

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

Report to:	Executive
Date:	06 December 2022
Subject:	Revenue Budget Monitoring Report 2022/23 - Quarter 2
Decision Reference:	I027770
Key decision?	No

Summary:

- This report provides an update on revenue spending compared with budgets for the financial year which started on 01 April 2022.
- The tables in this report show the actual income and expenditure for the first six months of this financial year to 30 September 2022, 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 I.
- The overall revenue position is that we are forecasting an underspend this year of **£1.614m** (excluding schools) at 30 September 2022, which is **0.31%** of the net revenue budget.
- 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 relatively strong at this point in time. Our quarter 2 forecasts include the impacts of high levels of inflation in the wider economy and we have allocated amounts set aside for inflation to help cover these. We have also reported any expected underspends to present an overall picture of forecast net expenditure being within the budget set.

Recommendation(s):

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

Alternatives Considered:

1. This report shows the actual revenue expenditure to 30 September 2022, and projected outturns for 2022/23, therefore no alternatives have been considered.

Reasons for Recommendation:

To maintain the Council's financial resilience.

1. Background**Overall Financial Position**

1.1 Table of Summary Position as at 30 September 2022

	Revised Net Revenue Budget £m	Forecast Outturn £m	Forecast Variance £m
SERVICE DELIVERY			
Children's Services	95.371	95.124	(0.247)
Adult Care and Community Wellbeing Place	166.124	165.614	(0.510)
Fire and Rescue	125.321	127.048	1.727
Resources	22.288	22.555	0.267
Corporate Services	67.724	67.935	0.211
TOTAL SERVICE DELIVERY	3.041	2.907	(0.135)
OTHER BUDGETS			
TOTAL OTHER BUDGETS	479.869	481.183	1.314
TOTAL NET EXPENDITURE (EXC SCHOOLS)	91.567	90.163	(1.404)
MOVEMENT OF RESERVES			
TOTAL MOVEMENT OF RESERVES	(45.006)	(45.006)	0.000
MET FROM:			
TOTAL MET FROM	(544.843)	(546.366)	(1.524)
TOTAL (EXCLUDING SCHOOLS)	(18.412)	(20.027)	(1.614)
SCHOOL BUDGETS			
TOTAL SCHOOLS BUDGETS	18.412	18.010	(0.402)
TOTAL (INCLUDING SCHOOLS)	0.000	(2.016)	(2.016)

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

Economic Context and Financial Mitigation

- 1.3 Since the Council set its budget, the rate of inflation has increased to relatively high levels and has remained high ever since. The rate of consumer price inflation (CPI) was recorded by the Office for National Statistics at 10.1% in September, having been 3.1% twelve months earlier. The rate of inflation reflects the

increased cost of energy, which has been exacerbated by the Ukraine war. There are other factors that contribute to the inflation position.

- 1.4 The Council's budget proposal noted the emergent risk of excessive inflationary increases impacting upon spend, and increased the corporate contingency to provide capacity to withstand unbudgeted price increases across Council expenditure.
- 1.5 During the first half of the financial year, the key areas where excessive inflation growth is reflected in forecasts is as follows:
 - Highways maintenance in respect of a mid-year price increase has been agreed for the SMEs in the supply chain to preserve their viability and therefore security of supply (£1m)
 - Increased energy prices for street lighting (£1.5m)
 - Additional fuel (diesel) costs within the fire and rescue service (£0.1m)
 - Property energy and maintenance contract costs are expected to be higher than the current budget (£1.5m)
 - Adult Care are supporting providers by operating a Hardship Fund supporting those who can demonstrate rising costs

Key Issues Highlighted

- 1.6 The overall revenue position is that we are forecasting an underspend of £1.614m (excluding schools), which is a variance of 0.31% of the overall net revenue budget. Further details of the financial position for each Directorate are given in appendices B to I. The most significant variances are highlighted below:
- 1.7 Place. The main reason for the forecast overspend in this Directorate is the increase in energy costs relating to street lighting (a forecast overspend of £1.570m). The Highways service continues to experience high levels of inflation on contracts and materials and further detail is provided in Appendix D.
- 1.8 Other Budgets. The forecast underspend of £1.404m in Other Budgets is due to two issues. Insurance is forecast to underspend by £1.014m because our budget assumption was that premium increases would be higher than they were for the current year. Pension liabilities are forecast to underspend by £0.388m, mainly because the budget has not been reduced to allow for attrition over the past two years. Further detail is provided in Appendix I.
- 1.9 Income. The forecast underspend of £1.524m is as a result of additional income received this year for the Independent Living Fund and Extended Rights to Free Travel grants (£0.699m). The levels of these two grants for 2022/23 was not known at the time the budget was set, and the amounts received for each are above the levels assumed at that time. These increases in grant are reflected in the medium term financial plan. In addition, we have received a quarter 1 estimate of the business rates pooling gain for 2022/23 from the District Councils,

which shows a gain of £0.825m above the level assumed in the budget. This estimate may change as the year progresses.

Progress on Achievement of Budget Savings

1.10 The chart below shows the savings per Directorate built into the 2022/23 budget as part of the last budget process. At quarter 2 it is reported that all savings are expected to be delivered this year. The list includes both budgetary savings on costs (£4.774m) and budgeted increases in income (£0.044m).

Directorate	Prior Year under achieved Savings £000s	This Year savings £000s
Place	0	1,828
Resources	0	981
Commercial	0	819
Adult Care & Community Wellbeing	0	707
Children's Services	0	435
Fire and Rescue	0	23
Corporate Services	0	20
Other Budgets	0	6
Total	0	4,818

Earmarked Reserves Position and Forecast Spend for 2022/23

1.11 Appendix J shows the current balance on the Council's earmarked reserves, together with amounts forecast to be drawn down from reserves to cover expenditure in the current year. The opening balance for earmarked reserves in total is £244.267m and it is currently forecast that £73.588m of this will be used in 2022/23 to support expenditure in accordance with the purposes of the reserves.

Progress on Development Fund Initiatives

1.12 Appendix K 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 is currently forecast to be £16.318m in 2022/23.

Assessment of Impact on Financial Resilience

1.13 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 relatively strong. High levels of inflation were starting to be anticipated at the time the

2022/23 budget was set and some amounts were set aside in the budget to deal with this. The impacts of high levels of inflation in the wider economy have been incorporated into our forecasts, amounts set aside for inflation have largely been allocated, and any forecast underspends have also been captured. This has resulted in an overall position which is within budget. The National Joint Council pay award for April 2022 is still awaited at the time of writing this report and we have assumed that our remaining allocations for inflation, and our general contingency, both held within Other Budgets, will be sufficient to cover this pay award based on the Employers' offer that has been made.

- 1.14 We forecast that our general reserves at the end of the year will remain within the target range of 2.5% to 3.5%. Based on our current forecast underspend of £1.614m there should be no requirement to draw down our Financial Volatility Reserve to support the 2022/23 budgetary position. The balance of the Financial Volatility Reserve currently stands at £46.922m.
- 1.15 We will aim to maintain our financial resilience by continued monitoring of the financial position, undertaking work to address issues as they arise; continuing to work with the Society of County Treasurers to ensure that the Government understands the particular issues faced by County Councils; refreshing and updating the Medium Term Financial Plan and Strategy; focusing on transformation work to reduce cost pressures and create budget savings.

Reporting of Budget Virements

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

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 £1.614m (excluding Schools).

3.2 This position will continue to be monitored and reported throughout the year.

4. Legal Comments:

This report sets out an update on spending as at 30 September 2022 compared with the revenue budget for the financial year starting on 1 April 2022 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, however the forecast underspend is relatively small at 0.31% of the net revenue budget. Continued effort in monitoring is essential to ensure that any additional cost pressures are identified and addressed throughout the year.

6. Consultation

a) Has Local Member Been Consulted?

No

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 November 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 2022/23 as at 30 September 2022
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	Corporate Services
Appendix H	Schools
Appendix I	Other Budgets
Appendix J	Earmarked Reserves Position and Forecast 2022/23
Appendix K	Monitoring of Development Fund Initiatives 2022/23
Appendix L	Approved Budget Virements 2022/23 as at 30 September 2022

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 2022/23	Council Budget
Budget Book 2022/23	Budget Book 2022/23

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Revenue Budget Monitoring Report 2022/23 as at 30 September 2022

	Revised Net Revenue Budget £m	Net Expenditure £m	Forecast Outturn £m	Forecast Variance £m	Forecast Variance %
SERVICE DELIVERY					
Children's Social Care	82.074	40.931	81.992	(0.083)	(0.1)
Children's Education	13.297	6.864	13.132	(0.165)	(1.2)
Children's Services	95.371	47.795	95.124	(0.247)	(0.3)
Adult Frailty & Long Term Conditions	124.345	25.147	124.292	(0.053)	(0.0)
Adult Specialities	94.106	50.650	94.000	(0.106)	(0.1)
Public Health and Community Wellbeing	31.788	7.644	31.437	(0.351)	(1.1)
Public Health Grant Income	(34.847)	(17.424)	(34.847)	0.000	0.0
Better Care Funding	(54.336)	(17.507)	(54.336)	0.000	0.0
Public Protection	5.069	0.228	5.069	0.000	0.0
Adult Care and Community Wellbeing	166.124	48.738	165.614	(0.510)	(0.3)
Communities	84.697	30.907	84.705	0.009	0.0
Lincolnshire Local Enterprise Partnership	0.396	0.465	0.396	0.000	0.0
Growth	2.202	0.523	2.351	0.149	6.8
Highways	38.026	7.853	39.596	1.570	4.1
Place	125.321	39.747	127.048	1.727	1.4
Fire & Rescue	22.288	11.323	22.555	0.267	1.2
Fire and Rescue	22.288	11.323	22.555	0.267	1.2
Corporate Property	13.680	7.698	15.130	1.450	10.6
Commercial	8.825	3.547	8.087	(0.738)	(8.4)
Finance	8.252	3.674	7.454	(0.798)	(9.7)
Information Management Technology	15.520	10.031	15.792	0.271	1.7
Governance Services	2.138	1.178	2.294	0.156	7.3
Organisational Support	14.568	8.844	14.383	(0.185)	(1.3)
Transformation	4.740	3.088	4.795	0.055	1.2
Resources	67.724	38.059	67.935	0.211	0.3
Corporate Services	3.041	1.544	2.907	(0.135)	(4.4)
Corporate Services	3.041	1.544	2.907	(0.135)	(4.4)
TOTAL SERVICE DELIVERY	479.869	187.206	481.183	1.314	0.3
OTHER BUDGETS					
Contingency	6.500	0.000	6.500	0.000	0.0
Capital Financing Charges	58.104	(0.866)	58.104	0.000	0.0
Other	26.962	4.467	25.558	(1.404)	(5.2)
TOTAL OTHER BUDGETS	91.567	3.601	90.163	(1.404)	(1.5)
TOTAL NET EXPENDITURE (EXC SCHOOLS)	571.436	190.807	571.346	(0.090)	(0.0)
MOVEMENT OF RESERVES					
Transfer to/from Earmarked Reserves	(35.006)	(35.006)	(35.006)	0.000	0.0
Contribution to Development Fund	(10.000)	(10.000)	(10.000)	0.000	0.0
TOTAL MOVEMENT OF RESERVES	(45.006)	(45.006)	(45.006)	0.000	0.0
MET FROM:					
Business Rates local Retention	(122.595)	(60.412)	(123.420)	(0.825)	0.7
Revenue Support Grant	(21.220)	(11.034)	(21.220)	0.000	0.0
Other Non Specific Grants	(56.156)	(28.613)	(56.855)	(0.699)	1.2
County Precept	(344.872)	(172.436)	(344.872)	0.000	0.0
TOTAL MET FROM	(544.843)	(272.495)	(546.366)	(1.524)	0.3
TOTAL (EXCLUDING SCHOOLS)	(18.412)	(126.694)	(20.027)	(1.614)	
SCHOOL BUDGETS					
Schools Block	153.531	64.652	153.525	(0.006)	(0.0)
High Needs Block	96.380	44.301	95.983	(0.396)	(0.4)
Central School Services Block	3.132	0.435	3.132	(0.000)	(0.0)
Early Years Block	41.667	20.349	41.667	0.000	0.0
Dedicated Schools Grant	(284.982)	(148.349)	(284.982)	0.000	(0.0)
Schools Budget (Other Funding)	8.685	4.386	8.685	0.000	0.0
TOTAL SCHOOLS BUDGETS	18.412	(14.225)	18.010	(0.402)	97.8
TOTAL (INCLUDING SCHOOLS)	0.000	(140.919)	(2.016)	(2.016)	

Children's Services

Financial Position 1st April – 30th
September 2022

Position

Children's Services is forecasting a spend of £95.124m against a budget of £95.371m. This is a forecast underspend of £0.247m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Children's Social Care	82.074	81.992	(0.083)	(0.880)
Children's Education	13.297	13.132	(0.165)	0.013
Children's Services	95.371	95.124	(0.247)	(0.868)

Children's Services

Children's Social Care

- Social care legal costs are a known cost pressure and continue to be higher than the budget due to the complexity of cases, reliance on expert advice and the use of counsel. Legal costs are forecast to overspend by £1.948m (or 73.2%), a £0.473m increase from that reported in quarter 1. The forecast legal spending (£4.609m) is £0.560m more than the final spend in 2021/22. Children's Services continue to apply the statutory threshold to initiating care proceeding and pre-proceedings.
- The number of Children in Care (CiC) has reduced slightly at the end of August 2022 to 735 compared to 742 at the end of June 2022 although the number of children in residential placements has remained at a similar level. The budget for out of county fostering placements is forecasting an overspend (£0.323m or 19.2%), a £0.055m increase from that reported in quarter 2. The transformational work will continue to have strong oversight and rigour of the budget position of these demand-led and volatile budgets with a view of delivering on these ambitious financial trajectories.

- The 0-19 children's health service is forecasting an underspend of £0.716m (or 8.5%) a £0.216m increase on the underspend reported in quarter 1. This is mainly due to county-wide Health Visitor vacancies (11%) which are at a similar level to that experienced in 2021/22 and additional NHS funding relating to the Children's Continence Service. Health Visitor recruitment is a national issue and workforce development and ongoing recruitment remain key priorities for the service.
- Continued underspends are expected on the Unaccompanied Asylum Seekers grant (£0.419m), the Healthy Minds delivery in schools following the pandemic (£1.034m) where costs have been apportioned against the Outbreak Management grant (a further £0.776m above that reported in quarter 1), additional funding for Supporting Families (£0.454m) due to the service expecting to meet their payments by results target, in addition to other smaller service overspends.

Children's Education

- Most of the underspend is within Special Educational Needs & Disabilities of £0.115m (or 1.5%) and this is a slight reduction on the underspend reported in quarter 1 (£0.128m). The contributing factor to the forecast underspend relates to the Domiciliary Care contract (£0.108m or 23.1%), which is unable to access care resources and packages of support due to limited availability within the marketplace although this has seen an improvement since quarter 1, with the underspend against the contract reducing by £0.040m. The service continually reviews and searches for alternatives.

Adult Care and Community Wellbeing

Financial Position 1st April – 30th
September 2022

Adult Care and Community Wellbeing is forecasting a spend of £165.614m against a budget of £166.124m. This is a forecast underspend of £0.510m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Adult Frailty & Long Term Conditions	124.345	124.292	(0.053)	(0.053)
Adult Specialities	94.106	94.000	(0.106)	(0.106)
Public Health and Community Wellbeing	31.788	31.437	(0.351)	(0.351)
Public Health Grant Income	(34.847)	(34.847)	0.000	0.000
Better Care Funding	(54.336)	(54.336)	0.000	0.000
Adult Care and Community Wellbeing	166.124	165.614	(0.510)	(0.510)

Adult Care & Community Wellbeing

Adult Specialities position is supported by the planned drawdown of £1.100m from the adult care reserve. Continued growth in demand for mental health care coupled with increases in unit cost of care is driving increased costs. The increase was forecast, and the reserve set aside to support whilst a pooled budget approach is explored with partners to minimise future financial impact of demand growth and better share risk.

Adult Frailty & Long-term Condition services continue to see a higher usage of interim beds. During Covid-19, Lincolnshire saw an increase in usage of interim beds resulting from increased demand from hospitals and community capacity challenges. The 2022-23 budget was built based on a 20% reduction in cost. Performance during the early stages of the year highlight delivery of the reduced usage. This area of spend will continue to be monitored as we head into the 'winter' months when we usually experience heightened

demand. Currently the increase in spend is supported by the reduction in homecare spend.

Maximising the Public Health Grant received during 2022-23 has resulted in the reported underspend.

Place

Financial Position 1st April – 30th September 2022

Place is forecasting a spend of £127.048m against a budget of £125.321m. This is a forecast overspend of £1.727m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Communities	84.697	84.705	0.009	0.013
Lincolnshire Local Enterprise Partnership	0.396	0.396	0.000	0.000
Growth	2.202	2.351	0.149	0.149
Highways	38.026	39.596	1.570	1.345
Place	125.321	127.048	1.727	1.507

Communities

Although currently very close to target, the budget for the key services of Waste Management and Transport are being closely monitored as seasonal demand factors and market volatility present a risk of budget variances later in the year.

Greater Lincolnshire LEP is expected to be on target again this year.

Growth

Increased utility costs, reduced income levels during the alterations at Eventus Business Centre and unbudgeted repairs necessary at North Sea Observatory are driving expenditure levels in Growth. The service is currently exploring potential mitigations to these budget variances which are likely to reduce the overspend to £0.060m but in the meanwhile is forecasting a potential overspend of £0.149m.

Highways

The current budget forecast is for a £1.570m overspend due to increased energy costs for street lighting.

The service continues to experience high levels of inflation on contracts and materials. However, at present the impact of this on the revenue budget is being offset by better than expected income levels for Traffic Regulation Orders and Permitting and budgets remain under close review to ensure expenditure is directed to priority areas.

At this relatively early stage in the year, it is still not possible to accurately forecast budgets such as winter maintenance which are driven by weather conditions and therefore outside the direct control of the service. These risks continue to be monitored and will be updated as necessary in future reports.

Fire and Rescue

Financial Position 1st April – 30th
September 2022

Fire and Rescue is forecasting a spend of £22.555m against a budget of £22.288m, an overspend of £0.267m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Fire & Rescue	22.288	22.555	0.267	0.267
Fire and Rescue	22.288	22.555	0.267	0.267

Fuel (diesel) costs have increased by 57% resulting in an overspend of £0.131m. This inflationary pressure is compounded by a continued increase in the number of incidents.

A VAT adjustment payment for operational response vehicles of £0.077m was highlighted through an audit that encompassed 4 years returns to HMRC that did not include the full VAT payments. This is a one-off pressure for the back payments and future budget assumptions will include this cost.

There is £0.060m cost pressure for the wholetime Fire Fighter recruitment that is required to ensure we have minimum staffing at our wholetime stations. The costs for these courses were not included in the base budget as it was agreed to review the overall budget during the year to see if this could be absorbed within any underspend that may arise. Current projections show that this will be a realised cost pressure that cannot be absorbed.

The grant to support the FireLink communication platform is being phased out over the next five years. This means that the service has received £0.065m less to provide control services. During the same period, the cost of the service has increased by £0.038m.

The ongoing grant reduction, along with the increased costs mentioned above, are reflected in the medium-term financial plan.

The service is actively using earmarked reserves over and above planned use to mitigate some of the pressures detailed above to restrict the forecasted overspend to the total quoted above.

Resources

Financial Position 1st April – 30th
September 2022

Resources is forecasting a spend of £67.935m against a budget of £67.724m, which is an underspend of £0.211m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Corporate Property	13.680	15.130	1.450	1.450
Commercial	8.825	8.087	(0.738)	(0.738)
Finance	8.252	7.454	(0.798)	(0.798)
Governance Services	2.138	2.294	0.156	0.156
Information Management Technology	15.520	15.792	0.271	0.271
Organisational Support	14.568	14.383	(0.185)	(0.167)
Transformation	4.740	4.795	0.055	0.055
Resources	67.724	67.935	0.211	0.229

Finance (£0.798m underspend)

Financial Services

The service, which includes the allocation of last year's approved carry forward, is forecast to underspend by £0.676m (underspend is £0.214m without carry forward).

The directorate received £0.735m in carry forward from the previous financial year. To date only £0.273m has been directly allocated to projects which will be completed later in the financial year. Subsequently, this is shown as an underspend of £0.462m.

Serco contract costs are forecast to be £0.266m lower than budget.

The overall forecast variance on the Serco finance contract is an underspend of £0.266m. Most of this (£0.211m) is due to the budget for the implementation and ongoing costs for moving Adult Social Care payments from being paid net to gross which is currently assumed to be implemented from January 2023.

In addition, the period to July has seen slightly lower transaction volumes than budgeted for, resulting in a forecast underspend of £0.055m.

Other Financial services (£0.052m overspend)

This is due to the additional costs of bank charges and external audit fees.

Corporate Audit & Risk Management (£0.122m underspend)

The service is expected to underspend by £0.122m. Several current vacancies are planned to be filled throughout the year and additional income via the securing of new contracts with district councils has contributed to this position.

Property (£1.450m overspend)

Inflationary pressures have had a significant impact on Corporate Property costs and as a result the service is forecasting an overspend of £1.450m.

Energy costs are expected to overspend by £1.000m.

In the ever-changing market, Property Services continue to receive monthly briefings from ESPO on secured purchase of gas and electricity supplies. Volumes based on historic consumption levels have now been secured for the financial year at a fixed price.

The service monitors cost and consumption levels monthly and will continue to review the financial impact for the year and the impact price changes will have on the council's medium-term finances.

Contract costs for the Vinci Property contract will lead to an overspend of £0.450m.

Inflationary pressures incorporating the impact of the national living wage and construction industry cost increases, over and above those identified during the budget setting exercise, have contributed to this position.

Performance meetings are held monthly with Vinci allowing the service to monitor costs and provide regular challenge against available budget.

Information Management Technology (IMT) (£0.271m overspend)

IMT is forecast to overspend by £0.271m.

The cost to provide Broadband Infrastructure through the new contract provision with EMPSN is expected to cost an additional £1.000m per annum with the pro rata cost for 2022/23 £0.450m based on a contract start date of November 2022.

LCC continue to consume increased levels of data storage, consequently this is higher than the budgeted usage resulting in an overspend of £0.110m.

Other minor variances total a small overspend of £0.027m.

These costs are offset by staffing vacancies as the service continues to face challenges to recruit and retain IMT professionals in a competitive market (£0.316m).

Governance (£0.155m overspend)

Legal Lincolnshire

Legal Services Lincolnshire is projecting a shortfall against the trading surplus target of £0.180m.

Continuing recruitment difficulties and the increasing use and cost of locum lawyers compared with in-house staff has reduced the amount of surplus per hour resulting in a lost contribution to overall surplus.

In addition, lower than expected income was also experienced across several areas of legal work.

A review of the services financial model is under way and will be completed by Q3 in line with the Council's budget setting timetable.

Corporate Services

Financial Position 1st April – 30th
September 2022

Corporate Services is forecasting a spend of £2.907m against a budget of £3.041m, forecasting an underspend of £0.135m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Corporate Services	3.041	2.907	(0.135)	(0.135)
Corporate Services	3.041	2.907	(0.135)	(0.135)

The underspend reflects staffing vacancies within the service.

Schools

Financial Position 1st April – 30th September 2022

The

Dedicated Schools Budget is forecasting a 2022/23 net spend (less of grant funding) of (£18.010m) against a net budget of (£18.412m). This is a forecast underspend of £0.402m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Schools Block	153.531	153.525	(0.006)	(0.006)
High Needs Block	96.380	95.983	(0.396)	1.289
Central School Services Block	3.132	3.132	(0.000)	(0.000)
Early Years Block	41.667	41.667	0.000	0.000
Dedicated Schools Grant	(284.982)	(284.982)	0.000	0.000
Schools Budget (Other Funding)	8.685	8.685	0.000	0.000
Schools	18.412	18.010	(0.402)	1.283

High Needs Block

- The Alternative Provision (AP) free school place funding has underspent by £1.630m. This is a temporary underspend following Department for Education confirmation that funding is only being recouped from the Local Authority for 89 places for this financial year.
- Non-Maintained Schools placements and independent mainstream placements are overall forecasting an overspend (£1.547m or 10.6%). This is a £1.768m increase from that reported in quarter 1 and is due to increased demand for those pupils with more complex needs, along with insufficient places within Lincolnshire special schools. The Building Communities of Specialist Provision Strategy is delivering an increase in the number of places within Lincolnshire to support the forecast trajectory of growth.
- Top-up and targeted payments to mainstream schools for Lincolnshire children and young people with Education and Health Care (EHC) plans are forecasting an overspend of £1.600m (or 3.8%). This area was expected to be on target for the quarter 1 reporting. The SEND transformation programme continues to have a

positive impact in supporting children and young people and is reducing the upward trajectory of EHC plans against the do-nothing line, however like nationally, the number of EHC plans are increasing.

- These recent overspends have been partly offset by uncommitted funds within the High Needs Block (£2.017m). In addition, work is almost complete on the supplementary funding for special schools (to meet unforeseen costs).
- Further financial variances include Pilgrim Home Tutoring which is forecasting an overspend (£0.163m or 37.51%), where the forecast has been based on the previous year's activity. This service provides education for medically certified pupils requiring home tutoring support. This has been identified and is being addressed through a direct workstream with Pilgrim school and a new Social, Emotional and Mental Health (SEMH) strategy.

Other Budgets

Financial Position 1st April – 30th
September 2022

Other Budgets is currently forecasting a £90.163m spend, against a £91.567m budget, forecasting an underspend of £1.404m.

	Annual Budget	Forecast Outturn	Forecast Variance	Variance Change Q1 To Q2
	£m	£m	£m	£m
Contingency	6.500	6.500	0.000	0.000
Capital Financing Charges	58.104	58.104	0.000	0.000
Other Budgets	26.962	25.558	(1.404)	(1.404)
Other Budgets	91.567	90.163	(1.404)	(1.404)

Contingency

It is expected that the contingency budget is likely to be required in full this year to cover inflationary impacts as well as potential pay awards above the level budgeted for. Therefore, it is assumed at this stage that the budget will be spent in full.

Capital Financing Charges

Capital financing charges is forecast to underspend by £5.991m this year. This comprises a forecast underspend on interest payable on loans and on the minimum revenue provision (MRP) of £2.891m in total, and a forecast surplus of investment income of £3.100m. The underspend on interest and MRP has arisen due to slippage in the 2021/22 capital programme, and because no borrowing has been taken so far in the current year. The surplus on investment income has arisen because of the increase in investment interest rates this year, triggered by the increases in the bank base rate. This forecast underspend is likely to be used to fund a Voluntary Revenue Provision charge, which can be used subsequently to reduce the impact of capital financing charges in future years. The underspend is therefore not reflected in the table above, nor in the Council's overall position at quarter 2.

Other Budgets

The remaining budget areas within Other Budgets are forecast to underspend in total by £1.404m in the current year. The main variances within this are:

- Insurance is forecast to underspend by £1.014m because our budget assumption was that premium increases would be higher than they were for the current year. In addition, our average 3-year claim history has reduced.
- Pension Liabilities are forecast to underspend by £0.388m mainly because the budget has not been reduced to allow for attrition over the past two years. This will not be a saving for 2023/24 as next years' pension amounts will be increased by inflation which is currently high, and this is likely to more than offset any attrition saving next year.

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Earmarked Reserves Position and Forecast Spend 2022/23 (all figures in £)

Reserve	Purpose of Reserve	Closing Balance 31/03/22	Forecast Spend 2022/23 as at Jan 22	Forecast Spend 2022/23 as at Jun 22	Forecast Spend 2022/23 as at Sept 22	Change in Forecast 2022/23	Commentary
Childrens Services							
Young People in Lincolnshire	This reserve came from the liquidation of the former Connexions company's including a share of the Co-op distribution (£35,750), which is to be spent on young people of Lincolnshire. DLT have agreed to the commitment for NEET for two dedicated posts for 12 months initially (by responding to the impact of the pandemic), designed to focus on employment options and to assist care leavers future outcomes.	-227,511	76,292	76,292	76,292	0	
Families Working Together Reserve	The purpose of the Grant is to enable Local Authorities to deliver the Government's Troubled Families Programme, which is around working with complex families at an Early Help stage to facilitate and sustain a range of outcomes. There is also a requirement to 'transform services' across partnerships based upon learning from the Programme. This is a Payment by Results Grant. The conditions are set in a detailed Financial Framework.	-599,275	0	197,000	197,000	0	
Youth Offending Service Reserve	The reserve was set aside for two key eventualities. The first was to support remand costs to youth secure accommodation of CYP, and as such treated as 'looked after'. Many of these remand events cannot be predicted and relate to complex and high profile cases that generate costs sometimes running into hundreds of thousands of pounds. Secondly, the reserves have also been held to offset the potential impact of grant reductions by the Youth Justice Board and the Lincolnshire PCC. The service staffing model is fully supported by the grants and any change would necessitate a review and have a potential impact upon service delivery. The Youth Justice grant is always a delayed settlement sometimes into April & May and this leaves no scope for financial planning or contingency.	-200,299	0	0	0	0	
Lincolnshire Music Service Reserve	This is a reserve that was set up shortly after the Music Service became a fully traded service (i.e. the base budget was fully recovered from the service). It is intended that the Music Service use this reserve to cover any changes to income levels, planned or ad hoc spending priorities.	-419,687	50,000	50,000	234,500	184,500	Drawing of the reserve to support service recovery following the pandemic to return to activity levels seen prior to the pandemic.

Reserve	Purpose of Reserve	Closing Balance 31/03/22	Forecast Spend 2022/23 as at Jan 22	Forecast Spend 2022/23 as at Jun 22	Forecast Spend 2022/23 as at Sept 22	Change in Forecast 2022/23	Commentary
S77 School Projects	Section 77 of the Schools Standards monies that has to be spent on playing fields related replacement work (earmarked for the primary St Christopher's special schools site (2022/23).	-400,780	400,780	400,780	400,780	0	
Subtotal Childrens Services		-1,847,552	527,072	724,072	908,572	184,500	
Corporate Services							
Community Engagement Reserve	Provides financial support to community based initiatives	-58,524	0	0	0	0	
Subtotal Corporate Services		-58,524	0	0	0	0	
Other Budgets							
Insurances - Earmarked Reserve	To cover unknown future insurance claims. As claims are received this will be transferred to the insurance provision. It may also be increased following actuarial assessment.	-6,775,061	1,000,000	1,000,000	1,000,000	0	
Financial Volatility Reserve	This reserve will support future budget deficits, to allow time for savings to be implemented to balance the budget over the longer term. The planned use of reserve is based on MTFP as at January 2022 i.e. no requirement to be used to balance the 2022/23 budget.	-46,922,262	0	0	0	0	
Coronavirus Recovery Reserve	This reserve was created at the end of the 2020/21 financial year to help support on-going covid costs in future years.	-2,304,000	0	2,304,000	2,304,000	0	Budget approval by Council in February 2022 including approving using this reserve to balance the 2022/23 revenue budget
Development Fund	Allocated to various revenue and capital schemes and separately reported	-23,451,202	8,355,574	11,756,000	16,318,000	4,562,000	The forecast has been updated to reflect the spend on Development Fund initiatives forecast for quarter 2
Energy from Waste Plant Lifecycle replacement Reserve	Amounts are added to this reserve annually from the revenue budget to allow for future replacement of assets. Amounts are drawn down to fund asset replacements in year	-4,720,982	750,000	750,000	750,000	0	
Business Rates Volatility Reserve	This reserve was created from a BR Collection Fund surplus in a previous year. It will be used to cover collection fund deficits e.g. due to rates appeals as and when they arise	-6,151,613	0	0	0	0	

Reserve	Purpose of Reserve	Closing Balance 31/03/22	Forecast Spend 2022/23 as at Jan 22	Forecast Spend 2022/23 as at Jun 22	Forecast Spend 2022/23 as at Sept 22	Change in Forecast 2022/23	Commentary
Reserves Requiring Council Approval September	To hold carry forwards from previous year pending Council approval of proposals to use these carry forwards. Approval takes place at Council meeting in September each year. After this the carry forwards are disaggregated into the appropriate reserves.	-12,670,171	0	0	0	0	Council approved use of carry forwards in September 2022 and this balance will be disaggregated.
Subtotal Other Budgets Place		-102,995,291	10,105,574	15,810,000	20,372,000	4,562,000	
Museum Exhibits - Earmarked Reserve	Reserve for the purchase of Museum Exhibits in future years. Any budget under/over spends are transferred at year end.	-133,356	0	0	0	0	
Growth Reserve	Used for one-off service development and improvement projects in Economic Development.	-1,147,923	0	922,000	922,000	0	
Carbon Management Reserve	Revolving fund to facilitate the installation of energy saving measures in LCC buildings and maintained schools.	-35,668	0	0	0	0	
Flood & Water Risk Management	Utilised for risk to the capital programme and unplanned costs associated with the implementation of Waterways Development Plan.	-199,999	0	0	0	0	
Civil Parking Enforcement Reserve	Statutory reserve to manage surplus on parking enforcement activity for reinvestment in future parking initiatives.	-88,406	0	0	0	0	
Cultural Services Reserve	Reserve made up of unspent bequests and contributions given to make purchases for collection in accordance with the Collections, Acquisitions and Disposals Policy.	-295,438	172,600	172,600	172,600	0	
Traffic Management Reserve	Reserve to manage surplus on traffic permitting activity to help smooth seasonal peaks and troughs.	-1,290,408	50,000	50,000	50,000	0	
Lincoln Cultural Quarter Earmarked Reserve	To fund future remedial works in Lincoln Cultural Quarter.	-175,731	0	0	0	0	
Support to Businesses	This reserve is for the implementation of schemes to support Lincolnshire Businesses including Business Recovery Fund Grants, Digital Voucher Scheme, Rural Business Grant Scheme and Invest for the Future.	-3,302,586	0	0	996,716	996,716	

Reserve	Purpose of Reserve	Closing Balance 31/03/22	Forecast Spend 2022/23 as at Jan 22	Forecast Spend 2022/23 as at Jun 22	Forecast Spend 2022/23 as at Sept 22	Change in Forecast 2022/23	Commentary
Subtotal Place Resources		-6,669,515	222,600	1,144,600	2,141,316	996,716	
Procurement Reserve	Used to fund 8 FTE in the Commercial Team - 3 G10 FTE in People, 5 FTE from G12 to G6 in Infrastructure. Will consume reserve until it reaches zero. Assumptions on 'Use of Reserves' tab.	-1,244,646	394,230	394,230	394,230	0	
CSSC Transformation Including BW Rebuild and Development	To support transformation costs regarding the Corporate Support Service Contract review and Business World development project.	-1,957,481	1,292,690	1,292,690	1,292,690	0	Any excess expenditure will be funded from the Development Fund earmarked reserve
Property Management Reserve	This is required for further legal advice for the proposed Billingborough housing development	-24,508	0	0	0	0	
Legal Earmarked Reserve	The build up of historic surplus following distribution to partners. The LCC surplus target was increased for 20/21 in line with the previous performance and therefore excess surpluses are unlikely to be material, if any, into the future. Any deficits, should there be any, will be funded from this reserve.	-811,256	0	0	0	0	
Community Safety Reserve	This allocation is made up of historic partner contributions to support the cost of Domestic Homicide Reviews. The timing of requirement is demand driven and cannot be quantified on an annual basis.	-49,814	0	0	0	0	
Purchase of Employee Leave Scheme Reserve	This reserve was created from the income received from the purchase of annual leave by staff with the intention of reinvesting this providing employee benefits and supporting corporate initiatives for the benefit of employees. The service now has an income target of £180k pa and this reserve will increase/ decrease depending upon employee take up against this target and plans to support initiatives against the criteria above.	-305,046	50,500	50,500	50,500	0	

Reserve	Purpose of Reserve	Closing Balance 31/03/22	Forecast Spend 2022/23 as at Jan 22	Forecast Spend 2022/23 as at Jun 22	Forecast Spend 2022/23 as at Sept 22	Change in Forecast 2022/23	Commentary
Elections Reserve	There is an annual £300k budget to fund elections. In a non-election year the underspend is transferred to this reserve, and then the reserve is used in an election year to cover the costs.	0	0	0	0	0	
Subtotal Resources		-4,392,751	1,737,420	1,737,420	1,737,420	0	
Schools							
Schools Sickness Insurance Scheme - Earmarked Reserve	This an insurance fund operated on behalf of the Local Authority Finance team for maintained and academy schools. The scheme allows schools to buy into a level of sickness cover. Claims do vary from year to year, therefore having a suitable level of reserve (which the closing balance is considered to be) enables this to be managed without the need to significantly change the premiums.	-772,933	0	0	0	0	
Subtotal Schools		-772,933	0	0	0	0	
Total Earmarked Reserves		-116,736,566	12,592,666	19,416,092	25,159,308	5,743,216	
Reserve	Purpose of Reserve	Closing Balance 31/03/22	Forecast Spend 2022/23 as at Jan 22	Forecast Spend 2022/23 as at Jun 22	Forecast Spend 2022/23 as at Sept 22	Change in Forecast 2022/23	Commentary
Subtotal Adult Care and Community Wellbeing		-65,374,378	14,869,297	16,234,136	17,074,964	840,828	
Subtotal Childrens Services		-9,757,713	1,793,598	1,793,598	1,793,598	0	
Subtotal Corporate Services		-212,872	0	0	0	0	
Subtotal Fire and Rescue		-384,024	116,673	116,673	116,673	0	
Subtotal Other Budgets		-1,627,524	0	0	0	0	
Subtotal Place		-14,121,682	1,680,000	4,680,000	4,680,000	0	
Subtotal Resources		-605,589	48,500	48,500	48,500	0	
Subtotal Schools		-8,892,955	115,260	115,260	8,892,955	8,777,695	
Total Revenue Grants		-100,976,737	18,623,328	22,988,167	32,606,690	9,618,523	

Reserve	Purpose of Reserve	Closing Balance	Forecast Spend	Forecast Spend	Forecast Spend	Change in	Commentary
		31/03/22	2022/23 as at Jan 22	2022/23 as at Jun 22	2022/23 as at Sept 22	Forecast 2022/23	
Subtotal Childrens Services		-16,967	0	0	0	0	
Subtotal Schools		-26,536,330	2,117,196	2,117,196	15,822,147	13,704,951	
Total Schools		-26,553,297	2,117,196	2,117,196	15,822,147	13,704,951	
Grand Total - all earmarked reserves		-244,266,601	33,333,190	44,521,455	73,588,145	29,066,690	

Monitoring of Development Fund Initiatives 2022/23

Directorate / Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised up to 31/03/22 £000's	Forecast Use of Funding Current Year and Future		Update on Progress
				2022/23 £000's	Future Years £000's	
REVENUE						
Place - Environment	Green Masterplan	350	72	258	20	<p>Green Masterplan approved, GMP Website developed, Lincolnshire Carbon Tool developed, Zero Carbon Castle project commenced to examine how a zero carbon tourist attraction can be developed. Ongoing process of conversion of street lights to LED lamps funded through the Salix Fund.</p> <p>A carbon dioxide emission baseline for the whole economy in the county highlighted challenges around decarbonising transport, businesses and local communities. Projects have been developed to address these areas. On engaging with local communities, we have worked with 30 local schools on an Environmental Engagement Programme – this led to the creation of an artwork, which toured around the county over summer 2022. The Zero Carbon Parishes project has produced a carbon footprint for every parish in the county and 12 parishes have come forward to develop carbon reduction plans based around small scale environmental projects. Example projects include a bike maintenance project in Holbeach, energy efficiency in Heighington and solar panels in Nettleham.</p> <p>The GMP is supporting the Council's Tree Planting Programme. We secured £169k of funding from the Forestry Commission which planted 16,000 trees in February 2022. This will be followed up with another tree planting programme for winter 2022/23. We have identified around 20 larger, privately owned sites for tree planting schemes.</p> <p>We are funding a report from the Energy Catapult, which looks at the opportunities in the Central Lincolnshire Local Plan area to incorporate renewables into buildings and the size of the potential resource.</p> <p>Following on from the new Local Transport Plan, we are working on a project to look at options to decarbonise freight deliveries.</p> <p>The GMP funding is supporting work to look at the installation of Electric Vehicle Charging Points at hospitality businesses on the coast and we are working to develop a wider support scheme to help small and medium businesses with reducing their energy bills.</p>
Place - Communities	Anaerobic digestion Facilities - Business Case Viability	150	75	57	18	<p>The Environment Act 2021 will place statutory responsibility on Waste Disposal Authorities such as LCC for the separate disposal of food waste. The specific requirements of the Act are due to be released imminently but all indications are that separate weekly food waste collections will be a priority, which is likely to necessitate significant investment in the county's waste infrastructure.</p> <p>A 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.</p>

Directorate / Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised up to 31/03/22 £000's	Forecast Use of Funding Current Year and Future		Update on Progress
				2022/23 £000's	Future Years £000's	
REVENUE contd.						
Place - Highways and Growth	Highways Advance Design/Economic Development Pipeline Projects	2,713	589	766	1,358	This funding is being utilised to supplement the Advance Design Block budget to accelerate development of Traffic Models, Transport Strategies and Feasibility Studies while still investing the previous level of revenue funding into developing detailed designs for highway based projects and capital funding bids to third parties (e.g. DfT, DLUHC, etc). In addition, it has enabled the development of a pipeline of Economic Infrastructure schemes to bid against emerging government, LCC and other funding opportunities. Some 22 Transport Strategies, Models, Feasibilities and Highway Designs are currently being progressed, overseen by the Capital Programme Steering Group. In 2020/21 and 2021/22, 7 Economic Infrastructure feasibility studies were completed, and 4 are currently in delivery.
Place - Highways	Traffic signals - Wireless communications	5	0	5	0	Small revenue element for ducting surveys on-track with maintenance duties to be carried out in 2022/2023.
Place - Highways	Drainage Investigation and Flood Repairs	200	165	33	2	Revenue cost is for technical staff to undertake investigations. A full update on the overall project is provided in the Capital section below.
Fire and Rescue	Research study - LFR prevention work	10	8	0	0	This project is now complete. Although the expected start date of the evaluation was initially delayed by Covid, close liaison with the University of Lincoln allowed the team to develop alternative methods for collecting data to support the study. The period of data collection was reduced to ensure progress and discussions held to ensure the outcomes as outlined in the scoping document were met. The project was delivered within budget and the £2k funding remaining is no longer required.
Resources - Transformation	Business Process re-engineering	280	259	21	0	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).

Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised up to 31/03/22 £000's	Forecast Use of Funding Current Year and Future		Update on Progress
				2022/23 £000's	Future Years £000's	
REVENUE contd.						
Resources - Transformation	Transformation Programme	7,384	0	2,861	4,523	The Transformation Programme was set up to develop a strong vision, identity and brand for the Council, put customers at the centre, enable the Council to become an employer of choice and support Lincolnshire County Council (LCC) in being more flexible and agile with a culture that promotes ownership and accountability. Initially built around three core delivery workstreams (people, communities and processes), the programme has initiated and driven a range of transformation activity, delivering impact for the people and place of Lincolnshire. The achievements and impact of the programme are regularly reviewed by the Overview and Scrutiny Management Board. The latest report can be viewed at: https://lincolnshire.moderngov.co.uk/documents/s48062/8.0%20Transformation%20Programme%20Update.pdf
Place - Growth	Broadband - 4G	135	0	0	135	Revenue funding for additional project management resource to enable the capital element of this project has not yet been required. A more detailed update on the overall project is reported in the Capital section below.

Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised up to 31/03/22 £000's	Forecast Use of Funding Current Year and Future		Update on Progress
				2022/23 £000's	Future Years £000's	
CAPITAL						
Place - Communities	Education Transport links to School (Route sustainability)	440	0	30	410	<p>The Sustainable Travel Group has been focused on enabling more pupils to walk and cycle to and from school. There are currently three priority schemes, with work originally planned to commence 2022/23. However, further work is needed to analyse the cost vs benefit of these schemes, alongside other potential schemes. A joint approach between the Sustainability Team and Transport Services Group now have an initial priority likely to be a headline review of the county in order to establish the potential for modal shift. The current priority schemes are:</p> <ul style="list-style-type: none"> •Fishtoft - A project lead has been assigned the work. costs currently being scoped. This is an improvement to an existing suitable walking route, but where there is no footpath, and further supports the removal of previously existing transport entitlements to specific students and safeguards against future applications/appeals. Estimated cost c. £60k. Annual savings estimate c. £12-18 p.a. •Toynton All Saints – There has been an objection to the planned works and the Public Rights of Way (PROW) team now needs to submit a case to the Secretary of State, which will delay progress by more than 12 months. Estimated cost c. £100k. Annual savings estimate £7k. •Greenfields, Grantham – headline cost versus benefit analysis demonstrated that this should not be a priority. As such, this scheme is on hold. The walking route to the school has been deemed unsafe and this will likely have an increase on the cost of educational travel as more pupils will be eligible. However, all transport for this school has been optimised and re-tendered, likely generating a saving on the current costs irrespective of this increase in the number of eligible pupils. <p>No drawdown of the Development Fund has yet taken place for the scheme. It is expected that the expenditure incurred in 2022/23 will relate to the review needing to be undertaken, which will require some of the Development funding currently identified as capital, re-allocating to revenue.</p>
Place - Highways	Traffic signals - Wireless communications	80	80	0	0	<p>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.</p>
Place - Highways	Community Maintenance Gangs	3,981	3,981	0	0	<p>The 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.</p>

Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised up to 31/03/22 £000's	Forecast Use of Funding Current Year and Future		Update on Progress
				2022/23 £000's	Future Years £000's	
CAPITAL contd.						
Place - Highways	Drainage Investigation and Flood Repairs	3,444	1,207	2,237	0	Schemes totalling £700k were commissioned in 2020/21 with an in-year spend of £646k. A further £561k was spent in 2021/22 and the remaining budget from the original funding allocation will be spent in 2022/23 on schemes in Scothern and Kirton. In addition, to allow for the delivery of these two schemes, c.£992,650 from the additional £1.444m allocation, approved as part of the 2022/23 Budget, will be utilised. The remaining c.£451,350 will then be spent in 2022/23 to deliver a programme of approx 33 localised schemes/works packages. Our contractors, Balfour Beatty, have 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	10,000	0	Expenditure of £1.7m was incurred during 2021/22 on patching sites in preparation for the surface dressing 2022/23 programme, reactive patching to deal with pothole clusters, additional maintenance drainage gangs for jetting and CCTV and ironwork adjustments across various sites in the county. The remaining £8.3m is committed to a programme of work on residential and terraced streets and a village road improvement programme, to be completed in 2022/23. In total, £10m has now been drawn down from the Development Fund in the 2022/23 financial year.
Fire and Rescue	Flood Management Pumps	116	116	0	0	Project completed in terms of asset purchase and auxiliary equipment added. Stations equipped with necessary charging systems to ensure 24/7 response. Driver training to be undertaken at Holbeach & Alford stations however other stations have necessary training to mobilise if required. Project now complete.
ACCW - Public Protection - Trading Standards	Replacement Trading standards Metrology equipment	50	0	50	0	New software and licences have been delivered for 3 out of 5 machines and these are installed and working. Remote installation was carried out with a remote training session due to pandemic. 2 more licences are on order and due to be delivered and installed with support.
Place - Growth	Broadband - 4G	800	0	0	800	Delivery of the overall Broadband project is currently progressing in line with the revised contractual milestones, having experienced some delays due to Covid and the worldwide shortage of semi-conductors that affected equipment availability. The need for funding 4G development as a means of providing wider, mobile broadband access is now being overtaken by progress in both 4G and 5G in urban centres and improvements to rural areas being funded by the Building Digital UK (BDUK) £1bn Shared Rural Network programme. Following the conclusion of the latest BDUK Open Market Review to establish suppliers existing networks and planned build over the next 3 years, the need and prioritisation of interventions, including that originally proposed by this project, is being reviewed. This review is expected to be completed by December 2022.
		18,911	5,384	12,317	1,210	
		30,138	6,552	16,318	7,267	

Budget Virements April - September 2022

Revenue

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
Children's Social Care	Children's Education	Supported Childcare Funding budget offered up as a saving.	Strategic Finance Manager - Children's Services	£0.052m
Met From – Non Specific Grants	Place - Communities	Met From Biodiversity Net Gain income budget to Communities expenditure budget	Strategic Finance Lead - Place	£0.010m
Children's Social Care	Public Health	Extension to Lincolnshire Integrated Sexual Health Service (LISH) Contract – Children and Young People's Enhanced Element	Director of Children's Services	£0.250m

Capital

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
Performance Reporting Equipment	New Developments Capital Contingency Fund	Fire & Rescue capital budget - to give back to contingency	Strategic Finance Manager - Resources	£0.300m

Lexicon House	New Developments Capital Contingency Fund	Corporate Property to give budget back to Contingency	Interim Assistant Director – Corporate Property	£0.950m
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Revenue to Capital

SERVICE FROM	SERVICE TO	REASON	Approved by	AMOUNT
(Revenue) Adult Frailty & Long Term Conditions. (Capital) Capital Funding	Capital Financing Welton - Extra Care Housing - Capital	Transfer £500k budget from Revenue Adult Care to Capital Extra Care Housing	Executive Decision Report 05/07/22	£0.500m
(Revenue) Adult Frailty & Long Term Conditions. (Capital) Capital Funding	Capital Financing Adult Care	Transfer £500k budget from Revenue Adult Care to Capital Day Care (Ancaster Day Centre)	Executive Decision Report 05/07/22	£0.500m

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