

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

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

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

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

The financial position is driven by :-

- An additional payment of £400 per carer household per month for period of 3 months (May to July 2020) was made to support foster carers and children in their care during this challenging period to continue securing placements and support of carers (£0.325m). A further £200 per carer household was paid during the second lockdown in November (£0.054m)
- Additional costs for specialist placements including out of residential and fostering placements, and family assessment placements (£4.794m). The impact of the Covid-19 restrictions has resulted in a number of foster carers unable to accept new children into their homes due to self-isolating from vulnerability, and concerns with increased exposure to the virus, therefore children have had to be placed in alternative specialist placements. The number of children in care has risen during this pandemic. Placement reviews are now taking place through the valuing care toolkit to ensure most appropriate provisions are in place to support the identified needs.
- Children's Services had put forward a saving of £0.438m in 2020/21 for the intense needs and supported accommodation activity for those young people of 16 and 17 years at risk of homelessness and looked after children and care leavers up to the age of 21 years following the transformation work. Overall Covid-19 related costs were identified by the service area of £0.656m relating to non-delivery of savings and Covid related placements.
- The identification of commissioned contracts where providers have been unable to deliver the full service offer during the lockdown, but to support service continuity the full contractual payments continued, which was charged to the Covid grant (£1.047m), and legal costs where there has been an increase in length of proceedings due to court availability (£0.283m).
- Additional costs for backfill of staff that have been redeployed (£0.571m) and equipment to enable home working plus personal protection equipment for front-line staff (£0.313m)

The movement in position relates to :-

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

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

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

*Unspent grant and carry forwards.

Covid Savings		
Directorate Summary	Actual Savings	Savings £m
Children's Services		
Children's Social Care	Pause in in Children Centre building maintenance due to reduced centre activity	0.137
	Delay in recruitment to vacancies within social care and early help.	0.211
	Youth Development – due to limited service provision that has been on offer since the start of the pandemic.	0.247
	Savings on car allowances	0.466
Children's Education	Home to School/College Transport – suspension of services for the summer term (other than for key worker and vulnerable groups transport only).	1.370
	Children with Disabilities – a drop in activity levels (due to parents being at home) during the summer term	0.738
	Education Psychology - reduction in the number of Education, Health and Care (EHC) Needs Assessments during the first lockdown period and the delay in progressing a new Psychology contract with an external provider.	0.249
	Reduction in legal fees due to the suspension of fines for children not attending school.	0.079
	Savings on car allowances and meeting costs	0.105

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

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

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

The financial position is driven by ;-

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

The movement in position relates to :-

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

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

The financial position is driven by ;-

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

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

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

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

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

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

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

**Unspent grant and carry forwards*

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

Revenue Budget Monitoring Report - Place Covid-19

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

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

The financial position is driven by :-

- Loss of income from cultural and heritage sites due to closure and social distancing measures £1.457m.
- Household Waste Recycling Centres – additional staffing costs and loss of income from recyclable sales £0.087m.
- Waste – increased volume of household waste material being processed from District Councils kerbside collections due to people spending more time at home and increased packaging from on-line shopping £1.356m.

The movement in position relates to :-

- On-going assessment of the loss of income from cultural and heritage sites.
- Increases in the volume and cost of processing household waste collections.
- Inclusion of the new risk related to energy sales at the Energy from Waste (EfW) Plant.

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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

Covid Savings		
Directorate Summary	Actual Savings	Savings £m
Place		
Communities	Reduced contract payments to bus operators on suspended or reduced bus services. Savings in running costs from closure of cultural and heritage sites.	1.100
Lincolnshire Local Enterprise Partnership	No significant savings identified	0.000
Growth	Reduced staff travel and training	0.020
Highways	Reduced staff travel and training	0.150

Revenue Budget Monitoring Report - Fire and Rescue Covid-19

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

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

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

The financial position is driven by :-

- Additional staffing costs to respond to the pandemic (£0.371m)
- The cost of personal protective equipment to allow staff to interact with our communities (£0.144m)
- The loss of income from commercial training (£0.079m)

The movement in position relates to :-

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

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

Revenue Budget Monitoring Report - Resources Covid19

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

Covid Savings		
Directorate Summary	Actual Savings	Savings £m
Resources		
Legal and Governance Services	Members travel expenses – less travel	0.072
Human Resources and Organisational Support	Occupational health Contract – reduction in referrals	0.103
	Reduction in travel costs	0.040
	Vacancies within service held back due to Covid	0.514
Finance	Reduction in travel costs	TBC
Public Protection	Reduced legal costs and travel expenses	0.143

Revenue Budget Monitoring Report - Commercial Covid-19

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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

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

Revenue Budget Monitoring Report - Corporate Services Covid-19

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

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

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

The financial position is driven by :-

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

The movement in position relates to

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

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

Revenue Budget Monitoring Report - Schools Covid-19

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

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

The financial position is driven by :-

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

The movement in position relates to :-

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