

Open Report on behalf of Andrew Crookham Executive Director - Resources

Report to:	Executive
Date:	1 March 2022
Subject:	Revenue Budget Monitoring Report 2021/22 - Quarter 3
Decision Reference:	I022179
Key decision?	No

Summary:

- This report provides an update on revenue spending compared with budgets for the financial year which started on 01 April 2021.
- The tables in this report show the actual income and expenditure for the first nine months of this financial year to 31 December 2021, along with the forecasts for spending and a comparison of the forecasts against the approved budgets for the year.
- The report gives an overview of the financial position, with more detailed information on each budget area provided in Appendices B to J. The financial impacts of Covid-19 for each service area are included in these appendices but are not included in the overall financial position.
- The overall revenue position is that we are forecasting an underspend this year of **£7.366m** (excluding schools and Covid-19).
- We are currently estimating that our forecasted Covid-19 position will be slightly above the Government's emergency grant we have received. We are forecasting an overall deficit of **£0.041m**. We will continue to monitor our forecasted spend on Covid-19 for the remainder of the year, with the aim of containing it within the total grant available.
- We forecast that our general reserves at the end of the year will remain within the target range of 2.5% to 3.5%.
- The impact of this revenue budget forecast on the Council's resilience has been assessed and the conclusion is that our financial resilience remains strong. We have healthy reserve balances, and we will continue to strengthen our financial resilience as set out in paragraph 1.18.

Recommendation(s):

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

Alternatives Considered:

1. This report shows the actual revenue expenditure to 31 December 2021, and projected outturns for 2021/22, therefore no alternatives have been considered.

Reasons for Recommendation:

To maintain the Council's financial resilience.

1. Background**Overall Financial Position**

- 1.1 Table of Summary Position as at 31 December 2021.

	Revised Net Revenue Budget £m	Forecast Outturn £m	Forecast (Under) / Overspend £m
Children's Services	123.203	125.439	2.236
Adult Care and Community Wellbeing	150.762	148.965	-1.797
Place	75.146	74.801	-0.344
Fire and Rescue and Emergency Planning	22.415	22.350	-0.064
Resources	28.884	26.690	-2.195
Commercial	39.803	37.919	-1.884
Corporate Services	2.974	2.646	-0.329
Other Budgets	69.587	70.551	-0.966
Total movement of Reserves	-28.415	-23.517	0.000
Income	-505.474	-507.498	-2.024
Total Excluding schools	-21.115	-21.653	-7.366
School Budgets	21.115	20.288	-0.827
Total	0.000	-1.365	-8.193

- 1.2 Appendix A shows an expanded version of this summary table.

- 1.3 This financial position assumes that the financial impacts of Covid-19 will be contained within the emergency grant funding we receive this year. However, if

the currently reported deficit position for the Covid-19 related expenditure and losses continues, this will adversely affect the above position.

Key Issues Highlighted – "Business As Usual"

- 1.4 The overall revenue position is that we are forecasting an underspend of **£7.366m** (excluding schools and Covid-19). Within this figure the most significant variances are:
- 1.5 Within Children's Services there is a current forecast overspend of **£2.236m**. This has moved from an underspend of (**£0.428m**) which was reported to the end of quarter two. This is the result of combination of forecast variances. There is an increase in the overspend of £4.738m on Home to School Transport, which takes into account new academic year contractual commitments. The overspend is also driven by a number of external factors, such as inflationary challenges, national driver shortages, rising fuel prices and an increase in the numbers of pupils travelling to special schools. Compared to quarter two, other variances to note include: a net underspend variance in Children in Care across residential and fostering / adoption services (£0.326m); utilising of available grant funding for core services (£0.991m); a reduction in legal forecast spending (£0.182m) and a further underspend on 0-19 staffing (£0.210m) More detailed information can be found in Appendix B.
- 1.6 Within Adult Care and Community Wellbeing the forecast underspend is **£1.797m**, which has increased by **£0.637m** compared to the quarter two reported position. This mainly relates to the redeployment of existing workforce and commissioned services within Public Health and Wellbeing to meet needs of the clients after Covid-19. Within Adult Frailty the recharging of additional costs resulting from increased hospital discharges to the NHS and lower homecare usage have contributed to the increased underspend. More detailed information can be found in Appendix C.
- 1.7 Resources Directorate is forecasting an underspend of **£2.195m**. This has increased by £0.375m since quarter two. The majority of this variance arises from an underspend in Public Protection – Safer Communities of £1.242m, where a ring-fenced grant has been received, part of which will be carried forward, as well as underspends due to vacancies. There are a number of other smaller underspends in the remaining areas of the Directorate and more details can be found in Appendix F.
- 1.8 The underspend within the Commercial directorate is forecast to be **£1.884m** and has increased by **£1.088m** compared to quarter two. This is mainly due to utility cost spend remaining lower than planned due to continued reduced usage of Council buildings. There is an increased underspend within Information Management Technology due to the continued support of Covid grants. There is an underspend in Transformation due to staffing vacancies and within the

Customer Service Centre due to reduced demand. More details can be found in Appendix G.

- 1.9 Within Other Budgets the forecast underspend is **£0.966m** and this has increased since the quarter two forecast by £1.312m due to pension enhancement payments being lower than budgeted for and a forecast underspend on the corporate redundancy budget. More detailed information can be found in Appendix J.

Key Issues Highlighted – Financial Impact of the Coronavirus Pandemic

- 1.10 Appendix K provides a table showing the forecast expenditure and losses of income arising from the impacts of the coronavirus (Covid-19) pandemic as at 31 December 2021.
- 1.11 The overall position is that we forecast an overspend of **£0.041m** against the general Covid-19 grant.
- 1.12 The Council is not expecting any further general Covid-19 grant nor Loss of Sales Fees and Charges Income grant from Government other than that received for quarter one expenditure.
- 1.13 Excluded from the £0.041m surplus is £7.720m allocated to the increased cost of capital schemes arising due to the pandemic. This amount will be managed within the proposed capital programme for 2022/23 onwards.
- 1.14 If applicable, further details of Covid-19 expenditure and losses for each service area can be found in Appendices B to J.

Progress on Achievement of Budget Savings

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

Progress on Development Fund Initiatives

- 1.16 Appendix M shows a list of initiatives where the revenue costs are to be funded by the Development Fund earmarked reserve. Progress on each of these initiatives is reported in the appendix. Expenditure on Development Fund initiatives was £5.691m in 2020/21 and £5.986m is planned to be spent in the current year.

Assessment of Impact on Financial Resilience

- 1.17 The impact of this revenue budget forecast on the Council's resilience has been assessed and it has been concluded that our financial resilience remains strong. In the current year we are forecasting an underspend and the forecast for Covid-19

expenditure is only slightly higher than the grant available and can be contained within the overall budgetary position.

- 1.18 We forecast that our general reserves at the end of the year will remain within the target range of 2.5% to 3.5%. If we maintain the current forecast of an underspend, which is likely given the position currently forecasted, then there will be no requirement to draw down our Financial Volatility Reserve to support the 2021/22 budgetary position.
- 1.19 We will aim to strengthen our financial resilience by: continued monitoring of the financial position, undertaking work to address issues as they arise; continued reporting of the Covid-19 impacts to Government; refreshing and updating the Medium Term Financial Plan and Strategy; focusing on transformation work to reduce cost pressures and create budget savings.

Reporting of Budget Virements

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

2. Legal Issues:

Equality Act 2010

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

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.

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

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

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

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

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

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

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

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

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

Crime and Disorder

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

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

3. Conclusion

- 3.1 The Council's overall forecast revenue position is an underspend of **£7.366m** (excluding Schools and forecast Covid-19 deficit).
- 3.2 Also excluded from the overall forecast is a **£4.660m underspend** in capital financing charges that is planned to be transferred to the Capital Financing Charges earmarked reserve to manage future fluctuations in the annual capital financing budget.
- 3.3 The Council's overall forecast position for Covid-19 related expenditure and losses is a **£0.041m deficit**, which is relatively small.

4. Legal Comments:

This report sets out an update on spending, including spending relating to Covid-19, as at 31 December 2021 compared with the revenue budget for the financial year starting on 1 April 2021 to assist the Executive in monitoring the financial performance of the Council.

5. Resource Comments:

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

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This report is due to be considered by the Overview and Scrutiny Management Board on 24 February 2022. Any comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

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

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Revenue Budget Monitoring Report 2021/22 as at 31 December 2021
Appendix B	Children's Services
Appendix C	Adult Care and Community Wellbeing
Appendix D	Place
Appendix E	Fire and Rescue
Appendix F	Resources
Appendix G	Commercial
Appendix H	Corporate Services
Appendix I	Schools
Appendix J	Other Budgets
Appendix K	Summary of Financial Impact of Covid-19 2021/22 as at 31 December 2021
Appendix L	Monitoring of Planned Savings 2021/22
Appendix M	Monitoring of Development Fund Initiatives 2021/22
Appendix N	Approved Budget Virements 2021/22 as at 31 December 2021
Appendix O	COVID-19 Grants and Forecast Expenditure – All Grants

8. Background Papers

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

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

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Revenue Budget Monitoring Report 2021/22 as at 31 December 2021

	Revised Net Revenue Budget £m	Net Expenditure £m	Forecast Outturn £m	Forecast Variance £m	Forecast Variance %
SERVICE DELIVERY					
Children's Social Care	77.939	58.127	76.266	(1.673)	(2.1)
Children's Education	45.264	30.141	49.173	3.909	8.6
Children's Services	123.203	88.268	125.439	2.236	1.8
Adult Frailty & Long Term Conditions	120.211	50.606	120.450	0.239	0.2
Adult Specialities	86.351	77.057	86.106	(0.245)	(0.3)
Public Health and Community Wellbeing	30.329	16.563	28.538	(1.791)	(5.9)
Public Health Grant Income	(33.895)	(25.421)	(33.895)	0.000	0.0
Better Care Funding	(52.233)	(24.936)	(52.233)	0.000	0.0
Adult Care and Community Wellbeing	150.762	93.868	148.965	(1.797)	(1.2)
Communities	48.347	30.587	47.447	(0.900)	(1.9)
Lincolnshire Local Enterprise Partnership	0.394	3.639	0.394	0.000	0.0
Growth	2.540	8.462	2.540	0.000	0.0
Highways	23.865	3.253	24.420	0.555	2.3
Place	75.146	45.941	74.801	(0.344)	(0.5)
Fire & Rescue	22.093	16.221	22.028	(0.065)	(0.3)
Emergency Planning	0.322	0.075	0.322	0.000	0.1
Fire and Rescue and Emergency Planning	22.415	16.296	22.350	(0.064)	(0.3)
Human Resources and Organisational Support	14.366	12.440	13.736	(0.630)	(4.4)
Finance	7.700	5.275	7.237	(0.463)	(6.0)
Legal and Governance Services	2.355	2.920	2.601	0.246	10.5
Public Protection	4.464	1.796	3.116	(1.348)	(30.2)
Resources	28.884	22.431	26.690	(2.195)	(7.6)
Property	11.148	8.661	11.077	(0.071)	(0.6)
Information Management Technology	14.610	13.247	14.230	(0.380)	(2.6)
Transformation	4.991	7.162	4.576	(0.415)	(8.3)
Commercial	9.053	6.405	8.036	(1.017)	(11.2)
Commercial	39.803	35.475	37.919	(1.884)	(4.7)
Corporate Services	2.974	1.870	2.646	(0.329)	(11.1)
Corporate Services	2.974	1.870	2.646	(0.329)	(11.1)
TOTAL SERVICE DELIVERY	443.188	304.149	438.811	(4.376)	(1.0)
OTHER BUDGETS					
Contingency	2.784	0.000	2.784	0.000	0.0
Capital Financing Charges	43.817	(0.399)	0.000	0.000	0.0
Other	22.987	8.343	22.020	(0.966)	(4.2)
TOTAL OTHER BUDGETS	69.587	7.944	24.804	(0.966)	(1.4)
TOTAL NET EXPENDITURE (EXC SCHOOLS)	512.775	312.093	463.615	(5.343)	(1.0)
MOVEMENT OF RESERVES					
Transfer to/from Earmarked Reserves	(4.775)	(2.315)	0.124	0.000	0.0
Contribution to/from School Reserves	(23.841)	(23.841)	(23.841)	0.000	0.0
Contribution to Development Fund	0.000	2.439	0.000	0.000	0.0
Transfer to/from General Reserves	0.200	0.200	0.200	0.000	0.0
TOTAL MOVEMENT OF RESERVES	(28.415)	(23.517)	(23.517)	0.000	0.0
MET FROM:					
Business Rates local Retention	(120.825)	(90.385)	(122.839)	(2.014)	1.7
Revenue Support Grant	(20.580)	(15.641)	(20.580)	0.000	0.0
Other Non Specific Grants	(44.443)	(49.050)	(44.452)	(0.010)	0.0
County Precept	(319.626)	(255.086)	(319.626)	0.000	(0.0)
TOTAL MET FROM	(505.474)	(410.161)	(507.498)	(2.024)	0.4
TOTAL (EXCLUDING SCHOOLS)	(21.115)	(121.585)	(67.400)	(7.366)	
SCHOOL BUDGETS					
Schools Block	151.021	95.862	151.180	0.159	0.1
High Needs Block	85.574	60.871	85.152	(0.423)	(0.5)
Central School Services Block	3.621	1.214	3.315	(0.306)	(8.5)
Early Years Block	42.731	27.992	42.474	(0.257)	(0.6)
Dedicated Schools Grant	(269.202)	(204.421)	(269.202)	0.000	0.0
Schools Budget (Other Funding)	7.369	(0.791)	7.369	(0.000)	(0.0)
TOTAL SCHOOLS BUDGETS	21.115	(19.273)	20.288	(0.827)	96.1
TOTAL (INCLUDING SCHOOLS)	0.000	(140.859)	(47.112)	(8.193)	

Children's Services

Financial Position 1st April – 31st December
2021

Children's Service Directorate

Forecast Financial Position as at 31 December 2021

Position

Children's Services is forecasting a 2021/22 spend of £125.440m against a budget of £123.203m. This is a forecast overspend of £2.236m, a movement of £2.664m from quarter two.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q2 to Q3
	£m	£m	£m	£m
Children's Social Care	77.939	76.266	(1.673)	(2.227)
Children's Education	45.264	49.174	3.909	4.891
Children's Services	123.203	125.440	2.236	2.664

Children's Services

Education

- Home to School Transport is currently forecast to be overspent by £5.075m (or 15.7%). The forecast has been based on the spend to date and includes the new academic year contractual commitments up to 31 March 2022. This is an increase in the forecasted overspend of £4.738m from that reported in quarter 2. There are a number of external factors impacting on the cost of transport delivery: 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 operators including requirements of the PSVAR legislation. These have all had an impact on re-procured contract prices which have shown significant increases (September 2021 costs were 11% higher than those in September 2020) and has had an impact on the current position. A transformational programme is underway which will have a focus on those external factors from 2022/23 onwards. The overspend also includes the full year impact of an increase in special educational needs and disabilities numbers attending non-maintained special schools supporting the primary need of Social, Emotional and Mental Health (SEMH) at a cost of £0.785m. The commissioned placements are as a result of insufficient place capacity within Lincolnshire special schools, which the capital programme is addressing. Further costs (£1.300m) are associated with an increase in the number of pupils travelling to special schools (an additional 75 children).

- An underspend within Special Educational Needs & Disabilities of £0.581m (or 7.6%), a £0.164m reduction compared to the underspend reported in quarter 2. The majority of the underspend relates to Children with Disabilities (CWD) staffing (£0.287m or 18.0%) as a result of staff vacancies and maternity leave, and the Domiciliary Care contract underspend (£0.248m or 53.0%) from parents not wanting carer support in their home due to the impact of Covid-19 in the first quarter also filtering into the second quarter. The majority of the variance this quarter has arisen due to updated costs relating to CWD equipment which is not now expecting to underspend (a variance of £0.200m).
- There are further underspends relating to central staffing costs (£0.275m) from vacancies and staff movement, and other general underspends across education services.
- The forecasts include a total of £0.422m of costs to be claimed from the general Covid-19 grant, and £0.313m of costs which will be claimed against the Outbreak Management Grant.

Social Care

The financial position is driven by:-

- The continuing need for children in care (CiC) requiring external placements identifies a material forecast overspend (£2.102m or 31.6%) relating to residential placements. This is a £0.573m increase in the overspend forecast in quarter 2. CiC numbers have increased (710 at the end of December 2021 compared with 688 at the end of September 2021). The main reason for the increased overspend relates to a further 7 external placements since quarter 2 at a cost of £0.471m. Children's Services 1% carry forward (£1.136m) from 2020/21 is being used to partly offset the CiC placements overspend. The financial position of this statutory requirement does fluctuate due to demand-led nature of the service. There continues to be a robust review of placements undertaken on a monthly basis with all additional costs under scrutiny. The forecast considers the transformational activity taking place within the service
- Social care legal costs continue to be higher than the budget due to the complexity of cases, the reliance on expert advice and the use of counsel. It is forecast to overspend by £1.122m (or 39.7%), a reduction of £0.182m from quarter 2. Children's Services continue to apply the statutory threshold to initiating care proceeding and pre-proceedings. There is on-going work to supporting progression with pre-proceedings and protocols are in place to support this.
- The 0-19 health service underspend has increased to £0.787m (or 9.3%), a £0.210m increase in the underspend from that reported in quarter 2. This overall position relates to county-wide Health Visitor and Children and Young People Nurse vacancies especially in the Lincoln and West Lindsey area. The service continues to encounter recruitment challenges, and this equates to approximately a 13% vacancy rate. On-going recruitment continues to take place including reviewing service delivery options.
- The Fostering and Adoption Service is forecasting a £1.053m (or 7.2%) underspend compared to £0.154m underspend in quarter 2. This is mainly due to continuation of reduced availability of foster care placements throughout the

pandemic, which has seen an increase in children and young people being placed in residential provision.

- There are continued underspends relating to staffing vacancies due to staff turnover for early help services (£0.490m or 5.7%); the use of one-off Outbreak Management grant to part fund the costs of the Healthy Minds delivery in schools following the pandemic (£0.518m); the use of Public Health reserves to part fund the cost of the Early Years contract (£0.573m) and other minor underspends on other service areas.
- The forecasts include a total of £4.306m of costs to be claimed from the general Covid-19 grant to meet additional legacy costs, and £0.795m of costs which will be claimed against the Outbreak Management Grant.

Adult Care and Community Wellbeing

Financial Position 1st April – 31st December
2021

Adult Care & Community Wellbeing

Forecast Financial Position as at 31 December 2021

Position

Adult Care and Community Wellbeing is forecasting a spend of £148.966m against a net budget of £150.763m, which is a £1.797m underspend, a movement of (£0.637m) since Quarter 2.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q2 to Q3
	£m	£m	£m	£m
Adult Frailty	120.211	120.450	0.239	(0.241)
Adult Specialities	86.351	86.106	(0.245)	0.112
Public Health & Community Wellbeing	30.329	28.538	(1.791)	(0.508)
Public Health Grant	(33.895)	(33.895)	0.000	0.000
Better Care	(52.233)	(52.233)	0.000	0.000
Adult Care & Community Wellbeing	150.763	148.966	(1.797)	(0.637)

Public Health & Wellbeing

Public Health & Wellbeing is forecasting a £1.791m underspend at the end of Quarter 3, a change from £1.283m in Quarter 2, which is an increase in the underspend by (£0.508m). The underspend is largely delivered through the redeployment of existing workforce and commissioned services to meet the needs of the population as we both respond to and emerge from the Covid-19 pandemic. The costs incurred in responding to Covid-19, including the recent Omicron wave, are funded through Covid-19 grants. In addition, volume-based services continue to see reduced activity because of restrictions and services such as health checks as a result of the vaccine rollout.

Adult Frailty and Long Term Conditions (AF<C)

There has been a £0.241m improvement in the position from quarter 2. The short-term care spends across older people's care has increased due to continued capacity challenges in the home care market ultimately resulting in the increased need for more expensive interim beds. AF<C is delivering within its financial resources as we can recharge additional costs resulting from increased hospital discharges to the NHS coupled with an underspend, we are seeing due to lower than planned homecare usage given the capacity constraints.

Adult Specialties

This has shown a decrease in the underspend by £0.112m to (£0.245m) underspend. This is largely due to In House Day Opportunities budgets and a gradual return to pre pandemic service user volumes.

Place

Financial Position 1st April – 31st December
2021

Place

Forecast Revenue Financial Position 31 December 2021

Position

At the end of December 2021, Place is forecasting a 2021-22 spend of £74.801m against a budget of £75.146m. This is a forecast underspend of £0.344m and is a reduction of £0.600m from the previously reported overspend.

	Annual Budget £m	Forecast Outturn £m	Forecast Variance £m	Variance Change Q2 To Q3 £m
Communities	48.347	47.447	(0.900)	(0.601)
Lincolnshire Local Enterprise Partnership	0.394	0.394	0.000	0.000
Growth	2.540	2.540	0.000	0.000
Highways	23.865	24.420	0.555	0.001
Place	75.146	74.801	(0.344)	(0.600)

Highways

Highways is forecasting an unchanged overspend of £0.555m.

This is largely due to a forecast pressure on winter maintenance of £0.695m based on an estimate of requiring 85 gritting runs covering 33% of the road network, against a budget based on providing coverage for an assumed "average winter" consisting of 63 gritting runs.

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

Communities

Communities is forecasting an underspend of £0.900m.

The main change to the previous forecast is in **Transport Services** resulting from a forecast underspend on concessionary travel of £0.510m due to reduced activity levels. A further underspend of £0.321m is forecast on supported bus services arising from disruption to the bus market caused by the pandemic and ongoing driver shortages which is limiting the number of services operators are able to contract to run.

Previous reports highlighted the considerable uncertainty remaining in the bus market, with the interaction between reduced patronage and the need to provide ongoing support to ensure the operation of socially necessary services and a number of inflationary pressures on operators making it difficult to forecast.

As previously reported a forecast saving of £0.077m on **Planning Services** is due to two junior posts that are currently vacant and the decision not to recruit to these posts over the last 18 months due to the difficulty in providing the necessary training whilst working from home.

An overspend of £0.088m in **Environment** arises from one-off costs this financial year associated with team restructuring. As a result the team will be better equipped to delivery against the Council's current priorities and to anticipate future challenges and pressures in the near future. This overspend can be funded from within the directorate overall underspend.

Grant support for the continuing Covid-19 impacts and higher than budgeted income from paper and card result in **Waste Services** now being forecast to be in line with budget for the year. Similarly, Culture and Environment (Countryside) are expected to be in line with budget following receipt of Covid-19 grant.

Growth

The use of reserves and surplus Developer income has enabled Growth to be managed broadly in line with budget for the year.

Greater Lincolnshire LEP

As previously reported the Greater Lincolnshire LEP budget, which represents the Council's annual revenue contribution to the LEP, is currently forecast to be in line with budget.

Fire and Rescue and Emergency Planning

Financial Position 1st April – 31st December
2021

Fire & Rescue and Emergency Planning

Forecast Financial Position 31 December 2021

Position

At the end of the third quarter, Fire and Rescue and Emergency Planning is forecasting a 2021/22 spend of £22.350m against a budget of £22.415m. This is a forecast underspend of £0.065m

	Annual Budget £m	Forecast Outturn £m	Forecast Variance £m	Variance Change Q2 To Q3 £m
Fire & Rescue	22.093	22.028	(0.065)	(0.204)
Emergency Planning	0.322	0.322	0.000	0.000
Fire and Rescue and Emergency Planning	22.415	22.350	(0.065)	(0.204)

Fire and Rescue

Fire and Rescue are forecasting an underspend of £0.065m.

This compares with a previously reported overspend of £0.139m in Q2.

Since Quarter 2 we have had the results of our Wholetime recruitment process which resulted in a far higher number of personnel being selected from On Call background. This has enabled us to revise our training course and reduce the 12 weeks down to 5 weeks. We have also reviewed the need for accommodation during the recruit's course that has been a direct impact of Covid-19 which has also reduced costs.

In addition, the timing of planned trauma and other training will be delayed into next financial year due to availability caused by the pandemic. This has resulted in costs £0.204m lower than budgeted for.

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

The service is also supporting the costs of covering long term absence (£0.054m). Lincolnshire Fire and Rescue have a trend of longer term muscular skeletal absences due to the nature of employment, but also due to the challenges of getting personnel signed back fit for work.

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

Resources

Financial Position 1st April – 31st December
2021

Resources

Forecast Financial Position 31 December 2021

Position

At the end of the third quarter, Resources is forecasting a 2021/22 spend of £26.690m against a budget of £28.884m. This is a forecast underspend of £2.195m, which is an increase of £0.374m from the underspend reported at the half-year point.

	Annual Budget £m	Forecast Outturn £m	Forecast Variance £m	Variance Change Q2 To Q3 £m
Human Resources and Organisational Support	14.366	13.736	(0.630)	(0.171)
Finance	7.700	7.237	(0.463)	(0.151)
Legal and Governance Services	2.355	2.601	0.246	0.126
Public Protection	4.464	3.116	(1.348)	(0.178)
Resources	28.884	26.690	(2.195)	(0.374)

Organisational Support (£0.630m underspend)

Business Support are forecasting an underspend of £0.440m.

The projected underspend has increased from £0.354m to £0.440m over the last quarter. The level of staff turnover across business support is currently higher than planned at just under 10% (Q2 8%) and although recent recruitment exercises have secured a good response, there remain several staff vacancies across the service that have not yet been filled.

In addition, an increasing number of Management Support Officer posts have become vacant and have been held as part of the recently completed consultation. This inevitably creates some pressures in maintaining normal service levels.

The underspend also includes covering council-wide Home Working costs forecast to be £52k. From 2022/23 onwards these costs are expected to reduce but as there will be no central budget provision, any ongoing cost will revert to service budgets

Human Resources are forecasting to underspend by £0.190m.

This is due to core staff being re-directed to work on Covid activity and thus being funded via Covid-19 grant (£0.102m).

Occupational Health contracts are also underspent by £0.055m with lower demand during the pandemic.

We reported in Q2 that the expected cost of supporting the “McCloud” pension judgement may be £0.012m. This remains unchanged and can be managed within the directorate.

The remaining underspend relates to a reduction of costs such as mileage and external training and conferences in line with smarter working principles.

Finance (£0.463m underspend)

The overall forecast variance on the Serco finance contract is an underspend of £0.299m.

As reported at Q2, most of this (£0.273m) is due to the budget for the implementation and ongoing costs for moving Adult Social Care payments from being paid net to gross, no longer being required this year as it is currently planned to be implemented from July 2022.

In addition, the period to December has seen slightly lower transaction volumes than budgeted for resulting in a forecast underspend of £0.026m.

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

There is an underspend (£0.016m) on external audit fees due to a refund from Public Sector Appointments Ltd – this is the not-for-profit organisation that procures and manages public sector auditor appointments. From time to time surpluses are distributed to those authorities that use their services.

In addition, due to some slippage in planned project work, the underspend carried forward from 2020/21 is unlikely to be fully utilised in the current year and consequently an underspend of £0.123m is forecast alongside other minor variances (£0.010m).

Governance (£0.246m overspend)

The total cost of the recent local elections was £0.720m.

A base budget of £0.300m per annum was introduced in 2020/21 as part of a rolling budget that, over a four-year cycle, will cover the expected total cost of elections. Council approved the £0.300m that was not required in 2020/21 to be added to an earmarked reserve making the total funding currently available £0.600m. The remaining shortfall (£0.120m) can be funded from overall underspends within the Resources Directorate.

There is also an overall underspend across democratic services and information assurance due to staff vacancies and lower mileage costs (£0.149m).

Legal Lincolnshire is also forecasting a shortfall on its surplus target of £0.275m which represents a significant increase since the report in Q2 (£0.046m).

Continuing recruitment difficulties and the increasing cost of locum lawyers has led to greater than anticipated agency staffing spend while reductions in demand have also been experienced from both the County Council and partners across several different areas of legal work.

Any shortfall at year end will be funded from the Legal Services earmarked reserve.

Public Protection (£1.348m underspend)

Safer Communities

Safer Communities, incorporating Community Safety and Trading Standards, are forecasting an underspend of £1.242m.

An additional ring-fenced grant of £1.445m was received following the passing of the Domestic Abuse Act 2021, for this and future years.

In order to plan its deployment most effectively, £0.878m of this will remain unspent at the year-end, however the grant conditions stipulate that it can only be spent on specific criteria and therefore creation of a new earmarked reserve will be proposed at year-end to allow the service to utilise unspent grant in future years but in the meanwhile, this appears as an underspend.

This overall underspend is offset by a forecast overspend in one area of the service; An element of the Council's domestic abuse provision was piloted and funded by the Better Care Fund. This funding was superseded by the recently announced domestic abuse grant and the Council is in the process of reviewing all committed spend against grant conditions.

Some of the services put in place prior to the publication of grant conditions cannot now be funded by the grant and this has created a forecast overspend of £290k. Commissioning plans are currently being developed to rectify this situation.

The remaining underspend is primarily attributable to staff vacancies across Community Safety and Trading Standards services.

Coroners, Celebratory & Registration Services

The service is forecasting an underspend of £0.106m having previously reported an

overspend in Q2. This is due to the allocation of additional costs to clear service backlogs and the administration of excess deaths experienced in recent months, to covid grant.

The coroners service is expected to be £0.064m overspent.

Following a review of pricing for post-mortems there is an overspend of £0.085m as more expensive options have needed to be utilised during the year due to excess pressures on the service.

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

Registration services are forecast to be on £0.146m underspent.

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

The service has, however, been able to further allocate spend to Covid-19 grant whilst utilising loss of income due to the pandemic against a specific Covid-19 grant. The appointment of a new Head of Service part way through the year has resulted in an additional underspend of £0.025m.

Commercial

Financial Position 1st April – 31st December
2021

Commercial

Forecast Financial Position 31 December 2021

Position

At the end of the third quarter, Commercial is forecasting a 2021/22 spend of £37.919m against a budget of £39.803m. This is a forecast underspend of £1.884m, which is an increase of £1.087m from the underspend reported at the half-year point.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q2 To Q3
	£m	£m	£m	£m
Property	11.148	11.077	(0.071)	0.100
Information Management Technology	14.610	14.230	(0.380)	(0.356)
Transformation	4.991	4.576	(0.415)	(0.252)
Commercial	9.053	8.036	(1.017)	(0.579)
Commercial	39.803	37.919	(1.884)	(1.087)

Corporate Property (£0.071m underspend)

As reported at Q2, projected utility costs are estimated to be £0.100m below budget based on current usage and expected occupation levels at council sites. This figure is subject to change depending on occupation levels as the council returns to a blended working approach and will remain under review through the remaining winter months. Utility purchasing arrangements through ESPO protects the Council from market fluctuations, the national increases in utility prices will therefore not impact on budgets this financial year.

County Farms will underspend by £0.100m following the removal of the remaining Crown estate rents initiated in the previous financial year and a small increase in rental income. This saving has been identified in the service review as part of the medium-term plan. County Farm income levels are also slightly higher (£0.030m) than expected and there are a number of small underspends across the wider services.

These are offset by overspends relating to the additional costs for reactive repairs (£0.130m) due to increases in material prices in conjunction with a peak in tasks because of lack of access during the pandemic.

Increases in Insurance costs have also occurred across the portfolio (£0.040m) as well as management costs for the Grantham Traveller site recently transferred from SKDC to LCC. (£0.020m).

Information Management Technology (£0.380m underspend)

Supporting an agile, predominantly home working organisation, during the pandemic, has been successful, although this has led to additional technology cost. Most of this has been funded by central government's Covid-19 grant and support from reserves, but ongoing delivery costs are being considered within the MTFP.

Without this support the service would be reporting an overspend of c£0.700m. There are currently seven unfilled vacancies to which the service is experiencing challenges in the recruitment market, resulting in an underspend against budget of £0.340m.

Lower contract costs based on Q1 to Q3 data volumes on our outsourced contract are partially offset by costs on Azure Storage, leaving a £0.100m underspend. In addition, costs totalling £0.140m for the Avaya Telephony upgrade have been allocated to the capital programme thus reducing revenue spend accordingly.

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

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

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

Transformation (£0.415m underspend)

The underspend is in relation to current and known future staffing vacancies across the service and through charging staff time to the Covid-19 grant to deal with appropriate Covid related pressures.

Commercial (£1.018m underspend)

The Customer Service Centre (CSC) is forecasting an underspend of £0.628m based on known performance to November and an estimate for the remainder of the financial year.

This comprises core costs, where demand has continued to fall (£0.328m) and from the effects of grant funding for Covid-19 related activity from both general and Adult Care specific grants (£0.300m). Costs will continue to be monitored and may be subject to change in this demand driven service.

Commissioning staffing is forecast to be £0.105m underspent due to vacancies and an allocation from Adult Care covid grants.

Corporate Services

Financial Position 1st April – 31st December
2021

Corporate Services

Forecast Financial Position 31 December 2021

Position

At the end of the third quarter, Corporate Services is forecasting a 2021/22 spend of £2.646m against a budget of £2.974m. This is a forecast underspend of £0.329m.

	Annual Budget £m	Forecast Outturn £m	Forecast Variance £m	Variance Change Q2 To Q3 £m
Corporate Services	2.974	2.646	(0.329)	(0.111)
Corporate Services	2.974	2.646	(0.329)	(0.111)

There have been a number of staff vacancies resulting in an underspend of £0.304m.

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

This is offset by a forecasted £0.007m overspend for the Monitoring Officer's legal costs and £0.007m overspend for increased paper costs for the County News.

Schools

Financial Position 1st April – 31st December
2021

Schools

Financial Position as 31 December 2021

Position

Schools are forecasting a 2021/22 spend of £20.288m against a net budget of £21.115m. This is a forecast underspend of £0.827m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q2 to Q3
	£m	£m	£m	£m
Schools Block	151.021	151.180	0.159	(0.145)
High Needs Block	85.574	85.151	(0.423)	(0.792)
Central School Services Block	3.621	3.315	(0.306)	0.317
Early Years Block	42.731	42.474	(0.257)	(0.216)
Dedicated Schools Grant	(269.202)	(269.202)	0.000	0.000
Schools Budget (Other Funding)	7.369	7.369	0.000	0.000
Schools	21.115	20.288	(0.827)	(0.836)

Schools

Central School Services Block

The financial position is driven by:-

- A significant element of the underspend relates to formulaic funding received from central government for ongoing responsibilities for maintained schools and academies. This forecast underspend is £0.365m less than that reported in quarter 2 due to the allocation of funding for the increase costs of teachers' pensions (mainly a cost attributable to the High Needs Block). Further underspends relate to historical budgets such as PFI funding and Broadband costs. These budgets have been set prudently this year as the Department of Education (DfE) will be reducing these budgets by 20% in 2022/23.

Early Years Block

The financial position is driven by:-

- Minor underspends on central staffing (£0.180m) due to delays in the recruitment process and recent Head of Service changes plus an underspend on the Disability Access Fund (£0.086m).
- The participation budgets are currently shown as being on target. This is a volatile, demand-led budget that has been significantly impacted by covid-19. The DfE has recognised that this year's census data might not be representative of attendance

using January census data and as a result are funding Local Authorities using termly data, which will reduce the overall financial risk.

High Needs Block

The financial position is driven by:-

- The most significant area of overspend relates to top up payments to mainstream schools for children and young people with Education and Health Care (EHC) plans (£2.273m or 11.6%) which is in line with that forecast in quarter 2 and builds in current and future commitments. The SEND transformation programme is however making a difference to the number of new EHC plans (i.e. do nothing trajectory), however like nationally, number of EHC plans are increasing. These pressures have been partly offset by underspends on Alternative Provision (AP) Free school place funding (£1.661m) following DfE confirmation that funding is only being recouped from the Local Authority for 89 places from September 2021.
- Forecast overspends for Independent Non-Maintained Schools placements (£0.490m overspend), independent mainstream placements (£0.116m overspend) and mainstream placements with SEN in other local authority schools (£0.887m overspend) continue to increase. These increases are £0.264m more than that identified in quarter 2. As at January 2022, there are 185 placements in Independent Non-Maintained Schools, 88 placements in independent mainstream and a further 172 placements for mainstream placements with SEN in other local authority schools.
- Other underspends include: the use of one-off grants to fund the costs of the Healthy Minds delivery in schools following the pandemic and the portage service (£1.317m); reduction in Home Tuition (£0.233m); Alternative Provision Places (£0.321m); Social, Emotional & Mental Health (SEMH) placements (£0.267m) and other smaller underspends on various central SEN support services (£0.390m).

Schools Block

The financial position is driven by:-

- It has been assumed that School budgets will be fully spent for the purposes of this report. School delegated budgets (under and overspends) are automatically carried forward in accordance with grant conditions and the Local Authority's school carry forward policy.
- Pupil growth is forecasting a £0.350m overspend, a slight increase from that reported in quarter 2. This relates to later agreements and allocations in accordance with the policy for planned school reorganisations to provide sufficient school places for Lincolnshire pupils. This has been partly offset by income on the Admissions and Exclusions budget (£0.180m).

Other Budgets

Financial Position 1st April – 31st December
2021

Other Budgets

Financial Position as at 31 December 2021

Position

Other Budgets is forecasting a 2021/22 spend of £63.962m against a budget of £69.587m. This is a forecast underspend of £5.626m.

	Budget	Forecast Outturn	Forecast Variance	Variance Change Q2 to Q3
	£m	£m	£m	£m
Contingency	2.784	2.784	0.00	(0.216)
Capital Financing Charges	43.817	39.157	(4.660)	(2.505)
Other	22.987	22.021	(0.966)	(0.964)
Other Budgets	69.587	63.962	(5.626)	(3.685)

Capital Financing

The Capital Financing forecast variance (underspend) of £4.660m is driven by:

Part of this underspend (£2.588m) relates to the Minimum Revenue Provision part of capital financing charges, which is the amount set aside annually to finance the capital programme. The forecast underspend is a result of the capital programme outturn position in 2020/21, which was an underspend against the programme. There is also a forecast underspend of (£1.746m) on interest on borrowing due to re-phasing of the current year capital programme as well as a forecast underspend in the current year. The remaining underspend of (£0.325) is due to interest receipts being higher than budgeted.

It is planned that the capital financing underspend will be used to manage future fluctuations in the annual capital financing budget by transferring it to the capital financing earmarked reserve at the end of the year. This variance is therefore not included in the overall position for the Council shown in the main body of this report.

Other Budgets

Within Other Budgets there is a total forecast variance (under spend) of -£0.966m which is driven by:

- Redundancies and Pension Enhancements. Section 24 pension enhancement payments are lower this year than budgeted resulting in an underspend of -£0.337m, the Corporate redundancy budget is also forecast to be underspent by -£0.974m
- Council Tax Discount for Special Constables. The new budget set aside to pay for our share of Special Constables council tax discount scheme is not likely to be required this year as the scheme will be implemented retrospectively after the end

of the financial year i.e. for the first time in 2022/23. This has led to an underspend this year of -£0.025m.

- Insurance. Increasing insurance premium costs are likely to lead to an overspend of £0.371m this year. Early indications are that this position is likely to continue into future years when the insurance contract is retendered.

SUMMARY OF FINANCIAL IMPACT OF COVID-19 2021/22 AS AT 31 December 2021

Covid-19 Costs and Losses - Actual To Date and Forecast Against Emergency Grant					
	Actual for Q1 2021/22 £000's	Actual for Q2 2021/22 £000's	Actual for Q3 2021/22 £000's	Estimate for Q4 2021/22 £000's	Estimate for FY 2021/22 £000's
<u>Adult Care and Community Wellbeing</u>					
Adult Frailty & Long Term Conditions	746	1,067	-41	487	2,260
Adult Specialties	0	0	0	0	0
Public Health	0	0	0	0	0
Total ACCW	746	1,067	-41	487	2,260
<u>Children's Services</u>					
Children's Social Care	935	1,508	665	1,199	4,306
Children's Education	132	289	557	612	1,590
Total Children's	1,067	1,796	1,222	1,811	5,896
<u>Place</u>					
Communities	303	0	934	163	1,400
Lincolnshire LEP	0	0	0	0	0
Growth	0	0	0	60	60
Highways	75	47	253	207	581
Total Place	378	47	1,187	430	2,041
Fire and Rescue & Emergency Planning	85	20	33	188	327
<u>Resources</u>	101	136	130	322	689
Public Protection	0	0	45	246	291
Resources	101	136	175	568	980
<u>Commercial</u>					
Commercial	1,077	1,081	1,084	2,544	5,787
<u>Corporate Services</u>					
Corporate Services	2	0	0	0	2
<u>Other Budgets</u>					
Other Budgets	0	0	0	0	0
Total Costs and Losses (excl Schools)	3,457	4,148	3,659	6,028	17,292
<u>Schools</u>					
Schools	0	0	0	0	0
Total Costs and Losses (Incl Schools)	3,457	4,148	3,659	6,028	17,292
Covid-19 Emergency Grant					-15,159
Lost SFC income grant (estimated)					-53
SFC reconciliation 20/21 clawback (estimated)					33
Carry forwards					-2,072
Total estimated income					-17,251
Surplus / (Deficit)					-41

Monitoring of Planned Savings 2021/22

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

			Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
Directorate	Service Area	Saving Information *	Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
BUDGET SAVINGS						
Commercial	Reduction in general property costs	A general reduction in property costs	85	Y		
Other Budgets		Implementation of capital financing savings	4,362	Y		
Other Budgets		Removal of revenue contribution in financing the capital programme	1,100	Y		
Other Budgets		Reduction in pension liabilities due to attrition rate	100	Y		
TOTAL BUDGET SAVINGS			10,157	0	0	
			Reported Position			Explanation of any Shortfall and/or Covid19 Grant Support
Directorate	Service Area	Saving Information *	Planned Saving £000's	Delivery Y / N	If N, Shortfall £000's	
GROWTH IN INCOME						
Adult Care and Community Wellbeing	Adult Charging	Additional Service user income Residential	1,500	Y		Service User income Savings - Currently at end of Qtr 3 - all are deliverable, however ACCW have rated Service user Income as high risk budgets, and have implemented additional monitoring as a result. This is highlighting a potential for income levels to fall below the 2021/22 budget, the Debtor Review Programme is continuing and all debts over £25k have been reviewed as at 31st December 2021. The review is continuing with debts now 15K-25K being appraised as to whether they are recoverable or at risk which will inform the bad debt provision work completed as part of the closedown process.
Resources	Registration Income	The realignment of target income to the level achieved in 19/20	108	Y		
Resources	Audit Services Income	Planned additional income from the continued development of Audit services to partner organisations	15	Y		
Resources	Finance services to Schools	An increase in the level of income from Schools	20	Y		
Resources	HR Services to Schools	Proposed income from the continued development of a suite of HR services to Schools	91	Y		
Other Budgets		Increase in dividend relating to investment	6	Y		
TOTAL GROWTH IN INCOME			1,740	0	0	
TOTAL REDUCTIONS TO BUDGET			11,897	0	0	

Monitoring of Development Fund Initiatives 2021/22

Directorate	Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised in 2020/21 £000's	Planned Use of Funding		Update on Progress
					2021/22 £000's	Future Years £000's	
REVENUE							
Place	Environment	Green Masterplan	350	55	255	40	Green Masterplan approved, GMP Website developed, Lincolnshire Carbon Tool – with Bio Regional and Etude developed (this measures the carbon emissions from the whole economy in Lincolnshire). Zero Carbon Castle project commenced with the Castle and Delta Simons to examine how a zero carbon tourist attraction can be developed (this can then provide a model for other tourism sites in the county). LED Street-Lighting – on going process of conversion of street lights to LED lamps funded through the Salix Fund. Lincolnshire Climate Summit held in October 2021.
Place	Communities	Anaerobic digestion Facilities - Business Case Viability	150	30	120		Study has been commissioned to examine whether Anaerobic Digestion is the preferred solution to treat municipal food waste. The report will enable a detailed Technical Options Appraisal to be undertaken and development of an Outline Business Case. NOTE: A government consultation has recently taken place to look at separate waste collections, including food waste. The outcome of this is expected soon and should state requirements and how service expansion should be financed.
Place	Highways and Growth	Highways Advance Design/Economic Development Pipeline Projects	2,713	576	800	1,337	This funding is being utilised in addition to the annual budget of £580k (which is utilised in developing majors projects to a point where capital funds are secured) to enable the delivery of Highways traffic models and transport strategies and a pipeline of Economic Development schemes to bid against emerging government funding opportunities. In 2020/21 all the planned traffic models and transport strategies were completed and in the current year the delivery of transport strategies for Grantham, Skegness, Sleaford and Gainsborough are progressing. Overall progress is in line to complete within the timescale planned in the project bid. Other major projects may be progressed using revenue funding, for example those recently submitted in the Levelling Up Fund.
Place	Highways	Traffic signals - Wireless communications	5	0	5		Small revenue element for ducting surveys on-track.
Place	Highways	Drainage Investigation and Flood Repairs	200	32	118	50	Revenue cost is for technical staff to undertake investigations.
Fire and Rescue and Public Protection	Fire and Rescue	Research study - LFR prevention work	10	8	2		Although the expected start date of the evaluation was initially delayed by Covid, close liaison with the University of Lincoln has allowed the team to develop alternative methods for collecting data to support the evaluation. The period of data collection has been reduced to ensure progress is made, with discussions held to ensure the outcomes as outlined in the scoping document can still be met. The University have confirmed they are confident that the report will provide the details and recommendations required.
Commercial	Transformation	Business Process re-engineering	280	167	113		Prioritised opportunities from the discovery phase have been translated into a Digital Delivery Blueprint. Further work has been completed to link all digital work underway or planned into this piece of work (CSC project, Adults digital projects and future plans within IMT). The blueprint has been created to support the development of the Council's Digital Strategy. The top six opportunities for cashable / non cashable benefits have now been identified and agreement on the roadmap for this delivery is to be agreed by CLT over the summer. Work has now concluded on the School Admissions and Transport Discovery & Service Design with several opportunities for efficiencies and cashable benefits. This will form part of the Digital Delivery Blueprint and help inform decisions on the replacement of the education transport entitlement software (STAMP).
Commercial	IMT	Broadband - 4G	135	0	45	90	Revenue funding for project management resource has not yet been utilised. Further update on the project is reported below in the Capital section below.
TOTAL DEVELOPMENT INITIATIVES REVENUE			3,843	868	1,458	1,517	

CAPITAL							
Children's Services	Strategic Commissioning	Education Transport links to School (Route sustainability)	440	0	100	340	<p>The Sustainable Travel Group (STG) has focused on two specific routes for improvement as a priority with work to commence this financial year. A third route is subject to further cost-benefit analysis work.</p> <p>Fishtoft- A project lead has been assigned the work. Technical Services Partnership is currently scoping costs and this has been scheduled into the timetable. It is envisaged this will be completed late 2021 or early 2022. This is an improvement to an existing suitable route but where there is no footpath and further supports the removal of previously existing transport entitlements to specific students and safeguards against future applications/appeals. Estimated cost c. £60k. Annual savings estimate c. £12-18 p.a.</p> <p>Toynnton All Saints- All landowners are in agreement with proposals for the new track. The owner of part of the track is unknown and so we are awaiting dispensation from the Secretary of State to post legal notices of the proposal on the land. The Public Rights of Way (PROW) team is undertaking informal consultation with relevant stakeholders before progressing to the design stage. Depending on any objections raised, this may take 3-12m to progress. Estimated cost c. £100k. Annual savings estimate £7k.</p> <p>Whilst expenditure was expected in 2021/22, only E4k has been spent to date and it is unlikely that further spend will incur in this financial year.</p>
Place	Highways	Traffic signals - Wireless communications	80	80			Two regions have been fully commissioned and are utilising the wireless facilities. All the equipment has been installed into the additional regions by the contractor. The network settings require changing for these additional regions to allow the contractor to test the wireless links and complete the project.
Place	Highways	Community Maintenance Gangs	3,981	3,981			The full allocation was fully committed in 2020/21 to deliver a variety of community maintenance gangs throughout the financial year. This additional resource was well received by local members and the general public in solving a variety of minor maintenance improvements and repairs.
Place	Highways	Drainage Investigation and Flood Repairs	2,000	646	1,204	150	Schemes totalling £700k were commissioned in 2020/21 with an in year spend of £646k; most of the remaining budget is expected to be spent in 2021/22 with £150k expected to be spent in 2022/23. Our contractors, Balfour Beatty, identified additional resources for delivering these works and we have also employed additional specialist drainage engineers to complete all investigation and design work on the more complex schemes that our Technical Services Partnership design team is overseeing.
Place	Highways	Works on B class roads and lower	10,000	0	3,000	7,000	Approved as part of the LCC carry forward in summer 2021. Various works are progressing with the majority of the spend expected in 2022/23
Fire and Rescue and Public Protection	Fire and Rescue	Flood Management Pumps	116	116			Project completed in terms of asset purchase and auxiliary equipment added. Stations equipped with necessary charging systems to ensure 24/7 response. Driver training to be under taken at Holbeach & Alford stations however other stations have necessary training to mobilise if required. Project now complete.
Fire and Rescue and Public Protection	Fire and Rescue	Replacement Trading standards Metrology equipment	50	0	24	26	New software and licences have been delivered for 3 out of 5 machines and these are installed and working. Remote installation was carried out with a 26 remote training session due to pandemic. 2 more licences are on order and due to be delivered and installed with support.
Commercial	IMT	Broadband - 4G	800	0	200	600	Delivery of the overall Broadband project is currently on track and in line with the contractual milestones. The need for funding 4G development as a means of providing wider, mobile broadband access is being reviewed and consequently the scope and funding for the project is currently being re-assessed.
TOTAL DEVELOPMENT INITIATIVES CAPITAL			17,467	4,823	4,528	8,116	
TOTAL Revenue and Capital Development Initiatives			21,310	5,691	5,986	9,633	

Target Changes October - December 2021

Revenue

Nothing to report

Capital

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
Lexicon House	Development Fund	Return unused budget originally for Lexicon House back into the Development Fund	Assistant Director, Corporate Property	£0.050m
Property	Development Fund	Return unused budget originally for Leverton & Grantham Fire stations back into the Development Fund	Assistant Director, Corporate Property	£0.730m

Revenue to Capital

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
(Revenue) Highways	Capital Financing Charges	Movement of Lincs lab trading account surplus to fund Lincs lab capital purchases	Highways Assessment & Laboratory Manager	£0.040m
(Capital) Revenue Funding	Lincs Lab Vehicles	(replacement of coring rigs)	S151 Officer	
(Revenue) Adult Frailty & Long Term Conditions	Capital Financing Charges	Move budget to fund the costs of relocating Grantham Day Service to another site	Assistant Director – Specialist Adult Services & Safeguarding	£0.960m
(Capital) Revenue Funding	Adult Care		S151 Officer	

Covid-19 Grants and Forecast Expenditure – All Grants

	2020/21 Grant c/f	New 2021/22 Grant Allocation	Grant Available in 2021/22	Forecast Spend
	£	£	£	£
General Emergency Covid 19 - Tranche 5 (April 21)	2,072,000	15,158,732	17,230,732	17,292,429
SFC - Loss of Income Grant (claim made, not yet approved)		52,917	52,917	
SFC - Loss of Income Grant 20/21 Reconciliation (claim made, not yet approved)		- 33,233	- 33,233	
DEFRA Hardship fund (majority to be utilised by AUG)	294,925		294,925	294,925
Infection Control Phase 2 Oct20-Mar21	669,956		669,956	669,956
Infection Control Phase 3 Apr21-Jun21		3,383,872	3,383,872	3,383,872
Infection Control Phase 4 Jul21-Sept21		2,396,453	2,396,453	2,396,453
Infection Control Phase 5? Oct21-Mar22		4,036,217	4,036,217	4,036,217
Test and Trace	1,496,047	-	1,496,047	1,227,585
Clinically extremely Vulnerable support	1,741,011	-	1,741,011	1,638,713
Additional Home to School Transport	414,683	765,350	861,949	771,208
Covid Winter Grant Support for Families	- 510,962	1,211,130	700,168	700,168
Extended Contain Outbreak Management Fund	7,013,522	9,823,656	16,837,178	16,837,178
Care Home Testing Grant Phase 1	62,230		62,230	62,230
Rapid Testing Grant Phase 2 Apr21-Jun21		2,248,775	2,248,775	2,248,775
Rapid Testing Grant Phase 3 Jul21-Sept21		1,809,083	1,809,083	1,809,083
Adult Social Care Workforce Grant	122,421		122,421	122,421
Workforce Recruitment & Retention Round 1		2,280,000	2,280,000	2,280,000
Workforce Recruitment & Retention Round 2		4,209,000	4,209,000	4,209,000
Covid 19 Increasing Bus Service Provision (CBSSG and CBSSG restart)	310,444		310,444	175,000
NHS Discharge Model Recharge		2,665,131	2,665,131	2,665,131
Community Testing to 30Jun22		646,263	646,263	646,263
Community Testing Ringfenced Grant		482,707	482,707	482,707
Testing Oct21-Mar22		2,125,875	2,125,875	2,125,875
Vaccine Oct21-Mar22		400,947	400,947	400,947
Practical Support Grant		1,713,830	1,713,830	1,713,830
Local Covid Support Grant	-	2,615,824	2,615,824	2,615,824
Household Support Grant		5,464,685	5,464,685	5,464,685
Local Resilience Fund Covid Grant		200,000	200,000	
ASC Omicron Support Fund ~ New		841,987	841,987	841,987
Holiday Activities and Food Programme Grant (HAF)	253,930	2,271,100	2,525,030	2,525,030
TOTAL	13,940,207	66,770,301	80,392,424	79,637,492

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