

Council Budget 2015/16

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1. BUDGET RECOMMENDATIONS

It is recommended that the Council:

1. considers the responses to consultation on the Council's budget proposals as contained in **APPENDIX D** "Budget Consultation";
2. considers the Section 151 Officer's Statement on the Robustness of the Budget and the Adequacy of Reserves as set out in **Section 10** "Section 151 Officer's Statement on the Robustness of the Budget and Adequacy of Reserves";
3. considers the Impact Analysis relating to increasing the Council Tax by 1.9% in 2015/16 as set out **APPENDIX C** "Impact Analysis relating to increasing the Council Tax by 1.9% in 2015/16";
4. approves:
 - 4.1 the service revenue budgets for 2015/16 contained in **Table 2** "Net Service Revenue Budget 2015/16 and change over previous year";
 - 4.2 the capital programme and its funding contained in **Section 7** "Capital Programme" and **APPENDIX M** "Capital Programme";
 - 4.3 the County Council element of the council tax for a Band D property at £1,085.94 for 2015/16 contained in **APPENDIX B** "County Precept 2015/16";

as together being the Council's Budget.

5. approves the Council's Financial Strategy contained in **APPENDIX E** "Financial Strategy";
6. approves the prudential targets for capital finance and notes the prudential indicators contained in **APPENDIX L** "Prudential Indicators";
7. approves that the minimum revenue provision (MRP) be based on the asset life method and made in equal instalments over the estimated life of the assets acquired through borrowing as set out in **Section 9** "Minimum Revenue Provision";

Councillor M Hill OBE
Leader of the Council and
Executive Councillor for Governance,
Communications and Commissioning

P Moore BA, CPFA
Executive Director Finance
and Public Protection

2. THE FINANCIAL BACKGROUND

2.1 This report sets out a one year financial plan for revenue and capital budgets. The Council will set a one year budget due to the uncertainty associated with local government funding in the medium to long term. Uncertainty of future funding following a general election in May 2015 and the promise of a new Comprehensive Spending Review which will follow this, will affect local government funding to the end of the decade. Also changes to funding through the Better Care Fund and implementation of the Care Act will require further clarification for local government budgets to be set with certainty in the longer term. Clarity on such matters should allow the County Council to develop longer term plans from 2016/17 onwards.

2.2 In developing the one year financial plan for 2015/16, the Council has undertaken a fundamental review of priorities and related budgets to identify how to close the gap between current spending levels and the amount of funding available to local government going forwards. The Council plans to use a mixed approach of delivering spending at the reduced level of funding available through budget savings/reductions plus the use of reserves built up in previous financial periods to smooth the effect of reductions to service budgets in this financial year.

2.3 On an annual basis the Council has the opportunity to review the level of Council Tax. In the last four financial years, the Council has opted not to increase Council Tax and has accepted Freeze Grant offered by Central Government in these years. The Government has again offered a 1% Freeze Grant for Council's who freeze their Council Tax. However, to maximise funding and lessen any long term impact on funding, it is proposed to set a Council Tax increase of 1.9% for 2015/16.

2.4 The savings identified through the fundamental budget review plus the one off use of reserves and a proposed modest Council Tax increase, will ensure the Council can withstand the immediate pressures in local government funding, whilst implementing the arrangements for delivering services at the reduced level of government funding.

3. THE COUNCIL'S REVENUE FUNDING

Local Government Finance Settlement

3.1 The Provisional Local Government Finance Settlement, issued on 18 December 2014, provided the Council with levels of funding for 2015/16. These figures have now been updated in the Final Local Government Finance Settlement announced on 3 February 2015.

3.2 The main points arising for Revenue Support Grant (RSG) are:

- The RSG allocation for 2015/16 is £94.670m;
- The 2014/15 Council Tax Freeze Grant of £2.585m has been added into RSG from 2015/16 (this is in addition to the grant for 2013/14 - £2.547m which was incorporated into RSG in 2014/15);
- The Rural Services Delivery Funding of £0.171m received as a Section 31 Grant in 2014/15 has been added to the Efficiency Support for Services in Sparse Areas within RSG. The value of this in 2015/16 is £1.327m; and

- Local Welfare Provision also forms part of RSG in 2015/16 (£1.337m). This is a presentational change to RSG and does not represent new funding into the grant. There is no requirement to deliver this service.

3.3 There has been one amendment to the original figures; this is an additional £0.918m added into the Final Settlement. During the consultation period the Department for Communities and Local Government (DCLG) indicated that they would reconsider the issue of funding for local welfare provision (detailed in bullet point three above). Within the formula, the Local Welfare Provision element has remained unchanged at £1.337m. However, the additional £0.918m funding has been added into the upper tier settlement funding assessment line.

3.4 Taking the above changes into consideration before comparing RSG funding received for 2014/15 to 2015/16, the Council has seen a reduction of £32.661m or 25.65% in RSG funding between the two financial years.

Other Revenue Government Grants

3.5 The Government has also announced that it will provide non-specific grants in addition to the Settlement for:

- New Homes Bonus Grant of £3.524m will be provided in 2015/16 relating to the increase in the number of new properties built in Lincolnshire;
- New Homes Bonus Returned Funding. In 2014/15 the Council received £0.336m for New Homes Bonus Returned Funding. The Final Settlement indicated that this funding would be returned to local authorities again in 2015/16. However, to date, the Council has not been notified of the value of this funding for 2015/16. Therefore, this grant has not been included within the budget assumptions;
- Local Services Support Grant of £1.061m comprising:
 - DfE Extended Rights to Free Travel (£0.632m) award from the DfE;
 - DEFRA Lead Local Flood Authorities (£0.301m); and
 - Inshore Fisheries Conservation Authorities (£0.128m).

The Council is awaiting confirmation of the amounts for Lead Local Flood Authorities and Inshore Fisheries Conservation Authorities.

- Special Educational Needs and Disability (SEND) Implementation Grant of £0.423m. The grant is to support local authorities to continue implementing the special educational needs and disability reforms, including transferring children and young people with statements of special educational need to education, health and care plans;
- Care Act Implementation Allocation of £4.433m. This funding is split into four elements: Additional Early Assessments (£2.321m), Universal Deferred Payment Agreement (£1.184m), Carers (£0.779) and Social Care in Prison (£0.149m); and
- Education Services Grant is budgeted at £6.661m. This reflects the Council's estimate of pupil numbers and funding rates per pupil in local authority and academy schools in

2014/15. The grant is paid on a quarterly basis with each payment being adjusted as schools convert to Academies throughout the financial year.

Council Tax

3.6 It is proposed that the Council Tax will be increased by 1.9% for 2015/16. The proposed increase is in line with Government expectations of low Council Tax increases. The Local Government Finance Settlement has set the Council Tax Referendum Threshold at increases of 2% and above for local authorities. It is estimated that an increase of 1.9% will generate additional income of £4.272m. This will be the first year the Council has increased Council Tax since 2010/11.

3.7 By increasing Council Tax by 1.9% the Council would forego the 1.0% Council Tax Freeze Grant for 2015/16. However, Freeze Grant continues to have an ongoing effect on the Council's budgets and funding. The Council had accepted Freeze Grant rather than increasing council tax between 2011/12 and 2014/15. The effect of these Grants on the Council's overall budgets are as follows:

- The Council Tax Freeze Grant received by the Council in 2011/12 (£6.293m), 2013/14 (£2.547m) and 2014/15 (£2.585m) have been incorporated into the Council's Revenue Support Grant (RSG) allocation. As RSG is now reducing year on year, this funding is also effectively reducing annually; and
- The Freeze Grant received in 2012/13, worth £6.332m, was a one off award and was only received in that financial year (this in effect left a budget shortfall in 2013/14, which was addressed in the budget for that year).

3.8 An Impact Analysis has been completed for the increase in Council Tax and is attached at **APPENDIX C**.

Council Tax Base and Collection Fund Surplus

3.9 Figures received from the Lincolnshire District Councils show an increase in the tax base and hence the tax yield of 3,901.74 band D equivalent properties or 1.85%. This will provide the Council with additional Council Tax income of £4.237m per annum at the current council tax levels.

3.10 All seven District Councils have declared the position on their council tax elements of their collection funds. There is a net surplus attributable to the County Council of £3.947m. This is a one off addition to income for 2015/16.

Business Rates

3.11 Business Rates receivable by the County Council will be £102.034m; comprising £20.289m actually collected by the seven District Councils in Lincolnshire and a top up grant of £81.745m from Central Government as the total business rates collected in Lincolnshire are not sufficient to cover local authority spending in the area.

3.12 The Chancellor's Autumn Statement announced that Government would cap the planned RPI increases on business rates to 2% in 2014/15. In this year's Autumn Statement, the Chancellor announced that a second cap of 2% would also apply in 2015/16.

In 2014/15, local authorities were compensated for the difference between the 2% cap and the September RPI (3.2%) via a Section 31 Grant. The compensation relating to 2014/15 will continue to be paid in 2015/16. Its payment into future years will be decided by the Government in place after the 2015 general election, as part of its spending review. In 2015/16 local authorities will again be compensated for the difference between this year's cap and the September RPI (2.35%) by Section 31 Grant.

3.13 As in 2014/15, the Chancellor has again announced a doubling of the Small Business Rate Relief (SBRR) and an extension to the high street discount from £1,000 to £1,500. Government will fund this lost income through section 31 grants.

3.14 The value of the Section 31 Grant for the County Council is £2.732m for 2015/16; this includes:

- £0.296m from the RPI cap on the locally retained elements of the business rates;
- £1.179m from the RPI cap on the top up element of the business rates. Note the value of this element of the grant is still to be confirmed by Central Government. The budget assumptions include this estimate of the grant receivable by the County Council in 2014/15; and
- £1.257m to cover the extension of the Small Business Rates Relief and two further business rate reliefs.

3.15 All seven District Councils have declared the position on the business rates element of their collection funds and there is a net surplus attributable to the County Council of £0.175m. Any surplus or deficit from business rates collection will only have a one off effect on the 2015/16 budget.

Business Rates Pooling 2015/16

3.16 The Local Retention of Business Rates Scheme allows the County Council, each year, to consider the option of pooling our business rates with other local authorities.

3.17 The County Council has agreed to pool business rates with six of the Lincolnshire District Councils (Boston Borough, City of Lincoln, East Lindsey, North Kesteven, South Kesteven and West Lindsey). Additional income of £1.116m has been included within the Council's budget.

4. THE COUNCIL'S OVERALL REVENUE BUDGET

4.1 The table below (**TABLE 1**) sets out the overall changes in budget, the cost pressures which the Council proposes to fund, the savings to be made and the current proposed use of reserves to bridge the gap between current funding available and service costs.

TABLE 1: Summary Revenue Budget

SUMMARY REVENUE BUDGET	2015/16 £m
EXPENDITURE:	
Base Budget	476.414
Cost Pressures (<i>including inflation</i>)	30.580
Savings	-30.733
Total Expenditure	476.261
Use of Reserves	-22.171
Budget Requirement	454.090
INCOME:	
Local Retention of Business Rates	106.057
Revenue Support Grant	94.670
Other Grants	16.110
County Precept	237.253
Total Income	454.090

4.2 The Council proposes to allocate an additional £1.680m of resources in 2015/16 to fund pay inflation. Details on all other cost pressures and savings included within the Council's budget for 2015/16, are set out in the Commissioning Strategy narratives below.

4.3 The Council proposes to use reserves of £21.871m. These are one off contributions to the Council's budget shortfall and are planned to smooth the effect of reductions in funding on implementing service changes and reductions. Also, £0.300m will be released in 2015/16 from the General Fund. The Council maintain the General Fund balance at between 2.5% and 3.5% of the Council's total budget. With reducing funding the amount required in the General Fund is also reducing.

4.4 A more detailed analysis of the movement in budget for 2015/16 is shown at **APPENDIX J**.

5. REVENUE BUDGETS

5.1 Revenue budgets for each year are shown in **TABLE 2** below together with the change over the previous year. The Council has changed how it delivers services to a Commissioning Model and as such the budgets are presented on this basis. **APPENDIX R** to this report provides further details of the services undertaken in each Commissioning Strategy.

5.2 The budget proposals assume inflation increases of between 1.0% to 1.2% for pay for the next financial year.

TABLE 2: Net Service Revenue Budget 2015/16 and change over previous year

Commissioning Strategy Revenue Budgets	2014/15	2015/16	Change Over Previous Year	Change Over Previous Year
	£m	£m	£m	%
Readiness for School	9.177	8.284	-0.893	-9.7%
Learn & Achieve	35.981	35.919	-0.062	-0.2%
Readiness for Adult Life	7.104	6.322	-0.782	-11.0%
Children are Safe & Healthy	50.032	50.506	0.474	0.9%
Adult Safeguarding	1.348	3.256	1.908	141.5%
Adult Frailty, Long Term Conditions & Physical Disability	90.432	93.094	2.662	2.9%
Carers	2.044	2.044	0.000	0.0%
Adult Specialities	47.214	47.243	0.029	0.1%
Community Resilience & Assets	12.381	12.669	0.288	2.3%
Wellbeing	39.822	38.287	-1.535	-3.9%
Sustaining & Developing Prosperity Through Infrastructure	49.795	49.492	-0.303	-0.6%
Protecting & Sustaining the Environment	22.384	22.467	0.083	0.4%
Sustaining & Growing Business & the Economy	2.032	1.772	-0.260	-12.8%
Protecting the Public	26.058	24.801	-1.257	-4.8%
How We Do Our Business	9.059	8.333	-0.726	-8.0%
Enablers & Support to Council Outcomes	40.525	39.046	-1.479	-3.6%
Public Health Grant Income	-28.506	-28.506	0.000	0.0%
Other Budgets	64.579	66.278	1.699	2.6%
Delegated Schools Budget	458.635	455.981	-2.654	-0.6%
Dedicated Schools Grant	-485.064	-486.242	-1.178	0.2%
Schools Related Expenditure	21.382	25.215	3.833	17.9%
Total Net Expenditure	476.414	476.261	-0.153	0.0%
Transfer to/from Earmarked Reserves	-6.780	-21.871	-15.091	222.6%
Transfer to/from General Reserves	-1.125	-0.300	0.825	-73.3%
Budget Requirement	468.509	454.090	-14.419	-3.1%

Children's Services

5.3 Children's Services commissioning strategies include the following: Learn and Achieve; Readiness for Adult Life; Readiness for School and Children are Safe and Healthy.

5.4 Through these Commissioning Strategies, Children's Services has successfully delivered in full, and on time, the savings from 2011/12 to 2013/14, which totalled £27.630m. Also, the services remain on course to deliver the 2014/15 savings of £2.637m. This is at a time of delivering consistently high standards of service delivery.

5.5 Learn and Achieve Strategy plans to make savings of £1.097m in 2015/16 following a review of its commissioning intentions. Also within this strategy, the Home to School/College Transport budget continues to face cost challenges through its current delivery model. It is proposed that an additional £0.380m is added to the revenue budget in 2015/16 to finance the market factors effecting transport delivery.

5.6 Readiness for Adult Life and Readiness for School Strategies plan to make savings of £0.836m and £0.934m respectively in 2015/16. These savings are being delivered following a review of its service delivery model and commissioning intentions.

5.7 Children are Safe and Healthy Strategy plan to make savings of £1.390m in 2015/16. Members have identified that £39.5m of this Strategy is a high priority service e.g. child protection. In 2014/15, £0.403m was added to the revenue budget to finance an increase in the number of social workers. However, prior to then, the service had been able to manage a number of cost pressures through the development of a range of strategies and realignment of budgets. This Strategy however is facing challenges due to the sharp rise in looked after children, which the Local Authority has a statutory obligation in safeguarding

young individuals. Such external demands on its services cannot be controlled. Lincolnshire's spending on these individuals is not only the lowest of all the Upper Tier authorities; the level of spending is considerably below the levels of most other Upper Tier authorities. It is proposed that the cost pressure in regulated services of £1.533m is supported in meeting the additional costs from the increase in looked after numbers.

Adult Care

5.8 Adult Care is responsible for four of the County Council's seventeen Commissioning Strategies: Adult Frailty and Long Term Conditions, Specialist Services, Carers and Safeguarding Adults.

5.9 Between 2011/12 and the end of 2014/15, Adult Care will have delivered £38m savings.

5.10 This is set in the context of increasing demographic pressure and cost pressures related to service provider fee increases. Adult Care has identified during the Fundamental Budget Review in the summer, that it can deliver £3.388m savings in 2015/16 (a combination of one-off and recurring savings). The proposed budget identifies an additional requirement of £3.794m which reflects those ongoing funding pressures within the service.

5.11 April 2015 sees the advent of the Care Act, the single biggest legislative change affecting the most vulnerable adults and their carer's in more than 50 years. Latest modelling indicates that Adult Care will need to have £157m additional money in order to fully satisfy the duties imposed on it by the Care Act in the first 10 years. In 2015/16, the first year of the Act the sum required is £6.000m due to be funded via the Better Care Fund (£2.000m) and direct grant (£4.000m).

5.12 The Lincolnshire model which has generated this figure is being used nationally and as such the figures represent the best available intelligence.

5.13 Another area with a profound effect upon Adult Care is the Better Care Fund (BCF) in which £53m (£48.1m revenue and £4.9m capital) has been earmarked for the Lincolnshire health and care economy. However, spend against this allocation must be agreed with the four Clinical Commissioning Groups (CCGs). £20m has been allocated to the County Council in 2015/16 predominantly in Adult Care to help fund the costs of the Care Act (£2m). To in effect 'protect' adult care most of that money is already being spent on such services such as the Local Authority Reablement Service (LARS), Hospital Discharge Teams and on Learning Disability services. This allowed Adult Care to report a balanced Learning Disability budget in 2013/14 with a similar expectation in 2014/15.

Community Wellbeing and Public Health

Community Resilience and Assets

5.14 The Council has prioritised the promotion of community resilience and aims to work with people to help themselves through influencing, coordinating and supporting other organisations which contribute to life in Lincolnshire.

5.15 Savings of £0.739m have been identified for 2015/16 from the Community Resilience and Assets Strategy. A large element of this will be delivered from the transfer of the Customer Service Centre to Serco (£0.506m). There will also be some reduction in the

grants made available for community activities and voluntary sector infrastructure as well some internal staff changes.

Wellbeing

5.16 Since April 2013, upper tier authorities have been responsible for improving the health and well-being of their population and for public health services. This includes mandated functions such as sexual health services; NHS healthchecks and substance misuse services. The Wellbeing Commissioning Strategy aims to assist improvements in the health and well-being of the population as a whole and to support people to self-manage and maintain independence.

5.17 Savings of £1.563m have been identified for 2015/16 from the Wellbeing Strategy. These savings will mainly be delivered from the redesign and re-procurement of the housing related support services (£1.001m) and from the review of the senior management and staffing structure.

5.18 Public Health Grant of £28.506m remains at the same level as 2014/15.

Environment and Economy

Sustaining and Developing Prosperity Through Infrastructure

5.19 The Council currently spends £49.795m revenue and £72.112m of capital expenditure delivering the maintenance and management of the County's road network, transport, major road schemes and economic infrastructure.

5.20 Within this, the Council has been able to protect both the Winter Maintenance Service and Concessionary Fares in their entirety. However, savings of £1.197m are required from other activities in 2015/16. These savings will be achieved as follows:

- Rationalising the County's Area Maintenance Teams resulting in a reduction of three teams (£0.470m);
- A reduction of approximately 7% of the current asset maintenance staffing resource the detail of which can only be confirmed as the departmental restructuring is completed (£0.200m);
- Savings within the Countryside service (£0.188m);
- Reduced capacity preparing for major schemes. This will result in the need for prioritisation of the work programme to reflect the Council's priorities (£0.156m);
- A review of the delivery of transport policy, smarter choices and other transport initiatives (£0.146m); and
- Savings within Economy Infrastructure and Regeneration (£0.036m).

5.21 An additional £0.500m has been added to fund a park and ride scheme for the Magna Carta Exhibition in 2015/16.

Protecting and Sustaining the Environment

5.22 The Council currently spends £22.384m revenue and £1.495m of capital expenditure delivering waste management services, sustainable planning, flood and water risk management, the natural built environment and carbon emissions.

5.23 Sustainable Planning has been protected from making savings. However, savings of £0.635m are required from other areas of this strategy.

5.24 These savings will be generated from contract efficiency savings from the letting of the Gainsborough household waste recycling centre operation contract (£0.300m), reviewing the management of fly tipping, waste education and project development and a reduction in partnership projects (£0.185m). Some of these savings will be made by a reduction in staffing costs. These will be confirmed following consultation and restructuring in October. A £0.150m saving will be made in Flood and Water Risk Management due to the corresponding reduction in government grant provided for that service.

5.25 A cost pressure of £0.680m has been added to the Waste Management budget for the payment of business rates relating to the Energy from Waste site at Whisby.

Sustaining and Growing Business and the Economy

5.26 The Council currently spends £2.032m revenue and £1.248m of capital expenditure helping to maintain, improve and attract investment in the County's economy.

5.27 Tourism has been protected in 2015/16 because of the 800 year anniversary celebrations for the Magna Carta. Following these celebrations a review will take place to deliver savings from the Tourism activity in future years. In 2015/16, savings of £0.288m are required from other activities within this strategy.

Finance and Public Protection

Protecting the Public

5.28 **Fire and Rescue** have a proposed budget reduction of £0.296m; in addition there is a requirement to identify additional savings to meet unavoidable cost pressures from national changes, namely; additional costs associated with fire fighter pensions and a reduction in central grant for Urban Search and Rescue Team. Therefore total savings required are £0.532m. These reductions will be met by staff restructures and changes to service delivery subject to public consultation.

5.29 **Emergency Planning** has a proposed budget reduction of £0.019m, which will be met by a reduction of 1 FTE pro rata in 2015/16.

5.30 **Road Safety** has a proposed budget reduction of £0.072m, this does not require any reduction in the school crossing patrols. A review of the Lincolnshire Road Safety Partnership (LRSP) is being conducted with a view to challenging outcomes and performance; delivery mechanisms and funding structure. The review will challenge LRSP to become self-funding by 2016.

5.31 **The Trading Standard's** budget is proposed to be reduced by £0.120m. Savings would be made through the removal of management and team leader post. A further saving is to be made through income generation including charging for business advice. The remaining service structure is to be reviewed along with priorities.

5.32 **The Youth Offending Service (YOS)** has a proposed 20% budget reduction (£0.147m), the Police & Crime Commissioner (PCC) and possibly Youth Justice Board (YJB)

will match any LCC budget reductions in their contributions to the YOS. Reductions would be achieved by reviewing resources, existing ways of working and new opportunities to support the service. It is timely to evaluate if the service structure and the way it meets the needs of young people and victims still appropriately reflects the changing landscape which has emerged within Youth Justice.

5.33 **Community Safety's** budget is proposed to be reduced by 29% (£0.827m). This will leave some £1.2m in the budget for PCSOs and £0.535m for community safety commissioned programmes. Earmarked reserves will be utilised to cover contract commitments. As part of the funding agreement for PCSOs a service level agreement will be in place between Police and LCC ensuring PCSO funding forms part of the Commissioning Strategy and delivers appropriate outcomes.

How we do our Business

5.34 **Democratic Services** has a proposed budget reduction of £0.056m. There will be a review of arrangements for servicing the civic responsibility for the Chairman of the Council. The elections budget is only sufficient to cover one by-election per annum, £0.010m remains in the budget with no reduction proposed. Boundary Commission changes reducing the size of the Council by 10% would provide a saving on Member's Allowances of £0.100m, but this would not come into effect until the financial year 2017/18.

5.35 **Corporate Standards and Chief Executive's Office** have a proposed budget reduction of 29% (£0.214m). This saving includes the reduction of 1 Executive Director and the removal of the separate consultation budget, any future consultation cost pressures can be met if required from corporate contingency.

5.36 **Finance and Audit** have a proposed budget reduction of £0.506m. The reduction will be £0.456m for financial strategy/accountancy and £0.050m for internal audit. The current internal audit service for schools will be maintained. The savings would be from a range of measures including staff reductions, Serco contract, and income generation.

Enablers and Support to Council Outcomes

5.37 **Legal Services Lincolnshire** has a proposed budget reduction of £0.060m. Income is dependent on volumes of business from the Lincolnshire County Council Clients, District partners and external public sector bodies. During the Autumn/Winter period, Legal Services Lincolnshire will review its predicted volumes of work from all sources and review its staffing structures and numbers to ensure it is in a position to achieve at least a sufficient surplus for the forthcoming financial years to meet the savings target but also to distribute to shared services partners.

5.38 **People Management's** budget is proposed to be reduced by £0.121m. This reduction would be met by various staff related changes. Cost pressures have been recognised in this area, and as such, £0.550m will be allocated to cover the shortfall in budget for the Serco contract and the additional resources needed due to the change in the pensions administration function.

5.39 **Information Management and Technology (IMT)** have a proposed budget reduction of £0.021m. The IMT department has been reduced in size by 55% since 2010 while delivering substantial revenue savings. The activities being undertaken, under the Fundamental Budget Review (FBR), build on this and provide additional saving enablers

through improved contract management, information governance and a new consumption based charging approach that drives down the cost of IMT; making costs visible to departments and promoting rationalisation of systems. More substantial savings would be achieved in future years.

5.40 **The Commissioning Support Unit's** budget is proposed to be reduced by £1.011m. Savings have already been delivered through the Senior Management Review reductions. The proposal is that the service be re-modelled and resource prioritised to take account of the very substantial forthcoming commercial and procurement requirements particularly in Adult Care and to a lesser extent in Public Health and Children's over the next 2 years; the need for a dedicated contract manager and CSC client lead arising out of the Serco contract and the creation of a new Enterprise Data Warehouse team developing the LRO to improve the Council's data provision and report/analysis functions to better support commissioning activity.

5.41 As a consequence of this prioritisation and the need for savings, the proposal is that there will be less resource available in the Commissioning Performance and Assurance team to support the Council's priority projects. This recognises that the team will be supporting a smaller organisation than for which it is currently designed and that resources currently deployed on significant projects such as Future Delivery of Support Services (FDSS) and Lincolnshire Health and Care (LHAC), will be available for redeployment in the next financial year.

5.42 **Strategic Communications** has a proposed budget reduction of £0.024m which will be met from a staff restructure.

5.43 **Property Strategy and Support** has a proposed budget reduction of £1.026m. The County Farms income budget was not proposed to be changed in FBR. The savings will be achieved as a result of:

- The re-structuring and rationalisation of the Corporate Property team and the Children's Services schools property team which has been completed and the new structure is now in place; and
- The re-procurement of the Mouchel property services contract has been awarded to Vinci/ Mouchel and will commence on 1st April 2015 delivering an improved service at a significantly lower cost.

5.44 Further rationalisation of the Council's office accommodation portfolio, will deliver the balance of the savings by reducing the number of buildings we occupy and saving the costs associated with those buildings.

5.45 **Business Support's** proposed budget reduction is £0.857m, plus the service has to find additional savings to meet a cost pressure of £0.070m for LCC's offsite storage costs. The budgets for Business Support are predominantly staffing based, with the exception of some corporate budgets such as postage services and other running costs. As a support service, the reshaping of this service will need to follow that of other services and this will not commence until summer 2015. In addition, the impacts of Agresso and Mosaic IT system implementations on areas such as purchasing and invoicing work which are to be implemented from April 2015, will need to settle down and be understood and measured to enable appropriate savings to be realised.

Schools

5.46 The Schools Budget is funded via the Dedicated Schools Grant (DSG). The Government's school funding reforms categorise the DSG into the Schools block, the Early Year's block and the High Needs block.

5.47 Lincolnshire's DSG allocation for 2015/16 is £486.242m and will be used to support all schools in Lincolnshire including local authority schools and academies. Over half of Lincolnshire pupils attend academy schools; therefore the DSG figure for the Schools block will be revised down for the academy schools budget share allocations. The DSG is a ring-fenced grant and the actual split between academies and local authority schools has no financial risk to the Council from the DSG perspective.

5.48 Confirmation was received that a national fair funding formula would not be introduced in 2015/16 as originally expected. However an additional £390m would be allocated to local authorities with schools most in need. Lincolnshire's increase for 2015/16 has been notified as c.£4.5m or 1% of the DSG. Schools Forum had supported £2m for special educational needs and the remainder to be allocated to the primary and secondary sector through pupil-led funding. Outside of the fairer funding, there continues to be no further growth in DSG funding for 2015/16, other than for the increase in pupil numbers.

5.49 Lincolnshire's school funding formula has been amended for 2015/16 to comply with DfE's regulations. This includes ensuring that pupils requiring higher needs top up funding are correctly funded, and having regard to the DfE's expectation that all schools should meet the first £6,000 SEN from their notional budgets. The changes aim to: ensure compliance with DfE regulations; fund schools fairly, and minimise the immediate and long term impact upon individual school budgets. As a result, there is expected to be no impact upon individual pupils with SEN.

5.50 Protection arrangements will continue to be put in place through application of the Government's minimum funding guarantee (i.e. individual schools budgets will be protected on a per pupil basis, i.e. at 98.5% of the previous year's funding level).

5.51 Lincolnshire's indicative Pupil Premium for 2015/16 is £23.432m. Pupil Premium funding had risen nationally to £2.278 billion in 2014/15 as outlined in the Comprehensive Spending Review of 2010. There plans to be no further injection of growth funding nationally for 2015/16, other than for the increase in pupils meeting the eligibility criteria for pupil premium. Similarly to the DSG, the pupil premium allocation for Lincolnshire covers both the allocations for local authority schools and academy schools. The Education Funding Agency allocate pupil premium for academy schools, so the grant will be reduced accordingly. However, this has no financial risk to the Council.

5.52 The 2015/16 allocations per pupil meeting the eligibility criteria is £1,320 for primary-aged pupils and £935 for secondary-aged pupils. Schools will continue to receive £1,900 for each child who has been looked after for 1 day or more; has been adopted from care, or has left care.

Other Budgets

5.53 Capital Financing Charges, within Other Budgets, have been set at a level to reflect the revenue implications of the revised capital programme set out below (paragraphs 7.1 to 7.6). The revenue implications of the capital programme are estimated to cost the Council £50.437m in 2015/16. The overall affordability of the capital programme has been reviewed

to ensure the impact on the revenue budget remain affordable. The Council is also budgeting for £1.400m of receipts from investments of cash balances.

5.54 The Council has set Other Budgets for 2015/16 as follows:

- The Contingency Budget at £4.000m. This budget funds any emerging financial issues which arise during the financial year;
- The Redundancy Budget at £4.500m. This is to fund any redundancies arising from the fundamental budget review of services; and
- The Council's monetary contribution to the Pension Fund at £1.118m.

6. RESERVES

6.1 The Council's current financial strategy is to maintain general reserves within a range of 2.5% to 3.5% of the Council's total budget. General reserves, at 31 March 2015, are estimated to be £15.275m which is 3.5%. In future years, as the Council's overall revenue budgets reduce, the balance required to maintain the Council's General Fund Balance at 3.5% also reduces. To maintain the Council's General Fund Balance at 3.5% at 31 March 2016 requires a balance of £14.975m. In 2015/16, this will release £0.300m from the General Fund to fund other Council services.

6.2 At 31 March 2014, the Council set aside £43.006m in the Financial Volatility Reserve to help smooth the effect of funding reductions in 2015/16 and future financial periods. It is estimated that the balance in this Reserve will be £48.308m at the end of 2014/15. It is planned to use £21.871m from the Financial Volatility Reserve to balance the budget in 2015/16.

7. CAPITAL PROGRAMME

7.1 The proposed Capital Programme matches the revenue budget and runs until 2015/16 plus a number of major schemes which stretch into future years (including: a number of highways schemes, the rolling programme of renewal and replacement of fire fleet vehicles, and broadband in Lincolnshire). The gross programme is set at £464.420m from 2015/16 onwards, with grants and contributions of £274.368m giving a net programme of £190.052m to be funded by the County Council.

7.2 A review of the Capital Programme has been undertaken alongside setting the revenue budget. The main drivers in the review of the capital programme have been matching spending to service priorities while considering the overall affordability of the programme.

7.3 The new overall Capital Programme and its funding is shown in **TABLE 3** below:

TABLE 3 – Capital Programme

	2014/15 £m	2015/16 £m	Future Years £m
Children's Services	44.069	19.914	12.006
Adult Care	2.161	5.335	0.000
Community Wellbeing and Public Health	0.330	1.028	0.000
Environment and Economy	72.417	111.807	239.454
Finance and Public Protection	34.377	35.589	24.287
Other programmes	3.230	15.000	0.000
Gross Programme	156.584	188.673	275.747
Funded By:			
Revenue Funding	6.076	4.500	0.000
Use of Capital Receipts	2.000	2.000	0.000
Borrowing	35.700	73.862	109.690
Use of Capital Grants Unapplied	21.240	0.000	0.000
Use of Revenue Grant Reserves	4.515	0.000	0.000
Use of Other Earmarked Reserves	3.757	0.000	0.000
Government Grants and Other Contributions	83.296	108.311	166.057
Total Funding	156.584	188.673	275.747

7.4 The following additions have been made to the net capital programme as part of the budget setting process. These add an additional £18.950m into the capital programme in 2015/16 and £1.500m into future years. These additions comprise:

- Removal of the budget for the Leverton Fire Station Replacement in 2015/16 (£1.500m) and replacement with a fire station adaption and repair budget of £0.500m in both 2015/16 and 2016/17;
- An additional £6.000m for the Grantham Southern Relief Road Project. £5.000m transferred from the Grantham Growth Point budget plus an additional £1.000m funded from borrowing in 2016/17.
- Addition of a maintenance block budget for:
 - The replacement of short life equipment assets for Fire and Rescue: £0.650m in 2015/16.
 - The maintenance of existing property assets and essential property works linked to Asbestos, work place regulations and disabled access. £3.200m in 2015/16.
 - The ICT infrastructure and IT refresh programme: £1.100m in 2015/16.
- The creation of a Capital Contingency Budget: £15.000m in 2015/16 to fund any emerging schemes identified in this financial year.

7.5 The Council is currently in the process of bidding for Challenge monies from the Department of Transport (DfT) for roads maintenance and street lighting. If successful, the

Council will need to contribute approximately 20% of the total cost of the schemes. It is proposed to use part of the Capital Contingency Budget to provide this funding if required.

7.6 The Council receives government grant funding to support large parts of the capital programme, including schools maintenance and provision of school places, and roads maintenance. The following grants have been announced and incorporated into the capital programme in 2015/16 and future years:

- An indicative award for Highways Asset Protection Maintenance Block of £31.012m in 2015/16. This is some £9.083m more than the 2014/15 basic Asset Protection capital allocation. Further indicative awards have been made up to 2020/21 when the grant is estimated to be £24.954m.
- A three year award for Integrated Transport Grant of £3.312m per annum from 2015/16 to 2017/18, plus three further indicative years of £3.312m per annum to 2020/21;
- Provision of Schools Place – Basic Need Grant 2015/16 is the second year of a three year award period which will allow the Council to plan strategically for the places needed in schools up to 2016/17. The Council has been awarded £11.434m in 2015/16 and £12.006m in 2016/17;
- £1.344m for Devolved Formula Capital (DFC) and £5.421m for Schools Condition Allocation for 2015/16;
- £1.875m for Adult Social Care Capital Grant; and
- £2.970m from the Better Care Fund for Disabled Facility Grants (DFG's). The funding for DFG's will be passported by the County Council to the District Council's in Lincolnshire who administer the schemes.

8. PRUDENTIAL INDICATORS

8.1 The Council is required to agree targets for specified prudential indicators in relation to capital financing and other treasury management matters. The Council also sets its own targets in addition to the statutory ones. The main purpose of these targets is to ensure that the Council's capital financing, in particular its long term borrowing, is prudent, affordable and sustainable. The proposed targets are set out in **APPENDIX L**.

8.2 One of the key targets in the Council's Financial Strategy, is that "the repayment of external debt including interest will be less than 10% of annual income from general government grants, Dedicated Schools Grant and council tax." This is projected to increase to 7.94% by 2017/18 from 5.88% in 2014/15.

9. MINIMUM REVENUE PROVISION

9.1 The Council has a duty to set a minimum revenue provision (MRP) which "it considers prudent". The aim is to ensure that debt is repaid over a period reasonably commensurate with the period over which the capital expenditure funded by borrowing provides benefits.

9.2 The Council's current policy is to apply the asset life method for calculating MRP. This is a prudent approach which is consistent with the Council's Financial Strategy. It is proposed to continue this method in 2015/16.

10. SECTION 151 OFFICER'S STATEMENT ON THE ROBUSTNESS OF THE BUDGET AND ADEQUACY OF RESERVES

10.1 The Local Government Act 2003 includes a statutory duty for the Council's Section 151 Officer to report to the Council when it is calculating the council tax on "the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves." The Council has a statutory duty to "have regard to the report when making decisions about the calculations."

10.2 The Financial Strategy requirement in relation to reserves is based on a full assessment of the Council's potential financial risks last undertaken in November 2014, informed by estimates of future Government funding for the Council and the Fundamental Budget Review exercise undertaken during 2014. A key aspect of that strategy is that Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

10.3 Currently, the Council's projected year end general reserves stand at £15.275m or 3.5% of the budget requirement (i.e. towards the top of the target range). There is a proposal to reduce the general reserves by £0.300m as part of the 2015/16 budget. This reflects future reductions in the Council's overall budgets. There are proposals to apply some earmarked reserves in 2015/16 (£21.871m) to deliver a balanced budget in preparation for further government funding restraint expected from 2016/17 onwards.

10.4 The new business rate funding regime for local authorities commenced in April 2013, as did revised arrangements for funding local welfare benefits related to the Council Tax. These measures are likely to introduce an element of volatility into the income base of the Council which, acting prudently, has required the establishment of an earmarked reserve to assist with the management of funding risk. That reserve is estimated to be £48.308m at 31st March 2015.

10.5 The November 2014 risk assessment encompassed a full assessment of the potential financial risks facing the Council included the following:

The realism of budget estimates for –

- Pay awards
- Price increases
- Income, including higher risk areas such as capital receipts
- Savings
- Provision for demand led services including: children's services, waste disposal, adult care, certain aspects of public health, home to school transport, concessionary fares, adverse weather, support for the council tax, etc.

Financial management arrangements including –

- The recent history of financial management performance

Potential Losses including –

- Claims against the Council

- Bad debts or failure to collect income
- Major emergencies or disasters
- Failure to deliver budget savings
- Default on loans made by the Council for cash management purposes

10.6 An assessment was also made of the provision against these financial risks including:

- A provision in the form of a contingency budget to deal with pressures related to real or potential legislative change or other unforeseen impacts upon the Council. The general contingency has been modestly increased for 2015/16 to in part reflect that no general level of price inflation has been provided for within the service budgets
- Specific provisions in the accounts and earmarked reserves
- Provision for the funding of capital which provides modest additional financial flexibility
- The potential for slippage and underspending of the capital programme
- The level of the Council's general reserves

10.7 In the round, the finance settlement from government places additional funding pressures on the County Council when compared to 2014/15 – revenue support grant reduces by £32.661m (25.65%) between the two years. Current indications are that further significant reductions in revenue support grant will continue until at least the end of the decade. The precise details will only emerge next Autumn following the next comprehensive spending review which is expected to be undertaken during the Summer of 2015 following the general election. In preparation for further funding reductions; the Council has undertaken a fundamental review of its service priorities and related budgets. This has already identified significant savings over the next four years, but more needs to be done in the coming year to ensure the Council can optimise its services within the available funding. In the short term, extensive use of earmarked reserves will be made to smooth the transition to a new service delivery model. Close monitoring of the delivery of savings will be undertaken and, if necessary, corrective action will be initiated to examine alternative options should this be necessary. The delivery of the detailed schedule of planned savings will be monitored and reported regularly to senior management teams and to Executive Councillors as part of the formal, published reports.

10.8 Financial management remains an important consideration. The introduction of the new Agresso accounting system from April 2015, will result in a redefinition of the responsibilities of budget holders and provide them with a much more agile tool with which to discharge their budget management responsibilities. Spending pressures continue to arise in Adult Care relating to a range of factors such a demographic growth of the client base. Similar pressures have also arisen in Children's Services with an increase in the number of children being looked after by the Council. The latter service will overspend its Children's social care budget in 2014/15 as a consequence. However, the Council expects to underspend on its service budgets for 2014/15.

10.9 In general terms, budget pressures in 2014/15 are at, or slightly below, those experienced in recent years. However, as stated, it is still expected that service related spending over the whole Council will be at least in balance at the current year end with no need to apply the available general reserves of the Council.

10.10 In relation to the 2015/16 budget, Service Areas have provided brief notes on the realism of their proposed budgets and their ability to manage within these budgets. In that context, the following points are relevant:

- All Service Areas are aware, that the savings target that has been set is a significant one and will demand sustained and rigorous management action to ensure it is delivered on target. All have affirmed their commitment to achieving the demanding targets set with appropriate caveats as necessary.
- Funding pressures will continue to exist in a number of service areas. The key pressure areas are as follows:

(i) Adult Care – ongoing demographic factors continue to place increasing pressure on service demand. These relate in particular to younger people with learning disabilities moving into adulthood and older people with high intensity homecare needs. Additional base budget funding has been allocated, via the Better Care Fund (BCF), to the service next year in recognition of these issues. The service is likely to continue activity to integrate its services with relevant health service organisations within the County and in so doing an increasing reliance will emerge on securing direct funding from health budgets. The future financial viability of the service is linked to the success of health integration initiatives. In that regard, the Better Care Fund is pivotal to the financial viability of the service area. Risks exist that certain elements of the BCF will need to be repaid to health for which appropriate provision will be made in the balance sheet of the Council. The delivery aspects of the service are now predominately outsourced and, as a consequence experience market driven inflation related costs increase for which provision has been made in the budget. In addition some provision has been made in the next year's budget for the demand increase in cases relating to the deprivation of liberty safeguarding resulting from a court judgement elsewhere in the country. There is the potential that the additional funding allocated may not be sufficient to meet the increased demand. Finally, April 2015 sees the advent of the Care Act, the single biggest legislative change affecting the most vulnerable adults and their carers in more than 50 years. Current financial assumptions are that as a new burden this will be fully funded by central government.

(ii) Council Tax Support Schemes – local schemes were established by all the District Councils from April 2013. The County Council is, in effect, responsible for around 75% of the financial liability arising from these schemes. Whilst a great deal of work has been undertaken with the Districts to establish financially robust arrangements, there remain financial risks to the County Council from their operation. These comprise a general demand risk for local support in a recessionary environment and a risk of poorer than expected collection rates where increased levels of tax are being collected from individuals when compared to present arrangements. Experience in 2014/15 has been that demand for this support has reduced modestly as a result of general improvements in the economic environment. However, a financial risk still remains and so the County Council maintains a financial volatility reserve to mitigate the risks in this regard.

(iii) Business Rates – Since April 2013, the Council has had a financial reliance on business rate income both from Central Government and directly from a share of local rate income collected by the Lincolnshire District Councils. This income has the potential to be volatile should major business ratepayers relocate into or out of the county area. In the case of loss of business rate base the Council, by virtue of its pooling agreement with six Lincolnshire District Councils, would not be able to take advantage of the safety net arrangements available from Government. The benefits of pooling outweigh those available

via the safety net. The aforementioned financial volatility reserve is available to assist with any temporary pressures arising.

(vi) Children's Services – there remain significant pressures in children's social care in relation to a rise in the number of children looked after; increases in the number of Regulation 24 placements and special guardianship orders; a rise in costs of out of county residential placements and safeguarding, and; an increase in legal costs as the number of care proceedings grows. Additional resources have been made available both from within the Directorate and through new funding to deal with these pressures. In addition, the Directorate faces inherent volatility in its school transport budget.

10.11 The capital programme has been reviewed as part of the current budget cycle and only minor changes are envisaged to the programme for 2015/16. Decisions relating to new capital spending for 2016/17 onwards, will depend upon the aforementioned fundamental review of services priorities and related spending. Significant commitments, relating in particular to major infrastructure schemes, already exist in the period beyond next financial year. A £15.000m capital contingency has been established, the use of which will be the subject of business case bids from service areas. The fund can be used as a source of matched funding in respect of external bids for capital funding.

10.12 Taking into account all these factors, the Section 151 Officer is satisfied that the budget is realistic and that the level of reserves is adequate but notes that the assessment relies heavily on:

- Continued improvement of financial management across the Council which should ultimately be enhanced by changes flowing from the introduction of the Agresso system.
- Achievement of expected savings that rely on the timing of the delivery of initiatives arising from the fundamental review of service priorities and budgets. The increased risk of challenge with respect to savings initiatives has the potential to result in implementation delays. Appropriate monitoring arrangements will be put in place.
- Given that a medium term funding shortfall still exists as indicated by the ongoing use, of reserves, further work is essential on the fundamental review of service priorities and related spending to enable a sustainable revenue budget and capital programme to be in place for 2016/17 onwards.

11. CONSULTATION

11.1 Individual Scrutiny Committees have received a report and presentation on their respective budget and have had chance to comment on its appropriateness. The Value for Money Scrutiny Committee also considered the proposals as a whole. These comments were collated and presented to the Executive when it considered the Council's final budget.

11.2 Businesses, Trade Unions and other public organisations were consulted at a meeting on 23 January 2015. Comments made at this meeting were collated and presented to the Executive when it considered the Council's final budget.

11.3 The Council invited comments on its budget through its website, social media e.g. Twitter and via an article in County News.

11.4 The Council participated in three consultation events in conjunction with North Kesteven District Council. Members of the public were provided with information about the budget and given the opportunity to comment and vote on the proposals together with their level of satisfaction with Council services.

11.5 The Overview and Scrutiny Management Committee has initiated some work which will enhance the information available in future budget cycles for pre-decision scrutiny of budget options.

11.6 A summary of all comments received via the consultation process can be found at **APPENDIX D.**

REVENUE EXPENDITURE

LINE REF	2014/15 BUDGET £	REVENUE BUDGETS	2015/16 BUDGET CHANGES £	2015/16 ORIGINAL ESTIMATE £
		COMMISSIONING STRATEGIES		
1	9,176,588	Readiness for School	-892,814	8,283,774
2	35,981,462	Learn & Achieve	-62,868	35,918,594
3	7,103,902	Readiness for Adult Life	-782,025	6,321,877
4	50,031,765	Children are Safe & Healthy	474,237	50,506,002
5	1,348,091	Adult Safeguarding	1,907,452	3,255,543
6	90,431,660	Adult Frailty, Long Term Conditions and Physical Disability	2,662,271	93,093,931
7	2,044,492	Carers	0	2,044,492
8	47,213,730	Adult Specialities	29,003	47,242,733
9	12,381,345	Community Resilience & Assets	288,051	12,669,396
10	39,821,869	Wellbeing	-1,534,612	38,287,257
11	49,793,881	Sustaining & Developing Prosperity Through Infrastructure	-301,547	49,492,334
12	22,384,373	Protecting & Sustaining the Environment	82,499	22,466,872
13	2,032,400	Sustaining & Growing Business & the Economy	-260,861	1,771,539
14	26,057,809	Protecting the Public	-1,256,496	24,801,313
15	9,059,494	How We Do Our Business	-726,309	8,333,185
16	40,524,971	Enablers & Support to Council Outcomes	-1,479,100	39,045,871
17	-28,505,900	Public Health Grant Income	0	-28,505,900
18	416,881,932	TOTAL COMMISSIONING STRATEGIES	-1,853,119	415,028,813
		SCHOOLS BUDGETS		
19	458,635,384	Delegated Schools Budget	-2,654,406	455,980,978
20	-485,063,636	Dedicated Schools Grant	-1,178,364	-486,242,000
21	21,382,462	Schools Related Expenditure	3,832,770	25,215,232
22	-5,045,790	TOTAL SCHOOLS BUDGETS	0	-5,045,790
		OTHER BUDGETS		
23	3,619,761	Contingency	380,239	4,000,000
24	50,037,837	Capital Financing Charges	-1,001,135	49,036,702
25	10,920,208	Other	2,320,981	13,241,189
26	64,577,806	TOTAL OTHER BUDGETS	1,700,085	66,277,891
27	476,413,948	TOTAL NET EXPENDITURE	-153,034	476,260,914
28	-6,780,000	Transfer to/from Earmarked Reserves	-15,090,575	-21,870,575
29	-1,125,000	Transfer to/from General Reserves	825,000	-300,000
30	468,508,948	BUDGET REQUIREMENT	-14,418,609	454,090,339
		MET FROM:		
31	102,300,551	Business Rates	3,756,150	106,056,701
32	124,575,188	Revenue Support Grant	-29,905,089	94,670,099
33	15,271,894	*Other Non Specific Grants	838,384	16,110,278
34	226,361,315	County Precept	10,891,946	237,253,261
35	468,508,948	TOTAL MET FROM	-14,418,609	454,090,339
<p><i>*Please note that the Council Tax Freeze Grant 2014/15 of £2,584,611 shown in Other Non Specific Grants, has now been incorporated into the Revenue Support Grant in 2015/16.</i></p>				

COUNTY PRECEPT 2015/16

Council Tax Requirement	£
Total Budget Requirement	454,090,338.66
less Government Support	216,837,078.00
County Precept	<u>237,253,260.66</u>
less Net Surplus on Council Tax element of District Council Collection Funds	3,946,761.83
Council Tax Requirement	<u>233,306,498.83</u>

Precepts to be levied on District Councils	Number of Band D Equivalent Properties	Council Tax Requirement £	Council Tax Collection Fund +Surplus/-Deficit £	County Precept £
City of Lincoln	22,569.21	24,508,807.91	424,967.00	24,933,774.91
Boston	17,772.38	19,299,738.34	128,939.00	19,428,677.34
East Lindsey	41,257.00	44,802,626.58	1,061,333.00	45,863,959.58
West Lindsey	28,224.11	30,649,690.01	503,682.00	31,153,372.01
North Kesteven	34,500.00	37,464,930.00	180,909.00	37,645,839.00
South Kesteven	44,753.20	48,599,290.01	1,212,951.83	49,812,241.84
South Holland	25,767.00	27,981,415.98	433,980.00	28,415,395.98
Total	214,842.90	233,306,498.83	3,946,761.83	237,253,260.66

County Council Element of Council Tax by Property Band		
Property Band	Proportion of Band D	Council Tax per Property £
Band A	6 / 9	723.96
Band B	7 / 9	844.62
Band C	8 / 9	965.28
Band D	9 / 9	1,085.94
Band E	11 / 9	1,327.26
Band F	13 / 9	1,568.58
Band G	15 / 9	1,809.90
Band H	18 / 9	2,171.88

Impact Analysis to Enable Informed Decisions						
Background Information						
Directorate	Assistant Director Area	Service Area	Lead Officer	Person / people completing analysis	Date of workshop / meeting	Version
Finance & Public Protection	Finance	All	David C Forbes – County Finance Officer	David C Forbes Michelle Grady	14 th January 2015	1.0
Title of the policy / project / service being considered		Increase in the Council Tax for financial year 2015/16				
General overview and description		The County Council has frozen the level of its Council Tax for the past 4 financial years. It is presently consulting on a budget for 2015/16 that will increase the County Council's element of the Council Tax by 1.9% from April 2015. There are available alternative options to amend the increase in the Council Tax by lower amounts. Any increase of 2% or above would require a county-wide referendum to be undertaken. This option is not being pursued. The Council also has the option of accepting what could well be a time limited government grant for 2015/16 equivalent to 1% increase Council Tax if it decides to freeze the Council tax for a fifth consecutive year.				
Current status		Revised		LCC directly delivered		
Timescales for implementation		For Council Tax bills issued in March 2015 for 1 st April 2015 onwards.				
Analysis						
1. What is the current situation?		Each February meeting of the County Council sets a budget for the forthcoming financial year part of which includes a decision on the amount of Council Tax to be levied in that year. For the past 4 years the decision taken has been to freeze the level of Council tax and to accept a time-limited grant from Government for so doing. However, the level of that grant has now fallen well below inflation and its continued payment is not certain beyond 2015/16. Increasing service pressures and costs means the Council needs to establish a more robust and sustainable income base going forwards.				

<p>2. What are the drivers for change?</p>	<p>Central Government funding reductions for local authorities are set to continue for at least the rest of the present decade as the Government pursues a strategy of balancing the public finances. Historic funding for freezing Council Tax in earlier years is not guaranteed beyond next year and is diminishing in any event as it forms part of general Government grant to local government. The ultimate driver for this local policy is therefore the desire of Central Government to balance the nation's public finances.</p>
<p>3. What difference will we make?</p>	<p>The County Council, through its Fundamental Budget Review exercise, is in the process of identifying and implementing significant budget reductions of around £100m over the next few years. Such reductions will inevitably impact adversely on service delivery. Increasing the income base of the Council in a sustainable manner will assist in protecting services designated as high priority by the Council. These services frequently involve delivery to those with protected characteristics.</p>
<p>4. What are the assumptions about the benefits?</p>	<p>Increasing the Council Tax adds a permanent and sustainable income stream to the funding of the Council and thereby assists in protecting service delivery going forward. It assumes that those asked to pay the additional tax are able to afford to do so, albeit that the Council Tax collection authorities (i.e. District Councils) each operate a financial support scheme to assist those on low incomes to meet their Council Tax bills.</p>
<p>5. How are you testing your assumptions about the benefits?</p>	<p>It is reasonably self-evident that in a climate of sustained reduction in Central Government financial support to local authorities that increasing locally generated income through a modest Council tax rise will assist in protecting vital services many of which are delivered to vulnerable individuals. A recently concluded public consultation exercise on the Council's future priorities clearly showed a range of services which are particularly valued by the public and also indicated acceptance of the need for a modest Council tax increase (eg. two thirds of the citizen panel responses indicated agreement to a below 2% Council Tax increase next year).</p>

<p>6. The assumptions about any adverse impacts. Could it have a negative impact on anyone?</p> <p>If Yes, go to 6.1 and 6.2 If No, please explain how you know this is the case</p>	<p>YES</p>
<p>6.1 Which groups / individuals could it have a negative impact on?</p>	<p>The increased charge will impact on all council tax payers who are responsible for the Council Tax charge levied on their property. The level of income of the council tax payer and their ability to afford the modest increase in the annual charge will be the key issue. To the extent that those with protected characteristics are council tax payers with a low income then they will be potentially impacted by this change. Older and younger people, people with a disability and single women with children can particularly be expected to be on low incomes</p>
<p>6.2 Please state how it could have a negative impact on these groups / individuals? Please refer to the list of protected characteristics to assist your answer.</p>	<p>As mentioned it is the fact that an individual is a council tax payer with a low income that is the primary determinant of whether there will be a negative impact rather than any particularly protected characteristic being evident. In that sense all protected characteristics could come within the scope of this change but as a secondary rather than primary consideration. Clearly if the protected characteristic in question has a direct impact on income generating capacity this will have a more direct implication. As noted in paragraph 6.1 there are particular protected characteristics that can be expected to be differentially impacted.</p>

<p>7. How are you testing your assumptions about adverse impacts?</p>	<p>It is suggested as self-evident that those on the lowest income levels will be least able to afford the increased charge. Note, however, that as explained later in this document, schemes of assistance are available locally to mitigate the impact on low earning council tax payers.</p>
<p>7.1 What further evidence do you need to gather?</p>	<p>This issue is a relatively straightforward one of affordability and it is suggested no further direct evidence is necessary in that regard. All District Councils in the county operate local Council Tax Support (CTS) schemes which have themselves been the subject of local consultation and each scheme has been the subject of its own impact assessment undertaken by each District Council. The governing regulations require local schemes to protect low income pensioners and other 'vulnerable groups' from having to pay any or all their annually assessed Council Tax. The benefit is 'means tested'. The interpretation of 'vulnerable groups' is for each District Council to make and derive a scheme accordingly.</p>
<p>8. Who are the stakeholders and how will they be affected?</p>	<p>Primary (those directly affected, either positively or negatively by the organisation's actions)</p> <p>There will be a negative (financial) impact on low earning council tax payers which can differentially include people with certain protected characteristics. The additional income will impact positively on users of Council services assessed as high priority. This typically includes individuals with some classes of protected characteristics.</p> <p>Secondary (intermediaries, people or organisations who are indirectly affected by the organisation's actions)</p> <p>The increase in Council Tax could put more strain on local Council Tax Support schemes operated by the Districts and jointly funded by the County Council, District Council and PCC. Both latter bodies have been made aware of the likely increase in our precept next year and have already taken into account the likely impact.</p>

<p>9. How are you assessing the risks and minimising the impacts?</p>	<p>The impact of a 1.9% increase is very modest as illustrated below for the four lowest bands of Council Tax:</p> <p>Band A – increase of £13.50 pa (or 26p per week) Band B – increase of £15.75 pa (or 30p per week) Band C – increase of £18.00 pa (or 35p per week) Band D – increase of £20.25 pa (or 39p per week)</p> <p>The Council Tax has not increased for the past 4 financial years over which time inflation has increased by 13.5% as measured by the retail prices index (RPI). State benefits have increased by amounts around that of RPI over the same period. State benefits are due to increase on 1st April 2015 by the September 2014 RPI increase which was 2.3%.</p> <p>As explained earlier the District level CTS schemes will mitigate the impact on those least able to pay. Such schemes have been the subject of their own impact assessments.</p>
<p>10. What changes will the Council need to make as a result of introducing the policy / project / service etc?</p>	<p>The change will provide a more sustainable income stream for the Council going forward in an environment of progressive reductions in central government funding. It will thereby assist in protecting the services declared as high priority by the Council.</p>
<p>11. How will you undertake evaluation once the changes have been implemented?</p>	<p>The impact will be most evident through the take-up and cost of the local CTS schemes operated by the Districts for which periodic information is received. Any future year proposed increases will be the subject of public consultation and another impact assessment.</p>
<p>Further Details</p>	
<p>Are you handling personal data? If so, please give details.</p>	<p>NO</p>

How was this analysis undertaken? Facilitated workshop? Who attended?	Senior finance officers responsible for the budget process and co-ordinating the recent public consultation on priorities undertook the assessment. The County Finance Officer was one of those individuals and he is formally consulted annually by each District Council on any changes to their own CTS schemes.		
Are you confident that everyone who should have been involved in producing this version of the Impact Analysis has been? If No, who needs to be involved?	YES District Councils were informed last autumn of the potential for the County Council to increase its share of the Council Tax next year and factored that into their own work/consultation on their own local CTS schemes.		
If this is new, or requires a decision by Councillors to revise, has this impact analysis been included with the committee report?	This assessment will be included in the papers on the 2015/16 budget to be conserved at the Executive on 3 rd February 2015 and full Council on 23 rd February 2015.		
Actions required Including any actions identified in this analysis for monitoring in the relevant service area work plan?	Action	Lead officer	Timescale
	Monitor the demand and cost of local CTS schemes.	David Forbes	Ongoing throughout the year
Signed off by	<i>David C Forbes</i>	Date	14 th January 2015

BUDGET CONSULTATION FEEDBACK

This appendix sets out the feedback from a range of budget consultation events that took place during January and February 2015. These included:

- Reports and presentations to Scrutiny Committees;
- Public Consultation via the Council's website, social media and a County News article;
- Three joint public consultation meetings with North Kesteven District Council; and
- Meeting with businesses, trade unions and other public bodies.

These comments have been considered by the Executive in recommending the budget for approval by County Council.

Budget Comments from Scrutiny Committees

Economic Scrutiny Committee – 13 January 2015

The Economic Scrutiny Committee considered the budget proposals relating to Economy which it supported.

The Committee raised concerns regarding the lack of flexibility for any contingencies and questioned the future viability of Economic Development if there were further cuts to the Economy budget.

Children's and Young People Scrutiny Committee – 16 January 2015

The Children and Young People Scrutiny Committee considered the budget proposals and discussed the proposed savings outlined in the report.

The Committee did not support the proposed savings relating to commissioned activities in children's centres, the Music Service, and sports initiatives in schools. The Committee requested that the Executive reconsiders these saving proposals.

Highways and Transport Scrutiny Committee – 19 January 2015

The Highways and Transport Scrutiny Committee considered the budget proposals as they related to Highways and Transport.

Whilst supporting the proposals, the Committee raised concerns over the proposed reduction of Area Maintenance Teams and the impact that would have on service delivery. The Committee believe that it is important to try and mitigate those changes through improved efficiencies where possible.

Community and Public Safety Scrutiny Committee – 21 January 2015

The Community and Public Safety Scrutiny Committee considered the budget proposals and discussed the proposed savings outlined in the report.

The Committee raised concerns around the future of Local Welfare Provision in the County following the ending of the Government grant and how the most vulnerable people in our communities would be supported.

Adults Scrutiny Committee – 23 January 2015

The Committee considered a detailed report and presentation on the Adult Care budget proposals for 2015-2016. The Committee supported the budget proposals and recorded its gratitude to officers for their achievements over the last two years.

Value for Money Scrutiny Committee – 27 January 2015

The Value for Money Scrutiny Committee met on 27 January and considered proposals in relation to the Council's overall budget for 2015/16 and revenue and capital budget proposals in relation to the 'How We Do Our Business' and 'Enablers and Support to Council Outcomes' commissioning strategies. The Committee made the following comments;

- The Committee recognised that the Better Care Fund was only guaranteed for the forthcoming financial year and that it would be important to recognise this when considering future budgets.
- The Government's Revenue Support Grant calculations up until the end of the decade would be based on population figures for the County as at the 2011 Census. This would potentially disadvantage Lincolnshire as the County is expected to experience net inward migration during this period.
- The Committee was supportive of efforts by the Council to generate additional income to offset savings requirements and encouraged the Council to continue to do this where possible.

Environmental Scrutiny Committee – 30 January 2015

The Environmental Scrutiny Committee considered the budget proposals as they related to Waste, Flood and Water Risk Management, Natural Environment, Sustainability and Planning.

The Committee supported the proposals but raised concerns at the proposed reductions for waste education and fly tipping and the impact that would have on the environment.

Public Consultation Comments received from Members of the Public

We have received a number of responses to the consultation. The main points from the responses received are as follows:

- 26% of respondents support an increase in Council Tax to support service provision.
- 11% of respondents would like to see Council Tax frozen again or reduced.
- The Council should consider maintaining or increasing spending on:
 - Roads Maintenance and repairing pot holes.

- Health and wellbeing priorities (including preventative health programmes, early intervention services and adult social care).
 - Developing tourism and the economy in deprived parts of the County.
 - The Fire and Rescue Service.
 - Vulnerable Adults and Children's Safeguarding.
 - Services to parents and children (including support to Home Start).
- Unhappy with the services which have already been reduced or where reductions are being considered (libraries, adult day care, youth centres, etc.).
 - The Council should consider reducing spending by:
 - Replacing existing street lighting with LED lights over the next 12 months.
 - Reviewing and reducing communication costs to a minimal level.
 - Reducing spending on translation services.
 - Reducing Council support to trade unions (money and staff time) to the minimum level allowable.
 - Reducing spending on Health Initiatives and Community Grants.
 - Reducing staff salaries.
 - Reducing spend on hospitality and expenses.
 - Reducing spend on highways grass cutting in low risk areas and gritting on non-major routes.
 - Would like to see the Council provide fewer higher quality services (for example: Fire and Rescue and Adult Social Care).
 - Reduce the cost of delivering services not reduce the service provided.
 - Stop providing non-statutory services and service not wanted by local residents.
 - Transfer services such as Libraries and Heritage to other providers to improve the quality of service provided and reduce the cost.
 - Consider charging for Pensioner Bus Passes and for School Bus Services.
 - Savings could be achieved by reducing the size of local government by having one County Wide Authority.
 - If staffing reductions need to be made reduce the number of Bureaucrats and Consultants rather than staff delivering front line services.
 - The Council could generate more income by supporting the local economy.
 - There needs to be greater responsibility taken by citizens and businesses in supporting children's education and preparation for adult life (for example: parents ensuring that their children are ready and able to learn by school age).
 - There should be more focus on gaining public opinion on changes to Council Tax.
 - Would like more information on gross and net spend and performance information to be able to make informed comments regarding the budget consultation and the services which should be reduced.

- Would like more information on Statutory and Mandatory functions to be able to make informed comments regarding the budget consultation and the services which should be reduced.
- The Council needs to lobby central government for more funding to support large rural counties like Lincolnshire.

Joint Public Consultation Meetings with North Kesteven District Council

North Kesteven District Council invited the County Council to participate in three public consultation meetings they held on their own budget proposals in late January / early February. Evening events were held in Navenby, Sleaford and North Hykeham. The events took the form of officer presentations, an open forum for questions and comments and a vote on the budget proposals and related matters. The Leader attended the Navenby and Sleaford events with the Finance & Property Executive Councillor attending the North Hykeham event. A number of local County Councillors also attended the sessions. Officers from finance and highways also attended each session. This summary covers all three events.

A range of issues were raised during the open forums. Some examples are:

- The 'loss;' to the Council in taking freeze grant rather than increasing council tax over the last 4 years.
- The extent to which charging could be used to mitigate costs of concessionary fares and bus subsidies
- The County Council's present policy stance on wind farms.
- Whether significant savings could be made by reducing the number of street lights and/or the period for which they are illuminated.
- A range of specific highways related queries covering the North Kesteven area with specific reference to future plans for a Lincoln southern by-pass.
- The financing arrangements for the energy from waste plant and the safeguards regarding emissions from the plant
- The extent and source of the Council's reserves

In all 72 some members of the public attended the events and were asked to vote on four specific issues. The questions posed and responses received in respect of the County Council were as follows:

Has the County Council assigned high priority to the right services?

Strongly Agree	14%
Agree	60%
Neither Agree nor Disagree	19%
Disagree	6%
Strongly Disagree	1%

Has the County Council assigned low priority to the right services?

Strongly Agree	4%
Agree	53%
Neither Agree nor Disagree	35%
Disagree	7%
Strongly Disagree	1%

Overall, how satisfied are you with the Council's services?

Very Satisfied	3%
Fairly Satisfied	60%
Neither	18%
Fairly Dissatisfied	18%
Very Dissatisfied	1%

In light of the ongoing government funding reductions what should happen to the council tax in 2015/16?

Reduce by up to 2%	0%
Freeze it and take the grant worth 1% of the tax	21%
Increase it by 1.9%	76%
Increase by more than 2% (requires a referendum)	3%

Consultation Meeting with External Stakeholders Comments

A Budget Consultation meeting was held with external stakeholders on 23 January 2015.

A list of attendees is detailed below these notes.

The Executive Councillor for Finance and Property, Councillor M S Jones and the Executive Director for Finance and Public Protection, Pete Moore, welcomed everyone to the meeting. Attendees were informed that this meeting was part of the normal consultation process which the authority undertook when setting its budget, and provided the opportunity for partners and other organisations to take part in the consultation. It was reported that the proposed budget was also examined by each of the County Council's scrutiny committees who would look in more detail at the budgets for individual service areas. Recommendations would then be made to the full Council at its meeting on 20 February 2015, where the budget would be formally approved.

David Forbes, County Finance Officer, gave a presentation on "Budget Consultation, 23 January 2015", which was a consultation exercise led by the County Council to highlight the Council's current budget and financial outlook for public services over the coming year. The consultation highlighted the following main points:

- The biggest spend (excluding schools) was in Adult Care at almost £200million in gross terms;
- The spend on employee expenses (26% or £154m) was quite low for a county council. This was mainly due to a large proportion of the services being outsourced

(47% of gross expenditure – Agency and contracted services). Note: this was expenditure excluding schools;

- Of the business rates which were allocated to Lincolnshire (£102m total) only £20m came from the business rates collected in Lincolnshire. £80m came from top up payments from central government;
- In terms of how the Council was financed (excluding schools) 38% came from Council tax, 21% from the Revenue Support Grant, 17% from business rates, 11% from 'other' income (fees and charges), 12% from grants and contributions, and 1% contribution from schools to council budgets;
- The Revenue Support Grant which was provided from central government, was not service specific, and this was the grant which was being reduced;
- The 17 commissioning strategies for the Council determined the contract spend, which had an annual contract value of over £424m over 1,706 contracts;
- As part of the Fundamental Budget Review (FBR) an initial review of activities to allocate a priority level took place. The Executive's high priority activities included safeguarding children and adults; maintaining and developing highway infrastructure; managing flood risks; supporting our communities to support themselves; and Fire & Rescue Service. The public were consulted on these priorities in the Autumn of 2014;
- Consultation on the Council's priorities took place with the public via the web and the citizens panel. There was general support for the proposed priorities and also a modest council tax rise of up to 2%;
- There were three levels of priority and savings proposals identified as part of the FBR which were high priority (to receive between 91-100% of current budget), medium priority (to receive between 71-90% of the current budget) and low priority (0-70% of the current budget). These proposals were discussed with the relevant executive councillors and directors during the summer;
- Commissioning strategies which were identified as medium priority included Children's – learn and achieve, readiness for adult life, children's health activities; sustaining and developing infrastructure through prosperity (this includes transport and highway network management activities); protecting the public (including crime prevention, trading standards, road safety and youth offending activities); community resilience and assets; wellbeing; enablers to support the council's outcomes and How we do our business (this includes support functions such as ICT, property, finance and audit, people management, Legal, commissioning and procurement, communications, business support and democratic services);
- A number of activities were identified as low priority, due to other organisations being able to fulfil these roles (such as the LEP), which included – protecting and enhancing the natural and built environment; sustaining and growing business and the economy; sustaining and developing prosperity through infrastructure (economic infrastructure and regeneration, heritage and tourism operations); community assets (Chance to share);
- The four year core offer strategy ends in March 2015 which would deliver around £148m of budget reductions, funded by £125m savings and £23m from reserves;
- There was an expectation of ongoing government funding reductions until the end of the decade. It was thought that details of this would emerge post general election in an expected 3-4 year new comprehensive spending review;
- The uncertainty around the future funding allocations implied that it would be prudent to set a budget for one year only, but to continue to plan for significant savings over the medium term;
- The fundamental review of service priorities and associated budgets had been undertaken during 2014 in order to establish the framework for service delivery in a constrained funding environment;

- There were no major specific announcements in the Autumn Statement 2014 which impacted on local government. However, it was announced that there would be a review of the structure and administration of business rates, as well as further business rate relief for small businesses and an extension of the below inflation cap on business rate increases, which would be government funded. New money for major highways projects managed by the Highways Agency was also announced, but none of these were in Lincolnshire. There would also be an improved Bellwin scheme for compensating local authorities for cost incurred in dealing with emergencies (e.g. flooding);
- The Chancellor had changed the timeframe for bringing the public finances into balance from a rolling 5 year to a rolling 3 year programme which would result in £30bn of spending reductions being brought forward;
- The graph released by the Office of Budget Responsibility reflected the future public spending as set out in the Autumn Statement;
- The Provisional Local Authority Finance Settlement was released on 18 December 2014 and the consultation closed on 15 January 2015, and only covered 2015/16. The settlement showed a reduction in the revenue support grant from £124.5m in 2014/15 to £93.8m in 2015/16 and a small increase in the business rates element from £99.3m in 2014/15 to £103.8m in 2015/16. Whilst this was a 13.3% reduction in the grant, it was a 0.5% reduction in spending power;
- Spending Power was a concept introduced by Government as a means of looking at the total potential funding available to a local authority – not just a direct government grant;
- Spending power comprised direct government support (revenue support grant and business rates); other government grants (public health, education services); locally generated council tax income; and funding within the health service (the Better Care Fund) which would potentially be available to adult care authorities;
- The difference between the government mainstream funding and spending power was primarily due to around £50m Better Care Funding given to Lincolnshire's CCG's counting towards the authority's spending power, however there was an agreement that the authority could only access £20m of this, with conditions as to its use;
- The Efficiency Support for Services in Sparse Areas has been extended and the funding increased from £0.98m to £1.33m next year;
- The New Homes Bonus of £3.5m was being awarded in line with expectations;
- Local welfare provision of £1.34m had been notionally allocated within the revenue support grant. It was noted that this was not actually new funding, and there was no requirement to continue the service. A grant of £1.78m had been received in the current year;
- The Care Act Implementation grant of £4.43m which had been received, was slightly more than the £4m which was expected. Other revenue grants such as Education Services Grant and Local services Support Grant were in line with expectations;
- The ability to pool business rates to mutual benefit remained the same. LCC had reached provisional agreement to do so with 6 of the 7 Lincolnshire Districts, which was expected to bring in a further £1.116m to LCC;
- The budget was being presented in line with the new commissioning strategies of the Council. There would be £29m of unavoidable cost pressures which were funded, but with a requirement to make £30m of savings;
- The main cost pressures were from Adult Care – demography, inflation, Care Act etc.; children's social care and transport; redundancy budget; pay inflation and pensions contributions. Main savings proposals were from adult care – use of Better Care Fund (BCF), service rationalisation, income growth; support service rationalisation; community safety commissioned projects; children's services commissioned activity; school improvement service; and capital financing;

- The ongoing commitment to major capital infrastructure schemes (e.g. Highways, Broadband, Boston barrier) would be maintained. Ongoing commitment would also be maintained to blocks of funding for property repair and maintenance, fire fleet vehicles and ICT with some minor adjustments;
- An additional £6m for the Grantham Southern Relief Road using £5m from the Grantham Growth Point budget would be made available;
- A £15m capital contingency budget had been established to deliver Council priorities for which business cases would be required from service areas;
- An additional £9m capital grant had been received for Highway Asset Protection;
- There would be a technical adjustment to the current year's programme to net-off underspend on the Energy from Waste project with the overspend on A1073;
- It was proposed to increase the Council Tax by 1.9% following a freeze for the last four years. This would equate to an annual increase of £20.25 for a band D property, or 39p per week;
- The Council was very likely to maintain its position as having one of the lowest levels of council tax for an English County Council;
- This proposed increase would generate an additional £4.3m pa in permanent income as opposed to accepting a freeze grant of £2.6m which was not guaranteed beyond 2015;
- Consultations with the public had taken place via the website; with scrutiny committees throughout January; businesses, trade unions and public sector partners via this meeting; 3 public consultation meetings with North Kesteven District Council in late January/early February, with feedback to the Executive on 3 February 2015. Final approval of the budget would be given by Full Council at its meeting on 20 February 2015.

During the course of discussion, the following points were noted:

- In relation to the public consultation, 60 people e-mailed in through the website, 550 questionnaires were circulated to the Citizens' Panel, and 66 were returned. There were also 50 responses from school children;
- It was clarified, that in relation to reserves, the £23m that was planned to be used was from the financial volatility reserve. There were two types of reserve, earmarked reserves and general reserves. The financial volatility fund was an earmarked reserve. It was confirmed that the authority would still have reserves available in the event of the unexpected e.g. flooding;
- The representative from South Holland District Council updated the meeting on the situation in relation to the business rates pool, as they were the only district to not be included. SHDC had taken this decision as there were still ongoing issues with the rateable value of a power station in the district which was appealing its business rates. It was reported that the judicial review into the appeal by the power station was still ongoing. The power station was arguing the case for its rateable value to be listed as £1, whereas its current value was £6m. If the appeal was successful this would have a catastrophic impact on the business rates, and if South Holland was part of the business rates pool, all districts and the county council would share in the loss;
- There were concerns that the authority was using half of its reserves to balance the budget next year, and that the approach of using reserves to fund a shortfall in the budget would be unsustainable for coming years;
- It was noted that the government funding element would reduce significantly in the coming years. However, other income streams would remain, and the income from council tax and business rates would increase slowly;

- It was commented that the number of responses to the public consultation was not good, and was unlikely to be representative of the views of the residents of Lincolnshire;
- Concerns were raised regarding the reduction in funding to economic development as it had spent £2m which brought in £6m of further funding to the county;
- Economic development was a discretionary area for the County Council, and the LEP was the vehicle that the Government would allocate funding to for these activities. The County Council wanted to ensure that that it was fully supportive of the LEP's activities. There was a proposed reduction of 30% for the budget for economic development. The meeting was advised that there was now a need to make difficult choices in order to balance the books;
- Concerns were raised regarding farming community and if there was anything the County Council could do to support the farmers, as they provided a significant contribution to the county's economy. It was reported that the Council tried to put the infrastructure in place in order to make distribution easier for farmers and producers, as well as continuing to request more protection from flooding for the county's farmland;
- Work was being undertaken with the LEP in relation to agriculture as it was recognised as a key industry for Lincolnshire and vital to the economy;
- The County Council would do everything it could to support the farming industry, but it was not able to directly support individual farmers;
- In response to a question regarding the council tax increase, it was commented that no other authority had held a referendum in order to increase council tax above the 2% cap. It was noted that it would cost around £800,000 to hold a referendum, however, this cost could be reduced if tied in with another election such as a general election. It was commented that Brighton had come very close last year to holding a referendum to increase council tax by 5%, however, the vote on whether to hold the referendum had been lost;
- The only county council that was thought to be seriously considering this was Surrey, but it would need to raise the council tax by quite a bit more than 2% in order for it to be worthwhile;
- The New Homes money was not really additional money as it was part of the revenue support grant, and was not ringfenced;
- There was a need to look at creating new ways of finding new funding streams;
- The way that local government was funded would not be re-examined until the end of the decade, and then it would be reviewed every 10 years;
- The authority would continue to fight the case for rural authorities like Lincolnshire to get a bigger share of the funds from metropolitan areas.

The comments made at today's meeting would be reported to the Executive at its meeting on 3 February 2015 and the final budget would be approved at the meeting of Full Council on 20 February 2015.

RESOLVED

That the points made at this meeting be submitted to the meeting of the Executive scheduled to be held on 3 February 2015.

The meeting closed at 11.40am.

Present	Representing
Councillor C Pain	Lincolnshire County Council
Councillor J D Hough	Lincolnshire County Council
Mark Finch	South Holland District Council
Alan Robinson	West Lindsey District Council
Louise Allison	City of Lincoln Council
Rev. Hamish Temple	Churches Together in All Lincolnshire
Ken Rustidge	NUT
Councillor P A Robinson	Lincolnshire County Council
Councillor M S Jones	Lincolnshire County Council
Councillor M Hill OBE	Lincolnshire County Council
Pete Moore	Lincolnshire County Council
David Forbes	Lincolnshire County Council
Nick Dear	Ping Europe
Councillor W Aron	Lincolnshire County Council
Councillor C J T H Brewis	Lincolnshire County Council
Rachel Wilson	Lincolnshire County Council

FINANCIAL STRATEGY

1 Spending and council tax

1.1 Resources will be allocated in revenue and capital budgets to support and promote achievement of the Council's Business Plan and statutory responsibilities.

1.2 Total spending and the council tax will be set with regard to:

- the impact on Lincolnshire service users;
- the impact on Lincolnshire council tax payers;
- the impact on the local economy;
- government requirements, in particular likely council tax referendum thresholds or other government constraints; and
- the impact on the County Council of local council tax support schemes set by the District Council's in Lincolnshire.

The Council will aim to keep the level of council tax one of the lowest in the country and remain in the lowest quartile of all English county councils.

1.3 The Council will implement a planned programme of major improvement, efficiency and transformation projects derived directly from key strategies such as the commissioning council model.

The programme will aim to achieve substantial savings to keep the Council's spending within the funding available from government grants and the council tax, and to allow modest development and improvement of priority services where possible.

Savings will be achieved through improved efficiency wherever possible.

The Council will seek to identify and assess appropriate opportunities to engage in partnership/shared services initiatives with other partners in the public, voluntary and private sectors where this will result in tangible efficiency improvements.

1.4 Revenue and capital budgets, typically covering at least three years, will be prepared and set realistically, taking into account the Council's key strategies. However, in setting budget timeframes, close regard will be given to the current programme of comprehensive spending reviews undertaken by the incumbent Government.

2 Financial standing

2.1 The Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

The Value for Money Scrutiny Committee will consider the adequacy of the Council's reserves each Autumn by reviewing a financial risk assessment of the overall financial standing of the Council.

- 2.2 A number of earmarked reserves will be maintained where considered prudent to do so. A specific earmarked reserve will be maintained to assist the Council in dealing with the inherent volatility now present in the funding regime for local government.

All Earmarked Reserves will be reviewed on a periodic basis. Any reserves no longer required for their original purpose will be transferred into general balances.

- 2.3 The Council will implement its Risk Management Strategy and keep it under review, including the maintenance and regular review of a Corporate Risk Register.
- 2.4 The Council will annually review and report on its governance arrangements including the system of internal control and address any significant governance issues.
- 2.5 The Audit Committee will monitor the effectiveness of risk management and governance arrangements.
- 2.6 The Council will maintain an internal audit function operating in accordance with the CIPFA Code of Practice.
- 2.7 The Council will operate a combination of internal and external insurance arrangements. The balance between internal and external insurance will be reviewed at each insurance tender, and on each occasion the opportunity will be taken to examine the cost effectiveness of alternative combinations of internal and external insurance. The Council's external insurance needs will be tendered at the end of each Long Term Agreement, which is usually between five and seven years.

3 Financial management standards

- 3.1 Training and information will be provided which is appropriate for the financial skills required of councillors, including treasury management.

A finance seminar for councillors will typically be held each Autumn to brief councillors on the overall financial standing of the Council, the latest developments in local government funding and key issues relating to the upcoming budget setting process.

- 3.2 A comprehensive continual profession development programme covering all the key aspects of financial competencies will be delivered to ensure officers accountable for finance are able to carry out their role effectively.
- 3.3 The County Finance Officer must ensure that appropriate training and development in financial competencies is provided to meet agreed needs.
- 3.4 He/she must also ensure that appropriate, specialist financial expertise is available to provide good quality financial advice to the Council and to manage its financial affairs.
- 3.5 He/she will seek actively to improve financial performance in any poorer performing areas of the Council.

4 Financial decision making

- 4.1 The Executive Director Finance and Public Protection will provide comments on financial implications, compliance and value for money as necessary for all decisions to be taken by the Council, Executive or Executive Councillors.
- 4.2 Business cases and option appraisals, in a format agreed by the County Finance Officer, will be completed and agreed before all major revenue and capital projects, developments and change programmes are commenced.

5 Budget management

- 5.1 The Executive and officers discharging executive functions must manage within approved budgets.
- 5.2 Executive Directors and budget holders must:
- Monitor and report financial performance monthly;
 - Control expenditure and income within their area against approved budgets; and
 - Take any action necessary to avoid exceeding approved budgets.
- 5.3 Executive Members will monitor financial performance on a monthly basis.

The Value for Money Scrutiny Committee and the Executive will:

- Receive detailed quarterly reports on performance and spending;
 - Seek detailed explanations from executive directors where expenditure is not being managed within approved budgets; and
 - Review financial performance at each year end.
- 5.4 The Council's organisational arrangements will reflect the principles of good financial management. They will:
- Promote budget ownership;
 - Establish clear responsibility and accountability; and
 - Recognise budget management as an essential part of good management.

6 Budget changes

- 6.1 The Council's Constitution requires that decisions can only be taken in line with the Council's approved budget. Decisions which would be contrary to, or not wholly in accordance with the budget approved by full Council will only be taken by full Council following a recommendation from the Executive, subject to the budget reallocation rules set out at paragraph 6.3 below.
- 6.2 Changes to the budget which increase the Council's total expenditure and require either the use of the Council's general reserves or increased borrowing must be referred by the County Finance Officer to the Executive for consideration before being referred to the full Council for approval.

6.3 Subject to the above, budgets can be reallocated between service headings as follows:

- Reallocations of up to £250k may be approved by the relevant Executive Director and should be notified to the Executive Director Finance and Public Protection;
- Reallocations of between £250k and £500k may be approved by the relevant Executive Councillor/s in consultation with the County Finance Officer and the relevant Executive Directors; and
- Reallocations over £500k will be considered by the Executive and must be approved by the full Council.

Budget reallocations within service headings will be made in line with Directorate Schemes of Authorisation.

7 Carry forward of over and under spendings

7.1 All under and overspendings on service revenue budgets of up to 1% will be carried forward without exception.

The use of all underspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

The means of funding all overspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

7.2 All under and overspendings on the following budgets will be carried forward without exception:

- All capital budgets;
- Dedicated Schools Budgets;
- All specific grants; and
- Revenue budgets relating to formally constituted shared services will be carried forward reflecting the joint ownership of such funds.

Earmarked Reserves will be maintained for areas where expenditure is uneven in its nature (for example: insurance and Adverse Weather). Each year any under spendings on these revenue budgets will be transferred into the reserve, and any over spendings funded from the reserve, up to the maximum available in the reserve.

8 Expenditure

8.1 The Council will acquire goods and services to achieve best value in accordance with Procurement Lincolnshire's Sustainable Procurement Strategy in order to:

- Deliver year on year efficiencies but not at the cost of quality; and
- Develop and embrace socially responsible procurement that delivers value for money, promotes the local economy, and takes into account the social and environmental impact of spending decisions.

- 8.2 Undisputed invoices will be paid in line with either contracted terms or within 30 days on a reasonable endeavours basis.

The Council will seek actively to resolve disputed invoices.

- 8.3 Procurement and payment processes will utilise available technology where appropriate including e-procurement and the use of procurement cards.

9 Income

- 9.1 The Council will review its policies on fees and charges for discretionary services bearing in mind the impact on both service users and council tax payers.

- 9.2 The Council will aim to collect all the income owed to it, to collect it promptly, and to take effective action to pursue non-payment, taking into account the circumstances of the individual debtor.

- 9.3 Income collection processes will utilise available technology where appropriate including the use of the on-line payments and credit cards.

- 9.4 The Council will not seek to use the discretionary power to set a Supplementary Business Rate unless there is general support from Lincolnshire businesses.

10 External funding and partnerships

- 10.1 The Council will work with partners and national bodies to ensure that Lincolnshire receives appropriate levels of government grant.

- 10.2 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling business rates with all or some of the Lincolnshire District Councils.

- 10.3 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling resources with Clinical Commissioning Groups or other regional health bodies in relation to the potential integration of services.

- 10.4 In deciding whether or not to make a bid for external funding or enter into a pooled funding arrangements Directors, Executive Councillors or the Executive must ensure that:

- The project or fund contributes to the Council's corporate objectives;
- Matched funding is available within existing budgets;
- Partner contributions are confirmed;
- Risks are assessed and minimized including:
 - Where funding is linked to the achievement of specific outcomes or identified performance measures.
 - Where success relies on others.
- The Council has the capacity to deliver the outcomes and timescales required; and
- There is a clear exit strategy where external funding is for a limited period.

And must consider:

- The probability of success in obtaining funding, particularly in relation to the resource costs of preparing bids;
- Co-ordination of bids and initiatives within the Council and with partners; and
- Whether the project represents value for money.

10.5 Approval for external funding bids should be sought from:

- the appropriate Executive councillor or the Executive – for projects costing more than £250,000;
- officers authorised to bid for external funding under directorate Schemes of Authorisation – for projects costing less than £250,000.

10.6 The County Finance Officer must ensure that:

- Costs, benefits and risks are assessed fully before partnership agreements are made;
- Governance, accountability and reporting arrangements are appropriate and clear; and
- Financial arrangements are appropriate and safeguard the Council's interests.

11 Funding the capital programme

11.1 The Council will actively dispose of surplus assets where appropriate in order to reinvest in capital assets.

11.2 Capital spending will be funded largely through long-term borrowing in accordance with government policy.

Consideration will be given as part of developing the annual treasury management strategy to the use of the Council's existing cash resources to delay the need to undertake external borrowing, known as internal borrowing.

11.3 Annual provision will be made for the repayment of long term borrowing. The amount repaid will be related directly to the useful life of the assets acquired through borrowing so that debt is not outstanding after an asset's useful life.

11.4 Provision for the repayment of long term borrowing including interest will not exceed a long term limit of 10% of annual income from general government grants, and council tax.

12 Accounting and financial processes

12.1 Strong financial controls will be maintained with the County Finance Officer responsible for determining or agreeing all financial processes, systems and financial records used by the Council.

12.2 Accounting policies will comply fully with International Financial Reporting Standards and statutory regulations as set out in the CIPFA Code of Practice on Local Authority Accounting in the UK. The annual statement of accounts will give a true and fair view of the financial position and transactions of the Council in the opinion of its external auditor.

13 Treasury management

13.1 The Council will comply at all times with the CIPFA Code of Practice on Treasury Management and related locally determined statements, strategies and practices.

The Council will provide a treasury management service to its Pension Fund.

13.2 The Council will employ external treasury management advisors and will outline the service received and the arrangements in place with the advisors within the Annual Treasury Management Strategy. The overall responsibility for risk management and control of the treasury operation rests with the Council.

13.3 The committee responsible for the scrutiny of the treasury management function is the Value For Money Scrutiny Committee, which will receive the Treasury Management Strategy and Annual Report on an annual basis and also quarterly monitoring reports throughout the year that will compare activity against approved strategy. Quarterly monitoring reports will also be made to the Pensions Committee in respect of the management of its cash resources.

Members and officers will receive appropriate training to assist them in discharging their roles regarding treasury management.

13.4 The Council will finance long term debt relating to capital expenditure at periods and interest rate levels that minimise the cost to the Council. The total level of long term debt will be managed within prudential levels pre-determined by the Council. The maturity profile of long term debt will also be managed with the aim of achieving an even maturity structure.

13.5 The Council will actively pursue debt rescheduling to the extent that it will generate financial savings without adding significantly to the overall debt burden.

13.6 The Council will operate a lending strategy in line with best professional practice that seeks to minimise the risk of capital loss while maximizing the income return to the Council. Priority will be given to security and liquidity over return within the lending strategy at all times.

13.7 When making investments, the Council will make use of a wide range of information, including credit ratings, financial press, market data and other relevant information, when determining an appropriate counterparty creditworthiness policy. Limits which diversify investments over country, sector and counterparty group will be applied.

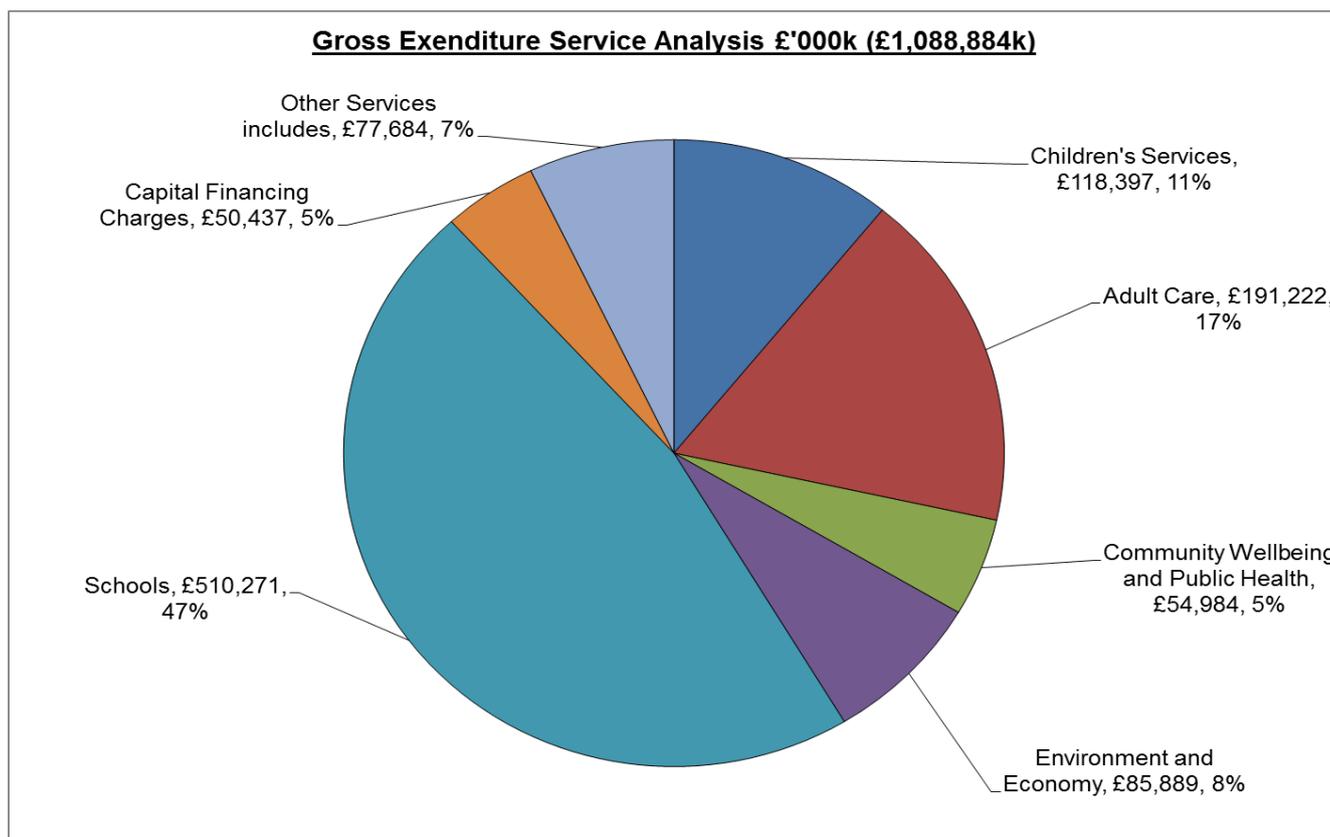
14 Performance measures and targets

- 14.1 Implementation of the Financial Strategy will be monitored and managed with reference to the measures of financial health and performance set out in the **APPENDIX F**.
- 14.2 The Financial Strategy will be reviewed at least every four years at the start of each new Council or when circumstances suggest an earlier review would be advisable.
- 14.3 Further details and guidance can be found in the Council's Financial Procedures.

KEY FINANCIAL PERFORMANCE MEASURE: FINANCIAL HEALTH AND PERFORMANCE

REF	PERFORMANCE INDICATOR	MEDIUM TERM TARGET	2014/15 Estimate	2015/16 Estimate
1	Council tax compared with other counties	In lowest quartile of all English county councils (out of 27 county councils).	Yes	Yes
2	Government grants	Lobby for annual increases in general government grants to be above the county average.	Yes	Yes
3	Capital receipts	At least £2.0m per annum from 2015/16.	£2.0m	£2.0m
4	Minimum Revenue Provision and Interest	MRP and Interest repayments not to exceed 10% of net income	5.88%	6.24%
5	Accounting	Unqualified external audit opinion.	Yes	Yes
6	General Reserves	Maintained within the range of 2.5% to 3.5% of the annual budget requirement net of Dedicated Schools Grant.	Within range 3.5%	Within range 3.5%
7	Internal control	None of the processes audited receive a "no assurance" opinion from internal audit.	Yes	Yes
8	Income collection	Overall top quartile performance compared with other counties (100 = top quartile).	85.0	85.0
9	Expenditure - prompt payment	At least 90% of undisputed invoices paid within 30 days.	92.5%	92.5%
10	Treasury management	Risk adjusted return comparison.	Weighted Benchm'k	Weighted Benchm'k

GRAPHICAL REPRESENTATION OF THE REVENUE BUDGET 2015/16



Children's Services includes: Readiness for School, Learn and Achieve, Children are Safe & Healthy and Readiness for Adult Life.

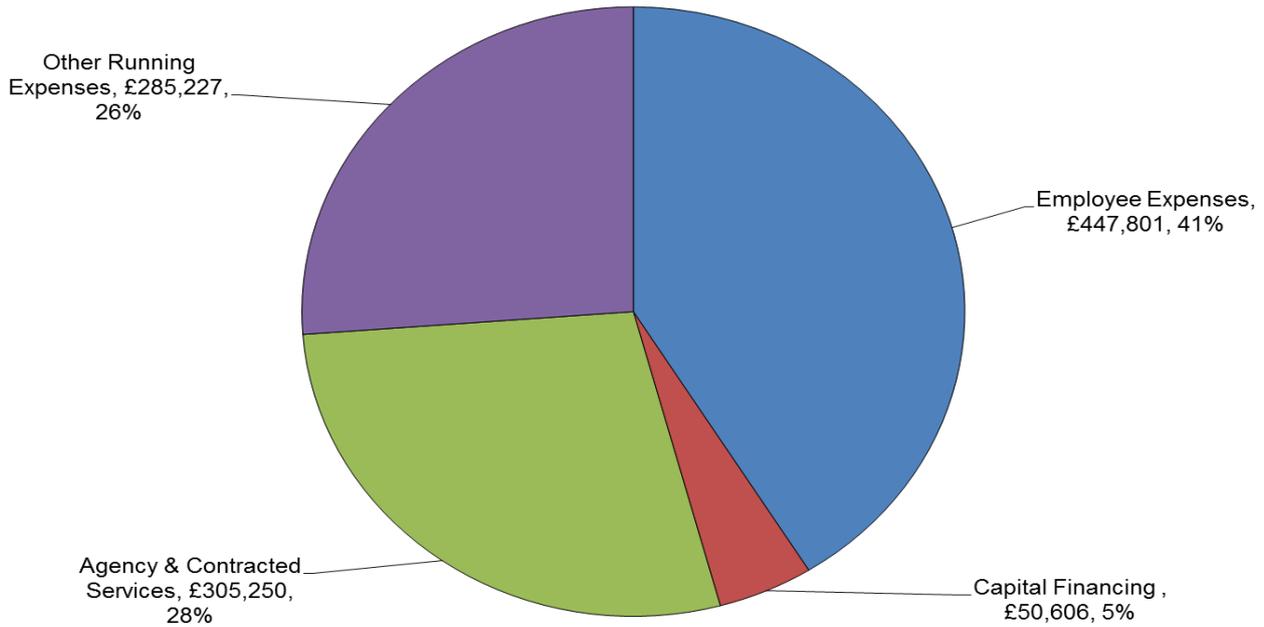
Adult Care Includes: Adult Safeguarding, Adult Frailty, Long Term Conditions and Physical Disability, Carers and Adult Specialities.

Community Wellbeing and Public Health includes: Community Resilience & Assets and Wellbeing

Environment and Economy includes: Sustaining & Developing Prosperity Through Infrastructure, Protecting & Sustaining the Environment and Sustaining & Growing Business & the Economy.

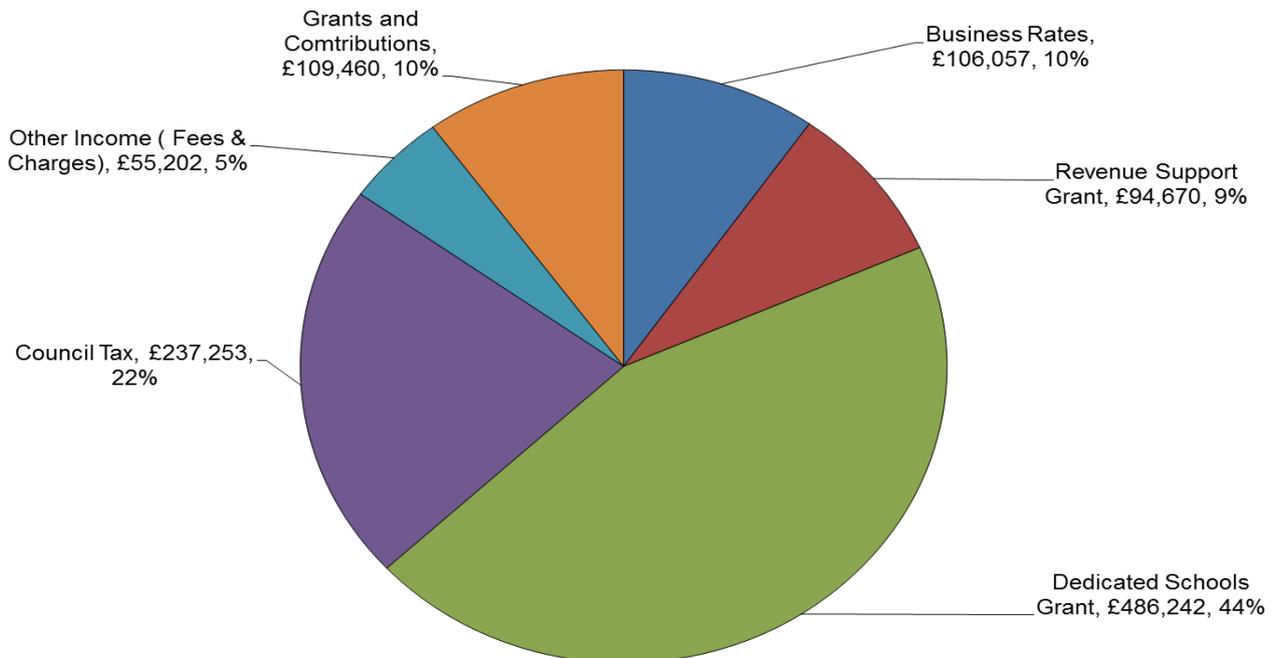
Other Services includes: Protecting the Public, How We Do Our Business and Enablers & Support to Council Outcomes, Contingency Budgets, Transfer to/from Earmarked Reserves and General Reserves.

Gross Expenditure Subjective Analysis £'000k (£1,088,884k)



The distribution of budgets differs significantly between different services. For example employee expenses comprise 59% of budgeted expenditure in schools, for other (non-schools) budgets it is only 26% of budgeted expenditure.

Sources of Finance £'000k (£1,088,884k)



Dedicated Schools Grant. Lincolnshire has been awarded £486.242m, which is for all schools in Lincolnshire including local authority schools and Academies. Approximately half of all pupils attend academy schools. Therefore, it is expected that this figure will be revised down by half for funding to academy schools. DGS is a ring-fenced grant that is passed directly through to schools.

REVENUE GOVERNMENT GRANTS 2015/16

The revenue budget for 2015/16 includes the following Government Grants which have been allocated to the County Council:

	£'000
<u>Council's Non-Specific Grants</u>	
Revenue Support Grant (*1)	94,670
Education Services Grant (*2)	6,661
SEND Implementation Local Allocation	423
New Homes Bonus	3,524
Extended Rights to Free Travel (Local Services Support Grant)	632
Lead Local Flood Authorities (Local Services Support Grant)	301
Inshore Fisheries Conservation Authorities (Local Services Support Grant)	128
<u>Schools Budgets</u>	
Dedicated Schools Grant (ring-fenced) (*3)	486,242
Pupil Premium (*4)	23,432
<u>Service Budgets</u>	
Adult Social Care Local Reform and Community Voices Grant	454
Care Act Implementation Grant	4,433
Public Health Grant (ring-fenced)	28,506
Fire Revenue Grant - Fire Link and New Dimensions	1,193
Total Revenue Grants	650,599

(*1) Revenue Support Grant in 2015/16 includes the Council Tax Freeze Grant for 2014/15 and the Rural Services Delivery Funding which were awarded to the Council separately in the last financial year.

(*2) Education Support Grant is budgeted at £6.661m. This reflects the Council's estimate of pupil numbers and funding rates per pupil in local authority and academy schools in 2014/15. The grant is paid on a quarterly basis with each payment being adjusted as schools convert to Academies throughout the financial year.

(*3) Dedicated Schools Grant. Lincolnshire has been awarded £486.242m, which is for all schools in Lincolnshire including local authority schools and Academies. Approximately half of all pupils attend academy schools, therefore it is expected that this figure will be revised down by half for funding to academy schools. DGS is a ring-fenced grant that is passed directly through to schools.

(*4) Pupil Premium. Similarly to the DSG, the pupil premium allocation of £23.432m for Lincolnshire covers both the allocations for local authority schools and academy schools. The figure for 2015/16 is currently an estimate. The final allocation for 2015/16 is not expected to be announced until late February 2015.

REVENUE BUDGET
***COST PRESSURES AND SAVINGS BY COMMISSIONING STRATEGY**

	2015/16 *COST PRESSURES £'000	2015/16 SAVINGS £'000
Readiness for School	42	-935
Learn & Achieve	1,034	-1,097
Readiness for Adult Life	54	-836
Children are Safe & Healthy	1,865	-1,390
Adult Safeguarding	1,907	0
Adult Frailty, Long Term Conditions & Physical Disability	12,791	-10,129
Carers	0	0
Adult Specialities	3,723	-3,694
Community Resilience & Assets	1,027	-739
Wellbeing	28	-1,563
Sustaining & Developing Prosperity Through Infrastructure	895	-1,197
Protecting & Sustaining the Environment	718	-635
Sustaining & Growing Business & the Economy	27	-288
Protecting the Public	461	-1,717
How We Do Our Business	50	-776
Enablers & Support to Council Outcomes	1,711	-3,190
Total Commissioning Strategy Budgets	26,333	-28,186
Other Budgets	4,247	-2,547
Total Expenditure	30,580	-30,733

*Please note that cost pressures also include inflation.

CHANGES BETWEEN THE 2014/15 BUDGET AND THE 2015/16 BUDGET

	Impact on budget	
	£'000	%
COST PRESSURES:		
Inflation	1,680	0.37%
Learn and Achieve	945	0.21%
Children are Safe & Healthy	1,533	0.34%
Adult Safeguarding		
Court of Protection	938	0.21%
Adult Safeguarding - Other Cost Pressures	955	0.21%
Adult Frailty, Long Term Conditions and Physical Disability		
Community/Home Support	1,879	0.41%
Long Term Placements	2,938	0.65%
Care Act Implementation	6,000	1.32%
Adult Frailty, Long Term Conditions and Physical Disability - Other Cost Pressures	1,826	0.40%
Adult Specialities		
Long and short term residential care	1,258	0.28%
Home Based Care Services	1,398	0.31%
Adult Specialities - Other Cost Pressures	1,039	0.23%
Community Resilience & Assets	918	0.20%
Sustaining & Developing Prosperity Through Infrastructure	700	0.15%
Protecting & Sustaining The Environment	680	0.15%
Protecting the Public	236	0.05%
Enablers & Support to Council Outcomes	1,416	0.31%
Other Budgets		
Increase in Redunancy Budget	2,500	0.55%
Other Budgets - Other Cost Pressures	1,741	0.38%
TOTAL COST PRESSURES:	30,580	6.73%

SAVINGS:		
Learn and Achieve	-935	-0.21%
Children are Safe & Healthy	-1,097	-0.24%
Readiness for Adult Life	-836	-0.18%
Children are Safe & Healthy	-1,390	-0.31%
Adult Frailty, Long Term Conditions and Physical Disability		
Better Care Funding Savings	-5,125	-1.13%
Care Act Efficiencies	-1,000	-0.22%
Residential Income Growth	-1,062	-0.23%
Adult Frailty, Long Term Conditions and Physical Disability - Other Savings	-2,942	-0.65%
Adult Specialities		
Better Care Funding Savings	-2,125	-0.47%
Adult Specialities - Other Savings	-1,569	-0.35%
Community Resilience & Assets	-739	-0.16%
Wellbeing	-1,563	-0.34%
Sustaining & Developing Prosperity Through Infrastructure	-1,197	-0.26%
Protecting & Sustaining The Environment	-635	-0.14%
Sustaining & Growing Business & The Economy	-288	-0.06%
Protecting the Public	-1,717	-0.38%
How We Do Our Business	-776	-0.17%
Enablers and Support to Council Outcomes		
Commissioning Support Unit	-1,011	-0.22%
Enablers and Support to Council Outcomes - Other Savings	-2,179	-0.48%
Other Budgets		
Other Budgets - Other Savings	-2,547	-0.56%
TOTAL SAVINGS:	-30,733	-6.77%

	Impact on budget	
	£'000	%
COST PRESSURES:		
Other Movements:		
Use of Earmarked Reserve (change over last year)	-15,091	-3.32%
Release of Funding from the General Fund Balance (change over last year)	825	0.18%
TOTAL OTHER MOVEMENTS:	-14,266	-3.14%
TOTAL CHANGE IN BUDGET REQUIREMENT:	-14,418	-3.2%
Reduction in funding from Revenue Support Grant (RSG)	-29,905	-6.6%
Reduction due to grants being rolled into RSG	-2,567	-0.6%
Reduction in other council general grants	-2,167	-0.5%
Increase in other council general grants	1,140	0.3%
New Grant - Care Act Implementation	4,433	1.0%
Increase in Business Rates (including Pooling Income and Section 31 Grant)	2,926	0.6%
Business Rates Collection Fund Surplus	830	0.2%
Increase in Council Tax Base and Council Tax Collection Fund Surplus	10,892	2.4%
TOTAL CHANGE IN GENERAL GRANT AND COUNCIL TAX INCOME:	-14,418	-3.2%

EARMARKED RESERVES

	Actual Balance as at 31 March 2014 £'000	Planned Use / Contribution in 2014/15 £'000	Estimated Balance at 31 March 2015 £'000	Planned Use / Contribution in 2015/16 £'000	Estimated Balance at 31 March 2016 £'000
Balances from dedicated schools budget including those held by Schools under a scheme of delegation	33,896	-23,896	10,000	0	10,000
Other Earmarked Reserves					
Other Services	3,999	-3,999	0	0	0
Adverse Weather	1,000	0	1,000	0	1,000
Insurances	5,087	0	5,087	0	5,087
Schools Sickness Insurance Scheme	803	0	803	0	803
Museum Exhibits	138	0	138	0	138
Development - Economic Development Reserve	533	-133	400	0	400
Development - SCS Reserve	44	-44	0	0	0
Health and Wellbeing	2,932	-800	2,132	0	2,132
Development - Lincs Coastal Country Park	386	-386	0	0	0
Legal	1,569	-900	669	0	669
Procurement	780	-206	574	0	574
Salix Carbon Management	100	92	192	0	192
Safer Communities Development Fund	833	0	833	0	833
Community Safety Development Fund	945	0	945	0	945
Co-Responders Services	150	0	150	0	150
Financial Volatility Reserve - Budget Shortfall	6,780	-6,780	0	0	0
Financial Volatility Reserve	43,006	5,302	48,308	-21,871	26,437
Teal Park	50	0	50	0	50
Youth Service Positive Activities Development Fund	301	-139	162	0	162
Corby Glen/South Lincolnshire Sports Fund	171	0	171	0	171
Youth Offending Service	363	0	363	0	363
Domestic Homicide Reviews	100	0	100	0	100
Civil Parking Enforcement	313	0	313	0	313
Support Service Contract Reserve (FDSS)	4,000	-3,500	500	0	500
Roads Maintenance Reserve	5,843	-5,843	0	0	0
New Salt Dome Willingham	200	-20	180	0	180
Waste Management Reserve	727	-727	0	0	0
Planning Appeals Reserve	100	-60	40	0	40
Adoption Reform Reserve	600	-136	464	0	464
Community Advisors Reserve	287	-140	147	0	147
Local Welfare Provision Reserve	221	0	221	0	221
Property Management	250	0	250	0	250
Broadband Project	135	-40	95	0	95
Broadband Clawback	157	0	157	0	157
Judicial Reviews	0	150	150	0	150
Temporary Service Reserves	2,914	-1,335	1,579	0	1,579
Revenue Grants and Contributions Unapplied	45,563	-17,457	28,106	0	28,106
Total Earmarked Reserves	165,276	-60,997	104,279	-21,871	82,408

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS		2014/15	2015/16	2016/17	2017/18
PRUDENTIAL INDICATOR TARGETS					
External Debt:					
1	<u>Authorised limit for external debt -</u> The authority will set for the forthcoming financial year and the following three years an authorised limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Authorised limit for external debt -</u>	£m	£m	£m	£m
	borrowing	541.795	592.052	626.021	617.618
	other long term liabilities	15.821	15.083	14.443	13.975
	Total	557.616	607.135	640.464	631.593
2	<u>Operational boundary -</u> The authority will set for the forthcoming financial year and the following three years an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Operational boundary -</u>	£m	£m	£m	£m
	borrowing	517.795	568.052	602.022	593.619
	other long term liabilities	13.821	13.083	12.443	11.975
	Total	531.616	581.135	614.465	605.594
Treasury Management Indicators:					
Interest Rate Exposures					
The Authority will set for the forthcoming financial year and the following three years upper limits to its exposures to the effects of changes in interest rates. These prudential indicators relate to both fixed and variable interest rates.					
3	<u>Upper limit for fixed interest rate exposure</u> Net principal re fixed rate borrowing less investments	£m	£m	£m	£m
		665.617	665.617	665.617	665.617
4	<u>Upper limit for variable rate exposure</u> Net principal re variable rate borrowing less investments				
		199.685	199.685	199.685	199.685
Gross Debt					
The Authority will ensure that gross debt does not, except in the short term, exceed the total of Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is to ensure that over the medium term debt will only be for a capital purpose.					
5	<u>Gross Debt and the Capital Financing Requirement</u>	✓	✓	✓	✓
Borrowing in Advance of Need					
The Authority will set for the forthcoming financial year and the following three years upper limits to its Borrowing in Advance of need.					
6	<u>Borrowing in advance of need limited to percentage of the expected increase in CFR over 3 year budget period. (Voluntary Indicator).</u>	25%	25%	25%	25%
Total principal sums invested for periods longer than 364 days					
Where a local authority plans to invest, for periods longer than 364 days the local authority will set an upper limit for each forward year period for the maturing of such investments					
7	<u>Upper limit for total principal sums invested for over 364 days</u> (per maturity date)	£m	£m	£m	£m
		40.000	40.000	40.000	40.000

PRUDENTIAL INDICATORS TO NOTE					
8	Repayment of minimum revenue provision and interest will not exceed 10% of Net Revenue Stream including Dedicated Schools Grant (Voluntary Indicator)	5.88%	6.24%	7.48%	7.94%
9	Estimates of capital expenditure - The Authority shall make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the two following years. Reported in the Revenue Budget and Capital Programme to Full Council	✓	✓	✓	✓
10	Ratio of Financing Costs to Net Revenue Stream The Authority will estimate for the forthcoming financial year and the following three years the ratio of financing costs to Net Revenue Stream, including Dedicated Schools Grant.	5.85%	6.14%	7.24%	7.51%
11	Capital Financing Requirement The Authority shall make reasonable estimates of the total of capital financing requirement at the end of the forthcoming financial year and the following three years.				
		£m	£m	£m	£m
	Estimate of the Capital Financing Requirement for the Authority	581.443	630.292	669.472	665.617
	Estimate of Gross External Borrowing	461.674	513.440	553.943	550.469
12	Estimate of the incremental impact of Capital Investment decisions on the Council Tax The Authority will calculate the addition or reduction to Council Tax that results from any proposed changes to the capital programme Band D Council Tax	-£8.63	£8.36	£36.63	£15.90
13	Treasury Management: The Authority has adopted the CIPFA's Code of Practice for Treasury Management in Public Services	✓	✓	✓	✓
14	Treasury Management Indicator: <u>Maturity structure of new fixed rate borrowing</u> The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of borrowing				
	under 12 months	upper limit	lower limit		
	12 months and within 24 months	25%	0%		
	24 months and within 5 years	25%	0%		
	5 years and within 10 years	50%	0%		
	10 years and above	75%	0%		
		100%	0%		

CAPITAL PROGRAMME

Capital Programme (2015/16 Plus Future Years)	Net Programme 2014/15 £'000	Grants and Contributions 2014/15 £'000	Gross Programme 2014/15 £'000	Net Programme 2015/16 £'000	Grants and Contributions 2015/16 £'000	Gross Programme 2015/16 £'000	Net Programme future years £'000	Grants and Contributions future years £'000	Gross Programme future years £'000
Children's Services									
<u>Readiness for School</u>									
Other Readiness for School	1,534	534	2,068	0	0	0	0	0	0
Sub Total	1,534	534	2,068	0	0	0	0	0	0
<u>Learn and Achieve</u>									
Devolved Capital	1,800	1,395	3,195	0	1,344	1,344	0	0	0
Provision of School Places (Basic Need)	12,561	11,056	23,617	0	11,434	11,434	0	12,006	12,006
School Condition / Maintenance Capital	1,243	0	1,243	0	0	0	0	0	0
Schools Modernisation / Condition Capital	2,431	6,752	9,183	0	5,421	5,421	0	0	0
Academy Projects	1,995	299	2,294	1,115	0	1,115	0	0	0
Other Learn and Achieve	581	0	581	600	0	600	0	0	0
Sub Total	20,611	19,502	40,113	1,715	18,199	19,914	0	12,006	12,006
<u>Readiness for Adult Life</u>									
Other Readiness for Adult Life	133	30	163	0	0	0	0	0	0
Sub Total	133	30	163	0	0	0	0	0	0
<u>Children are Safe and Healthy</u>									
Universal Infant Free School Meals Capital	0	1,085	1,085	0	0	0	0	0	0
Other Children are Safe and Healthy	640	0	640	0	0	0	0	0	0
Sub Total	640	1,085	1,725	0	0	0	0	0	0
Adult Care									
<u>Adult Frailty, Long Term Conditions and Physical Disability</u>									
Adult Care	313	1,848	2,161	490	1,875	2,365	0	0	0
Better Care Fund - Disabled Facility Grants	0	0	0	0	2,970	2,970	0	0	0
Sub Total	313	1,848	2,161	490	4,845	5,335	0	0	0
Community Wellbeing and Public Health									
<u>Community Resilience and Assets</u>									
Libraries	77	0	77	1,028	0	1,028	0	0	0
Other Community Resilience and Assets	253	0	253	0	0	0	0	0	0
Sub Total	330	0	330	1,028	0	1,028	0	0	0
Economy and Economy									
<u>Sustaining and Developing Prosperity Through Infrastructure</u>									
Highways Asset Protection	6,671	29,865	36,536	0	31,012	31,012	0	105,909	105,909
Integrated Transport	3,748	7,423	11,171	75	3,312	3,387	0	13,248	13,248
Lincoln Eastern Bypass	2,000	0	2,000	14,687	33,291	47,978	28,000	16,659	44,659
Lincoln East-West Link	4,958	0	4,958	7,989	0	7,989	1,403	0	1,403
Spalding Relief Road (Phase I)	0	0	0	0	0	0	10,000	0	10,000
Grantham Southern Relief Road	0	800	800	1,000	9,200	10,200	35,000	18,000	53,000

Capital Programme (2015/16 Plus Future Years)	Net Programme 2014/15 £'000	Grants and Contributions 2014/15 £'000	Gross Programme 2014/15 £'000	Net Programme 2015/16 £'000	Grants and Contributions 2015/16 £'000	Gross Programme 2015/16 £'000	Net Programme future years £'000	Grants and Contributions future years £'000	Gross Programme future years £'000
A16/A1073 Spalding to Eye Road Improvement	1,661	0	1,661	0	0	0	0	0	0
Grantham Growth Point	2,298	0	2,298	0	0	0	0	0	0
Lincolnshire Waterways	1,025	0	1,025	300	0	300	0	0	0
Skegness Countryside Business Park	1,100	0	1,100	0	0	0	0	0	0
Historic Lincoln	-306	7,283	6,977	0	3,952	3,952	0	0	0
Other Sustaining and Developing Prosperity	1,145	0	1,145	0	0	0	0	0	0
Sub Total	24,300	45,371	69,671	24,051	80,767	104,818	74,403	153,816	228,219
Protecting and Sustaining the Environment									
Flood Defence	0	0	0	6,000	0	6,000	0	0	0
Boston Barrier	0	0	0	0	0	0	11,000	0	11,000
Other Protecting and Sustaining the Environment	1,178	0	1,178	650	0	650	0	235	235
Energy from Waste	320	0	320	0	0	0	0	0	0
Sub Total	1,498	0	1,498	6,650	0	6,650	11,000	235	11,235
Sustaining and Growing Business and the Economy									
Other Sustaining and Growing Business and the Economy	1,248	0	1,248	339	0	339	0	0	0
Sub Total	1,248	0	1,248	339	0	339	0	0	0
Finance and Public Protection									
Protecting the Public									
Youth Offending	38	0	38	0	0	0	0	0	0
Fire & Rescue and Emergency Planning	569	885	1,454	5,679	0	5,679	500	0	500
Fire Fleet Vehicles and Associated Equipment	1,141	0	1,141	1,420	0	1,420	16,489	0	16,489
Sub Total	1,748	885	2,633	7,099	0	7,099	16,989	0	16,989
Enablers and Support to Council's Outcomes									
Broadband	200	14,041	14,241	12,464	4,500	16,964	0	0	0
Infrastructure and Refresh Programme	921	0	921	2,421	0	2,421	0	0	0
Replacement ERP Finance System	7,000	0	7,000	0	0	0	0	0	0
Care Management System (CMPP)	1,616	0	1,616	483	0	483	0	0	0
IMP Development	543	0	543	0	0	0	0	0	0
ICT Development Fund	0	0	0	2,690	0	2,690	0	0	0
Property	4,923	0	4,923	3,200	0	3,200	0	0	0
Property Rationalisation Programme	2,500	0	2,500	2,732	0	2,732	0	0	0
Property Contingency	0	0	0	0	0	0	7,298	0	7,298
Sub Total	17,703	14,041	31,744	23,990	4,500	28,490	7,298	0	7,298
Other programmes									
New Developments Capital Contingency Fund	3,230	0	3,230	15,000	0	15,000	0	0	0
Sub Total	3,230	0	3,230	15,000	0	15,000	0	0	0
TOTAL	73,288	83,296	156,584	80,362	108,311	188,673	109,690	166,057	275,747

SUMMARY OF CAPITAL SCHEMES FROM THE 2015/16 PROGRAMME

The Council's Capital Programme includes the following schemes which are due to be undertaken in 2015/16:

Children's Services:

- Programme of expansion and new build construction of school buildings to meet the statutory responsibility for provision of educational places. Significant projects for 2015/16 include: construction of a new Primary Academy school in North Hykeham; major expansions of primary schools in Lincoln (St Faith's Church of England Infant School) and Spalding (Parish Church of England Day School).
- Programme to improve the condition of the school estate, for example roofing, boiler replacements and window replacements.

Adult Care

- Schemes including: Extra Care Housing; Telecare/Telehealth; Disabled Facilities Grants; Modernisation and Minor Works & Health and Safety.

Community Wellbeing and Public Health:

- Libraries funding set aside for one-off investment, most of it in Community Hubs offering library facilities.

Environment and Economy:

- Maintenance of roads, bridges, safety fencing, street lighting, signs and lines and traffic signals.
- Integrated transport schemes across the County including minor capital improvements, rights of way, road safety, public transport and town/village enhancements.
- Lincoln Eastern Bypass, Lincoln East-West Link Road and Grantham Southern Relief Road – three major new roads projects.
- Historic Lincoln – redevelopment of the Castle and other associated projects, including Magna Carta pavilion and refurbishment of the prison.
- Flood Defence - contribution towards Environment Agency led flood defence schemes in Louth and Horncastle.

Finance and Public Protection:

- New fire station builds at Sleaford and maintenance and improvement programme to ensure fire properties remain fit for purpose.
- Replacement of fire-fighters' personal protective equipment.
- Rolling programme for the replacement of fire and rescue fleet vehicles and associated equipment.
- Repairs, maintenance and improvement to council properties.
- Property rationalisation programme, projects throughout the County.
- Broadband – a programme to install high speed internet infrastructure in communities and businesses, particularly in rural areas.
- General IT programmes including: IT development; Replacement of PC's and other IT equipment and ICT infrastructure.

Other Programmes:

- A Council wide budget has been created to fund any schemes that are currently in the development stage. This funding will be awarded to these schemes on the approval of their business cases throughout 2015/16.

CAPITAL GOVERNMENT GRANTS 2015/16

The Capital Programme for 2015/16 includes the following Government Grants which have been allocated to the County Council:

	£'000
Adult's Social Care Capital Grant	1,875
Better Care Fund - Disabled Facility Grants (*1)	2,970
Highways Asset Maintenance	31,012
Highways Integrated Transport	3,312
Schools Basic Needs	11,434
Schools Condition Allocation	5,421
Schools Devolved Formula Capital	1,344
Total Capital Grants	57,368

(*1) Better Care Fund - Disabled Facility Grants

Funding to be passported to the Lincolnshire District Council's for delivery of the service.

Further grants included in the programme will be received on a claim basis as spend is incurred.

SUMMARIES OF COMMISSIONING STRATEGY REVENUE ESTIMATES

REVENUE EXPENDITURE - READINESS FOR SCHOOL

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	9,176,588	
	BUDGET CHANGES:		
2	Inflation	41,700	Ref 2 An allocation for inflation.
	<u>Cost Pressures</u>		
	<u>Savings:</u>		
3	Commissioned activities in Children's Centres	- 934,514	Ref 3 A reduction in a limited number of commissioned activities in Children's Centres whilst retaining those services directly affecting the prioritised outcomes.
4	2015/16 BUDGET	8,283,774	
			Please note that the Healthy Child Programme is expected to be transferred to the Council as commissioner in October 2015 but the budget figures have not yet been notified.

REVENUE EXPENDITURE - READINESS FOR SCHOOL

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	HEALTHY CHILD PROGRAMME			
2	CHILDREN'S CENTRES - CENTRE COSTS	4,642,464	133,556	4,776,020
3	CHILDREN'S CENTRES - COMMISSIONED SERVICES	2,760,322	- 1,035,175	1,725,147
4	EARLY EDUCATION	1,773,802	8,805	1,782,607
5	NET TARGET BUDGET	9,176,588	- 892,814	8,283,774

REVENUE EXPENDITURE - LEARN AND ACHIEVE

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	35,981,462	
	BUDGET CHANGES:		
2	Inflation	88,964	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Home to School/College Transport	380,000	Ref 3 An inflationary increase required as a result of market factors affecting transport provision.
4	University Technology College transport	142,000	Ref 4 Transportation of pupils to the University Technology College, which provides education with a high level engineering focus for Lincolnshire pupils from the age of 14.
5	SEND grant	423,493	Ref 5 Special Education Needs and Disabilities (SEND) Reform grant for 2015-2016.
	<u>Savings:</u>		
6	School Improvement	- 500,000	Ref 6 Savings to be achieved through contract negotiations and a move towards a sector led approach due to a reduction in LA responsibilities following schools transferring to Academy status and Education Support Grant reductions.
7	Children with Disabilities	- 393,325	Ref 7 Changes to the delivery model of short break contracts that deliver a range of activities for children with disabilities. In addition the provision of high cost equipment will be met by another funding source.
8	Music Service	- 204,000	Ref 8 The removal of the Council's contribution towards the Music Service. Central government grants will remain with the service. It is intended that, in time, the service will be a fully traded model.
9	2015/16 BUDGET	35,918,594	

REVENUE EXPENDITURE - LEARN AND ACHIEVE

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	SCHOOL SUPPORT SERVICES	1,063,139	- 200,343	862,796
2	PARENT PARTNERSHIP	165,921	18,270	184,191
3	SCHOOL IMPROVEMENT	2,831,331	- 500,810	2,330,521
4	STATEMENTING PROCESS AND INTERVENTION	2,661,161	364,972	3,026,133
5	HOME TO SCHOOL/COLLEGE TRANSPORT	24,645,388	522,000	25,167,388
6	SCHOOL ADMISSIONS AND OTHER EDUCATION COSTS	318,551	- 52,460	266,091
7	CHILDREN WITH DISABILITIES	3,946,587	- 214,497	3,732,090
8	SUPPORTED EMPLOYMENT	349,384	0	349,384
9	NET TARGET BUDGET	35,981,462	- 62,868	35,918,594

REVENUE EXPENDITURE - READINESS FOR ADULT LIFE

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	7,103,902	
	BUDGET CHANGES:		
2	Inflation	53,775	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
	<u>Savings:</u>		
3	14 - 19 Provision	- 132,000	Ref 3 Retention of minimal staffing provision to enable the Local Authority to exercise its statutory duties to support sufficiency of provision for post 16 places and curriculum.
4	Positive Activities for Young People	- 173,800	Ref 4 Decommissioning of the REAL Bus which is a mobile information and advice centre for young people. The Fire Service are planning to take over responsibility for this activity.
5	Supported Accommodation	- 530,000	Ref 5 Partial decommissioning of supported accommodation by reducing housing related support from support for young people aged 17-25 to only those 16/17 year olds plus care leavers (statutory duty). Public Health will continue to commission services for vulnerable young people aged 18-25.
6	2015/16 BUDGET	6,321,877	

REVENUE EXPENDITURE - READINESS FOR ADULT LIFE

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	14-19 EDUCATION/TRAINING AND APPRENTICESHIPS	302,506	-	132,000
2	CAREER GUIDANCE	1,291,334	-	9,573
3	POSITIVE ACTIVITIES FOR YOUNG PEOPLE	1,962,547	-	147,802
4	TEENAGE PREGNANCY	229,939		0
5	SUPPORTED ACCOMMODATION/LODGINGS	1,866,303	-	530,000
6	LINCS SECURE UNIT	-	445,057	53,775
7	LEAVING CARE	1,896,330	-	16,425
8	NET TARGET BUDGET	7,103,902	-	782,025
				6,321,877

REVENUE EXPENDITURE - CHILDREN ARE SAFE AND HEALTHY

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	50,031,765	
	BUDGET CHANGES:		
2	Inflation	331,591	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Fostering and Adoption	664,000	Ref 3 An increase in Fostering Allowances (£0.107m), Regulation 24 payments (£0.268m) and Special Guardianship payments (£0.271m) as a result of the rise in the number of looked after children. In addition there is funding for a 2% inflationary uplift to Foster Care Allowances (£0.018m).
4	Out of County Residential Placements	869,000	Ref 4 Additional funding required as a result of an increase in looked after children with more complex and challenging needs that can not be met by in-house provision.
	<u>Savings:</u>		
5	Healthy Schools and Food for Life	- 407,826	Ref 5 Consult and remodel services which support schools to address health outcomes using universal services to promote positive health messages.
6	Child Protection	- 400,000	Ref 6 Lower third party insurance costs as a result of a reduced number of claims in recent years.
7	Commissioning Support	- 582,528	Ref 7 Savings as a result of the senior management review, a reduction in the staffing infrastructure and other staff related costs
8	2015/16 BUDGET	50,506,002	

REVENUE EXPENDITURE - CHILDREN ARE SAFE AND HEALTHY

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	SCHOOL NURSING	2,629,040	0	2,629,040
2	HEALTHY SCHOOLS AND HEALTHY CHILD	586,826	- 407,826	179,000
3	CHILD PROTECTION (CONTACT, REF AND ASSESSMENT)	15,436,785	- 196,856	15,239,929
4	TARGETED SUPPORT - YOUNG PEOPLE	1,746,570	- 24,615	1,721,955
5	LOOKED AFTER CHILDREN	3,326,588	14,308	3,340,896
6	FOSTERING AND ADOPTION	11,225,564	664,191	11,889,755
7	RESIDENTIAL HOMES	5,095,502	869,000	5,964,502
8	CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (SECTION 75)	835,444	- 4	835,440
9	UNACCOMPANIED CHILDREN	0	0	0
10	FAMILY SUPPORT	5,435,713	- 1,003	5,434,710
11	COMMISSIONING SUPPORT FOR ALL CHILDREN'S STRATEGIES	3,713,733	- 442,958	3,270,775
12	NET TARGET BUDGET	50,031,765	474,237	50,506,002

REVENUE EXPENDITURE - ADULT SAFEGUARDING

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	1,348,091	
	BUDGET CHANGES:		
2	Inflation	14,548	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Additional Staffing	75,306	Ref 3 Extra staff required for the increased DOLS assesments due to the Cheshire West judgement
4	Additional Dols application in year	442,200	Ref 4 Significant increase per month in DOLS assesments due to the Cheshire West judgement
5	Additional court of protection applic	937,500	Ref 5 Increase in Community Supported living costs on account of the Cheshire West judgement
6	Additional DOLS reassessments	260,898	Ref 6 Increase in the number of DOLS re-assements as a result of the Cheshire West judgement
7	Additional legal costs in year	177,000	Ref 7 Legal costs increase alongside all of the additional DOLS assessments and re assessments
	Savings		
8	2015/16 BUDGET	3,255,543	

REVENUE EXPENDITURE - ADULT SAFEGUARDING

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	FIELDWORK TEAM	1,155,514	89,854	1,245,368
2	BEST INTEREST ASSESSMENTS	112,577	1,817,598	1,930,175
3	SAFEGUARDING BOARD	80,000	0	80,000
4	NET TARGET BUDGET	1,348,091	1,907,452	3,255,543

REVENUE EXPENDITURE - ADULT FRAILITY, LONG TERM CONDITIONS AND PHYSICAL DISABILITY

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	90,431,660	
	BUDGET CHANGES:		
2	Inflation	148,336	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	LARS service	- 300,000	Ref 3 one off increase for 14/15 pressure only
4	Direct Payments	737,867	Ref 4 Inflation and Demographic pressures in 15/16
5	Community /Home support	1,878,640	Ref 5 Inflation and Demographic pressures in 15/16
6	Long term placements	2,937,874	Ref 6 Inflation and Demographic pressures in 15/16
7	Short term Placements	280,970	Ref 7 Inflation and Demographic pressures in 15/16
8	Other services	89,215	Ref 8 Inflation and Demographic pressures in 15/16
9	Care Act implementation	6,000,000	Ref 9 Additional funding for the implementation of the Care Act
10	Family Dementia support/short breaks	318,000	Ref 10 Inflation and Demographic pressures in 15/16
11	Seasonal pressure	700,000	Ref 11 Inflation and Demographic pressures in 15/16
	<u>Savings:</u>		
12	Staffing	- 445,000	Ref 12 Senior management review and other staff savings
13	Intermediate care step down	- 300,000	Ref 13 Savings due to contract renegotiations
14	BCF	- 1,000,000	Ref 14 Additional funding from the Better Care Fund
15	Income Maximisation	- 2,087,631	Ref 15 Review of contributions policy to reflect Care Act and maximising income
16	OP/PD day care and transport	- 100,000	Ref 16 Renegotiation of Transport contracts
17	Sensory impairment contract	- 53,000	Ref 17 Savings due to contract renegotiations
18	Care Act efficiencies	- 1,000,000	Ref 18 Efficiency savings
19	Demographic growth -BCF	- 2,125,000	Ref 19 Additional funding from the Better Care Fund
20	BCF Care act implementation	- 2,000,000	Ref 20 Additional funding from the Better Care Fund
21	Family Dementia support/short breaks	- 318,000	Ref 21 Additional funding from reserves for Family Dementia support
22	Use of Reserves	- 700,000	Ref 22 Additional funding from reserves for seasonal pressures
23	2015/16 BUDGET	93,093,931	

REVENUE EXPENDITURE - ADULT FRAILTY, LONG TERM CONDITIONS AND PHYSICAL DISABILITY

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	LONG AND SHORT TERM RESIDENTIAL CARE	44,478,950	2,056,820	46,535,770
2	HOME BASED CARE SERVICES	16,845,600	699,400	17,545,000
3	DIRECT PAYMENTS	8,718,484	401,766	9,120,250
4	DAY CARE SERVICES	715,680	-	447,680
5	INTERMEDIATE CARE	2,405,502	-	370,667
6	HIRED AND CONTRACTED SERVICES	155,871	-	55,871
7	FIELDWORK TEAM	9,619,973	1,625,531	11,245,504
8	COMMISSIONING SUPPORT	7,491,600	-	1,247,028
9	NET TARGET BUDGET	90,431,660	2,662,271	93,093,931

REVENUE EXPENDITURE - CARERS

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET BUDGET CHANGES: Inflation Cost Pressures Savings	2,044,492	
2	2015/16 BUDGET	2,044,492	

REVENUE EXPENDITURE - CARERS

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	ADULT AND YOUNG CARERS SERVICE CONTRACTS	1,294,492	0	1,294,492
2	PERSONAL BUDGETS	750,000	0	750,000
3	NET TARGET BUDGET	2,044,492	0	2,044,492

REVENUE EXPENDITURE - ADULT SPECIALTIES

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	47,213,730	
	BUDGET CHANGES:		
2	Inflation	29,003	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Long and Short term Residential Care	1,258,023	Ref 3 Inflation and Demographic pressures in 15/16
4	Home Based Care services	1,397,622	Ref 4 Inflation and Demographic pressures in 15/16
5	Direct Payments	507,334	Ref 5 Inflation and Demographic pressures in 15/16
6	Day Care services	352,894	Ref 6 Inflation and Demographic pressures in 15/16
7	Mental Health section 75 agreement	178,351	Ref 7 Inflation and Demographic pressures in 15/16
	<u>Savings:</u>		
8	Long and Short term Residential Care	- 128,594	Ref 8 Increase in service user income
9	Demography BCF	- 2,125,000	Ref 9 Additional funding from the Better Care Fund
10	Use of Reserves	- 1,440,630	Ref 10 Additional funding from Reserves
11	2015/16 BUDGET	47,242,733	

REVENUE EXPENDITURE -ADULT SPECIALTIES

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	LONG AND SHORT TERM RESIDENTIAL CARE	9,371,678	289,758	9,661,436
2	HOME BASED CARE SERVICES	19,187,051	-	18,818,976
3	DIRECT PAYMENTS	4,921,970	61,558	4,983,528
4	DAY CARE SERVICES	5,680,615	-	5,519,023
5	FIELDWORK TEAM	2,416,895	29,003	2,445,898
6	COMMISSIONING SUPPORT	5,635,521	178,351	5,813,872
7	NET TARGET BUDGET	47,213,730	29,003	47,242,733

REVENUE EXPENDITURE - COMMUNITY RESILIENCE & ASSETS

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	12,381,345	
	BUDGET CHANGES:		
2	Inflation	108,667	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Local Welfare Provision	918,474	Ref 3 Funding for Local Welfare Provision is now made through RSG instead of a local specific grant.
	<u>Savings:</u>		
4	Customer services switchboard	- 107,635	Ref 4 Savings resulting from revised switchboard solutions.
5	Printed guides	- 30,000	Ref 5 Move to digital versions of the Good Life Guide and the Really Useful Stuff Guide.
6	Community Engagement Team	- 6,723	Ref 6 A small saving from the community Engagement Team reflecting a part time vacant post.
7	Health & Wellbeing Board set up	- 7,000	Ref 7 Removal of costs of setting up and consulting on the Health and Wellbeing Strategy Board.
8	Senior Forums	- 4,000	Ref 8 This engagement work will be done more efficiently by including it within the Peoples Partnership.
9	Voluntary Organisations infrastructure	- 13,851	Ref 9 Efficiencies provided by the voluntary organisations.
10	Community Activity grants	- 100,000	Ref 10 Reduction in grants across all the Community grants available for community activities.
11	Heritage Trust SLA	- 8,600	Ref 11 Efficiencies provided by the voluntary organisation.
12	CSC	- 398,207	Ref 12 Savings provided from the Serco contract.
13	Trading Standards/Financial Inclusion	- 63,074	Ref 13 Savings from bringing together a number of LCC CAB agreements
14	2015/16 BUDGET	12,669,396	

REVENUE EXPENDITURE - COMMUNITY RESILIENCE & ASSETS

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	ADVICE, INFORMATION AND SUPPORT FROM COMMUNITY AND VOLUNTEER SECTOR INFRASTRUCTURE ORGANISATIONS	949,400	- 57,999	891,401
2	COMMUNITY ENGAGEMENT AND DEVELOPMENT (COMMUNITY GRANTS)	618,055	- 108,170	509,885
3	COMMUNITY ENGAGEMENT AND DEVELOPMENT (BIG SOCIETY FUND)	154,000	0	154,000
4	COMMUNITY ENGAGEMENT AND DEVELOPMENT (CONTRIB TO SPORTS CENTRE FACILITIES)	451,455	0	451,455
5	FINANCIAL INCLUSION	810,742	- 63,074	747,668
6	LIBRARY AND INFORMATION SERVICES	6,587,824	63,982	6,651,806
7	CUSTOMER SERVICE CENTRE	2,809,869	- 465,162	2,344,707
8	LOCAL WELFARE SUPPORT	0	918,474	918,474
9	NET TARGET BUDGET	12,381,345	288,051	12,669,396

REVENUE EXPENDITURE - WELLBEING

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	39,821,869	
	BUDGET CHANGES:		
2	Inflation	28,283	Ref 2 An allocation for inflation.
	Cost Pressures:		
	<u>Savings:</u>		
3	Coroners office costs	- 10,000	Ref 3 Savings resulting from a review of Coroners office expenses and operating costs.
4	Health Improvement activities	- 291,000	Ref 4 Reduction in health improvement and self management activities.
5	Statutory Public Health service	- 214,285	Ref 5 Savings resulting from the senior management review, staff re-organisation and reduced GEM support payments to NHS
6	Mental Health admin costs	- 21,826	Ref 6 Reduction in admin costs for mental health training
7	Celebratory service income	- 24,500	Ref 7 Additional income from booking fees and a tiered offer for ceremonies.
8	Housing related support	- 1,001,284	Ref 8 Efficiencies from reviewing and re-modelling current contracts.
9	2015/16 BUDGET	38,287,257	

REVENUE EXPENDITURE - WELLBEING

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	HEALTH IMPROVEMENT, PREVENTION AND SELF MANAGEMENT	7,278,158	- 175,955	7,102,203
2	PUBLIC HEALTH STATUTORY SERVICE	4,207,715	- 350,241	3,857,474
3	MENTAL HEALTH	218,261	- 21,826	196,435
4	REGISTRATION, CELEBRATORY AND CORONERS SERVICE	1,376,411	- 20,135	1,356,276
5	WELLBEING SERVICE (INCL SPECIALIST EQUIPMENT, ASSISTIVE TECHNOLOGY AND DFG'S	8,158,335	- 1,960	8,156,375
6	SEXUAL HEALTH	5,977,378	46,770	6,024,148
7	HOUSING RELATED SERVICE	4,986,106	- 1,001,284	3,984,822
8	PREVENTION AND TREATMENT OF SUBSTANCE MISUSE	7,619,505	- 9,981	7,609,524
9	NET TARGET BUDGET	39,821,869	- 1,534,612	38,287,257

REVENUE EXPENDITURE - SUSTAINING & DEVELOPING PROSPERITY THROUGH INFRASTRUCTURE

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	49,793,881	
	BUDGET CHANGES:		
2	Inflation	195,252	Ref 2 An allocation for inflation
	<u>Cost Pressures:</u>		
3	Aviation Heritage Partnership	- 130,000	Ref 3 Removal of previous year contribution to Aviation Heritage Partnership
4	Transportation	60,000	Ref 4 Lincoln - Nottingham rail improvements
5	Third Party Insurance	270,000	Ref 5 Increase in Third Party Insurance premium
6	Magna Carta	500,000	Ref 6 Temporary park and ride for Magna Carta
	<u>Savings:</u>		
7	Transportation	- 146,285	Ref 7 Reduction in Other Transport Initiatives, Smarter Choices and Transport Policy
8	Highways Maintenance	- 858,000	Ref 8 A reduction in the number of Area Maintenance Teams (-£0.470m), reduction in staffing support to Highways Maintenance (-£0.200m), and a reduction in Countryside (-£0.188m)
9	New Investments	- 156,029	Ref 9 Reduction in the capacity to develop future Major Schemes
10	Infrastructure & Regeneration	- 36,485	Ref 10 Reduction in Economic Infrastructure & Regeneration
11	2015/16 BUDGET	49,492,334	

REVENUE EXPENDITURE - SUSTAINING & DEVELOPING PROSPERITY THROUGH INFRASTRUCTURE

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	TRANSPORTATION INCLUDING CONCESSIONARY FARES AND OTHER GOVERNMENT GRANTS ETC	14,328,606	453,975	14,782,581
2	HIGHWAYS ASSET MAINTENANCE	23,411,787	-	22,692,650
3	HIGHWAY NETWORK MANAGEMENT	9,159,685	242,304	9,401,989
4	NEW TRANSPORT INVESTMENTS INCLUDING HIGHWAYS IMPROVEMENTS AND BYPASSES, GROWTH CORRIDORS AND PROGRAMMES	816,284	-	681,397
5	ECONOMIC INFRASTRUCTURE AND REGENERATION	252,970	-	219,763
6	HERITAGE & TOURISM OPERATION AND DEVELOPMENT	1,824,549	-	1,713,954
7	NET TARGET BUDGET	49,793,881	-	49,492,334

REVENUE EXPENDITURE - PROTECTING AND SUSTAINING THE ENVIRONMENT

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	22,384,373	
	BUDGET CHANGES:		
2	Inflation	37,950	Ref 2 An allocation for inflation
	<u>Cost Pressures:</u>		
3	Waste Management	680,000	Ref 3 Business rates for new EfW site at Whisby
	<u>Savings:</u>		
4	Flood Risk Management	- 150,000	Ref 4 Reduction in Government Grant for flood and water risk management
5	Waste Management	- 402,000	Ref 5 A review of the fly tipping service (-£0.067), other savings from contract efficiencies at Gainsborough HWRC (-£0.300m) and project development (-£0.035m)
6	Waste Recovery & Recycling	- 63,451	Ref 6 Cessation of Lincolnshire County Council public awareness education work
7	Partnership Projects	- 20,000	Ref 7 Reduction in support to partnership projects
8	2015/16 BUDGET	22,466,872	

REVENUE EXPENDITURE - PROTECTING AND SUSTAINING THE ENVIRONMENT

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	REDUCING CARBON EMISSIONS	204,009	1,915	205,924
2	FLOOD RISK MANAGEMENT	1,515,154	- 147,895	1,367,259
3	PROTECTING AND ENHANCING THE NATURAL & BUILT ENVIRONMENT	350,883	- 15,370	335,513
4	WASTE MANAGEMENT	19,110,763	293,384	19,404,147
5	WASTE RECOVERY & RECYCLING	63,451	- 63,451	0
6	SUSTAINABLE PLANNING	1,140,113	13,916	1,154,029
7	NET TARGET BUDGET	22,384,373	82,499	22,466,872

REVENUE EXPENDITURE - SUSTAINING AND GROWING BUSINESS AND THE ECONOMY

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	2,032,400	
	BUDGET CHANGES:		
2	Inflation	27,389	Ref 2 An allocation for inflation
3	Cost Pressures:		Ref 3
4	Savings:	- 288,250	Ref 4 Savings relating to staffing and general budget capacity in Skills (£0.083m), Enterprise (£0.121m), Investment (£0.040m) and Lobbying (£0.044m).
5	2015/16 BUDGET	1,771,539	

REVENUE EXPENDITURE - SUSTAINING AND GROWING BUSINESS AND THE ECONOMY

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	IMPROVING SKILLS & EMPLOYABILITY	545,925	- 74,341	471,584
2	ENCOURAGE ENTERPRISE THROUGH SUPPORT TO BUSINESS & OUR GROWTH SECTORS	584,929	- 111,004	473,925
3	ATTRACTING & EXPANDING BUSINESS INVESTMENT	417,655	- 36,388	381,267
4	LOBBYING & ATTRACTING FUNDING FOR LINCOLNSHIRE	483,891	- 39,128	444,763
5	NET TARGET BUDGET	2,032,400	- 260,861	1,771,539

REVENUE EXPENDITURE - PROTECTING THE PUBLIC

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	26,057,809	
	BUDGET CHANGES:		
2	Inflation	224,528	Ref 2 An allocation for inflation
	<u>Cost Pressures:</u>		
3	Retained Ill Health Payment	131,000	Ref 3 Protected rights whole time equivalent compensatory payment to retained firefighters, who were employed before 6th April 2006 and have been ill health retired due to a qualifying injury
4	New Dimension Grant	105,000	Ref 4 Reduction on Section 31 grant for Urban Search and Rescue Team
	<u>Savings:</u>		
5	Preventing and Tackling Fire and Emergencies	- 532,000	Ref 5 Savings resulting from new ways of working, senior management review and staff re-organisation
6	Planning and Responding to Emergencies	- 19,121	Ref 6 Savings resulting from staff re-organisation
7	Community Safety - commissioned activities	- 827,404	Ref 7 Reduction in funding for the SLA with the PCC for PCSO's/Local Policing and general commissioning budget
8	Trading Standards	- 120,000	Ref 8 Savings resulting from staff re-organisation and vacancy management
9	Lincolnshire Road Safety Partnership	- 71,874	Ref 9 Additional income from speed awareness courses resulting to reduction in fatal accident investigations
10	Youth Offending Service	- 146,625	Ref 10 Savings resulting from new ways of working and staff re-organisation
11	2015/16 BUDGET	24,801,313	

REVENUE EXPENDITURE - PROTECTING THE PUBLIC

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	PREVENTING AND REDUCING CRIME	2,211,629	- 417,523	1,794,106
2	TACKLING DOMESTIC ABUSE	530,797	- 224,903	305,894
3	PREVENTING AND TACKLING FIRES AND EMERGENCIES	19,884,379	- 119,842	19,764,537
4	TRADING STANDARDS	1,606,911	- 142,904	1,464,007
5	PLANNING AND RESPONDING TO EMERGENCIES	436,037	- 12,949	423,088
6	IMPROVING ROAD SAFETY	509,883	- 63,498	446,385
7	REDUCING YOUTH OFFENDING	733,195	- 129,899	603,296
8	REDUCING ANTI-SOCIAL BEHAVIOUR	144,978	- 144,978	0
9	NET TARGET BUDGET	26,057,809	- 1,256,496	24,801,313

REVENUE EXPENDITURE - HOW WE DO OUR BUSINESS

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	9,059,494	
	BUDGET CHANGES:		
2	Inflation	49,749	Ref 2 An allocation for inflation.
3	Cost Pressures:		Ref 3 No cost pressures.
	<u>Savings:</u>		
4	Finance and Audit	- 506,021	Ref 4 Financial Strategy - Savings to be achieved from team restructure, increased income from schools buyback and savings from the Serco contract (-£0.456m). Audit - Savings from Senior Management Review and team restructure (-£0.050m).
5	Corporate Standards and Culture	- 213,937	Ref 5 Removal of Director of Performance and Governance post (-£0.164m) and consultations budget (-£0.050m).
6	Democratic Processes	- 56,100	Ref 6 Savings from staffing restructure (-£0.045m) and Chairman's Fund (-£0.011m).
7	2015/16 BUDGET	8,333,185	

REVENUE EXPENDITURE - HOW WE DO OUR BUSINESS

(1)	(2)	(3)	(4)	(5)
Line No	Description	2014/15 Budget £	Budget Changes £	2015/16 Original Estimate £
1	BUDGET AND POLICY FRAMEWORK - FINANCE AND AUDIT	5,643,743	- 462,469	5,181,274
2	CORPORATE STANDARDS AND CULTURE INCLUDING CHIEF EXECUTIVE	652,993	- 213,937	439,056
3	DECISION MAKING INCLUDING DEMOCRATIC PROCESSES	2,272,758	- 49,903	2,222,855
4	FISHERIES LEVY	490,000	0	490,000
5	NET TARGET BUDGET	9,059,494	- 726,309	8,333,185

REVENUE EXPENDITURE - ENABLERS & SUPPORT TO COUNCILS OUTCOMES

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	40,524,971	
	BUDGET CHANGES:		
2	Inflation	295,111	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	People Strategy and Support	550,000	Ref 3 Additional budget to cover cost of the Serco contract (£0.500m) and pension administration costs (£0.050m).
4	Commissioning	796,013	Ref 4 Removal of a legacy income budget relating to the Mouchel contract.
5	Business Support	70,000	Ref 5 Cost of offsite document storage.
	<u>Savings:</u>		
6	ICT Strategy and Support	- 21,156	Ref 6 Savings from staffing restructure.
7	Property Strategy and Support	- 1,025,731	Ref 7 Savings from staffing restructure (-£0.298m), closure of buildings as part of the Property Rationalisation project (-£0.139m), re-procurement of Property contract (-£0.400m), carbon tax levy no longer required (-£0.140m) and the disposal costs of empty properties to be funded from capital financing charges (-£0.048m).
8	People Strategy and Support	- 121,412	Ref 8 Savings from staffing restructure including graduate programme.
9	Legal	- 60,325	Ref 9 Post reduction following Senior Management Review.
10	Commissioning	- 1,011,013	Ref 10 Savings from staffing restructure and Senior Management Review.
11	Business Support	- 927,000	Ref 11 Savings from staffing restructure.
12	Strategic Communications	- 23,587	Ref 12 Savings from staffing restructure.
13	2015/16 BUDGET	39,045,871	

REVENUE EXPENDITURE - ENABLERS & SUPPORT TO COUNCILS OUTCOMES

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	ICT STRATEGY AND SUPPORT	9,247,196	3,881	9,251,077
2	PROPERTY STRATEGY AND SUPPORT - COUNTY FARMS	- 1,460,149	0	- 1,460,149
3	PROPERTY STRATEGY AND SUPPORT - OTHER	11,987,854	- 1,011,656	10,976,198
4	PEOPLE STRATEGY AND SUPPORT	3,559,894	448,876	4,008,770
5	LEGAL	- 415,921	- 60,325	- 476,246
6	COMMISSIONING	4,259,056	- 162,585	4,096,471
7	BUSINESS SUPPORT	12,327,138	- 684,726	11,642,412
8	STRATEGIC COMMUNICATIONS	1,019,903	- 12,565	1,007,338
9	NET TARGET BUDGET	40,524,971	- 1,479,100	39,045,871

GLOSSARY OF FINANCIAL TERMS

Budget carry forward - The actual under/overspending at the end of the financial year compared with the revised budget target which is allowed to be carried forward into the next financial year.

Budget requirement - Net revenue expenditure to be financed from Business Rates, Revenue Support Grant, other non-ring fenced Government Grants and Council Tax Income.

Budget Target - A corporately determined spending limit for an individual service.

Capital Grants - Government grants received that contribute towards capital expenditure incurred on a particular service or project e.g. Highways Asset Protection Grant received from the government which contributes towards planned capital expenditure on roads.

Capital Receipts - Proceeds received from the sale of property and other fixed assets (assets which have a value beyond one financial year). These can be used to contribute towards the cost of capital expenditure, but not revenue expenditure.

Central support - A charge to a service which is the service's share of the cost of the central administration and professional departments which support direct service provision.

Contingency - A sum of money set aside to provide for foreseen but unquantifiable commitments and for unforeseen expenditure that may occur at any time in the future.

County precept - The income which District Councils collect on the County Council's behalf from Council Tax payers.

Capital financing charges - Charges to the revenue account which fund capital expenditure. Such charges comprise debt charges, direct revenue financing and leasing payments.

Dedicated Schools Grant (DSG) - The main grant paid by central government to support schools within the county. This must all be spent on supporting schools.

Education Services Grant – New grant from 2013/14 non ring fenced grant paid by central government to local authorities. This grant is to cover central services costs of providing services to schools, e.g. admissions policy and administration.

Revenue Support Grant - The main grant paid by central government to local authorities to support the provision of all services, except for schools.

Interest on revenue balances - The money earned or paid in relation to the temporary investment of, or temporary borrowing to support, the County Council's cash balances.

Local retention of Business rates – Business rates set by central government and levied on business properties. This is collected by District Councils who pay this income over to the County Council.

Precept - An amount levied by one body on another e.g. the Environment Agency precepts on the County Council.

Reserves - The revenue reserves available to provide a working balance during the financial year, for example in periods when expenditure exceeds income.

Specific grants - Grants made to a local authority by central government for a particular project or service e.g. Private Finance Initiative.

Total Expenditure - Budget requirement plus expenditure financed by drawing from balances (or the budget requirement less contributions to balances).

COMMISSIONING STRATEGY	COMMISSIONING ACTIVITIES	DEFINITION OF COMMISSIONING STRATEGY
Readiness for School	Children Centres - and commissioned services	This commissioning strategy aims to ensure all children will be ready to learn when they start school enabling them to achieve their full potential.
	Early Years sufficiency and support to the PVI sector	
	Birth to 5 Service	
Learn & Achieve	School Support Services	This commissioning strategy aims to ensure all children and young people will learn and achieve, enabling them to reach their potential.
	School Improvement	
	Statementing process and interventions (to be replaced with new health, education and social care plan)	
	Home to school/college transport	
Readiness for Adult Life	14-19 education/training and apprenticeship	This commissioning strategy aims to ensure all young people will be prepared and ready for adult life.
	Careers Service	
	Positive activities for young people	
	Teenage Pregnancy	
	Supported accommodation/lodgings	
	Supported employment	
	Lincs Secure Unit	
	Leaving Care Service	
Children are Safe and Healthy	School Nursing	This commissioning strategy aims to ensure all children and young people will be safe and healthy.
	Healthy schools & healthy child	
	Child protection (contact, referral and assessment)	
	Targeted Support - young people	
	Looked after Children	
	Fostering and adoption	
	Residential homes	
	CAMHS	
	Family support	
	Commissioning Support for all Children's Strategies	
Adult Frailty, Long Term Conditions and Physical Disability	Supporting Adult frailty (older people)	This commissioning strategy aims to ensure that individuals receive appropriate care and support that enables them to feel safe and live independently.
	Physical disability	
	Dementia	
Carers	Adult & Young carers	This commissioning strategy aims to ensure that carers feel respected and are able to balance their caring roles and maintain their quality of life.
Adult Specialities	Supporting Adults with learning disability	This commissioning strategy aims to improve outcomes for adults with mental health, learning disabilities and/or autism.
	Mental health	
	Autism	
Adult Safeguarding	Adult Safeguarding (including Mental Capacity Act)	This commissioning strategy aims to ensure all vulnerable adults rights are protected to live in safety and free from abuse and neglect.
Community Resilience and Assets	Advice, information and support services from community and voluntary sector infrastructure organisations	This commissioning strategy aims to assist communities in the county to support themselves. It will also include the community response to emergencies.
	Community Grants	
	Big Society Fund	
	Chance to share contributions	
	Financial Inclusion	
	Library and information services	
	Lincolnshire Community Assistance Scheme - local welfare support	
	Customer Service Centre	

Wellbeing	Health Improvement, prevention and self management	This commissioning strategy aims to assist improvements in the health and wellbeing of the population as a whole, it covers advice, information and preventative services.
	Public Health statutory service	
	Mental health	
	Registration, Celebratory and Coroners service	
	Wellbeing Service (including specialist equipment, assistive technology and Disabled Facility Grants)	
	Physical Activities	
	Water fluoridation	
	Sexual Health	
	Housing related support	
Prevention and treatment of substance misuse		
Protecting the Public	Preventing and reducing crime	This commissioning strategy will cover all of the work required in order to protect the communities in Lincolnshire.
	Tackling domestic abuse	
	Preventing and tackling fires & emergency response	
	Protecting the public through trading standards	
	Protecting the public by planning for and responding to emergencies	
	Improving road safety	
	Reducing youth offending	
	Reducing anti-social behaviour	
Sustaining & Developing Prosperity Through	Transportation including concessionary fares and other government grants etc	This commissioning strategy facilitates growth and prosperity through encouraging investment and enhancing the economic potential of the county.
	Highway asset maintenance	
	Highway network management	
	New transport investments including highways improvements and bypasses, growth corridors and programmes	
	Heritage & tourism operation and development	
Monitoring Officer requirements		
Protecting & Sustaining the Environment	Reducing carbon emissions	This commissioning strategy covers how the Council will protect, enhance and balance our environmental needs.
	Flood risk management	
	Protecting and enhancing the natural & built environment	
	Waste management	
	Waste recovery & recycling	
Sustainable Planning		
Sustaining & Growing Business & the Economy	Improving skills and employability	This commissioning strategy covers how the council will help businesses to be the drivers of economic growth through supporting a climate in which they are able to invest, enhance their business performance, and offer attractive jobs to a skilled workforce.
	Encourage enterprise through support to business and our growth sectors	
	Attracting and expanding business investment	
	Lobbying and attracting funding for Lincolnshire	
How We Do Our Business	Budget & Policy Framework - Finance & Audit	This commissioning strategy will include the overarching governance and standards for the Council, including decision making through the democratic process.
	Chief Executive's Office	
	Decision making, including the democratic processes and elections	
	Eastern Inshore Fisheries & Conservation Authority - Levy	
Enablers & Support to Council's Outcomes	Information Management & Technology Strategy & support	This commissioning strategy will include the enablers required to support the delivery of the Councils agreed outcomes.
	Property Strategy & support (including County Farms)	
	People Management Strategy & support	
	Legal Advice	
	Commissioning Strategy & Support	
	Business support	
Strategic Communications		
Enablers & Support to Key Relationships	Partnership engagement & support	This commissioning strategy encompasses the Council's corporate strategies and the support to our relationships with the public, service users, partners and outside bodies.

CONTACT INFORMATION FOR COMMISSIONING STRATEGY BUDGET DETAIL

The information on revenue budgets provided in this booklet summarises the detailed estimates approved by individual Commissioning Strategies. If you require further detail please contact:-

Email – finance@lincolnshire.gov.uk

Call our budget hotline answerphone at 01522 553648 where you can leave a message.

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