

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

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

Summary:

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

Recommendation(s):

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

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

Reasons for Recommendation:
To maintain the Council's financial resilience.

1. Background

Overall Financial Position

1.1 Table of Summary Position as at 30 September 2021.

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

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

Key Issues Highlighted – "Business As Usual"

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

Key Issues Highlighted – Financial Impact of the Coronavirus Pandemic

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

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

Progress on Achievement of Budget Savings

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

Progress on Development Fund Initiatives

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

Assessment of Impact on Financial Resilience

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

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

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

Reporting of Budget Virements

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

2. Legal Issues:

Equality Act 2010

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

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

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

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

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

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

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

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

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

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

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

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

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

Crime and Disorder

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

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

3. Conclusion

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

4. Legal Comments:

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

5. Resource Comments:

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

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

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

d) Risks and Impact Analysis

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

7. Appendices

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

8. Background Papers

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

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

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

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

Children's Services

Financial Position 1st April – 30th
September 2021

Children's Service Directorate

Forecast Financial Position as at 30th September 2021

Position

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

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

Children's Services

Education

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

Social Care

The financial position is driven by:-

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

Adult Care and Community Wellbeing

Financial Position 1st April – 30th
September 2021

Adult Care & Community Wellbeing

Forecast Financial Position as at 30 September 2021

Position

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

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

Public Health & Wellbeing

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

Adult Frailty and Long Term Conditions

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

Adult Specialities

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

Place

Financial Position 1st April – 30th
September 2021

Place

Forecast Financial Position as at 30 September 2021

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

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

Highways

Highways is forecasting an overspend of £0.555m.

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

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

Communities

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

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

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

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

Greater Lincolnshire LEP

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

Growth

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

Fire and Rescue and Emergency Planning

Financial Position 1st April – 30th
September 2021

Fire & Rescue and Emergency Planning

Forecast Financial Position as at 30 September 2021

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

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

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

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

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

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

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

Resources

Financial Position 1st April – 30th
September 2021

Resources

Forecast Financial Position as at 30 September 2021

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

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

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

Organisational Support (£0.459m underspend)

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

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

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

Human Resources are forecasting to underspend by £0.105m.

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

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

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

Finance (£0.312m underspend)

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

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

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

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

Governance (£0.120m overspend)

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

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

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

Public Protection (£1.170m underspend)

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

Safer Communities

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

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

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

Coroners, Celebratory & Registration Services

The service is forecasting an overspend of £0.054m.

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

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

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

Registration Services are forecast to be £0.064m underspent.

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

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

Commercial

Financial Position 1st April – 30th
September 2021

Commercial

Forecast Financial Position as at 30 September 2021

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

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

Corporate Property (£0.171m underspend)

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

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

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

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

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

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

Information Management Technology (£0.024m underspend)

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

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

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

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

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

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

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

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

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

Transformation (£0.163m underspend)

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

Commercial (£0.438m underspend)

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

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

Corporate Services

Financial Position 1st April – 30th
September 2021

Corporate Services

Forecast Financial Position as at 30 September 2021

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

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

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

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

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

Schools

Financial Position 1st April – 30th
September 2021

Schools

Financial Position as at 30th September 2021

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

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

Schools

Central School Services Block

The financial position is driven by:-

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

Early Years Block

The financial position is driven by:-

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

High Needs Block

The financial position is driven by:-

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

Schools Block

The financial position is driven by:-

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

Other Budgets

Financial Position 1st April – 30th
September 2021

Other Budgets

Financial Position as at 30 September 2021

Position

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

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

Capital Financing

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

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

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

Other Budgets

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

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

Appendix K

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

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

Monitoring of Planned Savings 2021/22

Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
			Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
BUDGET SAVINGS						
Children's Services	Education Support Services	Budget Reductions to meet service requirements	1	Y		
Children's Services	Early Help Services	Budget Reductions to meet service requirements	1	Y		
Adult Care and Community Wellbeing	Budget 2020 - Three year savings programme	Cost reduction following online financial assessments and reduction of staffing as part of corporate transformation programme	100	Y		
Adult Care and Community Wellbeing	Adult Charging	Growth in Service user contributions which net off cost pressures in Homecare, Direct Payments and Daycare	1,801	Y		
Adult Care and Community Wellbeing	Residential/Nursing Placements	Investment in Extra Care Housing to reduce Long Term Placements	160	Y		
Adult Care and Community Wellbeing	Direct Payments	Improvement in Direct Payments reclaim of surplus funds from 88% to 94%	300	Y		
Adult Care and Community Wellbeing	Debt Collection Efficiencies	Reduction In Legal fees due to improved Debt Collection	100	Y		
Adult Care and Community Wellbeing	Peak Demand Efficiencies	Re-direction for funding to support services in core and mandatory services	400	Y		
Adult Care and Community Wellbeing	Review of Better Care Funded Schemes	Redirect funding to support services pressures in core, mandatory services	490	Y		
Adult Care and Community Wellbeing	Savings following contract reprocurement	Budget Reductions to meet service requirements	500	Y		
Adult Care and Community Wellbeing	Review of BCF Schemes	Review of BCF schemes redirecting funding to support service	192	Y		
Place	Highways Services	Saving on the lease cost of winter gritters	159	Y		
Resources	Community Safety	In anticipation of central government funding for new burden activities relating to Domestic Abuse	98	Y		
Resources	Reduction in printing	A reduction in costs following a contractual review	57	Y		
Commercial	Reduction in outgoing rents	A reduction in county farms rents payable	150	Y		

Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support																																																																		
			Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's																																																																			
BUDGET SAVINGS																																																																								
Commercial	Reduction in general property costs	A general reduction in property costs	85	Y																																																																				
Other Budgets		Implementation of capital financing savings	4,362	Y																																																																				
Other Budgets		Removal of revenue contribution in financing the capital programme	1,100	Y																																																																				
Other Budgets		Reduction in pension liabilities due to attrition rate	100	Y																																																																				
TOTAL BUDGET SAVINGS			10,157	0	0																																																																			
GROWTH IN INCOME																																																																								
<table border="1"> <thead> <tr> <th rowspan="2">Directorate</th> <th rowspan="2">Service Area</th> <th rowspan="2">Saving Information *</th> <th colspan="3">Reported Position</th> <th rowspan="2">Explanation of any Shortfall and/or Covid19 Grant Support</th> </tr> <tr> <th>Planned Saving £000's</th> <th>Delivery Y / N</th> <th>If N, Shortfall £000's</th> </tr> </thead> <tbody> <tr> <td>Adult Care and Community Wellbeing</td> <td>Adult Charging</td> <td>Additional Service user income Residential</td> <td>1,500</td> <td>Y</td> <td></td> <td>Service User income Savings -As at end of Qtr 2 - all are deliverable, however ACCW have rated Service user Income as high risk budgets, and have implemented additional monitoring as a result. This is highlighting a potential for income levels to fall below the 2021/22 budget, the Debtor Review Programme is continuing and all debts over £25K will be reviewed by the 31st March 2022.</td> </tr> <tr> <td>Resources</td> <td>Registration Income</td> <td>The realignment of target income to the level achieved in 19/20</td> <td>108</td> <td>Y</td> <td></td> <td></td> </tr> <tr> <td>Resources</td> <td>Audit Services Income</td> <td>Planned additional income from the continued development of Audit services to partner organisations</td> <td>15</td> <td>Y</td> <td></td> <td></td> </tr> <tr> <td>Resources</td> <td>Finance services to Schools</td> <td>An increase in the level of income from Schools</td> <td>20</td> <td>Y</td> <td></td> <td></td> </tr> <tr> <td>Resources</td> <td>HR Services to Schools</td> <td>Proposed income from the continued development of a suite of HR services to Schools</td> <td>91</td> <td>Y</td> <td></td> <td></td> </tr> <tr> <td>Other Budgets</td> <td></td> <td>Increase in dividend relating to investment</td> <td>6</td> <td>Y</td> <td></td> <td></td> </tr> <tr> <td colspan="3">TOTAL GROWTH IN INCOME</td> <td>1,740</td> <td>0</td> <td>0</td> <td></td> </tr> <tr> <td colspan="3">TOTAL REDUCTIONS TO BUDGET</td> <td>11,897</td> <td>0</td> <td>0</td> <td></td> </tr> </tbody> </table>							Directorate	Service Area	Saving Information *	Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support	Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	Adult Care and Community Wellbeing	Adult Charging	Additional Service user income Residential	1,500	Y		Service User income Savings -As at end of Qtr 2 - all are deliverable, however ACCW have rated Service user Income as high risk budgets, and have implemented additional monitoring as a result. This is highlighting a potential for income levels to fall below the 2021/22 budget, the Debtor Review Programme is continuing and all debts over £25K will be reviewed by the 31st March 2022.	Resources	Registration Income	The realignment of target income to the level achieved in 19/20	108	Y			Resources	Audit Services Income	Planned additional income from the continued development of Audit services to partner organisations	15	Y			Resources	Finance services to Schools	An increase in the level of income from Schools	20	Y			Resources	HR Services to Schools	Proposed income from the continued development of a suite of HR services to Schools	91	Y			Other Budgets		Increase in dividend relating to investment	6	Y			TOTAL GROWTH IN INCOME			1,740	0	0		TOTAL REDUCTIONS TO BUDGET			11,897	0	0	
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Appendix M

Monitoring of Development Fund Initiatives 2021/22

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

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

Target Changes July – September 2021

Revenue

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

Capital

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

Appendix O

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