, there was an underspend of £13.976m relating to the Dedicated Schools Grant. This consisted mainly of a £14.540m underspend relating to maintained schools balances from the prior year and the 2020/21 financial performance, as well as some variances on other activities and funding streams. The Dedicated Schools Grant is a ring-fenced amount and will be automatically carried forward to use in 2021/22.

1.21 The underspend on service budgets this year was relatively high and much of this was due to the impacts of the coronavirus pandemic on our services. A more detailed account of the reasons for variances against the budget is set out in Appendices B to J, but in general there has been a shift towards providing services directly related to managing the

impacts of the pandemic and these have been funded by government grant. This has left some service budgets in an underspend position as a result.

The revenue outturn position for 2020/21 is shown in **TABLE B**.

TABLE B – Revenue Budget Final Outturn 2020/21

	Revised Net Revenue Budget £m	Net Expenditure £m	Year End Variance £m	Actual Variance %
SERVICE DELIVERY				
Children's Social Care	79.870	78.414	(1.456)	(1.8)
Children's Education	43.447	43.767	0.320	0.7
Children's Services	123.317	122.181	(1.136)	(0.9)
Adult Frailty & Long Term Conditions	122.500	118.948	(3.552)	(2.9)
Adult Specialities	81.149	79.374	(1.775)	(2.2)
Public Health and Community Wellbeing	23.783	20.188	(3.595)	(15.1)
Public Health Grant Income	(33.546)	(33.546)	0.000	0.0
Better Care Funding	(50.019)	(50.019)	0.000	(0.0)
Adult Care and Community Wellbeing	143.866	134.945	(8.921)	(6.2)
Communities	47.278	46.032	(1.246)	(2.6)
Lincolnshire Local Enterprise Partnership	0.343	0.263	(0.081)	(23.5)
Growth	5.067	5.013	(0.054)	(1.1)
Highways	23.898	24.014	0.116	0.5
Place	76.587	75.322	(1.265)	(1.7)
Fire & Rescue	22.628	22.543	(0.086)	(0.4)
Emergency Planning	0.451	0.433	(0.018)	(4.0)
Fire and Rescue and Emergency Planning	23.079	22.976	(0.103)	(0.4)
Human Resources and Organisational Support	14.603	13.856	(0.746)	(5.1)
Finance	6.836	6.800	(0.036)	(0.5)
Legal and Governance Services	2.488	1.900	(0.588)	(23.6)
Public Protection	4.199	4.457	0.257	6.1
Resources	28.126	27.013	(1.113)	(4.0)
Property	10.147	9.182	(0.964)	(9.5)
Information Management Technology	14.706	14.914	0.208	1.4
Transformation	7.332	6.942	(0.390)	(5.3)
Commercial	9.034	7.529	(1.505)	(16.7)
Commercial	41.219	38.568	(2.651)	(6.4)
Corporate Services	3.100	2.779	(0.321)	(10.4)
Corporate Services	3.100	2.779	(0.321)	(10.4)
TOTAL SERVICE DELIVERY	439.295	423.785	(15.510)	(3.5)
OTHER BUDGETS				
Contingency	1.227	0.000	(1.227)	(100.0)
Capital Financing Charges	56.924	48.277	(8.647)	(15.2)
Other	19.519	16.582	(2.937)	(15.0)
TOTAL OTHER BUDGETS	77.671	64.860	(12.811)	(16.5)
TOTAL NET EXPENDITURE (EXC SCHOOLS)	516.966	488.644	(28.322)	(5.5)
MOVEMENT OF RESERVES				
Transfer to/from Earmarked Reserves	7.952	37.206	29.254	367.9
Contribution to/from School Reserves	(9.794)	3.674	13.467	(137.5)
Contribution to Development Fund	(3.043)	(3.043)	0.000	0.0
Transfer to/from General Reserves	0.150	0.150	0.000	0.0
TOTAL MOVEMENT OF RESERVES	(4.735)	37.986	42.722	(902.2)
MET FROM:				
Business Rates local Retention	(123.990)	(124.359)	(0.369)	0.3
Revenue Support Grant	(20.467)	(20.467)	0.000	0.0
Other Non Specific Grants	(60.452)	(60.508)	(0.056)	0.1
County Precept	(315.574)	(315.574)	0.000	(0.0)
TOTAL MET FROM	(520.482)	(520.907)	(0.425)	0.1
TOTAL (EXCLUDING SCHOOLS)	(3.517)	(32.263)	(28.746)	
SCHOOL BUDGETS				
Schools Block	143.575	129.567	(14.008)	(9.8)
High Needs Block	77.679	78.583	0.904	1.2
Central School Services Block	3.193	2.834	(0.359)	(11.2)
Early Years Block	43.125	41.951	(1.175)	(2.7)
Dedicated Schools Grant	(256.757)	(256.538)	0.219	(0.1)
Schools Budget (Other Funding)	(2.563)	(2.120)	0.442	(17.3)
TOTAL SCHOOLS BUDGETS	8.252	(5.724)	(13.976)	(169.4)
TOTAL (INCLUDING SCHOOLS)	4.735	(37.986)	(42.722)	

Children's Services – underspend of £1.136m

1.22 In the year, there were overspends due to the increase in the number of children in care and the requirement for more specialist placements, and an increase in transport delivery costs compared to the budget for Home to School and College transport. These overspends were more than offset by underspends arising from the pandemic as well as utilisation of grants. More details on variances in this area are reported in Appendix B.

Adult Care and Community Wellbeing – underspend of £8.921m

1.23 The pandemic had a major impact on Adult Care and Community Wellbeing services in 2020/21. In order to deliver a safe response to the scale and pace required, the Directorate has prioritised its financial resources to meet the needs of the population across Lincolnshire as the pandemic has evolved. Costs directly related to the coronavirus response have been funded by the government. This support alongside a reduction in some volume based services and a delay to the roll out of a small number of initiatives until 2021/22 has resulted in a significant underspend. More details on variances in this area are reported in Appendix C.

Place – underspend of £1.265m

1.24 There was an overspend in the year on the Mixed Dry Recycling contract following its re-procurement, but this was more than offset by underspends on Transport services as well as Heritage and Culture services which were due to the impacts of the pandemic. More details on variances in this area are reported in Appendix D.

Fire and Rescue & Emergency Planning – underspend of £0.103m

This relatively small underspend was due to grant funding received late in the year as well as reduced activities due to the pandemic. More details on variances in this area are reported in Appendix E.

Resources – underspend of £1.113m

1.25 The election budget was not required in 2020/21 and is proposed to be transferred to reserves. In addition to this underspend there were staff vacancies and increased recharge income for Business Support staff utilised to support the pandemic. More details on variances in this area are reported in Appendix F.

Commercial – underspend of £2.651m

1.26 There were a number of underspends in the Corporate Property area, as well as a significant underspend on the Customer Service Centre where usual business activity was replaced by coronavirus-related call handling which was funded by government grant. There were also staff vacancies. More details on variances in this area are reported in Appendix G.

Corporate Services – underspend of £0.321m

1.27 This underspend was mainly due to staff vacancies, with recruitment activity delayed by the impact of the pandemic. More details on variances in this area are reported in Appendix H.

Other Budgets – underspend of £12.811m

1.28 There was an underspend on both the corporate contingency budget and the corporate redundancy budget in the year, as well as an underspend due to the National Living Wage being lower than anticipated. The main underspend in this area though related to capital financing charges, which were significantly lower than budgeted due to capital programme underspends both in this year and in 2019/20. More details on variances in this area are reported in Appendix J.

Dedicated Schools Grant – underspend of £13.976m

1.29 This underspend mainly relates to the school's delegated budgets for maintained schools (£14.540m). This includes the brought forward balances from prior years and the 2020/21 financial performance. School delegated budget underspends are automatically transferred to the schools reserves for use in 2021/22. The financial position on the Dedicated School Grant blocks (excluding school balances) are reported in Appendix I.

Council's General Funding – £0.425m more than the income budget

1.30 The Council's general funding is currently £0.425m more than the revenue budget approved at full Council in February 2020. This is mainly due to the increased gain from Business Rates Pooling, which was £0.404m more than the £2.799m budgeted for.

Coronavirus Pandemic Expenditure and Funding

1.31 In March 2019/20 we received our first tranche of emergency Covid-19 grant and this was followed by a further three tranches in 2020/21. In total we received £44.509m of emergency grant which was un-ringfenced, meaning that we were free to use it to cover any aspect of the cost of the pandemic. In addition to this we received £3.566m of sales, fees and charges grant which was specifically to cover losses of income due to the pandemic. In total these grants amounted to £48.075m.

1.32 In 2019/20 we used £0.378m of this emergency grant to cover Covid-19 costs arising in March 2020 at the start of the pandemic. In 2020/21 we used a further £45.624m of the emergency grant during the year bringing the total spent over the two years to £46.002m. The difference between the total general grant of £48.075m and the total general spend of £46.002m is £2.072m of unspent grant which has been carried forward to 2021/22 and will be used to support Covid-19 costs next year.

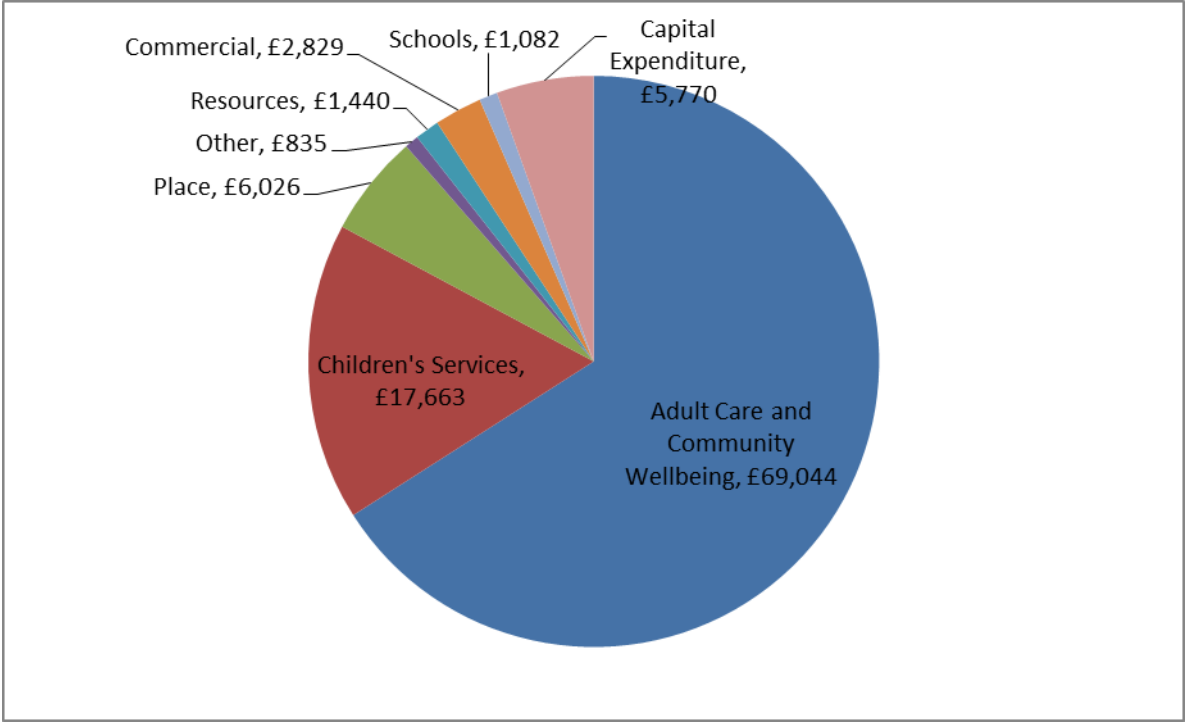
1.33 In addition to these general Covid-19 grants, a number of specific grants were received from the government and the Clinical Commissioning Groups (CCGs) reimbursed

us for some of our Covid-19 costs. Specific grants received in the year totalled £65.701m, of which £52.378m was spent during 2020/21 and £13.323m was carried forward to support Covid-19 costs next year in accordance with the terms and conditions of the grants. The CCGs reimbursed £6.687m of Covid-19 costs in 2020/21.

1.34 In summary, our total Covid-19 related expenditure in 2020/21 was £104.689m. Of this sum, £45.624m was covered by the government's emergency grant and sales fees and charges grant, £52.378m was covered by government grants for specific aspects of the pandemic, and £6.687m was reimbursed by way of the contribution from the CCGs.

1.35 The pie chart below shows how this expenditure of £104.689m was distributed across service areas, and further details on the Covid-19 expenditure in the year is shown in Appendix K.

Covid-19 Expenditure by Service 2020/21 £104.689 (£000's)



Other includes Corporate Services and Fire and Rescue & Public Protection.

Capital Programme Outturn

1.36 The capital outturn for 2020/21 is summarised below:

- Net capital expenditure was £52.235m; and
- This was £59.534m or 53% less than planned.

TABLE C shows the summary of the year end position against the budget funded by the Council. Appendix A provides further detailed information on projects and schemes highlighted in this report.

1.37 The reasons for significant capital budget over or underspends are explained in the following paragraphs and in more detail in Appendix A.

TABLE C – Capital Programme Summary Outturn 2020/21

	Gross Programme			Net Programme		
	Actuals £000's	Revised Budget £000's	Gross Outturn Variance £000's	Actuals £000's	Revised Budget £000's	Net Outturn Variance £000's
Adult Care & Community Wellbeing	7,006	8,406	-1,400	30	30	0
Children's Services	23,874	24,090	-216	11,896	12,136	-241
Place	123,174	156,952	-33,778	34,516	80,487	-45,970
Fire and Rescue	3,731	4,605	-874	3,731	4,605	-874
Commercial	10,389	18,805	-8,416	3,379	11,795	-8,416
Resources	0	107	-107	0	107	-107
Other Budgets	0	3,926	-3,926	-1,317	2,609	-3,926
Total	168,174	216,892	-48,718	52,235	111,769	-59,534

1.38 The capital programme comprises a series of schemes/projects which often span a number of years. Hence over/underspends cannot be related to time periods such as this financial year. Where a scheme/project is known to be exhibiting a material variance to its spending profile this will be described in the narrative associated with that service area.

1.39 Schemes can receive funding from both the County Council and from external bodies (through grants and contributions). The timing of this external funding may also have an impact on the spending profile of schemes annually within the capital programme. All underspends and overspends on the capital programme are automatically carried forward to the next financial year.

Children's Services - £0.241m under net budget

1.40 Children's Services spent £23.874m on capital expenditure in 2020/21. Of this total, £14.513m was spent on provision for pupils with Special Educational Needs and Disabilities (SEND), £3.170m was spent on the provision of school places, and £3.376m was spent on replacing end of life building components. In total £23.574m of grants and contributions were used in the year to fund the Children's Services capital programme.

1.41 The Children's Services capital schemes were largely on target in the year and the longer term projects are also on target over their whole lives. The most significant project is the SEND one, and a summary of the position on this is shown in Appendix A.

Adult Care and Community Wellbeing (AC&CW) - on target against net budget

1.42 Capital investment within Adult Care and Community Wellbeing is mostly funded by capital grants and contributions. AC&CW spent £7.006m on capital expenditure in 2020/21. Of this sum, £6.976m was on disabled facility grants to enable essential housing adaptations to help disabled people live independently and safely in their own homes. Work continued on the De Wint Court Extra Care Housing Scheme and is expected to complete in 2021/22.

Place - £45.970m under net budget

Communities - £4.160m under net budget

1.43 Total capital expenditure in 2020/21 within the Communities area of Place was £2.968m on libraries, flood and water risk management, drainage and waste.

1.44 The main reason for the underspend in Communities is the project for the future development of the Heritage / Archives service. This project is approved in principle but not yet started so there is a £2.500m underspend this year. There are a number of other schemes with smaller underspends which make up the total and the whole life position for schemes within Communities is largely on target.

Growth - £7.837m under net budget

1.45 Capital investment within the Growth area of Place was £14.361m in 2020/21 with the most significant sums spent on the Lincolnshire Enterprise Partnership (LEP) contribution and the South Lincolnshire Food Enterprise Zone.

1.46 The net underspend was mainly in respect of the LEP contribution, although there was an overspend on the South Lincolnshire Food Enterprise Zone and this project is also showing a whole life forecast overspend. Further details on these two schemes are shown in Appendix A.

Highways - £33.974m under net budget

1.47 Capital expenditure on highways road maintenance and road building schemes was £105.845m in 2020/21. Of this sum, £71.018m was funded by grants and contributions in the year.

1.48 The net underspend arose from a number of schemes, in the main these were the Lincoln Eastern Bypass, the Grantham Southern Relief Road, the A46 Welton Roundabout, the Holdingham roundabout and the A52 Skegness Roman Bank reconstruction. In addition there was an underspend on the Highways Asset Protection block budget. The whole life position for the major road schemes is largely on target at this stage, following an update to the future capital programme in the most recent budget setting process. More details on all of these schemes are included in Appendix A.

Fire and Rescue & Emergency Planning - £0.874m under net budget

1.49 Fire and Rescue & Emergency Planning spent £3.731m on capital expenditure in 2020/21. The majority of this, £3.401m, was for fire vehicles and associated equipment and the underspend occurred following a review of the planned profile of expenditure for the period up to and including 2024/25, which has pushed some of the expenditure back to later years.

Resources - £0.107m under net budget

1.50 Capital schemes within the Resources directorate were in the area of Public Protection, with minor underspends on Trading Standards and Registration and Coroners Services.

Commercial - £8.416m under net budget

1.51 The Commercial Directorate spent £10.389m on capital expenditure in 2020/21. This comprised £7.641m on property schemes (£1.687m under net budget); £0.996m on broadband (£5.510m under net budget) and £1.751m on IT schemes (£1.219m under net budget). For the longer term projects in this Directorate, the whole life position is that they are generally on target.

1.52 The most significant underspend in this area was on the Broadband scheme, and this was mainly due to a contractual rebate received as performance under the contract with the supplier has exceeded the target performance. Further information on this is provided in Appendix A. The underspends in the areas of property and IT are in the main due to a number of schemes experiencing minor delays which has pushed some planned expenditure back to next year.

New Developments Capital Contingency Fund - £3.926m under net budget

1.53 For 2020/21 we set aside £7.500m in a New Developments Capital Contingency Fund for schemes which emerge during the financial year. The movement during the financial year is explained below:

New Developments Capital Contingency	£000's
Original Budget	7,500
In-Year Changes to Budget	
Carried forward from underspend 2019/20	12,042
Re-phasing into 2021/22	-10,000
Allocations	
Highways 2020 Mobilisation	-1,406
Skegness Countryside Business Park	-534
A1073 - Part One Compensation Claims	-1
Peppermint Park	-3,400
Horncastle Land Purchase	-113
Castle Motte	-444
Lincoln Castle Revealed Phase 2 return of unspent monies	282
Total Changes to Budget plus Allocations	-3,574
To be Carried Forward to 2021/22	3,926

1.54 The underspend of £3.926m remaining at the end of 2020/21 will be transferred forward into 2021/22 to fund schemes in the new financial year. There are a number of commitments which already exist for use of this funding in 2021/22 and future years.

Prudential indicators

1.55 The Local Government Act 2003 gave authorities freedom to borrow what they need to fund their capital programmes. The Act requires Local Authorities to comply with CIPFA's Prudential Code for Capital Finance in Local Authorities. The Code provides a framework to ensure that Local Authorities' capital programmes are affordable, prudent and sustainable and that treasury management decisions are taken to support this.

1.56 In complying with the Code the indicators for 2020/21 were approved by the Council on 21 February 2020 along with the budget and council tax for that year. In accordance with the Code, the Executive Director has been monitoring the actual performance against the targets set and there have been no issues of concern to be reported to members. The Council should also be informed of the actual position compared with that estimated for any given year after the year end. **APPENDIX N** provides details of this comparison for 2020/21. It shows that Prudential Indicators have not been exceeded during the year and there have been no breach of limits set by the Authority.

Flexible Use of Capital Receipts

1.57 For 2020/21, we made the decision not to take advantage of the flexibility to use capital receipts to fund revenue transformation projects in the year. Instead capital receipts in 2020/21 have either been used to fund new capital schemes or carried forward to fund future schemes.

Carry forward of over and underspends

1.58 The total underspend for 2020/21, excluding Schools, was £28.746m and for Schools was £13.976m. Table D, shown below, summarises the proposals for the treatment of the Council's underspend. The Council's policy as set out in its Financial Regulations is:

All under and overspends on service revenue budgets of up to 1% will be carried forward without exception. In 2020/21, this was a net underspend totalling £4.899m.

1.59 All under and overspends on the dedicated schools budget will be carried forward. In 2020/21 this net underspend totalled £13.976m, which included an underspend of £0.508m on Schools Sickness Insurance (see paragraph 1.61 (d) below).

1.60 In addition to the carry forward of up to 1% of budget under and overspends, there are a number of transfers to reserves for "business as usual" items totalling £0.237m:

- a) Civil Parking Enforcement and Permitting income is ring-fenced for spending on specific works defined by legislation. This budget underspent by £0.088m in the year.

- b) Strategic Commissioning and Procurement which provides services to partner organisations has operated at a surplus of £0.148m in 2020/21 and the net surplus will be transferred to an earmarked reserve pending future decisions about its use.
- c) Interest on Lincoln Cultural Quarter of £0.001m.

All of the transfers to reserves set out in paragraph 1.58 and in this paragraph 1.60 are for noting as being in accordance with Financial Regulations.

1.61 The amount of underspend remaining after taking account of the carry forward of 1% of service underspends and the "business as usual" transfers is £23.610m. The Council is required to consider the use of underspends above the level of 1% and outside of the "business as usual" transfers to reserves and there are four further requests for transfers to existing earmarked reserves, totalling £9.314m (£8.806m for items a to c which relate to non-Schools) and £0.508m (for item d which relates to Schools):

- a) The budget for flood and water risk management underspent by £0.045m in the year and it is proposed that this sum be added to the Flood and Water Risk Management reserve.
- b) A surplus of £0.114m was achieved in 2020/21 from the purchase by employees of additional annual leave. It is proposed that this sum is transferred to the Purchase of Employee Leave earmarked reserve. This will help to support staff wellbeing.
- c) Capital Financing Charges underspent by £8.647m in the year and it is proposed that this sum be transferred to the existing Capital Financing Charges earmarked reserve which will be used in the future to smooth out fluctuations in charges as a result of capital programme volatility.
- d) Schools Sickness Insurance Scheme had a surplus of £0.508m in the year and it is proposed that this be transferred to the Schools Sickness Insurance earmarked reserve.

1.62 It is proposed that a new earmarked reserve be created this year from a specific underspend in the revenue budget:

- a) The budget for four-yearly County Council elections has now been spread evenly over a four year budget cycle. Each year there is a revenue budget of £0.300m and in years when no elections take place and there is consequently no expenditure against the budget, the resulting underspend will be transferred to a new Elections earmarked reserve. In the years when an election takes place, the balance on the reserve will be drawn down to supplement the annual budget. It is proposed that the underspend of £0.300m is transferred to a new reserve set up for this purpose.

1.63 After the above allocations, which are in line with the Council's Financial Strategy, there is £14.504m still to be allocated.

1.64 The Financial Volatility earmarked reserve has been created from underspends in previous financial years and exists primarily to support the revenue budget in a planned way in any year where there is a budget deficit over the medium term period. During 2020/21 the sum of £12.200m was drawn down from the Financial Volatility reserve in order to create a new Support for Businesses earmarked reserve of £12.000m and to increase the sum in the Flood and Water Risk Management earmarked reserve by £0.200m. These reductions in the Financial Volatility earmarked reserve were to support particular areas of concern at the time, namely the impact of the pandemic on businesses in Lincolnshire and the need to provide further support for flood management. It is proposed that £12.200m of the 2020/21 underspend is transferred to the Financial Volatility earmarked reserve to top it up to its previous level of £52.683m.

1.65 Although the situation has improved since the end of the 2020/21 financial year, the coronavirus pandemic is not yet over. The government has announced £15.159m of emergency support to cover Covid-19 costs in 2021/22 and the extension of the sales fees and charges grant to cover loss of income due to Covid-19 for the first quarter of 2021/22. We have also carried forward £2.072m of unspent emergency grant to 2021/22. Beyond this there is no guarantee of any further government support for the impacts of the pandemic, but our costs and losses are still continuing and the easing of Covid-19 restrictions by the government will not lead to an immediate return to normality for all services. It would therefore be prudent to allocate the remaining underspend from the Council's budget to a new revenue earmarked reserve for Coronavirus Recovery and it is proposed that the sum of £2.304m be allocated in this way to a new reserve set up for this purpose.

1.66 The current balance in the Financial Volatility earmarked reserve is £40.483m before any top-up from the 2020/21 underspend. This reserve is not required to balance the budget in 2021/22, but it may be required to support the budget in the years beyond as the medium term financial plan shows budget deficits in each of the next two years. Work on updating the medium term financial plan as part of the next budget setting process is currently underway.

TABLE D – Proposals for Treatment of the Council's Underspend

TABLE 1: Proposed Use of Underspend in 2020/21	
	£m
Council Underspend for 2020/21 (excluding Schools)	28.746
<u>Service Net Underspends up to 1% Carried Forward:</u>	
- Adult Care and Community Wellbeing	2.167
- Children's Services	1.136
- Place	0.766
- Fire & Rescue and Emergency Planning	0.103
- Commercial	0.408
- Resources	0.288
- Corporate Services	0.031
	4.899
<u>Business As Usual Items, for ringfenced items (para 1.60):</u>	
- Civil Parking Enforcement & Permitting	0.088
- Strategic Commissioning & procurement surplus	0.148
- Interest Lincoln Cultural Quarter	0.001
	0.237
<u>Proposed Transfers to Existing Earmarked Reserves (para 1.61):</u>	
- Flood & Water Risk Management	0.045
- Purchase of Employee Leave	0.114
- Capital Financing Charges	8.647
	8.806
<u>Proposed Transfers to New Earmarked Reserves (para 1.62):</u>	
- Elections	0.300
	0.300
Balance Remaining for Consideration	14.504
<u>Proposals for Balance Remaining (paras 1.64 to 1.65):</u>	
- Replenish Financial Volatility Reserve	12.200
- Create new Coronavirus Recovery Reserve	2.304
	14.504

1.67 A variety of other transfers to or from other earmarked reserves reflecting actual expenditure and income in 2020/21 are shown in **TABLE F** over the page.

General Reserve

1.68 It is our policy on general reserves that these will be maintained within a range of 2.5% to 3.5% of the annual budget requirement. When setting the budget for 2020/21 we planned to increase the balance in our General Reserve by £0.150m. After considering the updated budget requirement for 2021/22 and the proposals on the carry forward of over and underspends, there is no requirement to adjust the General Reserve at this year end. The General Reserve at 31 March 2021 stands at £16.200m or 3.2% of the budget requirement (**TABLE E**).

TABLE E – General Reserves

	Balance at 31 March 2021 £000's
General Reserves	
Opening Balance 01 April 2020	-16,050
Contribution to Reserves in Year	-150
Proposed Contribution to / use of Reserves	0
Balance 31 March 2021	-16,200
Balance as a percentage of 2021/22 Net Budget	3.2%

TABLE F – Transfers to and from reserves

	Balance at 01 April 2020 £'000	Additions in Year £'000	Used in Year £'000	Balance at 31 March 2021 £'000
Balances from dedicated schools budget	14,137	670	(2,929)	11,878
Balances for schools under a scheme of delegation	10,671	15,227	(11,661)	14,237
Total Schools	24,808	15,897	(14,590)	26,115
Other Earmarked Reserves:				
Earmarked Reserves - Pre Council Confirmation	15,141	29,254	(15,141)	29,254
Insurance	5,737	1,038	0	6,775
Schools Sickness Insurance	685	0	0	685
Shared Services (Legal and Procurement)	1,823	828	(13)	2,638
Financial Volatility	52,683	0	(12,200)	40,483
CSSC Transformation Including BW Rebuild and Development	3,384	0	(636)	2,748
Energy from Waste Lifecycles	5,038	1,286	(552)	5,772
Development Fund	10,182	9,966	(5,696)	14,452
Business Rates Volatility Reserve	6,152	0	0	6,152
Support to Businesses	0	12,000	(689)	11,311
Other Service Earmarked Reserves	5,151	6,504	(1,195)	10,459
Earmarked Reserves	105,976	60,876	(36,122)	130,729
Revenue Grants and Contributions Unapplied Reserves:				
Schools	5,872	8,320	(5,758)	8,435
Childrens Services	8,465	2,581	(344)	10,702
Adult Care and Communtiy Wellbeing	41,875	23,649	0	65,524
Place	9,816	1,628	(499)	10,945
Other Budgets	21,349	3,503	(21,152)	3,700
Corporate Services	213	0	0	213
Resources	571	42	0	613
Fire & Rescue	384	0	0	384
Revenue Grants and Contributions	88,545	39,723	(27,753)	100,516
Total	219,329	116,496	(78,465)	257,360

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.

These matters have been considered and there is not considered to be any direct impact of the decisions called for by this report on the Equality Act duty or any of these strategies and obligations. The Council set its budget for 2020/21 in February 2020 having had regard to these matters. The treatment of underspends and overspends in this report do not impact on that budget or any individual decisions in relation to services. Those decisions will continue to have regard to Equality Act obligations and the various strategies and obligations referred to as they are taken. This includes decisions on the use of carried forward underspends.

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.

The Joint Strategic Needs Analysis has been considered and there is not considered to be any direct impact of the decisions called for by this report on any of these strategies and obligations. The Council set its budget for 2020/21 in February 2020 having had regard to these matters. The treatment of underspends and overspends in this report do not impact on that budget or any individual decisions in relation to services. Those decisions will continue to have regard to the Joint Strategic Needs Analysis as they are taken. This includes decisions on the use of carried forward underspends.

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.

Section 17 of the Crime and Disorder Act 1998 has been considered and there is not considered to be any direct impact of the decisions called for by this report on the obligations arising from this Act. The Council set its budget for 2020/21 in February 2020 having had regard to these matters. The treatment of underspends and overspends in this report do not impact on that budget or any individual decisions in relation to services. Those decisions will continue to have regard to Section 17 of the Crime and Disorder Act 1998 obligations as they are taken. This includes decisions on the use of carried forward underspends.

3. Conclusion

3.1 The report provides details of the Council's financial performance for 2020/21. Net revenue spending amounted to £488.644m, excluding Schools Budgets. Net capital spending totalled £52.235m.

3.2 Existing policies require all over and underspends up to 1% on service budgets and over and underspends on capital, schools budgets and shared services to be automatically carried forward. These carry forwards and transfers to earmarked reserves have been proposed in accordance with existing policy. The treatment of all other underspends and overspends is a matter for the full Council and the Report sets out proposals for how these should be dealt with. General reserves currently stand at £16.200m with a further £40.483m in the Financial Volatility earmarked reserve.

4. Legal Comments:

Recommendation 1 is compliant with the Council's Financial Regulations.

With regard to recommendation 2, Council's Financial Regulations provide that the use of all underspending on service budgets in excess of 1% will be considered by the Executive and decided by the full Council. The means of funding all overspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

Recommendations 3 and 4 enable the Executive to monitor performance against the Council's approved budget. Under Section 3 of the Local Government Act 2003 the Authority must determine and keep under review how much money it can afford to borrow. Reporting on the Prudential Indicators assists the Council in discharging this function.

The recommendations are lawful in accordance with the Constitution and the Policy Framework and within the remit of the Executive.

5. Resource Comments:

Accepting the recommendations in this report provides the Council with a sound financial base from which to manage the challenges of recovering from the Covid-19 pandemic and preparing for a change in the local government funding regime, which remains an uncertain future outcome for this Council.

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

On 1 July 2021 the Overview and Scrutiny Management Board will consider this report on the Review of Financial Performance 2020/21. Comments made by the Board will be tabled at the meeting.

d) Risks and Impact Analysis

n/a

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Capital Performance Report 2020/21
Appendix B	Children's Services Financial Position 1 st April 2020 – 31 st March 2021
Appendix C	Adult Care and Community Wellbeing Financial Position 1 st April 2020 – 31 st March 2021
Appendix D	Place Financial Position 1 st April 2020 – 31 st March 2021
Appendix E	Fire and Rescue and Emergency Planning Financial Position 1 st April 2020 – 31 st March 2021
Appendix F	Resources Financial Position 1 st April 2020 – 31 st March 2021
Appendix G	Commercial Financial Position 1 st April 2020 – 31 st March 2021
Appendix H	Corporate Services Financial Position 1 st April 2020 – 31 st March 2021
Appendix I	Schools Financial Position 1 st April 2020 – 31 st March 2021
Appendix J	Other Budgets Financial Position 1 st April 2020 – 31 st March 2021
Appendix K	Narrative of Financial Impact of Covid-19 as at 31 st March 2021
Appendix L	Monitoring of Planned Savings 2020/21
Appendix M	Monitoring of Development Fund Initiatives 2020/21
Appendix N	Prudential Indicators 2020/21

8. Background Papers

Document title	Where the document can be viewed
Council Budget 2020/21	https://www.lincolnshire.gov.uk/downloads/file/4001/budget-book-2020-21

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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	14.513	Net Expenditure Budget	13.741
Gross Income Budget	-0.771	Actual	13.741
Net Expenditure Budget	13.741	Forecast Over/(Underspend) February	0.000
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	0.066	New Grants and Contributions	13.675
Budget Re-phased into Future Years	-6.085	Gross Income Budget	-0.771
Gross Expenditure Budget	14.513		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	86.945	Net Expenditure budget	27.246
Gross Income Budget	-59.699	Scheme Total Forecast	27.246
Net Expenditure Budget	27.246	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
Delivery of the project is progressing well and is currently within budget. The project is on target to complete the Boston Endeavour by August 2021 with work at Bourne Willoughby and Spilsby Eresby Schools due to be completed in October and November 2021.

Type of Scheme Block Scheme
 Directorate Place
 Area LEP
Scheme Name Lincolnshire Enterprise Partnership Contribution

Financial Information 2020/21 £m			
Gross Expenditure Budget	13.956	Net Expenditure Budget	13.956
Gross Income Budget	<u>0.000</u>	Actual	5.448
Net Expenditure Budget	13.956	Forecast Over/(Underspend) February	0.045
Net Over/(Underspend)			-8.508

Direction of Travel from previous forecast ↓

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	14.001	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	-0.045	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	13.956		

Purpose of Scheme
 This Single Local Growth Fund block is administered on behalf of GLLEP to provide support for local businesses, creating and safeguarding jobs, delivering strategic infrastructure schemes, developing new homes, and investing in education through a range of local government and other partners.

Performance of Scheme
 Projects attracting GLLEP funding are progressing but have experienced some delays due to the effects of the Covid-19 pandemic. The programme is still forecast to spend to budget over its whole-life. Officers are continuing to work to ensure that the offsetting strategy, which was implemented to avoid any risk of clawback of grant by government, is implemented successfully.

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	5.402	Net Expenditure Budget	4.223
Gross Income Budget	<u>-1.179</u>	Actual	5.264
Net Expenditure Budget	4.223	Forecast Over/(Underspend) February	-3.038
Net Over/(Underspend)			1.040

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	5.402	New Grants and Contributions	-1.179
Budget Re-phased into Future Years	0.000	Gross Income Budget	-1.179
Gross Expenditure Budget	5.402		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	11.003	Net Expenditure budget	6.789
Gross Income Budget	<u>-4.214</u>	Scheme Total Forecast	8.586
Net Expenditure Budget	6.789	Whole Life Variance	1.797

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 £3.4m LCC budget allocated from the New Developments Capital Contingency fund is expected to be drawn down after use of GLLEP funding. There is also a further £1.1m budget to be received from SHDC. Additional grant funding has been awarded which will cover the stated overspend but is not reported at this stage because the contract between the LEP and LCC is currently being finalised following the purchase of land (distillery farm) to facilitate phase 2 development.

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	27.172	Net Expenditure Budget	27.172
Gross Income Budget	0.000	Actual	19.136
Net Expenditure Budget	27.172	Forecast Over/(Underspend) February	5.635
Net Over/(Underspend)			-8.036

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	2.529	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	27.172		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	135.604	Net Expenditure budget	85.107
Gross Income Budget	-50.497	Scheme Total Forecast	82.486
Net Expenditure Budget	85.107	Whole Life Variance	-2.621

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 based on the contractor's forecast costs and the Council's assessment of the other costs associated with the project but contain a number of risks and uncertainties and are therefore still subject to change. Several Compensation Events (CEs) are yet to be resolved and ecological and Covid risks still remain. The proposed capital programme has been updated to reflect these pressures and fund the increased cost in 2021/22. The position in year has changed due to the short-term use of a GLLEP contribution to maximise grants over future works.

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	27.534	Net Expenditure Budget	22.296
Gross Income Budget	<u>-5.238</u>	Actual	8.949
Net Expenditure Budget	22.296	Forecast Over/(Underspend) February	-14.245
Net Over/(Underspend)			-13.347

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	-0.047	New Grants and Contributions	0.454
Budget Re-phased into Future Years	-17.885	Gross Income Budget	-5.238
Gross Expenditure Budget	27.534		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	104.227	Net Expenditure budget	80.179
Gross Income Budget	<u>-24.048</u>	Scheme Total Forecast	81.092
Net Expenditure Budget	80.179	Whole Life Variance	0.913

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 also been affected by extreme weather events, exacerbated by technical issues and ecological considerations. Operation of the site was further 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. The proposed capital programme has been updated to reflect these pressures and fund the increased cost in 2021/22. The year end financial position reflects the delay in phase 3 of the project together with the receipt of the LEP grant.

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	5.810	Net Expenditure Budget	5.810
Gross Income Budget	<u>0.000</u>	Actual	3.319
Net Expenditure Budget	5.810	Forecast Over/(Underspend) February	0.953
Net Over/(Underspend)			-2.490

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	2.705	New Grants and Contributions	0.800
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	5.810		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	6.833	Net Expenditure budget	4.833
Gross Income Budget	<u>-2.000</u>	Scheme Total Forecast	4.728
Net Expenditure Budget	4.833	Whole Life Variance	-0.105

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 when final accounts are settled and all funding is secured.

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

Financial Information 2020/21 £m			
Gross Expenditure Budget	3.562	Net Expenditure Budget	3.437
Gross Income Budget	<u>-0.125</u>	Actual	0.566
Net Expenditure Budget	3.437	Forecast Over/(Underspend) February	-0.338
Net Over/(Underspend)			-2.871

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	1.527	New Grants and Contributions	1.375
Budget Re-phased into Future Years	-1.838		
Gross Expenditure Budget	3.562	Gross Income Budget	-0.125

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

Performance of Scheme
Following a delay caused by the pandemic, work commenced in February 2021 resulting in an under spend for the year which will now be carried forward to next year. The full scheme is currently expected to be delivered within budget.

Type of Scheme Project
 Directorate Place
 Area Highways

Scheme Name A52 Skegness Roman Bank **Status of Project** In progress
Reconstruction

Financial Information 2020/21 £m			
Gross Expenditure Budget	3.083	Net Expenditure Budget	3.083
Gross Income Budget	<u>0.000</u>	Actual	1.867
Net Expenditure Budget	3.083	Forecast Over/(Underspend) February	2.393
Net Over/(Underspend)			-1.216

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	3.083	New Grants and Contributions	0.000
Budget Re-phased into Future Years	0.000	Gross Income Budget	0.000
Gross Expenditure Budget	3.083		

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	5.265	Net Expenditure budget	1.616
Gross Income Budget	<u>-3.649</u>	Scheme Total Forecast	1.600
Net Expenditure Budget	1.616	Whole Life Variance	-0.016

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
 Phase 4 (out of 6) is due to be completed in May to temporarily open the road back up to vehicular traffic for the Summer period. 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. Delays have been experienced in the diversion of utilities but current forecasts for the scheme show it to be within budget over the full life of the project.

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

Financial Information 2020/21 £m			
Gross Expenditure Budget	44.803	Net Expenditure Budget	-11.075
Gross Income Budget	<u>-55.879</u>	Actual	-14.875
Net Expenditure Budget	-11.075	Forecast Over/(Underspend) February	-3.175
Net Over/(Underspend)			-3.799

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	31.724	New Grants and Contributions	-31.522
Budget Re-phased into Future Years	0.000		
Gross Expenditure Budget	44.803	Gross Income Budget	-55.879

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 fully committed including the over allocation brought forward from the previous year. Programme allocations for this year show that some of the grant will need to be carried forward to meet planned projects for resurfacing and structures that have been delayed, hence the apparent in-year underspend, which is now programmed to be spent in 2021/22.

Type of Scheme Project
 Directorate Commercial
 Area Information Management Technology
Scheme Name Broadband

Status of Project In progress

Financial Information 2020/21 £m			
Gross Expenditure Budget	6.506	Net Expenditure Budget	0.640
Gross Income Budget	<u>-5.866</u>	Actual	-4.870
Net Expenditure Budget	0.640	Forecast Over/(Underspend) February	-4.672
Net Over/(Underspend)			-5.510

Direction of Travel from previous forecast ↓

Movement of Budget in 2020/21 £m			
Gross Expenditure		Gross Income	
Original Gross Expend. Budget 2020/21	2.500	Original Gross Income Budget 2020/21	0.000
Budget b/f from Previous Year	1.187	Grants & Contributions Previous Years	0.000
Budget Allocated from Other Schemes	5.866	New Grants and Contributions	-5.866
Budget Re-phased into Future Years	-3.047	Gross Expenditure Budget	6.506
Gross Expenditure Budget	6.506	Gross Income Budget	-5.866

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	46.348	Net Expenditure budget	13.042
Gross Income Budget	<u>-33.306</u>	Scheme Total Forecast	13.042
Net Expenditure Budget	13.042	Whole Life Variance	0.000

Direction of Travel from previous forecast ⇒

Purpose of Scheme
 To improve access to Broadband across Lincolnshire.




Performance of Scheme
 The original budget for 20/21 was £2.500m. This was increased by £1.187m due to underspend caused by the contractor being in contractual non compliance. Performance measures regarding connectivity rates have exceeded target resulting in significantly better contractual rebate (£5.866m), creating the current year underspend of £5.510m. This will be utilised to fund contractual obligations during the remainder of the current contract which runs to 31st March 2022. The remaining underspend will be rephased into future years to support the new contract.

Children's Services


Financial Position 1st April 2020 – 31st March
2021


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	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Children's Services	123.317	122.181	(1.136)	(1.643)	

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Children's Social Care	79.870	78.414	(1.456)	(1.708)	

The financial position is driven by :-

- There has been an increase in the number of children in care that the Local Authority was the corporate parent for in 2020/21. The children in care numbers at the end of March 2021 were 682 compared to 628 at March 2020. This has resulted in a requirement for more children in care requiring specialist placements leading to a £2.130m (or 22.6%) overspend. Expenditure on specialist children in care placements in 2020/21 (excluding costs funded by the Covid-19 general grant) was £7.562m compared with £7.044m in 2019/20. There has been a shift of placement composition from internal foster carer arrangements to more specialist external placements, and the shielding of foster carers has also contributed towards this. A transformational focus is taking place within the area of children in care to ensure the right care support is provided to children, young people and families. Underspends on fostering allowance, staying put arrangements, fostering staffing and adoptions, has resulted in a £1.217m (or 8%) underspend within Fostering and Adoption.
- Social care legal costs have continued to increase due to the complexity of cases, the need for expert opinions and the use of counsel. The outturn position shows a £0.641m (or 21.7%) overspend with 54.4% of the £3.597m spend being attributable to disbursement fees.
- 0-19 Health Services underspent by £0.843m (or 8.7%) which partly relates to the government's transitional arrangements continuing in 2020/21 to meet the increase to the employer contribution rate for the NHS Pension Scheme (£0.384m). Although a recruitment drive has been a success of late, Health Visitor vacancies continue causing the remainder of the underspend for this county-wide workforce.
- The apportionment of costs to other funding sources due to the under-delivery of commissioned services (£1.330m).
- Other variances have also taken place across the area of children's social care: Residential Homes (£0.235m overspend), Youth Housing Contract delay in implementation (£0.336m underspend); social care retention and recruitment costs (£0.296m underspend); Leaving Care Activities (£0.263m underspend) and Youth Development (£0.247m underspend).

The movement in position relates to :-

- A transfer to the Children's Public Health reserve (£1.172m), which is as a result of Healthy Minds costs being met by the Outbreak Management grant in 2020/21.
- An increase in the underspend relating to fostering and adoption areas due to the pandemic (£0.769m) and a small reduction in external specialist children in care placements compared to commitments in January.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m
Children's Education	43.447	43.767	0.320	0.065

The financial position is driven by :-

- The main area of overspend relates to Home to School and College transport (£1.779m or 5.9%). There were 191 transport days in the financial year (one additional day than budgeted). The impact on the Home to School and College transport service delivery has been variable throughout the financial year with lockdowns reducing the daily cost with critical workers and vulnerable children and young people only attending school.

The period April 2020 to August 2020 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 c.£0.021m per day.

The period September 2020 to March 2021 identified an overspend of £2.435m and is mainly attributable to the higher cost per day transport delivery costs (c.£0.163m 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 more than budgeted. This is despite certain costs being eligible to claim from the Covid-19 grants. All other transport agreements have been built into final position. A re-base in the transport budget has taken place for 2021/22 to reflect the higher cost per day being incurred.

- Special Educational Needs and Disabilities is underspent by £0.975m (12.3%). Areas of variances to note within Children with Disabilities are underspendings in the areas of Domiciliary Care (£0.185m), Direct Payments and Section 17 (£0.164m), specialist equipment (£0.145m), and staffing (£0.194m) – this is in part relating to activity levels, and families not requiring assistance during lockdown. In addition there has been an apportionment of costs to other funding sources due to the under delivery of commissioned services (£0.125m) caused by the pandemic. The Educational Psychology budget continues to underspend (£0.269m) 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.
- The direct support from schools improvement advisors relating to outbreak management (£0.231m) has been met through the identified grant for 2020/21 creating an underspend.
- Other smaller variances have also taken place across the area of Education Support Services mainly from reduced legal costs due to the impact of the pandemic (£0.080m); School Improvement services (£0.120m underspend) due to a reduction in costs as face to face briefings have been replaced by briefings on-line, along with other smaller variances.

The movement in position relates to :-




- An increase in costs within the agreed budget for Special Educational Needs and Disabilities due to an increase in activity and other costs in the final quarter of the year (£0.284m).

Adult Care and Community Wellbeing


Financial Position 1st April – 31st
March 2021


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	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Over/(Underspend) £m	
Adult Care and Community Wellbeing	143.866	134.945	(8.921)	(7.597)	


Service Area	Current Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Over/(Underspend) £m	
Adult Frailty & Long Term Conditions (AF<C)	122.850	118.948	(3.902)	(3.634)	

The financial position is driven by :-

- AF & LTC has prioritised and redeployed members of its workforce to respond to the unprecedented impact of the Covid-19 pandemic. In addition, payments have been made to adult social care providers based upon activity levels prior to the pandemic. This was to provide financial sustainability throughout the pandemic as occupancy levels in residential care dropped. £4.661m of Covid-19 costs have been supported through Covid-19 grant monies.
- AF & LTC forecast an equivalent to 24wte (6%) vacancies and built a vacancy factor into the 2020-21 budget. Coupled with the challenges of recruitment as a result of Covid19, £0.966m underspend was generated as a result of vacancies. Following successful recruitment over recent months, this level of underspend is not forecast to continue.
- At the start of the financial year, the Direct Payment (DP) audit team had 371 DP service users to review. The 371 audits are complete and recouped £0.805m more income than planned.
- A debt review programme commenced in 2020-21 which focusses on the age of debt held by ACCW. The programme has identified alternative ways of working which will deliver a more efficient debt recovery process as we move to a gross payment basis. The debt provision on the balance sheet has also been updated to reflect the findings of the review.

The movement in position relates to :-

- AF<C has seen a slight movement in forecast across its volume based services however not to a degree to materially impact the outturn position.


Service Area	Current Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Over/(Underspend) £m	
Adult Specialities	81.148	79.374	(1.775)	(1.257)	

The financial position is driven by:-

- Financial support was paid to providers, day services and community supported living providers in particular. This was to provide financial sustainability throughout the pandemic as services were unable to open or operate at full capacity due to Covid-19 restrictions. £1.094m of Covid-19 costs have been supported through Covid-19 grant monies.
- The conclusion of a long running ordinary residence case which concluded Lincolnshire County Council was not the responsible authority. This outcome released a £0.750m provision.
- 2020-21 saw the transfer of financial monitoring for mental health packages of care from LPFT to LCC. Increasing demand was indicating a financial pressure for 2020-21. An improvement programme across organisations, overseen by the Assistant Director Specialist Adult Services and Safeguarding was established and included a revised process for the agreement of packages of care by service user. With this in place, some underspend on staffing budgets and additional income received from the Department of Health & Social Care, mental health care delivered within financial allocation but with some budget pressures for 2021-22 driven predominately by discharges from NHS Mental Health Inpatient Care.

The movement in position relates to :-

- Delivery of mental health care within the financial allocation.


Service Area	Current Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Over/(Underspend) £m	
Public Health and Community Wellbeing	23.783	20.188	(3.595)	(2.706)	


The financial position is driven by ;-

- Public Health and Wellbeing has tailored its financial resources to meet the needs of the population across Lincolnshire as the pandemic has evolved. Public Health and Wellbeing has prioritised and redeployed members of its workforce and commissioned services to respond to the unprecedented impact of the Covid-19 pandemic. £3.280m of Covid-19 costs across wellbeing services have been supported through Covid-19 Outbreak management grant monies received from the government. Maximising the Covid-19 grants resulted in a £7.106 underspend across those services funded by the Public Health Grant. This underspend has been carried forward as per the conditions of the grant in the dedicated Public Health Grant Reserve.
- 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.

The movement in position relates to :-

- Further Covid-19 grant funding received during quarter 4.

Service Area	Current Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Over/(Underspend) £m	
Public Health Grant Income	(33.546)	(33.546)	0.000	0.000	
<p>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.</p>					




Service Area	Current Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Over/(Underspend) £m	
Better Care Funding	(50.368)	(50.363)	0.005	0.000	
<p>The BCF/iBCF structure has rolled over into 2020-21. The increase in budget and spend reflects the winter funding becoming part of the BCF/iBCF baseline allocation and supporting the winter plan.</p>					

Place


Financial Position 1st April 2020 – 31st March
2021


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	Revised Budget £m	Actual Outturn £m	Actual Outturn Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Place	76.587	75.322	(1.265)	0.715	

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Communities	47.278	46.032	(1.246)	1.017	

The financial position is driven by :-

- As forecast, reduced contract payments to bus operators on suspended or reduced bus services and reduced levels of reimbursement for concessionary travel caused by the downturn in service provision and patronage resulting from the pandemic, created an underspend in Transport which was slightly higher than forecast at £1.033m. However, it is recognised that this is both a temporary and artificial representation of the service budget. This fragile market is currently being supported by Covid-19 Bus Service Support Grant which is due to end in August 2021, at which time budgets will come under renewed pressure in order to maintain the bus network at present levels.
- When the award of the re-procured Mixed Dry Recycling (MDR) contract was approved in the early part of the year it was estimated that the cost would exceed the year's budget by £1.110m. The cost of processing this waste is however subject to significant fluctuation due to the mix of recyclable material being collected, the level of contamination and the price paid for processing varying with the market values for recyclables. Following careful management and prudent forecasting, this planned overspend continued to improve through to the year-end. The overall overspend for the Waste service was also reduced by the identification of further costs relating to volumes attributable to Covid pressures, particularly the displacement of waste from business waste streams (processed by commercial operators) to domestic streams (processed by LCC) due to new ways of working prompted by the pandemic and therefore funded through the Covid grant. This resulted in a better than forecast overspend of £0.605m. As previously reported the on-going pressure relating to MDR processing was addressed as part of the 2021/22 budget setting process.
- The significant disruption to Heritage and Culture services caused by the pandemic and the consequential loss of income has been fully funded by Covid grant. This is an improvement on the forecast position which had assumed some losses would not be recoverable. The resultant re-setting of the public offer, coupled with savings on staffing costs, provided a surplus for the year of £0.698m.
- The Head of Planning has managed to contain the anticipated shortfall in planning fee income of £0.134m to less than £0.070m. This is due to additional income received within the Historic Environment budget area.
- Environment ended the year with an under spend of £0.070m but £0.045m of this is to be transferred to the floods reserve for planned work, leaving the final position broadly on budget.

- Savings in staffing costs across the Communities services contributed a further underspend of £0.119m.


The movement in position relates to :-

- A full grant settlement of Covid costs and reduced income.
- An improvement in the cost variance for the MDR contract.
- Safeguarding of the savings on staffing and associated costs.

Key Financial Risks to Delivery and Mitigating Actions

Higher contract costs than planned

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	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Lincolnshire Local Enterprise Partnership	0.343	0.263	(0.081)	0.007	

The financial position is driven by :-

- Due to a substantial part of the team focussing on Covid response and recovery, planned LEP activity such as LEP Conferences, Skills Conference and a freeze in recruitment led to an underspend of £0.081m in the LCC budget for the LEP in the final quarter.

The movement in position relates to :-

- LEP activity changing its focus to Covid-19 during 2021/22.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Growth	5.067	5.013	(0.054)	0.058	

The financial position is driven by :-


- Operational priorities changed to addressing the Covid-19 business and economy response, supported by Covid grant funding, resulted in a £0.084m underspend.
- The identified Covid risk on the rental income for business units and a higher level of project costs caused an overspend in Economic Infrastructure of £0.261m. This was managed from an underspend on Infrastructure Investment (£0.229m) arising from delays in expenditure coming through for the activity commissioned to support development of the Local Transport Plan. This project is anticipated to cost at least £0.150m and is now planned to complete in 2021/22 and will therefore cause pressure in the 2021/22 budget.

The movement in position relates to :-

- A full grant settlement of Covid costs.
- Delay in the spend on the Local Transport Plan project.

Key Financial Risks to Delivery and Mitigating Actions

<i>Business unit income</i>	This income continues to be raised as a risk as the economic impact of the pandemic and delays in payment need to be assessed in 2021/22.
<i>Transport Strategy Project</i>	As activity on the Local Transport Plan project will now span the financial year-end, it is likely to cause budgetary pressure in 2021/22 in the absence of any carry-forward.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Highways	23.898	24.014	0.116	(0.368)	

The financial position is driven by :-

- The key budget pressure of £0.649m related to winter maintenance. This overspend, included within the above total, was forecast based on the prevailing conditions during the year but with the expectation that it would be necessary to call upon the corporate funding available for this purpose. However, as it has been possible to manage the pressure for this year within the overall directorate spend this has not been necessary, hence the difference between forecast and actual outturn. The risk for future years as detailed below remains.
- The full recovery of Covid related contract costs and the loss of fees within the Traffic Service helped to manage any additional budget pressures.
- The business as usual underspends on Civil Parking and Permitting of £0.088m will be transferred to reserves as part of the year-end closure of accounts.
- Savings on staff vacancies have been secured within individual service areas, further managing budget pressures.

The movement in position relates to :-

- The budget pressure for winter maintenance being accommodated within the overall budget.

Key Financial Risks to Delivery and Mitigating Actions




<i>Winter Maintenance</i>	Winter Maintenance costs are driven by weather conditions and as such are affected by factors outside the control of the service. The budget is based on providing coverage for an assumed "average winter" consisting of 85 gritting runs. Periods of severe winter weather or extreme weather events are likely to require additional funding, which would necessitate a call on contingency funds / reserves.
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Fire and Rescue and Emergency Planning


Financial Position 1st April 2020 – 31st
March 2021


Revenue - Fire and Rescue & Emergency Planning

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	Revised Budget £m	Actual Outturn £m	Actual Outturn Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Fire and Rescue and Emergency Planning	23.079	22.976	(0.103)	0	

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Fire and Rescue and Emergency Planning	23.079	22.976	(0.103)	0	

Following a review of the Council's structure, Public Protection is now part of the Resources Directorate.

The financial position for the service is driven by :-

- Grant funding income being made available at year end to support activities to administer LFR pension position in relation to the Sargent/McCloud court ruling. (£0.050m)
- The reduction on planned activities within station based and training centre based training due to COVID restrictions (£0.053m).

The movement in position relates to :-




- Pension grant funding and reduced training as highlighted above.

Resources


Financial Position 1st April 2020 – 31st March
2021


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	Revised Budget £m	Actual Outturn £m	Actual Outturn Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Resources	28.126	27.013	(1.113)	(0.766)	

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Legal and Governance Services	2.488	1.900	(0.588)	(0.543)	

The financial position is driven by :-

- Budget allocated for council elections (£0.300m) not being required in this financial year. As part of budget setting for 2020/21 a rolling £0.300m base budget was created in order to smooth the medium term financial planning of the council.

It is intended to transfer this underspend to a specific election reserve which will then be available to fund periodic elections when they occur.

- Savings due to a councillor vacancy, by-election contingency (as no elections could be held before May 2021) and Members' training and travel expenses gave an underspend of £0.178m.
- Covid related delays in the records management project compared to planned target activity. (£0.034m).
- The remaining underspend is due to planned vacancies within Information Assurance that have been appointed to in recent months (£0.076m).

The movement in position relates to :-

- The actual underspend is broadly in line with the Quarter 3 forecast with just small movements in the savings from the records management project and staff vacancies.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Human Resources and Organisational Support	14.603	13.856	(0.746)	(0.598)	↓

The financial position is driven by :-

- Staff vacancies in the earlier part of the year when the service's priority was focused on supporting key services in their Covid response but which have subsequently been recruited to and savings in printing and postage created an underspend of £0.281m.
- A significant amount of Business Support resource has been utilised to cover Covid related activities with over 40 additional support requests since March 2020. The recharge for this, which is funded by Covid grant, is £0.232m.
- 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 an underspend of £0.124m.
- The shortfall in take up of the purchase of annual leave has been funded by Covid grant creating an underspend of £0.112m.

It is proposed that this is added to the existing reserve in order to fund future employee initiatives.

The movement in position relates to :-

- The funding of the shortfall in take up of the purchase of annual leave scheme via Covid grant (£0.112m).

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Financial Services	6.836	6.800	(0.036)	0.177	↑

The financial position is driven by :-

- An overspend had been forecast in the budget for outsourced general finance and adult care finance transactional processing this year due to higher than budgeted contract indexation and increased volumes.

However, the total overspend for the year of £0.095m, was less than forecast at quarter 3 because the actual volumes for the final quarter were lower than those assumed in the forecast. This was particularly significant for income processing, where a reduction in volumes of between 20% and 30% was experienced in the final quarter.
- The level of income from schools has increased resulting in a budgetary surplus of £0.049m due to a combination of more schools purchasing the finance service along with the selection of higher service options being taken up.
- Some minor restructuring took place within year. There have also been some short term vacancies due to turnover of staff.

The recruitment of temporary agency staff which was expected to be undertaken in the latter part of the year to support the current high workloads had to be deferred due to the shortage of ICT equipment.

The overall effect was an underspend on staffing of £0.106m.

- Long term absences across Corporate Audit & Risk Management (CARM) – alongside Covid delays – impacting on reduced income from schools / academies.

The movement in position relates to :-

- The anticipated use of temporary staff in Q4 being delayed due to global procurement issues for ICT equipment.
- Volumes on outsourced contracts continuing to fall throughout Q3 and Q4 resulting in a reduction of £0.080m in cost compared to that reported at Q3.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m
Public Protection	4.199	4.457	0.257	0.198

Explanations for the main variances are set out below:-

The overspend for the Coroners service is made up of a number of elements:

- 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 contracted mortuary and post-mortem services for Lincolnshire.
- A further pressure of £0.232m arose 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.

Funding has been provided to address these shortfalls through increased budget for 2021/22 as part of the ongoing service review.

- This was offset by vacancies within the service which have now been filled (£0.146m).

Safer Communities underspent by £0.044m, made up of two key variances:

- Trading Standards has seen a significant reduction in expenditure this year due to the effect COVID has had on the Courts with very few hearings or trials having taken place.
- This was offset by savings from in year staff vacancies and reduced travel.

The movement in position relates to :-




- Variations from Q3 on expenditure and income funded by Covid grant.

Commercial


Financial Position 1st April 2020 – 31st March
2021


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	Revised Budget £m	Actual Outturn £m	Actual Outturn Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Commercial	41.219	38.568	(2.651)	(1.309)	

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Property	10.147	9.182	(0.964)	(0.532)	

The financial position is driven by :-

- Utility costs across the wider estate presented a lower spend than forecast in the final (winter) quarter of the financial year. (£0.196m).
- Reduced costs for facilities management and reactive maintenance provided an underspend of £0.285m.
- Additional rental and service charge income from Keily House, Louth and backdated rent for Lime House, Horncastle. (£0.120m).
- Increased rental income and the reduction of rents payable for the County Farms estate coupled with reduced maintenance expenditure due to access restrictions resulted in an underspend of £0.267m.

The potential impact on future years of the reduced maintenance in 2020/21 will be considered as part of 2022/23 budget setting.

- As a result of Covid-19 and at the request of a provider, services were suspended and rents not charged on Chance to Share schemes, resulting in expenditure being reduced by £0.096m.
- Reduced expenditure in general staffing costs such as training and car allowances and general office expenses.(£0.085m).
- In response to Modern Day Slavery legislation, improved warden provision on Travellers sites managed through the Property Services contract increased expenditure by £0.081m.

The movement in position relates to :-

- Lower spend on accommodation costs due to continuing covid related closures and restrictions.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Commercial	9.034	7.529	(1.505)	(0.916)	↓

The financial position is driven by :-

- The Customer Service Centre underspend of £0.756m was in line with forecast. Covid funding of £0.407m reflects the displacement of business as usual activity into Covid related call handling.
- A number of vacancies in the Commercial Team which have now been recruited to, payment for a secondment and Covid related reductions in staff costs in particular travel expenses created an underspend a little higher than forecast at £0.225m.
- Additional, and not previously forecast, funding for staff costs from the Contained Outbreak Management Fund (COMF covid) grant of £0.354m resulted in a further underspend.
- Additional revenue split 50/50 between rebate income from the Refuse Collection Vehicles framework and additional work from ELDC amounting to £0.139m.

This underspend will be transferred to the procurement shared service reserve.

The movement in position relates to :-

- The service received income from the Contained Outbreak Management Fund (COMF covid) grant of £0.354m. This was previously expected to be funded within service budgets but was reviewed in Q4 in line with overall Council grant funding.
- Delays in being able to recruit to vacant positions and the late delivery of income (£0.235m).

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Transformation	7.332	6.942	(0.390)	0.301	↓

The financial position is driven by :-

- 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 as part of the Business World re-design project.
- The Performance team generating greater levels of income from schools than expected in the previous forecast.

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.

The movement in position relates to :-

- The majority of this variance is in relation to identification of costs that were agreed to be funded by the Covid grant.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Information Management Technology	14.706	14.914	0.208	(0.162)	↑

The financial position is driven by :-

- As previously forecast, the need to continue to preserve access to data held in the legacy SAP system resulted in higher than budgeted access costs being incurred as work continues to migrate this data to a longer-term solution (£0.350m).
- The revised contract pricing model for the outsourced support contract and other third party arrangements resulted in increased costs (£0.366m).
- Additional costs for data storage and enhanced telephony support to improve service quality resulted in additional cost (£0.497m).
- There were underspends in the revenue project budget of £0.079m due to the Covid pandemic presenting resourcing issues, therefore projects were delayed.
- IMT recouped £0.401m from the sale of IT equipment in line with the outsourced contract arrangement following the recent refresh programme, of which £0.142m related to sales during the previous financial year.
- A further £0.058m was recouped for overpayment of contracts spanning financial years 2020 and 2021.
- Deferred recruitment to vacancies, reduced training activity during the pandemic and a re-evaluation of Mosaic costs allowed the service to offset the cost pressures on contractors, IMP & telephony by (£0.461m).

The movement in position relates to :-




- The year-end position is broadly in line with the Q3 forecast.

Corporate Services


Financial Position 1st April 2020 – 31st March
2021


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	Revised Budget £m	Actual Outturn £m	Actual Outturn Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Corporate Services	3.100	2.779	(0.321)	(0.324)	

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Corporate Services	3.100	2.779	(0.321)	(0.324)	

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 Covid19. (£0.268m).
- A further £0.053m underspend arises in Corporate Communications activities due to the cancellation of events as a result of the pandemic.

The movement in position relates to :-

- The budgetary position is broadly in line with Q3 reporting so there is no additional movement to report.

Key Financial Risks to Delivery and Mitigating Actions




No specific risks to identify.

Schools


Financial Position 1st April 2020 – 31st March
2021


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	Revised Budget £m	Actual Outturn £m	Actual Outturn Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Schools	8.252	(5.724)	(13.976)	4.073	


Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Schools Block	143.575	129.567	(14.008)	(0.219)	

The financial position is driven by :-

- School's delegated budgets for maintained primary and secondary schools have underspent by £13.612m (or 9.7%) at the end of March 2021. This monetary sum represents 170 Lincolnshire mainstream maintained school. A schools carry forward policy is in place and monitored by Local Authority officers. This includes the brought forward balances from prior years and the 2020/21 financial performance. School delegated budget underspends are automatically transferred to the schools reserves for use in 2021/22.
- De-delegated budgets are funds that are passed back from primary maintained schools delegated budgets to the Local Authority and used to fund the following services: supporting schools in financial difficulties with school intervention and improvement, Interim Heads support and support for termination of employment costs, and the Inclusion and Attendance Service. These services underspent by £0.289m (or 28.8%) and will be moved to the earmarked reserve for 2021/22.
- The financial position on the Schools block considered in the context of the Dedicated Schools Grants overall financial position is an underspend of £0.107m. The underspend relates to the pupil growth funding allocations in accordance with the policy for planned school reorganisations to provide sufficient school places for Lincolnshire pupils.

The movement in position relates to :-

- Schools delegated budgets are considered spent from a Dedicated Schools Grant perspective and schools have the right to automatically carry forward balances for use in 2021/22.
- The de-delegated budgets are moved to the specific reserve for use in 2021/22 in supporting primary maintained schools.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
High Needs Block	77.679	78.583	0.904	4.509	

The financial position is driven by :-

- Schools delegated budgets for maintained special schools have underspent by £1.501m (or 20.1%). This includes the brought forward balances from prior years and the 2020/21 financial performance. School delegated budget underspends are automatically transferred to the schools reserves for use in 2021/22.
- The financial position on the High Needs block considered in the context of the Dedicated Schools Grants overall financial position is an overspend of £2.405m.
- A net overspend on top up funding for Lincolnshire pupils in mainstream schools with an Education Health Care (EHC) plan and targeted funding of £5.780m. There continues to be growing trends nationally, and this is being seen in Lincolnshire, with more children requiring specialist support, from that level previously budgeted for. Government funding in 2021/22 recognises the financial challenges facing Local Authorities. The transformational work within SEND is intended to support the Inclusive Ambition through providing support early and securing improved outcomes, whilst securing an offer that is financially sustainable for Lincolnshire. The Local Authority consulted on a change to the targeted funding criteria to ensure it aligns to the government's national funding formula and delivers fair funding, which is to be introduced from the 1 April 2021.
- External SEND specialist placements have overspent by £1.240m due to an increasing demand for those pupils with complex needs and a shortage of places within Lincolnshire special schools. This is being addressed through the Building Communities of Specialist Provision Strategy by delivering an increase in the number of places within Lincolnshire special schools.
- The Alternative Provision new free school place funding (£2.053m) have been funded by the department in 2020/21 in accordance with new school openings – this is therefore a temporary underspend.
- The identification of commissioned contracts where providers have been unable to deliver the full service offer during the lockdown but to support service continuity the full contractual payments continued, and additional costs due to the pandemic (£1.082m). Healthy Minds contract costs were met by the Outbreak Management grant (£1.000m).
- A number of smaller variances on High Needs budgets make up the remaining underspend balance, such as learners with learning difficulties and disabilities allocations; sensory education & support service, and behaviour outreach service.

The movement in position relates to :-

- A reduction in forecast costs across a number of activity-based and central budgets across the high needs area partly offsetting overspends, including the apportionment of costs to other funding sources.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Central School Services Block	3.193	2.834	(0.359)	(0.272)	↓

The financial position is driven by :-

- The underspend largely relates to the historical commitments agreed with the Department for Education for retaining budgets for the school PFI contractual costs and the centralised schools broadband contract. These funding streams are outside of the government's formulaic funding allocation for the Central Schools Services block. The government is reducing these budget allocations of Local Authorities annually by 20% to remove the perceived unfairness in funding across authorities. The budgets had been set prudently to respond to this future funding implication.

The movement in position relates to :-

- Lower than anticipated schools broadband costs for 2020/21.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Early Years Block	43.125	41.951	(1.175)	0.054	↓

The financial position is driven by :-

- Schools delegated budgets for maintained nursery schools have underspent by £0.300m. This includes the brought forward balances from prior years and the 2020/21 financial performance. School delegated budget underspends are automatically transferred to the schools reserves for use in 2021/22. Early Years pupil premium underspends (£0.077m) across maintained nursery schools and classes will be automatically carried forward into the new year.
- The financial position on the Early Years block considered in the context of the Dedicated Schools Grants overall financial position is an underspend of £0.798m.
- An underspend on the Early Years participation budgets (£0.135m or 0.4%), as a result of the pandemic. The Local Authority in accordance with the government's guidance supported early years providers financially throughout the period up to December 2020 based on parent declaration hours. This also involved funding providers at their autumn 2019 participation levels if they were experiencing lower numbers in autumn 2020 from the pandemic. From the spring 2021 term, the government advised Local Authorities to return to the normal funding process through funding the actual hours of delivery.
- An underspend in the 2 year old provision (£0.332m or 6.5%) due the impact of the pandemic on participation levels. Early Years providers with disadvantaged 2 year olds have been supported financially throughout the period up to December 2020 also based on parent declaration hours to support their sustainability in accordance with government guidance. For the spring term providers were funded as normal through the actual hours of delivery. The fluctuation fund would have ordinarily supported participation growth seen in the summer and autumn term, however growth did not take place.
- Other variances include a reduction in the central staffing budgets (£0.263m); reduced allocations on the Disability Access Fund (£0.059m) and Early Years Pupil Premium (£0.049m).

The movement in position relates to :-

- Nursery Schools delegated budgets are considered spent from a Dedicated Schools Grant perspective and schools have the right to automatically carry forward balances for use in 2021/22. Devolved Early Years pupil premium.
- A change in Government policy on participation funding arrangements for early year providers for the spring term.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Dedicated Schools Grant	(256.757)	(256.538)	0.219	0	↓

The financial position is driven by :-

- Prior year DSG adjustment for the Early Years block.

The movement in position relates to :-

- See above.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Schools Budget (Other Funding)	(2.563)	(2.120)	0.442	0	↓

The financial position is driven by :-

- The position on the Covid-19 catch up funding £0.950m which will be transferred to reserves offset by a surplus balance within schools delegated budgets.
- The sickness insurance scheme balance on the fund of £0.508m will be transferred to reserves.

The movement in position relates to :-




- See above.

Other Budgets


Financial Position 1st April 2020 – 31st March 2021


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	Revised Budget £m	Actual Outturn £m	Actual Outturn Over/(Underspend) £m	Previous Forecasted Over/(Underspend) £m	
Other Budgets	77.671	64.860	(12.811)	(12.323)	

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Contingency	1.227	0.000	(1.227)	(0.900)	

The financial position is driven by :-

- The £3.000m contingency budget was not fully spent this year. There has been a reduced number of emerging schemes this year and activities that require further budgetary support.
- The actual underspent is higher than anticipated as only £0.015m was allocated towards the full £0.383m contribution towards the development of a new capital regeneration project. The balance of £0.368m is planned to be allocated in 2021/22 and will be taken from that year's budget.

The movement in position relates to :-

- For this quarter the movement related to £0.564m to support Highways 2020 Mobilisation, and £0.015m initial support for the development of a new capital regeneration project.
- Previously out of the £3.000m Contingency budget £1.194m was allocated to other service areas. This related to Fire and Rescue Wholtime Recruits Course, £0.165m, 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"> • Fewer emerging pressures were identified than forecasted and this resulted in an underspend. Further budget requirement for delayed projects will be taken from next year's allocation. This will result in a reduction to the available budget for further emerging pressures.
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Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Capital Financing Charges	56.924	48.277	(8.647)	(7.868)	↓

The financial position is mainly driven by :

- 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 for 2020/21.
- The actual Interest cost for borrowing in 2020/21 was £18.484m, an overall underspend of £3.609m for the year. This underspend derived from having a reduced Borrowing Requirement of £28.313m, due to re-phasing and underspend of the Capital Programme and this requirement being taken in full by Internal Borrowing due to interest rate conditions and cash balance considerations.
- The shortfall on interest received resulted in being only £0.118m for the year, as a result of major underspending of both Revenue and Capital budgets in 2020/21 which increased cash balances available to invest compared to that forecasted.

The movement in position relates to :-

There has been a slight increase to the overall underspend position from last quarter. This underspend will be transferred to the Capital Financing Reserve in 2021/22, to be used to smooth out future fluctuations in capital financing costs that arise due to the nature of delivering the capital programme and uncertain cash flow patterns that arise.

Key Financial Risks to Delivery and Mitigating Actions

*Key Risk 1 :
Higher demand than planned*

- The delivery of the current capital programme and uncertain cash flow patterns due to COVID will affect the level of interest paid and received in 2020/21. This is continually monitored to mitigate the risk.

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Other	19.519	16.582	(2.937)	(3.554)	↑

The financial position is mainly driven by :

- The redundancy budget for the year is £1.500m. There is currently a relatively low level of restructuring taking place within the council, resulting in an underspend of £1.161m.
- The review and maintenance of balances in the balance sheet resulted in clearance of legacy balances relating to the old financial system, SAP, £0.706m.
- 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 lower than anticipated thereby resulting in a £0.359m underspend.

- There is a reduction of £0.248m 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.
- Dividend received from ESPO increased by £0.168m and a conservative increase in 2021/22 budget was proposed.
- The liability insurance cost is lower by £0.340m than we have budgeted for this year. However this is offset by an overspend of £0.557 in insurance fund due to the increase in the provision.
- The above underspend is offset by small overspend in Apprenticeship Levy and maintenance cost on surplus properties prior to selling these.

The movement in position relates to :-

- The low level of planned activities within the Council which are funded centrally generated an underspend in this area.
- Budgets to further support the services and kept within this area due to uncertainties when the budget was set resulted to underspending as not required during the year.
- Legacy balances within the balance sheet are charged to this area following review and maintenance.

Key Financial Risks to Delivery and Mitigating Actions

*Key Risk 1 :
Lower demand
than planned*

- Budget within Other Budget was set to cover the uncertainties surrounding the area that the Council operates in. This year most of these are not required and resulted in an underspent. These areas were reviewed as part of the yearly budget setting and had provided £0.100m savings relating to the reduction in pension contribution in 2021/22 budget.

Narrative of Financial Impact of Covid-19 as at 31 March 2021

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

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Children's Services	12.762	12.762	0.000

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Children's Social Care	8.043	8.043	0.000

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 (£0.325m). A further £200 per carer household was paid during the second lockdown in November (£0.054m)
- Additional costs for specialist placements including out of residential and fostering placements, and family assessment placements (£4.794m). 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 from vulnerability, and concerns with increased exposure to the virus, therefore children have had to be placed in alternative specialist placements. The number of children in care has risen during this pandemic. Placement reviews are now taking place through the valuing care toolkit to ensure most appropriate provisions are in place to support the identified needs.
- Children's Services had put forward a saving of £0.438m in 2020/21 for the intense needs and supported accommodation activity 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 following the transformation work. Overall Covid-19 related costs were identified by the service area of £0.656m relating to non-delivery of savings and Covid related placements.
- The identification of commissioned contracts where providers have been unable to deliver the full service offer during the lockdown, but to support service continuity the full contractual payments continued, which was charged to the Covid grant (£1.047m), and legal costs where there has been an increase in length of proceedings due to court availability (£0.283m).
- Additional costs for backfill of staff that have been redeployed (£0.571m) and equipment to enable home working plus personal protection equipment for front-line staff (£0.313m)

The movement in position relates to :-

- Additional costs being assigned to the Covid-19 grant for children in care placements (£0.715m) and further costs for the backfill of staff that have been redeployed (£0.174m).

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Children's Education	4.719	4.719	0.000

The financial position is driven by :-

- Loss of income from parents for post 16 transport for the financial year (£0.742m). An increase in the contract re-tendering costs including delayed procurements (£0.675m), holiday transport costs relating to Easter and May half-term (£0.112m), the agreement to pay contractors at 85% of the contract value during the pandemic when running no services to sustain the market place and ensure continuity of provision post lockdown (£1.439m) and grants to operators to meet some of the additional costs associated with Covid-19 e.g. PPE, cleaning materials, signage etc. (£0.345m) were earmarked against the Covid-19 grant.
- Loss of income from parents for the Music Service in the summer term (£0.477m), and further losses in the new academic year (£0.247m). Payments have been made for rehearsals and concerts that did not take place during lockdown (£0.042m).
- The identification of commissioned contracts where providers have been unable to deliver a service effectively during lockdown but to support service continuity the full contractual payments continued, which was charged to the Covid grant (£0.227m).
- Reduction in income from fines for children not attending school (e.g. absent from school due to going away on holiday) (£0.108m).
- A local arrangement of financially supporting maintained schools going into 'financial difficulties' as a result of a loss of income during April to August 2020 (£0.115m), since no staff were furloughed.
- Additional staffing costs required to lead on urgent and critical operational responses to the pandemic, including the SEND advice line plus additional equipment costs to enable home working (£0.186m).

The movement in position relates to :-

- Further information available regarding costs associated with the impact of Covid-19 for Home to School transport (£0.676m).

LCC received a number of specific grants to support vulnerable families, home to school transport providers and the council and its partners across the county respond to the pandemic. The grants and their purpose are listed in the first table. The second table shows the income received and the associated spend.

Grant	Purpose
Covid Winter Grant Scheme	Ringfenced grant to support those most in need with the cost of food, energy (heating, cooking, lighting), water bills (including sewerage) and other essentials. Grant end date 16 th April 2021.
Partners in Practice	Ringfenced grant for Children's Services to carry out work to identify insights and learning arising from the Covid-19 pandemic and make available examples of innovative and/or novel solutions for use across Children's Services.
Additional Home to School Transport	Ringfenced grant to enable Local Authorities to provide additional transport capacity for journeys to and from school and college for pupils to get there safely (through social distancing measures) and on time. funding carried forward into 2021/22.

Grant	2020-21 Income	Actual Expenditure	Unspent Grant *	Expenditure 2020-21
Covid Winter Grant Scheme	1.668	2.179	(0.511)	1.668
Partners in Practice	0.156	0.097	0.059	0.156
Additional Home to School Transport	1.417	1.002	0.415	1.417
Total	3.241	3.278	(0.037)	3.278

*Unspent grant and carry forwards.

Covid Savings		
Directorate Summary	Actual Savings	Savings £m
Children's Services		
Children's Social Care	Pause in in Children Centre building maintenance due to reduced centre activity	0.137
	Delay in recruitment to vacancies within social care and early help.	0.211
	Youth Development – due to limited service provision that has been on offer since the start of the pandemic.	0.247
	Savings on car allowances	0.466
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	0.738
	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.	0.249
	Reduction in legal fees due to the suspension of fines for children not attending school.	0.079
	Savings on car allowances and meeting costs	0.105

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

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Adult Care & Community Wellbeing non ring fenced	14.879	14.879	0.000

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Adult Frailty & Long Term Conditions	9.683	9.683	0.000

The financial position is driven by ;-

- The Sustainability Fund provides financial support to commissioned providers across adult social care (ASC). Through an open book approach, this fund has paid £4.230m to in excess of 170 ASC providers. Provider's evidence based actual costs incurred prior to any payment being made. Costs supported 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 are now able to procure their PPE through the recently introduced national process going forward. Costs supported now primarily cover workforce costs. The criteria of the fund is kept under regular review with changes agreed with LiNCA prior to implementation.
- £3.70m top-up payments to residential care providers. These are payments made to providers to maintain their cash flow during the pandemic. Payments are based on pre Covid-19 activity levels. A reduction in occupancy levels is resulting in material cash flow challenges for a number of providers.
- £0.886m reduction in service user contribution resulting from both a reduction in residential service users and service users not in receipt of care where providers closed as a result of lockdown rules.
- £0.592m costs incurred in increasing homecare capacity to meet demand. Increased capacity was provided by commissioning a crisis response team of additional carers between 7am – 10pm, piloting new ways of working to increase capacity through the direct payment mechanism and a loss of planned savings due to the reablement provider configuring themselves to support the Covid-19 response by providing additional home care capacity to meet the demand.
- The balance comprises other smaller costs across AF<C, its service users and the market including £0.052m savings delivered through a reduction in stationery costs and training expenses.

The movement in position relates to :-

- AF<C yearend position moved by £0.104m more than forecast resulting from small increases across the range of financial support mechanisms in place to support providers and service users.

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Adult Specialties	3.205	3.205	0.000

The financial position is driven by ;-

- £1.485m incurred through increased packages of care for service users unable to access services due to closure/shielding etc. Following individual needs assessments, service users have received changes to their packages of care. Each individual is regularly reviewed to understand on going need.
- £1.094m top-up payments to CSL and day care providers. These are payments made to providers to maintain their cash flow during the pandemic. Payments are based on pre Covid-19 activity levels.

<ul style="list-style-type: none"> £0.375m financial sustainability payments were paid to direct payment providers who were unable to provide services / limited capacity services due to covid-19 restrictions. Providers who approached the council for financial support received 80% of the lost service user contributions. £0.21m costs incurred in delivering additional Deprivation of Liberty Standards assessments and safeguarding reviews.
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> Adult specialties year end position of £3.205m concluded as forecast.

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Public Health & Wellbeing	1.991	1.991	0.000

<p>The financial position is driven by ;-</p> <ul style="list-style-type: none"> £0.807m costs incurred in the distribution of PPE and community equipment for service users. £0.41m PPE costs incurred to date for use across council services / staff. £0.32m increased costs resulting from a delay in the procurement of housing related services. £0.29m costs incurred in responding to the pandemic including operating a 7 day a week covid response community hub during the emergency phase of the pandemic and suspending telecare charges for service users to encourage increased communication.
<p>The movement in position relates to :-</p> <ul style="list-style-type: none"> Public Health and Wellbeing year end position moved by £0.290m more than forecast. This was driven by increased demand for community equipment and other smaller increases across the range of services provided to deliver the response to Covid-19.

LCC received a number of specific grants to support adult social care providers, service users and the council and its partners across the county respond to the pandemic. The grants and their purpose are listed in the first table. The second table shows the income received and the associated spend.

Grant / Recharge	Purpose
Infection Control Wave 1 & 2	Ringfenced grant to support adult social care providers to reduce the rate of COVID-19 transmission within and between care settings.
Outbreak Management	Ringfenced grant for public health purposes to tackle Covid-19, break the chain of transmission and protect the most vulnerable.
Test and Trace	Ringfenced grant to provide support towards expenditure to mitigate against and management of local outbreaks of COVID-19.
Clinically Extremely Vulnerable	Unringfenced grant to support CEV individuals by delivering the activities and outcomes outlined in the Shielding Framework.
DEFRA Emergency Support	Unringfenced grant to support people who are struggling to afford food and other essentials due to COVID-19.
Care Home Rapid Testing	Ringfenced grant exclusively for actions which support care homes to implement additional rapid testing.
Workforce	Ringfenced grant to deliver measures to supplement and strengthen adult social care staff capacity to ensure safe and continuous care.
Community Testing	Ringfenced grant to provide community testing
NHS Discharge to Assess Model	Recharge of costs incurred in the discharge of people from hospital, up to 6weeks of care funded via the NHS.

Grant / Recharge	2020-21 Income	Actual Expenditure	Unspent Grant *	Expenditure 2020-21
Infection Control Wave 1 & 2	19.333	18.663	0.670	19.333
Outbreak Management	19.139	12.126	7.014	19.139
Test and Trace	3.070	1.574	1.496	3.070
Clinically Extremely Vulnerable	2.042	0.301	1.741	2.042
DEFRA Emergency Support	0.824	0.529	0.295	0.824
Care Home Rapid Testing	2.616	2.554	0.062	2.616
Workforce	1.684	1.562	0.122	1.684
Community Testing	2.432	2.432		2.432
Total ACCW Grants	51.140	39.739	11.400	51.140
NHS Discharge to Assess	6.687	6.687		6.687
Total ACCW Recharges	6.687	6.687		6.687
Total	57.827	46.426	11.400	57.827

**Unspent grant and carry forwards*

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

Revenue Budget Monitoring Report - Place Covid-19

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Place	6.026	6.026	0.000

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Communities	3.604	3.604	0.000

The financial position is driven by :-

- Loss of income from cultural and heritage sites due to closure and social distancing measures £1.457m.
- 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 £1.356m.

The movement in position relates to :-

- On-going assessment of the loss of income from cultural and heritage sites.
- 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.

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Growth	0.230	0.230	0.000

The financial position is driven by :-

- Cost of economic recovery plan, additional staffing costs and potential loss of rental income on business units.

The movement in position relates to :-

- Reduction in the assessment of the likely cost of lost income on membership schemes, small projects to support economic sectors, and research/advice.

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Highways	2.192	2.192	0.000

The financial position is driven by :-

- Implementation of Covid-safe ways of working on capital schemes £1.600m. Additional cost risk reflects claims being considered on major projects.
- Loss of income from suspension of parking enforcement and reduction in permitting activity £0.665m.
- Loss of income from road works and fines £0.325m.
- Loss of income from course fees for National Driver Offender Retraining Scheme £0.700m. Actual award may be reduced based on income budget.
- Covid compensation events relating to highways maintenance contracts £1.152m.
- The forecast impact of Covid related cost on the major capital schemes in 2021/22 onwards of £7.267m is currently excluded from this Revenue report.

The movement in position relates to :-

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

Covid Savings		
Directorate Summary	Actual Savings	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.	1.100
Lincolnshire Local Enterprise Partnership	No significant savings identified	0.000
Growth	Reduced staff travel and training	0.020
Highways	Reduced staff travel and training	0.150

Revenue Budget Monitoring Report - Fire and Rescue Covid-19

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Fire and Rescue and Emergency Planning	0.622	0.622	0.000

The costs and changes to quarter 3 are detailed in the report below.

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Fire and Rescue and Emergency Planning	0.622	0.622	0.000

The financial position is driven by :-

- Additional staffing costs to respond to the pandemic (£0.371m)
- 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 staffing costs to respond to the pandemic (£0.488m)

Covid Savings		
Directorate Summary	Actual Savings	Savings £m
Fire and Rescue		
Fire and Rescue and Emergency Planning	Reduction in staff travel	0.025

Revenue Budget Monitoring Report - Resources Covid19

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Resources	1.440	1.440	0.000

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Resources	1.440	1.440	0.000

The financial position is driven by :-

- The additional costs of Business Support and HR staff covering additional Covid-19 related work (£0.280m)
- Loss of income from schools, academies, District Councils and internal charges by HR, Legal & Audit (£0.472m).
- The annual deficit (to income target) from the Purchase of Annual Leave scheme (£0.112m).
- Loss of income from celebratory ceremonies and Trading Standards work (£0.366m).
- Additional staffing costs and purchase of equipment to support essential activity (£0.210m).
- The need to deal with potential excess deaths arising from the coronavirus (£2.024m)
 - This is capital spend and therefore excluded from the revenue element of this report.

The movement in position relates to :-

- A reduction in the final loss of income from celebratory services and Trading Standards (£0.211m).
- The annual deficit (to income target) from the Purchase of Annual Leave scheme (£0.012m).

Covid Savings		
Directorate Summary	Actual Savings	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	0.103
	Reduction in travel costs	0.040
	Vacancies within service held back due to Covid	0.514
Finance	Reduction in travel costs	TBC
Public Protection	Reduced legal costs and travel expenses	0.143

Revenue Budget Monitoring Report - Commercial Covid-19

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Commercial	2.829	2.829	0.000

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Commercial	2.829	2.829	0.000

The financial position is driven by :-

- Re-direction of the Customer Service Centre to deal with Covid-19 issues (£0.407m).
- Additional project costs due to delays in the Business World transformation programme (£0.724m).
- Costs associated with the Smarter Working Programme (£0.113m).
- Assessing the impact of and actions required to reduce the demand for services within Adults and Children's particularly focusing on High Needs and Children in Care (£0.545m).
- Other Transformation project costs (£0.057m).
- Maintaining hygiene measures and purchasing hygiene consumables, and preparing for excess deaths (£0.231m).
- Enabling homeworking capability for workforce, and extending current software licences (£0.537m).
- Loss of income from traded services to Schools (£0.015m).
- New post to oversee the Council's recovery from Covid-19 (£0.132m).

The movement in position relates to :-

- The final year end position of Smarter Working project costs being significantly lowered from £1.100m to £0.113m as requirements are transformed into deliverable outcomes. These costs will now form part of 21/22 covid claims.
- A reduction from £1.040m to £0.545m on Assessing the demand in High Needs and Children in Care costs during the year.

Covid Savings		
Directorate Summary	Actual Savings	Savings £m
Commercial		
Property	Utility costs, facilities management and reactive maintenance across the wider estate. Reduced costs in Chance to Share schemes. Savings in staff training and travel.	0.662
Commercial		
Information Management Technology	Reduced training costs	0.100
Transformation		

Revenue Budget Monitoring Report - Corporate Services Covid-19

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Corporate Services	0.214	0.214	0.000

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

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
Corporate Services	0.214	0.214	0.000

The financial position is driven by :-

- This position is mainly driven by the local Member coronavirus grant scheme (£0.201m)
- The need to communicate with the public on Covid-19 matters (£0.013m)

The movement in position relates to

- A small reduction in the final year end spend on the member scheme (£0.016m).

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

Revenue Budget Monitoring Report - Schools Covid-19

Directorate Summary	Covid-19 General Grant £m	Outturn £m	Variance £m
Schools	1.082	1.082	0.000

Service Area	Covid-19 General Grant £m	Outturn £m	Variance £m
High Needs Block	1.082	1.082	0.000

The financial position is driven by :-

- The costs of PPE and free school meals vouchers within the SEND Services to enable services to continue to be provided in accordance with government guidelines.
- Loss of income during the Summer Term from private schools and RAF contracts for the Specialist Teaching Service.
- The identification of commissioned contracts where providers have been unable to deliver a service effectively during lockdown, and additional costs relating to the pandemic.

The movement in position relates to :-

- More accurate information available regarding costs and loss of income associated with the impact of Covid-19 and additional costs.

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		This had been identified as a cost pressure for 2020/21. This was due to the delay in the implementation of the new Youth Housing contract caused by the pandemic leading to external placements being made. The new contract is now in place (from January 2021), which is planned to accommodate more complex individuals. These circumstances resulted in savings not being achieved in 2020/21, which were subsequently met by the Covid-19 grant. The 2021/22 position is planned to deliver these savings, a year later than originally planned.
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	Y		LCC reablement provider changed service delivery to support increased volumes of hospital discharges as a result of covid19 accelerated discharge model introduce 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.
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		

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	Public Health and Community Wellbeing	Agreed reduction in budget based on current service requirements and savings based on contract re-procurement	1,390	Y		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	Y		Although the Waste service had an overall overspend for the year this resulted from increased volumes of household waste being collected and increased cost of the Mixed Dry Recycling (MDR) contract. Substantial savings were still achieved in the Household Waste Recycling Centres (HWRC) due to changes to the operating model
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	Y		Charge rates were reviewed at the start of the year, however the ability to secure additional income was severely affected by the pandemic although the resultant shortfall was funded from grant support. Revenue savings from the switch to buying rather than leasing gritters were achieved but were offset by pressures caused by prolonged cold weather resulting in a higher than budgeted number of gritting runs.
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		
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	Y		Legal Services income figures were down on previous years. This was due to a fall in instructions during the Covid pandemic and was funded from the Covid grant.
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 were picked up by the Covid grant. The need to continue to preserve access to data held in the SAP system resulted in higher than budgeted licence costs with further 208 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 also 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	208	

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	Y		Covid-19 restrictions and long term staff absences had an impact on the ability to deliver planned audit work to District clients. The resulting loss was however covered by Covid grant funding.
Resources	Information Assurance	Increased income from Schools	17	Y		
Other Budgets	Dividend Income	Increase in dividend relating to investment	206	Y		
TOTAL GROWTH IN INCOME			5,508	0	0	
TOTAL REDUCTIONS TO BUDGET			14,942	0	208	

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Monitoring of Development Fund Initiatives 2020/21

Directorate	Service Area	Development Initiative	One-Off Investment £000's	Amount Spent Within the Year £000's	Amount Available for Future Years £000's	Update on Progress
Place	Environment	Green Masterplan	350	34	316	Activity progressing but delayed due to COVID and now expected to fully spend in 2021/22
Place	Communities	Anaerobic digestion Facilities - Business Case Viability	150	12	138	Work on this is progressing and planned to be completed by end of 2021/22.
Place	Highways and Communities	Highways Advance Design/Economic Development Pipeline Projects	2,713	484	2,229	Spend continues to be managed alongside the annual allocated ADB budget and agreed with Exec Directors and Exec Members in order to accelerate the development of schemes.
Place	Highways	Traffic signals - Wireless communications	5	0	5	Successfully installed and operated trial site, roll-out being planned and decommissioning of broadband connections being progressed. This is now complete and funding will be drawdown in 2021/22.
Place	Highways	Drainage Investigation and Flood Repairs	200	0	200	Individual projects been agreed. Projects now commenced in Long Bennington and Timberland Chapel Lane. It is planned that this activity will span two years with revenue funding being utilised in 2021/22.
Fire and Rescue and Public Protection	Fire and Rescue	Research study - LFR prevention work	10	10		Lincoln University were commissioned and undertook analysis to evaluate our Prevention activities. This work was completed by the end of the calendar year allowing time for us to utilise for the HMICFRS Inspection. The costs were confirmed at 10K.
Commercial	Transformation	Transformation Programme (Business Process re-engineering)	280	0	280	Transformation Programme Board established. Governance arrangements and outline programme developed. A significant amount of costs were funded by the Covid grant but further costs are still expected in 2021/22 for which these funds will be utilised.
Commercial	IMT	Broadband - 4G	135	0	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	0	7,394	This programme will be reported separately
	Reserves	Development Fund Reserve balance still to be allocated	1,444	0	1,444	
TOTAL DEVELOPMENT INITIATIVES REVENUE			12,681	540	12,141	

Directorate	Service Area	Development Initiative	One-Off Investment £000's	Amount Spent Within the Year £000's	Amount Available for Future Years £000's	Update on Progress
Children's Services	Strategic Commissioning	Education Transport links to School (Route sustainability)	440	0	440	<p>Progress has been limited by the impact of Covid-19 on the day-to-day workload of the transport entitlement team.</p> <p>The launch of the Sustainable Travel Group (STG) has focused on a specific route and technical detail is now being costed. A second route improvement has been identified. It is hoped that both of these may be completed by summer 2021, subject to capacity and costs.</p> <p>Further routes are being identified for appraisal. If feasible and cost effective, they would remove the need for a significant number of children from school transport and promote sustainable modes of travel.</p> <p>However, no monies have been spent to date, and expenditure is expected to start in 2021/22.</p>
Place	Highways	Traffic signals - Wireless communications	80	80	0	<p>Successfully installed and operated trial site, roll-out being planned and decommissioning of broadband connections being progressed. This is now complete and reserve drawdown.</p>
Place	Highways	Community Maintenance Gangs	3,981	3,981	0	<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 continued 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. Development Fund allocation was fully spent by end of 2020/21.</p>
Place	Highways	Drainage Investigation and Flood Repairs	2,000	646	1,354	<p>Individual projects have been agreed. Projects now commenced in Long Bennington and Timberland Chapel Lane. It is planned that this activity will span two years.</p>
Fire and Rescue and Public Protection	Fire and Rescue	Flood Management Pumps	116	116		<p>Planning / specification completed, delay on ordering the vehicles due to COVID, but this was still completed by the year-end.</p>
Fire and Rescue and Public Protection	Fire and Rescue	Replacement Trading standards Metrology equipment	50	0	50	<p>Specification and quote provided but upgrade delayed due to COVID, now expected to be progressed in 2021/22</p>
Commercial	IMT	Broadband - 4G	800	800	0	<p>Discussions took place with potential providers and were evaluated prior to making the decision regarding implementation.</p>
TOTAL DEVELOPMENT INITIATIVES CAPITAL			7,467	5,623	1,844	

PRUDENTIAL INDICATORS ACTUAL COMPARED TO ESTIMATED 2020/2021			
Original Estimate	2020/21 £000	Actuals	2020/21 £000
Prudence Indicators:			
1) Capital Expenditure & Financing			
Net Capital Expenditure	137,923	Actual Net Capital Expenditure (Excl Sch RCCO & Leasing)	52,235
2) Capital Financing Requirement			
Capital Financing Requirement 31/3/2021	749,599	Actual Capital Financing Requirement 31/3/2021	624,299
Capital Financing Requirement Estimate at 31/3/2023	822,627	Capital Financing Requirement Estimate 31/3/2023	697,327
3) Gross Borrowing and the Capital Financing Requirement			
Gross External Borrowing	628,398	Actual Gross External Borrowing	488,365
Headroom Over CFR at 31/3/2023	194,229	Actual Headroom Over CFR at 31/3/2023	208,962
4) External Debt			
Authorised Limit for External Debt		Actual external debt at 31/3/2021	
Borrowing	715,305	Long Term LCC	487,186
Other Long Term Liabilities	11,488	Long Term Schools	756
Total Authorised Limit	726,793	Salix	423
		Temporary(Home Office)	0
Operational Boundary for External Debt		Borrowing	488,365
Borrowing	700,305	Other Long Term Liabilities (Credit Arrangements)	8,688
Other Long Term Liabilities	9,488	Total Debt	497,053
Total Operational Boundary	709,793		
Affordability Indicators:			
5) Financing Costs & Net Revenue Stream			
Estimated Ratio of Financing Costs To Net Revenue Stream	5.60%	Actual Ratio of Financing Costs To Net Revenue Stream	4.88%
Estimated Ratio of MRP & Interest Costs To Net Revenue Stream	5.78%	Actual Ratio MRP & Interest Costs To Net Revenue Stream	4.98%
Proportionality Indicators			
6) Limit for Maximum Usable Reserves at Risk from Potential Loss of Investments			
Estimated Proportion of Usable Reserves at Risk from Potential Loss of Investments -Limit 10%	1.43%	Actual Proportion of Usable Reserves at Risk from Potential Loss of Investments	0.48%
7) Income from Non Treasury Investments & Net Service Expenditure			
Estimated Proportion of Non-Treasury Investment Income to Net Service Expenditure -Limit 3%	0.46%	Actual Proportion of Non-Treasury Investment Income to Net Service Expenditure	0.50%
Treasury Indicators:			
8) Interest Rate Exposures (Variable)			
Upper limit for variable interest rate exposures		Actual variable interest rate exposure at 31 March 2021	
Borrowing	30%	Borrowing	0%
Investments	100%	Investments	44%
9) Total Principal Sums Invested			
Upper limit for total principal sums invested for over 365 days (per maturity date). Treasury and Non Treasury Investments.	40,000	Actual principal sums invested > 365 Day. Treasury and Non Treasury Investments.	6,419
10) Maturity Structure of borrowing			
Upper Limit for maturity structure of borrowing		Actual maturity structure of borrowing at 31 March 2021	
Under 12 months	25%	Under 12 months	2.30%
12 months and within 24 months	25%	12 months and within 24 months	1.80%
24 months and within 5 years	50%	24 months and within 5 years	5.20%
5 years and within 10 years	75%	5 years and within 10 years	12.20%
10 years and above	100%	10 years and above	78.50%
11) Borrowing in Advance of Need			
Estimated borrowing in advance of need limit equal to 25% of the expected increase in CFR over 3 year budget period	18,257	Actual borrowing taken in advance of need in 2020/21	0

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Open Report on behalf of James Drury, Executive Director - Commercial

Report to:	Overview and Scrutiny Management Board
Date:	01 July 2021
Subject:	Performance reporting against the Corporate Plan Performance Framework 2020-2021 - Quarter 4

Summary:

This report invites the Overview and Scrutiny Management Board (OSMB) to consider a report on the 2020/2021 Corporate Plan Quarter 4 performance, which will be presented to the Executive on 06 July 2021. The views of the Board will be reported to the Executive as part of its consideration of this item.

This report also sets out the performance of the service level performance indicator for 2020/21 Quarter 4 that is within the remit of the Board.

Actions Required:

The Overview and Scrutiny Management Board is invited to:-

- 1) Consider the attached report and to determine whether the Board supports the recommendations 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.
- 3) Review and comment on the performance information that is within the remit of the Board and highlight any recommendations or further actions for consideration.

1. Background

The Corporate Plan was approved by the County Council on 11 December 2019 and the Executive approved the Corporate Plan Performance Framework 2020/21 on 6 October 2020. The Framework contains performance indicators and key activities against which performance and progress will be reported in order to demonstrate whether the Council is achieving the four ambitions for Lincolnshire as set out in the [Corporate Plan](#).

The accompanying appendices detail the report to the Executive and performance in Quarter 4 for the service level performance in relation to Corporate Property set out in

the Performance Framework 2020/21. Service level performance for each of the scrutiny committees is published on the [website](#).

2. Conclusion

Following consideration of the attached report to the Executive, the Board is requested to consider whether it supports the recommendations 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. Members of the Board are also invited to review and comment on the performance information for Quarter 4 that is within the remit of the Board and highlight any recommendations or further actions for consideration.

3. Consultation

The Board is being consulted on the proposed decision of the Executive on 06 July 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report on Performance reporting against the Corporate Plan Performance Framework 2020/2021 - Quarter 4 to be presented to the Executive at its meeting on 06 July 2021
Appendix 2	Performance Indicator that is within the remit of OSMB and reported in Quarter 4

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 Jasmine Sodhi, Performance and Equalities Manager, who can be contacted by e-mail at jasmine.sodhi@lincolnshire.gov.uk.

Open Report on behalf of James Drury, Executive Director - Commercial

Report to:	Executive
Date:	06 July 2021
Subject:	Performance Reporting Against the Corporate Plan Performance Framework 2020-2021 - Quarter 4
Decision Reference:	I021583
Key decision?	No

Summary:

This report presents an overview of performance for Quarter 4 (January – March 2021) against the Corporate Plan. Details on performance can be viewed on the Council's [website](#).

Recommendations:

That the Executive:

1. Considers and notes the Quarter 4 performance for 2020/21.
2. Approves the proposal to defer reporting of 2021/2022 Quarter 1 performance and to report Quarters 1 and 2 together in December as set out in this report.

Alternatives Considered:

1. No alternatives have been considered to recommendation 1 as it reflects factual information presented for noting and consideration.
2. The alternative to recommendation 2 is not to make any changes in reporting Quarters 1 and 2 as recommended in this report and instead to continue to report against the measures as published in the current success framework. However, without the recommended changes, these measures are not considered to assist the Executive in obtaining an accurate picture of the Council's performance.

Reasons for Recommendation:

1. To provide the Executive with information about Quarter 4 performance against the Corporate Plan.
2. To provide the Council time to consider the revised measures to go into the success framework, which will support the delivery of the priorities and ambitions in the Corporate Plan.

1. Background

- 1.1 The County Council approved the Corporate Plan (CP) 2020-2030 on 11 December 2019. Corporate Leadership Team and Assistant Directors then worked together to develop the Corporate Plan Success Framework (CPSF) 2020-2023 where they identified the developmental activities and Key Performance Indicators that would be undertaken during the first three year period of the 10 year CP, in order to achieve the four ambitions the Council has established in the CP. The content of the CPSF was then further developed and the Executive approved the Corporate Plan Performance Framework (CPPF) 2020/2021 on 6 October 2020. The CPPF contains performance indicators (PIs) and key activities against which performance/progress has been reported during 2020/2021 in order to demonstrate whether the Council is achieving the four ambitions for Lincolnshire as set out in the CP. Service level performance is reported to the relevant scrutiny committees and is published on the Council's [website](#).
- 1.2 The **four ambitions** are:
 - Create thriving environments
 - Enable everyone to enjoy life to the full
 - Provide good value council services
 - Support high aspirations
- 1.3 All of the four ambitions are 'On plan'. This is based on both the key activities and KPIs.
- 1.4 This report provides the Executive with highlights of Quarter 4 (Q4) performance of the performance framework. The full range of performance is hosted on the Council's [website](#). COVID-19 continues to have an impact on a number of activities and key performance indicators in the Corporate Plan Performance Framework and these are highlighted within this report.

1.5 Performance is reported by exception.

1.5.1 For **activities**, this includes those which are:-

- **Behind plan** - current milestones have not been achieved.
- **Ahead of plan** - achieved current milestones and forecast to achieve future milestones ahead of timescales.

Details of all activities including those On Plan (achieved current milestones and forecast to achieve future milestones within timescales) are available on the Council's [website](#).

1.5.2 For **KPIs**, this includes those where the **target** has:-

- Not been achieved.
- Been achieved but the direction of travel is of concern.
- Been achieved and service wants to celebrate success.

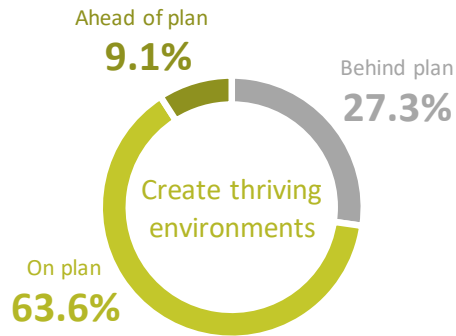
1.6 Headlines Quarter 4 Performance – Key Activities

1.6.1 Services have provided key milestones for each activity for 2020/2021. Progress is an objective judgement by the service against the milestones.

1.6.2 To summarise, of the 53 activities with milestones due to be reported in Q4, 66% (35), are either On plan or Ahead of plan. This is comparable with Q3 where 65% (22 out of 34) were either On plan or Ahead of plan.

8	Ahead of plan	Achieved current milestones and forecast to achieve future milestones ahead of timescales
27	On plan	Achieved current milestones and forecast to achieve future milestones within timescales
18	Behind plan	Current milestones have not been achieved)
53	On Plan	Overall performance of activities in Q4

1.6.3 Further information is displayed in the infographic below.

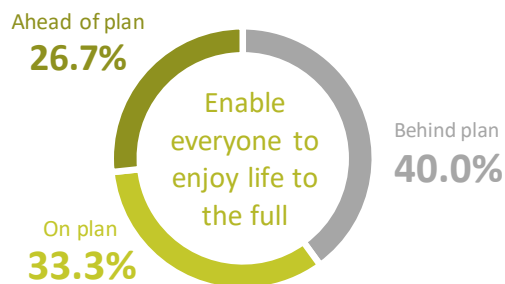


Activities

11

Ambition

On Plan



Activities

15

Ambition

On Plan

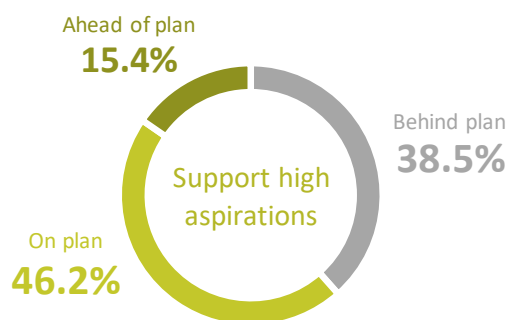


Activities

14

Ambition

On Plan



Activities

13

Ambition

On Plan

1.7 Summary of Key Activities impacted by COVID-19 in Q4

1.7.1 In Q4 the impact of COVID-19 is evident. Five of the 18 activities (compared with seven out of 12 in Q3) that are 'Behind Plan' have been impacted by COVID-19. In addition to this five activities have not be reported against in 2020/21 due to COVID-19. It is worth noting that one of the activities relating to delivery of the priorities of the Lincolnshire Road Safety Partnership has seen a 21% Reduction in Killed and Seriously Injured casualties (Ahead of Plan), however the service has

stated that caution is required due to the major impact of COVID-19 restrictions during 2020/2021. (A59)

Further details are provided in Appendix A and Appendix B and summarised below.

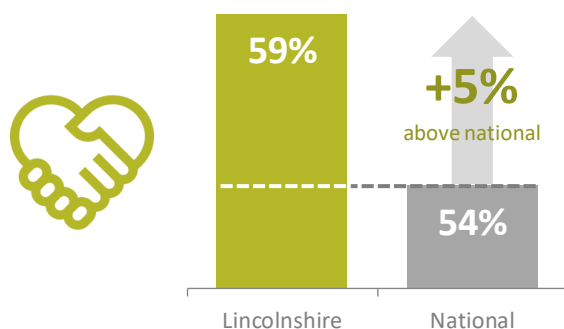
- Slight delay in the Joint Accommodation Strategy for Adults with Learning Disabilities, Mental Illness or Autism that will help to maximise people's independence which will be ready by end of June. (A24)
- Launch of the Early Childhood Strategy and reconvene the Early Childhood Services Strategy group to drive forward our ambitions. The Early Childhood Services Strategy group will reconvene by end of June. (A33)
- We have modified our ways of working due to COVID-19 to ensure we still deliver our SHERMAN Strategy, by making contact with Critical and High Risk members of the public. A number of changes to how referrals are initially managed have been made and with restrictions easing we are confident that the compliance rate will continue to increase into 2021/22. (A57)
- Additional access road on South Lincolnshire Food Enterprise Zone (SL FEZ) and Access roads for Skegness Business Park extension will be complete in May 2021. (A49)

1.7.2 Progress on activities that were Behind Plan in Q3

Generally performance in Q2 did not reflect the second national lockdown, however the impact of Lincolnshire being in Tier 4 during Q3 preceding the third national lockdown at the beginning of January was evident in Q3 performance. Some of the activities Behind Plan in Q3 were due to COVID-19. Progress is summarised in Appendix C.

1.8 Celebrating success - Key Activities that are ahead of plan in Q4 (achieved current milestones and forecast to achieve future milestones ahead of timescales) are detailed in Appendix D and a few highlights are shown below:-

59% Pupils with an Education, Health and Care (EHC) Plan had their special educational needs met in a mainstream setting A13



95.1% of children and young people requiring an EHC Needs Assessment had their Plan finalised within the 20 week timescale. The last published national data reported an England average of **60.4%** of assessments completed within timescale.



The Getting Building Fund award was secured for South Lincolnshire Food Enterprise Zone (SL FEZ). The Stage 1 feasibility study was delivered for converting some publicly-owned buildings in town centres, particularly on high streets, into multi-use facilities to increase footfall A16

Working with the District Councils to deliver greater accommodation choices for people who are unable to live in their own home. This will include a range of supported and extra care housing which is on track and the strategy has been written A23



The Children in Care Strategy has been reviewed A25

26

new foster carer households recruited by year end A26



A multi-agency Prevention Strategy to protect people from harm and to promote community wellbeing has been agreed by the Lincolnshire Safeguarding Adults Board. This includes the development and implementation of a 'team around the adult approach' to help improve engagement with Adults with complex needs A29

21%

Reduction in Killed and Seriously Injured on Lincolnshire roads, however caution is required due to the major impact of COVID-19 restrictions A59



- ✓ **£249,000** worth of Local Road Safety Schemes have been delivered
- ✓ **21,876** clients attended diversionary training courses

1.9 Key Performance Indicators (KPIs)

Of the 17 KPIs reported in Q4, seven can be compared with a target. Comparisons with Q3 are provided in brackets. Of those 86% (86%) met or exceeded the target:-

- 4 (3) exceeded the target
- 2 (3) achieved the target
- 1 (1) did not achieve the target

1.9.1 Ambition: Create thriving environments

Traveller review rating from Trip Advisor of excellent and/or very good PI 128



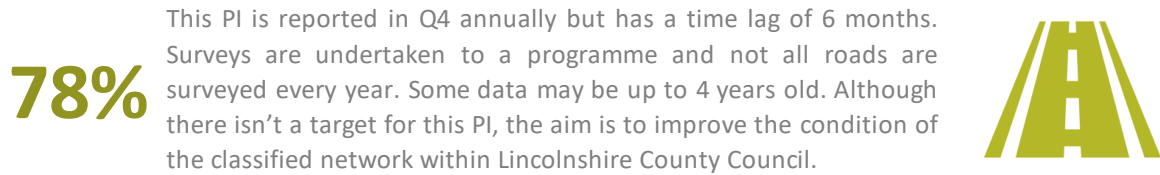
Percentage of superfast broadband coverage in Lincolnshire PI 141



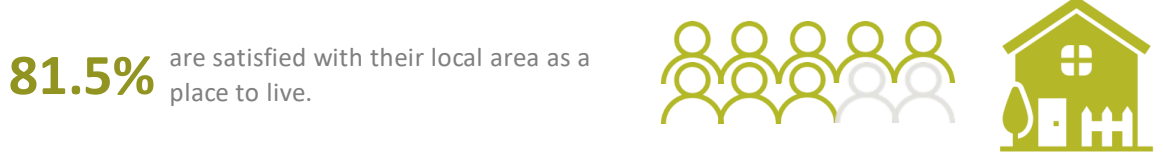
Number of schools with Ofsted rating of good or above PI 142



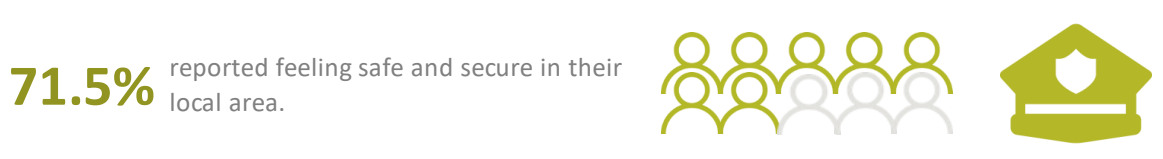
Percentage of classified roads in good condition (A, B & C roads) PI 146



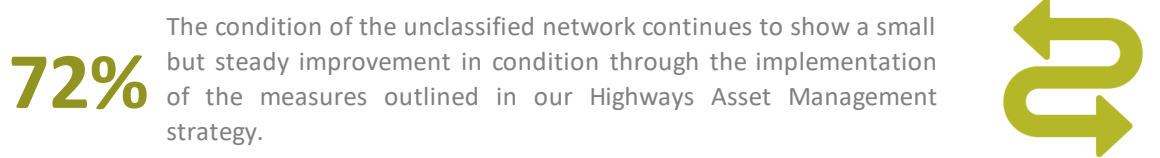
Residents' level of satisfaction with their area as a place to live PI 147



Residents' feedback on feeling safe and secure in their local area PI 148



Percentage of unclassified roads in good condition (minor roads) PI 159



1.9.2 Ambition: Enable everyone to enjoy life to the full

Percentage of adults with learning disabilities who live in their own home or with family PI 49



Percentage of children in care living within a family environment PI 138

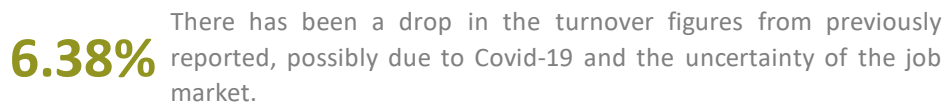


Healthy life expectancy for Lincolnshire residents PI 139/40



1.9.3 Ambition: Provide good value Council services

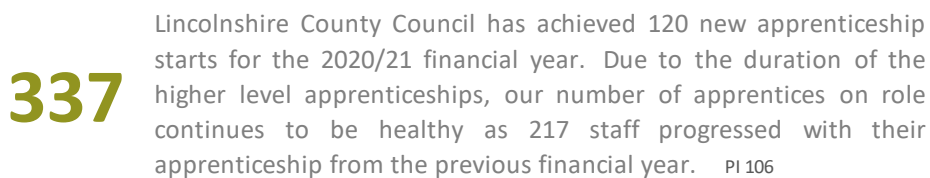
Percentage of employee turnover and benchmarked against other LA PI 91



Days lost to sickness absence per FTE PI 92



The Council has seen a drop in sickness for this 12 month period (6.38 days compared with a target of 7.5 days), largely as a result of the majority of the Council workforce working from home for three quarters of the year (April-December 2020).



179,406 Online transactions PI 149

There were 156,395 transactions for click and tip bookings and 23,011 for all other transactions



24% Number of contacts where the customer considers their concerns have been fully addressed through achieving early resolution (exclusive of statutory complaints) PI 151

The year overall has seen a significant increase in the number of contacts that the council has received from individuals wishing to express their dissatisfaction with services being delivered. Given the circumstances of the year many of these cases were in relation to issues directly impacted by Covid-19 restrictions. Examples of this are respite care being unavailable in both Children's and Adults services and restrictions on visiting family in residential care due to social distancing measures and the shielding of vulnerable individuals. The nature of these issues has meant that there is no way of resolving these informally therefore a formal response has been required.



In addition to the above, complaints in relation to the introduction of new systems and policies, particularly in waste, have also contributed to the increased number of contacts. These processes were introduced to ensure social distancing was maintained. These were not issues that could be resolved informally as anything other than removing the procedures would not have satisfied the customer. Of the contacts received 21% were in relation to HWRC's new process and the number which entered the formal process accounts for 24% of all complaints.



An annual report of statutory and corporate complaints is incorporated into the Audit Committee and is then published publically by the council. This provides a wider picture of what has occurred in the year.

1.9.4 Ambition: Support High Aspirations

Number of jobs safeguarded and created as a result of the Council's support PI 68

735



Exceeds
+ 111 above
target



1.9.5 Impact of COVID-19 on performance of KPIs

COVID-19 has had an impact on a number of the KPIs, namely schools Ofsted rating, reductions in both staff sickness absence and staff turnover and continued significant increases in the number of online transaction and the number of contacts that the Council has received from individuals wishing to express their dissatisfaction with services being delivered. In addition to this a number of KPIs cannot be reported due to COVID-19:

- Percentage of children achieving a good level of development in the Early Years Foundation Stage (PI47)
- Percentage gap in achievement between Lincolnshire pupils eligible for Free School Meals and their non-FSM Eligible peers nationally achieving GLD (PI 48)

- Achievement level at KS2 is above national average (PI 132)
- Achievement level at KS4 is above national average (PI 133)
- Achievement level at KS5 is above national average (PI 134)
- Level of sustained attendance at Children's Centres (PI 143)

1.9.6 Further information for each of the KPIs reported in Q4 is published on the [website](#).

2.0 **Proposed review of the Corporate Plan Success Framework (CPSF)**

The Corporate Plan sets out our priorities for local residents and communities. We currently track progress against the Corporate Plan through reporting the Success Framework performance indicators and activities. Due to the impact of COVID-19 we are currently reviewing the indicators within the Success Framework in order to further strengthen what is working well and further embed the Corporate Plan as our overarching strategic service delivery mechanism. In order for the revision to the Success Framework to take place we are proposing to defer Quarter 1 reporting and to report Quarters 1 and 2 together in December.

3. **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.

The report presents performance against the ambitions and objectives that are the Corporate Plan, many of which relate to people with a protected characteristic including young people, older people and people with a disability. It is the responsibility of each service when it is considering making a change, stopping, or starting a new service to make sure equality considerations are taken into account and an equality impact analysis completed.

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.

The report presents performance against the ambitions and objectives that are the Corporate Plan many of which relate directly to achievement of health and wellbeing objectives.

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.

The Report presents performance against the outcomes and measures that are the Corporate Plan some of which relate to crime and disorder issues.

4. Conclusion

This report presents an overview of performance for Quarter 4 against the Corporate Plan. There was positive performance overall and three of the four ambitions are On Plan. Although COVID-19 had an impact on performance of some activities and KPIs, 65% of activities are either On Plan or Ahead of Plan and 86% of PIs met or exceeded the target. This is comparable with Q3.

5. Legal Comments

The Executive is responsible for ensuring that the Executive functions are discharged in accordance with the Budget and Policy Framework of which the Corporate Plan is a part. This report will assist the Executive in discharging this function.

The Executive has power to amend the way in which performance is reported as set out in recommendation 2.

The recommendations are therefore lawful and within the remit of the Executive.

6. Resource Comments

Acceptance of the recommendation in this report has no direct financial consequences for the Council.

7. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

N/A

c) Scrutiny Comments

The Overview and Scrutiny Management Board (OSMB) is due to consider this report on 1 July 2021. Any comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

Any changes to services, policies and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

8. Appendices

These are listed below and attached at the back of the report	
Appendix A	Activities that are Behind Plan due to COVID-19
Appendix B	Activities that cannot be reported due to COVID-19
Appendix C	Progress on activities Behind Plan in Q3
Appendix D	Summary of Activities that are Ahead of Plan
Appendix E	Summary of Activities that are Behind Plan

9. Background Papers

The following Background Papers within section 100D of the Local Government Act 1972 were used in the preparation of this Report:

Document title	Where the document can be viewed
Council report: Corporate Plan 11 December 2019	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&MId=5661&Ver=4
Executive report: Corporate Plan Performance Framework 6 October 2020	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=5522&Ver=4
Executive report: Performance Reporting Against the Corporate Plan Performance Framework 2020-2021 - Quarter 2 - 2 February 2021	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=5751
Executive report: Performance Reporting Against the Corporate Plan Performance Framework 2020-2021 - Quarter 3 - 2 March 2021	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=5752

This report was written by Jasmine Sodhi, who can be contacted on jasmine.sodhi@lincolnshire.gov.uk.

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Table of five activities that are Behind Plan and have been impacted by COVID-19

Please note Appendix E details all activities that are Behind Plan including an explanation of performance.

Ambition: Enable everyone to enjoy life to the full
Activity: We will work with partners to develop a Joint Accommodation Strategy for Adults with Learning Disabilities, Mental Illness or Autism that will help to maximise people's independence. (A24)
Milestone for Q4: To have a joint accommodation strategy for Adults Learning Disability, Mental Health, Autism agreed by Corporate Leadership Team and NHS Lincolnshire by 31 March 2021.
Objective to: Create accommodation options for greater independence and wellbeing.
Activity: We will ensure fit for purpose, appropriate services are available for families to narrow the achievement gap, so all children thrive and achieve their potential. (A33)
Milestone for Q4: Following presentation of the Early Childhood Strategy to the Children and Young People Scrutiny Committee, launch the strategy and reconvene the Early Childhood Services Strategy group to drive forward our ambitions. September 2020 – March 2021.
Objective to: Deliver quality children centres, which are at the heart of our communities supporting families so their children thrive.
Ambition: Create thriving environments
Activity: We will support people to improve their home safety through delivering a comprehensive communication and engagement plan. In year 1 we will promote the SHERMAN initiative and implement the Hoarding Protocol. (A57)
Milestone for Q4: We have modified our ways of working due to COVID-19 to ensure we still deliver our SHERMAN Strategy, by making contact with Critical and High Risk members of the public, allowing for an assessment to be made. All Critical referrals will be visited in 5 days and High in 10 days (working days).
Objective to: Improve the safety of local communities.
Activity: We will stimulate economic growth through the development of business premises across the county and through delivering the economic capital programme with our partners. (A49)
Milestone for Q4: Deliver additional access road on South Lincolnshire Food Enterprise Zone (SL FEZ). Deliver access roads for Skegness Business Park extension.

March 2021.

Objective to: Champion Lincolnshire as a destination of choice to visit, live, relax, work and do business.

Ambition: Provide good value Council services

Activity: We will keep and attract talented people through implementing improved recruitment processes, increasing the number and range of apprenticeships, and developing graduate and work experience placements across the Council. (A74)

Milestone for Q4:

By December 2020, all current opportunities explored for additional funding through the school leaver programme.

By January 2021, develop and launch new assessment tools for recruitment to assess values and behaviours.

By March 2021, develop, build and launch the new microsite for recruitment and apprentices using new Employer Value Proposition (EVP) brand; complete 2021 review of hard to recruit and retain roles and map to available apprenticeships standards; review all current opportunities explored to enable introduction of corporate work experience programme.

By 1st April 2021, the maximum number of learners (30) will be undertaking the Learning and Management Level 3 apprenticeship.

Objective to: Nurture and celebrate a forward-looking, high-performing, skilled and empowered workforce.

The following five activities cannot be reported in 2020/21 due to COVID-19

Ambition: Support high aspirations
Activity: We will continually improve teaching standards, enabling our schools access to high quality professional development, through adapting our school improvement strategy in response to National Policy. (A11)
Objective to: Champion educational excellence so every child/young person has a high quality education to succeed in life.
Activity: We will continue to encourage schools to work through collaborations in order to maximise expertise and best practice, enhancing our strategy for school improvement within the school-led self-improving system. (A12)
Objective to: Champion educational excellence so every child/young person has a high quality education to succeed in life.

Ambition: Enable everyone to enjoy life to the full
Activity: We will transform how adults access health and care in the community through developing a model of neighbourhood working. (A31)
Objective to: Design an accessible and responsive health and care system within local communities, protecting people and promoting wellbeing.
Activity: We will support families in their parenting role through continuing to deliver the healthy child programme, also evaluating the benefits of maternity hubs and extending these to other communities where appropriate.(A34)
Objective to: Deliver quality children centres, which are at the heart of our communities supporting families so their children thrive.

Ambition: Provide good value council services
Activity: We will enable communities to be more resilient and our partners to provide a more integrated response through working with the Lincolnshire Resilience Forum to respond to emergencies that impact on our communities. Over the next year we will focus on the risks and management of flooding.(A84)
Objective to: Be there when communities need us most, responding collaboratively to emergencies.

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Progress and update on activities that were Behind Plan in Q3

What	The publication of the Housing Health and Care Delivery Group (HHCDG).
When originally Due	31 December 2020
Reason for Delay	COVID-19
Progress	The Strategy was agreed by all partner agencies collectively by 30 March 2021 and is going through their individual governance arrangements. Lincolnshire County Council adopted it on 5 March 2021. A final publication version is being worked on by designers and will be a web-based document. The draft Delivery Plan was also agreed at that meeting. This remains a live document to drive the work of the Group. Progress will be reported to the Health & Wellbeing Board. (A22)

What	Commence the team around the adult initiative (TAA) pilot.
When originally Due	1 December 2020
Reason for Delay	COVID-19 pandemic was the main cause for the delay in being able to progress the initiative.
Progress	The initiative went live in February 2021. (A29)

What	Review of Lincolnshire Health and Wellbeing Board (HWB) priorities informed by the Local Government Association (LGA) research to be completed.
When originally Due	31 December 2020
Reason for Delay	Reduced capacity to support the work due to COVID-19 and new government guidance on the introduction of Integrated Care Systems (ICS) issued in November 2020.
Progress	Revised terms of reference were agreed at the HWB on 9 March 2021 along with an action to recommend the changes to Council to enable the necessary changes to the Constitution. (A38)

What	The Support the Visit Lincolnshire website technical and content redevelopment.
When originally Due	December 2020
Reason for Delay	Although the website had been created and the content was being populated, delayed due to the COVID-19 lockdown and to ensure maximum impact.
Progress	Website went live in April 2021. (A47)

What	Needs assessment to develop a Joint Accommodation Strategy for Adults with Learning Disabilities, Mental Illness or Autism that will help to maximise people's independence was due to be complete.
When originally Due	31 December 2020
Progress	On-going Accommodation Needs Analysis completed. The first cut of the needs of each organisation will be included in summary within the strategy document when complete. The Intelligence sub-group will refine and update the requirements for need and feed this into the sourcing group. The Terms of Reference for the sourcing sub-group have been agreed as well as a first draft plan on key sourcing deliverables for 2021-22. (A24)

What	The original intention to develop an investment framework as part of our collective aspirations for our coast through developing a Coastal Strategy with partners.
When originally Due	October 2020
Update	This has been superseded by the on-going public enquiry in respect of potential land use in the coastal zone. In reframing the strategic approach to the coast, a new partnership approach is being developed between Lincolnshire County Council, the Environment Agency and East Lindsey District Council with the aim of creating an agreed adaptive approach during 2021/22 for coastal Lincolnshire combining high aspirations for the economy, environment and local communities with a robust and lasting approach to management of coastal flood risk. (A50)

What	The initial milestone was to have completed a review of the Council's future Office Accommodation needs.
When originally Due	31 October 2020
Reason for Delay	This was delayed by developing the Smarter Working strategy and changing requirements.
Update	The review completion date was set for end March 2021 and will be put back further. The main reason for this is the on-going dialogue with the Corporate Leadership Team (CLT) on 'service hubs' concept has emerged from CLT over the last 3 months and was not in the original Smarter working concept when original target dates were set. A service hub is an office space which is allocated to a Directorate and cannot be booked by other Directorates. This is based on Directorate specific needs which maybe to do with equipment they use or specific confidentiality requirements. The work to assess capacity in the localities is now unlikely to conclude until the end of the calendar year when the final list of offices to be retained can then be confirmed. (A79)

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Details of the eight activities Ahead of Plan in Q4 (January- March 2021)

Ambition: Support high aspirations

Objective: Champion educational excellence so every child/young person has a high quality education to succeed in life.

Activity: We will help schools to be skilled at supporting children with special education needs in mainstream settings, through developing and delivering strategies and where an education, health and care plan is required , undertaking this assessment in a timely and creative way. (A13)

Achievement in Q4

At March 2021 59% of all pupils with an Education, Health and Care (EHC) Plan had their special educational needs met in a mainstream setting. This is above the national figure of 54%.

In Q4, 95.1% of children and young people requiring an EHC Needs Assessment had their Plan finalised within the 20 week timescale. The last published national data reported an England average of 60.4% of assessments completed within timescale.

Objective: Deliver economic growth to create and sustain vibrant communities

Activity: We will support our market towns to thrive, delivering regeneration with our partners, including through the Towns Fund and the Housing Infrastructure Fund. (A16)

Achievement in Q4

Getting Building Fund award secured for South Lincolnshire Food Enterprise Zone (SL FEZ). Stage 1 feasibility study delivered for converting some publicly-owned buildings in town centres, particularly on high streets, into multi-use facilities to increase footfall. District Council partners supported to deliver 2020/21 Towns Funds targets.

Ambition: Enable everyone to enjoy life to the full

Objective: Create accommodation options for greater independence and wellbeing

Activity: We will work with the District Councils to deliver greater accommodation choices for people who are unable to live in their own home. This will include a range of supported and extra care housing as well as influencing developers to build homes which are designed to meet the changing needs of the population. (A23)

Achievement in Q4

The strategy has been written and the service is working with District Councils to deliver accommodation choices. The building of extra care housing is on track.

Objective: Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities.

Activity: We will provide intensive and tailored support for young people who have complex multiple needs, maintaining them within their family where it is safe to do so. (A25)

Achievement in Q4

- 1) Life Links is an initiative that Family Group Conference (FGC) workers are utilising their skills to build networks of support for our leaving care young people from 15.9-25yrs to reconnect with family and resolve conflicts.
- 2) All teams have life story workers trained to undertake this specific task with young people and to ensure the work is done in the right way, at the right pace and at the right time.
- 3) There is a Corporate Parenting strategy designed to ensure the profile and needs of our young people remains a high priority.
- 4) Lincolnshire has a comprehensive Early Help Offer which is based upon Signs of Safety methodology; and is restorative in nature. The consistency of approach throughout all levels of safeguarding ensures accessibility and effectiveness of Early Help as part of a child or young person's plan. The processes ensure that any requests for support for Children in Care are considered in light of relationship based practice and who the right person to offer the right support at the right time.
- 5) Further investment in services to prevent a child becoming looked after has been made in the Future4me service targeted on those children who are on the cusp of care or facing a placement disruption. Foster Carers are continually trained and supported to meet the needs of all our young people, especially those with complex and additional needs.
- 6) Lincolnshire County Council is now a fostering friendly organisation which helps build our fostering capacity.
- 7) The Corporate Parenting Manager coordinates an operational group within the leaving care service which is designed to engage partners and all agencies around

the needs of our Children in Care and Care Leavers.

- 8) Lincolnshire County Council has a strategic relationship with Serco who provide mentoring and guidance to any child in care or care leaver who wants careers guidance and mentoring.
- 9) A therapeutic parenting manual has been rolled out widely following a pilot across a small number of schools. The learning from this pilot was captured through a Mobilise research project which in turn informed the manual.
- 10) The youth housing support model has been redesigned and was re launched in January 2021. This offers an enhanced level of support and transitional support to help young people move onto independence when they become an adult.
- 11) In relation to move on accommodation, a protocol exists between Children Services, Adult Services and the 7 Districts. This protocol articulates how we will all work together to support young people in all our accommodation provisions from the youth housing offer, to Supported Lodgings, through to Council housing. Care Leavers now have local connection across all 7 Districts and can access youth housing options up to the age of 25.
- 12) Care Leavers are exempt from paying council tax in all 7 Districts up to the age of 25 and this gives them a chance to save money and greater opportunity.

Objective: Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities.

Activity: We will continue to increase the number of foster carers, supporting them in their valuable role. In year 1 we will focus on developing foster carers with the skills to support children and young people with increased complexities and vulnerabilities. (A26)

Achievement in Q4

26 new foster carer households recruited by year end. Higher level of interest in fostering and work being undertaken to determine whether the ratio of enquiries to approvals could be improved.

Objective: Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities.

Activity: We will work with the LSAB to develop a multi-agency prevention strategy to protect people from harm and to promote community wellbeing. This will include the development and implementation of a 'team around the adult approach' to help improve engagement with Adults with complex needs. (A29)

Achievement in Q4

The Prevention Strategy was agreed ahead of schedule and governance for implementation has also been agreed.

Ambition: Create thriving environments

Objective: Improve the safety of local communities.

Activity: We will deliver the priorities of the Lincolnshire Road Safety Partnership. (A59)

Achievement in Q4

21% reduction in Killed and Seriously Injured, but caution required due to major impact of COVID-19 restrictions.

£249,000 worth of Local Road Safety Schemes delivered.

21,876 clients attended diversionary training courses.

Ambition: Provide Good Value Council Services

Objective: Engage, listen and respond to our communities.

Activity: We will place the individual, their family and friends at the heart of their care plan through introducing and implementing strength based practice in Adult Care and Community Wellbeing. (A67)

Achievement in Q4

Activity and evaluation completed.

Details of Activities Behind Plan in Q4 (January- March 2021)

Ambition:	Support high aspirations
Objective:	Promote healthy, inclusive and accessible employment and learning opportunities.
Activity:	Make sure we have skills and expertise of our workforce to be able to induct and support learning opportunities in an agile way. (A8)
Milestones:	Procure a new corporate learning management system for implementation by April 2021.
Explanation of performance:	The existing Lincs2learn system contract is being extended for 12 months as the move to Hoople does not include a learning module. It is unlikely a new module/system will be in place until 2023/2024, so remaining with the existing system is the best plan.
Objective:	Grow the workforce by retaining and attracting more highly-skilled 18-40 year olds.
Activity:	We will develop effective county-wide relationships between the education and business sectors to attract and retain graduates in the county. (A4)
Milestones:	Set up a task and finish group with training providers, universities and the business community to devise a Lincolnshire Graduate retention plan March 2021. In partnership with key stakeholders, deliver the Lincolnshire Graduate retention plan.
Explanation of performance:	1) Set up a task and finish group with training providers, universities and the business community to devise a Lincolnshire Graduate retention plan March 2021. Delayed due to staffing resource issues. 2) In partnership with key stakeholders, deliver the Lincolnshire Graduate retention plan. Delayed due to staffing issues.
Objective:	Grow the workforce by retaining and attracting more highly-skilled 18-40 year olds.
Activity:	We will increase the number of apprenticeships across priority sectors working with employers and education providers to increase availability and attractiveness. (A5)
Milestones:	Establish the baseline data for current apprenticeship numbers within our priority sectors by November 2020. Work with GLLEP to develop a PR and Communication plan for engagement with employers and education providers to access and retain apprenticeships by December 2020.
Explanation of performance:	1) Establish the baseline data for current apprenticeship numbers within our priority sectors by November 2020. This data has now been accessed through the Greater Lincolnshire Local Skills Report and Labour Market Evidence Base created in April 2021. 2) Work with GLLEP to develop a PR and Communication plan for engagement with employers and education providers to access and

	retain apprenticeships by December 2020 - delayed due to staffing resource issues.
Objective:	Enhance the skills of our communities to meet the needs of our businesses and the economy
Activity:	We will enhance and articulate the education and training offer to our communities and work to increase the availability of education programmes across the county to meet business and community need. In Year 1 we will work with partners to enhance the offer in East Lindsey. (A2)
Milestones:	Map existing education and skills provision in East Lindsey by October 2020. Work with East Lindsey District Council on their Towns Fund application by October 2020. Develop a PR and Communication plan to promote via the 2Aspire website to host education and skills provision across the county February 2021.
Explanation of performance:	1) Map existing education and skills provision in East Lindsey by October 2020 - completed in March 2021. 2) Work with East Lindsey District Council on their Towns Fund application by October 2020 - support provided. 3) Develop a PR and Communication plan to promote via the 2Aspire website to host education and skills -provision across the county February 2021 - postponed due to staffing resource issues.
Objective:	Enhance the skills of our communities to meet the needs of our businesses and the economy.
Activity:	We will transform how we raise skills levels, productivity, employability and apprenticeship numbers through developing an updated skills plan. (A1)
Milestones:	Set up a task and finish group to develop a draft Skills Plan by March 2021.
Explanation of performance:	Work on a Skills Action Plan has been delayed due to staffing resource challenges, the work is now underway and the draft plan will be ready for review in June 2021.

Ambition:	Enable everyone to enjoy life to the full
Objective:	Create accommodation options for greater independence and wellbeing.
Activity:	We will support independence through working with our partners to provide a 'one stop shop' for equipment and adaptations in people's homes. (A22)
Milestones:	District councils appoint shared post to develop work programme by 31 March 2021.
Explanation of performance:	The role and job description for a Strategic Lead - Enabling Healthy and Accessible Homes has been consulted on and agreed through Housing Health and Care Delivery Group (HHCDG) but a decision on district council hosting arrangements is still to be made. It has not been

	possible to recruit within the timeframe originally envisaged and so this has been rescheduled to 30 September 2021, however, progress on the work programme will be made through refocusing the Moving Forward with Disabled Facilities Grants (DFG) Group.
Objective:	Create accommodation options for greater independence and wellbeing.
Activity:	We will work with partners to develop a Joint Accommodation Strategy for Adults with Learning Disabilities, Mental Illness or Autism that will help to maximise people's independence. (A24)
Milestones:	To have a joint accommodation strategy for Adults Learning Disability, Mental Health, Autism agreed by Corporate Leadership Team and NHS Lincolnshire by 31 March 2021.
Explanation of performance:	There has been a slight delay in the completion of the strategy document as a consequence of the lead officer being absent from work with COVID-19. The draft strategy will however be available in Q1 of 2021/2022.
Objective:	Promote the support offer to our communities to enable them to be self-sufficient and thriving.
Activity:	We will enable more people to be supported through technology. (A39)
Milestones:	Initialise analysis with business owners of the "Support Offer to Communities" to establish what the existing offer is and how technology might extend its delivery/exposure/scope to more people AND/OR if the support offer is to be extended (to more people) by the addition of technology which itself supports "Quality of life" in some way.
Explanation of performance:	Engagement will now progress to understand and advise how the business owners could proceed to establish the drivers and goals and identifying areas for investigation toward the design of the "Support Offer".
Objective:	Promote the support offer to our communities to enable them to be self-sufficient and thriving.
Activity:	We will support people to make healthy choices across all aspects of their lives, through continuing to commission and deliver effective preventative services, which also provide quality information so people are better informed. (A38)
Milestones:	1. Support CCG 5-year East Coast Plan to reduce health inequalities by 31 March 2021. 2. Complete development of specific work programmes with the Centre for Ageing Better: a. Housing b. Healthy Ageing (physical activity focus) by 31 March 2021 c. Social Connection by 31 March 2021 d. Employment by 31 March 2021.
Explanation of performance:	1. Supporting the development of an East Coast health inequalities plan is no longer a milestone as the CCG has decided this is to now be a countywide plan in line with emerging Integrated Care System (ICS) priorities.

	<p>2a. The initial Housing work programme with the Centre for Ageing Better has been agreed and is progressing in parallel with the emerging Housing Health and Care Delivery Group (HHCDG) Delivery Plan under the Lincolnshire Homes for Independence blueprint.</p> <p>2b and 2c. Work programmes for Healthy Ageing and Social (Community) Connections are in development and are now due by 30 June 2021.</p> <p>2d. The Employment work programme is emerging (in research phase) having engaged with the Greater Lincolnshire Local Enterprise Board (GLLEP). The programme will be informed by surveys of staff from local public sector employers, including Lincolnshire County Council.</p>
Objective:	Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities.
Activity:	We will enable people to have improved access to support through the review and implementation of the "Lincolnshire all age autism strategy". (A30)
Milestones:	Review strategy in light of the update of the national strategy January 2021.
Explanation of performance:	We are still awaiting the updated national strategy in order to ensure our local strategy links to the associated national guidance. The local strategy will therefore be reviewed in 2021/2022 once the national strategy has been published.
Objective:	Deliver quality children centres, which are at the heart of our communities supporting families so their children thrive.
Activity:	We will ensure fit for purpose, appropriate services are available for families to narrow the achievement gap, so all children thrive and achieve their potential. (A33)
Milestones:	Following presentation of the Early Childhood Strategy to the Children and Young People Scrutiny Committee, launch the strategy and reconvene the Early Childhood Services Strategy group to drive forward our ambitions. September 2020 – March 2021.
Explanation of performance:	Work on the strategy has not yet re-commenced due to the focus of all services across the system on ensuring services meet the immediate needs of children and families and ensure they are well supported. This means that the capacity of all partners to engage in development work has remained more limited during the last quarter. The re-convening of the Early Childhood Services strategy group is planned for the next quarter, with the current focus remaining on a review of the Early Years commissioned service, developing and delivering the Children's Centres offer to families in line with the Government roadmap out of lockdown, and linking with both maternity services and the high needs transformation work currently underway. All of these will ensure children's needs are met early and appropriate services are available for families that narrows the achievement gap, and all children thrive and achieve their potential.

Ambition:	Create thriving environments
Objective:	Improve the safety of local communities.
Activity:	We will support people to improve their home safety through delivering a comprehensive communication and engagement plan. In year 1 we will promote the SHERMAN initiative and implement the Hoarding Protocol. (A57)
Milestones:	We have modified our ways of working due to COVID-19 to ensure we still deliver our SHERMAN Strategy, by making contact with Critical and High Risk members of the public, allowing for an assessment to be made. All Critical referrals will be visited in 5 days and High in 10 days (working days).
Explanation of performance:	We have remained behind target based on the annual accumulation of figures, but in the 4 th Quarter we saw an increase in compliance rate of assessments being carried out within 5 days. A number of changes to how referrals are initially managed have been made and with restrictions easing we are confident that the compliance rate will continue to increase into 2021/2022. Out of a total of 499 cases, we achieved our target on 385 occasions, resulting in a compliance rate of 77% for the year. Although the initial 5 day target was missed on 23% of occasions, we are able to confirm that all cases were followed up within a limited period of time and actioned as required. Internal recording and monitoring processes have also been developed which will allow closer scrutiny of performance at an early stage to support compliance and the need to amend ways of working.
Objective:	Plan growth to benefit the whole community through connecting people, housing, employment, businesses and the natural environment.
Activity:	We will accelerate considered housing growth in Lincolnshire and maximise opportunities and investment in infrastructure work through working across all Councils and partners in Lincolnshire on "Planning for Growth." (A52)
Milestones:	Updated Strategic Infrastructure Delivery Plan produced November 2020, delivery strategy agreed March 2021.
Explanation of performance:	Work completed, however, sign off process delayed due to the cancellations of Leaders and Chief Executives meeting.
Objective:	Champion Lincolnshire as a destination of choice to visit, live, relax, work and do business.
Activity:	We will stimulate economic growth through the development of business premises across the county and through delivering the economic capital programme with our partners. (A49)
Milestones:	Deliver additional access road on South Lincolnshire Food Enterprise Zone (SL FEZ). Deliver access roads for Skegness Business Park extension. March 2021.
Explanation of performance:	Additional access road on South Lincolnshire Food Enterprise Zone (SL FEZ) will be complete May 2021. Delays due to COVID-19. Access roads for Skegness Business Park extension will be complete May 2021. Delays due to COVID-19.

Ambition:	Provide good value Council services
Objective:	Nurture and celebrate a forward-looking, high-performing, skilled and empowered workforce.
Activity:	We will increase our effectiveness by redesigning processes relating to our people and financial management, through an integrated finance and people management system. (A75)
Milestones:	Develop shareholder agreement with Herefordshire Council for Hoople by 31 March 2021.
Explanation of performance:	The Shareholder Agreement is now complete as is going through the formal approval process of LCC, Herefordshire Council and Hoople Ltd. System testing has been completed and the project is currently in the user acceptance testing which will run for 14 weeks. Extensive payroll testing is in progress, but is currently behind schedule and taking longer than anticipated, predominantly due to the complexities of our data. This has caused larger than anticipated mismatches of data that all need to be reconciled, which requires investigation and identification of issues before making the necessary corrections. We have limited payroll expertise within the Council which is, as planned, being fully utilised and have therefore pursued the release and availability of experienced Serco Payroll staff to assist with the reconciliation activities to address the delays. Careful consideration is being given to this to ensure that the usual payroll operation is not adversely affected. We are committed to continuing with the methodical and thorough investigation and correction of all discrepancies during the first Payroll test rather than move to the next phase without the necessary completeness. This is to give the assurance and confidence that the payroll in the new system is calculating correctly.
Objective:	Nurture and celebrate a forward-looking, high-performing, skilled and empowered workforce.
Activity:	We will keep and attract talented people through implementing improved recruitment processes, increasing the number and range of apprenticeships, and developing graduate and work experience placements across the Council. (A74)
Milestones:	By December 2020, all current opportunities explored for additional funding through the school leaver programme. By January 2021, develop and launch new assessment tools for recruitment to assess values and behaviours. By March 2021, develop, build and launch the new microsite for recruitment and apprentices using new Employer Value Proposition (EVP) brand. By March 2021, complete 2021 review of hard to recruit and retain roles and map to available apprenticeships standards. By March 2021, review all current opportunities explored to enable introduction of corporate work experience programme. By 1 st April 2021, the maximum number of learners (30) will be undertaking the Learning and Management Level 3 apprenticeship.

<p>Explanation of performance:</p>	<p>We have taken advantage of the incentive payments for new start apprentices and to date have claimed £78,000 of which £16,000 has been claimed corporately and £62,000 has been claimed on behalf of schools.</p> <p>An assessment and selection toolkit has been developed and is now hosted on Lincs2Learn. This includes template shortlisting and interview forms and gives guidance on writing good person specifications and interview questions relating to values and behaviours. We also work with hiring managers to determine if additional assessment tools are required such as occupational assessment and motivation questionnaires.</p> <p>Refresh of content for both Talent & Resourcing and Talent & Early Careers corporate website pages was initially delayed due to the development of SharePoint, which is now well developed and informative. The refresh of the Talent & Early Careers corporate website page (currently Find an Apprenticeship) was completed in February in preparation for National Apprenticeship Week and further updates are planned in line with Learning at Work Week. The Talent & Resourcing content has been written. The communications team has confirmed that the look and feel of the website will need to remain unchanged at present, however, content is currently being finalised with the phase 1 refresh to be completed by no later than end May 21. The longer term design ideas will be planned for Phase 2 and need to be added to the sprint schedule for update later in the year. In the interim, a refresh of the Applicant Tracking System (ATS) portal is underway and due for launch early May. This brings the ATS look and feel in line with the corporate website, with improved search functionality and design.</p> <p>The review of the H2RR roles (hard to recruit and retain) has been postponed to the end of the year to allow time for Director Area service recovery, however urgent requirements are being managed on an as and when basis.</p> <p>The corporate work experience and work placement process has been written however, it is currently being converted into a virtual process. Again any requests are being dealt with on an as and when basis and a full launch of the programmes will be implemented in line with the People Strategy timelines.</p> <p>We currently have 24 learners assigned to the Level 3 Team Leading and Supervision Diploma/Apprenticeship with 1 break in learning. We are currently preparing for a third cohort to commence in Sept 2021.</p> <p>Overall the COVID-19 pressures have impacted on the overall ability to meet all the milestones but good progress has been made.</p>
<p>Objective:</p>	<p>Shout loud and proud for Lincolnshire to achieve our ambitions.</p>
<p>Activity:</p>	<p>We will further develop international relationships to support economic growth. (A65)</p>
<p>Milestones:</p>	<p>International Trade working group meetings and action plan agreed by March 2021. Delivery of the International Trade (DIT) action plan commences April 2021.</p>

Explanation of performance:	1) International Trade working group meetings and action plan agreed by March 2021 - DIT funded external International Trade research for Greater Lincolnshire findings are not due until June 2021. 2) Delivery of the International Trade action plan commences April 2021 -on hold due to national DIT review and awaiting Greater Lincolnshire International Trade research findings to inform our strategy.
Objective:	Maximise opportunities to work with others and improve service delivery.
Activity:	We will improve service delivery through reviewing the Council's approach to commissioning, including needs assessment, service design, market development, procurement and contract management. In year 1, we will implement the findings of the commissioning review and focus on enhancing the Adult Social Care supply market. (A69)
Milestones:	Commissioning Review Final Report to CLT not later than 31 March 2021 to include approve agreed One Council Commissioning arrangements, agreed recommendations and proposed headline implementation plan, including changes required to status quo.
Explanation of performance:	The end date for the project was extended in agreement with Corporate Leadership Team (CLT) in January 2021, with delays due to working groups requiring more time than planned for complex tasks and project sponsor managing conflicting related priorities. Current timetable being worked to is to present recommendations to CLT in July 2021.

Achievement of KPIs - VINCI Facilities Partnership Limited contract

An overall score of over 75% is required for the contractor to benefit from financial incentives gained by performing lower than their target costs.

At the start of the next year the Employer reviews the targets and weightings for Key Performance Indicators. The Council reserves the right to suspend the application of any gain share which the Contractor may be entitled to in the event of any occurrence of an investigation of Regulatory Body e.g. Health and Safety Executive, Environment Agency, and in the event of a successful prosecution and/or claim disallow the application of the gain share.

Key performance indicators provide percentage scores against baseline performance for the overall service and for each individual service area of the VINCI Facilities Partnership Limited contract.

The contractor's performance is incentivised to stimulate continuous improvement in providing the service.

The contractor's score determines their access to any financial gain accrued through performing below their target costs submitted at tender.

Services measured and their percentage weighting are:-

Project services – 22.5%;

Managed services – 15%;

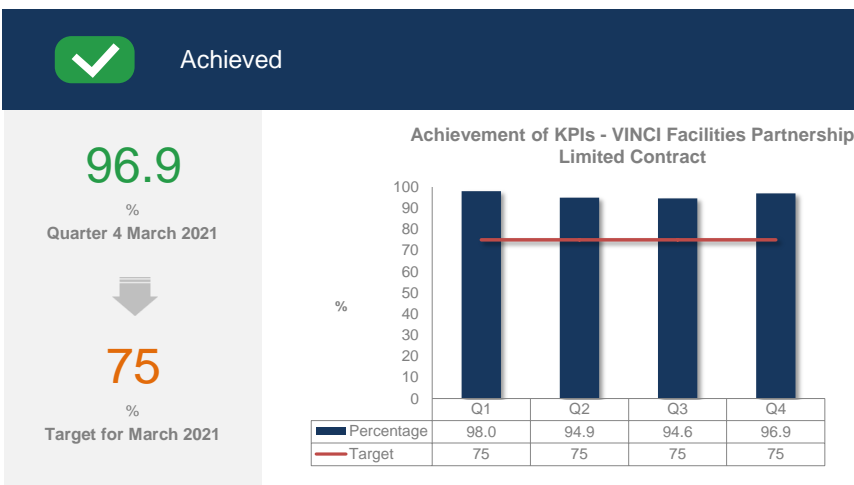
Hard FM Services – 22.5%;

Soft FM services – 22.5%;

Other property services – 12.5%; and

General service – 5%.

A higher percentage of KPIs achieved indicates a better performance.

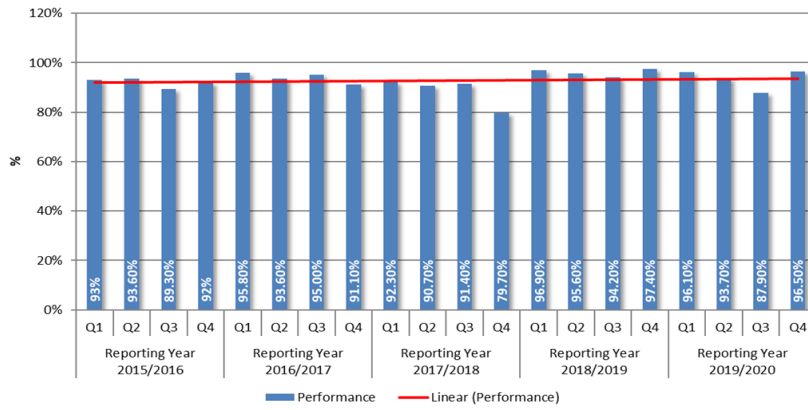


About the latest performance

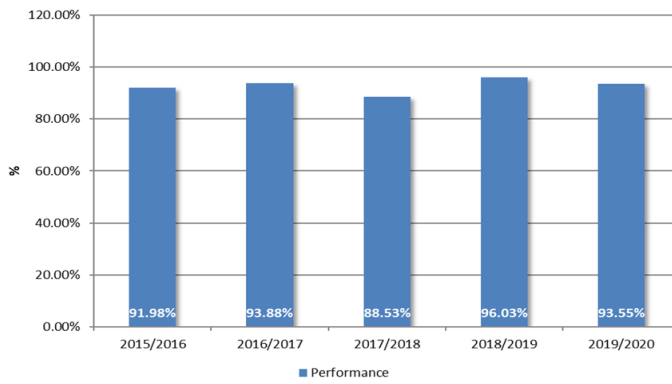
An improvement of 2.3 percentage points over the previous quarter (from 94.6%). The contractor has an improved performance on achieving no failures on completion of statutory testing and inspections within contractual timescales.

Further details

Achievement of KPIs - VINCI Facilities Partnership



Average Annual Achievement of KPI's - VINCI Facilities Partnership



About the target

A score of 75% was set at tender stage. It is deemed to be commercially appealing whilst still ensuring high standards. In order for the Contractor to be eligible to any gain share they must achieve an overall performance of 75% and 75% for each Service Category. Lincolnshire County Council has set a aspirational internal target of 90% to influence target outcomes based on continuous improvement.

About the target range

No target range has been set for this measure.

About benchmarking

There is an aspiration to benchmark performance in the future.



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

Report to:	Overview and Scrutiny Management Board
Date:	01 July 2021
Subject:	Business Support Programme Reserve Funds

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on the Business Support Programme Reserve Funds, which is due to be considered by the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning) between 2 and 7 July 2021. The views of the Board will be reported to the Leader of the Council as part of his consideration of this item.

Actions Required:

The Overview and Scrutiny Management Board is invited to:-

- 1) consider the attached report and to determine whether the Board supports the recommendations to the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning) as set out in the report.
- 2) agree any additional comments to be passed on to the Leader of the Council in relation to this item.

1. Background

The Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning) is due to consider the Business Support Programme Reserve Funds between 2 and 7 July 2021. The full report to the Leader of the Council is attached at Appendix 1 to this report.

2. Conclusion

Following consideration of the attached report, the Board is requested to consider whether it supports the recommendations in the report and whether it wishes to make any additional comments to the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning). Comments from the Board will be reported to the Leader of the Council.

3. Consultation

The Board is being consulted on the proposed decision of the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning) between 2 and 7 July 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report to the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning) on Business Support Programme Reserve Funds

5. Background Papers

No background papers as defined in section 100D of the Local Government Act 1972 were relied upon in the writing of this report.

This report was written by Justin Brown, who can be contacted on 01522 554825 or justin.brown@lincolnshire.gov.uk.

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

Report to:	Councillor M J Hill OBE, Leader of the Council (Executive Councillor: Resources, Communications and Commissioning)
Date:	Between 02 – 07 July 2021
Subject:	Business Support Programme Reserve Funds
Decision Reference:	I022289
Key decision?	No

Summary:

Full Council approval was given on the 19th February 2021 to create a Support for Business Reserve Fund of £12m to provide grant programmes designed to support Lincolnshire businesses who have been directly impacted by Covid-19 and to enable them to survive and adapt to the changing environment and grow once restrictions are lifted.

On 19th February 2021 the Leader of the Council approved the provision of four grant programmes.

The grant programmes have been well received and in particular the Digital and Rural business grants have been substantially oversubscribed. This report requests approval to repurpose £1.5m from the initial £12m approved fund to help to meet the scale of demand.

This report recommends that because the initial period of economic uncertainty resulting from the Covid-19 pandemic has now ended, that the County Council's business support programme should close on Friday 13th August 2021.

Recommendations:

That the Leader of the Council (Executive Councillor for Resources, Communications and Commissioning):

1. Approves capping the amount to be distributed by way of Business Recovery Fund grants so that no applications are processed which would take the total funding distributed above £3.700m.

2. Approves increasing the total funding available through the Digital Voucher Scheme by £0.750m to £1.750m.
3. Approves increasing the total funding available through the Rural Business Grant Scheme by £0.750m to £1.750m.
4. Approves the closure of all four programmes of the business support programme so that no payments are made in respect of any application which has not been approved by 5.00pm on Friday 13 August 2021.

Alternatives Considered:

Alternative A: Do not top up the oversubscribed funds.

If we do not top up the Rural and Digital Business Grant programmes it will save the Council resources, both in cash and officer time.

However, there is clear demand, evidenced by the number of applications that have been received from businesses that have been severely impacted by Covid-19.

There is also clear evidence that businesses who need to invest to grow or to adapt to changing customer conditions are unable to attract the funding required at the pace that they require.

By not topping up the grant programmes the County Council will not assist a significant part of the Lincolnshire community – the businesses who create jobs and wealth. The Council will therefore miss an opportunity to respond to the economic emergency created by the pandemic and create the conditions for a strong recovery.

Alternative B: Approach the District Councils to ascertain if they are able to support the Rural and Digital grant applicants within their districts through their unallocated discretionary Additional Restriction Grant (ARG).

However, the District Councils have their own plans for allocating their ARG funds and their underspends vary.

Alternative C: A hybrid model whereby Lincolnshire County Council (LCC) tops up both the Rural and Digital Grants by £0.750m each and in tandem an approach is made to the Districts to further enhance the funds because there will still be a significant gap in terms of demand and supply.

Alternative D: To leave the programmes open beyond 13 August 2021. The rural and digital programmes already have sufficient applications to expend the amount of the grant for that programme. The date of 13 August gives sufficient time for current applications to be administered and approved provided that applicants provide requested information promptly.

Reasons for Recommendation:

The use of £1.500m out of the unallocated business support reserve to top up two grant programmes which have been significantly oversubscribed will enable the County Council to provide funding to businesses who are most at need and help them adapt to the new environment and meet changing customer needs in order to sustain and survive.

Not approving applications for the Business Recovery Fund in excess of £3.700m reflects the extent of the demand for this particular grant and enables future decisions to be made as to the use of this money in response to future circumstances.

The Rural and Digital grant programmes already have sufficient applications to expend all the funds. The setting of a date by which applications are to be approved which can be met if applicants provide requested information promptly ensures that resources are not unnecessarily taken up in administering the programmes.

1. Background

At its meeting on 2 February 2021 the Executive recommended that the Council makes a substantial investment in business support, of £12m, focused on new ways of delivering finance and other support that compensates for the damage caused by Covid-19 as well as responding to the economic emergency it has created. The full Council approved the creation of a reserve to fund such support as part of the 2020/21 and 2021/22 budgets at its meeting on 19 February 2021.

The Leader of the Council subsequently on 19th February 2021 approved the establishment of four new grant funds and the approved funding levels and take up rate for each grant is outlined in Table 1:

Table 1- LCC Business Support Grants

Grant	Fund Level	Grant Level	Applications	Reserve List Applications
Business Recovery Fund	£7m	Up to £10k	502 (19 rejected to date)	N/A Undersubscribed (£3.7m applications received)
Digital Voucher	£1m	£5k	801 (18 ineligible)	551
Rural Business Grant	£1m	£3k - £25k – up to 75% of eligible costs	230 (25 ineligible)	121
Invest for the Future	£2.5m	£25k - £75k up to 25% of eligible costs	123 (43 ineligible)	16

The grants have been well received but while there have been significant oversubscriptions in both the Digital and Rural Business Grants, the Business Recovery Grant has received fewer applications than forecast.

It is important therefore to consider whether adjustments should be made to the allocation of the overall funding between the schemes to make sure funding is most efficiently aligned to the outcomes the overall reserve was designed to achieve.

Business Recovery Grant – Fund Cap

The Business Recovery grant has received applications to the value of £3.700m which are being processed. It is not expected that there will be any significant additional requests for support from this scheme and it may be that the total value of grants issued falls below £3.700m if there are any further application withdrawals/rejections.

It is therefore considered that the £3.700m is sufficient to meet the demand for this fund and that therefore £3.300m of unallocated funds are available for other purposes.

It is therefore recommended that the Council should consider capping this fund at £3.700m so that applications would not be processed or approved that would take the total payments under the scheme beyond £3.700m.

BRG Status Update

No. of BRG Applications	Value of applications	No. of initial rejections	Value of project being processed	Committed (inc Paid)
502	£3.7m	19	£2.9m	£2.457m

Consideration should then be given to how to deal with the £3.300m unallocated funds.

From a progress point of view, as of 23rd June 2021, £2.457m grants had been paid to 325 businesses. The big challenge in this programme has been the data and information provided by businesses; 130 applications have now been rejected because businesses had either received a separate Covid-19 grant or could not provide the required documentation to demonstrate losses. This leaves another 49 businesses who are requesting £0.345m who we are still working with to provide the simple information that was requested through the application process. We expect to complete the final applications by the end of the month.

The team has made contact with these businesses and has given them the chance to provide the right evidence. Therefore there is no risk of payments exceeding the £3.700m mentioned above.

Digital Voucher £1m

The Digital Voucher (up to £5k 100% funded) was designed to enable businesses with up to 50 employees to digitise to innovate and remain competitive.

No applications received	of	Reserve List Applications	Value	Top up of £750,000 supports	of	Remaining Gap
801		551	£2,199,905	150 businesses		£1,449,905

Over 801 applications were received of which 232 will be supported within the initial funding allocation of £1.000m. This still leaves 551 Reserve List applications.

A £0.750m top up to the Digital Voucher Scheme will help to support at least a further 150 qualifying digital projects on the reserve list which include applications for new and enhanced web presence, new technology such as ecommerce platforms, contactless payment systems, software development and digitisation of processes.

Progress-wise, approval letters have been sent to 250 businesses confirming that they will receive support (total value £0.940m). £0.811m has now been paid out to those businesses as a first and second stage payment for their digital project. The team is working through further payments and is supporting the businesses so that they can receive the right digital support.

The Council has informed the Local Authorities about the reserve list with a view to them considering if they would like to support reserve list applications with their unallocated discretionary Additional Restriction Grant (ARG). We are currently in discussions with one District Council who is considering this approach.

Rural Business Grant £1m

The Rural Business Grant was created to provide a capital grant to village shops and rural businesses to enable them to invest in new facilities or equipment as a response to:

- Diversification opportunities resulting in a new product or service
- Adapting to Covid-19 challenges and needs
- Becoming sustainable by updating physical infrastructure; or
- Developing sustainable Rural Tourism offers

Grants were available between £3,000 and £25,000 covering up to 75% of total eligible costs.

The target audience for this programme was locally owned businesses or community applicants in rural communities of less than 20,000 people.

No of applications received	Reserve List Applications	Value	Top up of £750,000 supports	Remaining Gap
230	121 (excluding ineligible applications)	£1,936,725	57 businesses	£1,157,204

Over 230 applications have been received and of those 84 have been invited to progress to full application. There are a further 121 applications on the reserve list. A top up of £0.750m will allow a further 57 rural businesses to be supported.

The top up funds will be able to support the following types of qualifying projects:

- Requested grant of £25,000 to introduce a new, year round bike hire service to the local community and tourists. Based on the East Coast, the bike hire service would also be offered free of charge to selected local groups with short term mental health needs, scout/guide groups, and local schools. The funding would support the purchase of 24 electric bikes, helmets, bike stands and a container.
- Requested grant of £15,000 to purchase new packaging machinery that will allow the production line of sandwiches to switch to compostable packaging. The new packaging will introduce extended shelf life of the products, and therefore reduce waste for the business and their customers.
- Requested grant of £4,875 to enable the farm business to diversify into providing a 'Pick your own Pumpkins' attraction. The grant would support the purchase of wheelbarrows required by customers to 'pick pumpkins', a gazebo, cash till, signage and promotional materials. The applicant demonstrates a clear gap in the market in the local area, and shows how diversification can support the business which has been affected by Covid-19 due to a reduction in the need for summer cut flowers.

We have now contracted with £0.800m of rural business projects, 64 in total. The money for these projects is being paid in two instalments, and so far we have paid £0.510m out to projects. Again, there is a good countywide coverage though obviously the more rural areas have proportionately more applications.

The Council's Counter Fraud team are dealing with an application that we received for this programme. This demonstrates that the systems that were introduced in partnership with the Finance team have identified a potential risk to the Council and have avoided the risk turning into something more serious.

Invest for the Future

This programme provides significant grants to businesses with clear growth plans. They undergo a rigorous appraisal process, providing a detailed business plan. The approval panel has endorsed £1.492m for 30 business projects from across the county. These include a new commercial recycling plant in South Kesteven, a muscular-skeletal

treatment centre in North Kesteven, a niche food distributor and a new vehicle fuel production line both in East Lindsey, a crop growing patent business in West Lindsey, plus tourism and manufacturing investments. We made an investment in every district in the county and it was refreshing to see the range of innovative and productive schemes that LCC is supporting.

Re-allocation of funding

This report proposes that £0.750m is moved to the Rural Business Grant and £0.750m to the Digital Voucher programme. It should be noted that there is more funding available than the £0.750m + £0.750m = £1.500m. At this stage it is prudent not to allocate the full amount of funding available. This is because LCC has made bids for funding to extend some of these programmes which would require a small amount of match funding but would lever substantial external funding to assist local business. There is sufficient demand for the £1.500m from business, and the reallocation of funding would enable LCC to support a further 207 businesses.

LCC had originally made this funding available in order to tackle the immediate economic challenges presented by Covid-19. As far as we are aware, LCC was the only council in the country to use its own budget to provide grants to assist businesses who were affected by Covid-19 and who were unable to attract other funding. The immediate economic challenges have now passed, and therefore it is prudent for the Council to review whether it should continue to spend its resources on this programme. Given other pressures on Council budgets it is probably not. Also, other grant programmes are becoming available, notably through the Government's allocations to the Business Growth Hub and through the UK Community Renewal Fund, and therefore there are other financial routes available to local business. Therefore it is recommended that the business support programme is closed shortly; no further opportunities to apply should be offered to businesses but the waiting list of applicant businesses who originally applied should be offered funding up to the budget limits as set out in this report. In order to provide the time for businesses to submit details for the funds that have now been allocated, and for those details to be robustly processed, it is proposed that the programme closes at 5.00pm on 13 August 2021 and no payments be made in respect of any application not approved by that time.

2. Legal Issues:

Subsidy Control

The proposed reallocation of total funding in and between the schemes does not affect the subsidy control analysis included in the report to the Leader of the Council dated 19th February 2021.

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.

This business support programme is available to all eligible persons to apply. It is publicised on the Council's website which makes provision to support anyone at a disadvantage. All team members who are involved in processing the applications have undergone the Council's standard equality and diversity training.

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.

The JSNA identifies a strong link between the economy/employment and health and wellbeing. The Council is investing in this business support programme in order to provide support to the economy at a time of economic emergency. The tourism scheme, in particular, will be relevant to the JSNA because there is a strong correlation between the areas most affected by the lockdown of the visitor economy sector and those areas with the highest incidence of health difficulties.

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.

Many studies have shown a link between levels of unemployment and levels of crime. By delivering this business support programme it is hoped that a large number of jobs will be safeguarded or created, which should have a positive impact by reducing the risk of increased crime and disorder in Lincolnshire.

3. Conclusion

In conclusion, both the Digital and Rural Grants schemes have been significantly oversubscribed and in order to maintain the focus on supporting businesses to adapt in order to meet changing customer demands and to survive and grow, it is proposed that £1.5m out of the existing £12m Business Support Programme be repurposed to support a further 207 businesses.

Whilst there are minimal risks associated with enhancing these grant programmes, the benefits of the grant programmes will have a significant effect on Lincolnshire's business community.

4. Legal Comments:

The Council has the power to reallocate funding within the programme proposed, cap payments under the programme and bring the programme to a close. The legal issues relating to subsidy control are dealt with in the Report.

The decision is consistent with the Policy Framework and, the decision is within the remit of the Leader of the Council (Executive Councillor for Resources, Communications and Commissioning).

5. Resource Comments:

Accepting the recommendation in this report, to utilise £1.5m of the existing funds to support over subscriptions, will commit the Council to no additional financial costs.

6. Consultation

a) Has Local Member Been Consulted?

Not applicable, this is a county wide programme.

b) Has Executive Councillor Been Consulted?

Yes.

c) Scrutiny Comments

The decision will be considered by the Overview and Scrutiny Management Board at its meeting on 1 July 2021 and the comments of the Board will be reported to the Leader of the Council.

d) Has a Risks and Impact Analysis been carried out?

Yes.

e) Risks and Impact Analysis

Please see risk analysis embedded into the report.

7. Background Papers

Document title	Where the document can be viewed
Executive Councillor decision report "Business Support Programme" 19 to 26 February 2021	Decision - Business Support Programme (moderngov.co.uk)

This report was written by Justin Brown, who can be contacted on 01522 554825 or justin.brown@lincolnshire.gov.uk.



**Open Report on behalf of John Wickens,
Assistant Director - IMT and Enterprise Architecture**

Report to:	Overview and Scrutiny Management Board
Date:	01 July 2021
Subject:	Update on IMT Service Plan and Serco Contract Performance

Summary:

This report serves to inform the Board on the future IMT Service Plan, including the projects planned for the future, and to report the progress of the Serco contract performance against IMT contractual Key Performance Indicators.

Actions Required:

The Board is requested to review and comment on

1. the function and recent activities of the IMT Service and the progress on highlighted projects currently being commissioned through IMT.
2. the progress of the Serco contract performance against IMT contractual Key Performance Indicators.

1. Background

This report responds to a request for regular routine updates to the Overview and Scrutiny Management Board on all aspects of the Council's IMT function which, following agreement with the Chairman and Vice Chairman of the Board in late 2020, will be made sequentially on a quarterly basis over a 12 month period.

This is the third quarterly report, this time focusing on the IMT Service Plan and the Serco contract performance against IMT contractual Key Performance Indicators.

2. Conclusion

The IMT Department has responded to the request of the Board to update it regularly on all aspects of the IMT function and on this occasion, this report serves to enable the Board to scrutinise two of them.

Appendix A updates the Board on the future Service Plan and activities currently being undertaken within IMT.

Appendix B serves as a further update to the Board on Serco's performance against IMT contractual Key Performance Indicators (KPIs) specified in the Corporate Support Services Contract between November 2020 and May 2021.

The Board will note that the IMT Service has continued to respond to the requirements to support Lincolnshire County Council (LCC) staff and services in delivering throughout the Covid-19 situation.

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	Delivery of IMT Service Plan
Appendix B	Serco Contract Performance against Key Performance Indicators November 2020 – May 2021

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 John Wickens, Assistant Director - IMT and Enterprise Architecture, who can be contacted on 01522 553651 and Paul Elverstone, ICT Contracts and Licenses Officer, who can be contacted on 01522 553205. Alternatively, via e-mail to john.wickens@lincolnshire.gov.uk and Paul.Elverstone@lincolnshire.gov.uk respectively.

Delivery of IMT Service Plan

Summary

This report provides an update on the delivery of the forward plan elements of the IMT workload. Whilst small scale change is sometimes delivered using Service Improvement Plans, most larger change is delivered via a project methodology and is managed by the Project Management Office.

Background

The retained IMT Service operates within three towers, Service Management including the Support Desk and Operations (outsourced to Serco), Data Services Operations and the Project Management Office (PMO) for the delivery of change (projects).

IMT Workload

Project workload is essentially created by three drivers.

Lifecycle/Modernisation which is that work required to keep the technical environment stable and available within supported status with the manufacturers.

Security which is that work required to respond to the ever-developing threats to Council business from the constantly evolving attack techniques being detected. Often this work is mandated by changes to the compliance specifications pertaining to .gov.uk namespaces, Payment Card Industry (PCI) and others.

These two elements, being funded from IMT Budgets, tend to be the focus of IMT planning and the third element is streamed in to the portfolio to effect resource planning. This plan is the subject of this update.

Thirdly, Business commissioned, which is that work required to deliver commissioned work from the business, typically in the form of new or upgraded business softwares/services, integrations to operating partners of the Council or to support business change and re-organisations etc. For example, programmes such as the Highways Alliance and the current Corporate Transformation Programme. These are reported by those programmes in their planning phase and are not duplicated in the IMT Plan.

IMT Plan Delivery of IMT Strategy

The current Strategy, in effect the 2019-2022 IMT Strategy, now has only two remaining workstreams in flight. Both are scheduled to complete before end October 2021.

- The **Telephony Enablement** project will upgrade the Avaya software and reconfigure the underlying platform. This will extend the working life of the existing investment and address a number of issues affecting the CSC

The Project's dependencies on other Infrastructure Upgrades are now delivered and over half of the Telephony platform is upgraded; the project is scheduled to complete in October 2021. Further work is planned to cost engineer the platform taking advantage of the working from home directive and smarter working strategy.

- The current version of Microsoft Office will be replaced with **Office 365**. As well as access to well known apps – Word, Excel, Powerpoint – LCC staff will have access to Skype for Business video conferencing improving productivity and reducing travel. This sophisticated Cloud service will also allow content and data to be accessible to all connected devices with effortless sharing and collaboration

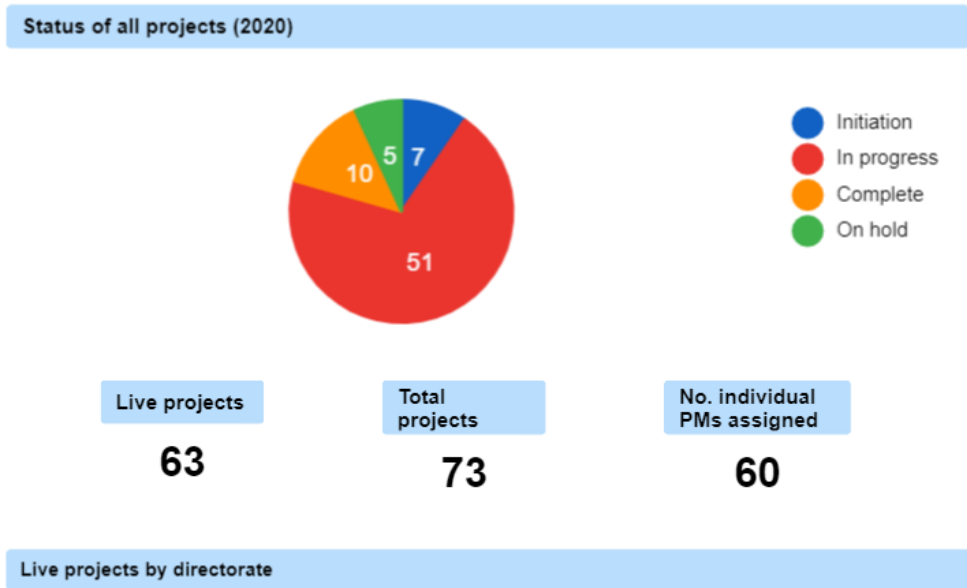
The project was about to deploy when the Covid working from home directive started. The method of migration has had to be completely redesigned and has had to incorporate a shift in the device management strategy to a “Cloud managed” device strategy. This work is now in pre-migration testing and the first pilot group of this completely new technique is underway. If successful, corporate migration will occur over July and August in batches. There are significant advantages to future IMT service delivery from this extra work which brings our desktop management completely up to date nearly two years earlier than envisaged.

Table 1: Projects commissioned March - May 2021

Project	Submitted	Service Area
IMT-517-2102 Members IT 2021	15/02/2021	Commercial
IMT-518-2103 Smarter Working Early Engagement	02/03/2021	Commercial
IMT-519-2103 POC for Avaya Lex Bot integration for Click & Tip	16/03/2021	Transformation
IMT-521-2103 DMZ	16/03/2021	Commercial
IMT-523-2103 Nulia Works	29/03/2021	Commercial
IMT-522-2104 PCI DSS – Documentation of LCC Card Data Environment	13/04/2021	Resources
IMT-525-2104 – Trend Deep security as a service – 2003 and 2008 server implementation	13/04/2021	Commercial
IMT-520-2104 Wifi in County Offices Leadership Hub	29/04/2021	Commercial
IMT-526-2105 LTTP Redevelopment Stage 2: Platform migration	11/05/2021	Place
IMT-527-2105 STAMP Replacement (Serco support to Methods)	11/05/2021	Children's Services
IMT-529-2105 CloudBooking system integration	24/05/2021	Commercial
IMT-528-2105-Smarter Working investigations	25/05/2021	Commercial

NB: Grey denotes Pipeline projects that have been commissioned to become "In-Flight".

Figure 1: Live IMT projects “In Flight”



NB: The detail of the “In Flight” portfolio is reported to the Board twice annually and is not repeated here.

Table 2: IMT Pipeline (Planned & In Development IMT Projects)

Description	Summary of Purpose	Priority	Category
2nd Remote Access & BC Option	<p>Research for an additional Resilience for Remote Technical access to control the environment.</p> <p>Direct Access is becoming End of Life and a new "back up" remote access solution for technical teams is required in the event of primary failure or denial of service attack. To research, commission and install alternate VPN provision. Potentially a tactical solution to augment DA and AoVPN to provide a more stable platform for latency and connection sensitive applications in critical business uses.</p>	Expedite	Research/Trial/Options
Broadband Performance Monitor/Telemetry	<p>Solution to detect where performance of Consumer Broadband is affecting remote working experience.</p>	Expedite	Research/Trial/Options
Crown House Decommission	<p>Property has advised Crown House is being removed from the estate portfolio. Crown House connects Thomas Parker House to CC Telephony, Network and key elements of resilience equipment require relocation/decommission.</p>	High	Lifecycle/Problem
WiFi 21 & Tiered Network & Resilience of Interconnects Phase 2	<p>To improve the resilience of networking utilising the new Lancaster House Comms room (created in phase 1) fully, and layer (separate) our access networks and interconnects to improve the security of key technical assets and platforms. To also complete the replacement of equipment and fibres and cabinets (to take deeper switches) in the campus buildings across LCC. To plan the reconfiguration of WiFi to an "Un-trusted" access layer topology and to re-baseline the WiFi performance after considerable change in user patterns.</p> <p>To provide Guest WiFi Internet Break-Out, Gov.WiFi, Guest Printing NB: Related to Cloud Printing</p>	High	Modernisation/Optimisation
Documents Migration to 365	<p>Plan, design and execute a documents Migration scheme for business units to adopt Sharepoint/Onedrive.</p> <p>Productionise Records Management and retention Scheme in Office 365.</p> <p>Driver: Cost engineering to downsize OT Platform and file storage, related to removal of legacy File Services, Support mobile working with user document data on all devices, support strategy of Cloud connected devices.</p>	High	Transformation

File Services Migration & Deprecation	<p>To plan and design a documents Migration scheme for business units to adopt Sharepoint/Onedrive. To remove legacy File Services from user visibility.</p> <p>Drivers: Cost engineering , Improved Security, Support mobile working through user document data on all devices, support strategy of Cloud connected devices</p>	High	Modernisation/Optimisation
Identity in the Cloud	<p>To provide single Sign On to public cloud solutions and avoid exposure of LCC passwords (or Biometric data) to third parties.</p> <p>Improves security for "Privileged Access" and will allow administration rights to be dynamically provided as time limited for specific tasks and roles.</p> <p>To allow partnership Orgs to consume LCC platforms and services through federation.</p> <p>Drivers: Security, Convenience, reduced password resets for 3rd party systems., reduced Admin overhead. Publishing securely to Partners supporting partnership working.</p> <p>NB Related to Certificate Service review.</p>	High	Modernisation/Optimisation
Oracle platform replacement	<p>To design and procure replacement Oracle server services that must be resilient for business-critical applications. (MTC and Mobisoft currently).</p> <p>This is lifecycle management to replace 2008 and VMWare server solutions, Oracle licensing makes Azure hosting prohibitively expensive.</p>	High	Lifecycle/Problem
Protection for Mobile Devices	<p>Improve protection for Mobile Devices in light of recent phishing attacks</p>	High	Lifecycle/Problem
Business Continuity and the Cloud	<p>Top-Down review of Business Continuity Strategy to reflect the fundamental change of migration to public cloud services and reduction/removal of 3rd party infrastructure hosting. Whilst Azure has historically achieved very high uptimes a full review is required to ensure alignment with Business Requirements and to detail the new risks of these services.</p> <p>Driver: The migration of Application services to Microsoft Azure will include critical applications. GDS plan to collate information on Gov BC Arrangements.</p>	High	Research/Trial/Options

Emergency lighting/lighting circuit remedial works in the OH DC	The lighting in the Data Centre at OH is run from Distribution boards that have faults, Property have advised these need to be replaced, in addition testing has highlighted that the lighting does not run on the DC generator - meaning only emergency lighting is in place for 3 hours. The lighting is inadequate/unsafe for prolonged working whilst the DC generator is the power source - this would create a risk for continuing DC operations in a power outage where the DC generator is required to run for extended periods. Vinci and Property need to perform work on the distribution board feeding the lighting, this can be amalgamated with a change in feed so the lighting also runs on the DC generator	High	Lifecycle/Problem
zScaler Optimisation (Relates to Remote Sites Infra)	To Further exploit the zScaler Service Objectives to review: Protection for Mobile devices Protection for Servers, Application Publishing Protection for Unmanaged Devices/Guest (eg No Client) Consider if GRE would deliver advantages	Med	Research/Trial/Options
O365 Back Up	Formal BC to consider merits and cost/benefit of adding data back ups to highly resilient and available public cloud subscriptions. To consider tools to address the new challenges of handling movers/Leavers data within personal profiles/mailboxes etc to ensure proper records are retained. To consider threat of Account Hijacking and data vandalization NB: Open Text Carbonite	Med	Research/Trial/Options
Contact Centre Migration to Cloud (Plan Phase) MS Teams - Personal Telephony	Recent MS announcements and the success of MSTeams adoption now imply significant benefits in linking future Contact Centre with MS Teams to inform service selection. The desire to automate and make digital Council services and increase the value of "Advisors" in the Contact Centre implies significant value in centring this platform with the data and process control, and the gateways/middleware's to automate certain important non cloud services such as BWO and Mosaic securely. This will allow a "Service Management" platform to be built for digital services.	Med	Research/Trial/Options
Remote Sites Infra	Refresh of Satellite Offices network infrastructure. Includes BC for Removing small satellite offices from Corp WAN by providing Local Breakout combined with the improving remote working solutions recently invested in.	Med	Modernisation/Optimisation

Multi Channel Customer Records Management & Data Management	Research to support Digitalisation of Council Services across multi channel will create the Requirement for a CRM capability well integrated to the automation and process technologies in use. It will likely also require integration between a number of CRM/Case Management platforms across the Council and its partners.	Med	Research/Trial/Options
ATP Advanced Threat Protection (Relates to Protection for Mobile Devices)	To exploit the Office 365 Advanced Threat Protection to replace our use of MacAfee and reducing cost. Driver: Cost engineering	Med	Modernisation/Optimisation
Biometric Logon	Medium Term Objective is to remove in many cases the need for staff to use passwords to access LCC devices, through the use of Biometrics on our next generation of devices combined with Multi Factor Authentication. Over time with the deployment of updated Notebooks it will become possible to alter the authentication methods available to staff and members. Services such a as Microsoft Hello support face and fingerprint recognition and when the majority of a user's devices are able to work in this way it would reduce the incidence of forgotten passwords. Drivers: Improved Security through reduced Account Hijacking, Ease of Use, Reduce password resets, forgotten passwords, Alignment to current security Best Practice.	Med	Optimisation
Process Management, Design & Automation Tools (inc Jadu Hubris) Relates to Service Design 365 Dev Ops	To create an agile capability and enable the use of Power Automate, Power Apps, Flow, Sharepoint and the required connectors and broker services to support the Digital Integration and Process Automation agenda's	Med	Dev Ops
Security Monitoring Service	To develop the next plan to improve detection of incidents and potential incidents To adopt a repeatable and comparable framework Manage security posture To improve recovery management and incident response capability Security challenges worsen year on year and in our efforts to keep LCC networks and data safe we must invest in the most effective methods to manage this risk. A specialist 3rd party, monitoring our networks for signs of penetration will give warning of attempted and successful attacks much earlier than at present.	Med	Research/Trial/Options

De-commission Legacy BlueCoat Proxies	The architecture of legacy Internal Load Balancers at Orchard House is now obsolete. Discovery piece is to be undertaken to establish if these can be decommissioned, or downsized. Driver: Cost Engineering	Med	Lifecycle/Problem
Legacy Decommissioning	Audit to discover legacy equipment in Data Centre that should be properly decommissioned. Driver: Cost Engineering, Power consumption, Fire Risk	Med	Lifecycle/Problem
PC Refresh 2021	Place Holder for Standard Annual Expenditure To replace any Corporate PC's/Notebooks that are beyond their working life during FY21/22	Med	Lifecycle/Problem
Mobile Phones/Tablets Refresh 2021	Place Holder Standard Annual Expenditure To replace any Corporate phones that are beyond their working life during FY21/22	Med	Lifecycle/Problem
SmartNumbers	Time bound Requirement to support a number of telephony migrations: Teams personal Telephony ISDN - SIP migration Cloud Contact Centre migration Home Working/Satellite Offices on National Infrastructure	Med	Research/Trial/Options
SNAP Optimisation or Decommission	The Feb 21 IMT Board approved the commissioning of a new Public Engagement platform to replace the use of SNAP. This project is to consider the remaining use cases for SNAP, its suitability, other options, Rightsized Licence costs, Lifecycle status, Hosted/Cloud and lifetime cost and establish if the service should be displaced or decommissioned.	Med	Research/Trial/Options
IMT Dept Tools & Systems	The IMT department requires specific tools which allow the modelling and capture of the complex technical & service environment efficiently in order that change impact can be better understood and visibility of that environment maintained. The latter is essential in a small team where the loss of key technical staff typically removes knowledge of key solutions and architecture at a stroke. The service redesign within the CSSR program requires the service design to be modelled to manage the significant change in our support services.	Med	Modernisation/Optimisation
Orchard, Lancaster House Physical Security	Improve the physical security of Lincoln data centre and Lancaster House Comms room further to Insurance Assessment, prevent unauthorised/malicious access and improve logging of access.	Med	Lifecycle/Problem

Cloud Print	To support Home Working and for satellite offices (on National IF where more cost effective). (Business requirement to be confirmed)	Low	Modernisation/Optimisation
Map Info Rationalisation (Phase 2)	Reduce dependency on proprietary systems, and as such reduce associated licensing costs. Migrating users to QGIS & Location centre where possible reducing dependency on Mapinfo to essential use only.	Low	Research/Trial/Options
Review Loneworker Solution	The current LoneWorker solution needs to be reviewed before January 2022 to ensure it is still fit for purpose and being actively used to inform the decision about the extension of the current Orbis Loneworker contract.	Low	Lifecycle/Problem
Azure Optimisation	Maturity phase of Azure adoption to ensure the most cost effective design is in place through activities such as removing servers and replacing with As a Service options. Driver: Cost Engineering	Dependant	Modernisation/Optimisation

Update

In recent months the focus has moved away from the re-engineering required to support “Home Working” and “Smarter Working” and resource has returned to key Portfolio projects such as the Azure Migration, Legacy Operating Systems, Telephony and the Modern Device Management work that has been undertaken to allow us to recommence the update of the Microsoft Office software on users devices to complete the experience of the migration to Office 365 in the cloud.

Projects from the Pipeline are being analysed to become projects as other projects close and release resources.

The Project Pipeline shown in Table 2 is expected to represent around 2.5 years elapsed, subject to current technical resource levels and the level of business commissioned work for the IMT PMO over that period.

The renewed IMT Strategy for 2022-25 was deferred for 3 Months pending analysis of the overlap with work within our Council's Transformation Programme and to ensure alignment with business requirements being developed in partnership with that programme.

The strategy will add detail and the reasoning as to why the Pipeline above denotes the current thinking on how best to achieve the Council's strategic goals and align with the joint goals of the Council's Transformation Programme. The pipeline may evolve or change in that work to ensure the best available method of delivering the outcomes is adopted into the plan for approval.

**Serco Contract Performance against Key Performance Indicators
November 2020 – May 2021**

Summary

This report provides an update of Serco's performance against IMT contractual Key Performance Indicators specified in the Corporate Support Services Contract between November 2020 and May 2021, and provides an update on the continuing work to ensure KPIs continue to be met.

Background

This report sets out Serco's performance against the IMT contractual key performance indicators (KPIs) between November 2020 and May 2021 (months 68 to 74 since the service commencement date 1 April 2015). Please note this report relates only to the IMT Service KPIs.

Performance

Table 1 below provides summary red/amber/green (RAG) status of the IMT Service Key Performance Indicator (KPI) results for the seven months of service delivery from November 2020 to May 2021.

Red status indicates that Serco's performance against the KPI has failed to meet the Minimum Service Level (MSL). Amber indicates a failure to meet the Target Service Level (TSL) but has achieved MSL. Green indicates that Serco's performance as measured against the KPI has either met or exceeded the TSL as set out under the Corporate Support Services Contract. The table gives the "Raw" outcome without any agreed mitigation. Where mitigation was agreed this is shown separately.

Table 1: Overall IMT - KPI Summary Performance

Overall IMT Contract Performance	Number of IMT KPIs						
	Yr 6 Nov-20	Yr 6 Dec-20	Yr 6 Jan-21	Yr 6 Feb-21	Yr 6 Mar-21	Yr 7 Apr-21	Yr 7 May-21
TSL achieved	11	11	12	12	12	12	12
MSL achieved	2	2	1	1	0	0	1
Below MSL	0	0	0	0	1	1	0
TOTAL	13	13	13	13	13	13	13
Mitigation Agreed	2	2	1	1	1	1	1

Exceptions

The only exceptions in the current reporting period relate to mitigations.

Table 2 below shows the background and rationale for the Council granting mitigation where a dependency outside Serco's control (e.g. implementation of Mosaic) prevents agreed targets from being fully met. Granting mitigation relieves Serco from the application of Service Credits (deductions).

Table 2: Details of KPI Mitigation, March 2020 – October 2020:

KPI Ref No	Short Description	Reason for granting Mitigation	Impact	Path to Green
IMT_KPI_09 (November and December)	% Achievement of Service Request Fulfilment within Service Request Fulfilment Time	The Covid-19 BCP described above meant that incidents (i.e. something is not working and requires fixing) were prioritised over requests for service.	Serco continued to deliver the service but continue to prioritise fault fixing over service requests due to the effect of this KPI. The steady improvement noted in the last reporting period continued and this KPI has now been green for the last four months.	N/A

KPI Ref No	Short Description	Reason for granting Mitigation	Impact	Path to Green
IMT_KPI_14 (November to May)	% of Windows end user devices patched within 21 days of release of critical operating system updates.	Software patches rely on a network connection in order to download on to user devices. The Covid-19 response prevented most staff from visiting LCC's offices and therefore did not connect to the Council's network. Once remote connectivity had been rolled out there was a substantial backlog of downloads to complete. Meanwhile software suppliers continue to release patches in response to new and emerging security issues and additional functionality requirements.	Serco continued to deliver the service but it is hampered by the on-going connectivity issues.	The TSL is 95% and the MSL is 90%. The performance against this KPI declined between February and April and fell below the minimum level in March (89.45%) and April (87.77%). There was a marked improvement in May and service is now above MSL but has not yet reached TSL. The patch downloads happen automatically when a device is connected remotely to the network but they require the end user to restart their device in order for the downloaded patch to be installed. Communications have been issued to remind users to restart their devices regularly. Serco has recently been asked to investigate whether it is possible to measure how many devices have downloaded the patches separately from whether the patch has been installed.

Trend Analysis

This section aims to note any significant changing trends in those KPIs that have met the TSL, but may be showing signs of significant performance change - deterioration or improvement. This 'green' KPI trend data has been reviewed for the period from January to October 2020:

All of the 'green' KPIs are currently stable or improving and none look likely to fall to their TSL limit before the contract ends.

Conclusion

The general picture is one of good performance overall. It is notable that during the Covid recovery and on-going lockdowns only two KPIs failed to perform at green. One has now recovered while KPI14 is still receiving attention.

The long running fault condition with remote access (aka AlwaysOnVPN) that has given rise to a longer than expected period of KPI relief is still not entirely eliminated. There have been a number of contributory factors rather than a single root cause and many of these have now been addressed. Consequently the general user experience has improved but is still causing several tickets to be raised with the service desk every day and further analysis is on-going along with investigations into alternative products in specific circumstances.

The on-going situation with AOVPN has delayed the planned introduction of two new KPIs to replace KPI-09. The new KPI definitions place equal priority on service requests and incidents (user reported faults) and will improve the user perception of the service, all other factors being equal.

The backlog of tickets previously reported has been the subject of much focus and bulk ticket closures have been used to enable the service desk to close Incidents that are no longer causing problems. The alternative would have required many months to manually work through the backlog which would have diverted resources from dealing with new incidents. The level of activity is still high, and because of the current pattern of working from home the average time to resolve incidents has increased, thus putting further pressure on the service desk. Consequently demand management and allocation of resources is under constant review.



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

Report to:	Overview Scrutiny and Management Board
Date:	01 July 2021
Subject:	HR Management Information and Workforce Plan Update Report

Summary:

The purpose of this report is to provide an update on the HR Management Information (HRMI) and on corporate HR projects.

Actions Required:

The Overview and Scrutiny Management Board is asked to seek assurance on HR Management Information and the progress on corporate HR projects.

1. Background

The regular review and monitoring of HR Management data at both Director Leadership Team (DLT) level and by Corporate Leadership Team (CLT) enables oversight of workforce and HR performance at both a local level and for the organisation.

The HR Service provides quarterly updates of HR management information to DLT's. The Council is also required to publish information on the internet about the workforce in an annual gender pay gap report and in the annual Workforce Report, summarising equality and diversity performance in line with statutory requirements.

This report provides a summary of the most recent data available from the 2020/2021 Quarter 3 HR Management Information report (October to December 2020).

The report also includes a high level summary update of corporate workforce projects and the plans for the new People Strategy.

2. Corporate Workforce Management Information

Together with other organisational information, the data about the workforce informs the priorities for the Council's HR and Workforce projects and the solutions required to

address current and future workforce challenges, in particular to attract, recruit and retain skills in high risk areas.

The following summary highlights the key information gathered during Quarter 3 (Q3) of 2020/2021 (01/10/2020- 31/12/2020). Illustrations of the data can be seen in Appendix A.

2.1. Number of employments

At the end of Q3 2020/2021 the Council had 4,576 employment contracts covering 4,092 full time equivalent (FTE) roles. The number of FTEs reached the lowest figure in March 2017 (3,429.)

There have been small fluctuations in staffing numbers over the last year. The Q3 2020/21 figure of 4576 is 38 employments higher than Q3 2019/20. There has been a slow rate of increase over the last two years.

During the Coronavirus pandemic, recruitment was limited to priority roles. This restriction was lifted at the end of June so recruitment has returned to normal levels.

2.2. Agency spend

Services within the Council use agency workers to provide flexibility on a short-term basis. This may be to cover a role pending permanent recruitment, to cover a secondment, for peaks in demand, specialist skills or to cover absences such as paternity leave, holiday or sickness.

There are therefore circumstances where using agency workers is beneficial to the organisation as an effective way to fill short term absences or vacancies. There are situations where longer term use of agency workers has proved to be a cost effective and appropriate way of resourcing. This includes roles such as Educational Psychology and Family Learning Tutors. It also helps to attract individuals into hard to recruit areas, such as Adult Social Care, where they have a chance to experience working in services before they apply for a position.

Agency usage can however impact team stability and staffing costs so it is important to continue to monitor agency usage, review recruitment and development opportunities and to replace with employments where possible.

The agency spend under our current provider contracts for 2020-2021 was £3,924,260 which shows a £1.15 million decrease in agency spend compared to 2019-2020. The total agency spend including other contract arrangements was £4.89 million, which is £2.2 million less than the previous year.

This has been achieved by reviewing the agency arrangements in place, offering contracts of employment to agency workers where there is an on-going demand and successful recruitment campaigns.

Further review and comparison of agency usage with other authorities will assist the Council to ensure that the on-going level of agency usage is proportionate, appropriate and providing valuable flexibility to the resourcing of professional roles.

2.3. Voluntary turnover

The annual voluntary turnover figure for Q3 is 6.38%. When it was last reported in Quarter 1 2019/20, the voluntary turnover was 8.7% and had remained at a steady rate over the last two years, between 8% and 10%. In the last year, voluntary turnover reduced as employees chose to remain in their jobs during the uncertainty of the pandemic. Early indications suggest that this will increase again. Both local and national intelligence suggests that the working population are re-evaluating their working lives and some may choose to make changes. This may include reducing working hours, changing jobs or retiring earlier than planned. This is likely to have an impact on the Council and therefore regular monitoring of leavers and the attraction and retention of staff will be an important part of the new People Strategy.

2.4. Days lost due to sickness absence

The days lost due to sickness absence for Q3 is 6.35. The current target is 7.5 sickness days per FTE. The data shows that in the majority of areas absence levels have reduced during the pandemic where individuals have had less contact with viruses and in some cases have felt more able to manage both short term and longer term conditions from home.

The management of sickness absence continues to be a key priority for all Executive Directors and line managers, where individual cases are monitored and any trends are investigated.

2.5. Reasons for sickness absence

We track 5 groupings of sickness reasons:

- Cold/flu/virus (including respiratory, infections, headaches and migraines)
- Mental health (including stress, depression and mental illness)
- Musculoskeletal (including back and neck problems and other muscular issues)
- Surgery related (including post-surgery recovery)
- All other reasons (including cancer and accidents)

It can be seen that when comparing 2019 to 2020 data how the absences for each category were affected.

- From the beginning of the pandemic, all sickness absence was lower overall.
- There was a peak in Cold/flu cases in March and April at the beginning of the pandemic lockdown, reflecting early suspected cases of COVID-19.

- Mental health related cases remained higher than 2019 up to June as individuals were coming to terms with the pandemic, but this then started to reduce and remained lower for the rest of the year.
- Other than a period over the summer Musculoskeletal issues remained lower than 2019.
- The surgery and 'other' categories had a dip in the middle of the year as a number of hospital appointments were postponed.

Although the figures have been lower it is still important to ensure that employees have access to the support and working environment to keep them well.

Mental health awareness and support remains a priority as part of the Health and Wellbeing Strategy and has been a particular focus during the COVID-19 pandemic.

Alongside our usual support arrangements, which are the Employee Support and Counselling service and the Employee Assistance programme available through Sodexo, we have developed a number of additional resources covering key areas including, coping with change, grief and loss, recovering from trauma and financial wellbeing. The Employee Support and Counselling service is now offering group counselling sessions to support teams who require additional support. There are also webinars, apps and other online support signposted for employees to access.

Employees also have access to an emotional support telephone line run by Lincolnshire Partnership NHS Foundation Trust (LPFT), the county's mental health and learning disability NHS trust, and if they require treatment for a mental health condition they can be referred to the LPFT talking therapies service steps2change. This service provides National Institute of Clinical Excellence (NICE) recommended, evidence based interventions for people experiencing depression and a range of anxiety disorders.

There are a number of additional initiatives planned as part of the Health and Wellbeing Strategy which focus on the mental health of the workforce. We have identified a cohort of 45 employees who have volunteered to receive mental health first aider training and a further 20 who are already trained. By the end of 2021, we will have a valuable resource to help support and signpost any employee who needs help with their mental health.

2.6. Equality data

We had 5,137 employees in scope for the 2020 gender pay gap exercise.

The overall gender balance across the Council remains at approximately 1/3 male (32.65%) and 2/3 female (67.35%).

The 2020 gender pay gap report shows that the median gender pay gap is 3.6% and remains considerably below the national average of 15.5%.

The mean gender pay gap is the difference between the mean hourly rate of pay for males (£16.33) and females (£15.37).

Employees with disabilities

The number of employees stating that they have a disability has remained stable and at the end of Q3 2020-21 this was 4.26%. This remains below the latest local labour market data (2011) figure which was 5.6%; however 53.8% of employees have not declared their disability status. Although the provision of this information is voluntary, we plan to encourage more employees to update their details so that we can have a clearer picture of the workforce.

Employees with disabilities are supported to attend work and adaptations to their working arrangements and equipment are put in place where necessary through discussions with their manager and occupational health if appropriate.

Employees from BAME backgrounds

The proportion of employees from BAME backgrounds has decreased slightly in the last year and currently stands at 3.10%. The latest labour market data (2011) shows that 3.4% of Lincolnshire's working population were from BAME backgrounds. The impact of COVID-19 on people in the category has been identified at national level and additional risk assessment guidance has been put in place locally to ensure appropriate steps are taken to manage risk for this staff category.

2.7. Management of Employee Relations cases

The number of formal disciplinary and grievance cases open during Quarter 3 is 27 and 6 respectively. We are now using the new employment policies which were introduced in January 2021 to manage all new cases. We will be reviewing the implementation of these in the coming months, which will be aided by our new case management system.

The high risk employee relations cases are monitored by the Assistant Director for HR and Organisational Support on a monthly basis and where appropriate, challenge is made on how cases are being managed. Formal lessons learned are conducted for the majority of high risk cases to make sure that the relevant services can make any changes to practice where appropriate. This may lead, in some cases, to updating of employment policy guidance and training.

3. Corporate Workforce Update

3.1. People Strategy 2021- 34

The new 'People Strategy' which will incorporate priorities for recruitment, development and support of our people, aligned to the Corporate Plan outcomes, is currently under development. The new Strategy will be presented at the 30 September meeting of the Board. This will replace the Council's former Workforce Plan.

Paragraphs 3.2 and 3.3 provide an update from the key activities in the former Workforce Plan. It is planned that both these activities will be included as on-going priorities in the draft Strategy and work programme.

3.2. Apprenticeship Strategy 2020–21

Lincolnshire County Council has achieved 120 new apprenticeship starts for the 2020-21 financial year. Due to the duration of the higher level apprenticeships, our number of apprentices on roll continues to be healthy as 217 staff progressed with their apprenticeship from the previous financial year. This brings the total number of staff having undertaken an apprenticeship to 337 for 2020-21 financial year.

As of the end of May 2021, the total number of apprentices on roll is 243, with a levy allocation of £2,150,969.00. 64% of training provision is being delivered by local providers.

The corporate approach is currently:

- Continuing to support take up of apprenticeships across all services and schools. For the Council, hard to recruit and retain areas remains the highest priority.
- Within our in-house apprenticeship centres:
 - Business Support delivers the City & Guilds Business Administrator Level 3 and Customer Service Practitioner Level 2 apprenticeships.
 - The Talent & Learning team in HR Services deliver the ILM Level 3 Team Leader / Supervisor apprenticeship and are currently planning for the ILM Level 5 Operations Manager / Supervisor that is scheduled to commence in the autumn.
- We continue to work with the Local Government Association (LGA), Education and Skills Funding Agency (ESFA), local networks such as Compact and the Greater Lincolnshire Local Enterprise Partnership (GLLEP), and as part of the East Midlands Apprenticeship Ambassador Network (EMAAN). This enables the Council to share and receive resources, refine good practice within the Council and participate in benchmarking exercises with other authorities.
- As part of the COVID recovery plans, we are working to ensure, wherever possible, that the Council is in a good position to support apprenticeships in Lincolnshire. One example of this is the work we have undertaken with the LGA to transform our levy funds transfer process which has recently been launched.

3.3. Review of all employment policies

As reported at the Board's meeting on 24 September 2020, the aims of the employment policy review were to develop and embed a refined, streamlined, clearer set of policy documents for all employees to refer to. The new policies reinforce the changes we want

to see in the approach, style and ways of working of the Council and the way we support and manage our workforce, changing in a way that reflects the more responsive and agile working culture.

The new employment policies and processes were launched in January 2021 and:

- Reflect principles that guide decisions. Separate 'how to' guides and toolkits for managers have been developed, and factsheets/information for employees, where necessary.
- Support a culture of early resolution of issues through open and honest discussion – a 'people centred' approach rather than 'process centred' approach. The aim is to promote and develop the capacity to resolve matters as much as possible, informally, before the need to use formal procedures.
- Support the de-escalation of issues – particularly, across the Employee Relations suite of policies, making resolution less hierarchical and lengthy.
- Enable Managers to look across the organisation (to colleagues/peers) if independence needed in hearings/issues resolution, rather than automatically going up the hierarchy.
- Enable Managers to be more empowered and accountable to take decisions in the business context in which they are operating.
- Continue to evolve in line with changes to ways of working, such as agile working.

3.4. Monitoring and Evaluation

The HR Service is monitoring feedback on the new policies through queries received from Managers through the HR Advisory Service and through regular engagement meetings with trade unions. For this initial year, we will be reviewing this feedback on a quarterly basis including feedback sent through the policy site on the intranet so that we can continue to take any necessary actions required.

Although it is early days, generally the feedback has been positive. 47 comments on policy content have been received and changes have been made.

There has also been positive feedback on the new format of the policies which are hosted on the Council's internet. The policies are easier to search and written in a much shorter and more accessible style. All policies include guidance from the National Institute of Health and Care Excellence (NICE) to help us to provide a healthy and productive workplace. There has also been positive feedback received from Managers and Trade Unions on the Managers toolkits which are held separately.

The analysis of the Manager Training evaluations from the 1537 responses received across the four policy workshops reflected a high percentage of improved confidence as a result of attending the training. A further survey will be undertaken with Managers after 12 month's operation of the new policies. Feedback will also be obtained through the biennial employee survey which will be undertaken in November 2021.

4. Conclusion

For data up to and including Q3 2020-21, there has been a small upward trend in the number of employments and FTEs. There has been a positive reduction in the use of agency workers overall alongside a recognition of the value and flexibility that agency usage provides to the organisation.

Sickness absence has reduced particularly during the pandemic while a number of employees have been working from home. The health and wellbeing of the workforce remains a priority and although overall the number of cases have reduced, mental health issues remain a concern for some.

In order to support the mental health of the workforce, a significant amount of additional resources have been put in place ranging from information and advice to webinars, apps and online sessions, counselling and other talking therapies and a Mental Health First Aider training programme for staff.

The regular review and monitoring of HR Management data at both DLT level and by CLT is enabling oversight of workforce and HR performance at both a local level and for the organisation. This is enabling CLT and Directors to identify priorities and solutions required to address current and future workforce challenges, in particular to attract, recruit and retain skills in high risk areas. It is planned that the next report to the Board in September 2021 will provide highlights from 2020/21 Q4 HRMI data and an introduction to the new People Strategy.

5. Consultation

a) Risks and Impact Analysis

Not applicable

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Corporate Workforce Management Information illustrations Corporate Workforce Dashboard – Quarter 3 2020/21

7. 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 Lucy Shevill, who can be contacted on 07785 459871 or lucyk.shevill@lincolnshire.gov.uk.

**APPENDIX A - LCC Corporate HRMI Data summary
Q3 2020/2021**

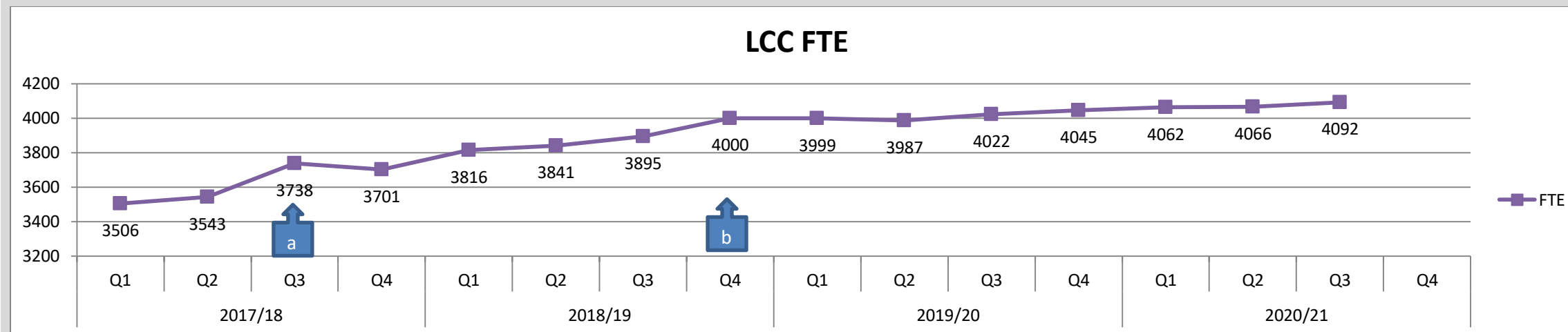
LCC Corporate Establishment and Turnover

Establishment Data																
	2017/18				2018/19				2019/20				2020/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of Employments (all posts)	4000	4042	4272	4225	4346	4361	4412	4513	4517	4507	4538	4551	4568	4558	4576	
Permanent	3793	3815	4014	3968	4096	4112	4156	4225	4240	4244	4276	4282	4299	4282	4301	
Temp / Fixed Term	207	227	258	257	250	249	256	288	277	263	262	269	269	276	275	
FTE	3506	3543	3738	3701	3816	3841	3895	4000	3999	3987	4022	4045	4062	4066	4092	
% FTE increase		1%	6%	-1%	3%	1%	1%	3%	0%	0%	1%	1%	0%	0%	1%	
Agency Workers (On-contract)	122	107	121	104	107	125	104	128	134	134	137	125	99	100	60	
Agency (On-contract) usage rate	3.0%	2.6%	2.8%	2.4%	2.4%	2.8%	2.3%	2.8%	2.9%	2.9%	2.9%	2.7%	2.1%	2.1%	1.3%	

Narrative

Gradual increase of FTE since 2017 including insourcing, recruitment to hard to fill vacancies with more permanent positions and fewer agency workers.

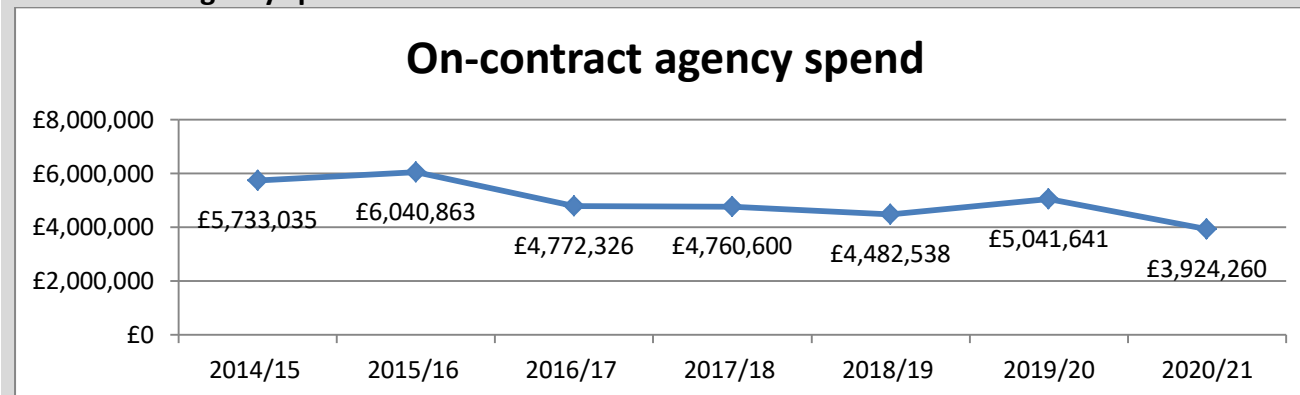
There has been a slow rate of increase in the full time equivalent staffing numbers over the last 2 years showing a steadying of growth when compared to the previous 2 years.



a. Insourcing of 211 Health visitors and Children & Young People nurses to Children's services

b. Insourcing of 51 employees from Serco providing HR services, Customer information requests and Systems support: Mosaic and BWon.

On-contract Agency spend



The agency spend under our current provider contracts for 2020-2021 was £3,924,260 which shows a £1.15 million decrease in agency spend compared to 2019-2020.

This has been achieved by reviewing the agency arrangements in place, successful recruitment campaigns, offering contracts of employment to agency workers where there is an ongoing demand.

Further review and comparison of agency usage with other authorities will assist the Council to ensure that agency usage is proportionate, appropriate and providing valuable flexibility to the resourcing of professional roles.

Period	2018/2019				2019/2020		2020/2021		
	Q1	Q2	Q3	Q4	Q1	Q4	Q1	Q2	Q3
Involuntary leavers	12	38	22	13	12	54	27	20	16
Voluntary leavers	97	111	73	88	103	106	55	82	94
Total leavers	109	149	95	101	115	160	82	102	110
Early leaver Turnover %	3.89%	4.40%	4.36%	3.89%	4.00%			2.02%	1.68%
Voluntary Turnover %	8.75%	8.97%	8.70%	8.70%	9.00%			6.51%	6.38%

The turnover % figures could not be reported for Q4 2019/20 and Q1 2020/21 due to the rebuild of Business World reporting.

In the last year voluntary turnover reduced as employees chose to remain in their jobs during the uncertainty of the pandemic. This is now 6.38% when previously it had remained consistently between 8% and 9%. Early indications suggest that this will increase again. Both local and national intelligence suggests that the working population are re-evaluating their working lives and some may choose to make changes.

LCC Corporate Sickness Absence

Directorate	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2020 Q2	2020 Q3
Adult Care and Community Wellbeing	9.36	9.07	8.29	7.52	7.54	7.85	8.13	8.37	8.46	8.42	7.27
Children's Services	7.38	7.12	6.64	7.06	7.23	7.69	8.11	7.89	8.04	8.01	7.22
Commercial	2.38	2.35	1.94	2.49	2.69	2.46	2.46	3.06	2.92	4.87	4.03
Corporate										2.37	1.99
Fire, Rescue and Emergency Planning										9.41	9.31
Place										5.10	4.22
Resources										6.45	5.59
LFR (Uniformed)	5.95	6.17	5.72	6.53	5.58	6.35	6.33	8.42	9.59	9.79	9.66
Totals:	6.46	6.31	6.10	6.37	6.45	6.81	7.04	7.06	7.15	7.23	6.35

Previous Directorates											
Environment & Economy	3.93	3.7	4.16	4.79	5.14	5.56	5.56	4.45	5.31		
Finance & Public Protection (Excl. LFR)	5.87	5.78	5.83	6.09	6.05	6.14	6.31	6.89	5.99		
Finance & Public Protection (Inc. LFR)	5.89	5.86	5.81	6.18	5.96	6.19	6.31	7.19	6.63		

Narrative:

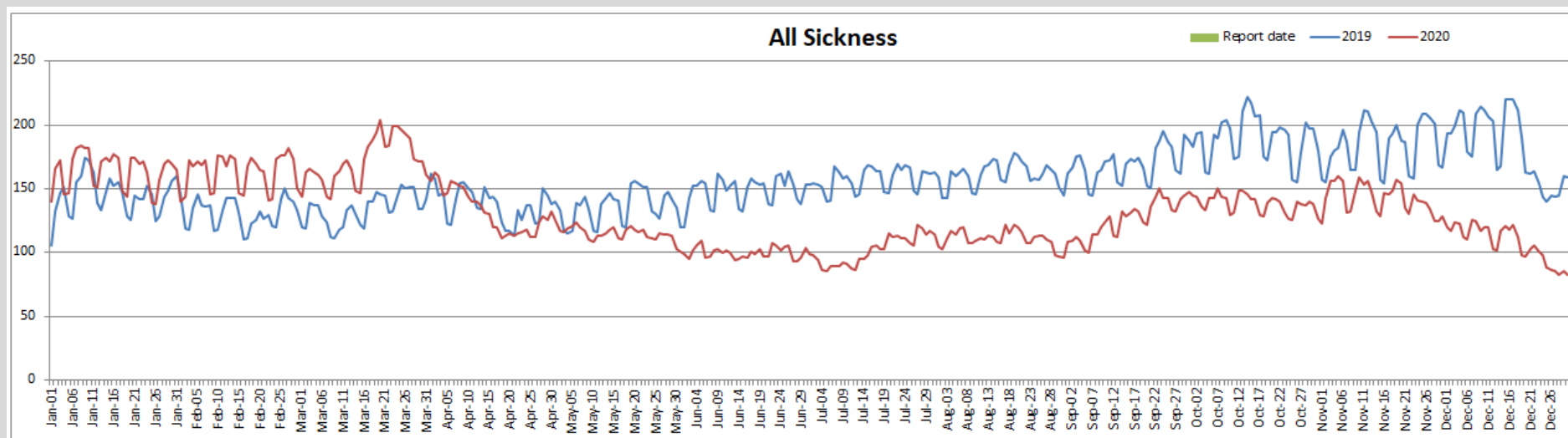
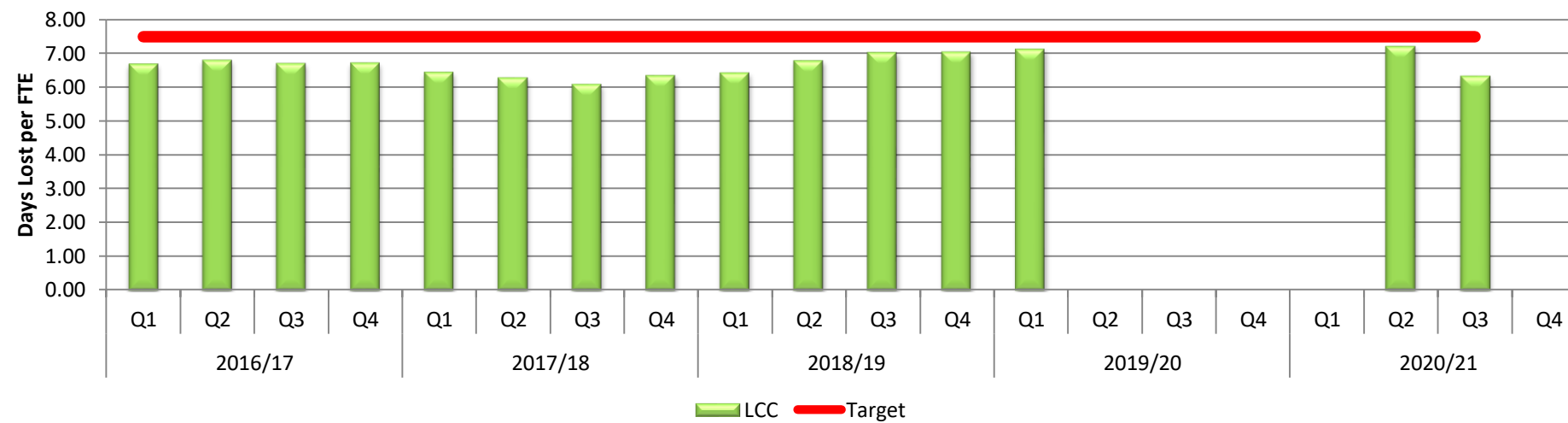
Days lost to sickness absence

The days lost due to sickness absence for Q3 is 6.35. The current target is 7.5 sickness days per FTE.

The data shows that in the majority of areas absence levels have reduced during the pandemic where individuals have had less contact with viruses and in some cases have felt more able to manage both short term and longer term conditions from home.

The gap in the data between 2019 Q1 and 2020 Q2 is due to changes to the organisations structure and reporting methods.

The second table includes historic data for comparison where directorates have changed.



Sickness reasons comparison

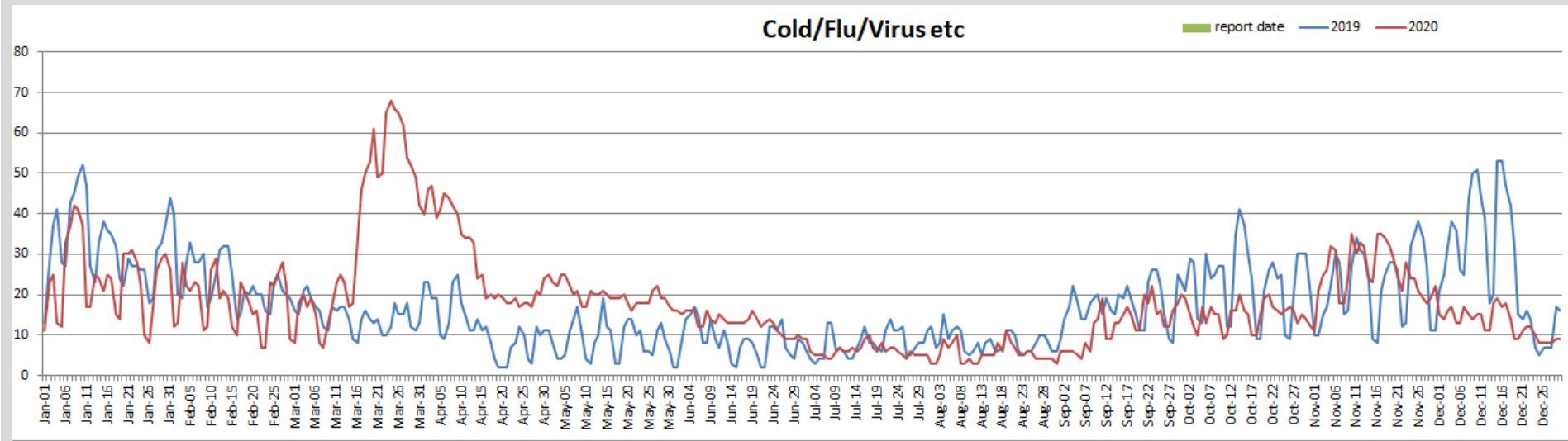
This graph shows the number of absences over 2019 in blue and 2020 in red.

From the beginning of the pandemic lockdown at the end of March 2020, all sickness absence was lower overall than in the previous year.

The following graphs show the number of absences for other key categories of absence:

- Cold/Flu/Virus
- Mental Health
- Musculoskeletal

Sickness Reasons comparison

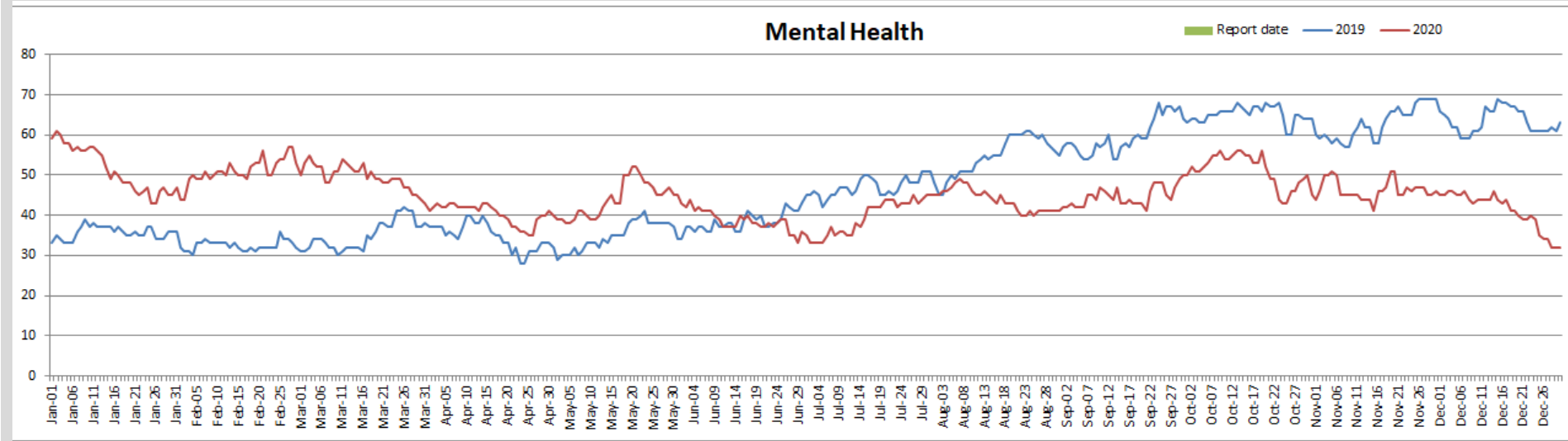


There was a peak in Cold/flu cases in March and April at the beginning of the pandemic lockdown.

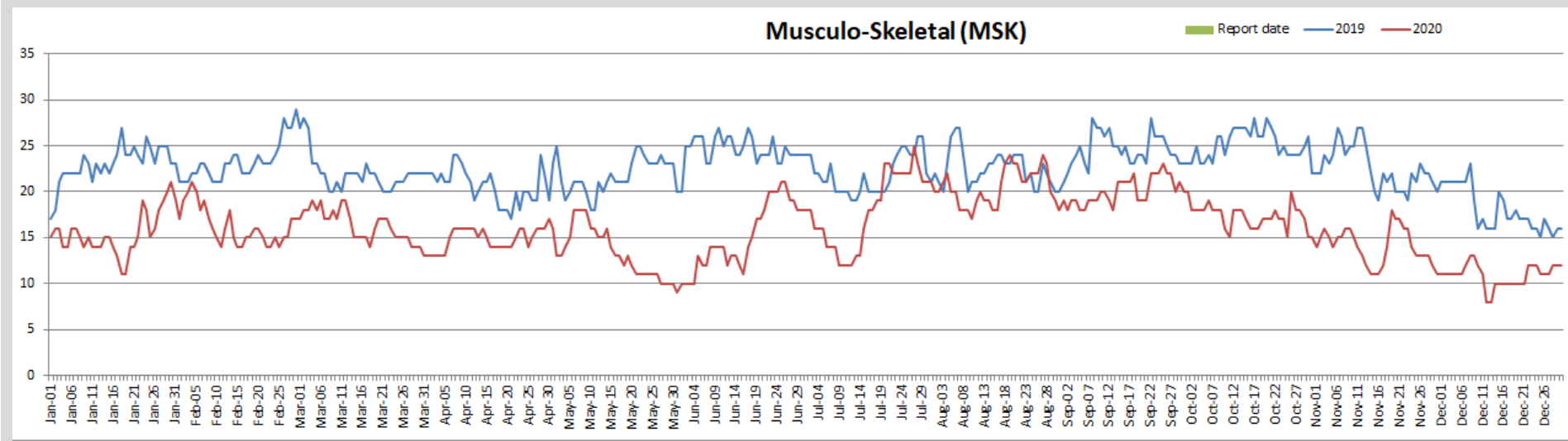
Mental health related cases remained higher than 2019 up to June as individuals were coming to terms with the pandemic, but this then started to reduce and remained lower for the rest of the year.

Other than a period over the summer, Musculoskeletal issues remained lower than 2019 during 2020.

Although the figures have been lower it is still important to ensure that employees have access to the support and working environment to keep them well.

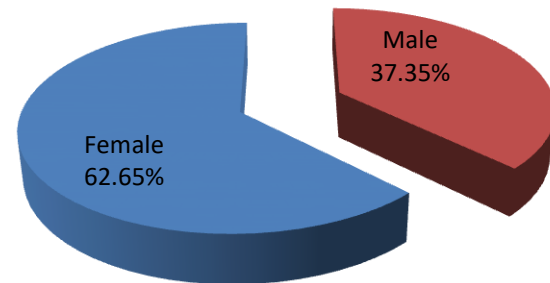


Awareness of and openness about mental health issues remains a priority as part of the health and wellbeing strategy and has been a particular focus during the COVID-19 pandemic.

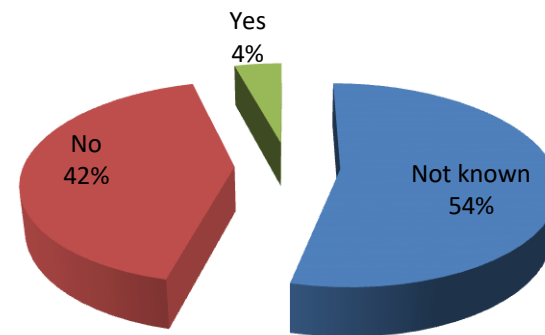


Workforce data

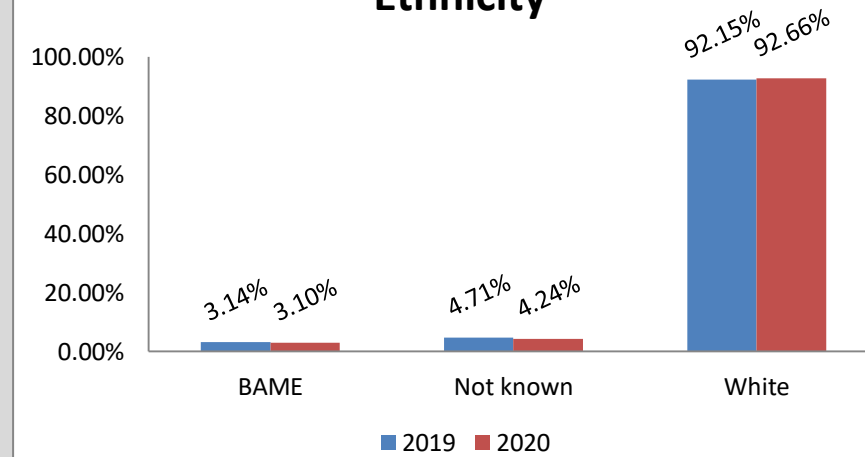
Gender Profile



Disabled status



Ethnicity



Gender profile and pay

The gender profile of the organisation is typical for public sector organisations. The 2020 median gender pay gap is 3.6% and remains considerably below the national average of 15.5%.

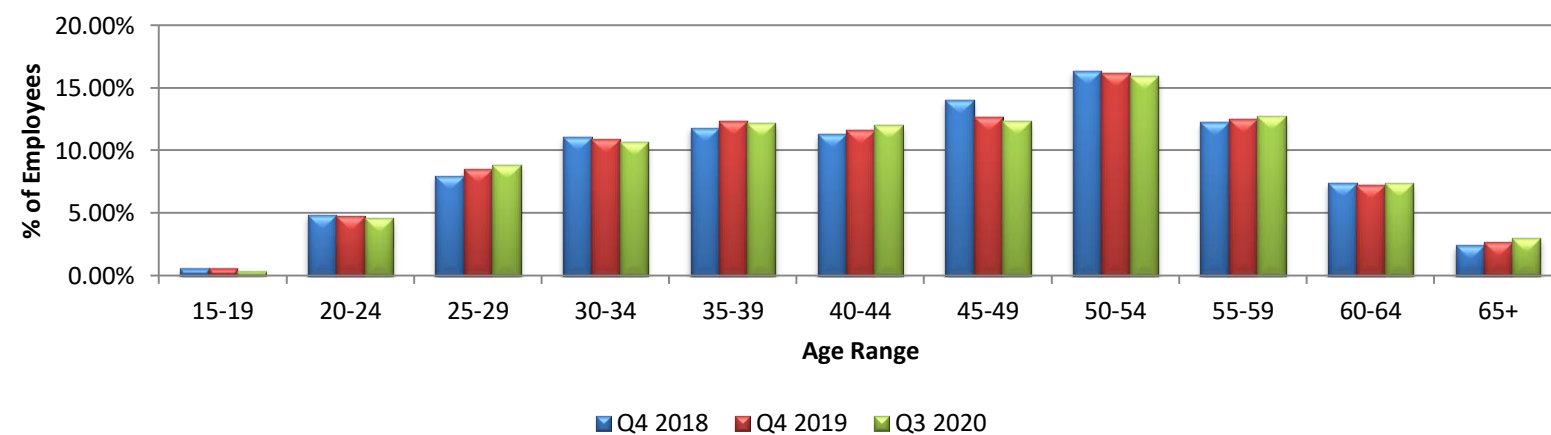
Disability status

The proportion of staff declaring that they have a disability has increased from 2.31% in 2017 to 3.28% in 2018 to the current figure of 4.26%. This remains below the latest local labour market figure (2011) of 5.6%. Employees with disabilities are supported to attend work and adaptations to their working arrangements and equipment are put in place where necessary.

Ethnicity

The proportion of employees from BAME backgrounds has decreased slightly in the last year and currently stands at 3.10%. The latest labour market data (2011) shows 3.4% of Lincolnshire's working population were from BAME backgrounds. The impact of COVID-19 on people from BAME backgrounds has been of concern and additional risk assessment tools have been put in place to ensure all staff who are at greater risk are protected appropriately.

Age Range Profile



Age Profile

The age profile of the organisation shows a large number of experienced employees heading to an age where there is an increased risk of losing their skills and expertise through retirement. Since the last report these figures have shown only minor fluctuations (within 1%).

The attraction and retention of younger employees will provide the organisation with greater resilience for the future.

Continued development of apprenticeships and career progression routes will not only support the hard to recruit areas but assist the organisation in developing and retaining skills internally so we avoid a skills shortage in the future.



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

Report to:	Overview and Scrutiny Management Board
Date:	01 July 2021
Subject:	Overview and Scrutiny Management Board Work Programme

Summary:

This item informs the Board of its current work programme for 2021.

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 2021/22, 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 as defined in section 100D of the Local Government Act 1972 were relied upon in the writing of this report.

This report was written by Nigel West, Head of Democratic Services and Statutory Scrutiny Officer, who can be contacted 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)

01 July 2021		
Item	Contributor	Purpose
Treasury Management Annual Report 2020/21	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Performance Scrutiny
One Council Commissioning Framework	Sophie Reeve, Assistant Director - Commercial	Pre Decision Scrutiny (Executive decision 6 July 2021)
Review of Financial Performance 2020/21	Michelle Grady, Assistant Director - Finance	Pre-Decision Scrutiny (Executive decision on 6 July 2021)
Performance Reporting against the Corporate Plan Performance Framework 2020/21 - Quarter 4	Caroline Jackson, Head of Corporate Performance Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 6 July 2021)
Business Support Programme Reserve Funds	Justin Brown, Assistant Director - Growth	Pre Decision Scrutiny (Leader decision between 2 - 7 July 2021)
Update on IMT Service Plan and Serco Contract Performance	John Wickens, Assistant Director - IMT and Enterprise Architecture Paul Elverstone, ICT Contracts and Licensing Officer	Performance Scrutiny

01 July 2021		
Item	Contributor	Purpose
HR Management Information and Workforce Plan Update	Tony Kavanagh, Assistant Director - Human Resources and Organisational Support Lucy Shevill, Strategic HR Business Partner Fiona Thompson, Head of Human Resources	Performance Scrutiny
Future Wide Area Network (WAN) Options Appraisal (EXEMPT)	Sophie Reeve, Assistant Director – Commercial	Pre-Decision Scrutiny (Executive decision on 6 July 2021)

26 August 2021		
Item	Contributor	Purpose
Revenue Budget Monitoring Report 2021/22 – Quarter 1 to 30 June 2021	Michelle Grady, Assistant Director - Finance	Pre Decision Scrutiny (Executive decision on 7 September 2021)
Capital Budget Monitoring Report 2021/22 – Quarter 1 to 30 June 2021	Michelle Grady, Assistant Director - Finance	Pre Decision Scrutiny (Executive decision on 7 September 2021)
Occupational Health Contract Procurement	Vicki Sharpe, Human Resources Services Manager Lauren Washington, Commercial and Procurement Officer	Pre Decision Scrutiny (Executive Councillor decision between 6 – 10 September 2021)
Draft Customer Strategy	Andrew Hancy, Head of Business Support	Pre Decision Scrutiny (Leader decision on 7 September 2021)
Performance Reporting against the Corporate Plan Performance Framework 2021/22 – Quarter 1	Caroline Jackson, Head of Corporate Performance Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 7 September 2021)

26 August 2021		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Assistant Director - Commercial Arnd Hobohm, Serco Contract Manager	Performance Scrutiny
Update on the Corporate Support Services Review	James Drury, Executive Director - Commercial Sophie Reeve, Assistant Director – Commercial John Wickens, Assistant Director - IMT and Enterprise Architecture	Policy Review
Covid-19 Update	Michelle Andrews, Assistant Director – Corporate Recovery	Policy Development / Review
Overview and Scrutiny Annual Report 2020/21	Nigel West, Head of Democratic Services and Statutory Scrutiny Officer	Performance Scrutiny

30 September 2021		
Item	Contributor	Purpose
Developer Contributions Scrutiny Review – First Monitoring Update of Action Plan	Justin Brown, Assistant Director – Growth Warren Peppard, Head of Development Management	Scrutiny Review Activity
People Strategy	Tony Kavanagh, Assistant Director - Human Resources and Organisational Support	Policy Development
Update on IMT Services <ul style="list-style-type: none"> Project Portfolio 	Donna Fryer, Head of Portfolio and Resources	Performance Scrutiny

30 September 2021		
Item	Contributor	Purpose
Treasury Management Performance 2021/22 - Quarter 1 to 30 June 2021	Karen Tonge, Treasury Manager	Performance Scrutiny
Covid-19 Update	Michelle Andrews, Assistant Director – Corporate Recovery	Policy Development / Review
Proposals for Scrutiny Reviews	Nigel West, Head of Democratic Services and Statutory Scrutiny Officer	Scrutiny Review Activity
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Adults and Community Wellbeing Scrutiny Committee • Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny

28 October 2021		
Item	Contributor	Purpose
Local Transport Plan	Vanessa Strange, Head of Infrastructure Investment Jason Copper, Transport and Growth Manager	Pre-Decision Scrutiny (Executive decision on 4 November 2021) (Council Decision on 10 December 2021)
Transformation Programme Update	Andrew McLean, Assistant Director – Corporate Transformation, Programmes and Performance Clare Rowley, Head of Transformation	Performance Scrutiny

28 October 2021		
Item	Contributor	Purpose
HR Management Information and Workforce Plan Update Report	Lucy Shevill, Strategic HR Business Partner Fiona Thompson, Head of Human Resources	Performance Scrutiny
Health and Safety Annual Report 2020/21	Fraser Shooter, Health and Safety Team Leader	Performance Scrutiny
Establishment of the Legal Services Company – Review Report	David Coleman, Chief Legal Officer	Performance Scrutiny
Covid-19 Update	Michelle Andrews, Assistant Director – Corporate Recovery	Policy Development / Review
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Children and Young People Scrutiny Committee Public Protection and Communities Scrutiny Committee 	Cllr Rob Kendrick, Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper, Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

25 November 2021		
Item	Contributor	Purpose
Performance Reporting against the Corporate Plan Performance Framework 2021/22 – Quarter 2	Caroline Jackson, Head of Corporate Performance Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 7 December 2021)
Performance of the Corporate Support Services Contract	Sophie Reeve, Assistant Director – Commercial Arnd Hobohm, Serco Contract Manager	Performance Scrutiny

25 November 2021		
Item	Contributor	Purpose
Update on the Corporate Support Services Review	James Drury, Executive Director - Commercial Sophie Reeve, Assistant Director – Commercial John Wickens, Assistant Director - IMT and Enterprise Architecture	Policy Review
Revenue Budget Monitoring Report 2021/22 – Quarter 2 to 30 September 2021	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 7 December 2021)
Capital Budget Monitoring Report 2021/22 – Quarter 2 to 30 September 2021	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 7 December 2021)
Treasury Management Performance 2021/22 - Quarter 2 to 30 September 2021	Karen Tonge, Treasury Manager	Performance Scrutiny
Covid-19 Update	Michelle Andrews, Assistant Director – Corporate Recovery	Policy Development / Review
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Environment and Economy Scrutiny Committee • Highways and Transport Scrutiny Committee • Flood and Water Management Scrutiny Committee 	Cllr Ray Wootten, Chairman of Environment and Economy Scrutiny Committee Cllr Bob Adams, Chairman of Highways and Transport Scrutiny Committee Cllr Paul Skinner, Chairman of the Flood and Water Management Scrutiny Committee	Performance Scrutiny

16 December 2021		
Item	Contributor	Purpose
Internal Insurance Strategy	Mandy Knowlton-Rayner, Insurance and Risk Lead	Pre-Decision Scrutiny (Executive Councillor Decision January 2022)
Business World ERP System Re-Design – Progress Report	Louisa Harvey, ERP System Delivery Manager, Business World Andrew McLean, Assistant Director – Corporate Transformation, Programmes and Performance	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
Covid-19 Update	Michelle Andrews, Assistant Director – Corporate Recovery	Policy Development / Review
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Adults and Community Wellbeing Scrutiny Committee • Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny

27 January 2022		
Item	Contributor	Purpose
Service Revenue and Capital Budget Proposals 2022/23	Keith Noyland, Head of Finance - Communities	Budget Scrutiny (Executive decision on 1 February 2022) (Council Decision on 18 February 2022)
Council Budget 2022/23	Michelle Grady, Assistant Director - Strategic Finance	Budget Scrutiny (Executive decision on 1 February 2022) (Council Decision on 18 February 2022)
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Children and Young People Scrutiny Committee Public Protection and Communities Scrutiny Committee 	Cllr Rob Kendrick, Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper, Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

24 February 2022		
Item	Contributor	Purpose
Treasury Management Performance Quarter 3 to 31 December 2021	Karen Tonge, Treasury Manager	Performance Scrutiny
Treasury Management Strategy Statement and Annual Investment Strategy 2022/23	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Pre-Decision Scrutiny (Executive Councillor Decision TBC)

24 February 2022		
Item	Contributor	Purpose
Performance Reporting against the Corporate Plan Performance Framework 2021/22 - Quarter 3	Caroline Jackson, Head of Corporate Performance Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 1 March 2022)
Revenue Budget Monitoring Report 2021/22 – Quarter 3 to 31 December 2021	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 1 March 2022)
Capital Budget Monitoring Report 2021/22 – Quarter 3 to 31 December 2021	Michelle Grady, Assistant Director - Strategic Finance	Pre Decision Scrutiny (Executive decision on 1 March 2022)
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Environment and Economy Scrutiny Committee Highways and Transport Scrutiny Committee 	Cllr Ray Wootten, Chairman of Environment and Economy Scrutiny Committee Cllr Bob Adams, Chairman of Highways and Transport Scrutiny Committee	Performance Scrutiny

24 March 2022		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Assistant Director – Commercial Arnd Hobohm, Serco Contract Manager	Performance Scrutiny
Update on the Corporate Support Services Review	James Drury, Executive Director - Commercial Sophie Reeve, Assistant Director – Commercial John Wickens, Assistant Director - IMT and Enterprise Architecture	Policy Review

24 March 2022		
Item	Contributor	Purpose
Developer Contributions Scrutiny Review – Second Monitoring Update of Action Plan	Justin Brown, Assistant Director – Growth Warren Peppard, Head of Development Management	Scrutiny Review Activity
Property Services Contract Year Six Report	Stuart Wright, Contract Manager - Corporate Property	Performance Scrutiny
Update on IMT Services - User Engagement and Project Portfolio	Donna Fryer, Head of Portfolio and Resources Allison Kapethanasis, ICT Business Relationship and User Engagement Manager	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Adults and Community Wellbeing Scrutiny Committee Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny

28 April 2022		
Item	Contributor	Purpose
Transformation Programme Update	Andrew McLean, Assistant Director – Corporate Transformation, Programmes and Performance Clare Rowley, Head of Transformation	Performance Scrutiny

28 April 2022		
Item	Contributor	Purpose
HR Management Information and Workforce Plan Update Report	Lucy Shevill, Strategic HR Business Partner Fiona Thompson, Head of Human Resources	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee 	Cllr Rob Kendrick, Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper, Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

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

FORWARD PLAN OF KEY DECISIONS FROM 01 JULY 2021

PUBLISH DATE 1 JUNE 2021

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
I022021	Re-painting and Maintenance Works to Cross Keys Swing Bridge	Open	Executive 6 Jul 2021	Executive Councillor; Executive Support Councillor; Local Councillor; Highway and Permitting colleagues including Lincolnshire, Norfolk, Cambridgeshire and Highways England; Historic Environment Team; public utility companies; businesses in the vicinity; and the Highways and Transport Scrutiny Committee	Reports	Principal Engineer (Structures) Email: richard.waters@lincolnshire.gov.uk	The Suttons
I022020	Review of Financial Performance 2020/21	Open	Executive 6 Jul 2021	Overview and Scrutiny Management Board	Reports	Assistant Director - Strategic Finance Email: michelle.grady@lincolnshire.gov.uk	All Divisions
I021772	Future Wide Area Network (WAN) Options Appraisal	Open	Executive 6 Jul 2021	Overview and Scrutiny Management Board	Reports	Assistant Director Commercial Email: sophie.reeve@lincolnshire.gov.uk	
I022167	Exception to the Council's Contract Regulations - Best Start Lincolnshire: Early Years and Family Service	Open	Executive 6 Jul 2021	Children's Services DLT Children's Services Executive DLT Children and Young People Scrutiny Committee (18 June 2021)	Reports	Commissioning Officer - Children's Strategic Commissioning Service E-mail: melissa.cullingham@lincolnshire.gov.uk	All Divisions

I022286 New!	B1178 Tower Lane, Harmston PRN	Open	Leader of the Council (Executive Councillor: Resources, Communications and Commissioning), Executive Councillor: Highways, Transport and IT Between 19 Jul 2021 and 23 Jul 2021	Highways colleagues and utility companies	Reports	Senior Project Leader (Major Schemes) Tel: 01522 552940 E-mail: steve.brooks@lincolnshire.gov.uk	Potterhanworth and Coleby
I022287 New!	A57 and A1500 PRN Package	Open	Executive Councillor: Highways, Transport and IT, Leader of the Council (Executive Councillor: Resources, Communications and Commissioning) Between 19 Jul 2021 and 23 Jul 2021	Highways colleagues and utility companies	Reports	Senior Project Leader (Major Schemes) Tel: 01522 222940 Email: steve.brooks@lincolnshire.gov.uk	Gainsborough Rural South; Nettleham and Saxilby
I021050	The expansion of St Christopher's School, Lincoln	Exempt	Leader of the Council (Executive Councillor: Resources and Communications) Between 26 Jul 2021 and 30 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	Swallow Beck and Witham
I021048	The expansion of the Priory School, Spalding	Exempt	Leader of the Council (Executive Councillor: Resources and Communications) Between 26 Jul 2021 and 30 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	Spalding South
I022022	Coronial Area and Service Merger with North and North East Lincolnshire	Exempt	Executive 30 Jul 2021	Public Protection and Communities Scrutiny Committee	Reports	Head of Safer Communities Email: sara.barry@lincolnshire.gov.uk	All Divisions

022292 New!	Occupational Health Contract Procurement	Open	Executive Councillor: People Management, Legal and Corporate Property Between 6 Sep 2021 and 10 Sep 2021	Human Resources (LCC); Lincolnshire Fire and Rescue; North Kesteven District Council; West Lindsey District Council; City of Lincoln Council; \south Kesteven District Council; Public Sector Partnership Services Ltd (PSPS); East Lindsey District Council; Boston Borough Council; South Holland District Council; Occupational health market; Commercial Commissioning Board; Corporate Leadership Team; Overview and Scrutiny Management Board	Reports	Head of Human Resources E-mail: Fiona.thompson@lincolnshire.gov.uk	n/a
I022132	Community Strategy	Open	Executive 7 Sep 2021	Public Protection and Communities Scrutiny Committee	Reports	Assistant Director - Corporate Email: lee.sirdifield@lincolnshire.gov.uk	All Divisions
I021049	The expansion of St Lawrence's School, Horncastle	Exempt	Leader of the Council (Executive Councillor: Resources and Communications) Between 13 Sep 2021 and 17 Sep 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
I021978	Winter Service Plan 2021	Open	Executive Councillor: Highways, Transport and IT Between 15 Sep 2021 and 29 Sep 2021	Highways and Transport Scrutiny Committee	Reports	Head of Highways Services Email: paul.rusted@lincolnshire.gov.uk	All Divisions

I022290 New!	Children in Care Transformation - Residential Estate Expansion Programme	Open	Executive Councillor: Children's Services, Community Safety and Procurement Between 22 Nov 2021 and 30 Nov 2021	Children and Young People Scrutiny Committee	Reports	Admissions and Education Provision Manager Tel: 01522 553535 E-mail: matthew.clayton@lincolnshire.gov.uk	All Divisions
I022291 New!	Wickenby Children's Home	Open	Executive Councillor: People Management, Legal and Corporate Property Between 22 Nov 2021 and 30 Nov 2021	Children and Young People Scrutiny Committee	Reports	Senior Project Manager Tel: 01522 553807 E-mail: matthew.stapleton@lincolnshire.gov.uk	Ermine and Cathedral
I022177	Revenue Budget Monitoring Report 2021/22	Open	Executive 7 Dec 2021	Overview and Scrutiny Management Board	Reports	Assistant Director - Finance Tel: 01522 553235 E-mail: michelle.grady@lincolnshire.gov.uk	All Divisions
I022176	Capital Budget Monitoring Report 2021/22	Open	Executive 7 Dec 2021	Overview and Scrutiny Management Board	Reports	Assistant Director - Finance Tel: 01522 553235 E-mail: michelle.grady@lincolnshire.gov.uk	All Divisions
I022179	Revenue Budget Monitoring Report 2021/22	Open	Executive 1 Mar 2022	Overview and Scrutiny Management Board	Reports	Assistant Director - Finance Tel: 01522 553235 E-mail: michelle.grady@lincolnshire.gov.uk	All Divisions
I022178	Capital Budget Monitoring Report 2021/22	Open	Executive 1 Mar 2022	Overview and Scrutiny Management Board	Reports	Assistant Director - Finance Tel: 01522 553235 E-mail: michelle.grady@lincolnshire.gov.uk	All Divisions

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Agenda Item 16

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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