




Children's Services


Financial Position 1st April 2020 – 31st March
2021


Revenue Budget Monitoring Report - Children's Services

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

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

The period September 2020 to March 2021 identified an overspend of £2.435m and is mainly attributable to the higher cost per day transport delivery costs (c.£0.163m versus the budgeted cost per day of c.£0.144m). This is due to higher unit costs for contracted mainstream pupils transport; an increase in the number of pupils eligible with special educational needs and disability; an increase in special schools transport costs, and the cost of delivering one additional transport day more than budgeted. This is despite certain costs being eligible to claim from the Covid-19 grants. All other transport agreements have been built into final position. A re-base in the transport budget has taken place for 2021/22 to reflect the higher cost per day being incurred.

- Special Educational Needs and Disabilities is underspent by £0.975m (12.3%). Areas of variances to note within Children with Disabilities are underspendings in the areas of Domiciliary Care (£0.185m), Direct Payments and Section 17 (£0.164m), specialist equipment (£0.145m), and staffing (£0.194m) – this is in part relating to activity levels, and families not requiring assistance during lockdown. In addition there has been an apportionment of costs to other funding sources due to the under delivery of commissioned services (£0.125m) caused by the pandemic. The Educational Psychology budget continues to underspend (£0.269m) largely as a result of the reduction in the number of Education, Health and Care (EHC) Needs Assessments during the Covid-19 lockdown period and the delay in progressing a new Psychology contract.
- The direct support from schools improvement advisors relating to outbreak management (£0.231m) has been met through the identified grant for 2020/21 creating an underspend.
- Other smaller variances have also taken place across the area of Education Support Services mainly from reduced legal costs due to the impact of the pandemic (£0.080m); School Improvement services (£0.120m underspend) due to a reduction in costs as face to face briefings have been replaced by briefings on-line, along with other smaller variances.

The movement in position relates to :-




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




Adult Care and Community Wellbeing


Financial Position 1st April – 31st
March 2021


Revenue Budget Monitoring Report - Adult Care & Community Wellbeing

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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


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

The financial position is driven by :-

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

The movement in position relates to :-

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


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

The financial position is driven by:-

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

The movement in position relates to :-

- Delivery of mental health care within the financial allocation.


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


The financial position is driven by ;-

- Public Health and Wellbeing has tailored its financial resources to meet the needs of the population across Lincolnshire as the pandemic has evolved. Public Health and Wellbeing has prioritised and redeployed members of its workforce and commissioned services to respond to the unprecedented impact of the Covid-19 pandemic. £3.280m of Covid-19 costs across wellbeing services have been supported through Covid-19 Outbreak management grant monies received from the government. Maximising the Covid-19 grants resulted in a £7.106 underspend across those services funded by the Public Health Grant. This underspend has been carried forward as per the conditions of the grant in the dedicated Public Health Grant Reserve.
- There were plans to pilot improvement initiatives during 2020-21 however due to all staff needing to support the response to the pandemic; these have been delayed until 2021-22.

The movement in position relates to :-

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

Service Area	Current Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Over/(Underspend) £m	
Public Health Grant Income	(33.546)	(33.546)	0.000	0.000	
<p>The 2020-21 Public Health Grant allocation for Lincolnshire is confirmed as £33.546m. This announcement is £1.205m higher than included in the 2020-21 budget. The grant has been allocated in accordance with the plan contained in the quarter 1 report.</p>					




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

Place


Financial Position 1st April 2020 – 31st March
2021


Revenue Budget Monitoring Report - Place

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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

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

The financial position is driven by :-

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

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


The movement in position relates to :-

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

Key Financial Risks to Delivery and Mitigating Actions

Higher contract costs than planned

Waste is a demand driven service and as such is exposed to the risk of increased cost due to activity levels being higher than planned. This risk is exacerbated by the fluctuating market prices for recyclable materials causing variation in the cost of processing.


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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

The financial position is driven by :-


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

The movement in position relates to :-

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

Key Financial Risks to Delivery and Mitigating Actions

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

Key Financial Risks to Delivery and Mitigating Actions




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

Fire and Rescue and Emergency Planning


Financial Position 1st April 2020 – 31st
March 2021


Revenue - Fire and Rescue & Emergency Planning

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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

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

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

The financial position for the service is driven by :-

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

The movement in position relates to :-




- Pension grant funding and reduced training as highlighted above.

Resources


Financial Position 1st April 2020 – 31st March
2021


Revenue Budget Monitoring Report - Resources

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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

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

The financial position is driven by :-

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

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

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

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

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

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

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

The movement in position relates to :-

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

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

Explanations for the main variances are set out below:-

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

- A budget shortfall of £0.215m consists of £0.100m of prior year savings that are not yet achievable, with the service supported in 2019/20 by an allocation of legal surplus and underspends from within Fire & Public Protection.
- There is also an additional £0.115m budget shortfall relating to the cost of contracted mortuary and post-mortem services for Lincolnshire.
- A further pressure of £0.232m arose from price increases following the direct award of a one year contract for mortuary and post-mortem services as the market is not yet in a position to tender for longer term contracts which are now planned for September 2021.

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

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

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

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

The movement in position relates to :-




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

Commercial


Financial Position 1st April 2020 – 31st March
2021


Revenue Budget Monitoring Report - Commercial

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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

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

The financial position is driven by :-

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

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

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

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

The movement in position relates to :-

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

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

The financial position is driven by :-

- Underspends across Performance, Transformation and Systems team on staffing costs whether direct or via business support with the Transformation Fund covering core staffing budget shortfalls within the systems team as part of the Business World re-design project.
- The Performance team generating greater levels of income from schools than expected in the previous forecast.

Going forward it will be essential to keep the core staffing as close to its full complement as possible in order to achieve the set objectives.

The movement in position relates to :-

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

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

The financial position is driven by :-

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

The movement in position relates to :-




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

Corporate Services


Financial Position 1st April 2020 – 31st March
2021


Revenue Budget Monitoring Report - Corporate Services

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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

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

The financial position is driven by :-

- The majority of this underspend relates to reduced direct and indirect staffing expenditure as a result of vacancies not being recruited to, compounded by delays in being able to progress recruitment and restructure consultation exercises, resulting from the impact of Covid19. (£0.268m).
- A further £0.053m underspend arises in Corporate Communications activities due to the cancellation of events as a result of the pandemic.

The movement in position relates to :-

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

Key Financial Risks to Delivery and Mitigating Actions




No specific risks to identify.

Schools


Financial Position 1st April 2020 – 31st March
2021


Revenue Budget Monitoring Report - Schools

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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


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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

The financial position is driven by :-

- Prior year DSG adjustment for the Early Years block.

The movement in position relates to :-

- See above.

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

The financial position is driven by :-

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

The movement in position relates to :-




- See above.

Other Budgets


Financial Position 1st April 2020 – 31st March 2021


Revenue Budget Monitoring Report - Other Budgets

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

Movement Key:	
	Moving towards budget
	Stable
	Moving away from budget

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

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

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

The financial position is driven by :-

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

The movement in position relates to :-

- For this quarter the movement related to £0.564m to support Highways 2020 Mobilisation, and £0.015m initial support for the development of a new capital regeneration project.
- Previously out of the £3.000m Contingency budget £1.194m was allocated to other service areas. This related to Fire and Rescue Wholtime Recruits Course, £0.165m, Pay Award inflation, £1.029m, following negotiation.

Key Financial Risks to Delivery and Mitigating Actions

<i>Key Risk 1 : Lower demand than planned</i>	<ul style="list-style-type: none"> • Fewer emerging pressures were identified than forecasted and this resulted in an underspend. Further budget requirement for delayed projects will be taken from next year's allocation. This will result in a reduction to the available budget for further emerging pressures.
---	---

Service Area	Revised Budget £m	Actual Outturn £m	Actual Over/(Underspend) £m	Previous Forecast Over/(Underspend) £m	
Capital Financing Charges	56.924	48.277	(8.647)	(7.868)	↓

The financial position is mainly driven by :

- The Current Budget for MRP was calculated in 2019 before the 2019/20 Capital Outturn. The 2019/20 Borrowing Outturn of £77.897m was significantly lower than estimated due to re-phasing, underspend carry forward and level of internal borrowing taken. Also a large proportion of the borrowing outturn (£39.755m) used to calculate MRP was also allocated to Infrastructure Under Construction Assets that are not due to start for a couple of years and hence the MRP calculated for this area was allocated forward to future years MRP. All this resulted in MRP showing a £4.600m underspend for 2020/21.
- The actual Interest cost for borrowing in 2020/21 was £18.484m, an overall underspend of £3.609m for the year. This underspend derived from having a reduced Borrowing Requirement of £28.313m, due to re-phasing and underspend of the Capital Programme and this requirement being taken in full by Internal Borrowing due to interest rate conditions and cash balance considerations.
- The shortfall on interest received resulted in being only £0.118m for the year, as a result of major underspending of both Revenue and Capital budgets in 2020/21 which increased cash balances available to invest compared to that forecasted.

The movement in position relates to :-

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

Key Financial Risks to Delivery and Mitigating Actions

*Key Risk 1 :
Higher demand than planned*

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

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

The financial position is mainly driven by :

- The redundancy budget for the year is £1.500m. There is currently a relatively low level of restructuring taking place within the council, resulting in an underspend of £1.161m.
- The review and maintenance of balances in the balance sheet resulted in clearance of legacy balances relating to the old financial system, SAP, £0.706m.
- The budget set aside for any pay scale restructuring is not expected to be required this year, resulting in a £0.600m underspend.
- The level of increase in the National Living Wage is lower than anticipated thereby resulting in a £0.359m underspend.

- There is a reduction of £0.248m in the monthly payment of teachers' pension and S24 payments due to a higher level of attrition than budgeted. The reduction in monthly payment is recycled to cover the yearly inflation increase of this pension. This was reviewed and longer term savings of £0.100m were offered as part of the budget setting process.
- Dividend received from ESPO increased by £0.168m and a conservative increase in 2021/22 budget was proposed.
- The liability insurance cost is lower by £0.340m than we have budgeted for this year. However this is offset by an overspend of £0.557 in insurance fund due to the increase in the provision.
- The above underspend is offset by small overspend in Apprenticeship Levy and maintenance cost on surplus properties prior to selling these.

The movement in position relates to :-

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

Key Financial Risks to Delivery and Mitigating Actions

*Key Risk 1 :
Lower demand
than planned*

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