

**Open Report on behalf of Executive Director of Finance & Public Protection  
and the Interim Executive Director of Place**

Report to:	<b>Public Protection and Communities Scrutiny Committee</b>
Date:	<b>22 January 2019</b>
Subject:	<b>Council Budget 2019/20</b>

**Summary:**

The report describes the budget proposals for the next financial year 2019/20, based on the four year funding deal announced by Government as part of the 2016/17 Local Government Finance Settlement. This report specifically looks at the budget implications for the following commissioning strategies:-

- Community Resilience & Assets
- Protecting the Public
- Sustaining & Developing Prosperity through Infrastructure (Heritage Services only)

The budget proposals are now open to consultation. Members of this committee have the opportunity to scrutinise them and make comment, prior to the Executive meeting on 5 February 2019 when it will make its final budget proposals for 2019/20.

**Actions Required:**

The Public Protection and Communities Scrutiny Committee is asked to consider this report and members of the committee are invited to make comments on the budget proposals. These will be considered by the Executive at its meeting on 5 February 2019.

**1. Background**

1.1 The Executive are currently consulting on a single year financial plan for revenue and capital budgets to take the Council to the end of the four year funding deal from government. The Council continues to face significant reductions in government funding, growing cost pressures from demand led services such as adult and children's social care, waste disposal and the Council's responsibility to pay staff and some contractors the National Living Wage. Uncertainty around government funding beyond the four year funding deal (which runs from 2016/17 to 2019/20) means the Council doesn't consider it practicable, to develop sustainable long term financial plans into the next decade. Work on this has started and will continue next year as information starts to emerge about the future funding framework.

1.2 The budget process carried out a year ago considered budgets for both 2018/19 and 2019/20. This year, the 2019/20 budgets have been reviewed in light of the latest available information to arrive at the proposals set out in this report. In developing its financial plan the Council has considered all areas of current spending, levels of income and council tax plus use of one off funding (including use of reserves and capital receipts) to set a balanced budget.

1.3 All areas of service expenditure have been reviewed to identify cost pressures which must be funded and savings which can be made, through efficiencies and by reducing the level of service provided.

1.4 On an annual basis the Council has the opportunity to review the level of Council Tax. Central government sets thresholds above which a local authority would be required to hold a referendum for Council Tax increases. In the provisional Local Government Finance Settlement, the Secretary of State announced that the referendum threshold for general council tax would be 3.00% for 2019/20. Together with a 2% council tax increase for Adult Social Care allowed for a final year in 2019/20, this means that Lincolnshire County Council may increase council tax in 2019/20 by up to 5%.

1.5 At its meeting on 18 December 2018 the Executive agreed proposals for the Council's revenue and capital budgets to be put forward as a basis for consultation and made the decision to consult on a proposed council tax increase of 4.95% for 2019/20.

1.6 The budget proposals for these commissioning strategies have allowed for a pay inflation increase of 2% for 2019/20.

### Community Resilience & Assets and Heritage Services

1.7 Table A shows the total proposed revenue budget for the commissioning strategy 'Community Resilience & Assets'

TABLE A

COMMUNITY RESILIENCE & ASSETS		Original budget	Pay Inflation	Cost Pressures	Savings	Other Changes	Proposed Budget 2019/20	% Change
		£000	£000	£000	£000		£000	
1	Advice , Information and Volunteer Sector Infrastructure	808	11	329	0	-26	1,122	38.82%
2	Community Engagement and Development (Contribution to Sports Centres)	283	0	0	0	26	308	9.13%
3	Library and Information Services	5,565	0	42	0	19	5,627	1.10%
4	Customer Services Centre	3,441	19	0	0	-19	3,441	0.00%
Total		10,097	30	371	0	0	10,498	4.0%

1.8 Within the Community Resilience and Assets strategy there are proposed cost pressures of £0.371m in 2019/20. These relate committed inflationary increases in

the Library service contract (£0.042m); support to Lincolnshire Association of Local Councils (LALC) (£0.005m); and a new cost pressure to replace temporary funding for a Prevent Officer to meet the responsibility of the Council under the Counter Terrorism and Security Act 2015 (£0.046m).

1.9 The budget to support the Citizens Advice Bureaux (CAB) in Lincolnshire was removed in February 2017 by the Council, and the service has received support by use of reserves during the last two years. The proposal is to re-instate a budget to support the core services of CAB (£0.278m).

1.10 The Heritage service (which is reported within the commissioning strategy 'Sustaining & Developing Prosperity through Infrastructure') is moving towards a break even model of delivery, so savings of £1.019m had been included for 2019/20 in the budget proposals. However, at its meeting of 18<sup>th</sup> December 2018, the Executive decided to reverse this saving, until after the public consultation had been undertaken on the future delivery model of the service. This is the basis for the budget consultation for this service.

### Protecting the Public

1.11 Table B shows the total proposed revenue budget for the commissioning strategy 'Protecting the Public'.

TABLE B

PROTECTING THE PUBLIC	Original budget	Pay Inflation	Cost Pressures	Savings	Other Changes	Proposed Budget 2019/20	% Change
	£000	£000	£000	£000	£000	£000	
1 Registration, Celebratory and Coroners	1,381	31	58	-100	0	1,370	-0.82%
2 Preventing & Reducing Crime	308	8	0	0	0	316	2.67%
3 Tackling Domestic Abuse	340	2	0	0	0	342	0.54%
4 Preventing & Tackling Fires and Emergencies	18,895	325	331	0	0	19,551	3.47%
5 Trading Standards	1,290	24	60	0	0	1,374	6.49%
6 Planning and Responding to Emergencies	314	7	0	0	0	321	2.38%
7 Improving Road Safety	306	15	0	0	0	321	5.02%
<b>Total</b>	<b>22,835</b>	<b>413</b>	<b>449</b>	<b>-100</b>	<b>0</b>	<b>23,596</b>	<b>3.3%</b>

1.12 The Protecting the Public strategy is proposing to make savings £0.100m in 2019/20 and has proposed cost pressures of £0.449m.

1.13 The Fire & Rescue Service have total cost pressures of £0.331m. These pressures relate to increased rates costs of fire stations (£0.023m); Emergency Services Network costs (Airwave replacement) (£0.029m); increased software costs for recording operational training records (£0.022m) and operational mobilising technology enhancement (move to Vision 4) (£0.057m) .

1.14 Changes in legislation have increased the number of Retained Duty System (RDS) Firefighters opting into the pension scheme, creating a cost pressure for the service (£0.120m).

1.15 In order to meet the services risk based inspection programme for fire prevention a capacity issue has been highlighted by HMICFRS, a cost pressure of £0.080m has been identified to recruit to Fire Protection posts to meet these requirements.

1.16 There are cost pressures in 2019/20 within Trading Standards relating to the increased costs of product safety testing (£0.020m) and safeguarding checks required for scams on vulnerable victims (£0.040m).

1.17 There are also cost pressures identified within the Coroners Service (£0.058m) and savings (£0.100m) which relate to the new model of service delivery for the Coroners Service within Lincolnshire.

#### County Council Capital Programme

1.18 The proposed capital programme covers the remainder of the current year and 2019/20, as well as major schemes which stretch into future years. Schemes comprise: a number of major highways schemes; the rolling programme of renewal and replacement of fire fleet vehicles, gritters fleet and vehicles at the Waste Transfer Stations; improvements and review of property portfolio; information technology (IT) developments and rephasing of existing schemes.

1.19 The gross programme is set at £381.315m from 2019/20 onwards, with grants and contributions of £110.308m giving a net programme of £271.007m to be funded by the County Council.

1.20 Table C shows the proposed net capital programme for these commissioning strategies.

Table C

<b>Capital Programme</b>	<b>Net Programme 2018/19 £000's</b>	<b>Net Programme 2019/20 £000's</b>	<b>Total Net Programme Including Future Years £000's</b>
Community Resilience and Assets	348	150	498
Protecting The Public	6,462	9,874	22,548

1.21 The following additions have been made to the net capital programme in as part of the budget setting process:

### **Finance and Public Protection**

- Firefighters' personal protective equipment (PPE) and breathing apparatus and maintenance of fire safety programme - £0.325m in 2019/20 and £2.953m in future years. This is to replace damaged items, to provide PPE to new recruits, a full refresh of PPE, to support fitting of smoke detectors in the private homes of vulnerable members of the community, and ensure adequate water provision for firefighting across the county.
- Replacement of fire mobilising system for fire and rescue £0.875m in 2019/20. The mobilising system provides the mechanism for the Council's Fire Control function to alert and inform fire crews of an emergency incident on station.
- The system provides remote alerting to the Lincolnshire Fire and Rescue 'On Call' staff, who have an Alerter (pager). The funding includes the replacement of Alerters, which are coming to the end of their life.

### Further consultation

1.22 A consultation meeting with local business representatives, trade unions and other partners will take place on 25 January 2019.

1.23 The proposals will be publicised on the Council website together with the opportunity for the public to comment.

1.24 All consultation comments and responses will be available to be considered when the Executive makes its final budget proposals on 5 February 2019.

## **2. Conclusion**

2.1 These budget proposals reflect the level of government funding available to the Council and the proposal to increase Council Tax in 2019/20 by 2.95%. The Adult Social Care "Precept" is proposed to increase by 2.00% in 2019/20 and this will give a total council tax increase of 4.95%.

2.2 A thorough review of Council's services was carried out during last year's budget process, which covered both the 2018/19 and 2019/20 financial years. This year further unavoidable cost pressures as well as some savings have been identified, and the capital programme has been reviewed – the 2019/20 budget has therefore been refined this year. The budget proposals therefore aim to reflect the Council's priorities whilst operating with the resources available to it.

### 3. Consultation

#### a) Have Risks and Impact Analysis been carried out??

No

#### b) Risks and Impact Analysis

An Equality Impact Assessment will be completed for the proposed increase in Council Tax. This will be reported to the Executive at its meeting on 5 February 2019. Further risk and impact assessments will need to be undertaken on a service by service basis.

### 4. Background Papers

Document title	Where the document can be viewed
Council Budget 2019/20 - Executive Report 18 December 2018	Democratic Services, County Offices , Newland, Lincoln

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