

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

Report to:	Executive
Date:	05 January 2022
Subject:	Council Budget 2022/23
Decision Reference:	I025386
Key decision?	Yes

Summary:

This report outlines budget proposals for the next financial year 2022/23. The Provisional Local Government Finance Settlement for 2022/23 was issued on 16 December 2021 and is expected to be in line with the Final Settlement, which is due to be published in February 2022. We await further budgetary information from the Lincolnshire District Councils so the budget proposals for 2022/23 are therefore estimated at this stage.

The Executive is asked to approve the proposals for the Council's budget for 2022/23, set out in this report and based on these estimates, for internal and external consultation.

Recommendation(s):

That the Executive approves the budget proposals described in this report as its preferred option for the purposes of further consultation, namely:

1. The key budget setting assumptions set out in Appendix A,
2. A 3% Adult Social Care (ASC) precept in 2022/23, which is the amount of ASC precept allowed for 2021/22 but which this Council deferred,
3. The budget savings and cost pressures, covering the years 2022/23 to 2025/26 set out in Appendix B,
4. The draft capital programme 2022/23 onwards set out in Appendix C,
5. The allocation of the remaining Development Fund Initiatives earmarked reserve set out in paragraph 1.47.

Alternatives Considered:

- | | |
|----|------------------------------------------------------------------------------------------------------|
| 1. | The proposals for the Revenue Budget, Capital Programme and Council Tax as described in this report. |
| 2. | Higher levels of spending and consequently a higher level of Council Tax next year. |
| 3. | Lower levels of spending and consequently a lower level of Council Tax next year. |

Reasons for Recommendations:

The recommended option takes account of the anticipated levels of Government grant and Business Rates funding to the Council and allows for an increase in Council Tax of 3.00% for the Adult Social Care precept which was deferred from 2021/22. There are Adult Social Care cost pressures of £13.501m in 2022/23 and the proposed Adult Social Care precept is required to help fund these.

The budget includes unavoidable cost pressures which will support the delivery of Council services, and a number of savings and efficiencies which do not impact negatively on services. The recommendation is for a one-year budget for the financial year 2022/23, which reflects the fact that the provisional Local Government Finance Settlement only covers one year. The recommended option currently reflects a balanced budget, although this may change once all budgetary information has been received by the end of January 2022. If the final position is a deficit budget, then a contribution from reserves will be used to balance the budget for 2022/23.

1. Background**The Medium-Term Financial Strategy**

- 1.1 An updated Medium Term Financial Strategy was approved last year and has supported our budget setting process this year. The Strategy is being refreshed with minor changes and will be included with the report for the meeting of the Executive on 1 February 2022.

The Budget Process

- 1.2 This year's budget process started in the spring of 2021 with a re-assessment of our high-level budget assumptions. Following this, budgets have been examined in detail, and a number of new cost pressures have emerged in addition to the pressures identified for 2022/23 in the previous year's budget process. In some areas, cost pressures previously identified have been reduced. The Council has adopted a longer term strategy to deliver efficiency savings and this is described in

more detail in paragraphs 1.4 to 1.8. As this year has progressed, our assumptions have been refined as new information has emerged.

- 1.3 In terms of budget holder input, the budget process is complete, and we have received confirmation of next year's funding from central Government in the form of the Provisional Local Government Finance Settlement on 16 December 2021. Following this, the Final Local Government Finance Settlement is expected to confirm the Provisional Settlement in February 2022, and at the end of January 2022 we will receive confirmation of Council Taxbase and Collection Fund balances from our local District Councils. Once all this information has been received, the budget proposals for 2022/23 will be confirmed at the meeting of the Executive on 1 February 2022.

Savings Strategy

- 1.4 The longer-term savings strategy referred to above is to deliver efficiency savings with the aim of reducing bureaucracy and reliance on manual processes, whilst also ensuring back office services are optimised, and this will be delivered in the main via the developing Transformation Programme. This approach will continue to allow the council to maintain and invest in its valued frontline services at a time when other councils are still reducing theirs.
- 1.5 The savings presented in this report total £9.543m for 2022/23. The Medium Term Financial Plan includes further savings over the period 2023/24 to 2025/26 totalling £16.041m cumulatively in addition to the £9.543m for 2022/23 i.e. £25.585m in total over the four years. These represent savings that we know that can be delivered over the four year period, as robust work has been undertaken to verify them. If accelerated delivery allows them to be brought forward, we will do so but will always seek to place them in the year they can be delivered in their entirety to ensure that the council's overall reputation for robust financial management is maintained.
- 1.6 The nature of the savings presented are twofold. Upfront, we have sought to maximise the benefits of the home working arrangements and Smarter Working programme. We are significantly reducing administrative support posts, with a further phase to follow, whilst also profiling in surplus building closures and a £1.300m reduction to supplies and services and travel budgets over the plan reflecting changes in behaviour and reduced mileage and car use. Further opportunities to maximise efficiencies from the new arrangements will continue to be sought including assessing whether staffing structures remain fit for purpose in the new operating model. Further into the plan, we have started to introduce, but haven't concluded adding in, savings arising from our various transformational activities.
- 1.7 The savings that will be delivered from the programme can be broadly split into two parts. Firstly, such as in our demand led services, are projects reducing

exposure to future cost increases, for example in the adult care front door and in Special Educational Needs and Disability (SEND). Secondly, and the broader thrust of the programme, are projects designed to reduce bureaucracy, increase digital capabilities and ensuring back-office services provide optimised service delivery once they have been implemented. Savings in this paper related to this strand include Home to School Transport and better use of available technology in processes used across the council. Projects that haven't yet got efficiencies profiled in as they are too early in their development, but should do so in future budgets, are related to transforming our broader customer services offering, the remainder of corporate services support following the end of the Serco contract in 2024 and back office transformation on the back of the Business World implementation arrangements with Hoople Limited.

- 1.8 Supplementing the savings, as in previous years, has been a fundamental review of our income generation opportunities, and as with the saving opportunities above, we expect developments in some specific service areas, such as Registrations, will see further income added in future budgets once developmental work has been completed.

Spending Review 2021

- 1.9 The Spending Review 2021 results were announced by the Chancellor of the Exchequer on 27 October 2021. This was a spending review covering the three years 2022/23 to 2024/25.
- 1.10 The Spending Review announcement included notification of additional funding for local authorities in 2022/23 to help councils deal with some of the pressures currently being experienced, including inflationary pressures. This is on the back of improvements in the UK economy. Other announcements included:
- Local government in England will receive an additional £4.8bn in grant funding over the next three years (£1.6bn in each year), which was described as “for social care and other services”;
 - There will be additional funding of £3.6bn over 3 years for adult social care reform, to implement the cap on personal care costs and changes to the means test. This will be weighted towards later years as the costs of the changes will grow over time.
 - Councils providing Adult Social Care services can charge an adult social care precept of up to 1% in 2022/23 and the same again in 2023/24 and 2024/25 (this is in addition to any adult social care precept which may have been deferred from 2021/22 and can be charged in 2022/23);
 - The referendum limit is expected to remain at 2% for general council tax. This means that a total council tax increase of up to 3% can be charged by Councils providing Adult Social Care services (plus any social care precept which may have been deferred from 2021/22);

- The Business Rates multiplier, which is used to increase Business Rates charges, is to be frozen in 2022/23 and councils will be compensated for this loss of income, most likely by way of additional Section 31 grant;
- Following the previous year’s announcement of a public sector pay freeze, the Spending Review 2021 confirmed a return to the usual process for setting pay awards;
- The National Living Wage will increase to £9.50 per hour from April 2022 (the impact of this increase has been included in the budget proposals);
- A number of other specific grants will be received, although the amounts per council are not yet known. These include grants for: Supporting Families £500m (formerly Troubled Families), cyber security £12m, roads £2.7bn over the next three years, Special Educational Needs and Disabilities school places £2.6bn.

Provisional Local Government Finance Settlement

1.11 The provisional settlement announced on 16 December 2021 covered the year 2022/23 only and confirmed the following funding streams for the Council in 2022/23:

- A new tranche of Social Care Support grant was confirmed at £9.342m, and we have assumed that this grant will continue at level into future years;
- Our share of the new funding to deal with local authority pressures was confirmed at £7.684m and for the year 2022/23 only. It is called “Services Grant”;
- Rural Services Delivery Grant – our allocation is confirmed at £7.277m, which is the same as it was in 2021/22;
- New Homes Bonus grant – our allocation is £1.659m, which is an increase of £0.190m compared to 2021/22;
- Revenue Support grant – our allocation is £21.220m, which is an increase of £0.640m compared to 2021/22 ;
- Business Rates Top-Up grant – our allocation is £91.302m, which is the same as in 2021/22. This stagnation of the grant level is due to the business rates multiplier freeze announced as part of the Spending Review. Our combined assumptions for the different elements of business rates are expected to be in line with the total amount we receive in 2022/23, but this will not be known until the end of January when we receive budgetary information from the Lincolnshire District Councils.

1.12 Other confirmations received in the provisional settlement were:

- The council tax referendum limit will be 2% for general council tax increases and social care authorities can raise up to 1% for a further Adult Social Care

precept. Social care authorities can also raise an Adult Social Care precept in 2022/23 for any element of the 3% precept for 2021/22 which was deferred to 2022/23 – this cannot be deferred again;

- Improved Better Care Fund (iBCF) was confirmed at £34.255m, which is higher than the current level of grant by £1.006m. We have assumed that this is to fund new activities and we have added in a corresponding cost pressure for £1.006m.
- The existing Social Care grants received in 2020/21 were all rolled forward – a total of £25.849m.
- A new grant called Market Sustainability and Fair Cost of Care Fund was confirmed at £2.273m. This relates to the reforms to Adult Social Care funding announced in the autumn and we have again assumed that there will be new burdens arising from compliance with the grant conditions and we have added in a corresponding cost pressure.
- There was an indication that work will start in the coming months to look at updating how local government funding is distributed. It is therefore possible that the long-awaited reforms could be implemented from 2023/24. There are two streams to these reforms: the Review of Relative Needs and Resources (formerly known as the Fair Funding Review), and 75% Business Rates Retention. These reforms were originally due to be implemented from April 2020 but were later deferred to April 2021 and then again to April 2022. At this point no definite implementation date has been announced.

1.13 In view of the continuing financial uncertainties about our future levels of funding, a one-year budget is proposed for 2022/23.

The Medium Term Financial Plan

1.14 At this point in time, the Medium Term Financial Plan shows that we cannot achieve a balanced budget in any of the three years from 2023/24 through to 2025/26. The budget shortfall in each year will need to be supported by reserves to achieve a balanced budget. However, this is prior to receiving the Lincolnshire District Councils confirmation of Council Taxbases and Collection Fund positions affecting 2022/23, and prior to expected reforms to local government funding potentially affecting 2023/24 onwards.

1.15 The Medium Term Financial Plan includes a number of savings and efficiencies which arise from various projects within our Transformation Programme. These include savings from changes to delivery models in Adult Care and Children's Services; savings on travel and office-related costs arising from Smarter Working, as well as savings from reductions in office space and savings from Digital transformation.

1.16 Our key assumptions within the Medium Term Financial Plan are shown in Appendix A and will be amended as new information on our future funding is received. Currently, in 2022/23 the budget is balanced, however in 2023/24 there is a budget shortfall of £9.335m, in 2024/25 there will be a budget shortfall of

£6.480m, and in 2025/26 a budget shortfall of £6.909m. The main drivers for the budget shortfall over the three later years are higher cost pressures, particularly in Adult Care, inflationary pressures and levels of grant funding which, although are overall increasing over the period, are not rising sufficiently to cover the cost pressures.

- 1.17 There is a temporary cost pressure in Children's Services for external placements of Children in Care. This is £3.013m in 2022/23 (see paragraph 1.23 for further detail on this cost pressure). The current financial position allows for this cost pressure to be funded, however as this is a temporary cost pressure which is planned to be fully reversed by 2025/26, it is proposed that if this pressure cannot be funded by the time the budget is finalised, then the Financial Volatility Earmarked Reserve is used to fund this cost pressure over the period of the Medium Term Financial Plan. This would mean that £3.013m of the Financial Volatility Reserve would be used for this purpose in 2022/23, with a further £2.798m required to be used in future years i.e. £5.811m in total.
- 1.18 The Financial Volatility reserve currently stands at £44.483m. This reserve is essential for the management of an uncertain financial situation in terms of both costs and future funding. The Executive Director of Resources (Section 151 Officer) advice is that a Financial Volatility Reserve level of around £40m to £50m is prudent, given the uncertainty of the future funding reforms outlined in paragraph 1.12 above. The current balance is sufficient to support the overall budget deficits in the three future years, as well as the Children in Care cost pressure referred to in paragraphs 1.17 and 1.23 if this is required. As stated above, these figures will change once we know our Council Taxbase and Collection Fund positions. At this point in time, the four year view indicates that a total of £22.724m would need to be drawn from the Financial Volatility Reserve to balance the budget over those years and this would leave £21.759m remaining in the reserve. This earmarked reserve is available to support budget deficits arising over the medium term and will allow us time to transition to a lower base budget if this is required after funding reforms are implemented.

1.19 The current position for 2022/23 is shown in Table A:

Table A – Summary Revenue Budget

SUMMARY REVENUE BUDGET	2022/23 £m
EXPENDITURE:	
Net Base Budget	502.809
Cost Pressures (<i>including inflation</i>)	41.249
Savings & Additional Income	-4.818
Other Movements (PH Grant, BCF Grant & Market Sustainability Grant)	-4.725
Total Expenditure	534.515
Transfer to Earmarked Reserves	0.000
Transfer to/from General Reserve	0.000
Budget Requirement	534.515
INCOME:	
Business Rates Local Retention	124.265
Revenue Support Grant	21.220
Other Grants	55.884
County Precept	333.146
Total Income	534.515

Revenue Budget 2022/23

1.20 Table A above shows our overall proposed budget for 2022/23 at this point in time, with a budget requirement of £534.515m (the budget requirement was £505.448m in 2021/22 so this is an increase of 5.2%). Following receipt of budgetary information from the District Councils at the end of January 2022, there may be a need for funding to be drawn from the Financial Volatility Reserve if there is a resulting budget deficit. The changes in our anticipated funding are explained in paragraphs 1.11 to 1.12 above.

1.21 A number of unavoidable cost pressures have been added into the proposed budget, totalling £41.249m, and these are summarised in Appendix B. The most significant of these are:

1.22 Adult Care and Community Wellbeing

- £6.262m in respect of the financial rate paid to providers. The largest cost pressure facing adult social care relates to the rate paid for care across all services and service types. The rates set are paid per person per week in residential care and an hourly rate for non-residential care. The rate increase is higher in 2022/23 reflecting the announced increase in the National Living Wage to £9.50 per hour. For the residential rates, we are proposing a one-year rate rather than the usual three given the continued volatility in the market resulting from the pandemic and the uncertainty surrounding the pace and scale of the Fair Cost for Care reforms.
- £3.507m reflecting demand across adult social care, working age adults in particular. Based on 2021/22 demand, we are forecasting an average 4% increase in demand across all services in this area with the higher increase in community-based care.

- £2.273m new costs arising from the Market Sustainability and Fair Cost of Care Fund 2022/23 published December 2021. The grant funding is identified below.
- £1.006m assumed new costs arising from the accelerated discharge pathway. Adult care has seen an increase in costs across its services to manage the increase pace and scale of hospital discharge.

1.23 Children's Services

- £3.013m cost pressure reflecting the impact of the pandemic from increased Children in Care numbers, which has also been seen nationally, and a requirement to secure more specialist external placements. This is due to limited internal residential capacity, which is being taken forward with the creation of new children's homes, and reduced capacity within internal foster carers during the pandemic. The market force challenges for securing external placements can result in a significant greater unit cost resulting in a material impact for the Council. Lincolnshire's Children in Care per 10,000 population figures (47) compare favourably with statistical neighbours (63). Transformational work plans are in place to help realise our ambition of improving outcomes for children and achieving financial sustainability, which will see spending reduce to similar levels seen before the pandemic over a 3-year period which will require a temporary increase in funding. It is proposed that if this £3.013m cost pressure in 2022/23 cannot be funded by the time the budget is finalised, it will be funded by the Council's financial volatility earmarked reserve, given its temporary nature.
- £6.546m cost pressure for the delivery of home to schools transport to meet its statutory and policy requirements due to challenging market conditions and circumstances. There are additional, significant external factors currently impacting on the cost of passenger transport: national living wage rises, inflationary challenges, a national drivers' shortage (including more favourable pay rates in other delivery sectors) and a shortage of passenger assistants, rising fuel prices, and higher operational costs for larger suppliers including requirements of public service vehicle accessibility legislation. Assumptions have been applied on this volatile and demand-led budget building on from the current contractual commitments in this academic year. A transformational programme is underway which will have a focus on external factors, including developing new procurement tools and approaches, market engagement and management activity, improved contract management, an overhaul of routing and demand management activity. These activities aim to take back control of the supply market, increase competition and reduce the impact of external factors on costs. This is forecast to secure £1.239m of cost reductions in year 1, therefore an overall net budget increase of £5.307m in 2022/23. Budget stabilisation and securing value for money are fundamental factors going forward. It is proposed that responsibility for delivering home to

schools transport will transfer from the Children's Services Directorate to the Place Directorate from April 2022.

1.24 Other Budgets

- £1.350m for the additional cost of the Local Government Pension Scheme lump sum deficit.
- £4.775m for pay awards – this is based on an assumption of 2% for all groups for employees in 2022/23, and includes £1.655m relating to the expected additional cost of the 2021/22 pay awards for employees, which is likely to be above the level assumed in last year's budget process.
- £2.055m, which is the expected cost of the 1.25% increase in employers' National Insurance Contributions from April 2022.
- £3.500m – our usual contingency budget is £3.000m. It has been increased by £3.500m to £6.500m to allow for inflation uncertainty affecting our major contracts. The current economic environment is showing rising inflation in many areas and this increase to the contingency reflects a 2% volatility risk and also allows for the risk of some continuing Covid-19 costs, for which we would not expect to receive government funding.
- £1.127m – an increase to the capital financing charges budget to reflect the on-going costs of the capital programme.

1.25 Budgetary savings and increased specific grant income are also summarised in Appendix B, and total £9.043m. The most significant of these relate to:

1.26 Adult Care and Community Wellbeing

- £2.273m Market Sustainability and Fair Cost of Care grant funding. This grant funding provides initial financial support for the implementation of the recently announced social care reforms. Lincolnshire adult social care services need to be in the position to deliver the ambitions set out in the reforms. In addition, the market effect of the reforms is that, over time, there is the need to reduce reliance on state-funded care from self-funders. Aligned to the conditions of the grant, this funding will support Lincolnshire to begin the implementation of the reforms as we head towards October 2023.
- £1.097m income expectation through national announcements to support the provider rate needed to promote market sustainability and growing demand across the sector.
- £1.006m increase to the Improved Better Care Fund grant. The 2022-23 Better Care Fund Framework is not yet published, therefore any associated conditions attached to this funding are not yet confirmed.

1.27 Children's Services

£1.239m of cost reductions in home to school transport arising from transformational activity, which is described in paragraph 1.23 above.

1.28 Resources

Our review of Business Support will deliver savings, not just in terms of posts which is a saving of £0.817m in 2022/23 (£1.783m in total over 2022/23 and 2023/24) but also in printing and photocopying (£0.157m over the two years). In total this represents a saving of almost 17% of the original budget.

1.29 The table below shows the Net Revenue Budget by service area for 2022/23 at this point in time, with comparative budgets for 2021/22.

Table B – Net Revenue Budgets by Service

REVENUE EXPENDITURE			
2021/22 BUDGET	REVENUE BUDGETS	2022/23 BUDGET CHANGES	2022/23 PROPOSED BUDGET
£		£	£
COMMITTEE AREA			
12,771,373	Children's Education	-105,750	12,665,623
76,886,717	Children's Social Care	3,666,096	80,552,813
118,832,212	Adult Frailty & Long Term Conditions	6,656,712	125,488,925
86,310,919	Adult Specialities	5,808,483	92,119,402
29,355,056	Public Health & Community Wellbeing	328,556	29,683,612
80,287,899	Communities	5,052,460	85,340,359
344,105	Lincolnshire Local Enterprise Partnership	0	344,105
2,136,848	Growth	-16,120	2,120,728
24,111,431	Highways	713,800	24,825,231
21,602,296	Fire and Rescue	107,961	21,710,257
	Public Protection & Emergency Planning		4,969,917
29,155,528	Finance	-924,058	7,324,796
	Organisational Support		13,938,343
	Legal and Governance		1,998,413
	Corporate Property		11,018,347
39,164,413	Commercial Transformation	430,230	8,645,077
	Information Technology		4,597,546
			15,333,673
2,943,487	Corporate Services	15,770	2,959,257
-33,546,137	Public Health Grant Income	-348,993	-33,895,130
-52,233,341	Better Care Funding	-2,102,911	-54,336,252
0	Market Sustainability and Fair Cost of Care (New Grant)	-2,273,366	-2,273,366
438,122,806	Total Committee	17,008,870	455,131,676
SCHOOLS BUDGETS			
454,763,789	Schools Block	63,325,730	518,089,519
91,982,435	High Needs Block	18,134,077	110,116,512
3,728,205	Central School Services Block	-336,555	3,391,650
42,131,646	Early Years Block	-1,229,511	40,902,135
-595,281,990	Dedicated Schools Grant	-79,893,741	-675,175,731
-2,675,915	TOTAL SCHOOLS BUDGETS	0	-2,675,915
OTHER BUDGETS			
3,000,000	Contingency	3,500,000	6,500,000
41,661,946	Capital Financing Charges	1,327,361	42,989,307
22,699,741	Other	9,869,974	32,569,715
67,361,687	TOTAL OTHER BUDGETS	14,697,335	82,059,022
502,808,578	TOTAL NET EXPENDITURE	31,706,205	534,514,783
2,438,950	Transfer to/from Earmarked Reserves	-2,438,950	0
200,000	Transfer to/from General Reserves	-200,000	0
505,447,528	BUDGET REQUIREMENT	29,067,255	534,514,783
MET FROM:			
120,825,180	Business Rates Local Retention	3,439,743	124,264,923
20,579,898	Revenue Support Grant	640,216	21,220,114
44,416,116	Other Non Specific Grants	11,467,982	55,884,098
319,626,334	County Precept	13,519,314	333,145,648
505,447,528	TOTAL MET FROM	29,067,255	534,514,783

Note: detailed budgets are still being worked on so there may be some changes on individual lines in the above table. These will be finalised in the Council Budget 2022/23 report to the Executive in February.

Revenue Support Grant 2022/23

1.30 Our Revenue Support Grant, which is the Government's General Grant funding for councils, will be £21.220m in 2022/23.

Other Revenue Government Grants 2022/23

1.31 The table below summarises our other non-ringfenced Revenue Grants and the amounts confirmed for these in 2022/23. As stated in paragraph 1.10 above, some new specific grants were announced in the Spending Review statement, however these are not shown in the table below and the amounts are not yet known.

Table C – Other Government Grants

Other Government Grant	Amount 2021/22 £000's	Amount 2022/23 £000's
Social Care Support Grant	25,849	25,849
New Social Care Support Grant 22/23	0	9,342
New Services Grant 22/23	0	7,684
Rural Services Delivery Grant	7,277	7,277
New Homes Bonus Grant	1,469	1,659
Independent Living Fund (<i>est</i>)	1,515	1,477
Fire Pensions (<i>est</i>)	1,437	1,437
Extended Rights to Free Travel (<i>est</i>)	639	639
School Improvement Grant	649	293
Inshore Fisheries Conservation (<i>est</i>)	128	128
Virtual School Head (<i>est</i>)	98	98
Total Other Government Grant	39,061	55,883

Council Tax 2022/23

1.32 It is assumed at this point in time that Council Tax will be increased by 3.00% in 2022/23, which is all Adult Social Care (ASC) Precept and is the amount of ASC precept that adult social care authorities could have charged in 2021/22. This Council decided to defer the charging of this precept last year, which was allowed under the regulations. The charging of this 2021/22 ASC precept cannot be deferred again.

1.33 The referendum threshold limit for 2022/23 was proposed by the Provisional Finance Settlement as 2.00%, which will be confirmed in the Final Local Government Finance Settlement. At this point in time a general council tax increase is not proposed. We will also have the ability to raise an ASC Precept of up to 1.00% for 2022/23 but at this point in time a further ASC Precept for 2022/23 is not proposed.

- 1.34 It is estimated that a Council Tax increase of 3.00% will generate additional income of £9.567m based on the Council Taxbase for the current year. The assumed increase in Council Taxbase will generate a further £4.928m of income. Together these increases total £14.495m in 2022/23. By way of illustration, a 1.0% increase in Council Tax would generate £3.189m of additional income based on the Council Taxbase for the current year. This means that a 1% increase in Council Tax would create surplus income of £3.189m which could be used to fund additional investment and / or budget pressures and a 1% decrease would create a deficit budget position of £3.189m which would need to be funded by the Financial Volatility Reserve.
- 1.35 The final figures on the Council Taxbase and any surpluses or deficits on the Council Tax element of the Collection Fund will not be received from Lincolnshire District Councils until 31 January 2022. We have currently assumed an increase in Taxbase of 1.5% for 2022/23.
- 1.36 The Council Tax Collection Fund position in 2021/22 was mixed. Firstly there was a surplus of £0.678m which related to 2020/21, and secondly there was a deficit of £1.296m related to 2021/22. This deficit was allowed by regulation to be spread over three years. £0.700m was accounted for in the 2021/22 budgets and the remainder has been attributed to the 2022/23 and 2023/24 budgets in our budget plan (£0.298m in each of those two years). The final information on Taxbase changes and any further surplus or deficit on the Council Tax Collection Fund relating to 2022/23 will be reported to the Executive at its meeting on 1 February 2022, together with the impact on funding that this will have. At this point in time we have assumed a neutral Council Tax Collection Fund position for 2022/23 i.e. neither a surplus nor a deficit.
- 1.37 An Equality Impact Analysis will be completed for the proposed increase in Council Tax. This will be reported back to the Executive at its meeting on 1 February 2022.

Business Rates 2022/23

- 1.38 The District Councils have until 31 January 2022 to provide business rates returns showing:

- the position on the business rates element of the collection funds; and
- the value of the section 31 compensation grant due to the County Council.

At the time of preparing this report, the Council had not received notification of provisional Business Rates Collection Fund positions from any of the seven District Councils. Any surplus or deficit from business rates collection will only have a one off effect on the 2022/23 budget. The current working assumption within the budget presented in this report is that there will be neither a surplus nor a deficit arising for the Business Rates Collection Fund 2022/23.

- 1.39 In 2021/22 Business Rates income was significantly impacted by Covid-19, resulting in a deficit on the Business Rates Collection Fund of £10.644m. Most of this sum was funded by a new Section 31 grant in 2021/22 but a remaining deficit of £0.639m was required by regulation to be spread equally over 2022/23 and

2023/24. A deficit of £0.320m relating to 2021/22 is therefore included within the budget proposals for 2022/23.

- 1.40 It is expected that the Government will compensate local authorities in full for the continuation of the business rates cap, small business rates relief and rural rate relief by way of a section 31 grant, as in previous years. The Spending Review announcement also confirmed that the business rates multiplier (which is the factor by which business rates increase each year) will be frozen for 2022/23 but local authorities will be compensated in full for this loss by way of a section 31 grant.
- 1.41 A Business Rates Pool will continue to operate in 2022/23, and we have assumed for now that there will be a pooling gain next year of £2.800m.
- 1.42 An update will be tabled at the Executive meeting on 1 February 2022 on all aspects of business rates funding once returns have been received from all of the Lincolnshire District Councils.

Financial Risks

- 1.43 There are a number of risks which may impact on the budget for 2022/23 and we have taken a realistic, but prudent approach to our estimates. Appendix A shows the key assumptions we have used.
- 1.44 The assumptions which currently pose the most significant risks are:
- We have assumed cost neutral Collection Fund positions i.e. neither a surplus or deficit at this stage;
 - The final figures for Council Taxbase and Business Rates, which will be received from the District Councils by 31 January 2022;
 - Our ability to deliver on savings in future years. Although such savings are not shown in this report, they are included in the Medium Term Financial Plan.
 - The high levels of inflation in the current economic environment. We have mitigated this risk to some extent by proposing an increase of £3.500m to our general contingency.
 - The risk of some continuation of Covid-19 costs which will no longer be funded by additional government grant. We have mitigated this risk to some extent by proposing an increase to our general contingency as detailed in the previous bullet point.
 - The uncertainty over the impact on us of the government's funding reforms when they are implemented.

Reserves

- 1.45 Our General Reserves currently stand at £16.200m. The purpose of our General Reserves is to cover financial risks and our strategy is to maintain these reserves at a level which is between 2.5% and 3.5% of the budget requirement each year. Some

last-minute adjustments may be required when our funding for 2022/23 is confirmed, to ensure that the General Reserves amount remains within 2.5% to 3.5% of the budget requirement. It is currently at 3.03% for 2022/23.

- 1.46 The Financial Volatility earmarked reserve position is covered in paragraph 1.18 above.
- 1.47 The Development Fund Initiatives earmarked reserve currently includes the sum of £1.444m which has not yet been allocated to fund any initiatives. It is proposed that this balance of £1.444m be allocated to extend the Drainage Investigation and Flood Repairs scheme within Place for a further two years. The allocation will be £0.750m in 2022/23 and £0.694m in 2023/24.

The Capital Strategy

- 1.48 A Capital Strategy 2021/22 was approved last year and has supported our budget setting process for the capital programme this year. The Strategy is being refreshed for 2022/23 and will be included with the report for the meeting of the Executive on 1 February 2022.

Capital Programme

- 1.49 A ten year Capital Programme has been compiled in line with the principles set out in our Capital Strategy, including the principle of Affordability. The full Gross Programme is shown at Appendix C and totals £113.730m for 2022/23 plus a further £268.569m for future years. After grants and contributions are taken into consideration, we have a Net Programme of £87.734m for 2022/23 plus a further £261.075m for future years.
- 1.50 The Council is continuing to make representations to the Department for Transport (DfT) to reinstate the element of reduced funding. Whilst we await the outcome of these negotiations, the highways maintenance programme budget will be set equivalent to the DfT level of grant once this is confirmed, and we currently expect it to be in line with the 2021/22 grant which was £12.3m less than the grant received in the previous year.
- 1.51 Due to the uncertainty of our future funding, no new projects have been added to the capital programme in this budget process. Instead, the block budgets for rolling maintenance programmes have been continued forward for the full ten years, and the capital budgets for some existing schemes have been increased due to rising costs. The capital programme net budget has therefore increased since last year's budget process by a net amount of £7.741m. The main areas of change are set out below, with the most significant increases in the gross programme for 2022/23 covered by re-phasing uncommitted budget on some other schemes into future years.

1.52 Children's Services

New Schools capital: this is a reduced requirement of £9.259m over the ten year period. The new school funding requirement has reduced by £9.259m over the identified period to £33.441m net budget since the county has experienced lower birth rates, which will delay the potential timeframe for most new school requirements.

1.53 Place

The emergence of a number of risks associated with the Grantham Southern Relief Road (GSRR) and Spalding Western Relief Road (SWRR), most notably the inflationary pressure caused by the current global materials supply chain issues, have resulted in increases to the forecast costs. For 2022/23 an additional budget of £3.000m has been added for the SWRR Section 5. For future years, an additional budget of £8.000m for the GSRR and an additional budget of £6.000m for the SWRR Section 5 have been included to fund the anticipated increased cost. Further risk still remains which could change these forecasts, but these will continue to be monitored and reported as the schemes progress. To ensure the capital programme for 2022/23 is affordable and to recognise the remaining risks of the major highway schemes currently in progress, some budgets for schemes where spend has not yet been committed have been re-phased into later years.

1.54 The revenue impact of the Capital Programme (capital financing charges to the Revenue Budget) fluctuates from year to year and it was agreed last year that fluctuations above and below the base budget would be dealt with by using an Earmarked Reserve for Capital Financing. The balance in this earmarked reserve currently stands at £13.797m and is likely to increase to around £18.977m after the 2021/22 outturn position is confirmed.

1.55 Capital financing charges have been calculated based on the latest ten-year capital programme and from this it is estimated that this earmarked reserve will cover levels of charges above the base budget until 2027/28. Any future increases to the capital programme will change this position, and this relates to both new schemes and to schemes which have not yet started such as the North Hykeham Relief Road project.

Flexible Use of Capital Receipts Strategy

1.56 The Council previously approved the strategy of using Capital Receipts flexibly to fund revenue transformation projects from 2016/17 to 2019/20, in line with the Government's amended policy. From 2020/21 this was changed so that the strategy is now that capital receipts will only be used to repay loans or fund new capital expenditure. Transformation projects will instead be funded by using existing revenue budgets or earmarked reserves. This amended strategy will continue into 2022/23.

1.57 The statutory guidance relating to the flexible use of capital receipts requires councils to approve annually a Flexible Use of Capital Receipts Strategy. The proposed strategy for 2022/23 will be presented to the Executive on 1 February 2022 and will confirm that the Council has not identified any transformation projects in 2022/23 to be funded using this flexibility.

2 Legal Issues:

2.1 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.

These equality considerations do not preclude changes in services being made, but do require that these be fully appreciated. It is clear that the current and future financial challenges facing local authorities and the need for budget savings may result in changes to service provision and to some reduction in Council services. These may apply to services accessed by all people in Lincolnshire as well as services provided to specific groups. It is possible that there may be an adverse impact on some people and communities including those with a protected characteristic.

In order to meet its obligations, Equality Impact Analyses will be carried out in relation to any proposed changes to services on an individual basis. The specific impacts on people with a protected characteristic will be investigated and the potential mitigation, if any, will be made clear, so that the implications of decisions are fully understood as they affect specific groups and communities. These have been and will continue to be regularly reported to the Executive as part of the decision making processes. Individual proposals will only be implemented after due regard to the legal matters that must be considered, including the public sector equality duty.

As part of its decision-making, the Executive will need to consider whether any alternative approaches could alleviate or at least mitigate the impact of the decision; such as making reductions in other areas which do not have the same impacts, including, particularly, equality impacts. The result could be to require additional resources to be used in certain areas than has been budgeted for.

Consideration of the public sector equality duty and/or consultation may be necessary at the budget setting stage where a decision to reduce spending is significant, sufficiently focussed, and in financial terms, apparently rigid.

It is not considered that this applies to any of the proposed reductions set out in this Report and its Appendices.

In particular, in the event that any of the proposed reductions cannot be achieved, the usual budget management processes such as the use of Earmarked Reserves, or virement, would be followed, and approval sought at the appropriate levels in accordance with Financial Regulations, including full Council where necessary. Furthermore, a contingency has been built into the budget proposals in the form of the Financial Volatility Reserve (the balance is currently £44.483m)

and the annual Contingency budget of £6.500m for 2022/23, for when additional funding cannot be found by way of Earmarked Reserves or virement from other service areas.

A full Equality Impact Analysis will be developed in respect of the final budget proposal and in particular any Council Tax proposals in the light of feedback received during the consultation process.

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 & Well Being Strategy (JHWS) in coming to a decision.

Individual proposals will only be implemented after due regard to the legal matters that must be considered, including the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy.

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.

Individual proposals will only be implemented after due regard to the legal matters that must be considered, including the duty under section 17 of the Crime and Disorder Act 1998.

3 Conclusion

- 3.1 These budget proposals reflect the level of Government funding available to the Council and a proposal to increase general Council Tax in 2022/23 by 3.00%.
- 3.2 A thorough review of Council services was carried out during this year's budget process. Unavoidable cost pressures as well as savings have been identified, and the Capital Programme has been reviewed. The budget proposals aim to reflect the Council's priorities whilst operating with the resources available to it.
- 3.3 The budget proposals have been developed alongside, and in accordance with, the draft Medium Term Financial Strategy and a proposed final version of this Strategy will be reported to Executive in February. Final budget proposals will be reported to the Executive on 1 February 2022.

4. Legal Comments:

The Executive is responsible for publishing initial budget proposals for the budget for the purposes of consultation before determining the budget it will recommend to the full Council.

The matters to which the Executive must have regard in reaching its decision are set out in the body of the report.

The recommendations are within the remit of the Executive and are lawful. The Executive has the power to accept the Recommendation, or to agree one of the alternative approaches referred to in the report, subject to the limits on Council Tax increases referred to in the report.

5. Resource Comments:

These budget proposals incorporate the level of funding available to the Council from central Government plus an increase in Council Tax of 3.00% for the Adult Social Care precept.

Although the budget proposals are estimated at this stage, the funding assumed is in line with the Provisional Local Government Finance Settlement received in December 2021, and we propose a surplus budget at this stage, which will be a balanced budget once all remaining budgetary information has been incorporated.

The Medium Term Financial Plan from 2023/24 onwards still shows an underlying deficit position. We hope to be able to resolve this once our future funding is known.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

There are no scrutiny comments at this stage in the budget process.

d) Risks and Impact Analysis

An Equality Impact Analysis will be completed for the proposed increase in Council Tax. This will be reported to the Executive at its meeting on 1 February 2022.

Further Equality Impact Analyses will need to be undertaken on a service by service basis.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Key Assumptions in the Medium Term Financial Plan
Appendix B	Cost Pressures and Savings for 2022/23
Appendix C	Capital Programme 2022/23 and Future Years

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
Provisional Local Government Finance Settlement	Provisional local government finance settlement: England, 2022 to 2023 - GOV.UK (www.gov.uk)
Council Budget 2021/22	Budget and financial strategy – Lincolnshire County Council
Review of Financial Performance 2020/21	Agenda for Council on Friday, 17th September, 2021, 10.30 am (modern.gov.co.uk)

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Key Assumptions in the Medium Term Financial Plan for 2022/23

Funding / Expenditure Area	Assumption	2022/23
Funding		
Independent Living Fund	Assume falls by 2.5% pa	-2.50%
Public Health Grant	Assume maintained at 2021/22 level	0.00%
Better Care Funding	Increased by assumed Minimum Income Guarantee	
Council Tax Collection Fund Surplus	Assume no surplus. Deficits from 2020/21 built into MTFP	0.00%
Council Tax	Taxbase - assume 1.5% increase pa	1.50%
Council Tax Increase	Council Tax Band D Increase 3% 2022/23 (3% ASC Precept), 2% thereafter	3.00%
BR Collection Fund Surplus	Assume no surplus	0.00%
BR collected locally	Assume 2% 22/23 then 1% thereafter (based on CPI capped at 2%), assume multiplier freeze covered by S31 grant	2.00%
BR S31 Grant	Assume pooling gain £2.8m 22/23 then £2.5m thereafter	2.00%
BR Pooling Gain		0.00%
Expenditure		
Pay Inflation	2.0% pa Pay Inflation	2.00%
LGPS Employers Contribution	2.0% increase 2023/24	0.00%
Total		

Appendix B
Cost Pressures & Savings 2022/23

ADULT CARE AND COMMUNITY WELLBEING

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Adult Frailty & Long Term Conditions	Increased Costs	The financial rate paid to providers of older peoples care and physical disability services increases each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the 3 year residential contracts and/or the homecare prime provider contracts and published in the annual statement attached to the Adult Care Charging Policy.	3,200,334
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Adult Frailty & Long Term Conditions	Increased Costs	Increase due to confirmed national living wage of £9.50 for 2022-23 (previously calculated as £9.42) for Residential services in Adult Frailty.	480,000
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Adult Frailty & Long Term Conditions	Increased Costs	Increase due to confirmed national living wage of £9.50 for 2022-23 (previously calculated as £9.42) for Home based services in Adult Frailty.	230,000
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Adult Frailty & Long Term Conditions	Invest to save	Expansion of community specialist nurse service supporting delivery of adult care ambition to support people to maximise their independence. Savings detailed below.	102,000

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Adult Care and Community Wellbeing	Adult Specialties	Adult Specialties	Increased Costs	The financial rate paid to providers of mental health and learning disability services increases each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the 3 year residential contracts and/or the homecare prime provider contracts and published in the annual statement attached to the Adult Care Charging Policy.	1,732,407
Adult Care and Community Wellbeing	Adult Specialties	Adult Specialties	Increased Costs	Increase due to confirmed national living wage of £9.50 for 2022-23 (previously calculated as £9.42) for Residential services in Adult Specialties.	330,000
Adult Care and Community Wellbeing	Adult Specialties	Adult Specialties	Increased Costs	Increase due to confirmed national living wage of £9.50 for 2022-23 (previously calculated as £9.42) for Home based services in Adult Specialties.	290,000
Adult Care and Community Wellbeing	Adult Specialties	Adult Specialties	Increased Costs	Demand for adult specialties continues to increase with between 2.3% - 2.9% for learning disability and mental health long term care respectively.	3,507,621
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Adult Frailty & Long Term Conditions	Increased Costs	Assumed new costs arising from the accelerated discharge pathway. Adult care has seen an increase in costs across its services to manage the increase pace and scale of hospital discharge	1,006,000
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Adult Frailty & Long Term Conditions	Increased Costs	New costs arising from the Market Sustainability and Fair Cost of Care Fund 2022 to 2023 published December 2021. The grant funding is identified below.	2,273,366
Adult Care and Community Wellbeing	Adult Specialties	Safeguarding	Previously Reserves Funded	Growth in demand for DoLs / LPS previously funded by adult care non-recurrent reserve	0
Adult Care and Community Wellbeing	Public Health & Community Wellbeing	Public Health & Community Wellbeing	Increased Costs	Increase in Sexual health PrEP costs built into Public Health Grant allocation.	348,993
					13,500,721

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Adult Frailty & Long Term Conditions	Reduced Costs	Investment in extra care housing forecast to reduce long term placement costs	-169,980
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Financial Assessments	Reduced Costs	Reduction on Business Support recharges when online financial assessments in full use/ reduction of complaints and compensation payments or cancellation of debts.	-100,000
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Long Term Care	Invest to save	Expansion of community specialist nurse service supporting delivery of adult care ambition to support people to maximise their independence.	-170,066
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions	Infrastructure	Reduced Costs	Reduction in travel, room hire and stationery through smarter working. Travel reduction forecast may change depending on the conclusion of team bases. Property and printing costs no longer held by ACCW	-86,062
Adult Care and Community Wellbeing	Adult Frailty & Long Term Conditions		Reduced Costs	Smarter Working- General Savings	-180,860
Adult Care and Community Wellbeing	Better Care Fund	Adult Frailty & Long Term Conditions	Change in Better Care Fund	Received confirmation of increase in 20-21 BCF Min Income Guarantee, assumed 50% received into LCC. There is a risk that this may not come into LCC	-1,096,911
Adult Care and Community Wellbeing	Better Care Fund	Adult Frailty & Long Term Conditions	Change in Better Care Fund	Increase to the Improved Better Care Fund grant. The 2022/23 Better Care Fund Framework is not yet published, therefore any associated conditions attached to this funding are not yet confirmed.	-1,006,000
Adult Care and Community Wellbeing	Better Care Fund	Adult Frailty & Long Term Conditions	Market Sustainability & Fair Cost of Care Fund	Market Sustainability and Fair Cost of Care grant funding. This grant funding provides initial financial support for the implementation of the recently announced social care reforms. Lincolnshire adult social care services need to be in the position to deliver the ambitions set out in the forms. In addition, the market effect of the reforms is that, over time, there is the need to reduce reliance on state-funded care from self-funders. Aligned to the conditions of the grant, this funding will support Lincolnshire to begin the implementation of the reforms as we head towards October 2023.	-2,273,366
Adult Care and Community Wellbeing	Public Health Grant	Public Health & Community Wellbeing	Change in Public Health Grant	Public Health Grant confirmed increase in PrEP costs now form part of grant allocation	-348,993
					-5,432,238
				TOTAL CHANGES	8,068,483

CHILDREN'S SERVICES

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Children's Services	Children's Social Care	Children in Care (CiC) - External Placements	Increased Costs	Impact of the pandemic from increased CiC and requirement to secure external placements. The transformational work plans to see spending levels reduce to similar levels seen before the pandemic over a 3 year period which will require a temporary increase in funding.	3,012,758
Children's Services	Children's Social Care	Children in Care (CiC) - Inflationary rises	Increased Costs	CiC: increase in costs across the composition of placement types supporting this vulnerable group (c.2% inflationary applied).	386,356
Children's Services	Children's Social Care	Children in Care (CiC) - Placements	Increased Costs	Growth in CiC population based on 0-17 projections and 0.5 per 10,000 increase p.a. (36 CiC increase from 2022 - 2026). Below East Midland's neighbours per 10,000.	272,711
Children's Services	Children's Social Care	Special Guardianship Orders	Increased Costs	Special Guardianship Orders (SGOs) continue to be seen as an important option for permanency for children who need to be removed from their birth parents. The expected increases are based on past trends.	323,392
					3,995,217

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Children's Services	Children's Social Care	Family Assessment & Support Team	Reduced Costs	Utilisation of grant income and budget reductions to meet service requirements	-1,000
Children's Services	Children's Social Care	Leaving Care Services	Reduced Costs	Savings planned from the new Supported Accommodation pathway in meeting the needs to 16-17 year old care leavers. The new contract is now in place.	-138,872
Children's Services	Children's Education	Smarter Working	Reduced Costs	Smarter Working- General Savings	-104,750
Children's Services	Children's Social Care	Smarter Working	Reduced Costs	Smarter Working- General Savings	-189,250
Children's Services	Children's Education	Education Support Services	Reduced Costs	Additional income generation, a reduction in the cost of software and budget reductions to meet service requirements	-1,000
					-434,872
				TOTAL CHANGES	3,560,346

PLACE

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Place	Communities	Cultural Services - Library provision	Increased Costs	Contract Inflation - GLL Libraries contract	42,000
Place	Communities	Environment and Flood Management	Increased Costs	Countryside - insufficient budget to deliver on the service and this has been exacerbated by Covid with more demand on the service. Average revenue pressure over the last few years.	200,000
Place	Communities	Home to School Transport	Increased Costs	Home to Schools Transport - current contractual commitment (Nov-21) including budget assumptions for cost rises through national living wage, inflationary challenges and market conditions; PSVAR legislative requirements and mainstream pupil growth in entitlement. The budget is facing unfavourable market conditions and is demand-led in nature.	6,546,187
Place	Highways	Highways Asset Management	Increased Costs	Contract Inflation. Cost of plant, labour and equipment outstripping budgetary increases. 4% spike expected	760,000
Place	Highways	Highways Asset Management	Increased Costs	Asset growth - average of 18km of newly adopted road per annum	30,000
					7,578,187

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Place	Communities	Waste Management	Reduced Costs	Savings from paper and card recycling collections	-364,572
Place	Communities	Communities	Reduced Costs	Smarter Working Savings - Communities (most of available savings have already been used to mitigate budget pressures in 2021/22)	-5,000
Place	Communities	Home to School Transport	Reduced Costs	Home to Schools Transport: Better procurement of supply contracts	-284,091
Place	Communities	Home to School Transport	Reduced Costs	Home to Schools Transport: Improved Routing	-579,600
Place	Communities	Home to School Transport	Reduced Costs	Home to Schools Transport: Re-evaluation of PA requirements	-242,509
Place	Communities	Home to School Transport	Reduced Costs	Home to Schools Transport: Alternative Transport Solutions	-132,955
Place	Growth	Growth	Reduced Costs	Smarter Working Savings - Growth (most of available savings have already been used to mitigate budget pressures in 2021/22)	-10,000
Place	Highways	Highways Services	Reduced Costs	Smarter Working - general savings	-199,320
Place	Highways	Highways Services	Reduced Costs	Smarter Working Savings - Highways (most of available savings have already been used to mitigate budget pressures in 2021/22)	-10,000
					-1,828,047
				TOTAL CHANGES	5,750,140

FIRE AND RESCUE

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Fire and Rescue	Fire and Rescue & Emergency Planning	Fire - Pre Hospital Emergency Medical training	Increased Costs	500K over a 3 year period depending on suppliers(e.g 250K yr1 / 50K yr2 / 200K yr3). Following a review of our Trauma training that we provide our operational staff, it identified that we do not provide the level of skills or capability that is provided by other Fire and Rescue Services. These are the skills for our operational staff to give emergency medical treatment at incidents to the public, especially when there are no ambulance on scene or medical professionals. Current standards as identified by NFCC recommend that all operational staff are trained to Pre-Hospital Emergency Medical level C or D. It has also been identified through an audit by National Resilience that we are not meeting the requirements for our National Boat Teams to be deployed to support national incidents due to our staff not being trained to these standards. We are proposing to upskill our staff to Level C. At present we are completing a business case that outlines the most cost effective way to upskill our staff, which has identified the proposed costs. We are looking at ways to reduce the implementation costs if possible.	-250,000
Fire and Rescue	Fire and Rescue & Emergency Planning	Training	Increased Costs	Additional Base Budget requirement for training	150,000

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Fire and Rescue	Fire and Rescue & Emergency Planning	Urban Search & Rescue (USAR)	Increased Costs	<p>Each year the Service allocates £65,000.00 to the USAR budget, despite the spend on that budget requirement being over £130,000.00 (the rest of the spend is taken from the grant each year.</p> <p>Over the last 3 years National Resilience has increased the commitment of the USAR teams and have changed the performance indicators for the requirements of a team, this has led to some of the training being extended and numbers of personnel completing specific capabilities being increased. The heavily weighted on call model used by the Service has also seen a year on year fluctuation in staff (due to retirements, leavers and promotions) This has meant that the Service has had to run recruitment and initial courses year on year and this is forecast to continue.</p> <p>Budget projections for USAR for the next 3 years are £185k pa.</p> <p>We have grant funding reserves left that can be utilised over the next 2 years to offset some of the costs (see tab EMR) but this reserve will be exhausted during 24/25.</p>	81,131
Fire and Rescue	Fire and Rescue & Emergency Planning	East Coast Consortium Mobilising System	Increased Costs	<p>As we entered into the partnership just over a year ago, the consortium (Herts / Norfolk / Humberside / Lincs) were aware that the current contract would be due for renewal in 2022/23. In order to maintain stability of the current mobilising system and ensure that any investment in a new systems is financially viable, a 2 year extension to the contract was negotiated. The outcome of that negotiation, which was agreed at the Consortium Board in October 2021, has resulted in a £60k contribution to the contract for from each participating Service.</p>	60,000

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Fire and Rescue	Fire and Rescue & Emergency Planning	Community Fire Protection	Reduced income	<p>Following the 2021 HMI inspection a number of recommendation have been made regarding service improvements. These included an improved protection function by having appropriately skilled resources focussing on inspection of high risk properties.</p> <p>Two posts are currently in our establishment and have been funded by Home Office Grant funding to deliver areas within Protection that support the Grenfell Inquiry recommendations and the Building Risk Review. These 2 posts have supported the delivery of our whole Risk Based Inspection programme and our statutory duties for Protection.</p> <p>Since these posts have been in place we are now delivering against all of our programme and statutory responsibilities, so the risk is if we do not continue with this funding and these posts, then we will slip back into not delivering against our programme. This would be against the backdrop of Protection being a cause of concern from HMI.</p>	89,600
					130,731

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Fire and Rescue & Public Protection	Fire and Rescue & Emergency Planning		Reduced Costs	Smarter Working - general savings	-22,770
					-22,770
				TOTAL CHANGES	107,961

RESOURCES

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Resources	Finance	Financial Services	Increased Costs	Estimated cost of attaining PCI DSS compliance (estimated 21/22) and on-going cost of maintaining compliance. This is assumed for now as equivalent to a G9 full time post but may be an external fee instead.	46,000
Resources	Public Protection	Coroners Service	Increased costs	Post mortem and Mortuary contacts are due for renewal in September 2021. It is unclear what the final value of this will be until the conclusion of the procurement process so an estimated 2% increase is included based on total contractual costs of £1,024,742. This cost is split pro rata across the 21/22 and 22/23 year.	10,452
					56,452

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Resources	Organisational Support	Human Resources	Increased income	New HR Services for schools and Leadership & Management Apprenticeship Centre	-7,000
Resources	Finance	Financial Services	Increased income	Income from supporting schools	-15,000
Resources	Finance	Audit & Risk	Increased income	Income from external clients/schools	-15,000
Resources	Organisational Support	Business Support	Reduced Costs	Review of ESO/MSO support	-817,000
Resources	Organisational Support	Business Support	Reduced Costs	Printing Review	-57,000
Resources	Finance	Finance	Reduced Costs	Smarter Working savings - Finance	-7,370
Resources	Governance	Governance	Reduced Costs	Smarter Working savings - Democratic Services	-20,000
Resources	Organisational Support	Business Support	Reduced Costs	Smarter Working savings - HR	-10,910
Resources	Finance	Finance	Reduced Costs	Smarter Working savings - CARM	-6,203
Resources	Public Protection	Public Protection	Reduced Costs	Smarter Working - Coroners (hire of rooms)	-17,000
Resources	Public Protection	Public Protection	Reduced Costs	Smarter Working - Registrars	-500
Resources	Public Protection	Public Protection	Reduced Costs	Smarter Working - Trading Standards	-967
Resources	Governance	Governance	Reduced Costs	Smarter Working savings - General Savings	-6,560
					-980,510
				TOTAL CHANGES	-924,058

COMMERCIAL

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Commercial	Corporate Property	Corporate Property	Increased Costs	Insurance Property insurance premiums increases.	78,808
Commercial	Corporate Property	Corporate Property	Increased Costs	South Park Blue Light Property Costs increased rates and utility costs for the new building. The pressures represents the LCC element only.	55,190
Commercial	Commercial	Commercial	Increased Costs	One Council Commissioning Hub The creation of a new hub.a commissioning hub would allow a One Council approach to be taken to commissioning priorities e.g.co-production with service users; supporting the local economy and maximising social value; providing an overview of commissioning activity across the Council and partners and support collaboration.	82,000
Commercial	IMT	IMT	Increased Costs	Avaya telephony - previously a perpetual licence funded from the capital programme and is now an annual licence. ICT Security Infrastructure & Services: security tools previously funded from the capital programme and can now be treated as revenue costs. Although these are additional revenue costs, the capital programme can be reduced thereby achieving capital financing savings over the duration of the medium term financial plan.	243,000
Commercial	IMT	IMT	Increased Costs	Increase to licence costs for increasing requirements for document storage, plus increased staffing resource required in Tech Team to support greater demand, activity and pace of implementation. Unified support for Microsoft products and Microsoft licences for all LCC employees to allow improved technology to be rolled out. £500k of this total pressure is funded by savings from migration to the Azure cloud platform for storage.	836,000
Commercial	Transformation	Transformation	Increased Costs	Business Objects Software Licencing Existing cost that is required to support this established reporting system for 21/22 prior to the removal of this requirement in 22/23	-46,000
					1,248,998

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Commercial	IMT	IMT	Reduced Costs	Migration to the Azure cloud platform will result in savings of £0.5m which will be used to fund additional Microsoft licencing and support costs linked to cloud-based technologies for agile working.	-500,000
Commercial	Corporate Property	Corporate Property	Reduced Costs	County Farms Estate - reduction in outgoing rents to Crown Estate	-100,000
Commercial	Corporate Property	Corporate Property	Reduced Costs	Vinci Contract - insourcing of Commissionaire's service	-23,040
Commercial	Corporate Property	Corporate Property	Reduced Costs	Smarter Working - general savings	-30,000
Commercial	IMT	IMT	Reduced Costs	Smarter Working - general savings	-2,800
Commercial	Commercial	Commercial	Reduced Costs	Smarter Working - general savings	-5,350
Commercial	Commercial	Commercial	Reduced Costs	Smarter Working - general savings	-43,380
Commercial	Commercial	Commercial	Reduced Costs	Customer Service Centre	-104,370
Commercial	Transformation	Transformation	Reduced Costs	Smarter Working - general savings	-9,828
					-818,768
				TOTAL CHANGES	430,230

CORPORATE SERVICES

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Corporate Services	Corporate Services	Strategic Communications	Increased Costs	Digital Engagement Team Creation of a new web officer post	35,500
					35,500
DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Corporate Services	Corporate Services	Corporate Services	Reduced Costs	Smarter Working - general savings	-19,730
					-19,730
TOTAL CHANGES					15,770

OTHER BUDGETS

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Other Budgets	Other Budgets	Insurance	Increased Costs	Insurance costs - to be retendered, indicative 30% increase in cost	505,526
Other Budgets	Other Budgets	Pension Deficit Contribution	Increased Costs	LGPS Lump Sum Deficit	1,350,000
Other Budgets	Other Budgets	Pension Employers Contribution	Increased Costs	LGPS Employers Contribution	23,044
Other Budgets	Other Budgets	Levy Payments	Increased Costs	Eastern Inshore Fisheries	10,000
Other Budgets	Other Budgets	Levy Payments	Increased Costs	Apprenticeship Levy increase on 20/21 base	13,200
Other Budgets	Other Budgets	Levy Payments	Increased Costs	Apprenticeship Levy increase on 21/22 base	139
	Other Budgets	Utility Costs	Increased Costs	Increase in energy charges to culture properties as corporate contract increases by 20%	50,000
Other Budgets	Capital Financing Charges	Capital Financing	Reduced Income	Investment income reduced due to interest rates falling	200,000
Other Budgets	Other Budgets	Corporate Support Service Contract	Increased Costs	<u>Corporate Support Service Contract - Gross v Net (new service)</u> . If the Council agrees to move to gross payments to residential care providers, then there will be an associated increase in volumes of payment runs and creation of direct debits and invoices on the Serco contract, as well as additional debt recovery work (estimated cost). Indexation 1.48% 22/23 and 2% future years.	4,040
Other Budgets	Other Budgets	Corporate Support Service Contract	Increased Costs	<u>Corporate Support Service Contract - Exchequer Services</u> , indexation 1.48% 22/23 and 2% future years.	19,082

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Increased Costs / Savings Unachievable / Reduced Income / Previously Reserves Funded	COST PRESSURES DESCRIPTION	2022/23 Updated Dec 2021 £
Other Budgets	Other Budgets	Corporate Support Service Contract	Increased Costs	<u>Corporate Support Service Contract - Social Care Service</u> , indexation 1.48% 22/23 and 2% future years.	28,408
Other Budgets	Other Budgets	Corporate Support Service Contract	Increased Costs	<u>Corporate Support Service contract - HR & Payroll</u> , indexation 1.48% 22/23 and 2% future years.	14,235
Other Budgets	Other Budgets	Corporate Support Service Contract	Increased Costs	<u>Corporate Support Service contract 21/22 - CSC</u> indexation 1.48% 22/23 and 2% future years.	79,552
Other Budgets	Other Budgets	Corporate Support Service Contract	Increased Costs	<u>Corporate Support Service contract 21/22 - IMT</u> indexation 1.48% 22/23 and 2% future years.	107,091
Other Budgets	Other Budgets	Corporate Support Service Contract	Reduced Income	Serco Contract Commercial Discount comes to an end	0
Other Budgets	Capital Financing Charges	Capital Financing	Increased Costs	MRP cost pressure moved to 2023/24 and 2024/25	1,127,364
Other Budgets	Other Budgets	Pensions	Increased Costs	Assumed LGPS Employer Contribution 23/24 after next revaluation	0
Other Budgets	Other Budgets	Pay Award	Increased Costs	Pay award assumption 2% for 2022-23 onwards	3,119,975
Other Budgets	Other Budgets	Pay Award	Increased Costs	2021-22 pay award 2% increase	1,655,413
Other Budgets	Other Budgets	Pay Award	Increased Costs	NIC increase of 1.25% from 01/04/22	2,054,792
Other Budgets	Other Budgets	Property Contract Inflation	Increased Costs	Property contract- Revised core contract inflation, the impact of increases in NI and NLW	307,956
Place	Other Budgets	Utility Costs	Increased Costs	Signals and street lighting energy costs. New contract increase of 20% in wholesale energy. Assumption of 10% thereafter	400,000
Other Budgets	Other Budgets	Utility Costs	Increased Costs	Increase in utility costs Assumed contractual inflation costs based on ESPO data; 20% for 22/23 and 10% p.a. thereafter.	133,640
Other Budgets	Other Budgets	Contingency	Increased Costs	Increase to General Contingency to reflect inflation uncertainty	3,500,000
					14,703,457

DIRECTORATE	BUDGET BOOK LINE	SERVICE AREA	Reduced Costs / Funding Adjustments / Increased Income	SAVINGS DESCRIPTION	2022/23 Updated Dec 2021 £
Other Budgets	Other Budgets	Financial Strategy	Increased Income	Anticipated dividend receivable from ESPO joint arrangement	-6,121
Other Budgets	Other Budgets	Financial Strategy	Reduced Costs	Lease Cars	
Other Budgets	Capital Financing Charges	Capital Financing	Reduced Costs	Interest on borrowing reduced due to interest rates falling and internal borrowing, one year only	0
					-6,121
				TOTAL CHANGES	14,697,336

Appendix C

Capital Programme (2021/22 plus Future Years)		Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme 2022/23 £m	Grants & Contribution 2022/23 £m	Revised Gross Programme 2022/23 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
ADULT CARE AND COMMUNITY WELLBEING										
ADULT FRAILTY & LONG TERM CONDITIONS										
Better Care Fund - Disabled Facility Grants		0.000	-6.976	6.976	0.000	0.000	0.000	0.000	0.000	0.000
Dewint Court Extra Care Housing Scheme	Contribution towards De Wint Extra Care Housing Scheme	0.000	-1.400	1.400	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals: Adult Frailty & Long Term Conditions		0.000	-8.376	8.376	0.000	0.000	0.000	0.000	0.000	0.000
CHILDREN'S EDUCATION										
SCHOOLS										
Devolved Capital	Capital funding devolved to schools for improvements to buildings and school sites or investment in ICT hardware.	0.000	-0.987	0.987	0.000	0.000	0.000	0.000	0.000	0.000
Provision of School Places (Basic Need)	A programme of expansion and new build construction of school buildings.	1.107	-2.900	4.007	0.000	0.000	0.000	0.000	0.000	0.000
Schools Modernisation / Condition Capital	Programme to improve the condition of the school estate.	0.000	-4.945	4.945	0.000	0.000	0.000	0.000	0.000	0.000
New Schools Requirements		0.000	0.000	0.000	0.000	0.000	0.000	14.798	-4.800	19.598
SEND Provision Capital Funding for Pupils with EHC Plans	A programme of major investment in SEND provision.	-13.590	-43.425	29.834	5.358	-23.366	28.724	10.242	-2.694	12.935
Other Education & SEND Services	Capital funding for CWD short breaks and other education services	0.345	-0.675	1.020	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Schools		-12.138	-52.931	40.793	5.358	-23.366	28.724	25.040	-7.494	32.533
CHILDREN'S SERVICES										
Early Help		0.608	0.023	0.584	0.485	0.000	0.485	0.000	0.000	0.000
Safeguarding Services	Capital funding for in-house provision and other safeguarding services including foster carers and supported accommodation	0.185	0.000	0.185	0.050	0.000	0.050	0.450	0.000	0.450
Children's Services - Children's Homes	Two new small children's homes for children who are looked after.	0.350	0.000	0.350	0.850	0.000	0.850	0.295	0.000	0.295
Commissioning & Health Services	Capital funding for the 0-19 Health Services	0.000	0.000	0.000	0.150	0.000	0.150	0.000	0.000	0.000
Subtotals - Children's Services		1.142	0.023	1.119	1.535	0.000	1.535	0.745	0.000	0.745
Subtotals Children's Education		-10.996	-52.908	41.912	6.893	-23.366	30.259	25.785	-7.494	33.278

Capital Programme (2021/22 plus Future Years)		Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme 2022/23 £m	Grants & Contribution 2022/23 £m	Revised Gross Programme 2022/23 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
COMMERCIAL										
PROPERTY										
Property	Maintenance and improvement programme for council properties, asbestos works and improvements to the County Farm estates.	0.697	0.000	0.697	0.750	0.000	0.750	0.000	0.000	0.000
Property maintenance	To fund the maintenance and improvement programme for council properties	3.331	0.000	3.331	3.500	0.000	3.500	31.500	0.000	31.500
Bluelight - wider estates (other funding will support this)	Programme of works to support dual and tri service occupation throughout Lincolnshire.	0.208	0.000	0.208	0.000	0.000	0.000	0.000	0.000	0.000
Lexicon House	Refurbishment of Lexicon House for office accommodation.	0.000	0.000	0.000	0.950	0.000	0.950	0.000	0.000	0.000
Property Area Reviews	Programme of works for leased properties.	0.100	0.000	0.100	0.343	0.000	0.343	0.000	0.000	0.000
County Farms Private Roads	The improvement private roads on the County Farms Estates	0.000	0.000	0.000	0.020	0.000	0.020	0.000	0.000	0.000
County Farms Grain Stores	The improvement to county farms grain stores	0.000	0.000	0.000	0.145	0.000	0.145	0.098	0.000	0.098
County Farms Block		0.165	0.000	0.165	0.000	0.000	0.000	0.000	0.000	0.000
School Mobile Classroom Replacement	The replacement of school mobile classrooms	0.416	0.000	0.416	0.300	0.000	0.300	2.700	0.000	2.700
Castle Motte	Contribution towards the programme of works to remove Lincoln Castle from the Heritage at Risk Register.	0.389	0.000	0.389	0.000	0.000	0.000	0.000	0.000	0.000
Grantham Fire		-0.007	0.000	-0.007	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Property		5.299	0.000	5.299	6.008	0.000	6.008	34.298	0.000	34.298

Capital Programme (2021/22 plus Future Years)		Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme 2022/23 £m	Grants & Contribution 2022/23 £m	Revised Gross Programme 2022/23 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
ICT										
Broadband	Provision of superfast broadband across the county.	2.660	0.000	2.660	2.850	0.000	2.850	3.751	0.000	3.751
Infrastructure and Refresh Programme	General IT programmes including: IT development, replacement of PCs, other IT equipment and ICT infrastructure.	2.092	0.000	2.092	5.261	0.000	5.261	0.000	0.000	0.000
Improvement Transformation	To support the Transformation Programme by delivering enabling strategies in line with the Council's IMT strategy	0.000	0.000	0.000	4.000	0.000	4.000	0.000	0.000	0.000
Replacement ERP Finance System	Improvements to the ERP Finance system.	0.284	0.000	0.284	0.000	0.000	0.000	0.000	0.000	0.000
Care Management System (CMPP)	Installation of the Mosaic system.	0.014	0.000	0.014	0.000	0.000	0.000	0.000	0.000	0.000
ICT Development Fund	Improvements to ICT infrastructure and network.	0.300	0.000	0.300	0.026	0.000	0.026	0.000	0.000	0.000
IMT (Cloud Navigator/Windows 10)	Upgrade of hardware to Windows 10 system and development of Cloud Navigator to enable digital transformation of services to citizens.	0.072	0.000	0.072	0.030	0.000	0.030	8.000	0.000	8.000
Azure Data Migration	Migration of data from a physical to a cloud platform	0.691	0.000	0.691	0.144	0.000	0.144	0.000	0.000	0.000
Subtotals - ICT		6.111	0.000	6.111	12.311	0.000	12.311	11.751	0.000	11.751
Subtotals Commercial		11.411	0.000	11.411	18.319	0.000	18.319	46.049	0.000	46.049
RESOURCES										
FIRE AND RESCUE & EMERGENCY PLANNING										
Fire and Rescue & Emergency Planning	Refurbishment of fire and rescue properties.	0.252	0.000	0.252	0.889	0.000	0.889	0.000	0.000	0.000
Fire Fleet Vehicles and Associated Equipment	Rolling programme for the replacement of fire and rescue fleet vehicles and associated equipment.	1.001	0.000	1.001	4.769	0.000	4.769	6.206	0.000	6.206
Subtotals - Fire and Rescue & Emergency Planning		1.253	0.000	1.253	5.658	0.000	5.658	6.206	0.000	6.206
PUBLIC PROTECTION										
Registration Celebratory & Coroners Service	Coroners IT system for case management, and improvement to Gainsborough celebratory premises.	0.000	0.000	0.000	0.020	0.000	0.020	0.000	0.000	0.000
Safer Communities	Vehicle for Trading Standards	0.025	0.000	0.025	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Public Protection		0.025	0.000	0.025	0.020	0.000	0.020	0.000	0.000	0.000
Subtotals Resources		1.278	0.000	1.278	5.678	0.000	5.678	6.206	0.000	6.206

Capital Programme (2021/22 plus Future Years)		Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme 2022/23 £m	Grants & Contribution 2022/23 £m	Revised Gross Programme 2022/23 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
PLACE										
COMMUNITIES										
CULTURE										
Libraries	RFID replacement kiosks and library hub capital works.	0.399	0.000	0.399	0.000	0.000	0.000	0.000	0.000	0.000
Historic Lincoln	Improvement programme for Lincoln Castle.	-0.050	-0.066	0.017	0.000	0.000	0.000	0.000	0.000	0.000
Heritage / Archives	Future development of the Heritage service.	5.000	0.000	5.000	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Culture		5.349	-0.066	5.415	0.000	0.000	0.000	0.000	0.000	0.000
ENVIRONMENT										
Electronic Ticket Machine		0.130	0.000	0.130	0.000	0.000	0.000	0.000	0.000	0.000
Other Highways and Transportation	Block of smaller Highways projects.	0.679	0.000	0.679	0.000	0.000	0.000	0.000	0.000	0.000
Other Environment and Planning	Block of small projects.	0.018	0.000	0.018	0.000	0.000	0.000	0.000	0.000	0.000
Flood & Water Risk Management	A range of projects to alleviate flood and water risks.	0.866	0.000	0.866	0.000	0.000	0.000	0.000	0.000	0.000
Countryside Rights of Way		0.049	0.000	0.049	0.000	0.000	0.000	0.000	0.000	0.000
Local Flood Defence Schemes (to match fund EA)	Match funding with the Environment Agency for local flood defence schemes.	0.600	0.000	0.600	1.353	0.000	1.353	4.500	0.000	4.500
Subtotals - Environment		2.344	0.000	2.344	1.353	0.000	1.353	4.500	0.000	4.500
Waste - Fire Suppression Systems at Transfer Stations	Installation of fire suppression systems.	0.763	0.000	0.763	0.000	0.000	0.000	0.000	0.000	0.000
HWRC - Tattershall	Replacement Household Waste Recycling Centre at Tattershall	1.998	0.000	1.998	0.000	0.000	0.000	0.000	0.000	0.000
HWRC - Skegness	Replacement Household Waste Recycling Centre at Skegness	0.000	0.000	0.000	2.000	0.000	2.000	0.000	0.000	0.000
Equipment & Vehicles for Waste Transfer Stations	Replacement programme for vehicles and plant used for winter maintenance and in waste transfer stations.	0.481	0.000	0.481	0.548	0.000	0.548	0.299	0.000	0.299
Separated Paper and Card Scheme		0.844	0.000	0.844	1.783	0.000	1.783	2.388	0.000	2.388
Waste		0.135	0.000	0.135	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Waste		4.221	0.000	4.221	4.331	0.000	4.331	2.687	0.000	2.687
Subtotals - Communities		11.915	-0.066	11.981	5.684	0.000	5.684	7.187	0.000	7.187

Capital Programme (2021/22 plus Future Years)		Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme 2022/23 £m	Grants & Contribution 2022/23 £m	Revised Gross Programme 2022/23 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
Corringham Road (development with WLDC)	Major scheme development of Corringham Road, in partnership with West Lindsey District Council.	0.221	0.000	0.221	0.000	0.000	0.000	0.000	0.000	0.000
Sleaford Rugby Club (Sleaford Growth Scheme)	Improvement to ease congestion and improve the traffic flow at the Sleaford Rugby Club junction.	0.020	-0.320	0.340	0.000	0.000	0.000	0.000	0.000	0.000
A52 Skegness Roman Bank		2.823	0.000	2.823	0.075	0.000	0.075	0.000	0.000	0.000
Local Highways Improvements(Pinchpoints) to support Coastal Route (between £2m-£5m p.a)		0.769	0.000	0.769	0.500	0.000	0.500	16.795	0.000	16.795
Highways Rural Road Fund		7.500	0.000	7.500	0.000	0.000	0.000	0.000	0.000	0.000
Other Highways	Block of smaller Highways projects.	0.435	0.000	0.435	0.000	0.000	0.000	0.000	0.000	0.000
Boston Development Schemes (Infrastructure & Economic)	A range of initiatives to support economic and housing growth whilst reducing traffic congestion in and around Boston.	0.268	0.000	0.268	1.000	0.000	1.000	3.200	0.000	3.200
North Hykeham relief road (Scheme total £148m, DfT bid £100m)		0.000	0.000	0.000	0.000	0.000	0.000	48.000	0.000	48.000
Highways B Class Roads and Lower		10.000	0.000	10.000	0.000	0.000	0.000	0.000	0.000	0.000
Subtotals - Highways		84.061	-63.655	147.716	43.660	-2.630	46.290	108.349	0.000	108.349
Subtotals Place		118.303	-63.721	182.024	49.344	-2.630	51.974	115.536	0.000	115.536

Capital Programme (2021/22 plus Future Years)		Net Programme 2021/22 £m	Grants & Contribution 2021/22 £m	Revised Gross Programme 2021/22 £m	Net Programme 2022/23 £m	Grants & Contribution 2022/23 £m	Revised Gross Programme 2022/23 £m	Net Programme Future Years £m	Grants & Contribution Future Years £m	Gross Programme Future Years £m
OTHER BUDGETS										
New Developments Capital Contingency Fund	A council wide budget has been created to fund any schemes that are currently in the development stage. The funding will be awarded to these schemes on the approval of their business cases.	11.476	0.000	11.476	7.500	0.000	7.500	67.500	0.000	67.500
Subtotals Other Budgets		11.476	0.000	11.476	7.500	0.000	7.500	67.500	0.000	67.500
Total Budget		131.471	-125.006	256.477	87.734	-25.996	113.730	261.075	-7.494	268.569
Funding:										
Revenue Funding		0.111	0.000	0.111	0.115	0.000	0.115	0.920	0.000	0.920
Use of Capital Receipts		2.690	0.000	2.690	0.000	0.000	0.000	0.000	0.000	0.000
Borrowing		113.165	-125.006	238.171	87.619	-25.996	113.615	260.155	-7.494	267.648
Use of Capital Grants Unapplied		5.440	0.000	5.440	0.000	0.000	0.000	0.000	0.000	0.000
Use of Revenue Grant Reserves to Fund the Capital Programme		0.016	0.000	0.016	0.000	0.000	0.000	0.000	0.000	0.000
Use of Other Earmarked Reserves		10.050	0.000	10.050	0.000	0.000	0.000	0.000	0.000	0.000
Government Grants & Contributions		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL FUNDING		131.471	-125.006	256.477	87.734	-25.996	113.730	261.075	-7.494	268.569

Note re Funding: The Government Grants and Contributions row in the Funding table is currently showing as nil in each year, but allows for successful funding bids to be added.