

COST PRESSURES AND SAVINGS 2021/22**ADULT CARE AND COMMUNITY WELLBEING**

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Adult Specialties	Increased Costs	The financial rate paid to providers of mental health and learning disability services increases each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the 3 year residential contracts and/or the homecare prime provider contracts and published in the annual statement attached to the Adult Care Charging Policy.	2,855,778
Adult Frailty and Long Term Conditions	Increased Costs	The financial rate paid to providers of older peoples care and physical disability services increases each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the 3 year residential contracts and/or the homecare prime provider contracts and published in the annual statement attached to the Adult Care Charging Policy.	3,093,968
Adult Specialties	Increased Costs	Demand for adult specialties continues to increase with between 2.3% - 2.9% for learning disability and mental health long term care respectively.	1,930,818
Adult Frailty and Long Term Conditions	Increased Costs	Demand for adult frailty and long term conditions care continues to increase with between 1.2% - 1.8% for older peoples care and physical disability services respectively. Work is underway to develop demand forecasting for physical disabilities service users moving from children's services into adult care.	706,432

Home Based care Net Service Pressure	Increased Costs	Inflation and Demographic Growth for Homecare, Direct Payment and Day Care placements, and for NLW increases. Additional cost pressures previously omitted: to be funded by additional income already reported.	1,801,144
Public Health & Community Wellbeing	Increased Costs	Public health grant in 2020/21 is £1,205,537 more than the budget. Two cost pressures are included to be funded by this grant: £510,000 in PH & Community Wellbeing and £383,770 in Children's services. A decision will need to be made about the use of the balance of grant remaining of £311,767. It is shown here as a cost pressure, but is fully funded by Public Health grant increase shown below.	311,767
Adult Specialties Mental Health Community Packages of Care	Previously Reserves Funded	The Executive received a report in February 2020 detailing the Mental Health Section 75 agreement. Based on demand to date and projected forward, this agreement included cost projections of £9.6m. The Executive agreed to fund £1.4m in addition to the £1.163m funded through the Better Care Fund. This increased cost pressure is therefore funded via BCF income shown below.	1,163,000
Public Health & Community Wellbeing	Previously Reserves Funded	Integrated Lifestyle Service and substance misuse drug pressures. These pressures are funded through the increase in public health grant confirmed for 2020/21. This increase is the £1,205,537 included below.	510,000
Adult Specialties	Reduction in Pressures	The Spending Review statement 25 November 2020 confirmed that the National Living Wage rates forecast pre Covid19 pandemic would be lower as a result of the economic situation.	(189,499)

Adult Frailty and Long Term Conditions	Reduction in Pressures	The Spending Review statement 25 November 2020 confirmed that the NLW rates forecast pre Covid19 pandemic would be lower as a result of the economic situation.	(213,690)
			11,969,718

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Adult Frailty & Long Term Conditions	Increased Income	Proportionate increase of income from service user contributions in relation to annual uplift of benefits.	-1,601,068
Adult Specialties	Increased Income	Proportionate increase of income from service user contributions in relation to annual uplift of benefits.	-200,076
Adult Frailty & Long Term Conditions	Increased Income	Compliance with Care Act. This relates to moving existing service users across to the minimum income guarantee for non-residential care as well as all new entrants to adult social care commencing on the MIG rate	-1,500,000
Public Health - New Commercial Unit	Reduced Costs	Part of the Corporate transformation project would mean centralised functions and therefore loss of a post	-100,000
Adult Frailty & Long Term Conditions	Reduced Costs	Investment in extra care housing forecast to reduce long term placement costs	-160,000
Adult Specialties	Change in Better Care Fund	Underlying demand levels funded recurrently from Better Care Fund. Additional funding received Dec 2019 and not adjusted for in base budget. To fund Mental Health costs within Community Care Packages shown in cost pressures.	-1,163,000

Adult Frailty & Long Term Conditions	Change in Better Care Fund	Winter pressures forms core iBCF from 2020-21. BCF review agreed monies will support the underlying rate and demand pressures for adult social care contained in the pressures section above. Minor adjustment made to reflect Provisional LG Finance Settlement.	-3,367,463
Adult Frailty & Long Term Conditions	Change in Better Care Fund	Received confirmation of increase in 20-21 BCF Min Income Guarantee, assumed 50% received into LCC. There is a risk that this may not come into LCC	-680,000
Public Health & Community Wellbeing	Change in Public Health Grant	2020/21 Public Health Grant confirmed value of £33,546,137	-1,205,537
Adult Frailty & Long Term Conditions	Funding review	Review of BCF schemes redirecting funding to support service pressures in core, mandatory, services. BCF review agreed monies will support the underlying rate and demand pressures for adult social care contained in the pressures section above.	-400,000
Adult Specialties	Funding review	Review of BCF schemes redirecting funding to support service pressures in core, mandatory, services. BCF review agreed monies will support the underlying rate and demand pressures for adult social care contained in the pressures section above.	-490,000
Public Health & Community Wellbeing	Funding review	Review of BCF schemes redirecting funding to support service pressures in core, mandatory, services. Appendix to be provided showing how BCF funding is proposed to be allocated.	-192,000
Public Health & Community Wellbeing	Reduced Costs	Contract specification review for Lincolnshire Sexual Health Services	-500,000
Direct Payments	Increased Income	Improvement in Direct Payment collection rate an average 88% to 94%	-300,000
Service User contributions	Increased Income	Reduction in legal fees incurred in chasing Adult Social Care debts	-100,000
TOTAL CHANGES			-11,959,144 10,574

CHILDREN'S SERVICES

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Looked After Children	Increased Costs	Looked After Children: increase in costs across the composition of placement types supporting this vulnerable group (2% inflationary rate applied).	296,586
Special Guardianship orders	Increased Costs	Special Guardianship Orders (SGOs) continue to be seen by the Courts as an important option for permanency for children who need to be removed from their birth parents which is endorsed by officers. The expected increases are based on average numbers of SGO's being granted per month with a 5% increase annually.	281,922

Looked After Children	Increased Costs	<p>Looked After Children: contributing factors include an increase in looked after children; a shift in placement compositions from internal foster carer arrangements to more external placements, some of which are specialist placements that incur a significantly greater unit cost, and market forces within the external looked after children sector. The position is reflective of pre-Covid-19. The cost pressure is to re-base the budget to current spending levels (pre-Covid-19). Steps continue to be in place to mitigate and manage escalation of needs, and further work is underway on placement planning to mitigate further cost rises, which is managed through the transformation programme.</p> <p>Lincolnshire's benchmarked looked after children numbers per 10,000 of the population is at 43 per 10,000, compared to nationally in the prior year of 65 (March 2020). CIPFA LAC benchmarking for Local Authority participants showed Lincolnshire's average looked after child placement costs (2019) to be £41,555 p.a. compared to the average of other Local Authorities of £53,287.</p>	2,000,000
Home to School Transport	Increased Costs	Home to School Transport National Living Wage increase for drivers. The NLW has been updated to reflect the April 2021 change of £8.91 (a rise of 2.18%).	280,649
Home to School Transport	Increased Costs	Home to School Transport Inflationary rises in the delivery of general transport provision (2%)	428,314

Home to School Transport	Increased Costs	Home to School Transport - increase in Mainstream Pupil eligibility - secondary school pupil growth	295,838
Home to School Transport	Increased Costs	Rebase of budget to planned spending levels in 2019/20 academic year. The increased costs related to contractual inflationary pressures within mainstream transport; increase in SEND pupils resulting in increased eligibility for transport to mainstream school, and an increase in complexity of pupils requiring more specialised and lone transport.	2,000,000
Home to School Transport	Increased Costs	Special Schools – One School One Operator (OSOP) model: the specifics of the contract (payment mechanism) and changing pupil requirements (both in terms of needs and their location) has resulted in the Local Authority undertaking a review of the payment mechanism.	1,000,000
Home to School Transport	Increased Costs	Anticipated growth in SEND transport costs for 2021/22. A transformational review is taking place within this area, as well as the Building Communities of Specialist Provision Strategy, which are both anticipated to make a positive impact on transport spending from 2022/23, i.e. cost avoidance, however time is required to embed these new practices.	250,000
Home to School Transport	Increased Costs	Public Service Vehicle Accessibility Regulations (PSVAR): vehicles need to be compliant with Schedule 1 of the Regulations which require the vehicle to be wheelchair accessible when Local Authorities sell spare seats on transport vehicles.	600,000

Home to School Transport	Increased Costs	Section 31 grant increase for Home to School Transport Extended Rights to Free Travel. Increase in costs offset by increase in income. This pressure is therefore fully funded from the government funding increase.	334,200
			7,767,509

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Family Assessment & Support Team	Reduced Costs	Utilisation of grant income and budget reductions to meet service requirements	-1,000
Education Support Services	Reduced Costs	Additional income generation, a reduction in the cost of software and budget reductions to meet service requirements	-1,000
TOTAL CHANGES			-2,000
			7,765,509

PLACE

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Cultural Services - Library provision	Increased Costs	Inflationary costs - libraries contract Additional £42k required in 20/21 - GLL taking on the ICT provision.	42,000
Design Services	Increased Costs	Unfunded increase in energy charges for street lighting and signs	300,000
Waste Management	Increased Costs	Increased cost of the Mixed Dry Recycling Contract reflecting market conditions on the award of the new contract effective from July 2020	1,100,000
Waste Management	Increased Costs	Revenue implementation costs for separated collection of paper and cardboard in order to reduce contamination and processing costs to yield future savings	454,000
Planning	Increased Costs	Budget pressure over the last two years to deal with increased cost of legal services on complex planning decisions	80,000
Planning	Decreased income	Budget pressure over the last two years to deal with reduced level of planning fee income	200,000
			2,176,000

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Highways Services	Reduced Costs	Efficiency savings - ending use of white salt Contract savings Increased income for services	-159,210

Waste Management	Reduced Costs	Improved efficiency in processing by reducing contamination of Mixed Dry Recycling	-235,750
			-394,960
		TOTAL CHANGES	1,781,040

FIRE & RESCUE

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Fire Station Business Rates	Increased Costs	Changes from the April 2017 revaluations has increased rates costs at retained and whole time fire stations.	10,962
Fire - East Coast Consortium	Increased Costs	<p>As part of the East Coast consortium project there was a requirement to have a Service Support role to update, support and manage the Vision 4 systems and provide a link with all 4 services.</p> <p>Currently we have a resource that is seconded into this role who has been vital in setting up Vision 4 for Lincolnshire. Moving forward it is clear that this role will be required as business as usual to ensure our system is supported and managed to keep our Control function up to date and effective.</p> <p>We can also use this role to support other software systems that the Service now operates such as PDR Pro and Flosuite which are integral in collating and reporting data for use across the Service.</p>	45,000

<p>Fire - Pre Hospital Emergency Medical training</p>	<p>Increased Costs</p>	<p>500K over a 3 year period depending on suppliers(e.g 250K yr1 / 50K yr2 / 200K yr3).</p> <p>Following a review of our Trauma training that we provide our operational staff, it identified that we do not provide the level of skills or capability that is provided by other Fire and Rescue Services. These are the skills for our operational staff to give emergency medical treatment at incidents to the public, especially when there are no ambulance on scene or medical professionals. Current standards as identified by NFCC recommend that all operational staff are trained to Pre-Hospital Emergency Medical level C or D. It has also been identified through an audit by National Resilience that we are not meeting the requirements for our National Boat Teams to be deployed to support national incidents due to our staff not being trained to these standards.</p> <p>We are proposing to upskill our staff to Level C. At present we are completing a business case that outlines the most cost effective way to upskill our staff, which has identified the proposed costs. We are looking at ways to reduce the implementation costs if possible.</p>	<p>250,000</p>
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<p>Fire - Fire Control</p>	<p>Increased Costs</p>	<p>We are currently reviewing our Control function structure to ensure we have a resilience in terms of personnel to maintain the minimum levels of 3 on duty to take call, manage incidents and communicate across the Service. We are currently running over establishment to maintain 20 in this area, but are underway with a project to look at options as follows:</p> <ul style="list-style-type: none"> • Partnership with another Fire and Rescue Control function to give resilience • Partnership with 3rd party to give resilience • Internal re-structure to keep Control operatives but review management structure • Current substantive establishment of 16 structure plus 'bank staff' to offer resilience. <p>This project has been delayed due to COVID and reduced capacity within projects. This has now been addressed and expect full cost recommendations by October.</p> <p>If the most cost effective model is to re-structure or to utilise 'bank staff' then the cost pressure would likely be approx. 85K.</p> <p>It is unclear as yet if the provision of our Control through 3rd party or partnership arrangement with another FRS would produce savings. This will be confirmed in October.</p>	<p>85,000</p>
			<p>390,962</p>

RESOURCES

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Financial Strategy	Increased Costs	Corporate Support Service Contract - Gross v Net (new service). If the Council agrees to move to gross payments to residential care providers, then there will be an associated increase in volumes of payment runs and creation of direct debits and invoices on the Serco contract, as well as additional debt recovery work (estimated cost).	273,000
Financial Strategy	Increased Costs	Corporate Support Service Contract - Exchequer Services Revised contract costs based on a review of pricing and volume analysis undertaken in November 2020. Increased costs are a combination of; - rebased indexation for 20/21 (up from 2.24% to 3.41%) - indexation for 21/22 of 1.56% - a review of expected volumes for 21/22 - future indexation is assumed to be 2% pa	147,297
Financial Strategy	Increased Costs	Corporate Support Service Contract - Social Care Service Revised contract costs based on a review of pricing and volume analysis undertaken in November 2020. Increased costs are a combination of; - rebased indexation for 20/21 (up from 2.24% to 3.41%) - indexation for 21/22 of 1.56% - a review of expected volumes for 21/22 - future indexation is assumed to be 2% pa	127,875
Human Resources	Increased Costs	Corporate Support Service contract 21/22 re-based to include 20/21 indexation of 3.41%	50,254
Community Safety	Previously Reserves Funded	Estimated value of additional budget requirement following exhaustion of reserves (which run out in 20/21) and new burdens for Domestic Abuse Service. This is the value following engagement discussions as at 23/11/20.	585,326

		Government grant income of £98k is expected to support this cost pressure (see below)	
Coroners Service	Increased Costs	As part of a full analysis of current contracts (price and volume) for mortuary, histology, toxicology, post mortem and conveyancing contracts there is a significant shortfall over and above the £215k structural shortfall (see lines below). This is based on extended one year contract costs (Sept20 to Aug 21) in line with revised pricing schedules.	310,815
Coroners Service	Increased Costs	Further to the line above, post mortem and contracts are due for renewal in September 2021. It is unclear what the true value of this will be until the conclusion of the procurement process so an estimated 2% increase is included based on total contractual costs of £1,024,742.	10,248
Coroners Service	Increased Costs	Historic saving of £100k has not been achieved and is not likely to be achieved in the short term. The current service review including on-going discussions regarding Greater Lincolnshire merger may generate future savings but this is not yet known.	100,000
Coroners Service	Increased Costs	This figure represents the identified budgetary shortfall as at December 2019 when detailed budget setting work was concluded.	114,750
			1,719,565

SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Human Resources	Increased income	New HR Services for schools and Leadership & Management Apprenticeship Centre	-91,000
Financial Strategy	Increased income	Income from supporting schools	-20,000
Audit & Risk	Increased income	Income from external clients/schools	-15,000

Business Support	Reduced Costs	Printing Review	-57,000
Community safety	Increased income	A government grant income of £98k is expected to support the Community Safety cost pressure (see above).	-98,000
Celebratory & Registration Services	Increased income	Increased income budget target in line with Pre Covid activity levels.	-108,000
			-389,000
TOTAL CHANGES			1,330,565

COMMERCIAL

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Corporate Property	Increased Costs	Increase in utility costs Assumed contractual inflation costs for 21/22. Medium term estimates currently suggest than little/ no inflationary increases beyond 21/22 although this is subject to changing market conditions	153,820
Corporate Property	Increased Costs	Increase in property rates Assumed increased costs for 21/22 and beyond in line with medium term planning.	64,106
Corporate Property	Increased Costs	Insurance Property insurance premiums increases for 21/22 only.	20,800
Corporate Property	Increased Costs	South Park Blue Light Property Costs increased rates and utility costs for the new building. The pressures represents the LCC element only.	119,737
Corporate Property	Increased Costs	Property Contract Inflation Inflation for 21/22 and beyond is within the range 1% -2% and is estimated for planning purposes at 1.5%	156,000
Corporate Property	Increased Costs	Compliance Officer and Fire Door Surveys In order to ensure that LCC is compliant across the property portfolio, a Compliance Officer role has been established. As a result of the Grenfell report, a continuous programme of fire door surveys is to be put in place via the property contract.	133,000
Corporate Property	Increased Costs	Travellers sites As a result of the Modern Day Slavery regulations and recent incidents on the traveller sites, increased monitoring and attendance has been put in place to ensure early detection and therefore prevention occurs, resulting in additional costs.	66,000

		Risk: If attendance on site is removed, LCC is potentially at risk of not being able to demonstrate proactive support of the safety and management of the sites	
Commercial (Customer Service Centre)	Increased Costs	Corporate Support Service contract 21/22 a) re-based to include 20/21 indexation of 3.41%, b) 21/22 indexation at 1.56% c) revised volume assumptions as at November 2020 d) assumed 2% inflationary increase for 22/23 and 23/24	129,594
IMT	Increased Costs	Corporate Support Service contract 21/22 a) re-based to include 20/21 indexation of 3.41%, b) 21/22 indexation at 1.56% c) revised volume assumptions as at November 2020 d) revised cost of commercial arrangement for the IMT service e) assumed 2% inflationary increase for 22/23 and 23/24	476,806
Transformation	Increased Costs	Business Objects Software Licencing Existing cost that is required to support this established reporting system for 21/22 prior to the removal of this requirement in 22/23	46,000
			1,365,863
SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Corporate Property	Reduced Costs	Reduced support to internal moves and Occupeye technology	-85,000
Corporate Property	Reduced Costs	County Farms Estate - reduction in outgoing rents to Crown Estate	-150,000
			-235,000
TOTAL CHANGES			1,130,863

CORPORATE SERVICES

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Corporate Services	Increased Costs	Adjustment required to pay budget to bring it in line with actual cost of posts introduced last year. Original budget was based on estimated grades and excluded indirect staffing costs.	41,580
Corporate Services	Increased Costs	Creation of a corporate marketing, promotions and communications budget.	35,000
TOTAL CHANGES			76,580

OTHER BUDGETS

SERVICE AREA	TYPE OF COST PRESSURE	DESCRIPTION	2021/22 Budget £
Capital Financing	Reduced Costs	Minimum Revenue Provision reduced due to capital programme slippage - one year only	-1,886,231
Capital Financing	Reduced Costs	Interest on borrowing reduced due to interest rates falling and internal borrowing, one year only	-2,476,000
Insurance	Increased Costs	Insurance costs - indicative of 15% increase due to extension of contract	426,401
Pension Deficit Contribution	Increased Costs	Local Government Pension Scheme Lump Sum Deficit	1,300,000
Pension Employers Contribution	Increased Costs	Local Government Pension Scheme Employers Contribution	22,592
Levy Payments	Increased Costs	Eastern Inshore Fisheries	10,000
Levy Payments	Increased Costs	Apprenticeship Levy increase on 20/21 base	12,900
Levy Payments	Increased Costs	Apprenticeship Levy increase on 21/22 base	32,141
Capital Financing	Reduced Income	Investment income reduced due to interest rates falling	1,400,000
Capital Financing Charges	Increased Costs	Removal of Revenue Contribution to Capital Budget (will result in increased capital financing costs – Minimum Revenue Provision)	15,000
Capital Financing Charges	Increased Costs	Removal of Revenue Contribution to Capital Budget (will result in increased capital financing costs – Interest)	15,000
			-1,128,197
SERVICE AREA	TYPE OF SAVING	DESCRIPTION	2021/22 Budget £
Financial Strategy	Increased Income	Anticipated dividend receivable from ESPO joint arrangement	-6,060

Capital Financing Charges	Reduced Costs	Remove Revenue Contribution to Capital £600k budget	-600,000
Capital Financing Charges	Reduced Costs	Remove Capital Financing Charges Other Flexibility £500k budget	-500,000
Pensions	Reduced Costs	Reduce Pension Enhancement budget (section 24) due to attrition rate	-100,000
			-1,206,060
TOTAL CHANGES			-1,734,257

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