



County Offices
Newland
Lincoln
LN1 1YL

17 November 2021

Overview and Scrutiny Management Board

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 25 November 2021 at 10.00 am in the 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), Mrs J Brockway, P M Dilks, R J Kendrick, C S Macey, C E H Marfleet, N H Pepper, E W Strengeiel, R Wootten and 1 Conservative Vacancy

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, 25 NOVEMBER 2021**

Item	Title	Pages
1	Apologies for Absence/Replacement Members	
2	Declarations of Interest	
3	Minutes of the meeting held on 28 October 2021	7 - 16
4	Announcements by the Chairman, Executive Councillors and Chief Officers	
5	Consideration of Call-Ins	
6	Consideration of Councillor Calls for Action	
7	Corporate Plan Success Framework 2021/22 - as at 30 September 2021 <i>(To receive a report by Caroline Jackson, Head of Corporate Performance, which invites the Board to consider a report on the 2021/2022 Corporate Plan performance as at 30 September 2021, which will be presented to the Executive on 07 December 2021. The views of the Board will be reported to the Executive as part of its consideration of this item.</i> <i>This report also sets out the performance of the service level performance indicator for 2021/22 Quarter 2 that is within the remit of the Board)</i>	17 - 46
8	Revenue Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021 <i>(To receive a report by Michelle Grady, Assistant Director – Finance, which invites the Board to consider a report on the Revenue Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021 which is due to be considered by the Executive on the 7 December 2021. The views of the Board will be reported to the Executive as part of their consideration of this item)</i>	47 - 88
9	Capital Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021 <i>(To receive a report by Michelle Grady, Assistant Director – Finance, which invites the Board to consider a report on the Capital Budget Monitoring Report 2021/22 – Quarter 2 to 30 September 2021 which is due to be considered by the Executive on the 7 December 2021. The views of the Board will be reported to the Executive as part of their consideration of this item)</i>	89 - 108

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| 10 | Draft Infrastructure Funding Statement
<i>(To receive a report by Brendan Gallagher, Principal Planning Officer – Infrastructure, which invites the Board to consider a report on the Draft Infrastructure Funding Statement, which is being presented to the Executive on 07 December 2021. The views of the Board will be reported to the Executive as part of its consideration of this item)</i> | 109 - 130 |
| 11 | Scrutiny Committee Work Programmes
<i>(To receive a report which sets out the work programmes of the Environment and Economy; Highways and Transport and Flood and Water Management Scrutiny Committee's, in accordance with the Board's agreed programme)</i> | 131 - 152 |
| 12 | Treasury Management Performance 2021/22 - Quarter 2 to 30 September 2021
<i>(To receive a report by Karen Tonge, Treasury Manager, which invites the Board to consider a report which details the treasury management activities and performance for Quarter 2 of 2021/22 to 30 September 2021)</i> | 153 - 186 |
| 13 | People Management Update - Quarters 1 and 2
<i>(To receive a report by Tony Kavanagh, Assistant Director – HR and Organisational Support, which provides an update on the HR Management Information (HRMI) and on corporate HR projects)</i> | 187 - 192 |
| 14 | Covid-19 Update
<i>(To receive a report by Michelle Andrews, Assistant Director – Corporate Recovery, which provides an update on Covid-19 in Lincolnshire)</i> | To Follow |

ITEMS FOR INFORMATION ONLY

- | | | |
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| 15 | Overview and Scrutiny Management Board Work Programme
<i>(To receive a report which enables the Board to note the content of its work programme for the coming year)</i> | 193 - 206 |
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Democratic Services Officer Contact Details

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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, 25th November, 2021, 10.00 am \(modern.gov.co.uk\)](#)

All papers for council meetings are available on:
<https://www.lincolnshire.gov.uk/council-business/search-committee-records>

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**OVERVIEW AND SCRUTINY MANAGEMENT
BOARD
28 OCTOBER 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, E W Strengiel and R Wootten

Added Members

Councillors M A Whittington and Mrs S Woolley attended the meeting via Microsoft Teams as observers

Officers in attendance:

Debbie Barnes OBE (Chief Executive), Kiara Chatziioannou (Scrutiny Officer), James Drury (Executive Director Commercial), Tracy Johnson (Senior Scrutiny Officer), Fraser Shooter (Health and Safety Team Leader), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Emily Wilcox (Democratic Services Officer)

Officers in attendance in Microsoft Teams:

Michelle Andrews (Assistant Director – Corporate Recovery), Leanne Fotherby (Senior Commercial and Procurement Officer), Allison Kapethanasis (ICT Business Relationship and User Engagement Manager)

57 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

An apology for absence was received from Alex Sayer (Parent Governor Representative) and Andrew Crookham, Executive Director - Resources.

58 DECLARATIONS OF INTEREST

There were no declarations of interest.

59 MINUTES OF THE MEETING HELD ON 30TH SEPTEMBER 2021

RESOLVED:

That minutes of the meeting held on 30 September 2021 be approved as a correct record and signed by the Chairman.

60 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND CHIEF OFFICERS

The Chairman encouraged members of the Board to attend the Treasury Management training session which had been scheduled for Wednesday 24 November at 2pm via Microsoft Teams.

The Chairman also reminded the Chairmen of Scrutiny Committees that there was an expectation for them to attend the Executive to present any scrutiny comments following pre-decision scrutiny items being considered at their Committees. If for any reason Chairman of the Scrutiny Committees were unable to attend the Executive, the Chairman of the Board would be available to present comments, subject to being adequately briefed.

The Executive Support Councillor for Resources, Communications and Commissioning announced that the Chancellor's budget proposals had suggested that there could be more funding made available for Local Government. The Council's finance team was expected to be briefed further on this and more information would be made available in due course.

The Chief Executive was delighted that Lincolnshire County Council had been successful in its Levelling Up bid and had been allocated £20m for the road development scheme on the A16. It was also noted that West Lindsey District Council had received funding for its Gainsborough project, which was welcome news for Lincolnshire.

61 CONSIDERATION OF CALL-INS

None had been received.

62 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None had been received.

63 APPROVAL TO AWARD A CONTRACT FOR LINCOLNSHIRE COUNTY COUNCIL'S MOBILE VOICE AND DATA SERVICES

Consideration was given to a report by the Senior Commercial and Procurement Officer which invited the Board to consider a report regarding the approval to award a contract for Lincolnshire County Council's Mobile Voice and Data Services which was due to be considered by the Executive Councillor for Highways, Transport and IT between 1st and 5th November 2021.

The Board was advised that the Council had now concluded evaluations of tenders received for the Mobile Voice and Data Contract and the preferred tenderer, based on the Council's chosen award criteria, was Vodafone.

The total cost of the contract to the Council over the three year contract duration was £978,614 assuming mobile device purchases remained at the current levels. The current total contract cost was £1,528,596, meaning a saving of approximately £549,982.

Service requirements for the contract largely remained the same, with the main change being the removal of a technical fund due to there being no plans to refresh the current devices.

If the decision was not approved, the Council would revert to a standard tariff of £5.00 for 250MB of data per connection with a data sharer agreement, in comparison to a more favourable tariff as tendered as part of the proposed contract.

Other benefits of awarding the contract included minimal disruption to change SIM cards; the network coverage for Vodafone being one of the best in the county; the service level targets were the same for the new contract; and less resources and disruption in changing to a new provider.

It was therefore proposed that the Executive Councillor for Highways, Transport and IT approved the award of a contract to Vodafone Ltd through the CCS Network Services 2 Framework for Mobile Voice and Data Services for Lincolnshire County Council and Lincolnshire Fire and Rescue and delegated to the Executive Director – Commercial authority to determine the final form and approve the entering into of the contract.

The Board welcomed the report and as part of the Board's consideration of the item, the following points were noted:

- Vodafone was the only provider who submitted a bid for the contract. However, the Council would have been open to moving to an alternative provider if a better offer had been submitted, regardless of the challenges this would have presented.
- The contract would be administered by Serco irrespective of who the provider was.
- The proposed contract was a significant improvement on the current contract with a saving of £549,982 and would ensure business continuity across the county.
- The Board welcomed savings of £549,982 that would be made as a result of the contract.
- The Board was reassured that Vodafone was one of the leading providers for network coverage across the county, including where roaming was available. This was evidenced by the network coverage information that providers published to Ofcom. For Lincolnshire, the coverage provided by Vodafone and O2 was approximately the same. Good coverage was important for emergency services who would want the assurance that they could get

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD
28 OCTOBER 2021**

coverage wherever they were in the county, and Vodafone would provide that assurance.

RESOLVED:

- 1) That the recommendations to the Executive Councillor for Highways, Transport and IT be supported;
- 2) That a summary of the comments made be passed on to the Executive Councillor for Highways, Transport and IT for his consideration.

64 HEALTH AND SAFETY ANNUAL REPORT 2020-21

Consideration was given to a report by the Health and Safety Team Leader which invited the Board to consider an update of key achievements, activities and statistics across all Directorates related to Lincolnshire County Council's (LCC) compliance and implementation of Health and Safety legislation and its statutory duties.

The Board was advised that the work of the Health and Safety Team over the period had been heavily focussed on the response to the Covid-19 pandemic, with the production of guidance to colleagues and a number of audits conducted to gain assurance that the correct processes were in place to maintain a safe environment for employees to work in, as well as ensuring that the Council was compliant with government guidance.

There had been a small increase in the accidents and incidents reported within the Children's Services directorate, which was partly due to the challenges faced by children with complex needs as a result in a change of routine due to the pandemic.

The Board was advised that the 'Managing Safely in Lincolnshire' training would be transformed into a hybrid learning experience using digital tools, interactive systems and face to face training.

The Board welcomed the update and as part of the Board's consideration of the report, the following points were noted:

- Mental health support including resilience workshops and investments in staff developments were welcomed.
- The information collected to indicate the success and effectiveness of mental health support given to colleagues could be considered subjective. However officers analysed the levels of interactions for existing support as well as mental health related sickness levels to analyse the effectiveness of the support offer.

- Members supported the introduction of mental health first aiders and were encouraged by the number of people who had signed up to offer their support. It was confirmed that mental health first aiders had been chosen from a number of services areas spread evenly across the Council.
- There was a strong commitment to supporting mental health across the Council. Officers planned to collect feedback on the mental health first aiders in due course and would assess whether there was adequate resource to meet demands.
- At the start of the Covid-19 pandemic, senior officers had engaged with the Unions and the Council's HR department to refine and improve the wellbeing support offer and were proud of the current offer that was available to colleagues. Additional support had been provided to colleagues throughout the Covid-19 pandemic.
- It was agreed that the Chief Executive share the link to a video in which employees discussed their positive experiences about accessing wellbeing support.
- Feedback had suggested that the health and wellbeing support offered by the Council was valuable. Officers would continue to promote the offer across the Council to ensure that everybody was aware of the support available.
- The Board recognised that home working could be isolating for some employees and could have a negative impact on their mental wellbeing. Members were reassured that during the lockdown stages of the pandemic, where advice was to stay at home, all managers had been advised that some members of staff were permitted to work from the office for health and wellbeing reasons. Each case was risk assessed by managers on a regular basis. Additional support had been provided to those who needed it.
- It was suggested that the term 'wind down Friday' was not considered the best use of language for the Council who provided a public service.
- Many of the incidents which led to a 63% increase in slips, trips and falls were related to Fire and Rescue services, who had continued to work throughout the pandemic. Fire and Rescue colleagues had also been encouraged to increase their reporting of minor incidents, which had led to a slight increase in the number of incidents reported. Officers would continue to assess ways to support the risks presented, however the Board was reassured that despite the increase, 70% of incidents had resulted in no injury or accident.
- The Board welcomed the introduction of a centralised supplier list for Personal Protective Equipment (PPE) from an early stage in the pandemic. Despite initial shortages, the market for PPE had settled but was still a volatile market. It was confirmed that the list of suppliers for PPE was regularly reviewed and it was agreed that the Executive Director – Commercial provide further information on the locality of suppliers and whether they were local to Lincolnshire.
- It was confirmed that when purchasing PPE, the Council considered the supply, cost and quality of the products available.

- The Board was reassured that although there were a significant amount of incidents reported within Children's Services, many were low risk to no injury. An introduction of a new reporting system within Children's Services had meant that more 'near miss' incidents had been recorded, accounting for a slight increase in numbers. However, officers continued to monitor the situation.
- The Council had a legal obligation to gain assurance that contractors were competent in terms of health and safety, and the Council had a duty as a client to ensure that the contractors continued to abide by good health and safety practices throughout the duration of their contract with the Council. For larger contracts, such as Highways contracts, health and safety performance was managed throughout the period of the contracts.
- The Council did not keep a record of individual accident and incident reporting for their contractors. It was agreed that a briefing paper which would identify the health and safety systems in place for the Council's contractors be circulated.
- It was clarified that the 11% increase in incidents in Children's Residential Homes was the result of incidents involving low level contact, usually with children with complex needs. It was acknowledged that the Covid-19 pandemic had resulted in increased challenges and frustrations for those with complex needs. Members were reassured that this would be monitored through the Council's reporting system.

RESOLVED:

That the Board be assured of the Council's compliance and implementation of Health and Safety legislation and its statutory duties, and the comments on the Annual Report for 2020-21 be noted.

65 COVID-19 UPDATE

Consideration was given to a report by the Assistant Director – Corporate Recovery which provided an overview of the work by the Local Resilience Forum (LRF), partners, and Lincolnshire County Council (LCC) to manage Lincolnshire's response to the Covid-19 pandemic.

The Board was referred to the following data which was detailed within the report:

- Rate of Positive Cases per 100,000 Population is 521.4 per 100,000 (25th October 2021) in comparison to the 20th September 2021, which was reported at 257.1 per 100,000.
- On the 24th October 2021, Lincolnshire Covid-19 cases reported in the last 7 day period was 3996, in comparison to the figure reported on the 20th September 2021 which was 1957.

- Deaths reported in the last 7 day period up to the 19th September 2021 for Lincolnshire as defined below was reported as 6, in comparison in the last 7 day period up to 24th October 2021 it was reported as 7.
- Number of Covid-19 vaccines administered up to the 12th September 2021 for Lincolnshire was 1,108,065, as of the 17th October this was reported as 1,131,705.

The Council continued to encourage the public to follow government guidance, as well as emphasising the importance of ensuring that those who were eligible had their influenza vaccination.

Lincolnshire's vaccination roll-out continued to be successful and good progress was being made in administering vaccinations to 12-15 year olds.

The LRF was now operating in the 'oversight and assurance' phases of recovery. However, subject to a review of the progress within the Business and Economy Sector scheduled for November 2021, it was felt that the LRF was in a position to agree to stand down the LRF Covid-19 recovery structure in line with the current timetable. On this basis, LCC would be in a position to safely withdraw the resources from both the Recovery Strategic Co-ordination Group (RSCG) and Recovery Lead Group as the recovery journey would be in a position to be sustained within everyday core business capacity without the need for these additional resources to be in place.

It was therefore proposed that the Board receive a final Covid-19 update report at its meeting in November 2021.

The Board welcomed the update and as part of the Board's consideration of the report, the following points were noted:

- A briefing paper would be provided to the Board to explain the rationale for the changes in how Covid-19 deaths were being recorded nationally.
- The Board was reassured that the extra measures were put in place in vaccination centres where staff did not feel confident or felt unsafe as a result of the increase in abusive behaviour at the centres.
- The Board was encouraged by the uptake in vaccinations for 12-15 year olds. It was confirmed that the take up was around 60-70% of all 12-15 years olds who had registered to receive the vaccine, which was higher than the national average of 40-50%. The programme had not yet been completed, with many children not being able to receive their vaccine yet due to a number of reasons such as testing positive for Covid-19 within 28 days or being unwell on the date of their scheduled vaccine.
- Officers acknowledged that there were communication issues with the online vaccination booking system which needed to be reviewed.
- The Council worked with schools and the relevant partners to encourage uptake of the vaccination.
- The Council followed and reiterated national advice on mask wearing and continued to communicate key messages on social media to ensure the public were aware of guidance.

- It was noted that PCR test results were uploaded via GP registration, so it was difficult to get an absolute overview of vaccinations for Lincolnshire residents, as some residents used GP services within another County.
- Some Members raised concerns about the lack of future reporting to the Board and proposed that a verbal update be provided at future meetings for the foreseeable future.
- The Board acknowledged the public right to protest peacefully. It was clarified that the police had attended an incident at a school where people were expressing their beliefs around anti-vaccination due to concerns about the safety of the staff attending to administer vaccines. The police had not needed to intervene in this instance and would only intervene where the safety of staff was at risk.
- The Chief Executive was satisfied with plans to stand down the RSGG once assurance had been provided from all LRF partners NHS colleagues and the Greater Lincolnshire Local Enterprise Partnership in relation to businesses. It was felt that future arrangements for Covid-19 support could be integrated into the Council's normal workload. The Board was reassured that the Council would be stepping down the infrastructure of the LRF to co-ordinate the response, rather than stepping down the response completely. The risk of other non-Covid-19 related emergencies remained high and it was vital that the LRF be in a position to proactively respond to other emergencies should they arrive. The Council would continue to work with public health services and communications teams.

The Board acknowledged that given the pandemic was still on-going, there remained a need for the Board to be updated in some form. It was not felt necessary to present a verbal or written report at each meeting of the Board after the November update. It was therefore proposed and unanimously agreed that a Covid-19 update be circulated to the Board in the form of a briefing paper whenever there was a significant update or it was considered necessary.

RESOLVED:

- 1) That the update be noted;
- 2) That following the meeting in November, a Covid-19 update be circulated to the Board in the form of a briefing paper as and when necessary.

66 SCRUTINY COMMITTEE WORK PROGRAMMES

Consideration was given to a report by the Chairman of the Children and Young People Scrutiny Committee, which provided an update of recent work of the Committee and its future work programme, which was set out on pages 39 to 43.

Members were advised that the Committee would be receiving an update on the Joint Diversionary Panel, which was introduced in 2017 in response to detailed analysis of criminal justice disposals which evidenced the inappropriate use of Police Cautions against children and young people.

In partnership with the Office of the Police and Crime Commissioner and the Safer Lincolnshire Partnership, the Council had commissioned The University of Lincoln to conduct an in-depth evaluation of the Joint Diversionary Panel, and the key findings of this evaluation would be considered at the next meeting.

In January 2022, a report on the capital scheme appraisal decision in relation to the Building Communities of Specialist Provision Strategy which was the expansion of St Lawrence School in Horncastle was scheduled. The Committee had received an update on the implementation of this Strategy at its meeting on 15 October and was pleased with the fantastic progress that had been made despite the pandemic. Visits to the special schools would be arranged when it was appropriate and safe to do so.

The Committee had welcomed some new councillors to its membership and the Chairman was pleased to report that the Committee was operating well and there was a good level of questioning taking place within meetings.

The Board considered the report and in response to a concern raised about the need for a better model of transport for schools as well as a review of the exclusion policy and the mechanisms to support it, the Chairman of the Children and Young People Scrutiny Committee confirmed that the Committee would be considering a report on modes of sustainable school transport in March 2022. The Committee received regular updates on a range of issues raised by Members.

Consideration was then given to a report by the Chairman of the Public Protection and Communities Scrutiny Committee, which provided an update on the recent work of the Committee as well its future work programme.

Members were advised that in addition to reoccurring items such as the quarterly Service Level Performance and annual reporting from areas such as the Stay Safe Partnership, Libraries, Heritage, Coroner's Services and others, the Committee had the opportunity to scrutinise and comment on decisions including the adoption of the Community Strategy 2021-24; the Proposed Submission to the Chief Coroner for the merger of the Lincolnshire and Grimsby and North Lincolnshire Coroners Areas, that allowed for a joint business case to be submitted from Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council to the HM Chief Coroner; and the Lincolnshire Fire and Rescue (LFR) Technical Response Unit Refresh, where was reviewed and endorsed.

The Chairman referred the Board to the Committee's future work programme, which was set out within the report.

An additional area highlighted and introduced from the initial meetings of the Committee under its new membership was Fire and Rescue Service attendances at Flooding Incidents, which included performance information on attendances to gauge trends and activity that were not currently forming a part of the quarterly performance indicators.

In response to a question raised, the Scrutiny Officer assured the Board that she would work with the Chairmen of both the Public Protection and Communities Scrutiny Committee and the Highways and Transport Scrutiny Committee to ensure that they had a joined up approach when reviewing the use of average speed camera schemes across the county.

RESOLVED:

- 1) That the Board's satisfaction be recorded with the activity undertaken since June 2021 by:
 - (a) the Children and Young People Scrutiny Committee; and
 - (b) the Public Protection and Communities Scrutiny Committee.

- 2) That the Board's satisfaction be recorded with the planned work programme of:
 - (a) the Children and Young People Scrutiny Committee; and
 - (b) the Public Protection and Communities Scrutiny Committee.

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The Board was informed that this item was for information only.

Councillor H Marfleet requested further information on the Council's different IT platforms and websites, and the usage and costs of running these sites. It was agreed that Councillor Marfleet would contact James Drury, Executive Director – Commercial regarding his request to enable a response to be provided.

The meeting closed at 12.06 pm

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

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	Corporate Plan Success Framework 2021/22 – as at 30 September 2021

Summary:

This report invites the Overview and Scrutiny Management Board (OSMB) to consider a report on the 2021/2022 Corporate Plan performance as at 30 September 2021, which will be presented to the Executive on 07 December 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 2021/22 Quarter 2 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 Success 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 2 for the service level performance in relation to Corporate Property set out in

the Performance Framework 2021/22. 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 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 07 December 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report on Corporate Plan Success Framework 2021/22 – as at 30 September 2021 to be presented to the Executive at its meeting on 07 December 2021
Appendix 2	Performance Indicator that is within the remit of OSMB and reported in Quarter 2

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 Caroline Jackson - Head of Corporate Performance, who can be contacted by e-mail at caroline.jackson@lincolnshire.gov.uk

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

Report to:	Executive
Date:	07 December 2021
Subject:	Corporate Plan Success Framework 2021/22 – as at 30 September 2021
Decision Reference:	I022129
Key decision?	No

Summary:

This report presents an overview of performance against the Corporate Plan as at 30 September 2021. Detailed information on performance can be viewed on the Council's [website](#).

Recommendations:

That the Executive:

1. considers and notes the performance for 2021/22 as at 30 September 2021.
2. considers setting a Lincolnshire ambition for some of the contextual measures.

Alternatives Considered:

1. No alternatives have been considered to recommendation 1 as it reflects factual information presented for noting and consideration.

Reasons for Recommendation:

1. To provide the Executive with information about how the Council is performing against the Corporate Plan.

1. Background

1.1 The County Council approved the Corporate Plan (CP) 2020-2030 on 11 December 2019. The Corporate Plan sets out our priorities for local residents and communities. The Corporate Leadership Team (CLT) and Assistant Directors (ADs) then worked together to develop the Corporate Plan Success Framework (CPSF) 2020-2023. They identified the developmental activities and Key Performance Indicators (KPIs) that would be undertaken during the first three year period of the 10 year CP in order to achieve the four ambitions outlined in the CP. The Executive approved the Corporate Plan Success Framework (CPSF) 2020/2021 on 6 October 2020.

1.2 Due to the impact of Covid-19, CLT and ADs reviewed the indicators within the CPSF in order to further strengthen what is working well and further embed the CP as our overarching strategic service delivery mechanism.

1.3 The revisions to the CPSF has enabled the following to be taken into consideration:

- To be reflective of the Council's emerging priorities.
- More streamlined and focussed number of performance indicators and activities reported.
- Demonstrates the outcomes that we are working to influence and the impact we are making towards achieving our ambitions for Lincolnshire.
- Enables strategic conversations around:
 - “Are we making a difference?”
 - “Could we do more?”
 - “Do we have resources in the right place?”
 - “Who else could help us?”
- Changes to the way we approach performance and how we view the success of our services in a broader Lincolnshire context.
- Greater visualisation and accessibility of information.

1.4 The revised CPSF will ensure the KPIs and key activities against which performance/progress will be reported reflects the trajectory needed to demonstrate whether the Council is achieving the four ambitions for Lincolnshire as set out in the CP. Service level performance continues to be reported to the relevant scrutiny committees and is published on the Council's [website](#).

1.5 The **four ambitions** are:

- Create thriving environments
- Enable everyone to enjoy life to the full
- Provide good value council services
- Support high aspirations

1.6 All of the four ambitions are 'On plan'. This is based on both the key activities and KPIs.

1.7 This report provides the Executive with highlights of performance of the revised CPSF. The full range of performance is hosted on the Council's [website](#).

1.8 Performance is reported by exception.

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

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

Details of all activities including those On Plan are available in Appendix A and on the Council's [website](#).

1.8.2 For **KPIs**, this includes those where a target has been set against the KPI and the **target** has either:-

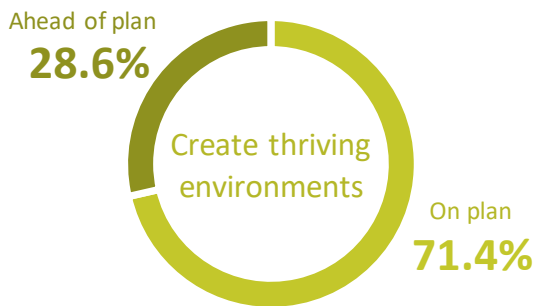
- Been achieved (within the target and tolerance levels set)
- Not been achieved (outside of target and tolerance levels set)

1.9 Headline Performance – Key Activities

1.9.1 Services have provided key milestones for each activity for 2021/2022. Progress is an objective judgement by the service against the milestones.

1.9.2 To summarise, of the 36 activities with milestones due to be reported, 100% are either On plan or Ahead of plan.

8	Ahead of plan	Achieved current milestones and forecast to achieve future milestones ahead of timescales
28	On plan	Achieved current milestones and forecast to achieve future milestones within timescales
0	Behind plan	Current milestones have not been achieved
	On Plan	Overall performance of activities



Activities

7

Ambition

On Plan

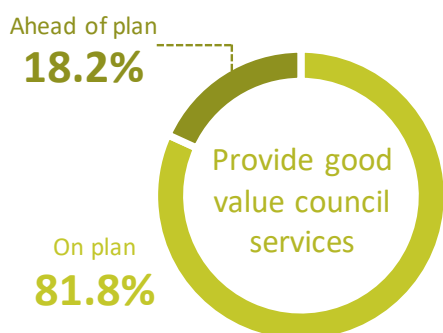


Activities

9

Ambition

On Plan

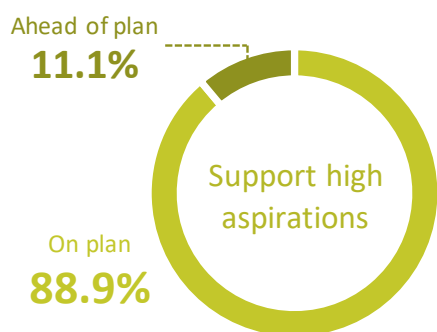


Activities

11

Ambition

On Plan



Activities

9

Ambition

On Plan

1.9.3 Celebrating success - Key Activities that are ahead of plan (achieved current milestones and forecast to achieve future milestones ahead of timescales)

1.9.4 Support high aspirations

Objective:	Deliver economic growth to create and sustain vibrant communities.
Activity Name:	We will support our market towns to thrive, delivering regeneration with our partners. A9
Activity Milestone:	Deliver Pilgrim Fathers Memorial, Frieston. July 2021

1.9.5 Enable everyone to enjoy life to the full

Objective:	Deliver quality children centres, which are at the heart of our communities supporting families so their children thrive.
Activity Name:	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. A18
Activity Milestone:	Recovery and restoration of the Healthy Child Programme in response to National Guidance on Covid-19 prioritisation of Community Health Services. In addition identify key activities in regard to updated guidance on the health visiting delivery model.

Objective:	Design an accessible and responsive health and care system within local communities, protecting people and promoting wellbeing.
Activity Name:	We will continue to deliver our maximising independence programme across adult care, focused on developing strengths and innovating support including assistive technology and digital support, tracking impact monthly through forward trajectories. A17
Activity Milestone:	<p>May 2021 - Establish Board for the Improvement and Development Programme</p> <p>May 2021 - Establish integrated delivery team and begin strengths based approaches and behavioural science roll out to teams</p> <p>July 2021 - Started roll out of self-serve financial assessment form across social work teams</p> <p>July 2021 - Development of online self support tool commenced</p> <p>September 2021 - Prepared 'TEC first' digital care sessions for social work teams, to commence roll out Quarter 3</p> <p>September 2021 - Develop a primed performance approach with revised metrics</p>

Objective:	Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities.
Activity Name:	We will continue to improve how we support children in care and care leavers to thrive through the delivery of the children in care strategy. A15
Activity Milestone:	We have commissioned a feasibility study, costing and designs for the development of two children's homes either on existing Lincolnshire County Council sites or a new build. Detailed costed designs were presented to Members of the Executive at the end of May 2021. The Valuing Care approach continues to be piloted within Children in Care Teams and went live in May 2021. A refreshed, co-produced Early Help Strategy has been presented to Children's Services Executive Departmental Leadership Team (DLT) and the Lincolnshire Safeguarding Children Partnership and was approved in June 2021.

1.9.6 Create thriving environments

Objective:	Advocate for investment in our transport and energy infrastructure, digital connectivity and schools, championing active, sustainable travel.
Activity Name:	We will improve the digital connectivity across our rural county through continuing to work with, and influence, central government to generate the funding and flexibility to enable us to achieve gigabit capable digital communities and provide business growth opportunities. Broadband for residents will be above national rates. In addition, we will continue to stimulate private investment opportunities in full fibre infrastructure. A24
Activity Milestone:	We will achieve 94.2% coverage by the end of Quarter 2.

Objective:	Provide sufficient, high quality and inclusive education places locally.
Activity Name:	We will create more than 500 new special school places by 2024 as part of delivering the Building Communities of Specialist Support Strategy. We will work towards making 300 of those places available by September 2022. A32
Activity Milestone:	By September 2021, 84 new places will be available in Lincolnshire Special Schools.

1.9.7 Provide good-value council services

Objective:	Continue to innovate and make best use of our assets.
Activity Name:	We will protect and enhance our heritage assets and we will maximise the use of our sites for customers, through delivering proposals for the iconic investment in The Collection Museum and Gallery and other heritage sites. A44
Activity Milestone:	Progress of cultural recovery against the future ambitions for the transformation of heritage service.

Objective:	Nurture and celebrate a forward-looking, high-performing, skilled and empowered workforce.
Activity Name:	We will refresh our Corporate People Strategy, reviewing culture, values and behaviours, and enabling our staff to be healthy and resilient so we can improve how we support our customers. Structures will be fit for purpose and facilitate our One Council approach. A42
Activity Milestone:	Implementation of People Strategy (2021 to 2024) workplan and governance structure.

1.9.8 Key Activities that are behind plan

1.9.9 There are no Activities that are behind plan this quarter.

1.10 Key Performance Indicators (KPIs)

There have been significant changes with the types of KPI being used in the reporting of the Corporate Plan, in particular a focus on measures which are 'for context'. This means the delivery activity relating to these measures may not be within the direct control of the Council, but instead are a way of understanding our progress to achieve our wider ambitions for the residents, communities, businesses and visitors of Lincolnshire.

This change will enable future iterations of the reporting to be developed with Executive Councillors and for agreement to be reached on which, if any, of the context measures require ambitions to be set in order to support targeted change.

This reporting continues to be an area of development in order to ensure we have the right KPIs being reported at the right time focussing on the priority areas.

Of the KPIs reported, six can be compared with a target that has been set for Quarter 2 and data is available for this comparison purpose. Of those 83% met their target:-

- 5 achieved the target
- 1 did not achieve the target

These are set out below under each of the relevant ambitions.

There are an additional 49 measures also included in the reporting. Of these:

- 38 are context measures.
- 8 do not have the latest data available due to national reporting restrictions.
- 3 have yet to have a target set so our ambition is to be confirmed.

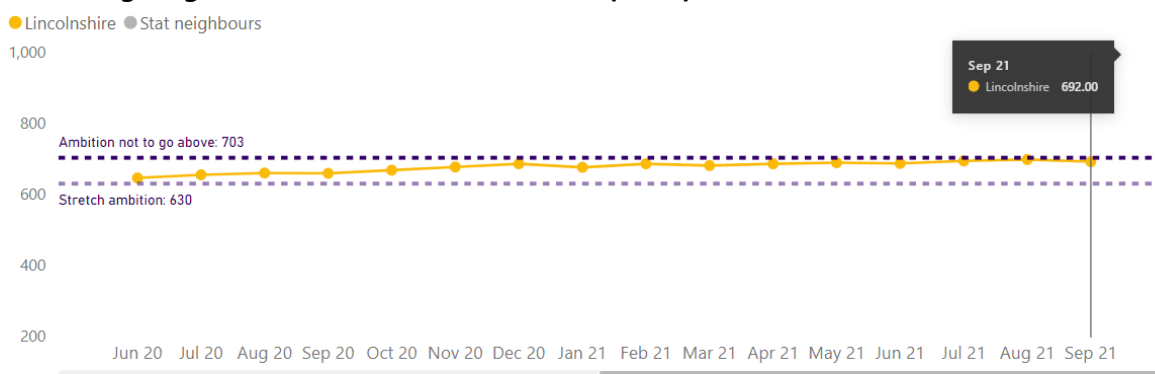
1.10.1 Create thriving environments

Achieving target: Percentage of superfast broadband coverage in residential & business premises (PI 32)

Quarter 1 and Quarter 2 of Financial Year 2021/22 have met the ambition of 94.2% of residential and business premises having superfast broadband coverage. The Council has partial influence over meeting this ambition; other suppliers will add to the percentage but are not working for the Council.

1.10.2 Enable everyone to enjoy life to the full

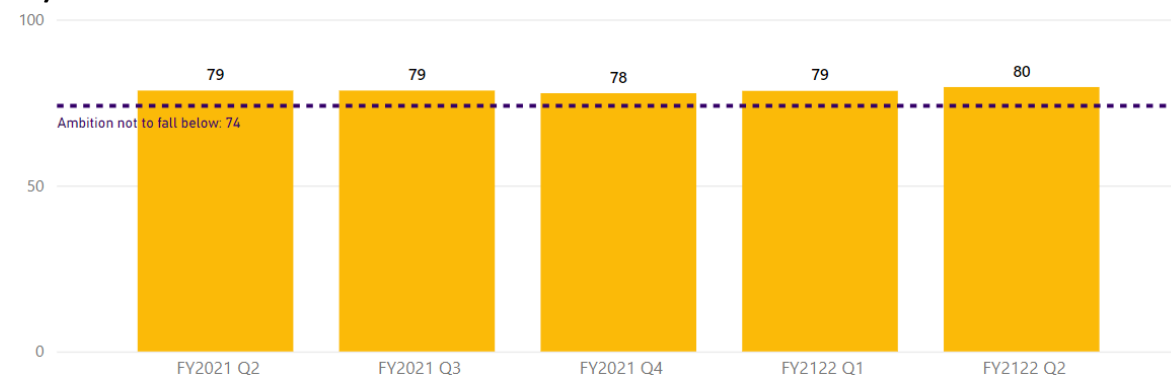
Achieving target: Number of children in care (PI 14)



Good = low and not going above the ambition

This measure has achieved target; however, it is currently showing a slight adverse trend. Whilst the number of children leaving care has stayed reasonably static compared to 31 March 2021 (Quarter 4 2020/21), the number of children going into care over Quarter 1 2021/22 has been around 20% higher than in Quarter 4 2020/21. This appears to have pushed the number of children in care slightly further up over the past quarter. However, despite the increase, the Lincolnshire number of Children in Care remains significantly below the most recently published figures both nationally and by our statistical neighbours.

Achieving target: Percentage of children in care living within a family environment (PI 15)

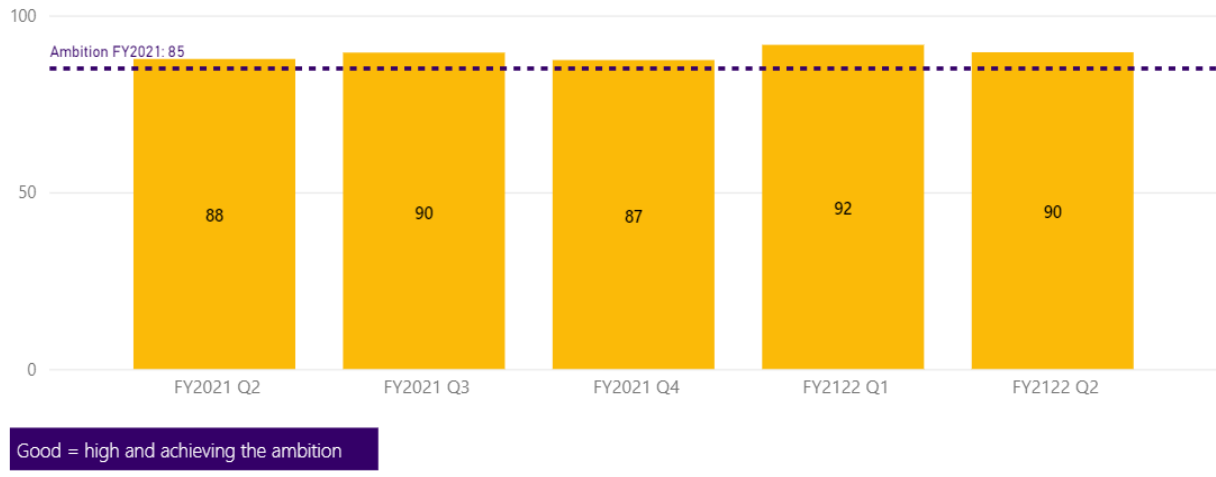


Good = high and not falling below the ambition

Performance remains above target and has improved slightly on last quarter (79.65% in Quarter 2 2021/22 compared to 78.5% in Quarter 1 2020/21). It confirms that, for most children in care, a family placement is deemed the most suitable means of offering care and maintaining children within their family networks.

Achieving target: Percentage of people who remain at home 91 days after discharge (PI 25)

Percentage of people who remain at home 91 days after discharge

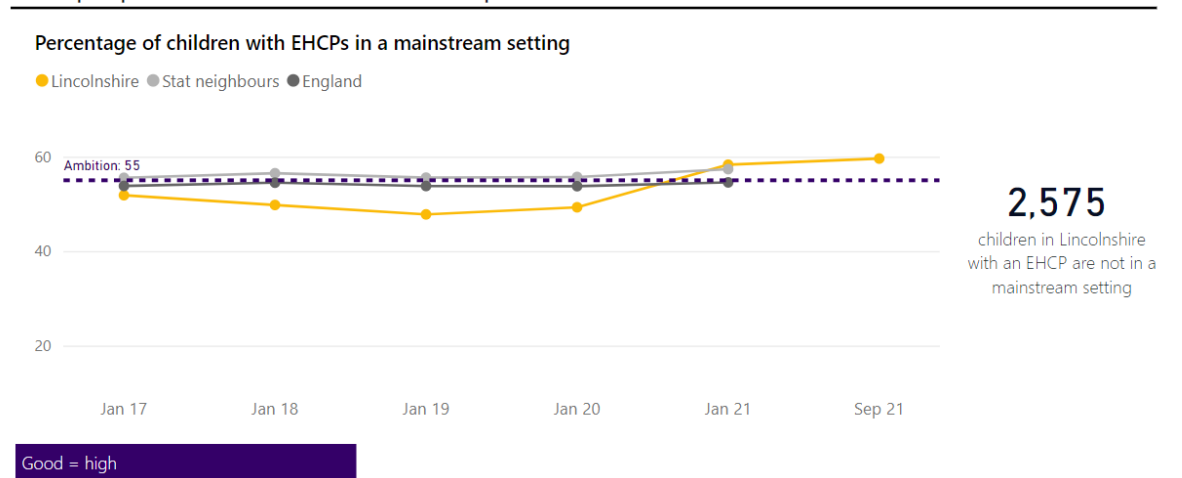


Discharges from hospital leading to the client being at home 91 days after has achieved its target in Quarter 2. 89.6% of people remain at home 91 days after discharge, this equates to 2360 people out of the 2574 people actually discharged. In part this is due to the work of the hospital teams to help clients stay in their own homes longer if that is the best option and the work of the reablement team to offer short and intense support to help clients after they are discharged. If we compare to the nationally set NHS target of 85%, we exceed it by 4.6%.

1.10.3 Support High Aspirations

Achieving target: Percentage of children with EHCPs in a mainstream setting (PI 10)

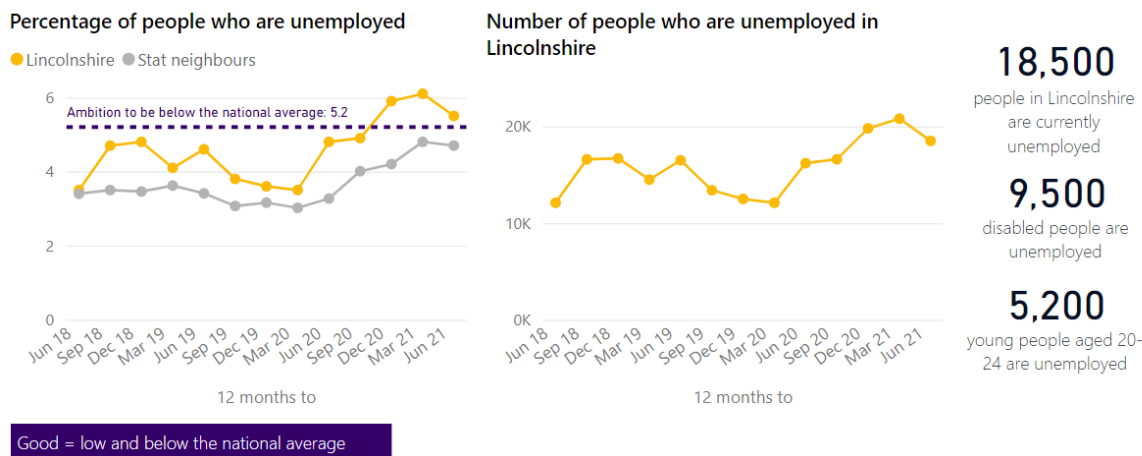
More people leave education with better qualifications and skills



The percentage of children with Education, Health and Care Plans (EHCPs) in a mainstream setting in Lincolnshire is 59.6 and has increased over the past 1.5 years. In

January 2021 it was slightly above the percentage for statistical neighbours and the England average, and it has continued to rise since then.

Not achieving target: Percentage of people who are unemployed (PI 11)



The proportion of people classed as unemployed in June 2021 was 5.5% in Lincolnshire. This is a significant reduction compared to March 2021 and is approaching the national average of 5.2%. This is due to a strong recovery during the quarter, particularly amongst service sector businesses following easing of Covid-19 restrictions. This is a performance indicator that the Council has influence over rather than direct control.

1.11 Impact of Covid-19 on performance of KPIs

Covid-19 has had an impact on a number of the KPIs, namely schools Ofsted rating as inspections were ceased during the Covid period.

In addition to this, a number of KPIs cannot be reporting due to Covid-19 and in particular because educational attainment data has not been released for:-

- Percentage of children achieving a good level of development in the Early Years Foundation Stage
- Percentage gap in achievement between Lincolnshire pupils eligible for Free School Meals and their non-FSM Eligible peers nationally achieving Good Level of Development
- Achievement level at Key Stage 2 is above national average
- Achievement level at Key Stage 4 is above national average

1.12 Further development of KPIs

We are continuing to explore the options for inclusion of further measures in future reporting. Potential measures include:-

Create thriving environments

- Lincolnshire County Council's CO₂ emissions
- Percentage of people walking or cycling at least once a week
- Public transport usage
- Public perception of roads and transport infrastructure
- Residents perception around feeling safe in my local area
- KPI relating to fire safety

Enable everyone to enjoy life to the full

- Residents perspective on living in Lincolnshire through residents survey
- KPI relating to making adult safeguarding personal

Provide good value council services

- KPIs to demonstrate the take up and usage of digital services
- Finance KPIs relating to spend per head of population
- Residents perceptions around good value council services
- Residents perceptions around the responsiveness of the Council

Support high aspirations

- Percentage of 16-17 year olds not in education, employment or training
- Percentage of 16-17 year olds not in education, employment or training by characteristic such as disadvantaged/identified SEN.

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

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 report presents performance against the ambitions and objectives set out in 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 set out in 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 set out in the Corporate Plan some of which relate to crime and disorder issues.

3. Conclusion

This report presents an overview of performance against the Corporate Plan as at 30 September 2021. There is positive performance overall across all four corporate ambitions with both activities and KPIs performing well.

4. 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 by setting ambition against contextual measures as set out in recommendation 2.

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

5. Resource Comments

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

6. 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 is due to consider this report on 25 November 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.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Full list of Corporate Plan Activities for Quarter 2

8. 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 4 – 6 July 2021	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=5756

This report was written by Caroline Jackson, who can be contacted on caroline.jackson@lincolnshire.gov.uk.

Ambition: Support high aspirations

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A9	Deliver economic growth to create and sustain vibrant communities	We will support our market towns to thrive, delivering regeneration with our partners.	Deliver Pilgrim Fathers Memorial, Frieston. July 2021	Green (Ahead of plan)
A7	Champion educational excellence so that every child/ young person has a high quality education to succeed in life	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.	Collaboration with the Lincolnshire Learning Partnership Board will ensure key priorities for school improvement are agreed with the sector and shared with our strategic Teaching School Hub partners.	Amber (On plan)
A6	Champion educational excellence so that every child/ young person has a high quality education to succeed in life	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. Our SEND High Needs transformation programme will support improvement and delivery in this area.	We will have launched the Valuing SEND Toolkit, to support settings in making objective assessments of children and young people's needs, and will begin to analyse its impact. A refreshed Local Offer will also be launched on a new platform. We will complete an evaluation of the use of the SEND Advice Line, launched in September 2020, and consider the impact on the number of requests for statutory assessments.	Amber (On plan)
A1	Enhance the skills of our communities to meet the needs of our businesses and the economy	We will transform how we raise skills levels, productivity, employability and apprenticeship numbers through developing and implementing an updated skills plan, taking a lead role in the LEP review and future delivery model. We will support and encourage initiatives to recruit and retain older adults, to keep people in employment for longer.	2) Draft Employment & Skills Work Programme consultation with employers, training providers, Department for Work and Pensions and GLLEP by August 2021 3) Employment & Skills Work Programme delivery commences September 2021	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A2	Grow the workforce by retaining and attracting more highly-skilled 18-40 year olds	We will develop effective county-wide relationships between the education and business sectors to attract and retain graduates in the county.	1) Work with providers to deliver support programmes to increase skill levels within East Lindsey - ongoing	Amber (On plan)
A10	Manage the risks to our environment from climate change to protect our natural and built resources for future generations	We will achieve net zero carbon emissions as a council by 2050 or earlier through the development of the Green Masterplan. We will provide climate leadership in Lincolnshire and beyond. We will define our 10 year climate change plan with the new executive.	<p>Submitted bids to the Community Renewal Fund for a Green Lincolnshire project, designed to allow projects to tackle carbon emissions from businesses and local communities around the county. Although we have been notified, after substantial delays by Government, that these bids have not been successful, we continue to develop alternative funding opportunities to sustain momentum towards our overarching goal of net zero emissions by 2050 or earlier. For example, an alternative funding source has already been identified for the tree-planting elements of the CRF bids, and these will be pursued actively.</p> <p>On-going investment in energy efficiency projects as part of the Carbon Management Plan delivery – including converting the street-lighting to LED lamps. Established a joint working group with the Property Directorate to look at reducing carbon emissions from the LCC Estate – this led to a Zero Carbon Property Plan. LCC's joint working group is operating well.</p>	Amber (On plan)
A12	Manage the risks to our environment from climate change to protect our natural and built resources for future generations	We will maximise the reuse and recycling potential of the county's waste, treating it as a resource. This will include exploring the opportunity for anaerobic digestion facilities across the County.	Information gathering to establish requirements of separate food waste collections. To complete the roll out of paper and card separate collections in Boston Borough. To plan the roll out of separate paper and card collections in North Kesteven District.	Amber (On plan)
A4	Promote healthy, inclusive and accessible employment and learning opportunities	We will produce sustainable transport strategies which promote alternative modes of transport, through collaborative working with our district and local partners which will include the creation of local transport	Local Transport Plan and the associated modal strategies approved by DLT and CLT to be shared with Executive and Support Councillor	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
		boards.		
A5	Promote healthy, inclusive and accessible employment and learning opportunities	We will complete a comprehensive workforce strategy for all commissioned services (in part with the ICS) to inform future skills and determine further resources required to deliver it	Will develop a delivery plan to complement the strategy	Amber (On plan)

Ambition: Enable everyone to enjoy life to the full

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A18	Deliver quality children centres, which are at the heart of our communities supporting families so their children thrive	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.	Recovery and restoration of the Healthy Child Programme in response to National Guidance on Covid-19 prioritisation of Community Health Services. In addition identify key activities in regard to updated guidance on the health visiting delivery model.	Green (Ahead of plan)
A17	Design an accessible and responsive health and care system within local communities, protecting people and promoting wellbeing	We will continue to deliver our maximising independence programme across adult care, focused on developing strengths and innovating support including assistive technology and digital support, tracking impact monthly through forward trajectories.	May 2021 - Establish Board for the Improvement and Development Programme May 2021 - Establish integrated delivery team and begin strengths based approaches and behavioural science roll out to teams July 2021 - Started roll out of self-serve financial assessment form across social work teams July 2021 - Development of online self support tool commenced September 2021 - Prepared 'TEC first' digital care sessions for social work teams, to commence roll out Q3 September 2021 - Develop a primed performance approach with revised metrics	Green (Ahead of plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A15	Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities	We will continue to improve how we support children in care and care leavers to thrive through the delivery of the children in care strategy.	We have commissioned a feasibility study, costing and designs for the development of two children's homes either on existing Lincolnshire County Council sites or a new build. Detailed costed designs were presented to Members of the Executive at the end of May 2021. The Valuing Care approach continues to be piloted within Children in Care Teams and went live in May 2021. A refreshed, co-produced Early Help Strategy has been presented to Children's Services Executive DLT and the Lincolnshire Safeguarding Children Partnership and was approved in June 2021.	Green (Ahead of plan)
A13	Create accommodation options for greater independence and wellbeing	We will work with our districts and other partners in implementing the housing for independence strategy, to increase accommodation options for those wanting Extra Care, those with learning disabilities, mental illness or autism. We will also collaborate to deliver easy access to equipment / adaptations to homes that enable greater independence.	April 2021 – County News Article advertising De Wint Court and further projects June 2021 – One Public Estate funding awarded to The Hoplands project. June 2021 – One Public Estate funding awarded to King's Road scheme in Spalding June 2021 – Site investigations commence at The Hoplands	Amber (On plan)
A14	Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities	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 and increasing locally available provision. Improvement in this area is underway via our Children in Care Transformation Programme.	Quarter 2 revenue funding of £400,000 has been agreed in principle by Children's Services. The cost would be offset by savings made in out of county placements and young people returning to Lincolnshire to live closer to family, friends, connected people and their community. Lincoln City Council have identified 2 suitable plots of land for the projects. We have secured commitment from Members to gift it to Barnardo's for the purpose of building GAP housing.	Amber (On plan)
A16	Intervene effectively to keep vulnerable people safe, making sure children in care and care leavers get the best opportunities	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	We will have implemented the Team Around the Adult Pilot and have scheduled an evaluation	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
		complex needs.		
A19	Promote and enable better mental health for all	We will develop Joint Commissioning arrangements with NHS partners that facilitate the Transformation of Community Mental Health Services for Adults in Lincolnshire.	We will have established a task and finish group and commenced proposals on scope of the complex case pooled budget	Amber (On plan)
A20	Promote the support offer to our communities to enable them to be self-sufficient and thriving	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. Our development of our ICS will continue and develop this approach.	<p>Implement Public Health Information Programme for 2021/22 - green</p> <ul style="list-style-type: none"> - 12 Positive Steps for Mental Health launched 10/09/21 to coincide with World Suicide Prevention Day - Changes to ACCW web pages implemented to reflect strengths based approach - Connect to Support Lincolnshire mobile apps developed & implemented <p>Implement Public Health Commissioning Programme for 2021/22 - green</p> <ul style="list-style-type: none"> - One You Lincolnshire expanded adult weight management service is now operating & progress being reported to PHE. - Carers Service re-commissioning on track - Lincolnshire Community Equipment Service Re-Commissioning on track <p>Implement Public Health Priority Work Programme for 2021/22 - green</p> <ul style="list-style-type: none"> - Oral Health Promotion Service is underway with the provider (CDS) supporting Early Years settings <p>Implement Health Protection Programme - green</p> <ul style="list-style-type: none"> - continue to meet government & local requirements to manage covid pandemic - support to schools to understand & implement the new contingency framework & DfE guidance ahead of the September 	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A21	Promote the support offer to our communities to enable them to be self-sufficient and thriving	We will now work with partners to roll out our new ICS, setting clear priorities for the next 3 years to improve health and wellbeing across Lincolnshire	The work to develop a Section 75 agreement for people with mental ill health and/or learning disability is progressing as is the sign-off of the 21/22 Better Care Fund.	Amber (On plan)

Ambition: Create thriving environments

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A24	Advocate for investment in our transport and energy infrastructure, digital connectivity and schools, championing active, sustainable travel	We will improve the digital connectivity across our rural county through continuing to work with, and influence, central government to generate the funding and flexibility to enable us to achieve gigabit capable digital communities and provide business growth opportunities. Broadband for residents will be above national rates. In addition, we will continue to stimulate private investment opportunities in full fibre infrastructure.	We will achieve 94.2% coverage by the end of quarter 2.	Green (Ahead of plan)
A32	Provide sufficient, high quality and inclusive education places locally	We will create more than 500 new special school places by 2024 as part of delivering the Building Communities of Specialist Support Strategy. We will work towards making 300 of those places available by September 2022.	By September 2021, 84 new places will be available in Lincolnshire Special Schools.	Green (Ahead of plan)
A28	Champion Lincolnshire as a destination of choice to visit, live, relax, work and do business	We will stimulate economic growth through the development of business premises across the county and through delivering the economic capital programme with our partners.	Deliver additional access road on South Lincolnshire Food Enterprise Zone (SL FEZ). May 2021 Deliver access roads for Skegness Business Park extension. May 2021	Amber (On plan)
A26	Deliver 'clean' growth in the right place and at the right time	We will use our planning responsibilities to increase the benefits, and reduce the disbenefits, of new residential and commercial growth to our communities	A quarterly report will be produced detailing the number of planning applications received by the highway and lead local flood authority, and the number of responses issued within the statutory 21 day timeframe.	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A29	Plan growth to benefit the whole community through connecting people, housing, employment, businesses and the natural environment	We will attract all sectors to make a major contribution to the planning and delivery of growth in the county, through being a leading partner in the Greater Lincolnshire LEP.	Use the projects submitted to the Strategic Infrastructure Delivery Plan to begin to articulate more clearly the needs of the county. Take a "Infrastructure Paper" to the Leaders and CX meeting and use the feedback to plan next steps. Ensure that requirements for growth help to shape Local Transport Plan and other strategic documents.	Amber (On plan)
A30	Plan growth to benefit the whole community through connecting people, housing, employment, businesses and the natural environment	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."	Use the projects submitted to the Strategic Infrastructure Delivery Plan to begin to articulate more clearly the needs of the county. Take a "Infrastructure Paper" to the Leaders and CX meeting and use the feedback to plan next steps. Ensure that requirements for growth help to shape Local Transport Plan and other strategic documents.	Amber (On plan)
A31	Provide sufficient, high quality and inclusive education places locally	We will aim to deliver 695 more places by September 2022 across mainstream primary and secondary schools to meet local demand through implementing our 3 year Basic Need capital programme.	Basic Need Paper to Children's DLT outlining where places are needed and how many.	Amber (On plan)

Ambition: Provide good-value council services

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A44	Continue to innovate and make best use of our assets	We will protect and enhance our heritage assets and we will maximise the use of our sites for customers, through delivering proposals for the iconic investment in The Collection Museum and Gallery and other heritage sites.	Progress of cultural recovery against the future ambitions for the transformation of heritage service.	Green (Ahead of plan)
A42	Nurture and celebrate a forward-looking, high-performing, skilled and empowered workforce	We will refresh our Corporate People Strategy, reviewing culture, values and behaviours, and enabling our staff to be healthy and resilient so we can improve how we support our customers. Structures will be fit for purpose and facilitate our One Council approach.	Implementation of People Strategy (2021 to 2024) workplan and governance structure	Green (Ahead of plan)
A48	Be there when communities need us most, responding collaboratively to emergencies	We will effectively plan for a sustained recovery from COVID 19.	Achieve the covid recovery road-map targets	Amber (On plan)
A35	Design our processes and services to meet customers' needs	We will focus now on the implementation of our digital blueprint and customer services strategy to ensure these opportunities are maximised. We will transform how we engage with communities, listening and acting on what they say and supporting them to be resilient and self-sufficient. This will be articulated through the refresh of our community strategy.	Approval of the customer strategy	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A40	Engage, listen and respond to our communities	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, as well as Signs of Safety within Children's services.	<p>Establish Programme Board for the Improvement and Development Programme by April 2021.</p> <p>Establish integrated delivery Team and complete roll out of strengths based approaches and behavioural science training to 4 teams by May 2021</p> <p>Complete rollout of integrated delivery team and begin roll out of strengths based approaches and behavioural science training to 6 teams by August 2021</p> <p>Changes to the LCC website Adult Care and Community Wellbeing and customer facing information to focus on independence, utilising strengths based approaches and applied behavioural science by July 2021</p>	Amber (On plan)
A41	Maximise opportunities to work with others and improve service delivery	We will improve service delivery through shifting our culture to focus on outcomes. With the Business Intelligence strategy working to deliver improved use of data and insight to understand our customers' needs, we will then be able to shape our services and those that we commission accordingly. This will also enable better measurement of the impact of internal and commissioned activity.	<p>We will develop a Business Intelligence Strategy which outlines our vision and builds on our intention to be a data led organisation.</p> <p>We will report quarter 1 and 2 data on the Corporate Plan success framework to both Councillors, senior officers and the public.</p>	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A47	Put our customers first, so we respond with one voice, working effectively across teams	We will transform the way we engage with customers through the implementation of a customer strategy. We will maximise technology solutions in the Customer Contact Centre to enable customers to do more online, including paying for services. In year 2 our emerging digital strategy will enable us to be innovative so our customers can access us through multiple channels.	Customer Strategy Approved in September 2021. Senior Officer nominated to be responsible for customer experience across the Council by Sep 2021. Develop an over arching Customer Strategy action plan which aligns to the digital strategy.	Amber (On plan)
A36	Shout loud and proud for Lincolnshire to achieve our ambitions	We will target further benefits for the county through working towards a Greater Lincolnshire devolution deal that increases central government investment.	Development of devolution asks and engagement in accordance with government timelines	Amber (On plan)
A38	Shout loud and proud for Lincolnshire to achieve our ambitions	We will raise the county's profile nationally and internationally through the delivery of a focused investor promotion strategy and relationship-building, attracting business investment and using our partnership brand, Team Lincolnshire, to do this.	Research and development of a Low Carbon and a Ports & Logistics investor proposition by July 2021	Amber (On plan)
A39	Shout loud and proud for Lincolnshire to achieve our ambitions	We will continue to raise the profile of Council Services through a range of strategies including national recruitment campaigns, national conferences and awards, continuing to support improvement in other Councils and advising government on national policy innovation. We will articulate a clear Lincolnshire pride narrative via our Joint Committee to support this activity.	Appointment of in-house recruitment social care expertise and to work in conjunction with CLT to focus and prioritise areas of focus as part of the Council's People Strategy and forthcoming inaugural Board.	Amber (On plan)

Activity No.	Objective	Activity Name	Activity Milestone	RAG
A37	Shout loud and proud for Lincolnshire to achieve our ambitions	We will seek to maximise government investment into the county, raise the profile of the county and the Council, through investing in local and national partnerships, including being part of Midlands Engine. We will champion Lincolnshire, including through lobbying our local MPs and the government.	Develop further LUF work to position Lincolnshire in a position of strength. Respond and contribute to Midlands Connect strategy refresh.	Amber (On plan)

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 contractors 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.

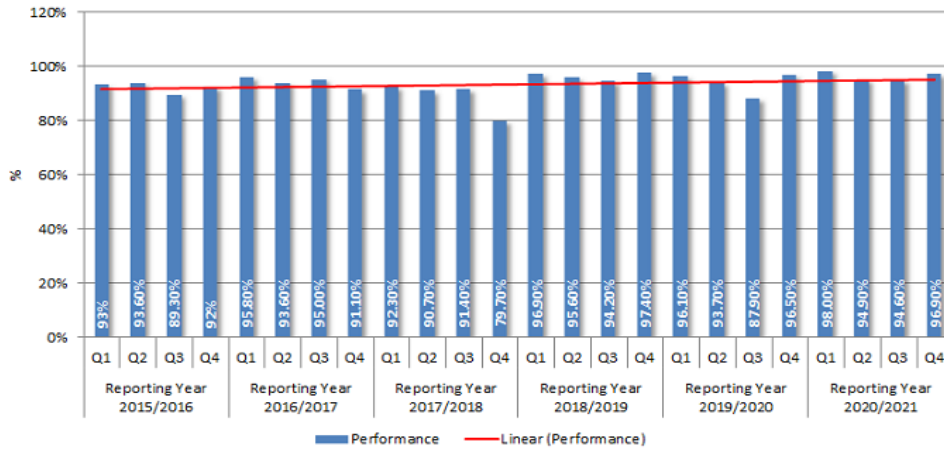


About the latest performance

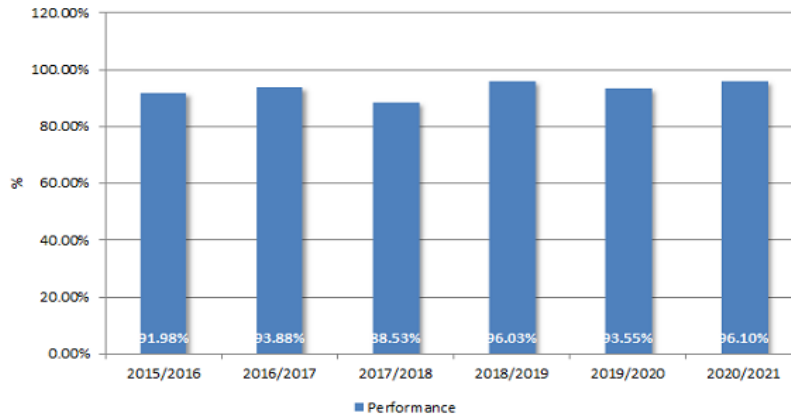
The performance was very good during Q2 with only two failures in reactive activities during the past quarter. The indicator for key stakeholder feedback remains static as per the previous quarter. There is room for improvement by the main contractor in management of subcontractors and the supply chain.

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 Andrew Crookham, Executive Director - Resources

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	Revenue Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on Revenue Budget Monitoring, which is being presented to the Executive on 07 December 2021. The views of the Board will be reported to the Executive as part of its consideration of this item.

The Revenue Budget Monitoring Report compares the Council's projected expenditure with the approved budget for 2021/22, and provides explanations for any significant forecast over or under spending.

Actions Required:

The Overview and Scrutiny Management Board is invited to: -

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

1. Background

1.1 The Executive is due to consider the Revenue Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021 at its meeting on 07 December 2021.

1.2 The Executive report attached at Appendix 1 is the revenue budget monitoring report for the second quarter of financial year 2021/22 and has been prepared as at the end of 30 September 2021. It compares projected expenditure for the year with the approved budget and provides explanations for any significant forecast over or under-spending.

1.3 Comments from the Overview and Scrutiny Management Board will be considered by the Executive alongside the 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 07 December 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Revenue Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021 to be presented to the Executive at its meeting on 07 December 2021

5. Background Papers

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

Document title	Where the document can be viewed
Budget Book 2021/22	The details of the budget set for financial year 2021/22 is within the document Budget Book 2021/22, which can be found on the Council's website. https://www.lincolnshire.gov.uk/downloads/file/5104/budget-book-2021-22

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

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

Report to:	Executive
Date:	07 December 2021
Subject:	Revenue Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021
Decision Reference:	I022177
Key decision?	Yes

Summary:

- This report provides an update on revenue spending compared with budgets for the financial year which started on 01 April 2021.
- The tables in this report show the actual income and expenditure for the first six months of this financial year to 30 September 2021, along with the forecasts for spending and a comparison of the forecasts against the approved budgets for the year.
- The report gives an overview of the financial position, with more detailed information on each budget area provided in Appendices B to J. The financial impacts of Covid-19 for each service area are included in these appendices but are not included in the Overall Financial Position.
- The overall revenue position is that we are forecasting an underspend this year of **£5.760m** (excluding schools and Covid-19).
- We are estimating that our forecasted Covid-19 position will be contained within the Government's emergency grant we have received. We are forecasting an overall surplus of **£0.296m**. We will continue to monitor our forecasted spend on Covid-19 as the year progresses.
- We forecast that our general reserves at the end of the year will remain within the target range of 2.5% to 3.5%.
- The impact of this revenue budget forecast on the Council's resilience has been assessed and the conclusion is that our financial resilience remains strong. We have healthy reserve balances and we will continue to strengthen our financial resilience as set out in paragraph 1.18.

Recommendation(s):

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

Alternatives Considered:

- | | |
|----|--|
| 1. | This report shows the actual revenue expenditure to 30 September 2021, and projected outturns for 2021/22, therefore no alternatives have been considered. |
|----|--|

Reasons for Recommendation:

To maintain the Council's financial resilience.

1. Background**Overall Financial Position**

1.1 Table of Summary Position as at 30 September 2021.

	Revised Net Revenue Budget £m	Forecast Outturn £m	Forecast (Under) / Overspend £m
Children's Services	123.176	122.748	-0.428
Adult Care and Community Wellbeing	151.722	150.563	-1.160
Place	75.186	75.442	0.256
Fire and Rescue and Emergency Planning	22.415	22.554	0.139
Resources	28.584	26.764	-1.820
Commercial	39.803	39.006	-0.796
Corporate Services	2.974	2.757	-0.217
Other Budgets	67.487	67.834	0.347
Total movement of Reserves	-24.176	-24.176	0.000
Income	-505.448	-507.527	-2.079
Total Excluding schools	-18.275	-24.034	-5.760
School Budgets	18.275	18.284	0.009
Total	0.000	-5.751	-5.751

- 1.2 Appendix A shows an expanded version of this summary table.
- 1.3 This financial position assumes that the financial impacts of Covid-19 will be contained within the emergency grant funding we receive this year. However, if a deficit occurs from the Covid-19 related expenditure and losses this may affect the above position.

Key Issues Highlighted – "Business As Usual"

- 1.4 The overall revenue position is that we are forecasting an underspend of **£5.760m** (excluding schools and Covid-19). Within this figure the most significant variances are:
- 1.5 Within Adult Care and Community Wellbeing, Public Health and Wellbeing is forecasting a **£1.283m underspend** due to the redeployment of existing workforce and commissioned services as we respond to and emerge from the Covid-19 pandemic. More detailed information can be found in Appendix C.
- 1.6 Within Resources, Public Protection is forecasting an underspend of **£1.170m**. This mainly relates to the receipt of grant for the Domestic Abuse Service that needs to be allocated. More detailed information can be found in Appendix F.
- 1.7 The Council has now had notification that it will receive additional Income of **£2.530m** relating to being in a Business Rates Pool with other local district councils. This is partly offset by an adjustment to the Business Rates Pooling gain for 2020/21 which was lower than expected (**£0.454m**).
- 1.8 Within Other Budgets there is a forecast underspend on capital financing charges of **£1.820m**, this is excluded from this forecast position at this stage. It is planned that any capital financing underspend will be used to manage future fluctuations in the annual capital financing budget by transferring it to the capital financing earmarked reserve at the end of the year. More detailed information can be found in Appendix J.

Key Issues Highlighted – Financial Impact of the Coronavirus Pandemic

- 1.9 Appendix K provides a table showing the forecast expenditure and losses of income arising from the impacts of the coronavirus (Covid-19) pandemic as at 30 September 2021.
- 1.10 The overall position is that we forecast an underspend of **£0.296m**.
- 1.11 The Council is not expecting any further general Covid-19 grant nor Loss of Sales Fees and Charges Income grant from Government other than that received for Quarter 1 expenditure.
- 1.12 Excluded from the £0.296m surplus is £7.720m allocated to the increased cost of capital schemes arising due to the pandemic. This amount will be managed within the capital programme by deferring other capital schemes.

- 1.13 If applicable, further details of Covid-19 expenditure and losses for each service area can be found in Appendices B to J.

Progress on Achievement of Budget Savings

- 1.14 Appendix L shows the savings built into the 2021/22 budget as part of the last budget process and indicates, for each saving, whether or not it is expected to be achieved this year. The list includes both budgetary savings on costs and budgeted increases in income. Appendix L shows that all budget savings are on target to be delivered this year.

Progress on Development Fund Initiatives

- 1.15 Appendix M shows a list of initiatives where the revenue costs are to be funded by the Development Fund earmarked reserve. Progress on each of these initiatives is reported in the appendix. Expenditure on Development Fund initiatives was £5.691m in 2020/21 and £2.958m is planned to be spent in the current year.

Assessment of Impact on Financial Resilience

- 1.16 The impact of this revenue budget forecast on the Council's resilience has been assessed and it has been concluded that our financial resilience remains strong. The direct impact of the Covid-19 pandemic is ongoing and this will require careful monitoring and managing to ensure any impact is minimised.
- 1.17 We forecast that our general reserves at the end of the year will remain within the target range of 2.5% to 3.5%. If we maintain the current forecast of an underspend then there will be no requirement to draw down our Financial Volatility Reserve to support the 2021/22 budgetary position.

If the position changes to an overspend then some reserve will be needed to be used. The balance of the Financial Volatility Reserve currently stands at £44.483m.

- 1.18 We will aim to strengthen our financial resilience by: continued monitoring of the financial position, undertaking work to address issues as they arise; continued reporting of the Covid-19 impacts to Government alongside working with the Society of County Treasurers to ensure that the Government understands the particular issues faced by County Councils; refreshing and updating the Medium Term Financial Plan and Strategy; and focusing on transformation work to reduce cost pressures and create budget savings.

Reporting of Budget Virements

- 1.19 The Council's Financial Regulations require us to report on any budget virements made during the year. A budget virement is where budget is moved from one service area to another and where the original purpose the budget was approved for has changed. A list of all such virements made in Quarter 2 can be found Appendix N.

2. Legal Issues:

Equality Act 2010

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

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

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

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

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

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

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

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

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

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

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

Crime and Disorder

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

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

3. Conclusion

- 3.1 The Council's overall forecast revenue position is an underspend of **£5.760m** (excluding Schools and forecast Covid-19 deficit).
- 3.2 Also excluded from the overall forecast is a **£1.820m** underspend in capital financing charges that is planned to be transferred to the Capital Financing Charges earmarked reserve to manage future fluctuations in the annual capital financing budget.
- 3.3 The Council's overall forecast position for Covid-19 related expenditure and losses is a **£0.296m** surplus.

4. Legal Comments:

This report sets out an update on spending, including spending relating to Covid-19, as at 30 September 2021 compared with the revenue budget for the financial year starting on 1 April 2021 to assist the Executive in monitoring the financial performance of the Council.

5. Resource Comments:

This report indicates that the current year revenue budget is projected to be underspent and currently there is no requirement to use our Financial Volatility earmarked reserve to support the budgetary position. However continued effort in monitoring is essential to ensure that any additional cost pressure is identified and addressed as soon it occurs.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This report is due to be considered by the Overview and Scrutiny Management Board on 25 November 2021. Any comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

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

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Revenue Budget Monitoring Report 2021/22 as at 30 September 2021
Appendix B	Children's Services
Appendix C	Adult Care and Community Wellbeing
Appendix D	Place
Appendix E	Fire and Rescue
Appendix F	Resources
Appendix G	Commercial
Appendix H	Corporate Services
Appendix I	Schools
Appendix J	Other Budgets
Appendix K	Summary of Financial Impact of Covid-19 2021/22 as at 30 September 2021
Appendix L	Monitoring of Planned Savings 2021/22
Appendix M	Monitoring of Development Fund Initiatives 2021/22

Appendix N	Approved Budget Virements 2021/22 as at 30 September 2021
Appendix O	COVID-19 Grant Funding Provided to LCC

8. Background Papers

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

Document title	Where the document can be viewed
Council Budget 2021/22	https://lincolnshire.moderngov.co.uk/documents/g5729/Public%20reports%20pack%2019th-Feb-2021%2010.00%20Council.pdf?T=10
Budget Book 2021/22	https://www.lincolnshire.gov.uk/downloads/file/5104/budget-book-2021-22

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

Revenue Budget Monitoring Report 2021/22 as at 30 September 2021

	Revised Net Revenue Budget £m	Net Expenditure £m	Forecast Outturn £m	Forecast Variance £m	Forecast Variance %
SERVICE DELIVERY					
Children's Social Care	77.939	43.829	78.492	0.553	0.7
Children's Education	45.238	15.769	44.256	(0.982)	(2.2)
Children's Services	123.176	59.598	122.748	(0.428)	(0.3)
Adult Frailty & Long Term Conditions	121.171	31.446	121.651	0.480	0.4
Adult Specialities	86.351	48.267	85.994	(0.357)	(0.4)
Public Health and Community Wellbeing	30.329	8.452	29.046	(1.283)	(4.2)
Public Health Grant Income	(33.895)	(25.421)	(33.895)	0.000	0.0
Better Care Funding	(52.233)	(16.624)	(52.233)	0.000	0.0
Adult Care and Community Wellbeing	151.722	46.120	150.563	(1.160)	(0.8)
Communities	47.887	20.693	47.588	(0.299)	(0.6)
Lincolnshire Local Enterprise Partnership	0.344	2.653	0.344	0.000	0.0
Growth	2.285	7.536	2.285	0.000	0.0
Highways	24.671	0.680	25.225	0.554	2.2
Place	75.186	31.562	75.442	0.257	0.3
Fire & Rescue	22.093	10.671	22.232	0.139	0.6
Emergency Planning	0.322	(0.034)	0.322	(0.000)	(0.1)
Fire and Rescue and Emergency Planning	22.415	10.637	22.554	0.139	0.6
Human Resources and Organisational Support	14.366	8.988	13.907	(0.459)	(3.2)
Finance	7.700	3.456	7.388	(0.312)	(4.1)
Legal and Governance Services	2.055	2.483	2.175	0.120	5.9
Public Protection	4.464	0.538	3.294	(1.170)	(26.2)
Resources	28.584	15.465	26.764	(1.820)	(6.4)
Property	11.148	6.637	10.977	(0.171)	(1.5)
Information Management Technology	14.610	9.841	14.586	(0.024)	(0.2)
Transformation	4.830	4.720	4.667	(0.163)	(3.4)
Commercial	9.214	3.671	8.776	(0.438)	(4.8)
Commercial	39.803	24.869	39.006	(0.796)	(2.0)
Corporate Services	2.974	1.249	2.757	(0.217)	(7.3)
Corporate Services	2.974	1.249	2.757	(0.217)	(7.3)
TOTAL SERVICE DELIVERY	443.861	189.501	439.834	(3.770)	(0.8)
OTHER BUDGETS					
Contingency	2.784	0.000	2.784	0.000	0.0
Capital Financing Charges	41.717	(0.225)	41.717	(0.000)	(0.0)
Other	22.987	11.044	23.333	0.346	0.0
TOTAL OTHER BUDGETS	67.487	10.819	67.834	0.347	0.0
TOTAL NET EXPENDITURE (EXC SCHOOLS)	511.348	200.320	507.668	(3.424)	(0.7)
MOVEMENT OF RESERVES					
Transfer to/from Earmarked Reserves	(3.425)	(0.965)	(3.425)	0.000	(0.0)
Contribution to/from School Reserves	(20.951)	(20.951)	(20.951)	0.000	0.0
Contribution to Development Fund	0.000	2.439	0.000	0.000	0.0
Transfer to/from General Reserves	0.200	0.200	0.200	0.000	0.0
TOTAL MOVEMENT OF RESERVES	(24.176)	(19.277)	(24.176)	0.000	(0.0)
MET FROM:					
Business Rates local Retention	(120.825)	(58.550)	(122.900)	(2.075)	1.7
Revenue Support Grant	(20.580)	(10.702)	(20.580)	0.000	0.0
Other Non Specific Grants	(44.416)	(40.337)	(44.421)	(0.004)	0.0
County Precept	(319.626)	(159.198)	(319.626)	0.000	(0.0)
TOTAL MET FROM	(505.448)	(268.786)	(507.527)	(2.079)	0.4
TOTAL (EXCLUDING SCHOOLS)	(18.275)	(87.742)	(24.034)	(5.760)	
SCHOOL BUDGETS					
Schools Block	151.795	62.878	152.099	0.304	0.2
High Needs Block	84.171	40.447	84.540	0.369	0.4
Central School Services Block	3.745	0.539	3.122	(0.623)	(16.6)
Early Years Block	42.731	19.608	42.690	(0.041)	(0.1)
Dedicated Schools Grant	(271.536)	(141.199)	(271.536)	0.000	0.0
Schools Budget (Other Funding)	7.369	(0.797)	7.369	0.000	0.0
TOTAL SCHOOLS BUDGETS	18.275	(18.523)	18.284	0.009	100.0
TOTAL (INCLUDING SCHOOLS)	0.000	(106.266)	(5.751)	(5.751)	

Children's Services

Financial Position 1st April – 30th
September 2021

Children's Service Directorate

Forecast Financial Position as at 30th September 2021

Position

Children's Services is forecasting a 2021/22 spend of £122.748m against a budget of £123.176m. This is a forecast underspend of £0.428m.

	Budget £m	Forecast Outturn £m	Forecast Variance £m	Variance Change Q1 to Q2 £m
Children's Social Care	77.939	78.492	0.554	(0.107)
Children's Education	45.238	44.256	(0.982)	(0.261)
Children's Services	123.176	122.748	(0.428)	(0.368)

Children's Services

Education

- Home to School Transport is currently forecast to be overspent by £0.337m (or 1.0%). The daily rate for this forecast is £179,135 per day against the pre-covid rate of £167,541 (6.92% increase). Contributing factors include inflationary rises in new contracts, evidenced through like-for-like contract renewals. There are however a number of variables that require further work including the impact of the new academic year cohort eligibility which will be known in October. The impact of operator cessation, driver shortages and fuel price increases on re-procured contract prices will also have an impact on the current position.
- An underspend within Special Educational Needs & Disabilities of £0.745m (or 9.8%) relates to Children with Disabilities (CWD) staffing (£0.193m or 16.3%) as a result of vacancies, and the Domiciliary Care contract underspent (£0.248m or 53.0%) from parents not wanting carer support in their home due to the impact of Covid-19. This budget will be under review to see what uptake will be required going forward. A further underspend is forecast on CWD equipment £0.150m (or 30%) where costs to date suggest that the expected pressure in this area is unlikely to materialise.
- There are further underspends relating to central staffing costs (£0.269m) from vacancies and staff movement, and other general underspends across education services.
- The forecasts include a total of £0.389m of costs to be claimed from the general Covid-19 grant, and £0.313m of costs which will be claimed against the Outbreak Management Grant.

Social Care

The financial position is driven by:-

- The continuing need for children in care requiring out of county or specialist placements has led to a forecast overspend has identified a material forecast overspend (£1.713m or 25.7%). This is a £0.689m increase in the overspend forecast in Quarter 1. Children in Care numbers have remained at a similar level (688 at the end of September 2021 compared with 690 at the end of July 2021). The main contributing factors to the increase include market force challenges and a small number of specialist external placements. Included within the forecast is the general Covid-19 grant financial support (£4.126m) and the Children's Services 1% carry forward (£1.136m) from 2020/21. The financial position of this statutory requirement does fluctuate due to demand-led nature of the service. There continues to be a robust review of placements undertaken on a monthly basis with all additional costs under scrutiny. The forecast considers the transformational activity taking place within the service.
- Social care legal costs continue to be higher than the budget due to the complexity of cases, the reliance on expert advice and the use of counsel. It is forecast to overspend by £1.305m (or 46.1%), a rise of £0.250m from Quarter 1. Children's Services continue to apply the statutory threshold to initiating care proceeding and pre-proceedings. There is on-going work to supporting progression with pre-proceedings and protocols are in place to support this.
- The 0-19 health service underspend has increased to £0.577m (or 6.8%) from the previously reported £0.192m underspend in Quarter 1. This overall position relates to continued vacancies and recruitment challenges which are impacting on service performance. A plan is being put forward to address this.
- There are continued underspends relating to staffing vacancies for early help services (£0.412m or 3.9%); underspends within the Fostering Service (£0.154m or 1.1%) mainly due to reduced numbers of care leavers remaining in foster care (40 care leavers against a budgeted 60); the use of one-off Outbreak Management grant to part fund the costs of the Healthy Minds delivery in schools following the pandemic (£0.267m) and other minor underspends on other service areas.
- The forecasts include a total of £4.693m of costs to be claimed from the general Covid-19 grant to meet additional legacy costs, and £0.545m of costs which will be claimed against the Outbreak Management Grant.

Adult Care and Community Wellbeing

Financial Position 1st April – 30th
September 2021

Adult Care & Community Wellbeing

Forecast Financial Position as at 30 September 2021

Position

Adult Care and Community Wellbeing is forecasting a spend of £150.563m against a net budget of £151.723m, which is a £1.160m underspend, a movement of £0.006 m since Quarter 1.

	Budget £m	Forecast Outturn £m	Forecast Variance £m	Variance Change Q1 to Q2 £m
Adult Frailty	121.171	121.651	0.480	0.192
Adult Specialities	86.351	85.994	(0.357)	(0.103)
Public Health & Community Wellbeing	30.329	29.046	(1.283)	(0.095)
Public Health Grant	-33.895	33.895	0.000	0.000
Better Care	-52.233	52.233	0.000	0.000
Adult Care & Community Wellbeing	151.723	150.563	(1.160)	(0.006)

Public Health & Wellbeing

Public Health & Wellbeing is forecasting a £1.283m underspend. The underspend is delivered through the redeployment of existing workforce and commissioned services in order to meet the needs of the population as we both respond and emerge from the Covid-19 pandemic. The change in Quarter 2 from Quarter 1 is due to maximisation of the Outbreak Management Fund Covid-19 government grant.

Adult Frailty and Long Term Conditions

This has shown an increase in overspend from Quarter 1 from £0.288m to £0.480m a movement of 0.192m due to increased short term care spend in Older Persons due to lack of home care capacity and the purchase of more expensive interim beds.

Adult Specialities

This has shown an increase in the underspend by £0.103m to -£0.357m underspend; this is largely due to In House Day Opportunities budgets, and the impact of not all services being fully utilised due to Covid-19 pandemic.

Place

Financial Position 1st April – 30th
September 2021

Place

Forecast Financial Position as at 30 September 2021

Place is forecasting a 2021-22 spend of £75.443m against a budget of £75.186m. This is a forecast overspend of £0.257m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 to Q2
	£m	£m	£m	£m
Highways	24.671	25.325	0.555	0.118
Communities	47.887	47.588	(0.298)	0.382
Greater Lincolnshire LEP	0.344	0.344	0.000	0.000
Growth	2.410	2.410	0.000	0.000
Place	75.186	75.443	0.257	0.500

Highways

Highways is forecasting an overspend of £0.555m.

This is largely due to a forecast pressure on winter maintenance of £0.815m based on an estimate of requiring 85 gritting runs covering 33% of the road network. The budget is based on providing coverage for an assumed "average winter" consisting of 63 gritting runs and at this relatively early stage of the year, 10 runs have already been completed due to unusually cold conditions in April and May. This was reported as a risk in the Q1 report.

Offsetting this are smaller underspends due to income from Traffic Regulation Orders being better than budget (£0.119m) and staff vacancies running slightly higher than the level assumed in the budget.

Communities

Communities is forecasting an underspend of £0.298m. This has reduced from an expected overspend situation reported in the Q1 report. Key differences include:

- Waste Services have reviewed their assumptions for prices and volumes and are now forecasting an overspend of £0.170m which is reduced from the £0.382m overspend reported at Q1. As previously reported, some of the effects and increased volume of waste being disposed of are attributable to behavioural changes resulting from the pandemic and as such this forecast is dependent on Covid grant funding of £1.432m relating to increased fly tipping, loss of revenue from the EfW and the effects of the HWRC booking system.

- Cultural Services are forecasting a range of cost savings, including reduced fuel and utility costs and better than budgeted income levels leading to a forecast underspend of £0.348m.
- A forecast saving of £0.078m on Planning Services is due to two junior posts that are currently vacant and the decision not to recruit to these posts over the last 18 months due to the difficulty in providing the necessary training whilst working from home.

Transport Services are currently reporting a small underspend (£0.022m) but with considerable uncertainty remaining in the bus market, requirements for the second half of the year are difficult to forecast. This will continue to be monitored on a monthly basis with any material changes reported to the Corporate Leadership Team.

Greater Lincolnshire LEP

As previously reported the Greater Lincolnshire LEP budget, which represents the Council's annual revenue contribution to the LEP, is currently forecast to be in line with budget. Future funding of LEPs is being considered as part of the Spending Review and Levelling Up White Paper and in the meanwhile Government has only committed core LEP funding up to September 2021, which presents a potential risk to the forecast for the second half of the year.

Growth

Growth is currently forecast to be broadly in line with budget.

Fire and Rescue and Emergency Planning

Financial Position 1st April – 30th
September 2021

Fire & Rescue and Emergency Planning

Forecast Financial Position as at 30 September 2021

Fire and Rescue and Emergency Planning is forecasting a 2021-22 spend of £22.554m against a budget of £22.415m. This is a forecast overspend of £0.139m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 to Q2
	£m	£m	£m	£m
Fire & Rescue	22.093	22.232	0.139	0.049
Emergency Planning	0.322	0.322	0.000	0.000
Fire & Emergency Planning	22.415	22.554	0.139	0.049

Fire and rescue are forecasting an overspend of £0.139m.

The service is projecting an annual increase call volumes from the planning assumptions used to set budget by 400 incidents for this year. This equates to approximately £0.085m in cost.

The remaining overspend relates to the costs of covering long term absence (£0.054m).

LFR have a trend of longer term muscular skeletal absences due to the nature of employment, but also due to the challenges of getting personnel signed back fit for work.

There is a higher level of medical evaluation required to bring personnel back to operational duties. This has also been a challenge due to the limited availability of Occupational Health resources and a period where there has not been a doctor available.

Resources

Financial Position 1st April – 30th
September 2021

Resources

Forecast Financial Position as at 30 September 2021

Resources is forecasting a 2021-22 spend of £26.764m against a budget of £28.585m. This is a forecast underspend of £1.821m.

Note: The core underspend is £0.802m with the other £1.019m relating to the accounting treatment of the Domestic Abuse Grant.

	Budget £m	Forecast Outturn £m	Forecast Variance £m	Variance Change Q1 to Q2 £m
Organisation Support	14.366	13.907	(0.459)	(0.524)
Finance	7.700	7.388	(0.312)	0.052
Governance	2.055	2.175	0.120	(0.031)
Public Protection	4.464	3.294	(1.170)	1.022
Resources	28.585	26.764	(1.821)	(1.525)

Organisational Support (£0.459m underspend)

Business Support are forecasting an underspend of (£0.354m).

This underspend is due to a number of staff vacancies with some sixty-five posts (8%) vacant at 30 September 2021. Of these, five are Management Support Officer posts now being held as part of the ongoing consultation resulting from the review of the service. In the current labour market vacancies are taking longer than usual to fill.

This projected underspend has allowed the service to absorb some additional demands on staffing over and above normal business levels including additional resource to support increased complaint levels, Smarter Working resources (cloud-booking) and Fostering and Adoption until April 2022.

Human Resources are forecasting to underspend by £0.105m.

This is due to core staff being re-directed to work on covid activity and thus being funded via Covid grant (£0.102m).

The service is also expected to exceed its income target from delivering services to schools by £0.025m based on take up for the new academic year.

We reported in Q1 that the expected cost of supporting the “McCloud” pension judgement may be £0.065m. This work is now expected to span financial years with a maximum cost of £0.012m in the current year which can be managed within the directorate.

Finance (£0.312m underspend)

The overall forecast variance on the Serco finance contract is an underspend of £0.296m.

As reported at Q1, most of this (£0.273m) is due to the budget for the implementation and ongoing costs for moving Adult Social Care payments from being paid net to gross no longer being required this year as it is currently planned to be implemented from 01 April 2022.

In addition the period to August has seen slightly lower transaction volumes than budget resulting in a forecast underspend of £0.023m.

A surplus in year of £0.015m on Schools Finance Service income is now forecast. This arises from a combination of a higher level of income received plus lower costs due to savings in travel costs resulting from current working arrangements. A savings target of £15k is being proposed in the draft 2022/23 budget.

Governance (£0.120m overspend)

We are awaiting final clarification from our District Council partners but the expected total cost of the recent local elections is £0.720m.

A base budget of £0.300m per annum was introduced in 2020/21 as part of a rolling budget that, over a four year cycle, will cover the expected total cost of elections. Council approved the £0.300m that was not required in 2020/21 to be added to an earmarked reserve making the total funding currently available £0.600m.

The remaining shortfall (£0.120m) can be funded from overall underspends within the Resources Directorate.

Public Protection (£1.170m underspend)

The underspend represents a significant increase from Q1 reporting as the service looks to allocate a new grant to support the Domestic Abuse service.

Safer Communities

Safer Communities, incorporating Community Safety and Trading Standards, are forecasting an underspend of £1.225m.

An additional ringfenced grant of £1.445m was received following the passing of the Domestic Abuse Act 2021, for this and future years. In order to most effectively plan its allocation, £1.019m of this will remain unspent at the year-end, however the grant conditions stipulate that it can only be spent on specific criteria and therefore creation of a new earmarked reserve will be proposed at year-end to allow the service to utilise unspent grant in future years but in the meanwhile this appears as an underspend. This overall underspend is offset by a forecast overspend in one area of the service. An element of the Council's domestic abuse provision was piloted and funded by the Better Care Fund. This funding was superseded by the recently announced domestic abuse grant

and the Council is in the process of reviewing all committed spend against grant conditions. Some of the services put in place prior to the publication of grant conditions cannot now be funded by the grant and this has created a forecast overspend of £290k. Options to rectify this situation will be put in place over the coming weeks and months. The remaining underspend is primarily attributable to staff vacancies across the remainder of the Community Safety and Trading Standards services.

Coroners, Celebratory & Registration Services

The service is forecasting an overspend of £0.054m.

The Coroners Service is expected to be £0.144m overspent.

Following a review of pricing for post-mortems there is an overspend of £0.085m as the services has had to utilise more expensive options throughout the year due to excess pressures on the service.

There has also been an increase in coroner staff costs due to replacing part time hours with full time hours, which had not been written into the budget assumptions. This, alongside additional support provided by our business support colleagues during an extremely busy time, has resulted in extra staffing costs of £0.059m.

Registration Services are forecast to be £0.064m underspent.

This is due to staffing shortages as income levels are expected to return in line with budget assumptions.

The appointment of a new Head of Service part way through the year has resulted in an additional underspend of £0.025m.

Commercial

Financial Position 1st April – 30th
September 2021

Commercial

Forecast Financial Position as at 30 September 2021

Commercial is forecasting a 2021-22 spend of £39.006m against a budget of £39.802m. This is a forecast underspend of £0.796m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 to Q2
	£m	£m	£m	£m
Property	11.148	10.977	(0.171)	(0.045)
Information Management Technology	14.610	14.586	(0.024)	(0.248)
Transformation	4.830	4.667	(0.163)	0.000
Commercial	9.214	8.776	(0.438)	(0.079)
Commercial	39.802	39.006	(0.796)	(0.372)

Corporate Property (£0.171m underspend)

As reported at Q1, projected utility costs are estimated to be £0.100m below budget based on current usage and expected occupation levels at council sites. This figure is subject to change dependent on occupation levels as the council returns to a blended working approach and will remain under constant review.

County Farms will underspend by £0.100m following the removal of the remaining Crown estate rents initiated in the previous financial year.

This saving has been identified in the service review as part of the medium term plan.

Facilities Management costs are also expected to be £0.080m lower due to delays in work resulting from the widespread resourcing issues being experienced in construction trades.

These are offset by overspends relating to the additional costs for the council element of running costs for the South Park Blue Light centre (£0.055m) and management costs for the Grantham traveller site which has transferred from SKDC to the council (£0.020m) and other small cost increases (£0.034m).

These pressures are being considered as part of the future budget setting discussions and medium term financial planning.

Information Management Technology (£0.024m underspend)

IMT are forecasting to be broadly on target to the 2021/22 budget.

Supporting an agile, predominantly home working organisation, during the pandemic, has

been successful, although this has led to additional technology cost. Most of this has been funded by central government's covid grant and support from reserves, but ongoing delivery costs are being considered within the MTFP.

Without this support the service would be reporting an overspend closer to £0.700m.

There are currently a number of unfilled vacancies to which the service is experiencing challenges in the recruitment market (£0.180m) and lower contract costs based on Q1 and Q2 data volumes on our outsourced contract (£0.231m).

The challenges of recruitment are also likely to reduce the delivery of planned project work resulting in a further underspend of £0.200m by year end.

These underspends are offset by an increase in cost of £0.200m relating to the council's arrangements with Microsoft in supporting the wider Office 365 portfolio as we enable more flexible and smarter working arrangements.

These and other pressures have been considered as part of a zero based budget review during the summer to determine the future IMT revenue budgetary requirement as the overall IMT strategy considers how to deliver services for the council into the medium term.

This analysis is being used to inform discussions for the Council's 2022/23 budget and MTFP.

Transformation (£0.163m underspend)

The underspend, which is unchanged from Q1, is in relation to current and known future staffing vacancies across the service and through charging staff time to the Covid grant to deal with appropriate Covid related pressures, although this is off-setting a short term staff funding pressure (£0.183m) to manage key service priorities.

Commercial (£0.438m underspend)

This relates to the Customer Service Centre (CSC) and results from the combined effects of grant funding for Covid related activity from both general and Adult Care specific grants (£0.275m) with the remainder due to slightly lower than budgeted contact volumes.

There is a risk that expenditure may rise due to uncertainty in post-Covid volumes and the service will continue to closely monitor costs for the remainder of the year providing a further update in Q3 and highlighting any material changes on a monthly basis to the Corporate Leadership Team.

Corporate Services

Financial Position 1st April – 30th
September 2021

Corporate Services

Forecast Financial Position as at 30 September 2021

Corporate Services is forecasting a 2021-22 spend of £2.757m against a budget of £2.974m. This is a forecast underspend of £0.217m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 to Q2
	£m	£m	£m	£m
Corporate Services	2.974	2.757	(0.217)	(0.020)
Corporate Services	2.974	2.757	(0.217)	(0.020)

There have been a number of staff vacancies resulting in an underspend of £0.201m.

The 2021 Lincolnshire Show was cancelled resulting in reduced costs of £0.038m.

This is offset by a forecasted £0.22m overspend for the Monitoring Officer's legal costs.

Schools

Financial Position 1st April – 30th
September 2021

Schools

Financial Position as at 30th September 2021

Schools are forecasting a 2021/22 spend of £18.284m against a net budget of £18.275m. This is a forecast overspend of £0.009m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 to Q2
	£m	£m	£m	£m
Schools Block	151.795	152.099	0.304	(0.009)
High Needs Block	84.171	84.540	0.369	0.141
Central School Services Block	3.745	3.122	(0.623)	0.012
Early Years Block	42.731	42.690	(0.041)	0.079
Dedicated Schools Grant	(271.536)	(271.536)	0.000	0.000
Schools Budget Other Funding	7.369	7.369	0.000	0.000
Schools	18.275	18.284	0.009	0.223

Schools

Central School Services Block

The financial position is driven by:-

- The majority of the underspend relates to formulaic funding received from central government for ongoing responsibilities for maintained schools and academies. This forecast underspend is consistent with Quarter 1 reporting. The increased funding is being considered by the service. Further underspends relate to historical budgets such as PFI funding and Broadband costs. These budgets have been set prudently this year as the Department of Education (DfE) will be reducing these budgets by 20% in 2022/23.

Early Years Block

The financial position is driven by:-

- Minor underspends on central staffing (£0.041m) due to delays in the recruitment process and recent Head of Service changes.
- The participation budgets are currently shown as being on target. This is a volatile, demand-led budget that has been significantly impacted by Covid-19. The Department for Education has recognised that this year's census data might not be representative of attendance using January census data and as a result are funding Local Authorities using termly data, which will reduce the overall financial risk.

High Needs Block

The financial position is driven by:-

- The most significant area of overspend relates to top up payments to mainstream schools for children and young people with Education and Health Care (EHC) plans (£2.170m or 11.1%) and builds in current and future commitments. The SEND transformation programme is however making a difference to the number of new EHC plans (i.e. do nothing trajectory), however like nationally, number of EHC plans are increasing. These pressures have been partly offset by underspends on Alternative Provision (AP) Free school place funding (£1.668m) following Department for Education confirmation that funding is only being recouped from the local authority for 89 places from September 2021.
- Forecast overspends for Independent Non-Maintained Schools placements (£0.153m) and independent mainstream placements (£0.464m). As at October 2021 there are 164 placements in Independent Non-Maintained Schools and 69 placements in independent mainstream. There is also an increase in numbers and costs for mainstream placements with SEN in other LA schools (£0.612m) – 35 placements identified from July.
- Other underspends include: the use of one-off Outbreak Management grant to part fund the costs of the Healthy Minds delivery in schools following the pandemic (£0.267m); reduction in Home Tuition (£0.311m); Alternative Provision Places (£0.227m) Social, Emotional & Mental Health (SEMH) placements (£0.144m) and other smaller underspends on various central SEN support services (£0.413m).

Schools Block

The financial position is driven by:-

- It has been assumed that School budgets will be fully spent for the purposes of this report. School delegated budgets (under and overspends) are automatically carried forward in accordance with grant conditions and the Local Authority's school carry forward policy.
- Pupil growth is forecasting a £0.333m overspend. This relates to later agreements and allocations in accordance with the policy for planned school reorganisations to provide sufficient school places for Lincolnshire pupils.

Other Budgets

Financial Position 1st April – 30th
September 2021

Other Budgets

Financial Position as at 30 September 2021

Position

Other Budgets is forecasting a 2021-22 spend of £66.014m against a budget of £67.487m. This is a forecast underspend of £1.474m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 to Q2
	£m	£m	£m	£m
Contingency	2.784	2.784	0.00	0.000
Capital Financing Charges	41.717	39.897	(1.820)	0.570
Other	22.987	23.333	0.346	0.00
Other Budgets	67.487	66.014	(1.474)	0.570

Capital Financing

The Capital Financing forecast variance (underspend) of -£1.820m is driven by:

Part of this underspend (-£1.250m) relates to the Minimum Revenue Provision part of capital financing charges, which is the amount set aside annually to finance the capital programme. The forecast underspend is a result of the capital programme outturn position in 2020/21, which was an underspend against the programme. The remainder (-£0.570m) is a forecast underspend on interest on borrowing due to re-phasing of the current year capital programme as well as a forecast underspend in the current year.

It is planned that the capital financing underspend will be used to manage future fluctuations in the annual capital financing budget by transferring it to the capital financing earmarked reserve at the end of the year.

Other Budgets

Within Other Budgets there is a total forecast variance overspend of £0.346m which is driven by:

- Insurance. Increasing insurance premium costs are likely to lead to an overspend of £0.371m this year. Early indications are that this position is likely to continue into future years when the insurance contract is retendered.
- Council Tax Discount for Special Constables. The new budget set aside to pay for our share of Special Constables council tax discount scheme is not likely to be required this year as the scheme will be implemented retrospectively after the end of the financial year i.e. for the first time in 2022/23. This has led to an underspend this year of £0.025m.

Appendix K

SUMMARY OF FINANCIAL IMPACT OF COVID-19 2021/22 AS AT 30 September 2021

Covid-19 Costs and Losses - Actual To Date and Forecast Against Emergency Grant				
	Actual for Q1 2021/22 £000's	Estimate for Q2 2021/22 £000's	Estimate for Q3 2021/22 £000's	Estimate for FY 2021/22 £000's
<u>Adult Care and Community Wellbeing</u>				
Adult Frailty & Long Term Conditions	746	409	340	1,837
Adult Specialties	0	0	0	0
Public Health	0	0	0	0
Total ACCW	746	409	340	1,837
<u>Children's Services</u>				
Children's Social Care	935	1,458	1,271	4,693
Children's Education	132	111	73	388
Total Children's	1,067	1,569	1,344	5,081
<u>Place</u>				
Communities	303	756	609	2,570
Lincolnshire LEP	0	0	0	0
Growth	0	0	15	30
Highways	75	109	140	402
Total Place	378	865	764	3,002
Fire and Rescue & Emergency Planning	85	17	0	102
<u>Resources</u>	101	157	311	794
Public Protection	0	21	0	21
Resources	101	177	311	815
<u>Commercial</u>				
Commercial	1,077	1,312	1,480	6,096
<u>Corporate Services</u>				
Corporate Services	2	0	0	2
<u>Other Budgets</u>				
Other Budgets	0	0	0	0
Capital Expenditure	340	2,398	1,216	7,720
Other Budgets	0	0	0	0
Total Costs and Losses (excl Schools)	3,457	4,348	4,238	16,935
<u>Schools</u>				
Schools	0	0	0	0
Total Costs and Losses (Incl Schools)	3,457	4,348	4,238	16,935
Covid-19 Emergency Grant			✓	(15,159)
Lost SFC income grant (estimated)			✓	(2,072)
Carry forwards			✓	(17,231)
Total estimated income				(17,231)
Surplus / (Deficit)				296

Monitoring of Planned Savings 2021/22

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	Education Support Services	Budget Reductions to meet service requirements	1	Y		
Children's Services	Early Help Services	Budget Reductions to meet service requirements	1	Y		
Adult Care and Community Wellbeing	Budget 2020 - Three year savings programme	Cost reduction following online financial assessments and reduction of staffing as part of corporate transformation programme	100	Y		
Adult Care and Community Wellbeing	Adult Charging	Growth in Service user contributions which net off cost pressures in Homecare, Direct Payments and Daycare	1,801	Y		
Adult Care and Community Wellbeing	Residential/Nursing Placements	Investment in Extra Care Housing to reduce Long Term Placements	160	Y		
Adult Care and Community Wellbeing	Direct Payments	Improvement in Direct Payments reclaim of surplus funds from 88% to 94%	300	Y		
Adult Care and Community Wellbeing	Debt Collection Efficiencies	Reduction In Legal fees due to improved Debt Collection	100	Y		
Adult Care and Community Wellbeing	Peak Demand Efficiencies	Re-direction for funding to support services in core and mandatory services	400	Y		
Adult Care and Community Wellbeing	Review of Better Care Funded Schemes	Redirect funding to support services pressures in core, mandatory services	490	Y		
Adult Care and Community Wellbeing	Savings following contract reprocurement	Budget Reductions to meet service requirements	500	Y		
Adult Care and Community Wellbeing	Review of BCF Schemes	Review of BCF schemes redirecting funding to support service	192	Y		
Place	Highways Services	Saving on the lease cost of winter gritters	159	Y		
Resources	Community Safety	In anticipation of central government funding for new burden activities relating to Domestic Abuse	98	Y		
Resources	Reduction in printing	A reduction in costs following a contractual review	57	Y		
Commercial	Reduction in outgoing rents	A reduction in county farms rents payable	150	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						
Commercial	Reduction in general property costs	A general reduction in property costs	85	Y		
Other Budgets		Implementation of capital financing savings	4,362	Y		
Other Budgets		Removal of revenue contribution in financing the capital programme	1,100	Y		
Other Budgets		Reduction in pension liabilities due to attrition rate	100	Y		
TOTAL BUDGET SAVINGS			10,157	0	0	
Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
			Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
GROWTH IN INCOME						
Adult Care and Community Wellbeing	Adult Charging	Additional Service user income Residential	1,500	Y		Service User income Savings -As at end of Qtr 2 - all are deliverable, however ACCW have rated Service user Income as high risk budgets, and have implemented additional monitoring as a result. This is highlighting a potential for income levels to fall below the 2021/22 budget, the Debtor Review Programme is continuing and all debts over £25K will be reviewed by the 31st March 2022.
Resources	Registration Income	The realignment of target income to the level achieved in 19/20	108	Y		
Resources	Audit Services Income	Planned additional income from the continued development of Audit services to partner organisations	15	Y		
Resources	Finance services to Schools	An increase in the level of income from Schools	20	Y		
Resources	HR Services to Schools	Proposed income from the continued development of a suite of HR services to Schools	91	Y		
Other Budgets		Increase in dividend relating to investment	6	Y		
TOTAL GROWTH IN INCOME			1,740	0	0	
TOTAL REDUCTIONS TO BUDGET			11,897	0	0	

Monitoring of Development Fund Initiatives 2021/22

Directorate	Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised in 2020/21 £000's	Planned Use of Funding		Update on Progress
					2021/22 £000's	Future Years £000's	
REVENUE							
Place	Environment	Green Masterplan	350	34	255	40	Green Masterplan approved, GMP Website developed, Lincolnshire Carbon Tool – with Bio Regional and Etude developed (this measures the carbon emissions from the whole economy in Lincolnshire). Zero Carbon Castle project commenced with the Castle and Delta Simons to examine how a zero carbon tourist attraction can be developed (this can then provide a model for other tourism sites in the county). LED Street-Lighting – on going process of conversion of street lights to LED lamps funded through the Salix Fund. Lincolnshire Climate Summit held in October 2021.
Place	Communities	Anaerobic digestion Facilities - Business Case Viability	150	12	120		Study has been commissioned to examine whether Anaerobic Digestion is the preferred solution to treat municipal food waste. The report will enable a detailed Technical Options Appraisal to be undertaken and development of an Outline Business Case by late 2021. NOTE: A government consultation has recently taken place to look at separate waste collections, including food waste. The outcome of this is expected in late 2021 and should state requirements and how service expansion should be financed.
Place	Highways and Growth	Highways Advance Design/Economic Development Pipeline Projects	2,713	484	572	1,565	This funding is being utilised in addition to the annual budget of c£580k (which is utilised in developing majors projects to a point where capital funds are secured) to enable the delivery of Highways traffic models and transport strategies and a pipeline of Economic Development schemes to bid against emerging government funding opportunities. In 2020/21 all the planned traffic models and transport strategies were completed and in the current year the delivery of transport strategies for Grantham, Skegness, Sleaford and Gainsborough have all commenced. Overall progress is in line to complete within the timescale planned in the project bid. It should be noted that there is still scope for additional draw down in 2021/22 if more major projects are decided to be progressed using revenue funding, for example those recently submitted in the Levelling Up Fund.
Place	Highways	Traffic signals - Wireless communications	5	0	5		Small revenue element for ducting surveys on-track; Overall project update reported in Capital section below.
Place	Highways	Drainage Investigation and Flood Repairs	200	32	168		Revenue cost is for technical staff to undertake investigations. Overall project update is reported in Capital section below.
Fire and Rescue and Public Protection	Fire and Rescue	Research study - LFR prevention work	10	8	2		Although the expected start date of the evaluation was initially delayed by Covid, close liaison with the University of Lincoln has allowed the team to develop alternative methods for collecting data to support the evaluation. The period of data collection has been reduced to ensure progress is made, with discussions held to ensure the outcomes as outlined in the scoping document can still be met. The University have confirmed they are confident that the report will provide the details and recommendations required.
Commercial	Transformation	Business Process re-engineering	280	167	113		Prioritised opportunities from the discovery phase have been translated into a Digital Delivery Blueprint. Further work has been completed to link all digital work underway or planned into this piece of work (CSC project, Adults digital projects and future plans within IMT). The blueprint has been created to support the development of the Council's Digital Strategy. The top six opportunities for cashable / non cashable benefits have now been identified and agreement on the roadmap for this delivery is to be agreed by CLT over the summer. Work has now concluded on the School Admissions and Transport Discovery & Service Design with several opportunities for efficiencies and cashable benefits. This will form part of the Digital Delivery Blueprint and help inform decisions on the replacement of the education transport entitlement software (STAMP).
Commercial	IMT	Broadband - 4G	135	0	45	90	Revenue funding for project management resource has not yet been utilised. Further update on the project is reported below in the Capital section below.
TOTAL DEVELOPMENT INITIATIVES REVENUE			3,843	737	1,280	1,695	

CAPITAL							
Children's Services	Strategic Commissioning	Education Transport links to School (Route sustainability)	440	0	100	340	<p>The Sustainable Travel Group (STG) has focused on two specific routes for improvement as a priority with work to commence this financial year. A third route is subject to further cost-benefit analysis work.</p> <ul style="list-style-type: none"> Fishtoft- A project lead has been assigned the work. Technical Services Partnership is currently scoping costs and this has been scheduled into the timetable. It is envisaged this will be completed late 2021 or early 2022. This is an improvement to an existing suitable route but where there is no footpath and further supports the removal of previously existing transport entitlements to specific students and safeguards against future applications/appeals. Estimated cost c. £60k. Annual savings estimate c. £12-18 p.a. Toynton All Saints- All landowners are in agreement with proposals for the new track. The owner of part of the track is unknown and so we are awaiting dispensation from the Secretary of State to post legal notices of the proposal on the land. The Public Rights of Way (PROW) team is undertaking informal consultation with relevant stakeholders before progressing to the design stage. Depending on any objections raised, this may take 3-12m to progress. Estimated cost c. £100k. Annual savings estimate £7k. Expenditure is still expected in 21/22 but no costs have been incurred year to date.
Place	Highways	Traffic signals - Wireless communications	80	80			Two regions have been fully commissioned and are utilising the wireless facilities. All the equipment has been installed into the additional regions by the contractor. The network settings require changing for these additional regions to allow the contractor to test the wireless links and complete the project.
Place	Highways	Community Maintenance Gangs	3,981	3,981			The full allocation was fully committed in 2020/21 to deliver a variety of community maintenance gangs throughout the financial year. This additional resource was well received by local members and the general public in solving a variety of minor maintenance improvements and repairs.
Place	Highways	Drainage Investigation and Flood Repairs	2,000	646	1,354		Schemes totalling £700k were commissioned in 2020/21 with an in year spend of £646k; the remaining budget is expected to be spent in 2021/22. Our contractors, Balfour Beatty, identified additional resources for delivering these works and we have also employed additional specialist drainage engineers to complete all investigation and design work on the more complex schemes that our Technical Services Partnership design team is overseeing.
Fire and Rescue and Public Protection	Fire and Rescue	Flood Management Pumps	116	116			Project completed in terms of asset purchase and auxiliary equipment added. Stations equipped with necessary charging systems to ensure 24/7 response. Driver training to be undertaken at Holbeach & Alford stations however other stations have necessary training to mobilise if required. Project now complete.
Fire and Rescue and Public Protection	Fire and Rescue	Replacement Trading standards Metrology equipment	50	0	24	26	New software and licences have been delivered for 3 out of 5 machines and these are installed and working. Remote installation was carried out with a remote training session due to pandemic. 2 more licences are on order and due to be delivered and installed with support.
Commercial	IMT	Broadband - 4G	800	0	200	600	Delivery of the overall Broadband project is currently on track and in line with the contractual milestones. The need for funding 4G development as a means of providing wider, mobile broadband access is being reviewed and consequently the scope and funding for the project is currently being re-assessed.
TOTAL DEVELOPMENT INITIATIVES CAPITAL			7,467	4,823	1,678	966	
TOTAL Revenue and Capital Development In			11,310	5,691	2,958	2,661	

Target Changes July – September 2021

Revenue

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
Public Health Grant	Public Health & Community Wellbeing	Increase in Public Health Grant budget to match the grant allocated to Lincolnshire County Council for 2021/22	Head of Finance, Adult Care & Community Wellbeing	£0.349m
Contingency	Fire and Rescue & Emergency Planning and Public Protection	Budget for Firefighters and control staff and Coroners pay awards July 2021	Executive Director of Resources	£0.216m

Capital

Property	Property Improvement Programme & County Emergency Centre	Move budget from Property contingency to fund overspends on projects	Assistant Director, Corporate Property	£0.029m
Property	Development Fund	Return unused budget originally for Magistrate Courts back into the Development Fund	Assistant Director, Finance	£1.507m
Registration, Celebratory & Coroners Service	Development Fund	Return unused budget provided to Coroners for new IT purchase back into the Development Fund	Head of Finance, Corporate	£0.062m

Appendix O

	2020/21 Grant c/f	New 2021/22 Grant Allocation	Grant Available in 2021/22	Forecast Spend
	£	£	£	£
General Emergency Covid 19 - Tranche 5 (April 21)	2,072,000	15,158,732	17,230,732	16,934,727
SFC - Loss of Income Grant (claim made, not yet approved)		52,917	52,917	
DEFRA Hardship fund (majority to be utilised by AUG)	294,925		294,925	294,925
Infection Control Phase 2 Oct20-Mar21	669,956		669,956	669,956
Infection Control Phase 3 Apr21-Jun21		3,383,844	3,383,844	3,383,844
Infection Control Phase 4 Jul21-Sept21		2,396,453	2,396,453	2,396,453
Infection Control October 21 to March 22		4,036,217	4,036,217	4,036,217
Test and Trace	1,496,047		1,496,047	1,496,047
Vaccine Funding		400,947	400,947	400,947
Clinically extremely Vulnerable support	1,741,011		1,741,011	1,741,011
School Transport - autumn term	414,683	447,266	861,949	765,350
Covid Winter Grant Support for Families	-	1,211,130	700,168	700,168
Contain Outbreak Management Fund				
Extended Contain Outbreak Management Fund	7,013,522	3,911,931	10,925,453	10,925,453
Care Home Testing Grant Phase 1	62,230		62,230	62,230
Rapid Testing Grant Phase 2 Apr21-Jun21		2,248,775	2,248,775	2,248,775
Rapid Testing Grant Phase 3 Jul21-Sept21		1,809,083	1,809,083	1,809,083
Testing October 21 to March 22		2,125,875	2,125,875	2,125,875
Adult Social Care Workforce Grant	122,421		122,421	122,421
Covid 19 Increasing Bus Service Provision	310,444		310,444	175,000
Accelerated Discharge Phase1 Mar20-Aug20			-	
Accelerated Discharge Phase3 Mar21-Jun21		460,641	460,641	460,641
Community Testing to 30Jun22		646,263	646,263	646,263
Community Testing, Rate Card approach 1Jul21 tbc			-	
Practical Support Grant		640,908	640,908	640,908
Local Covid Support Grant	-	2,615,824	2,615,824	2,560,391
Holiday Activities and Food Programme Grant (HAF)	253,930	2,271,100	2,525,030	2,525,030
Household Support Fund			5,464,685	5,464,685
TOTAL	13,940,207	43,817,906	63,222,798	62,586,400

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

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	Capital Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on Capital Budget Monitoring, which is being presented to the Executive on 07 December 2021. The views of the Board will be reported to the Executive as part of its consideration of this item.

The Capital Budget Monitoring Report compares the Council's projected expenditure with the approved Capital Programme, and provides explanations for any significant forecast over or under spending.

Actions Required:

The Overview and Scrutiny Management Board is invited to: -

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

1. Background

1.1 The Executive is due to consider the Capital Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021 at its meeting on 07 December 2021.

1.2 The Executive report attached at Appendix 1 is the capital budget monitoring report for the second quarter of financial year 2021/22 and has been prepared as at the end of 30 September 2021. It compares projected expenditure for the year with the approved Capital Programme and provides explanations for any significant forecast over or under-spending.

1.3 Comments from the Overview and Scrutiny Management Board will be considered by the Executive alongside the 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 07 December 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Capital Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021 to be presented to the Executive at its meeting on 07 December 2021.

5. Background Papers

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

Document title	Where the document can be viewed
Budget Book 2021/22	The details of the Capital Programme set for the financial year 2021/22 and beyond is within the document Budget Book 2021/22, which can be found on the Council's website. https://www.lincolnshire.gov.uk/downloads/file/5104/budget-book-2021-22

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

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

Report to:	Executive
Date:	07 December 2021
Subject:	Capital Budget Monitoring Report 2021/22 - Quarter 2 to 30 September 2021
Decision Reference:	I022176
Key decision?	Yes

Summary:

- This report provides an update on capital spending compared with budgets for the financial year which started on 1 April 2021.
- The tables in this report show the net expenditure for the first six months of this financial year to 30 September 2021, along with the forecasts for spending and a comparison of the forecasts against the latest revised budgets.
- For capital projects which span more than one financial year, the forecast position for the whole life of the project is given.
- The tables are split into "Blocks" which are annual recurrent allocations of funding, usually for maintenance or rolling replacements of assets, and "Projects". The Gross Programme tables show the total value of the project - some schemes are wholly or partially funded by Grant and income from outside bodies. The Net Programme tables, after having deducted the Grants and income, show the actual cost of the project to be funded by the Council.
- The report gives an overview of the financial position, with more detailed information on selected capital programme schemes in Appendix D.
- The current 2021/22 forecasted position is an underspend of **£33.980m** (Block schemes £10.117m, Project schemes £23.863m). For the project schemes, the whole life budget is forecast to be overspent by **£0.215m**.

Recommendation(s):

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

Alternatives Considered:

1. This report shows the actual capital financial performance to 30 September 2021, and forecast outturns for 2021/22, therefore no alternatives have been considered.

Reasons for Recommendation:

To maintain the Council's financial resilience.

1. Background**Overall Financial Position**

1.1 The table below shows the forecast net summary position for Block schemes as at 30 September 2021.

	2021/22					
	Original Budget £m	In Year Changes £m	Revised Budget £m	Net Expenditure £m	Forecast £m	Forecast Variance £m
Blocks						
Adult Care	-	--	--	-0.092	-	-
Children's Services	0.818	1.427	2.244	-2.071	2.260	0.016
Commercial	12.372	-5.502	6.870	1.186	6.282	-0.588
Fire and Rescue	4.203	-2.949	1.253	0.532	1.257	0.003
Place	20.542	28.469	49.012	31.829	45.714	-3.298
Resources	-	0.025	0.025	-	-	-0.025
Other Budgets	5.200	6.225	11.425	-	5.200	-6.225
Total Block	43.135	27.694	70.829	31.385	60.712	-10.117

1.2 The table below shows the forecast net summary position for Project schemes as at 30 September 2021.

	2021/22					
	Original Budget £m	In Year Changes £m	Revised Budget £m	Net Expenditure £m	Forecast £m	Forecast Variance £m
Projects						
Adult Care	-	-	-	0.010	-	-
Children's Services	1.075	-0.725	0.350	10.154	0.350	--
Commercial	2.007	2.584	4.591	-0.455	4.379	-0.212
Fire and Rescue	-	-	-	-	-	-
Place	64.996	16.025	81.021	25.035	57.370	-23.651
Resources	-	-	-	-	-	-
Other Budgets	-	-	-	-	-	-
Total Project	68.078	17.884	85.962	34.744	62.099	-23.863

1.3 The capital programme comprises a series of schemes/projects which often span a number of years. The table below shows the forecast whole life net summary position for projects.

	Whole Life total				
	Original Approved Budget £m	Total Budget and CGU £m	Total Net Expenditure to Date £m	Scheme Total Forecast £m	Variance £m
Projects					
Adult Care	1.990	3.971	1.426	3.971	0.001
Children's Services	1.500	2.585	24.667	2.585	--
Commercial	41.430	45.288	22.558	44.455	-0.833
Fire and Rescue	-	-	-	-	-
Place	163.758	297.153	124.206	298.201	1.047
Resources	-	-	-	-	-
Other Budgets	-	-	-	-	-
Total Project	208.678	348.997	172.857	349.212	0.215

1.4 The detailed listing for both Block and Project schemes including whole life costs can be found in Appendix A, B and C, respectively.

1.5 Appendix D shows further detail for selected Block Schemes and Projects.

1.6 There are additional costs to capital schemes of £7.720m arising from the impact of Covid-19. We will look to manage the increased capital costs within the capital programme in the first instance.

1.7 The forecast position for this year on the Block Schemes is a net underspend of **£10.117m**. Appendix A breaks this underspend down into more detail on a block by block basis and Appendix D provides the explanation of significant variances.

1.8 The forecast position for this year on Capital Projects is a net underspend of **£23.863m**, however, the whole life cost of these projects is an overspend of **£0.215m**. Appendix B and C breaks these positions down into more detail and Appendix D shows further detail for selected Projects.

Impact of the Capital Position

1.9 The current year's forecast underspend of £33.980m means that our borrowing requirement is reduced compared to our estimate of this at the start of the year. This position also leads to a forecast underspend on capital financing charges which is reported in the Revenue Monitoring report for Quarter 2 on the same agenda as this report.

1.10 The whole life cost of projects is forecast to be overspent by £0.215m. This position will need to be addressed as part of the 2022/23 budget setting process to ensure the capital programme is affordable over the longer term.

Progress on Development Fund Initiatives

1.11 Appendix E shows a list of initiatives where the capital costs are to be funded by the Development Fund earmarked reserve. Progress on each of these is reported in the appendix. Expenditure in 2020/21 was £4.823m and £1.678m is forecast to be spent in the current year.

Assessment of Impact on Financial Resilience

1.12 The forecast underspend in the current year on Capital Projects will not adversely impact on the Council's financial resilience. The forecast whole life position is a relatively small overspend. Although this will need to be addressed, it is not expected to adversely impact on the Council's long term financial resilience. The capital programme was modified to take into consideration the current and future capital programme as a whole to ensure affordability, thereby maintaining our financial resilience. Our Capital Strategy 2021/22 requires the capital programme to be affordable over the longer term and the position will be continually monitored to ensure it remains affordable.

2. Legal Issues:

Equality Act 2010

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

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

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

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

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

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

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

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

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

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

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

Crime and Disorder

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

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

3. Conclusion

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

4. Legal Comments:

This report sets out an update on spending to 30 September 2021 compared with the capital budget for the financial year starting on 1 April 2021 to assist the Executive to monitor the financial performance of the Council. It also incorporates forecast total expenditure against budget for the whole life of capital projects which span more than one financial year, including 2021/22.

5. Resource Comments:

This report indicates that the current year capital budget is projected to be underspent by £33.980m, therefore, no other call on reserves is expected to be required within the current financial year.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This report is due to be considered by the Overview and Scrutiny Management Board on 25 November 2021. Any comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

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

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Capital Monitoring Report for Block Schemes as at 30 September 2021
Appendix B	Capital Monitoring Report for Projects as at 30 September 2021
Appendix C	Capital Monitoring Report for Projects Whole Life Cost
Appendix D	Capital Programme Detail for Selected Projects and Blocks as at 30 September 2021.
Appendix E	Monitoring of Development Fund Initiatives 2021/22

8. Background Papers

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

Document title	Where the document can be viewed
Budget Book 2021/22	This can be found in the Council's website by following this link .

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

Capital Monitoring Report for Block Schemes as at 30 September 2021

	2021/22					
	Actuals £m	Original Budget £m	In Year Changes £m	Revised Budget £m	Forecast £m	Forecast Variance £m
Better Care Fund - Disabled Facility Grants	-0.092	-	--	--	-	-
Better Care Fund	-0.092	-	--	--	-	-
Adult Care and Community Wellbeing	-0.092	-	--	--	-	-
Infrastructure and Refresh Programme	0.341	3.539	-1.447	2.092	1.892	-0.200
Replacement ERP Finance System	0.035	0.312	-0.028	0.284	0.051	-0.233
ICT Development Fund	0.035	0.121	0.179	0.300	0.145	-0.155
Improvement Transformation	-	2.000	-2.000	-	-	-
Information Management Technology	0.411	5.972	-3.296	2.676	2.088	-0.588
Property	0.701	6.125	-2.438	3.687	3.687	--
County Farms Block	0.074	0.275	0.232	0.507	0.507	-
Property	0.775	6.400	-2.206	4.194	4.193	--
Commercial	1.186	12.372	-5.502	6.870	6.282	-0.588
Fire & Rescue and Emergency Planning	0.070	1.074	-0.822	0.252	0.268	0.016
Fire Fleet & Equipment	0.462	3.128	-2.127	1.001	0.989	-0.012
Fire and Rescue	0.532	4.203	-2.949	1.253	1.257	0.003
Fire and Rescue	0.532	4.203	-2.949	1.253	1.257	0.003
Devolved Capital	-0.582	-	-	-	-	-
Provision of School Places - Basic Need	-1.557	-	-	-	-	-
School Modernisation Condition	-1.215	-	-	-	-	-
Schools Access Initiative	0.003	-	-	-	-	-
Provision of School Places (Basic Needs - Sleaford)	1.107	-	1.107	1.107	1.107	-
Early Years Sufficiency / Extended Provision	0.473	-	0.559	0.559	0.580	0.021
Healthy Pupils	0.017	-	-0.002	-0.002	-0.002	-
Full Fibre Broadband Capital	-0.402	-	0.347	0.347	0.348	0.001
Connect the Classroom	0.018	-	-	-	-	-
Education	-2.138	-	2.011	2.011	2.033	0.022
Foster Capital	0.047	0.189	-0.005	0.185	0.185	-
Other Children's Social care	0.021	0.628	-0.580	0.048	0.042	-0.006
Social Care	0.067	0.818	-0.585	0.233	0.227	-0.006
Children's Services	-2.071	0.818	1.427	2.244	2.260	0.016
Libraries	-	-	0.399	0.399	0.399	-
Other Environment and Planning	0.005	-	0.018	0.018	0.018	-
Flood & Water Risk Management	0.080	-	0.866	0.866	0.866	-
Equipment & Vehicles at Waste Transfer Stations	0.024	0.252	0.229	0.481	0.300	-0.181
Fire Suppression at Waste Transfer Stations	0.001	0.421	0.342	0.763	0.250	-0.513
Local Flood Defence Schemes	0.014	1.350	-0.750	0.600	0.600	-
Historic Lincoln	-	-	-0.050	-0.050	-0.050	-
Other Transport Initiatives	0.045	-	0.679	0.679	0.679	-
Countryside Rights of Way	0.005	-	0.049	0.049	0.049	-
Waste	-	0.100	0.035	0.135	0.135	-
Drainage Investigation and Flood Repairs	0.161	-	-	-	-	-
Waste - Separated Paper and Card Scheme	0.935	1.206	-0.361	0.844	0.844	-
Communities	1.271	3.329	1.457	4.786	4.092	-0.694
Lincoln Growth Point	-	-	-0.256	-0.256	-0.256	-
Lincolnshire Waterways	-	-	-0.144	-0.144	-0.144	-
Teal Park, Lincoln	-	-	-0.001	-0.001	-	0.001
LEP Skills Investment Programme	0.776	-	0.105	0.105	0.105	-
Economic Development - Business Unit Development	0.025	1.500	0.367	1.867	1.276	-0.590
Other Growth and the Economy - Economic Infrastructure	0.339	-	0.160	0.160	0.160	-
Growth	1.140	1.500	0.232	1.732	1.142	-0.589
Highways Asset Protection	24.106	-3.657	10.039	6.382	6.382	-
Integrated Transport	-1.541	-	0.239	0.239	-1.736	-1.975
A16/A1073 Spalding to Eye Road Improvement	0.006	-	-	-	0.008	0.008
Network Resilience	0.024	0.723	0.101	0.824	0.949	0.125
Holdingham Roundabout (Sleaford Growth Schemes)	5.682	3.839	2.871	6.710	6.710	-
A46 Roundabouts	-0.001	-	0.286	0.286	0.150	-0.136
A18 Safer Road Fund	0.083	-	-	-	-	-
Energy Efficiency Street Lighting Schemes	-	0.164	0.071	0.234	0.234	-
Local Highways Improvements (pinchpoints) to support coastal route:	0.021	1.705	-1.261	0.444	0.370	-0.074
Other Highways	0.011	-	0.435	0.435	0.472	0.037
Boston Development Schemes	0.066	0.641	0.127	0.768	0.768	-
Rural Roads Fund	0.960	12.300	-4.800	7.500	7.500	-
Highways	29.418	15.714	8.108	23.822	21.807	-2.015
Lincolnshire Enterprise Partnership Contribution	-	-	18.672	18.672	18.672	-
LEP	-	-	18.672	18.672	18.672	-
Place	31.829	20.542	28.469	49.012	45.714	-3.298
Safer Communities	-	-	0.025	0.025	-	-0.025
Public Protection	-	-	0.025	0.025	-	-0.025
Resources	-	-	0.025	0.025	-	-0.025
New Developments Capital Fund	-	5.200	6.225	11.425	5.200	-6.225
Finance	-	5.200	6.225	11.425	5.200	-6.225
Other Budgets	-	5.200	6.225	11.425	5.200	-6.225
	31.385	43.135	27.694	70.829	60.712	-10.117

Appendix B

Capital Monitoring Report for Projects as at 30 September 2021

	2021/22					
	Actuals £m	Original Budget £m	In Year Changes £m	Revised Budget £m	Forecast £m	Forecast Variance £m
De Wint Court - Extra Care Housing	0.002	-	-	-	-	-
Linelands – Extra Care Housing	0.001	-	-	-	-	-
Hoplands - Extra Care Housing	0.007	-	-	-	-	-
Adult Frailty & Long Term Conditions	0.010	-	-	-	-	-
Adult Care and Community Wellbeing	0.010	-	-	-	-	-
Broadband	-1.524	-	2.660	2.660	2.035	-0.625
Care Management System (CMPP)	-	0.005	0.009	0.014	0.014	-
IMT (Cloud Navigator/Windows 10)	0.014	-	0.072	0.072	0.150	0.079
Azure Data Migration Project	0.368	0.460	0.231	0.691	0.888	0.197
Information Management Technology	-1.143	0.465	2.971	3.436	3.087	-0.349
Blue Light South Park	0.033	-	0.208	0.208	0.021	-0.187
Lexicon House	-	0.950	-0.900	0.050	0.050	-
County Emergency Centre	-	-	-	-	-	-
Property Area Review	-	0.202	-0.102	0.100	0.100	-
School Mobile Classroom Replacement	-	0.390	0.026	0.416	0.416	-
Property Improvement	-	-	-	-	-	-
Orchard House Repairs	0.070	-	-	-	-	-
Horncastle Estate	-	-	-	-	-	-
Castle Motte Repairs	0.577	-	0.389	0.389	0.456	0.067
Grantham Fire	0.008	-	-0.007	-0.007	0.250	0.257
Property	0.688	1.542	-0.387	1.156	1.292	0.137
Commercial	-0.455	2.007	2.584	4.591	4.379	-0.212
SEND capital funding with pupils with EHC plans	10.054	-	-	-	-	-
Educaton	10.054	-	-	-	-	-
Children's Homes	0.100	1.075	-0.725	0.350	0.350	-
Social Care	0.100	1.075	-0.725	0.350	0.350	-
Children's Services	10.154	1.075	-0.725	0.350	0.350	--
HWRC Tattershall	0.050	3.950	-1.952	1.998	1.800	-0.198
Lincoln Castle Revealed phase 2	-	-	-	-	-	-
Heritage / Archives	-	2.500	2.500	5.000	5.000	-
Electronic Ticket Machines	0.143	-	0.130	0.130	0.130	-
HWRC Skegness	-	-	-	-	-	-
Communities	0.193	6.450	0.678	7.128	6.930	-0.198
Holbeach Food Enterprise Zone	0.071	-	0.011	0.011	-	-0.011
Economic Development – Horncastle Industrial Estate Ext	-	1.000	0.500	1.500	0.050	-1.450
Skegness Countryside Business Park 2	-0.172	-	-0.258	-0.258	0.048	0.306
Growth	-0.101	1.000	0.253	1.253	0.098	-1.155
Lincoln Eastern Bypass	4.729	5.847	-2.127	3.720	5.816	2.097
Spalding Western Relief Road (Section 5)	1.025	11.547	--	11.547	-	-11.547
Grantham Southern Relief Road	15.333	29.703	13.347	43.049	41.209	-1.840
Street Lighting Transformation	0.001	0.150	0.020	0.170	0.100	-0.070
A46 Welton Roundabout (Integrated Transport/NPIF)	1.486	0.361	2.490	2.851	1.695	-1.156
A1084 Safer Road Fund	1.625	-	-	-	-	-
A631 Middle Rasen to Bishops Bridge Safer Road Fund	0.641	-	-	-	-	-
Gainsborough Corringham Road (Dev with WLDC)	0.003	-	0.221	0.221	0.181	-0.040
Sleaford Rugby Club (Sleaford Growth Scheme)	-0.047	1.014	-0.774	0.240	-0.005	-0.245
A631 Louth to Middle Rasen Safer Road Fund	0.023	-	0.700	0.700	0.700	-
A52 Skegness Roman Bank Reconstruction	0.555	0.325	1.216	1.541	2.259	0.718
North Hykeham Relief Road	-0.432	-	-	-	0.085	0.085
Spalding Western Relief Road Section 1	-	10.400	-	10.400	0.100	-10.300
Spalding Western Relief Road Section 1 S106	-	-1.800	-	-1.800	-1.800	-
Lincoln East-West Link	-	-	-	-	-	-
Highways	24.943	57.546	15.094	72.639	50.341	-22.298
Place	25.035	64.996	16.025	81.021	57.370	-23.651
Project Total	34.744	68.078	17.884	85.962	62.099	-23.863

Appendix C

Capital Monitoring Report for Projects Whole Life Cost

	Whole Life total				
	Original Approved Budget £m	Total Net Budget and CGU £m	Total Net Expenditure to Date £m	Scheme Total Forecast £m	Variance £m
De Wint Court - Extra Care Housing	-	1.400	1.408	1.400	--
Linelands – Extra Care Housing	1.990	0.011	0.011	0.011	0.001
Hoplands - Extra Care Housing	-	2.560	0.007	2.560	-
Adult Frailty & Long Term Conditions	-	-	-	-	-
Adult Care and Community Wellbeing	1.990	3.971	1.426	3.971	0.001
Broadband	10.000	13.042	2.257	13.042	--
Care Management System (CMPP)	2.500	4.648	4.634	4.648	--
IMT (Cloud Navigator/Windows 10)	16.500	11.196	3.108	11.182	-0.014
Azure Data Migration Project	1.165	1.348	0.880	1.274	-0.073
Information Management Technology	30.165	30.233	10.879	30.146	-0.088
Blue Light South Park	7.140	6.910	6.734	6.910	-
Lexicon House	1.975	1.975	0.975	1.975	-
County Emergency Centre	0.500	0.582	0.582	0.574	-0.008
Property Area Review	0.550	0.550	0.107	0.550	-
School Mobile Classroom Replacement	0.600	2.400	0.484	2.400	-
Property Improvement	0.500	0.541	0.541	0.500	-0.041
Orchard House Repairs	-	1.424	1.495	1.400	-0.024
Horncastle Estate	-	0.114	0.114	-	-0.114
Castle Motte Repairs	-	0.558	0.632	-	-0.558
Grantham Fire	-	--	0.015	-	-
Property	11.265	15.054	11.679	14.309	-0.745
Commercial	41.430	45.288	22.558	44.455	-0.833
SEND capital funding with pupils with EHC plans	-	1.085	24.562	1.085	--
Educaton	-	1.085	24.562	1.085	--
Children's Homes	1.500	1.500	0.105	1.500	--
Social Care	1.500	1.500	0.105	1.500	--
Children's Services	1.500	2.585	24.667	2.585	--
HWRC Tattershall	4.000	2.000	0.052	2.000	--
Lincoln Castle Revealed phase 2	1.200	0.146	0.146	0.480	0.334
Heritage / Archives	5.000	5.000	-	5.000	-
Electronic Ticket Machines	-	0.365	0.377	0.250	-0.115
HWRC Skegness	-	2.000	-	2.000	-
Communities	10.200	9.511	0.575	9.730	0.219
Holbeach Food Enterprise Zone	6.025	7.840	3.499	7.840	--
Economic Development – Horncastle Industrial Estate Exte	1.500	1.500	-	1.500	-
Skegness Countryside Business Park 2	2.398	0.559	0.645	-	-0.559
Growth	9.923	9.899	4.144	9.340	-0.559
Lincoln Eastern Bypass	47.640	85.107	72.953	85.107	--
Spalding Western Relief Road (Section 5)	10.000	18.458	0.720	18.458	-
Grantham Southern Relief Road	64.000	80.179	28.321	81.092	0.913
Street Lighting Transformation	2.082	1.332	1.163	2.082	0.750
A46 Welton Roundabout (Integrated Transport/NPIF)	3.216	4.833	3.468	4.728	-0.105
A1084 Safer Road Fund	-	--	0.731	-	-
A631 Middle Rasen to Bishops Bridge Safer Road Fund	-	-	0.098	-	--
Gainsborough Corringham Road (Dev with WLDC)	1.500	1.154	0.937	1.082	-0.072
Sleaford Rugby Club (Sleaford Growth Scheme)	-	1.456	1.170	1.376	-0.080
A631 Louth to Middle Rasen Safer Road Fund	-	0.700	-1.042	0.700	--
A52 Skegness Roman Bank Reconstruction	-	1.616	-1.226	1.600	-0.016
North Hykeham Relief Road	-	48.000	-0.432	48.000	-
Spalding Western Relief Road Section 1	-	27.800	-	27.800	-
Spalding Western Relief Road Section 1 S106	-	-5.520	-	-5.520	-
Lincoln East-West Link	15.197	12.628	12.628	12.626	-0.002
Highways	143.635	277.744	119.487	279.131	1.387
Place	163.758	297.153	124.206	298.201	1.047
Project Total	208.678	348.997	172.857	349.212	0.215

Capital Programme Further Detail of Selected Schemes

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 2021/22 £m			
Gross Expenditure Budget	32.696	Net Expenditure Budget	0.000
Gross Income Budget	<u>-32.696</u>	Actual to date	10.054
Net Expenditure Budget	0.000	Forecast Net Outturn	0.000
		Forecast Net Over/(Underspend)	0.000

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	86.945	Net Expenditure budget	1.085
Gross Income Budget	<u>-85.860</u>	Scheme Total Forecast	<u>1.085</u>
Net Expenditure Budget	1.085	Whole Life Variance	0.000

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

Performance of Scheme
The budgets reflect the revised project timescales. It should be noted that the forecasts are based on the current project plan and its delivery timetable. As the entire SEND strategy is subject to a continuing decision making process, projects may be re-prioritised over the coming months. Work has been completed on the Boston Endeavour Academy, which has space for 140 pupils. Other projects are on schedule to complete according to plan.

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

Financial Information 2021/22 £m			
Gross Expenditure Budget	48.410	Net Expenditure Budget	6.382
Gross Income Budget	<u>-42.029</u>	Actual to date	24.106
Net Expenditure Budget	6.382	Forecast Net Outturn	6.382
Forecast Net Over/(Underspend)			0.000

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

Highways Asset Protection is primarily funded by a DfT grant and as such the programme can vary from year to year with the flexibility to carry forward any under or over spending. For 2021/22 the Council committed a further £12.3m of its own resources which are reported separately. This is to offset the year on year reduction in DfT grant and preserve the current level of the maintenance programme. In September 2021, the Council also approved an additional £10m of prior year revenue underspend to be added to the Development Fund for Highways Initiatives. This funding will help to meet a demanding programme of rural roads maintenance whilst balancing the available resources.

Type of Scheme Project
 Directorate Place
 Area Highways

Scheme Name Lincoln Eastern Bypass

Status of Project

In progress

Financial Information 2021/22 £m			
Gross Expenditure Budget	3.720	Net Expenditure Budget	3.720
Gross Income Budget	<u>0.000</u>	Actual to date	4.729
Net Expenditure Budget	3.720	Forecast Net Outturn	<u>5.816</u>
			Forecast Net Over/(Underspend)
			2.097

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	135.604	Net Expenditure budget	85.107
Gross Income Budget	<u>-50.497</u>	Scheme Total Forecast	<u>85.107</u>
Net Expenditure Budget	85.107	Whole Life Variance	0.000

Purpose of Scheme
<p>Construction of 7.5km highway scheme to the east of Lincoln, connecting sections of the A15 to the north and south of Lincoln.</p> <p>This scheme is funded by a £49.950m grant from the Department for Transport with the balance, including the advance funding of expected Community Infrastructure Levy contributions, being met from LCC borrowing.</p>

Performance of Scheme
<p>The forecast costs for the Lincoln Eastern Bypass 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 uncertainties and are therefore still subject to change. Although construction is now substantially complete, several Compensation Events (CEs) are yet to be resolved.</p>

Type of Scheme Project
 Directorate Place
 Area Highways

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

Financial Information 2021/22 £m			
Gross Expenditure Budget	43.049	Net Expenditure Budget	43.049
Gross Income Budget	<u>0.000</u>	Actual to date	15.333
Net Expenditure Budget	43.049	Forecast Net Outturn	41.209
			Forecast Net Over/(Underspend)
			-1.840

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	113.179	Net Expenditure budget	80.179
Gross Income Budget	<u>-33.000</u>	Scheme Total Forecast	<u>81.092</u>
Net Expenditure Budget	80.179	Whole Life Variance	0.913

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.

The scheme is funded by £28m from Greater Lincolnshire Local Enterprise Partnership (GLLEP) and £5m from Highways England with the balance, including the advance funding of expected Developer contributions, being met from LCC borrowing.

Performance of Scheme

In common with other major schemes, work on the Grantham Southern Relief Road has 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 continued with appropriate social distancing measures implemented, some activity such as the diversion of high voltage power cables, that were dependent on third party agencies, was delayed. Phase 2 of the project is expected to be complete by the end of 2021 and work on phase 3 is progressing well. Forecast expenditure is based on the contractor's forecast costs but still contains a number of risks and uncertainties. Although the contractor is attempting to mitigate the global material supply and price issues by placing early orders and holding stocks of materials, there is now limited scope to absorb further impacts within the project risk allocation. Consequently, on the basis of current cost estimates, the whole-life project cost may eventually rise further than the forecasts stated above.

Type of Scheme Project
 Directorate Place
 Area Highways

Scheme Name Spalding Western Relief Road **Status of Project** In progress
(Section 5)

Financial Information 2021/22 £m			
Gross Expenditure Budget	31.334	Net Expenditure Budget	11.547
Gross Income Budget	<u>-19.787</u>	Actual to date	1.025
Net Expenditure Budget	11.547	Forecast Net Outturn	0.000
			Forecast Net Over/(Underspend)
			-11.547

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	39.588	Net Expenditure budget	18.458
Gross Income Budget	<u>-21.130</u>	Scheme Total Forecast	<u>18.458</u>
Net Expenditure Budget	18.458	Whole Life Variance	0.000

Purpose of Scheme

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

Section 5 of the scheme is funded by £20.130m from the Housing Infrastructure Fund (HIF), £1.000m from South Holland District Council (SHDC), £4.500m from the Department for Transport Integrated Transport Block (ITB) with the balance being met from LCC borrowing.

Performance of Scheme

The completion of detailed design for the scheme resulted in an increase in forecast construction costs from that envisaged at the planning stage, however additional grant of £8.130m from the Housing Infrastructure Fund has been secured to fund these additional costs. All the required land has now been acquired and work undertaken to divert overhead power lines. Final design work is continuing to address technical queries and realise cost saving opportunities prior to construction commencing.

Type of Scheme Project
 Directorate Commercial
 Area Property

Scheme Name Blue Light South Park

Status of Project

In progress

Financial Information 2021/22 £m			
Gross Expenditure Budget	0.208	Net Expenditure Budget	0.208
Gross Income Budget	<u>0.000</u>	Actual to date	0.033
Net Expenditure Budget	0.208	Forecast Net Outturn	0.021
Forecast Net Over/(Underspend)			-0.187

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	22.030	Net Expenditure budget	6.910
Gross Income Budget	<u>-15.120</u>	Scheme Total Forecast	6.910
Net Expenditure Budget	6.910	Whole Life Variance	0.000

Purpose of Scheme

To build a new tri-service Police, Fire & Rescue and Ambulance station on the former site at South Park Avenue, Lincoln.

Performance of Scheme

Whilst property build is complete there is still ongoing IMT work to be concluded.

The exact costs of these have yet to be clarified and the timeframe for completion remains unclear, however these are not expected to be material.

Should there be any remaining underspend at completion funding will be returned to the capital development fund.

A further update will be provided in Quarter 3.

Monitoring of Development Funded Initiatives 2021/22

DEVELOPMENT FUND PROJECTS							
Directorate	Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised in 2020/21 £000's	Planned Use of Funding		Update on Progress
					2021/22 £000's	Future Years £000's	
CAPITAL							
Children's Services	Strategic Commissioning	Education Transport links to School (Route sustainability)	440	0	100	340	<p>The Sustainable Travel Group (STG) has focused on two specific routes for improvement as a priority with work to commence this financial year. A third route is subject to further cost-benefit analysis work.</p> <ul style="list-style-type: none"> Fishtoft- A project lead has been assigned the work. Technical Services Partnership is currently scoping costs and this has been scheduled into the timetable. It is envisaged this will be completed late 2021 or early 2022. This is an improvement to an existing suitable route but where there is no footpath and further supports the removal of previously existing transport entitlements to specific students and safeguards against future applications/appeals. Estimated cost c. £60k. Annual savings estimate c. £12-18 p.a. Toynott All Saints- All landowners are in agreement with proposals for the new track. The owner of part of the track is unknown and so we are awaiting dispensation from the Secretary of State to post legal notices of the proposal on the land. The Public Rights of Way (PROW) team is undertaking informal consultation with relevant stakeholders before progressing to the design stage. Depending on any objections raised, this may take 3-12m to progress. Estimated cost c. £100k. Annual savings estimate £7k. <p>Expenditure is still expected in 21/22 but no costs have been incurred year to date.</p>
Place	Highways	Traffic signals - Wireless communications	80	80			Two regions have been fully commissioned and are utilising the wireless facilities. All the equipment has been installed into the additional regions by the contractor. The network settings require changing for these additional regions to allow the contractor to test the wireless links and complete the project.
Place	Highways	Community Maintenance Gangs	3,981	3,981			The full allocation was fully committed in 2020/21 to deliver a variety of community maintenance gangs throughout the financial year. This additional resource was well received by local members and the general public in solving a variety of minor maintenance improvements and repairs.
Place	Highways	Drainage Investigation and Flood Repairs	2,000	646	1,354		Schemes totalling £700k were commissioned in 2020/21 with an in year spend of £646k; the remaining budget is expected to be spent in 2021/22. Our contractors, Balfour Beatty, identified additional resources for delivering these works and we have also employed additional specialist drainage engineers to complete all investigation and design work on the more complex schemes that our Technical Services Partnership design team is overseeing.
Fire and Rescue and Public Protection	Fire and Rescue	Flood Management Pumps	116	116			Project completed in terms of asset purchase and auxiliary equipment added. Stations equipped with necessary charging systems to ensure 24/7 response. Driver training to be under taken at Holbeach & Alford stations however other stations have necessary training to mobilise if required. Project now complete.
Fire and Rescue and Public Protection	Fire and Rescue	Replacement Trading standards Metrology	50	0	24	26	New software and licences have been delivered for 3 out of 5 machines and these are installed and working. Remote installation was carried out with a remote training session due to pandemic. 2 more licences are on order and due to be delivered and installed with support.
Commercial	IMT	Broadband - 4G	800	0	200	600	Delivery of the overall Broadband project is currently on track and in line with the contractual milestones. The need for funding 4G development as a means of providing wider, mobile broadband access is being reviewed and consequently the scope and funding for the project is currently being re-assessed.
TOTAL DEVELOPMENT INITIATIVES CAPITAL			7,467	4,823	1,678	966	

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

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	Draft Infrastructure Funding Statement

Summary:

This item invites the Overview and Scrutiny Management Board to consider a report on Draft Infrastructure Funding Statement, which is being presented to the Executive on 07 December 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 Draft Infrastructure Funding Statement at its meeting on 07 December 2021.

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 07 December 2021.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Draft Infrastructure Funding Statement to be presented to the Executive at its meeting on 07 December 2021

5. Background Papers

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

This report was written by Brendan Gallagher, who can be contacted on 07500 814114 or brendan.gallagher@lincolnshire.gov.uk.

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

Report to:	Executive
Date:	07 December 2021
Subject:	Draft Infrastructure Funding Statement
Decision Reference:	I025202
Key decision?	No

Summary:

The report seeks approval for the publication of the Infrastructure Funding Statement (IFS) in the form attached at Appendix A.

Recommendation(s):

That the Executive approves the publication of the document attached at Appendix A as Lincolnshire County Council's Infrastructure Funding Statement for the financial year 2020/21.

Alternatives Considered:

There are no alternatives to publication of the IFS in some form. However, officers could review part(s) of the draft IFS subject to Member views.

Reasons for Recommendation:

To meet the obligation to publish an annual IFS for 1 April 2020 to 31 March 2021.

1. Background

Under Regulation 121A of the Community Infrastructure Levy Regulations 2010 the Council must, no later than 31 December 2021, publish an annual infrastructure funding statement detailing:

- a) a statement of the infrastructure projects or types of infrastructure which the authority intends will be, or may be, wholly or partly funded by Community Infrastructure Levy;

- b) a report setting out specific information about Community Infrastructure Levy, in relation to the previous financial year; and
- c) a report containing specified information about planning obligations, in relation to the previous financial year.

Planning obligations, commonly referred to as 'Section 106' or 'S106' obligations after Section 106 of the Town and Country Planning Act 1990, are most frequently used to require a sum or sums to be paid to the local planning authority and/or other signatories to the agreement. Obligations can also be used to restrict development or use of the land in any specified way; require specified operations or activities to be carried out in, on, under or over the land; and, require the land to be used in any specified way. Both these monetary and non-monetary aspects of planning obligations must be reported upon for the relevant year.

The Community Infrastructure Levy (CIL) Regulations 2010 were introduced following the Planning Act 2008. A development may be liable for a charge under CIL, if the CIL Charging Authority has chosen to set a charge in its area. The levy is charged on eligible development and is calculated using the size and type of development that will be created, along with other factors related to the development.

The draft IFS attached at Appendix A provides relevant summary details of financial and other contributions Lincolnshire County Council has secured and/or spent for the year ending March 2021 and fulfils the obligations set out in the Regulations.

The document has an introduction followed by three main parts to follow the regulation requirements.

The second and third parts of the IFS are backward looking and contain information about money received and spent.

The first part relates to the future use of monies received. The IFS identifies the return of forward funds for the Lincoln Eastern Bypass from future Community Infrastructure Levy. As set out in that section of the draft IFS, this has been a longstanding agreement of Lincolnshire County Council and partner authorities. It has been included in joint assessments and strategies around the Central Lincolnshire Local Plan and CIL in the three Central Lincolnshire district areas. It has also been a key part of the Lincolnshire Local Transport Plan and Lincoln Transport Strategy as well as fitting with the objectives of the Council's Corporate Plan.

For the reported financial year, Lincolnshire County Council has received £668,244 in CIL. This is lower than can be expected in future years primarily because there are still many developments in the relevant districts' land supply which have planning permissions that pre-date CIL. It is when planning permission is given that CIL liability is generated. The annual CIL received by Lincolnshire County Council is expected to gradually increase as the entire land supply comes under CIL. It should be noted that CIL rates can be changed under potential new CIL schedules by the relevant districts and that this would impact monies received by Lincolnshire County Council.

No figure for future planning obligations (section 106) is provided since the regulations do not seek such a statement. In any case, planning obligations are more site specific in nature and therefore more difficult to predict.

This is the second such annual statement because the legal obligation to publish an IFS started for the year 2019/2020. Any comparison would be challenging because of the unprecedented economic impacts of the global pandemic. Comparisons in future years might be more meaningful.

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.

No considerations relevant to the Equality Act duty are considered to arise from the Report.

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.

No considerations relevant to the JSNA or the JHWS are considered to arise from the Report.

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.

No considerations relevant to the section 17 duty are considered to arise from the Report.

3. Conclusion

The IFS as drafted addresses the obligations of the Regulations and is therefore recommended for publication.

4. Legal Comments:

Under Regulation 121A of the Community Infrastructure Levy Regulations 2010 the Council must not later than 31 December 2021 publish an Infrastructure Funding Statement.

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

5. Resource Comments:

Publication of the Infrastructure Funding Statement does not have any direct Resources implications, it does however report on the sources and utilisation of resources. The monies received for CIL and S106 are recorded and reconciled within our financial control systems. CIL contributions are set against Lincolnshire County Council borrowing which was incurred for the construction of the Lincoln Eastern Bypass (LEB) with the expectation of future CIL receipts. The use of S106 deposits are managed through appropriate service delivery processes.

6. Consultation

a) Has Local Member Been Consulted?

Not applicable – the report relates to the whole county.

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by Overview and Scrutiny Management Board at its meeting on 25 November 2021 and the comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

See the body of the Report.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Draft Infrastructure Funding Statement
Appendix B	Draft text for internet page

8. Background Papers

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

Document title	Where the document can be viewed
Infrastructure Funding Statement 2019/20	www.lincolnshire.gov.uk/directory-record/65713/infrastructure-funding-statement
Draft Infrastructure Funding Statement – Decision on 29 December 2020	https://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=653
Community Infrastructure Levy Guidance	Community Infrastructure Levy - GOV.UK (www.gov.uk)

This report was written by Brendan Gallagher, who can be contacted on 07500 814114 or brendan.gallagher@lincolnshire.gov.uk.

Infrastructure Funding Statement 2020/2021 **DRAFT**

Prepared November 2021

By Lincolnshire County Council

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DRAFT

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Foreword

This report is to be published outlining how millions of pounds of developer contributions from new housing and other developments have been spent by the county council in the last financial year. This report increases visibility of the processes involved, as Lincolnshire County Council seeks to ensure that growth and development in Lincolnshire communities brings investment in facilities and infrastructure.

Housing and other developments in Lincolnshire are essential to make sure our economy and communities thrive. Developments can also lead to an increased need for public services such as schools, transport and other infrastructure. All local authorities in Lincolnshire take their responsibility for planning very seriously, and councils work together to consider the positive and negative impacts of any development, before permission is granted.

Construction companies and developers will often be required to make contributions towards local improvements at the time of granting planning permission. This is either through a Section 106 agreement, or through a 'Community Infrastructure Levy' (CIL), depending what is in place in each district.

Some of the projects that received money in this way during 2020/21 include:

- Additional capacity at St George's Academy to serve Ruskington;
- New capacity at Wygate Park Primary School, Spalding;
- Reduction of existing speed limits in Heighington; and,
- Contributions to Lincoln Road/A46 roundabout near Welton and Dunholme.

Since March 2020, £668,000 has also been allocated to the recently completed Lincoln Eastern Bypass, and more than £200,000 has been allocated to ongoing or future projects. These allocations could include changes to speed limits, bus stops and other travel measures.

Introduction

As far as understood at the time of writing in November 2021, developer contributions would not immediately form part of Government changes to the planning system. The following statement was relevant in November 2021 to fulfil the current legal requirements to produce an Infrastructure Funding Statement (IFS). Future annual statements will be prepared where the relevant legal framework is in place.

This statement provides relevant summary details of certain types of financial and other contributions Lincolnshire County Council (LCC) has secured and/or spent for the year ending March 2021. This is to fulfil the obligation for all Councils to report annually as set out in the second of the 2019 amendments to the original *Community Infrastructure Levy Regulations 2010*, under the *Planning Act 2008*. These regulations may be referred to elsewhere in this statement as the 2019(no2) Regulations or simply the Regulations. The summary details primarily relate to the Community Infrastructure Levy (CIL) and "section 106 agreements". Information has also been included on agreements under the Highways Act as is optional under the CIL Regulations.

The sections of this statement provide the following to meet the obligations of Regulation 121A:

1. Statement on how future Community Infrastructure Levy or CIL is intended to be used to fund infrastructure;
2. CIL Report, including details on CIL transferred to Lincolnshire County Council to March 2021; and,
3. Section 106 Report. Relevant summary details of "section 106 agreements" to March 2021.

This is the second such annual statement with Regulations introduced in advance of last year's IFS. References in this statement to 'the year' or 'the reported year' are 1st April 2020 to 31st March 2021 and references to any other days, months or years will be made clear.

Statement on future Community Infrastructure Levy (CIL)

As stated in the introduction above, at the time of writing in November 2021, this statement was under the legal framework that was current and relevant to developer contributions.

This part of the IFS relates to clause 'a' of Regulation 121A.

Lincolnshire is a "two-tier" area with Lincolnshire County Council and seven district councils. Although LCC works very closely with each district council on infrastructure planning matters, it is the district councils who are the CIL charging authorities: responsible for if and how to set CIL. Local Plan preparation and CIL preparation are often closely aligned so comments below are made in relation to those processes for the respective areas.

Four of the seven districts have not adopted CIL and do not have immediate intentions for it: Boston Borough, East Lindsey, South Holland and South Kesteven. LCC will continue to engage with these authorities on their Local Plans, including relevant infrastructure planning. This will involve the consideration of policies for section 106 and potentially CIL or successors to those regimes.

Three district councils moved forward together in alignment to adopt and implement CIL within a few weeks of each other: City of Lincoln, North Kesteven and West Lindsey. Those three authorities, with LCC, had already formed a Central Lincolnshire Joint Strategic Planning Committee (CLJSPC) to produce the Central Lincolnshire Local Plan and other relevant documents.

Where CIL has been received, it has been used to repay a small part of the cost of the Lincoln Eastern Bypass (LEB) that in the meanwhile has been forward funded by LCC borrowing. This has been a longstanding principle of LCC and partner authorities' joint assessments and strategies around the Central Lincolnshire Local Plan and CIL. The LEB is also the subject of a signed Memorandum of Understanding between the four authorities that agrees its importance in developer contributions funding. The LEB has also been a key part of the Lincolnshire Local Transport Plan and Lincoln Transport Strategy as well as fitting with the objectives of LCC's Corporate Plan. LCC intends that this same purpose continues for future CIL from those three districts in the short term so this will be LCC's strategy, working with those three district councils and the CLJSPC.

CIL Report

This part of the IFS relates to clause 'b' of Regulation 121A. Each matter from schedule 2 of the Regulations is included in brackets alongside the relevant information.

LCC received £54,952 from City of Lincoln Council and £613,292 from North Kesteven District Council for the relevant year (matter 1(b) in Schedule 2 to the Regulations).

As indicated in the Statement on Future CIL above, this £668,244 was used solely to make repayments towards some of the cost of Lincoln Eastern Bypass. Clearly spending on the Bypass has been much larger given the scale of that project. There was no other CIL expenditure in the year (matter 1(e) and matter 1(g)(i)).

There were no CIL receipts, whenever collected, which were allocated but not spent during the reported year (matter 1(f) and 1(h))

Of the amount of CIL spending as immediately above, noting that this is a loan repayment, the notional interest is £24,153 (matter 1(g)(ii)).

LCC is not a CIL collecting authority. "County matters" development almost exclusively relates to minerals and waste operations or to infrastructure itself which do not usually involve buildings. In instances where buildings are developed under relevant permissions, these would rarely if ever meet the legal tests to attract CIL. Therefore, matters 1(a) to (l) where not covered above do not apply to LCC. In short, LCC did not collect any CIL for the relevant year and is unlikely to do so in future years.

Section 106 Report

This part of the IFS relates to clause 'c' of Regulation 121A. The following paragraphs each address a matter as it appears in Schedule 3 of the 2019(no2) Regulations.

During the year to March 31st 2021, Lincolnshire County Council (LCC) entered into planning obligations which, if and when triggered, would total £6,609,449 (matter 3(a)).

LCC received £1,567,241.18 in total during the year from planning obligations (matter 3(b)).

At 1st April 2021, LCC had not allocated £1,991,754.81 that had been received before the reported year (matter 3(c)). This statement was prepared in November 2021 and, during the months from April, some of that money had been allocated.

For the year to March 2021, there have not been any non-monetary contributions agreed (matter 3(d)).

During the year, LCC allocated but did not spend £205,132 (matter 3(e)). For money allocated but not spent, summary details are provided in table 1 overleaf (matter 3(g)).

During the year, LCC spent £1,381,721.41 in respect of all planning obligations (matter 3(f)). Summary details of money spent by LCC during the year are shown in table 2 in the following pages (matter 3(h)-(i)).

At 1st April 2021, LCC retained £2,601,861.14 in total from all contributions and no money was retained for maintenance (matter 3(i)). In the months to November 2021, when this statement was drafted, some of that money had been spent.

Where monies were not allocated, not spent or retained, there will be an intention for the relevant sum within the original planning agreement. It will usually take some time to spend sums received. Reasons might relate to the funding of that improvement, for example, the need to bring sums together into one pot from several sources. Reasons might also relate to the practical delivery of the intervention which might itself require planning permission and potentially other third-party consents or approvals too.

It is an optional requirement here, against matters 4(a) and 4(b) of Schedule 2 to the Regulations, to provide details on Section 278 agreements (delivered under that section of the Highways Act 1980) and other highways agreements (respectively). The summary information provided in Table 3 (for matter 4(a)) is for agreements which could amount to £1,129,013. The summary information provided in Table 4 (for matter 4(b)) is for agreements which could amount to £18,423,375.69.

Table 1: Summary details of planning obligations money allocated but not spent during 2020/21 (matter 3(g))

Site	Details	Amount
Station Road, Former Brick Pits, Waddington	£40,000 on or before the first occupation on the site, £40,000 on or before first occupation of the 27th dwelling, £40,000 on or before first occupation of the 56th dwelling, and £37,000 on or before first occupation of the 81st dwelling. To be spent on any of the following works: 1. Improvements to existing uncontrolled pedestrian crossings 2. Provision of new uncontrolled pedestrian crossings 3. Existing bus stop improvements (Station Rd adj 147 - new shelter and new high kerbs, Station Rd adj 122A - new shelter, Station Rd adj 82A - new shelter and new high kerbs) 4. Bar Lane environmental improvements (part contribution to works) 5. Brant Road footway improvements (between 459 Brant Rd and Station Rd) 6. Byway/footpath improvements (opposite 459 Brant Rd - part contribution to works) 7. Station Rd footway improvements (between nos. 14 & 66 Station Rd) 8. Melbourne Way/Holywell Road cycleway provision	£192,629
land at Lincoln Road/Honeyholes, Dunholme	Bus stop works - part of major works not yet completed 25.11.20	£8,000
Grantham Road, Waddington	TRO contribution prior to 1st occupation – to cover the cost of the TRO process to seek to relocate the existing speed limit on Grantham Road as a consequence of the Development	£4,503

Table 2: Summary details of planning obligations money spent by LCC during 2020/21 (matter 3(h)-(i))

Site	Details	Amount
Poplar Close, Ruskington	Towards additional secondary capacity in Ruskington - provided to St George's Academy in relation to extension to technology block to provide additional classrooms and associated ancillary spaces, completed late July 2015	£93,079.91
Land off Deepdale Lane, Nettleham	Towards an extension of Monks Abbey Primary (both Lincoln North Primary planning area at the time of signing s.106 with a lot of movement from Lincoln north to Nettleham primary schools)	£125,557.31
Thimbleby Hill, Horncastle	Towards internal remodelling at Horncastle Primary	£37,734.00
Wygate Park, Spalding	Towards the costs of the new primary school at Wygate Park, Spalding, opened in 2014. The school was front-funded by the County Council in advance of S106 receipts.	£970,000.00
Land south of Fen Road, Heighington	Towards the cost of introducing a traffic regulation order to reduce the existing speed limit on Fen Road adjacent to the proposed access to the site.	£3,681.00
Manor Farm, Bardney	Bus subsidy contribution (for existing Lincoln and Horncastle via Bardney route) – £30,000 in full on/before commencement or £131,000 paid in instalments 1st £33,906 on/before development of Phase 3a	£10,376.00
Linchfield Road, Deeping St. James	TRO to move 30mh speed limit	£4,628.00
Land at Lincoln Road/Honeyholes Road, Dunholme	Contribution towards A46 Centurion Garage Junction	£20,000.00
Land off Cliff Road / Heath Lane, Welton	Contribution towards Lincoln Road/A46 (Centurion Garage) and the A15 junction improvements. Money to be paid: 10% - occupation of 1st dwelling, 45% - occupation of 30th dwelling, 45% - occupation of 45th dwelling.	£10,000.00
Land East of Hacktorn Road, Welton	Contribution towards A46 Centurion Garage junction. Money to be paid occupation of 20th dwelling	£103,071.00
Brant Broughton	Moving road signs in the locality	£3,594.02

Table 3: Summary details of S278 Highways Agreements entered into in 2020/21 (matter 4(a))

Location	Parish	Details
A16 Sibsey Road	Boston	Ghost Island Right Turn Lane
Crease Drove	Crowland	(Ref H02-0575-18) Road widening and new vehicular access
St Bernards Avenue	Louth	Zebra crossing
Crease Drove	Crowland	(Ref H02-0723-16) Road widening and new vehicular access
Crease Drove	Crowland	(Ref H02-0615-19) Road widening and new vehicular access
Tattershall Road	Woodhall Spa	New footway and bus stop
Reston Road	Legbourne	Frontage footway and crossing point
Thoresby Road	Tetney	New Footway (50m)
Asserby Road	Asserby	2 Passing places and minor road widening
Network 46	Witham St Hughs	New footway and 2 new bus stops
Alford Road	Mablethorpe	New Footway (1000m)
Linchfield Road	Deeping St James	2 new Bus Stops
Station Road	Burgh Le Marsh	New footway (140m)
Town Road/Stump Cross Hill	Quarrington	New pedestrian refuge
Moulton Chapel Road	Cowbit	Footway
Mill Lane	Martin	New Footway (60m) and Road widening
WLDC Depot	Caenby Corner	New vehicular access
Northfield Road	Market Deeping	Frontage Footway
Holbeach Road	Spalding	Parking layby
Legbourne Rd	Louth	Footway & access to care home
Cowbit Road	Spalding	New Access and Footway Widening
Pinfold Lane	Weston	Road Widening and Resurfacing

Table 4: Summary details of other Highways Agreements for 2020/21 (matter 4(b))

Site/ Phase	Parish	Details
Harvester Way phase 1	Crowland	Section 38
Penny Hill	Holbeach	Section 38
Land off The Sidings	Horncastle	Section 38
Caswell Drive phase 1	Quadring	Section 38
Church Lane ph 1	Saxilby	Section 38
Lincoln Road ph 1	Skellingthorpe	Section 38
Former Julian Bower playing field	Louth	Section 38
Wigtoft Road	Sutterton	Section 38
Witham Road - phase 2	Woodhall spa	Section 38
The Quadrant phase R5	Wyberton	Section 38
Station Road	Surfleet	Section 38
Caulton Fields phase 1	Deeping St Nicholas	Section 38
Teal Park access road 1 (phase 1)	North Hykeham	Section 38
Prebend Lane, Welton phase 2	Welton	Section 38
Elsa Park zones 4 & 5, area 1	Bourne	Section 38
London Road	Kirton	Section 38
Swineshead Road	Boston	Section 38
Broadfield Lane phase 4	Boston	Section 38
Church Lane ph 2	Saxilby	Section 38
Station Road	Tetney	Section 38
Westbrooke Road phase 4	Lincoln	Section 38
Golf Road ph 5	Mablethorpe	Section 38
Grantham Road	Waddington	Section 38
Station Road phase 1	Branston	Section 38
Louth Road phase 1a	Holton le clay	Section 38
Whisby Road	North Hykeham	Section 38
Station Road	Long Sutton	Section 38
Crease Drove phase 4?	Crowland	Section 38
Handley chace 5x & 5y	Sleaford	Section 38
Lindis Road phase 1	Boston	Section 38
Thorpe Lane	South Hykeham	Section 38
Prebend Lane, Welton phase 1	Welton	Section 38
Grimsby Road, phase 1	Louth	Section 38
The Meadows phase 4	Skegness	Section 38
Crease Drove phase 1	Crowland	Section 38
Crease Drove phase 2	Crowland	Section 38

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IFS Draft Webtext

Infrastructure funding statement 2020-2021

Description

Housing and other developments in Lincolnshire are essential to make sure our economy and communities thrive.

Developments can also lead to an increased need for public services such as schools, transport and other infrastructure. All local authorities in Lincolnshire take their responsibility for planning very seriously. Councils work together to consider the positive and negative impacts of any development, before permission is granted.

Construction companies and developers will often be required to make contributions towards local improvements. This could be to increase the size of a local school, to provide a more regular bus service or to create a cycle path.

We have put together a statement setting out summary details on the improvements that have been and could be made from these contributions. Lincolnshire's seven district councils will soon publish statements on their websites for development contributions in their local areas.

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

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	Scrutiny Committee Work Programmes: - <ul style="list-style-type: none">• Environment and Economy Scrutiny Committee• Highways and Transport Scrutiny Committee• Flood and Water Management Scrutiny Committee

Summary:

As set out in the Council's constitution, a key role for this Board is monitoring the future work programmes of the other scrutiny committees. The role of the Board is to satisfy itself that it is content with each committee's work programme, rather than to discuss the detail of particular items listed in the work programme, as these discussions are appropriately held at the relevant meeting of the scrutiny committee.

This report focuses on the Environment and Economy Scrutiny Committee, the Highways and Transport Scrutiny Committee and the Flood and Water Management Scrutiny Committee and includes information on activity since June 2021.

Actions Required:

- (1) The Board is requested to determine whether it is satisfied with the activity undertaken since June 2021 by:
 - (a) the Environment and Economy Scrutiny Committee;
 - (b) the Highways and Transport Scrutiny Committee; and
 - (c) the Flood and Water Management Scrutiny Committee.

- (2) The Board is requested to determine whether it is satisfied with the planned work programme of:
 - (a) the Environment and Economy Scrutiny Committee;

- (b) the Highways and Transport Scrutiny Committee; and
(c) the Flood and Water Management Scrutiny Committee.

1. Background

The Council's constitution includes in this Board's terms of reference the following two clauses: -

- To agree and monitor the ongoing overview and scrutiny work programme, in particular holding the chairmen and/or vice chairmen to account for their committee's work programme on a quarterly basis.
- To monitor and guide the activities of the other overview and scrutiny committees.

Environment and Economy Scrutiny Committee, the Highways and Transport Scrutiny Committee and the Flood and Water Management Scrutiny Committee

So far in the new council term, the Environment and Economy Scrutiny Committee has held four meetings; the Highways and Transport Scrutiny Committee has held four meetings; and the Flood and Water Management Scrutiny Committee has held two meetings. The key activities since June 2021 and the planned work programme of each committee are set out in Appendices A, B and C respectively. If members of the Board require further details on any item of previous activity, the full reports can be found on the County Council's website.

Committee Reporting Timetable

The table below sets out the planned reporting timetable until May 2022: -

Scrutiny Committee	Monitoring Date	Monitoring Date	Monitoring Date
Adults and Community Wellbeing	30 Sept 2021	16 Dec 2021	24 Mar 2022
Health			
Children and Young People	28 Oct 2021	27 Jan 2022	28 Apr 2022
Public Protection and Communities			
Environment and Economy	25 Nov 2021	24 Feb 2022	26 May 2022
Highways and Transport			
Flood and Water Management			

2. Conclusion

The Board is asked to consider whether it is satisfied with the previous activity and the planned work programmes of the Environment and Economy Scrutiny Committee, the Highways and Transport Scrutiny Committee and the Flood and Water Management Scrutiny Committee.

3. Appendices – These are listed below: -

Appendix A	Environment and Economy Scrutiny Committee – Activity and Planned Work
Appendix B	Highways and Transport Scrutiny Committee – Activity and Planned Work
Appendix C	Flood and Water Management Scrutiny Committee – Activity and Planned Work

4. 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 Kiara Chatziioannou, Scrutiny Officer, who can be contacted on 07500 571868, or via kiara.chatziioannou@lincolnshire.gov.uk.

ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE

ACTIVITY REPORT

The Committee has met on three occasions: 13 July, 14 September, and 19 October 2021. Full details on all the items considered at these meetings are available on the County Council's website:

<https://lincolnshire.moderngov.co.uk/mgCommitteeDetails.aspx?ID=548>

In addition, an informal meeting was held on 22 June 2021 to receive introductory presentations to the different service areas.

Set out below is a summary of the outcomes:

13 July 2021	
<i>Item</i>	<i>Summary of Outcomes</i>
1	<p>Market Deeping Grow-On Business Space</p> <p>The Committee recorded its support for a proposed decision on the Market Deeping Grow-On Business Space.</p> <p>The Committee also recorded additional comments for the Executive Councillor for Economic Development, Environment and Planning and the Leader of the Council (Executive Councillor for Resources, Communications and Commissioning).</p>
2	<p>Service Level Performance Reporting Against the Performance Framework 2020 - 2021 - Quarter 4</p> <p>As part of its consideration, the Committee explored:</p> <ul style="list-style-type: none"> • initiatives being developed to encourage community groups to remove and dispose of rubbish as well as educational campaigns in support to this. • the performance on waste recycling. • differences between District Councils in terms of policies regarding bin provision that affected recycling. • criteria used for the scheme to protect properties from flooding. The Head of Environment undertook to provide information to members following the meeting on these.

13 July 2021

<i>Item</i>		<i>Summary of Outcomes</i>
3	The Impact of Covid-19 on Lincolnshire's High Streets	The Committee was informed of the drastic changes to High Streets due to the Covid-19 Pandemic and was assured about the Council's ability to affect change through work streams such as the use of publicly owned buildings and land to increase footfall, including the provision of "hubs" in town centres, as well as the encouragement to take advantage of the use of emergent digital technologies. The Committee was also assured that the new Transport Plan for Lincolnshire that was being considered later in the year would address the current challenges.
4	Lincolnshire Extensive Urban Survey - Progress Report	The Committee was updated on the progression of the Lincolnshire Extensive Urban Survey project which was being funded by Historic England; and heard of the pandemic's impact upon the delivery of aspects of the project.
5	Tourism Commission Update	The Committee was updated on the activity of the Tourism Commission, that had been set up by the County Council to take a strategic role in supporting and shaping the future of the industry within Greater Lincolnshire.
6	Household Waste Recycling Centre Operation	The Committee recorded its support for a proposed decision on Household Waste Recycling Centre Operation. The Committee also recorded additional comments for the Executive Councillor for Waste and Trading Standards.
7	Construction of the Hub Building, South Lincolnshire Food Enterprise Zone	The Committee recorded its support for a proposed decision on the Construction of the Hub Building, South Lincolnshire Food Enterprise Zone. The Committee also recorded additional comments for the Leader of the Council (Executive Councillor for Resources, Communications and Commissioning) and the Executive Councillor for Economic Development, Environment and Planning.

13 July 2021	
<i>Item</i>	<i>Summary of Outcomes</i>
8	<p>Proposals for Scrutiny Reviews</p> <p>The Committee agreed to put forward the following three topics for consideration by the Overview and Scrutiny Management Board on 30 September 2021: -</p> <ul style="list-style-type: none"> • Agricultural Sector Support; • Town Centre And High Street Improvements; and • An in depth look at recycling rates in order to reduce contamination and waste and increase recycling.

14 September 2021	
<i>Item</i>	<i>Summary of Outcomes</i>
1	<p>Invitation to join a Geological Disposal Facility Working Group in eastern Lincolnshire</p> <p>The Committee recorded its support for a proposed decision on an invitation to join a Geological Disposal Facility Working Group in eastern Lincolnshire.</p> <p>The Committee also recorded additional comments for the Executive.</p>
2	<p>Service Level Performance Reporting Against the Performance Framework 2021 - 2022 - Quarter 1</p> <p>As part of its consideration, the Committee explored:</p> <ul style="list-style-type: none"> • opportunities for external funding attracted to Lincolnshire and how these were expected to be stimulated through the Levelling Up White Paper expected in October 2021. • the Council's performance on securing funding via bids submitted. • appreciation expressed by residents of Ancaster in relation to works mitigating a recent flash flooding. • further strategies to encourage recycling; and was advised that a number of stories circulated in the press in relation to extensive fly-tipping were exaggerated in comparison to actual rates.
3	<p>Draft Lincolnshire Employment and Skills Strategy 2021-23</p> <p>The Committee was assured of the progress of the work undertaken to date to develop the draft Lincolnshire Employment and Skills Strategy and Work Plan for 2021-23.</p>

14 September 2021		
<i>Item</i>		<i>Summary of Outcomes</i>
4	England Coast Path Progress	The Committee was assured of the progress of the establishment, and future management, of the England Coast Path in Lincolnshire. The England Coast Path (ECP) would be an extension of the original open access land.
5	Green Masterplan Progress	The Committee was assured of the progress of the Green Masterplan and was given an outline of the initial progress towards the Council's target to reach net zero carbon by 2050.

19 October 2021		
<i>Item</i>		<i>Summary of Outcomes</i>
1	Supplementary Waste Collections Services	<p>The Committee recorded its support for a proposed decision on discontinuing the Supplementary Waste Collection Services at Stamford and Mablethorpe, which was the subject of a decision by the Executive Councillor for Waste and Trading Standards being taken between 21 and 28 October 2021. As part of this item the Committee considered a Petition received, which contained one specific request: "This petition demands that Lincolnshire County Council restores the Saturday recycling materials collection from Stamford Cattle Market".</p> <p>The Committee also recorded additional comments for the Executive Councillor.</p>
2	County Farms	The Committee received an update on the County Farms Estate and was assured that impact from the Brexit trade agreement was being monitored and that a review of the County Farms Strategy would be concluded by December 2022; and that five schemes on the farm estate would be included in the Council's recently awarded Treescape programme, incorporating some 1200 plants, for the County Farms to play a part in the Carbon agenda.

19 October 2021		
<i>Item</i>		<i>Summary of Outcomes</i>
3	Greater Lincolnshire Plan for Growth	The Committee was advised that the Plan for Growth was a 1–5-year economic action plan and framework for post Covid-19 recovery in Greater Lincolnshire, which had been developed in full partnership across Local Resilience Forum Business and Economy partners.
4	Lincolnshire Rural Support Network	The Committee received an introduction relating to the Lincolnshire Rural Support Network (LRSN) and the support given to LRSN from the Council in 2019, due to the work of the Committee.

PLANNED WORK

Set out below are the items planned for future meetings of the Committee.

30 November 2021			
<i>Item</i>		<i>Contributor</i>	<i>Notes</i>
1	Service Level Performance Reporting Against the Performance Framework 2021 - 2022 – Quarter 2: <ul style="list-style-type: none"> • Economy • Flooding • Waste 	Samantha Harrison, Head of Economic Development David Hickman, Head of Environment Mike Reed, Head of Waste	This is the quarterly performance report.
2	Flood and Coastal Innovation Programme - the Greater Lincolnshire Groundwater Project	David Hickman, Head of Environment Paul Brookes, Flood Risk Manager – Environment Matthew Harrison, Senior Commissioning Officer - Flood Risk	This is an initial engagement with members of the Committee to help shape the programme that will be submitted for consideration by the Executive in 2022.

30 November 2021		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
3	The Levelling Up Agenda for Lincolnshire	Vanessa Strange, Head of Infrastructure Investment This report provides an update for scrutiny on the Levelling Up Agenda across the county – including the Levelling Up Fund and the Community Renewal Fund. The report will also provide an opportunity to begin to shape the Council’s work on the UK Shared Prosperity Fund.
4	Infrastructure Investment	Vanessa Strange, Head of Infrastructure Investment Lincolnshire County Council leads the work to identify strategic infrastructure across Greater Lincolnshire through the development of the SIDP – Strategic Infrastructure Development Plan. The report will detail this work and propose the steps for 2022.
5	Tree Strategy: “The right Tree in the Right Place”	Dan Clayton, Sustainability Manager - Environment This report provides a progress update on the Green Masterplan and outlines the initial progress towards the Council's targets to reach net zero carbon by 2050.

18 January 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1	Revenue and Capital Budget Proposals 2021/22	Keith Noyland, Head of Finance, Communities The views of the Committee will be sought on the budget proposals for Place and Community Services. A decision will be made by the Executive in February 2022.
2	Carbon Reporting Tool	Dan Clayton, Sustainability Manager - Environment An overview of the Carbon Reporting Tool will be received by the Committee.

18 January 2022			
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>	
3	Lincolnshire Wolds Area of Outstanding Natural Beauty - Key Priorities Update	Chris Miller, Deputy Head of Environment	This is an update on the key priorities in relation to the Lincolnshire Wolds AONB.
4	Internationalisation Strategy	Samantha Harrison, Head of Economic Development	This report will inform members of the Committee on the support provided to Lincolnshire businesses operating in foreign markets.
5	Property Flood Resilience Trial	Paul Brookes, Flood Risk Manager – Environment	The Committee will receive an update on the outcomes of this project's trial.
6	Local Transport Plan V <i>[Information only Item]</i>	Vanessa Strange, Head of Infrastructure Investment Jason Cooper, Transport and Growth Manager	This is an information item on the Local Transport Plan V.

22 February 2022			
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>	
1	Flood and Coastal Resilience and Innovation Programme - submission of outline business case	David Hickman, Head of Environment Paul Brookes, Flood Risk Manager – Environment	This is a pre-decision scrutiny report on the proposed business case to be submitted for the Flood and Coastal Resilience and Innovation Programme. A decision will be taken by the Executive on this matter on 5 April 2022.
2	Service Level Performance Reporting Against the Performance Framework 2021 - 2022 – Quarter 3: <ul style="list-style-type: none"> • Economy • Flooding • Waste 	Samantha Harrison, Head of Economic Development David Hickman, Head of Environment Nicole Hilton, Mike Reed and Rachel Stamp are the Waste Management Team	This is the quarterly performance report.

22 February 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
3	Greater Lincolnshire Nature Partnership presentation Dan Clayton, Sustainability Manager - Environment	This is the annual update report and presentation by the Greater Lincolnshire Nature Partnership.

12 April 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1	Property Green Agenda Chris Miller, Deputy Head of Environment	This is a report and presentation by Countryside Services.

24 May 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1	Study Visit to Donna Nook or Gibraltar Point Chris Miller, Deputy Head of Environment	This is a report on a site study visit.
2	Sustainable Transport Dan Clayton, Sustainability Manager - Environment	This is a report on Sustainable Transport.
3	Joint presentation on Local Transport Plan (LTP) focusing on the Green Agenda Dan Clayton, Sustainability Manager - Environment	This is an update on LTP with a focus on the Council's Green Agenda.

12 July 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1	Service Level Performance Reporting Against the Performance Framework 2021 - 2022 – Quarter 4: <ul style="list-style-type: none"> • Economy • Flooding • Waste Samantha Harrison, Head of Economic Development David Hickman, Head of Environment Mike Reed, Head of Waste	This is the quarterly performance report.

Other Potential Items

- Historic Places Team Strategy
- Verge Biomass

- Humber and East Coast Strategies
- Review of Land Sales Policy – Regeneration
- Skegness Business Park
- Planning White Paper
- Green Technology Grant
- Coastal Car Park Strategy
- Updating the Lincolnshire Minerals and Waste Local Plan: Issues and Options

HIGHWAYS AND TRANSPORT SCRUTINY COMMITTEE

ACTIVITY

The Highways and Transport Scrutiny Committee has met on four occasions in the new Council term: 28 June, 19 July, 21 September and 25 October 2021. Full detail on these items is available on the County Council's website:

[Browse meetings - Highways and Transport Scrutiny Committee \(moderngov.co.uk\)](https://www.moderngov.co.uk)

Set out below is a summary of the outcomes:

28 June 2021	
<i>Item</i>	<i>Summary of Outcomes</i>
1 Introduction to Service Areas reporting to the Highways and Transport Scrutiny Committee	This item, which contained an introductory presentation to the various service areas including the Local Highways Services, the role of the Technical Services Partnership and Transport Services Group, was noted. The Committee was informed that a further workshop regarding the service areas was scheduled as part of the new Members' induction series.
2 Performance Report, Quarter 4 - (1 January 2021 - 31 March 2021)	As part of its consideration, the Committee explored: <ul style="list-style-type: none"> • major Highways Scheme updates. • Lincolnshire Highways alliance updates. • national condition indicators. • Quarter 4 complaints report.
3 Re-painting and Maintenance Works to Cross Keys Swing Bridge	The Committee recorded its unanimous support for a proposed decision to adopt the recommendations in relation to re-painting and maintenance works on Cross Keys Swing Bridge. The Committee also recorded additional comments for the Executive.
4 Highways Infrastructure Asset Management Plan 2021	The Committee recorded its unanimous support for a proposed decision to adopt the proposed amendments to the Highways Infrastructure Asset Management Plan for 2021/22. The Committee also recorded additional comments for the Executive Councillor for Highways, Transport and IT.

19 July 2021		
<i>Item</i>		<i>Summary of Outcomes</i>
1	Councillor Call for Action - Proposal to resolving obstruction of the highway on West Street, Barkston	<p>This item gave consideration to a report recommending proposals that would resolve obstruction of the highway on West Street, Barkston that was previously raised by a County Councillor in the previous Council term.</p> <p>The Committee also recorded additional comments that were passed on to the Executive Councillor for Highways, Transport and IT.</p>
2	Proposals for Scrutiny Reviews	The Committee agreed to put forward the following topic for consideration by the Overview and Scrutiny Management Board on 30 September 2021: Review of Traffic Speed Management.
3	TCL Update Report (1 Feb 2021 - 30 April 2021)	The Committee noted an exempt report which set out updates related to the Transport Connect service.

13 September 2021		
<i>Item</i>		<i>Summary of Outcomes</i>
1	Winter Service Plan 2021/22	<p>The Committee recorded its unanimous support for a proposed decision to adopt the proposed Winter Service Plan for 2021/22.</p> <p>The Committee also recorded additional comments for the Executive.</p>
2	Passenger Transport Update	The Committee was provided with an annual update on Passenger Transport matters.
3	Lincolnshire Enhanced Partnership Scheme & Bus Service Improvement Plan	<p>The Committee recorded its unanimous support for a proposed decision to adopt the proposed Lincolnshire Enhanced Partnership Scheme & Bus Service Improvement Plan.</p> <p>The Committee also recorded additional comments for the Executive.</p>

13 September 2021	
<i>Item</i>	<i>Summary of Outcomes</i>
4 Highways Quarter 1 Performance Report (1 April to 30 June 2021)	<p>As part of its consideration, the Committee explored:</p> <ul style="list-style-type: none"> opportunities offered to vulnerable adults and children as part of the Council's long-term social value programme. potential for flexibility for further, or rearranged, grass cuts to suit times of increased growth in addition to the 3 cut phases laid out within the report.

25 October 2021	
<i>Item</i>	<i>Summary of Outcomes</i>
1 Red Lion Square, Stamford	<p>The Committee recorded its unanimous support for a proposed decision to support the recommended improvements scheme at Red Lion Square, Stamford.</p> <p>The Committee also recorded additional comments for the Executive.</p>
2 Annual Update on Lincolnshire County Council's Approach to Transport Strategy Developments	<p>Consideration was given to a report on the annual update on Lincolnshire County Council's approach to transport strategy developments.</p>

PLANNED WORK

Set out below are the items planned for future meetings of the Committee.

13 December 2021		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1 Rail in Lincolnshire – Engagement with Network Rail and Train Operating Companies	Jason Cooper, Transport and Growth Manager	The Committee will receive an annual update on Rail in Lincolnshire.

13 December 2021			
2	Local Transport Plan V	Vanessa Strange, Head of Infrastructure Investment Jason Cooper, Transport and Growth Manager	This pre-decision scrutiny report will explore updates on the fifth Local Transport Plan. The Executive decision is scheduled for 1 February 2022.
3	Highways Quarter 2 Performance Report (1 July to 30 September 2021)	Paul Rusted, Head of Highways Services	This is a quarterly report.
4	Highways – Gully Cleansing/Repair and Surface Water Flooding- Update	Richard Fenwick, County Highways Manager Shaun Butcher, County Programme Manager	The report provides an update on Gully Cleansing/Repair and Surface Water Flooding.
5	Civil Parking Enforcement Annual Report 2020 - 2021	Matt Jones, Parking Services Manager	This is an annual report on Civil Parking Enforcement.
6	Transport Connect Ltd - Teckal Company Annual Report	Anita Ruffle, Head of Transport Services	This is an annual report on the performance of Transport Connect Ltd-Teckal Company.

24 January 2022			
	<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1	Revenue and Capital Budget Proposals 2022/23	Keith Noyland, Head of Finance, Communities	The views of the Committee will be sought on the budget proposals.
2	Highways Fees and Charges Annual Review	Mick Phoenix, Traffic Manager	The views of the Committee will be sought on the annually reviewed Highways Fees and Charges.
3	LCC as the Local Transport Authority to 'make' an Enhanced Partnership Scheme and Plan (EPSP)	Nicole Hilton, Assistant Director, Communities	The views of the Committee will be sought in relation to the proposed EPSP. The decision will be taken by the Executive on 1 March 2022.
4	Road Safety Partnership (RSP) Annual Report	Steven Batchelor, LRSP Senior Manager	This is the annual update on the RSP.

7 March 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1 North Hykeham Relief Road – Design and Build Contract Procurement <i>(Pre-decision Scrutiny - Executive 5 April 2022)</i>	Sam Edwards, Head of Highways Infrastructure	The views of the Committee will be sought on the design and build contract procurement for North Hykeham Relief Road as part of the decision to be taken by the Executive on 5 April 2022.
2 Highways – Gully Cleansing/Repair and Surface Water Flooding	Richard Fenwick, County Highways Manager Shaun Butcher, County Programme Manager	This is the quarterly update on Highways Gully Cleansing/Repair and Surface Water Flooding
3 Highways Quarter 3 Performance Report (1 October to 31 March 2021)	Paul Rusted, Head of Highways Services	This is a quarterly performance report.

25 April 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1 Street Lighting Policy	John Monk, Head of Design Services Karen Cassar, Assistant Director - Highways	The Committee will receive a report on the Street Lighting Policy.

30 May 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1 Speed Limits Review	Mick Phoenix, Traffic Manager	This is a review of Speed Limits and opportunities for adopting the 20-is-plenty campaign in Lincolnshire.

18 June 2022		
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1 Highways Quarter 4 Performance Report (1 January to 31 April 2021)	Paul Rusted, Head of Highways Services	This is a quarterly performance report.

FLOOD AND WATER MANAGEMENT SCRUTINY COMMITTEE

ACTIVITY

The Flood and Water Management Scrutiny Committee has formally met once in the new Council term on 20 September 2021. Full detail on these items is available on the County Council's website:

[Committee details - Flood and Water Management Scrutiny Committee \(moderngov.co.uk\)](https://www.moderngov.co.uk/committees/flood-and-water-management-scrutiny-committee)

In addition, an informal meeting was held on 21 June 2021 to receive introductory presentations to the different service areas.

Set out below is a summary of the outcomes:

20 September 2021	
<i>Item</i>	<i>Summary of Outcomes</i>
1	Development Fund - Drainage Investigations and Flood Repairs This report informed the Committee of progress to date with the programme of work for the Development Fund for Drainage Investigations and Flood Repairs.
2	Investigations undertaken under Section 19 of the Flood and Water Management Act 2010 The Committee received assurance on the status of all current flood investigations being undertaken in the County.
3	Environment Agency Update The Committee received an overview of the work being undertaken in Lincolnshire to deliver the vision of the national Flood Risk Management Strategy - A nation ready for, and resilient to, flooding and coastal change to the year 2100.
4	Anglian Water Update The Committee received an overview of the work being undertaken in Lincolnshire by Anglian Water.
5	Lincolnshire Riparian Project Update The Committee was assured of the Council's approach to the network of riparian watercourses across Lincolnshire, along with strengthened engagement with riparian landowners. Members provided their support and guidance in developing the project.

20 September 2021		
<i>Item</i>		<i>Summary of Outcomes</i>
6	Emergency Planning, Response and Co-ordination Update	The Committee received an update on the recent work carried out by the Emergency Planning and Business Continuity Service with regards to the risk of flooding within the county.

PLANNED WORK

Set out below are the items planned for future meetings of the Committee.

29 NOVEMBER 2021			
<i>Item</i>		<i>Contributor</i>	<i>Notes</i>
1	Flood and Coastal Innovation Programme - the Greater Lincolnshire Groundwater Project	David Hickman, Head of Environment Paul Brookes, Flood Risk Manager – Environment Matthew Harrison, Senior Commissioning Officer - Flood Risk	This is an initial engagement with members of the Committee to help shape the programme that will be submitted for consideration by the Executive in 2022.
2	Lincolnshire Fire and Rescue New Pumping Equipment	Mark Baxter, Chief Fire Officer	The Committee will receive a presentation designed to give an overview of the Trailer Mounted Flood Pumps that have been secured through Lead Local Flood Authority funding.
3	Flood Risk Management Plans	Matthew Harrison, Senior Commissioning Officer Flood Risk	This report is to provide an overview of the plans and consultation exercise in advance of a formal response being provided by Lincolnshire County Council.
4	Black Sluice Pumping Station Project	Morgan Wray, Area Flood and Coastal Risk Manager	This report will inform of the steps following the decommissioning of the Black Sluice Pumping Station.

29 NOVEMBER 2021			
5	Investigations undertaken under Section 19 of the Flood and Water Management Act 2010	Paul Brookes, Flood Risk Manager	This is a regular performance report.
6	Environment Agency (EA) Update	Morgan Wray, Area Flood and Coastal Risk Manager	This is a regular update on EA activity.
7	Anglian Water (AW) Update	Jonathan Glerum, Anglian Water	This is a regular update on AW activity.

21 February 2022			
	<i>Item</i>	<i>Contributor</i>	<i>Notes</i>
1	Development Fund – Drainage Investigations and Flood Repairs - Update	Matthew Harrison, Senior Commissioning Officer Flood Risk	The Committee will receive assurance on the Development Fund progress, and on Drainage Investigations and Flood Repairs.
2	Property Level Resilience Trial Project	Paul Brookes, Flood Risk Manager	The Committee will receive a report on this trial project.
3	Red Diesel ban – Impact of the ban (Association of Drainage Boards).	David Hickman, Head of Environment	The Committee will receive a report that allows foresight on the impact of the red diesel ban that will be in effect from April 2022.
4	Investigations undertaken under Section 19 of the Flood and Water Management Act 2010	Paul Brookes, Flood Risk Manager	This is a regular performance report.
5	Environment Agency Update	Morgan Wray, Area Flood and Coastal Risk Manager	This is a regular update on EA activity.
6	Anglian Water Update	Jonathan Glerum, Anglian Water	This is a regular update on AW activity.

23 May 2022			
<i>Item</i>	<i>Contributor</i>	<i>Notes</i>	
1	Flood and Coastal Resilience and Innovation Programme - submission of outline business case -feedback on decision by the Executive on 5 April 2022	David Hickman, Head of Environment Paul Brookes, Flood Risk Manager	The Committee will be informed of the outcomes following the Executive Decision on 5 April 2022.
2	Digby Scheme	Paul Brookes, Flood Risk Manager	The Committee will receive a report on outcomes from the completion of the scheme.
3	Investigations undertaken under Section 19 of the Flood and Water Management Act 2010	Paul Brookes, Flood Risk Manager	This is a regular performance report.
4	Environment Agency Update	Morgan Wray, Area Flood and Coastal Risk Manager	This is a regular update on EA activity.
5	Anglian Water Update	Jonathan Glerum, Anglian Water	This is a regular update on AW activity.

Other Potential Items

- Riparian Watercourse Project – Progress and Next Steps
- Natural Flood Management
- Memorandum of Understanding with Districts on incident response and provision of temporary resilience measures
- Coastal Adaptation Strategy

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

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	Treasury Management Performance 2021/22 - Quarter 2 to 30 September 2021

Summary:

This report details the treasury management activities and performance for Quarter 2 of 2021/22 to 30 September 2021, comparing this to the Treasury Management Strategy and Annual Investment Strategy 2021/22 that was approved by the Executive Councillor for Resources, Communications and Commissioning on 11 March 2021. This report meets the reporting requirements as detailed in the CIPFA Code of Practice for Treasury Management that the Council follows.

Actions Required:

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

1. Background

- 1.1. The Treasury Management Strategy and Annual Investment Strategy 2021/22 sets the framework for how we manage the cashflow, borrowing and treasury investments of the Council and the risks involved.
- 1.2. Actual activity and performance compared to this strategy is reported quarterly, with this report being the second quarter report for 2021/22 covering the period up to 30 September 2021.
- 1.3. Activity and performance up to 30 September 2021 compared to the strategy is detailed in the Conclusion in Section 2 below. Supporting information is detailed in the attached appendices.

2. Conclusion

Comparison of Activity and Performance to Strategy for Period up to 30 September 2021

Interest Rate Forecast:

Strategy:

At the time of writing the Strategy:

- *Short term rates were forecast to remain exceptionally low (Bank Rate at 0.10%) for the next three years.*
- *Long term rates were expected to have little upward movement over the next three years by no more than 0.10% per year; however, a sell-off in the gilt market around the start of the financial year caused opening rates to be 0.50% higher.*
- *This forecast was based on the backdrop of the Covid-19 pandemic and its effect on the Economy and the subsequent success of the UK vaccine programme leading to an improved economic outlook.*

Activity and Performance to 30 September 2021:

Short term Rates.

As expected, short term rates, including Bank Rate at 0.10% have remained flat throughout the period, although due to possible inflationary pressures and stronger economic recovery, the first predicted increase in Bank Rate has again been brought forward to the beginning of 2022, rising to 0.75% by March 2023/24.

Markets have factored in a rate rise as early as next week considering recent comments by the MPC.

Long Term Rates.

Gilt yields which impact long-term borrowing rates increased at the start of the year due to US economic activity which led to worries of inflationary pressures. From June 2021 long-term rates fell sharply again, perhaps due to the US not yet ceasing their QE activity as originally thought which acts as a downward pressure on yields. Link has revised their long-term rates forecast upwards by around 0.10% per annum over the next three years due to recent increases in rates again following recent hawkish comments by the MPC. As can be seen, long term rates remain volatile as there are many upward and downward pressures affecting them, although the overall balance of movement is still for a gradual increase of long-term rates over the next three years.

Economic Review.

The economic recovery has shown signs of flagging over the Autumn, as consumer spending has been dented by various factors such as energy price spikes, Covid-19 infection rises, the end of furlough and the threat of higher inflation and interest rates. The MPC has shifted its tone regarding

meeting its 2% inflation target in two years' time as it worries shortages in the labour market and other inflationary pressures will keep CPI inflation higher for longer. (CPI was 3.2% in Aug 2021). As such markets are pricing in an increase in rates as early as November but this is seen as ambitious, and Link Asset Services (TM Advisor), expect movement after February 2022 when results of the removal of furlough are more widely known.

Appendix A shows a graph of key interest rate movements in 2021/22 to date together with the latest interest rate forecast and commentary from Link Asset Services dated 29 September 2021.

Investments:

Strategy:

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

Activity & Performance to 30 September 2021:

Investment Position and Performance. Uncertainty of cash flows caused by Covid measures have improved in 2021/22, however cash balances have remained high, with investments outstanding at 30 September 2021 at £344.2m. Investment return has continued to exceed benchmark returns and benchmark comparators, for the level of risk taken, by some margin. This is achieved by having a longer weighted average maturity of investments which was 144 days at the end of the period and by minimising the use of liquid investments yielding the lowest returns. For investment detail see **Appendix B**.

Lending List Changes.

Most credit rating outlooks for Counterparties have changed to Stable from Negative as Covid impact pressures have eased. There has been no change or breach of lending limits during the period or changes to the Annual Investment Strategy that sets the Council's investment risk appetite.

The Lending List as of 30 September 2021 is shown in **Appendix C** and a full list of investments held on 30 September 2021, combined with the creditworthiness list provided by Link Asset Services (TM Advisor) is shown in **Appendix D**.

Borrowing:

Strategy:

- Long term external borrowing at start of year was £487.2m, costing 3.743%.
- New borrowing requirement for 2021/22 to finance capital programme was set at £111.2m.
- Due to increased surplus cash balances, it was agreed that internal borrowing would be increased to around 20%-25% of the capital financing requirement for 2021/22 which is around £165m. (Internal borrowing is using the Council's own internal cash balance to meet borrowing requirement).
- Any external long-term borrowing would be taken with the aim to reduce the overall cost of debt and for periods to ensure an even debt maturity profile.

Activity & Performance to 30 September 2021:

Revised Borrowing Requirement. Taking into account carry forward of underspend from the previous year, the borrowing requirement at 30 September 2021 has been revised to £173.4m and internal borrowing to £190.2m. Estimated rephasing, internal borrowing and underspend during 2021/22 brings these levels down to £88.4m and £165.2m respectively.

Borrowing Position and Performance. No external borrowing has been undertaken in the period to date as long-term rates are not forecast to rise significantly, rephasing and internal borrowing have yet to be finalised and cash balances remain high. CIPFA are also introducing a new Treasury Indicator known as the Liability Benchmark, which if adopted may revise the level of borrowing chosen to undertake. Work will commence on looking at this at the end of 2021. The cost of the Council's borrowing has fallen to 3.734%, due to maturing debt to date.

Temporary Borrowing. No temporary borrowing was undertaken in the period.

Debt Rescheduling. No debt rescheduling was undertaken in the period.

Prudential Indicator Limits 2021/22. All prudential limits were met with no breaches during the period.

Appendix E shows borrowing detail and latest maturity profile on 30 September 2021.

Other Treasury Issues:

Further CIPFA Consultation on Prudential and Treasury Management Codes – Deadline for Response: 16 November 2021

CIPFA issued a second round of consultations for revisions to both the Prudential Code and Treasury Management Code in September 2021, which have further expanded the intention to develop a 'Liability Benchmark' to govern the amount of external debt taken in conjunction with acceptable levels of cash available and the inclusion of Non-Treasury Management investments into the Treasury Management framework by proposing a series of non-treasury investment indicators within the Prudential Code. Depending on the response to these consultations it is the intention that the revised Codes would be effective immediately and so would impact on Budget Setting and the Treasury Management Strategy for 2022/23.

Treasury Management Training For Members

To enhance the knowledge and skills of those Members involved in the Treasury Management area, a Member training session was organised for 24 November 2021, to be delivered remotely by Link Asset Services. Feedback of this session, which will have been delivered by the time of this meeting, would be welcome.

3. Consultation

a) Risks and Impact Analysis

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

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Movement of Key Interest Rates for 2021/22 to date and Latest Interest Rate Forecast and Commentary from Link Asset Services Ltd.
Appendix B	Investments: Activity & Performance at 30 September 2021.
Appendix C	Authorised Lending List at 30 September 2021 and Credit Rating Key.
Appendix D	Investment Analysis Review at September 2021 - Link Asset Services Ltd.
Appendix E	Borrowing: Activity & Performance and Long Term Maturity Profile at 30 September 2021.

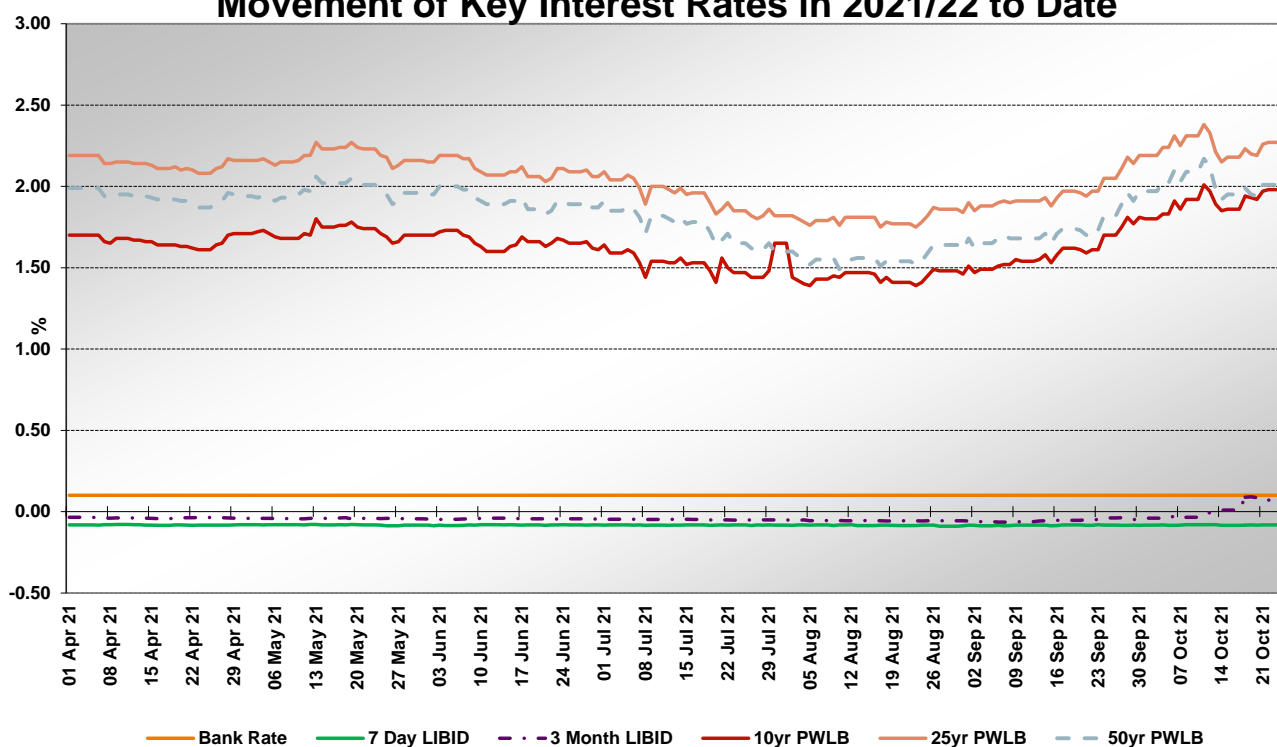
5. Background Papers

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

Document title	Where the document can be viewed
Treasury Management Strategy Statement and Annual Investment Strategy 2021/22 - 11/3/2021	https://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=687
Council Budget 2021/22 - 19/2/2021	https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&MId=5729

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Movement of Key Interest Rates in 2021/22 to Date



Interest Rate Forecast – Link Asset Services Ltd (29 Sept 2021)

We do not think that the MPC will embark on a series of increases in Bank Rate of more than 0.65% during the current and next two financial years as we do not expect inflation to return to being sustainably above 2% during this forecast period.

With unpredictable virus factors now being part of the forecasting environment, there is a risk that forecasts could be subject to significant revision during the next three years.

Gilt yields and PWLB rates

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e., equities, or the safe haven of government bonds. The overall longer-run trend is for gilt yields and PWLB rates to rise.

There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?

- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

Our forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

Link Group Interest Rate View 29.9.21										
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

Link Group Interest Rate View 10.8.21											
	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25	0.50
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30	0.50
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.50	0.50
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.70
5 yr PWLB	1.20	1.20	1.20	1.30	1.30	1.30	1.40	1.40	1.40	1.50	1.50
10 yr PWLB	1.60	1.60	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00
25 yr PWLB	1.90	2.00	2.10	2.20	2.30	2.30	2.30	2.40	2.40	2.40	2.50
50 yr PWLB	1.70	1.80	1.90	2.00	2.10	2.10	2.10	2.20	2.20	2.20	2.30

Economic and Interest Rate Commentary – Link Asset Services Ltd

- 30 September 2021

MPC Meeting 24.9.21

1. The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
2. There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by base rate events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**
3. So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer in order to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods in order to ensure that inflation was 'sustainably over 2%'. The fact is that once this winter is over and world demand for gas wilts so that gas prices, (and therefore electricity prices), fall back down to earth, and once supply shortages of other goods are overcome which are driving prices up at the current time, the MPC at its August meeting had been forecasting that inflation would return to just under the 2% target after reaching a high around 4% in late 2021. So, the MPC's concern now is that underlying price pressures in the economy are now likely to get more embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

4. While financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for just November itself: to get a clearer picture of employment trends, it would, therefore, need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation expected around that time.
5. Just a reminder – **the MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 1. Placing the focus on raising Bank Rate as “the active instrument in most circumstances”.
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

Our forecasts for Bank Rate

We are not expecting Bank Rate to go up fast after the initial rate rise; our view is that the supply potential of the economy has not taken a major hit during the pandemic so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. We are therefore forecasting three increases in Bank rate over the forecast period to March 2024, ending at 0.75%. However, we are far from confident that these forecasts will not need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on October 1st and will therefore be available to fill labour shortages which are creating a major headache in many sectors of the economy? So supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- We also recognise there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with what the new news is.

It should also be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Our forecasts for PWLB rates and gilt and treasury yields

Gilt yields. Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. During September, gilt yields from 5 – 50 years have steadily risen and rose further after the hawkish tone of the MPC's minutes last week. Our forecasts show a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2024.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. **As an average since 2011, there has been a 75% correlation between movements in US 10 year treasury yields and UK 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

US treasury yields. During the first part of the year, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy has been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash strong inflationary pressures. This could then force the Fed to take much earlier action to start increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that in the September Fed meeting, Fed members again moved forward their expectation of when the first increases in the Fed rate will occur. In addition, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of stronger jobs growth figures could be enough to meet the threshold set by the Fed of "substantial further progress towards maximum employment" for a first increase in the Fed rate.

A further concern in financial markets is when will the Fed end QE purchases of treasuries and how will they gradually wind them down. These purchases are currently acting as downward pressure on treasury yields. In his late August speech at the Jackson Hole conference, Fed Chair Powell implied that the central bank plans to start tapering its asset purchases before the end of this year. But the plan is conditional on continued improvement in the labour market, which the August employment report suggests is proceeding more slowly than the Fed anticipated. That may mean that any announcement of tapering is pushed back, possibly even into early next year.

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

Globally, our views on economies are as follows: -

- **EU.** The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2% which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.
- **German general election.** With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are

also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

- **Japan.** 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.
- **World growth.** World growth was in recession in 2020 but recovered during 2021. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages. But these should subside during 2022.

The balance of risks to the UK: -

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, resulting in further national lockdowns or severe regional restrictions.
- **Bank of England** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **The Government** acts too quickly to cut expenditure to balance the national budget.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU agreed a €750bn fiscal support package which has still to be disbursed. These actions will help shield weaker economic regions in the near-term. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.

- Weak capitalisation of some **European banks**, which could be undermined further depending on the extent of credit losses resulting from the pandemic.
- **German general election in September 2021.** Germany faces months of uncertainty while a new coalition government is cobbled together after the indecisive result of the election. Once that coalition is formed, Angela Merkel's tenure as Chancellor will end and will leave a hole in overall EU leadership.
- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile and, therein, impact market confidence/economic prospects and lead to increasing safe-haven flows.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

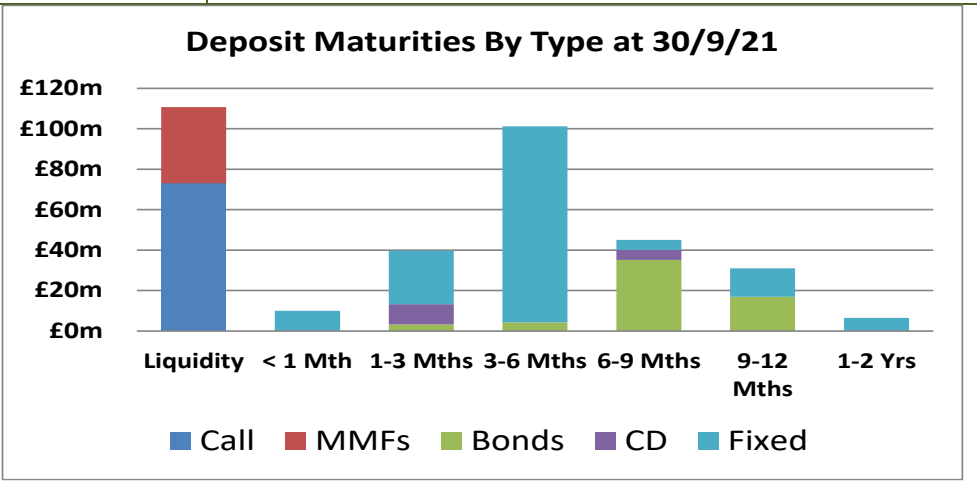
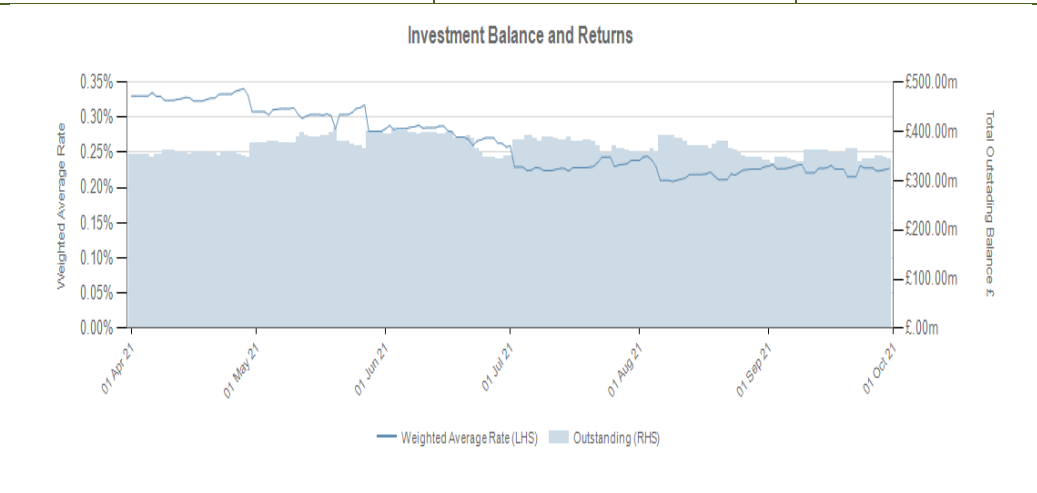
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- Longer term US treasury yields rise strongly and pull gilt yields up higher than forecast.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

Investment Position at 30th Sept 2021

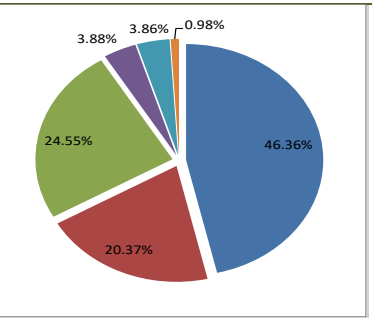
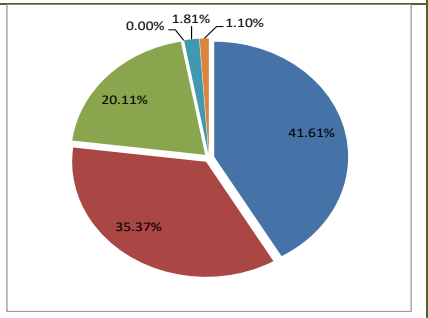
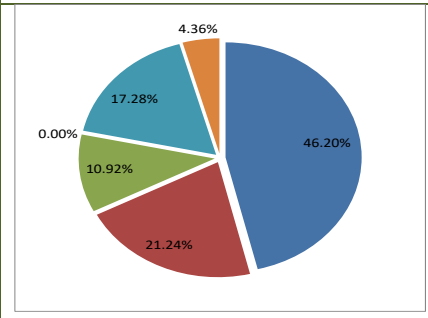
Investments Outstanding 30.9.21	Weighted Average Maturity (WAM)	Benchmark Return (7Day/3 Month LIBID) Annualised	Council Performance Annualised
£344.152m	144 Days	-0.004%	0.197%



Link Benchmarking Analysis of Investments at 30th Sept 2021

	LCC	Benchmark Group (14)	English Counties(17)
Return at 30.9.21	0.23%	0.17%	0.17%
WAM	144	98	103
Risk Weighted Score (Duration & Credit Quality)	3.49	3.27	2.76
Model Banding- Expected Return for Risk Taken	0.16% - 0.25%	0.10% - 0.18%	0.17% - 0.25%

0.258%	Fixed Deposits
0.331%	Call & O/N
0.147%	CDs
0.164%	Bonds
0.027%	MMFs
0.000%	Enhanced MMFs



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Appendix C

LINCOLNSHIRE COUNTY COUNCIL LENDING OF TEMPORARY SURPLUSES

Country	Lending Limit £m	Maturity Limit	# Watch/ Outlook Adjusted	FITCH IBCA Credit Rating Long Term	Sovereign	For Treat CDS Overlay
1 Other Local Authorities						
	30 each	24 Months				
2 Debt Management Account Deposit Facility						
	50	6 Month				
3 UK Banks :						
# HSBC Group						
UK	30	365 Day	365 Day	NO	AA-	365 Day
	30	365 Day				
	30	365 Day				
	30	365 Day				
# RBS Group - Part Nationalised						
UK	50	365 Day	365 Day	SB	A+	365 Day
UK	50	365 Day	365 Day	SB	A+	365 Day
	50	365 Day	365 Day			
# LloydsHBOS Group						
UK	25	6 Months	6 Months	SB	A+	6 Months
	25	6 Months	6 Months	SB	A+	6 Months
	25	6 Months	6 Months			
UK	25	6 Months	6 Months	SB	A+	6 Months
UK	25	6 Months	6 Months	SB	A-	6 Months
UK	25	6 Months	6 Months	SB	A-	6 Months
UK	25	6 Months	6 Months	SB	A+	6 Months
UK	25	6 Months	6 Months	NO	A+	6 Months
4 Other Banks						
AUS	30	365 Day	365 Day	SB	A+	365 Day
AUS	30	365 Day	365 Day	SB	A+	365 Day
AUS	30	365 Day	365 Day	SB	A+	365 Day
AUS	25	6 Months	6 Months	SB	A-	6 Months
AUS	30	365 Day	365 Day	SB	A+	365 Day
# BNP Paribas Group						
BEL	25	6 Months	6 Months	SB	A+	6 Months
FRA	30	365 Day	365 Day	NO	A+	365 Day
CAN	30	365 Day	365 Day	NO	AA-	365 Day
CAN	30	365 Day	365 Day	NO	AA-	365 Day
CAN	30	365 Day	365 Day	SB	AA-	365 Day
CAN	25	6 Months	6 Months	SB	A+	6 Months
CAN	30	365 Day	365 Day	SB	AA-	365 Day
CAN	30	365 Day	365 Day	SB	AA-	365 Day
DEN	25	6 Months	6 Months	SB	A-	6 Months
FRA	25	6 Months	6 Months	NO	A+	6 Months
FRA	25	6 Months	6 Months	SB	A-	6 Months
FIN	30	365 Day	365 Day	SB	AA-	365 Day
FIN	30	365 Day	365 Day	SB	AA-	365 Day
GER	30	365 Day	365 Day	SB	AA-	365 Day
GER	25	6 Months	6 Months	SB	A+	6 Months
NETH	30	24 Months	24 Months	SB	AAA	24 Months
NETH	30	365 Day	365 Day	NO	A+	365 Day
NETH	30	365 Day	365 Day	NO	AA-	365 Day
SING	30	365 Day	365 Day	SB	AA-	365 Day
SING	30	365 Day	365 Day	SB	AA-	365 Day
SING	30	365 Day	365 Day	SB	AA-	365 Day
SWITZ	30	365 Day	365 Day	SB	AA-	365 Day
SWITZ	25	6 Months	6 Months	NO	A-	6 Months
SWE	30	365 Day	365 Day	SB	AA-	365 Day
SWE	30	365 Day	365 Day	PO	A+	365 Day
# Svenska Group						
SWE	30	365 Day	365 Day	SB	AA	365 Day
UK	30	365 Day	365 Day	SB	AA	365 Day
	30	365 Day	365 Day			
	30	365 Day	365 Day			
	30	365 Day	365 Day			
	30	365 Day	365 Day			
USA	30	24 Months	24 Months	SB	AA	24 Months
USA	30	365 Day	365 Day	SB	AA	365 Day
USA	30	365 Day	365 Day	SB	AA	365 Day
5 AAA Money Market Funds						
# MMF Group						
	30	24 Months			AAA	
	30	24 Months			AAA	
	30	24 Months			AAA	
	30	24 Months			AAA	
	30	24 Months			AAA	
	30	24 Months			AAA	
# Group Limit of applies where indicated.						
** A maximum of 20% of total funds to be held in the Building Society Sector.						
** No more than 20% of total funds to be held in any one institution or group,excluding Govt/MMFs.						
Any adverse press comments concerning borrowers/potential borrowers should be referred to M Grady / S Maycock / K Tonge / N Kay / B Abioye						

Revised: 30th Sept 2021

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 five 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 Council's 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 Council's Lending List.

Credit Rating Watches and Outlooks issued by Credit Rating Agencies

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

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

Money Market Fund Rating (Moody's)

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

Credit Default Swap (CDS) Spreads

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

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

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Lincolnshire County Council

Monthly Investment Analysis Review

September 2021

Monthly Economic Summary

General Economy

The Flash (i.e. provisional) UK Manufacturing PMI dropped to 56.3 in September from 60.3 in August, somewhat lower than market forecasts of 59.0. Although it signalled the weakest pace of expansion in the sector since February, due to supply chain delays, slower new order growth and rising material and labour shortages, the survey remained at levels historically consistent with robust economic growth. Similarly, the Flash Services PMI eased to 54.6 in September from 55.0 in August, also pointing to the slowest growth in the services sector in seven months. Notably, respondents reported that input price inflation accelerated amid reports of higher wage costs, product shortages and increased transportation costs - and that companies raised their own charges at the fastest pace since the series began in 1996. As a result of the falls in both indices, the Flash Composite PMI (which incorporates both sectors), eased to 54.1 in September, from 54.8 in August. Mirroring these developments, the Construction PMI (which is released one month behind), also fell to 55.2 in August from 58.7 in July and below market expectations of 56.9 as a restricted supply of materials, labour and transport began to weigh on overall activity. Input cost inflation, meanwhile, accelerated to the second-fastest rate in the 24-year history of the survey.

The combination of supply chain delays, slower order growth and rising material and labour shortages noted in the PMI surveys may also have weighed on GDP, which expanded by just 0.1% m/m in July compared to forecasts of a 0.7% rise. However, upward revisions to previous releases meant that the economic output was now forecast to be around 1% less than prior to the pandemic compared to 2% previously. Product and labour shortages may also have contributed to the 0.1% m/m decline in exports in July, which caused the UK trade deficit to widen to £3.1 billion compared to £2.5 billion in June.

Unemployment data, meanwhile, also confirmed the tightening of the labour market reported in the PMI surveys. Employment rose by 183,000 in the three months to July, which was the largest rise since January 2020 – and occurred despite firms having to start paying 10% of the wages of their furloughed workers. A fall of 86,000 in unemployed workers, meanwhile, allowed the unemployment rate to ease to 4.6% in July from 4.7% in June. More timely data revealed that PAYE employment increased by a further 241,000 during August, suggesting that labour market strength may continue – although the end of the furlough scheme in September represents a future source of uncertainty. The rise in vacancies to a record 1,034,000, 249,000 above their pre-pandemic level, suggests that labour shortages intensified during August. Against this backdrop, average earnings growth (excluding bonuses) eased to 6.8% y/y in the three months to July compared to 7.3% y/y in the three months to June as compositional and base effects began to fade. However, the Monetary Policy Committee (MPC) noted this month private sector regular pay growth had been around 4%, after accounting for these factors.

UK inflation, as measured by the Consumer Price Index, increased to 3.2% y/y in August from 2% in July and above market forecasts of 2.9%. However, base effects – including last year's Eat Out to Help Out scheme (which artificially depressed prices) - accounted for the majority of the rise. That said, the MPC noted at this month's policy meeting that the scheduled rise in utility prices and further base effects will likely contribute to inflation rising to slightly above 4% later in the year. Against this backdrop, the Committee judged that its existing monetary policy remained appropriate. However, the MPC also noted that some developments since the August Monetary Policy Report appeared to have strengthened the case for a modest tightening of monetary policy. As a result, Gilt yields rose as month-end approached and investors increased the probability attached to Bank Rate being raised in 2022.

Judging by the 0.9% m/m fall in August retail sales, the stalling of the UK's economic recovery in July highlighted by the GDP data has likely continued. However, some of the fall may also be explained by households changing their spending patterns following the expiration of lockdown. As a result, retail sales are now unchanged compared to a year ago. The prospect of looming energy price rises, food costs and tax rises, meanwhile, saw the GfK Consumer Confidence index decline to -13 in September from -8 in August.

The UK's public sector net borrowing (excluding public sector banks) was estimated to have been £20.5 billion in August - the second-highest August borrowing since monthly records began in 1993 - but £5.5 billion less than in August 2020. Although public sector net borrowing was estimated to have been £93.8 billion in the financial year-to-August 2021, this is £88.9 billion less than in the same period last year and £31.9 billion below that forecast by the OBR.

In the US, non-farm payrolls rose 235,000 in August, the lowest in 7 months and well below forecasts of 750,000 as a surge in COVID-19 infections may have discouraged companies from hiring and workers from actively looking for a job. Nevertheless, the gain saw the unemployment rate fall to 5.2% from 5.4% in July. The US economy, meanwhile, was confirmed to have grown at a 6.7% annualised rate in Q2 compared to the first estimate of 6.3%. Against this backdrop, the Federal Reserve forecast at its September policy meeting that core inflation would remain above 2% until 2023. As a result, the central bank judged that "a moderation in the pace of asset purchases may soon be warranted" and increased their median interest rate projections to 0.3% in 2022 (from 0.1% previously) and 1% in 2023 (from 0.6%).

As in the US, Q2 growth in the Eurozone was also revised higher during the month, to 2.2% q/q from 2% previously. Inflation, meanwhile, was confirmed at 3% y/y in August compared to 2.2% in July and its highest since November 2011. However, the ECB judged at its policy meeting that most of this year's increase in inflation will prove temporary. As expected, the central bank left rates unchanged and, in light of the bloc's recovery, elected to plan PEPP purchases at a "moderately lower pace...than in the previous two quarters."

Housing

Nationwide reported that house price growth eased to 10% y/y this month compared to 11% y/y in August. On the month, prices rose 0.1%. The Halifax survey, meanwhile, confirmed that prices rose 7.1% y/y and 0.7% m/m in August. According to the Nationwide, house prices are now around 13% higher than when the pandemic began.

Currency

The prospect of above target inflation and anaemic economic growth saw Sterling fall against both the US Dollar and the Euro this month.

September	Start	End	High	Low
GBP/USD	\$1.3786	\$1.3484	\$1.3872	\$1.3425
GBP/EUR	€1.1630	€1.1635	€1.1727	€1.1558

Forecast

In light of the hawkish nature of the minutes from September's MPC meeting, Link Group has revised its forecast for Bank Rate to bring forward its first rate rise to June 2022.

Bank Rate	Now	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%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.75%
Capital Economics	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%	-

Lincolnshire County Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
MMF Deutsche	7,590,000	0.01%		MMF	AAAm	
MMF Morgan Stanley	30,000,000	0.03%		MMF	AAAm	
Cherwell District Council	5,000,000	0.75%	16/10/2020	15/10/2021	AA-	0.001%
Blackburn with Darwen Borough Council	5,000,000	0.45%	27/01/2021	27/10/2021	AA-	0.002%
HSBC UK Bank Plc (RFB)	20,000,000	0.15%		Call31	A+	0.004%
DBS Bank Ltd	10,000,000	0.13%	04/05/2021	04/11/2021	AA-	0.002%
National Bank of Canada	5,500,000	0.09%	19/05/2021	19/11/2021	A	0.006%
Close Brothers Ltd	5,000,000	0.25%	25/05/2021	25/11/2021	A-	0.007%
National Australia Bank Ltd	169,137	0.12%	17/05/2021	09/12/2021	A+	0.009%
National Australia Bank Ltd	1,716,580	0.12%	17/05/2021	09/12/2021	A+	0.009%
Australia and New Zealand Banking Group Ltd	6,000,000	0.12%	22/06/2021	22/12/2021	A+	0.011%
Swedbank AB	1,318,358	0.12%	14/06/2021	29/12/2021	A+	0.012%
National Westminster Bank Plc (RFB)	10,000,000	0.14%	30/03/2021	30/12/2021	A	0.012%
Barclays Bank UK PLC (RFB)	18,100,000	0.15%		Call95	A	0.012%
Close Brothers Ltd	10,000,000	0.25%	02/07/2021	04/01/2022	A-	0.012%
DBS Bank Ltd	5,000,000	0.12%	25/06/2021	04/01/2022	AA-	0.006%
Landesbank Hessen-Thuringen Girozentrale (Helaba)	11,650,000	0.10%	05/07/2021	05/01/2022	A-	0.013%
Northumberland County Council	5,000,000	0.45%	06/01/2021	05/01/2022	AA-	0.006%
Kingston Upon Hull City Council	5,000,000	0.45%	08/01/2021	07/01/2022	AA-	0.006%
Cardiff City Council	2,000,000	1.55%	10/01/2020	10/01/2022	AA-	0.007%
Cambridgeshire County Council	5,000,000	0.40%	18/01/2021	17/01/2022	AA-	0.007%
Landesbank Hessen-Thuringen Girozentrale (Helaba)	7,050,000	0.11%	16/04/2021	17/01/2022	A-	0.014%
Close Brothers Ltd	5,000,000	0.25%	30/07/2021	31/01/2022	A-	0.016%
Australia and New Zealand Banking Group Ltd	10,000,000	0.13%	02/07/2021	02/03/2022	A+	0.020%
Landesbank Hessen-Thuringen Girozentrale (Helaba)	6,300,000	0.11%	06/09/2021	07/03/2022	A-	0.020%
DBS Bank Ltd	10,000,000	0.11%	15/09/2021	15/03/2022	AA-	0.011%
Cooperatieve Rabobank U.A.	2,926,274	0.17%	18/05/2021	23/03/2022	A+	0.022%
Cooperatieve Rabobank U.A.	1,290,845	0.16%	23/06/2021	23/03/2022	A+	0.022%
West Dunbartonshire Council	5,000,000	0.42%	24/03/2021	23/03/2022	AA-	0.011%
Close Brothers Ltd	5,000,000	0.25%	27/09/2021	28/03/2022	A-	0.023%
Santander UK PLC	25,000,000	0.58%		Call180	A	0.023%
DBS Bank Ltd	5,000,000	0.13%	30/09/2021	30/03/2022	AA-	0.012%
Australia and New Zealand Banking Group Ltd	10,000,000	0.40%		Call185	A+	0.024%
National Westminster Bank Plc (RFB)	5,000,000	0.16%	29/04/2021	29/04/2022	A	0.027%
Cambridgeshire County Council	5,000,000	0.62%	16/10/2020	16/05/2022	AA-	0.015%
OP Corporate Bank plc	10,232,731	0.17%	02/06/2021	20/05/2022	AA-	0.015%
Nordea Bank Abp	5,026,991	0.16%	19/07/2021	02/06/2022	AA-	0.016%
Nordea Bank Abp	5,111,675	0.15%	02/07/2021	02/06/2022	AA-	0.016%

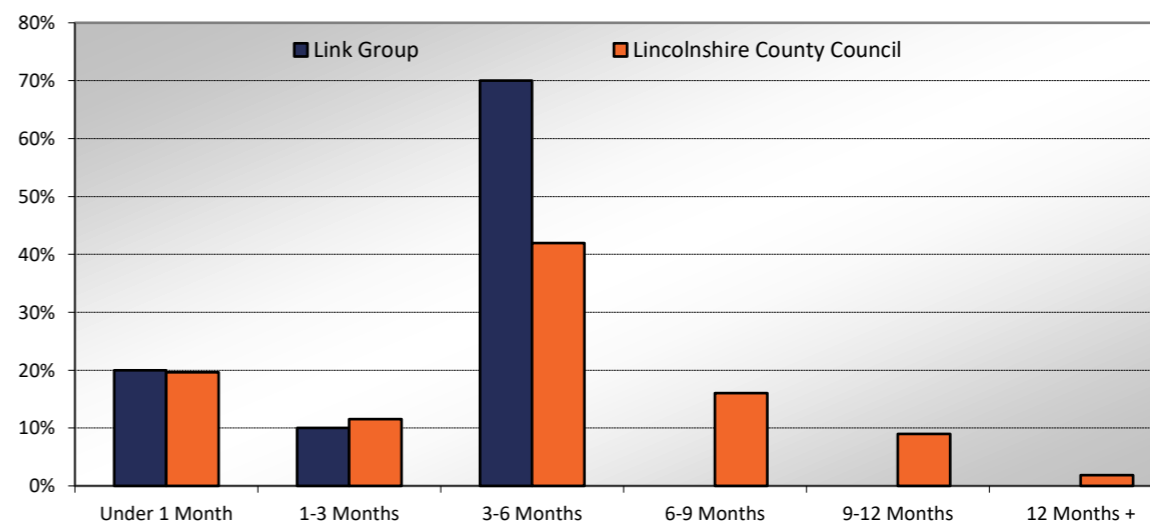
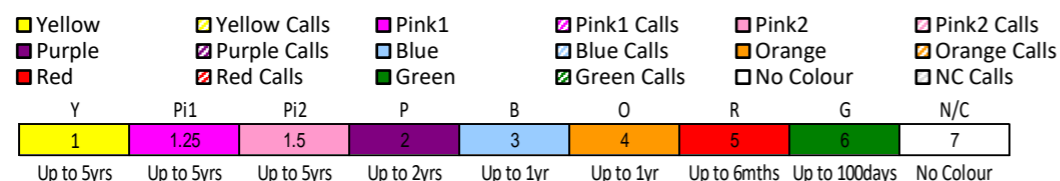
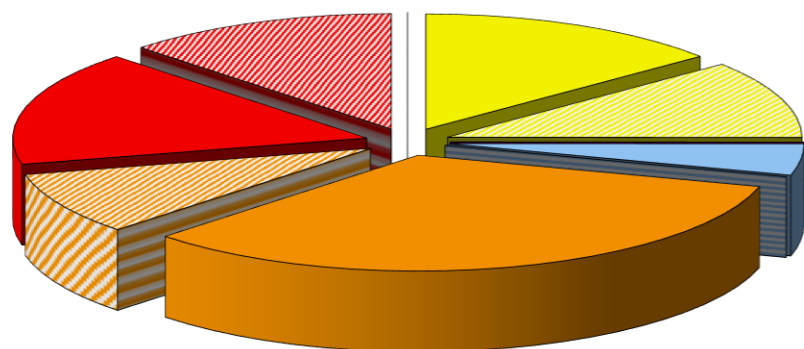
Lincolnshire County Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
Nordea Bank Abp	3,067,511	0.15%	11/08/2021	02/06/2022	AA-	0.016%
Bank of Nova Scotia (Covered Bond)	2,466,771	0.13%	05/08/2021	08/06/2022	AAA	0.027%
Bank of Nova Scotia (Covered Bond)	2,590,160	0.13%	05/08/2021	08/06/2022	AAA	0.027%
Bank of Montreal	1,014,545	0.17%	23/06/2021	21/06/2022	A+	0.034%
Bank of Montreal	4,058,966	0.15%	23/06/2021	21/06/2022	A+	0.034%
National Australia Bank Ltd	1,518,618	0.16%	19/08/2021	27/06/2022	A+	0.035%
BNP Paribas	7,067,614	0.17%	10/09/2021	16/08/2022	A+	0.041%
BNP Paribas	4,837,185	0.22%	06/08/2021	16/08/2022	A+	0.041%
BNP Paribas	5,047,992	0.18%	15/09/2021	16/08/2022	A+	0.041%
Toronto Dominion Bank	10,000,000	0.21%	13/09/2021	13/09/2022	AA-	0.022%
Australia and New Zealand Banking Group Ltd	4,000,000	0.25%	20/09/2021	19/09/2022	A+	0.046%
Slough Borough Council	6,500,000	0.33%	05/05/2021	04/05/2023	AA-	0.034%
Total Investments	£344,151,949	0.23%				0.016%

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.

Portfolio Composition by Link Group's Suggested Lending Criteria



Portfolios weighted average risk number = **3.49**

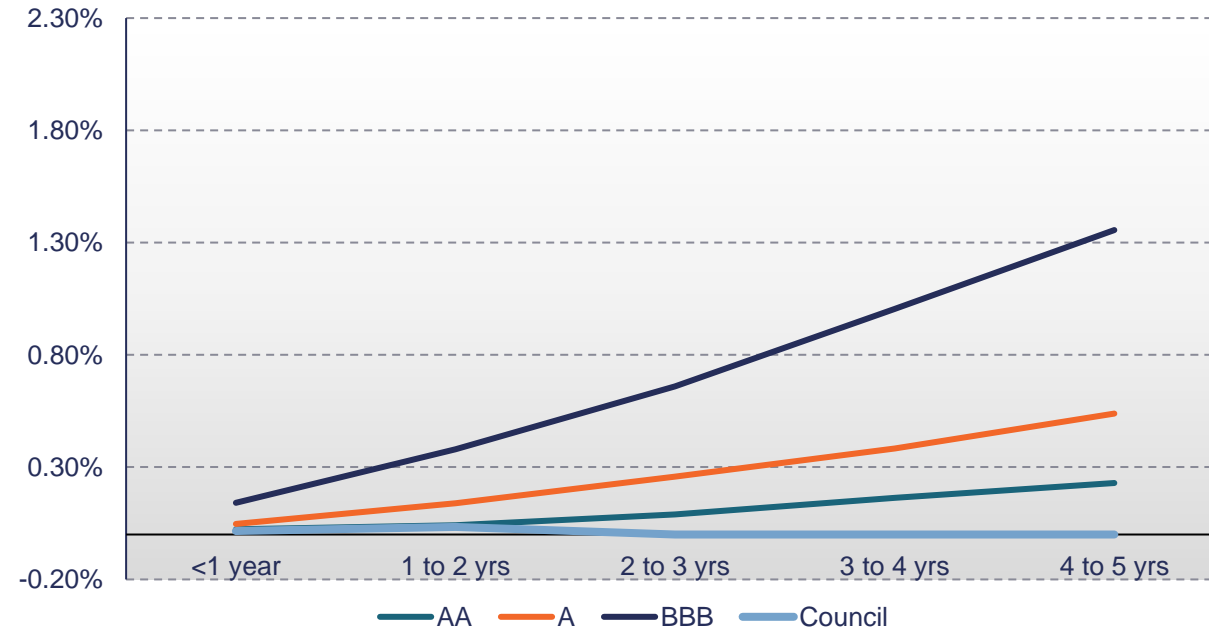
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% 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	25.03%	£86,146,930	43.63%	£37,590,000	10.92%	0.29%	104	245	185	435
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	4.36%	£15,000,000	0.00%	£0	0.00%	0.15%	131	305	131	305
Orange	41.96%	£144,405,019	20.77%	£30,000,000	8.72%	0.17%	184	239	211	281
Red	28.65%	£98,600,000	43.71%	£43,100,000	12.52%	0.27%	123	173	107	196
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%	£344,151,949	32.16%	£110,690,000	32.16%	0.23%	144	225	175	294

Lincolnshire County Council

Investment Risk and Rating Exposure

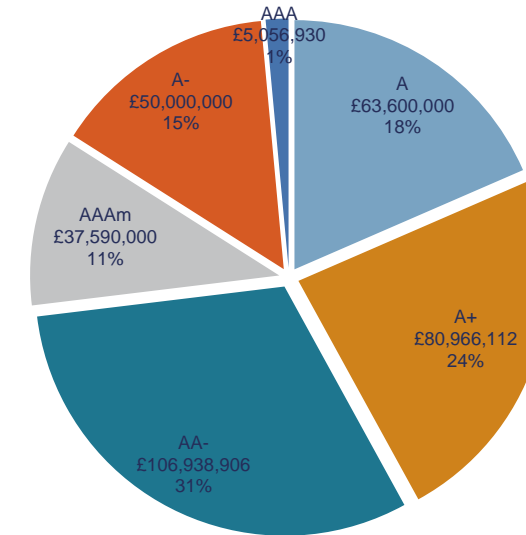
Investment Risk Vs. Rating Categories



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	0.02%	0.03%	0.00%	0.00%	0.00%

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.

Monthly Credit Rating Changes
FITCH

Date	Update Number	Institution	Country	Rating Action
24/09/2021	1844	Deutsche Bank AG	Germany	The Long Term Rating was upgraded to 'BBB+' from 'BBB'. At the same time, the Viabiity Rating was upgraded to 'bbb+' from 'bbb'
24/09/2021	1845	BNP Paribas	France	The Outlook on the Long Term Rating was changed to Stable from Negative.
24/09/2021	1846	Belgium Sovereign Rating	Belgium	The Outlook on the Sovereign Rating was changed to Stable from Negative.

Lincolnshire County Council

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
				There were no rating changes to report.

Lincolnshire County Council

Monthly Credit Rating Changes
S&P

Date	Update Number	Institution	Country	Rating Action
				There were no rating changes to report.

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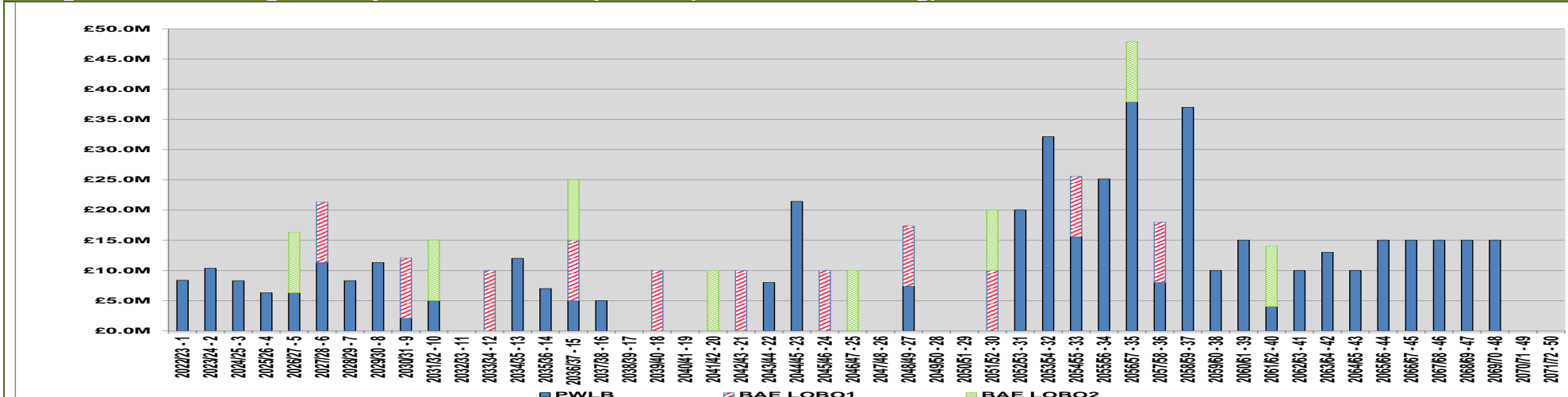
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Borrowing: Activity & Performance and Long-Term Maturity Profile at 30 September 2021

Long Term Borrowing Position at 30 th Sept 2021			Borrowing Requirement Position at 30/9/2021	
External Borrowing Position 30/9/2021 and Forecast for 2021/22			Borrowing Requirement Position at 30/9/2021	
Borrowing Position 1/4/2021	£487.186m	3.743%	Borrowing Requirement 2021/22	£111.213m
New Borrowing Taken to 30/9/21	£0.000m		Plus Carry Forward from 2020/21	<u>£62.224m</u>
Debt Repaid to 30/9/2021	-£10.387m			£173.437m
Borrowing Position 30/9/2021	£476.799m	3.734%	Less adjustment for Internal Borrowing, Projected Underspends/Rephasing & Voluntary Repayments. (Estimate)	<u>(£85.000m)</u>
Further action required in 2021/22:				£88.437m
Remaining Borrowing Requirement 2021/22	£88.437m		Less Borrowing Taken- to 30/9/2021	<u>(£0.000m)</u>
Further Debt Repayments Due	-£0.677m		Remaining Borrowing Requirement 2021/22	£88.437m
Projected Borrowing at 31/3/2022	£564.559m		at 30.9.2021	

Long Term Borrowing Maturity Profile At 30th Sept 2021 (External Borrowing)



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

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	People Management Update - Quarters 1 and 2

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

This report provides a summary of the HR management information data from 2021 Quarters 1 and 2 which can be seen in the summary data dashboard in Appendix A.

The report also includes a high-level summary of the new people strategy projects.

2. HR Management Information

a. Employments

The number of employments reduced slightly in Quarter 1 (5447) with a slight increase in Quarter 2 (5542).

While some areas are still seeing greater turnover and are experiencing difficulties recruiting, other areas have had successful recruitment drives and have been able to increase their staffing where needed. A significant number of new employments have been relief celebrant contracts in the Registration and Celebration Service (Resources Directorate), to support the high volume of weddings and civil ceremonies taking place across the County as a result of backlogs from the pandemic.

Across the two quarters, all directorates (other than Resources as outlined above) have had only minor fluctuations in numbers overall.

b. Voluntary turnover

Prior to the Covid-19 pandemic, voluntary turnover levels had remained stable between 8% and 10%. In Quarter 4 2020 this had reduced to 6.18%.

Current figures are returning to pre-pandemic levels. In Quarter 1 the figure increased to 7.39% and in Quarter 2 to 8.34%. The rate of increase appears to be slowing slightly but has raised concern particularly where the national competition for recruiting skilled professionals is greater such as social work and care, legal, IMT and digital. This has led to a need to increase agency usage in some areas.

c. 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. Therefore, the current situation in skill shortages is a typical reason to take advantage of agency resources to help maintain services.

The total agency spend in 2020-2021 was £4.89 million and was £2.2 million less than the previous year. So far in 2021-2022, due to the turnover and recruitment challenges, the total agency spend is £2.69 million. If the second half of the year is to require the same level of agency, the end of year figure will be £5.38 million, a £490k increase on last year.

The greatest increase in agency spend this year was during the peak holiday season in August 2021. Holidays impact on the availability of staff and the number of people applying for job vacancies. As the highest user of agency the greatest increase has been in Children's Services, particularly in Early Help and Safeguarding to resource experienced social workers.

d. Sickness absence

As employees have been returning to more 'face to face' contact in frontline services, socially and now that children have returned to school, the level of sickness has inevitably increased. At the end of Quarter 2 the figure was 7.16 days lost per FTE. Corporately this remains below the current target of 7.5.

Another factor affecting sickness absence has been the increase in the number of operations taking place and hospital treatment for other conditions which had reduced significantly during 2020.

The highest levels of absence have been in Fire and Rescue, Adult Care and Community Wellbeing and Children's Services. Fire and Rescue has a high proportion of absences due to Musculo-Skeletal issues due to the level of fitness required for firefighters. The Service

has been able to reduce sickness levels in Quarter 2 following successful applications for ill health retirement for a number of long-term cases.

In Adult Care and Community Wellbeing (ACCW) and Children's Services (CS) the sickness level reduced below the 7.5 target during Quarter 1, however both directorates have seen an upward trend in absences in Quarter 2 (ACCW 9.38, CS 8.33).

In both areas the majority of absences are for cold and flu viruses (including Covid-19), however across the whole Council, mental health related reasons are the cause of most days' sickness.

Support for employee mental health continues to increase. In October we have launched the access to Mental Health First Aiders and new Mental Health check-in appointments are now available with the Employee Support and Counselling Service.

3. People Strategy

a. Attracting and Retaining Talent

The main area of focus at the present time is the County Council's ability to manage the challenges around attraction and retention.

In discussion with the Corporate Leadership Team (CLT), the new People Strategy Board and the Assistant Directors forum with CLT, a new Attraction and Retention framework is being developed to support Organisational Resilience.

The framework, once agreed, will offer services different interventions that they can consider on a short, medium and long term basis to aid attraction and retention; and what transformational investment may be available to support long/medium term workforce planning.

ai. Apprenticeships

Apprenticeships are an important aspect of the Attraction and Retention strategy whereby levy funding can be utilised to fund training, targeted to the hard to recruit and retain skill areas. There continues to be healthy take up across maintained schools and corporate areas.

The Council continues to support apprenticeships through the levy transfer scheme through which we support 29 apprentices. The apprenticeships that are being supported in our County include:

- Trainee Nursing Associate
- Adult Care Workers
- Senior Healthcare Support Workers
- Leadership and Management (Care Sector)

- Community Activator Coach (Education Sector)
- Community Health and Sport Officer
- Teaching Assistants
- Production Chef (Care Sector)

As at 1 October 2021, the total number of apprentices is 294 on roll, with a levy allocation of £ 2.7m. 68% of apprenticeship training provision is being delivered by local providers.

4. Conclusion

The Board is invited to review the HRMI data from 2020 Quarter 4 to 2021 Quarter 2 and seek assurance on HR Management Information and the progress on corporate HR projects.

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	Quarterly HRMI data 2020 Quarter 4 to 2021 Quarter 2

7. Background Papers

The following background papers as defined in section 100D of the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
People Strategy 2021-2024	People Strategy (sharepoint.com) or by contacting the report authors

This report was written by Tony Kavanagh (Assistant Director – HR and Organisational Support) and Lucy Shevill (Strategic HR Business Partner) who can be contacted via e-mail at tony.kavanagh@lincolnshire.gov.uk or lucyk.shevill@lincolnshire.gov.uk.

HRMI for LCC by quarter from 2020-Q4

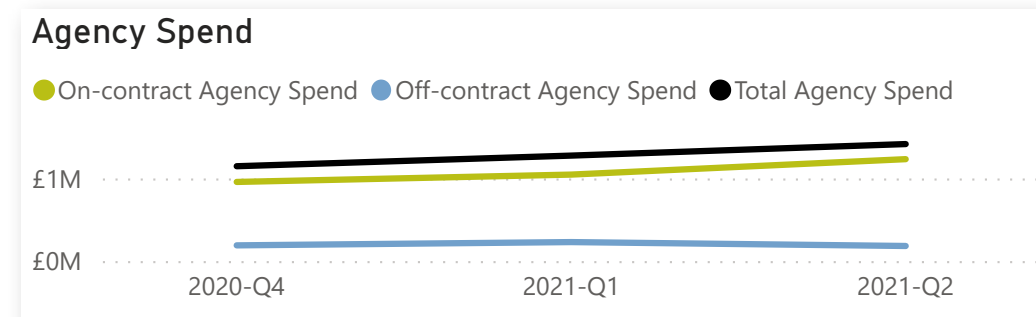
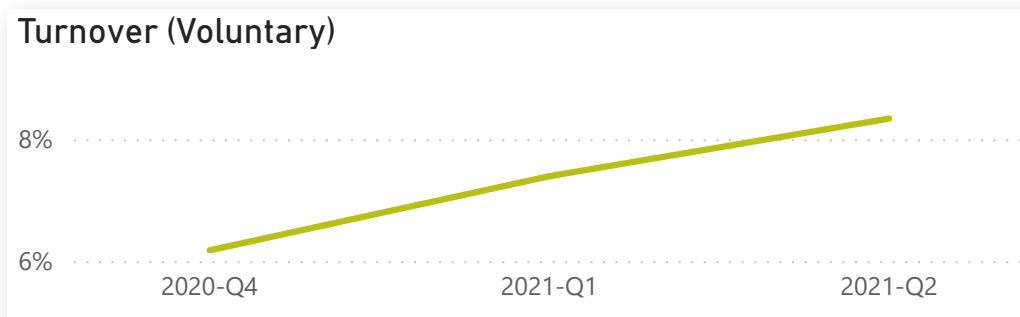
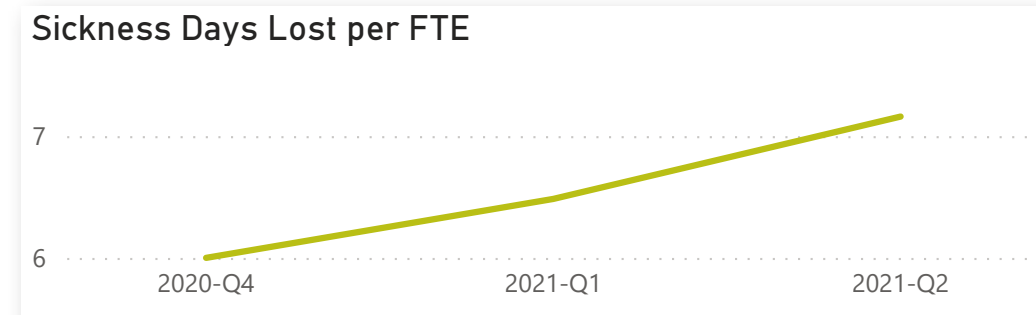
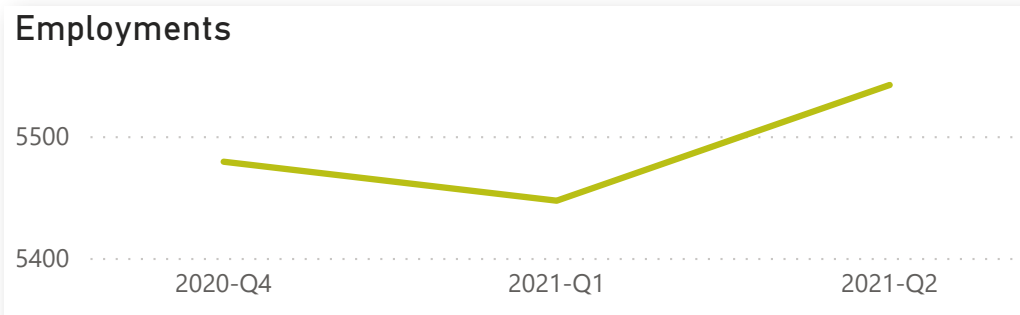
Financial Year - Quarter	Employments
2020-Q4	5479
2021-Q1	5447
2021-Q2	5542

Financial Year - Quarter	Sickness Days Lost per FTE
2020-Q4	6.00
2021-Q1	6.48
2021-Q2	7.16

Financial Year - Quarter	Turnover (Voluntary)
2020-Q4	6.18%
2021-Q1	7.39%
2021-Q2	8.34%

Financial Year - Quarter	On-contract Agency Spend	Off-contract Agency Spend	Total Agency Spend
2020-Q4	£958,030	£190,229.0	£1,148,259
2021-Q1	£1,047,064	£229,914.2	£1,276,978
2021-Q2	£1,233,891	£182,698.3	£1,416,589

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

Report to:	Overview and Scrutiny Management Board
Date:	25 November 2021
Subject:	Overview and Scrutiny Management Board Work Programme

Summary:

This item informs the Board of its current work programme for 2021/22.

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)

25 November 2021		
Item	Contributor	Purpose
Corporate Plan Success Framework 2021/22 – as at 30 September 2021	Caroline Jackson, Head of Corporate Performance Jasmine Sodhi, Performance and Equalities Manager	Pre-Decision Scrutiny (Executive decision on 7 December 2021)
Revenue Budget Monitoring Report 2021/22 – Quarter 2 to 30 September 2021	Michelle Grady, Assistant Director - 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 - Finance	Pre-Decision Scrutiny (Executive decision on 7 December 2021)
Draft Infrastructure Funding Statement	Brendan Gallagher, Principal Planning Officer – Infrastructure	Pre-Decision Scrutiny (Executive decision on 7 December 2021)
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 Alex Hall, Vice Chairman of Highways and Transport Scrutiny Committee Cllr Paul Skinner, Chairman of the Flood and Water Management Scrutiny Committee	Performance Scrutiny

25 November 2021		
Item	Contributor	Purpose
Treasury Management Performance 2021/22 - Quarter 2 to 30 September 2021	Karen Tonge, Treasury Manager	Performance Scrutiny
People Management Update Quarters 1 and 2	Tony Kavanagh, Assistant Director – HR and Organisational Support	Performance Scrutiny
Covid-19 Update	Michelle Andrews, Assistant Director – Corporate Recovery	Policy Development / Review

16 December 2021		
Item	Contributor	Purpose
Re-procurement of Gas Provision to Corporate Property Portfolio	Andrew Househam, Commercial and Procurement Manager	Pre-Decision Scrutiny (Executive Councillor Decision between 17 and 23 December 2021)
Transformation Programme Update	Clare Rowley, Head of Transformation Andrew McLean, Assistant Director – Corporate Transformation, Programmes and Performance	Performance Scrutiny
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

16 December 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
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
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 - Finance	Budget Scrutiny (Executive decision on 1 February 2022) (Council Decision on 18 February 2022)

27 January 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
Establishment of the Legal Services Company – Review Report	David Coleman, Chief Legal Officer	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
Information Only Items		
Local Transport Plan V	Vanessa Strange, Head of Infrastructure Investment Jason Copper, Transport and Growth Manager	(Executive decision on 1 February 2022) (Council Decision on 18 February 2022)

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)
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)
Revenue Budget Monitoring Report 2021/22 – Quarter 3 to 31 December 2021	Michelle Grady, Assistant Director - 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 - Finance	Pre-Decision Scrutiny (Executive decision on 1 March 2022)
Insurance Strategy	Mandy Knowlton-Rayner, Insurance and Risk Lead	Pre-Decision Scrutiny (Leader Decision between 1 - 11 March 2022)
People Management Update Quarter 3	Tony Kavanagh, Assistant Director – HR and Organisational Support	Performance Scrutiny
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 Alex Hall, Vice Chairman of Highways and Transport Scrutiny Committee	Performance Scrutiny

24 March 2022		
Item	Contributor	Purpose
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
Performance of the Corporate Support Services Contract	Sophie Reeve, Assistant Director – Commercial Arnd Hobohm, Serco Contract Manager	Performance Scrutiny
Overview and Scrutiny Annual Report 2021-22	Nigel West, Head of Democratic Services and Statutory Scrutiny Officer	Performance Scrutiny

28 April 2022		
Item	Contributor	Purpose
<p>Overview and Scrutiny Work Programmes</p> <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee 	<p>Cllr Rob Kendrick, Chairman of Children and Young People Scrutiny Committee</p> <p>Cllr Nigel Pepper, Chairman of Public Protection and Communities Scrutiny Committee</p>	Performance Scrutiny
Options for the Future Delivery of IMT Services (EXEMPT)	John Wickens, Assistant Director - IMT and Enterprise Architecture	Pre-Decision Scrutiny (Executive decision on 4 May 2022)

26 May 2022		
Item	Contributor	Purpose
Transformation Programme Update	<p>Clare Rowley, Head of Transformation</p> <p>Andrew McLean, Assistant Director – Corporate Transformation, Programmes and Performance</p>	Performance Scrutiny
Developer Contributions Scrutiny Review – Second Monitoring Update of Action Plan	<p>Justin Brown, Assistant Director – Growth</p> <p>Warren Peppard, Head of Development Management</p>	Scrutiny Review Activity
People Management Update Quarter 4	Tony Kavanagh, Assistant Director – HR and Organisational Support	Performance Scrutiny

26 May 2022		
Item	Contributor	Purpose
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 Alex Hall, Vice Chairman of Highways and Transport Scrutiny Committee Cllr Paul Skinner, Chairman of the Flood and Water Management Scrutiny Committee	Performance Scrutiny
Options for the Future Delivery of HR Admin, Payroll, Exchequer, ASC Finance and the Customer Service Centre (EXEMPT)	Sophie Reeve, Assistant Director – Commercial	Pre-Decision Scrutiny (Executive decision on 7 June 2022)

30 June 2022		
Item	Contributor	Purpose
Treasury Management Annual Report 2021/22	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Performance Scrutiny
Review of Financial Performance 2021/22	Michelle Grady, Assistant Director - Finance	Pre-Decision Scrutiny (Executive decision on 5 July 2022)
Performance Reporting against the Corporate Plan Performance Framework 2021/22 - Quarter 4	Caroline Jackson, Head of Corporate Performance Jasmine Sodhi, Performance and Equalities Manager	Pre Decision Scrutiny (Executive decision on 5 July 2022)

30 June 2022		
Item	Contributor	Purpose
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
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

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 DECEMBER 2021

PUBLISH DATE 2 NOVEMBER 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
I022920	The re-commissioning of the Carers Support Service	Open	Executive Councillor: Adult Care and Public Health Between 6 Dec 2021 and 15 Dec 2021	Adults and Community Wellbeing Scrutiny Committee	Reports	Commercial and Procurement Manager E-mail: Carl.Miller@lincolnshire.gov.uk	All
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
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
I023050	Adoption and publication of the Domestic Abuse Strategy	Open	Executive Councillor: Children's Services, Community Safety and Procurement Between 16 Dec 2021 and 23 Dec 2021	Public Protection and Communities Scrutiny Committee	Reports	E-mail: diane.coulson@lincolnshire.gov.uk	All Divisions

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
I021049	The Expansion of St Lawrence's School, Horncastle	Exempt	Leader of the Council (Executive Councillor: Resources and Communications) Between 24 Jan 2022 and 28 Jan 2022	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
I023033	Residential and Nursing Framework and Usual Costs	Open	Executive 1 Feb 2022	Survey and analysis of the local provider market for residential and nursing care.	Reports	Commercial and Procurement Manager E-mail: alexander.craig@lincolnshire.gov.uk	All Divisions
I022898	Local Transport Plan V	Open	Executive 1 Feb 2022	CLT / DLT internal key officers and a full statutory consultation Highways and Transport scrutiny Committee	Reports	Transport and Growth Manager Email: Jason.Copper@lincolnshire.gov.uk	All
I023006	LCC as the Local Transport Authority to 'make' an Enhanced Partnership Scheme and Plan	Open	Executive 1 Mar 2022	Operators; Public; District Councils; GLEP; Businesses; CLT; Highways and Transport Scrutiny Committee	Reports	Assistant Director – Communities E-mail: nicole.hilton@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
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
I022487	Flood and Coastal Resilience and Innovation Programme - submission of business case	Open	Executive 5 Apr 2022	Flood and Water Management Scrutiny Committee; Environment and Economy Scrutiny Committee; partner organisations; local communities	Reports	Head of Environment e-mail: david.hickman@lincolnshire.gov.uk	Louth Wolds; Market Rasen Wolds; Metheringham Rural; North Wolds

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
I025181 New!	The re-commissioning of Lincolnshire Community Equipment Services	Open	Executive 5 Apr 2022	The Leader of the Council, Adult Care and Community Wellbeing Executive DLT, LCES Programme Board	Reports	Senior Commercial and Procurement Officer E-mail: marie.kaempfe-rice@lincolnshire.gov.uk	All Divisions
I025137 New!	North Hykeham Relief Road - Design and Build Contract Procurement	Open	Executive 5 Apr 2022	Highways and Transport Scrutiny Committee	Reports	Head of Highways Infrastructure E-mail: sam.edwards@lincolnshire.gov.uk	Bassingham and Welbourn; Eagle and Hykeham West; Hykeham Forum; Potterhanworth and Coleby; Swallow Beck and Witham; Waddington and Hykeham East; Washingborough
I025179 New!	Options for the Future Delivery of IMT Services	Exempt	Executive 4 May 2022	Internal Consultation with CLT, IMT Board, Commissioning Board and Overview and Scrutiny Management Board.	Reports	Assistant Director - IMT & Enterprise Partnership E-mail: john.wickens@lincolnshire.gov.uk	
I025180 New!	Options for the Future Delivery of HR Admin, Payroll, Exchequer, ASC Finance and the Customer Service Centre (CSC)	Exempt	Executive 7 Jun 2022	Internal consultation with CLT, Commissioning Board and Overview and Scrutiny Management Board	Reports	Assistant Director - Commercial E-mail: sophie.reeve@lincolnshire.gov.uk	