

Present: Councillor Ric Metcalfe (*in the Chair*),
Councillor Donald Nannestad, Councillor Jackie Kirk,
Councillor Rosanne Kirk, Councillor Neil Murray and
Councillor Fay Smith

Apologies for Absence: None.

63. Confirmation of Minutes - 29 October 2018

RESOLVED that the minutes of the meeting held on 29 October 2018 be confirmed.

64. Declarations of Interest

No declarations of interest were received.

65. Financial Performance - Quarterly Monitoring

Purpose of Report

To provide the Executive with an opportunity to consider the second quarter's performance, up to 30 September 2018, on the General Fund, Housing Revenue Account, Housing Repairs Service and capital programmes.

Decision

That the Executive:

- (1) Notes the progress on the financial performance for the period 1 April 2018 to 30 September 2018 and the projected outturns for 2018/19.
- (2) Notes the underlying impact of the pressures and underspends identified in paragraphs 3.2, 4.3 and 5.2 of the report and appendices B, D and F respectively.
- (3) Approves the changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.5, 7.10 and 7.11 in the report.

Alternative Options Considered and Rejected

None.

Reason for Decision

General Fund Revenue Account

For 2018/19 the Council's net General Fund revenue budget was set at £14,276,460, including a planning contribution to balances of £288,360, resulting in an estimated level of general balances at the year-end of £1,897,724.

The General Fund summary was currently projecting a forecast overspend of £299,600 which was a variance of a number of forecast year-end variations in income and expenditure against the approved budget. Full details of the main variances were set out in Appendix B to the report and were summarised as follows:

- car parking reduced income - £1,133,500;
- development management increase income - £84,810;
- houses in multiple occupation fees increased income - £256,910;
- borrowing contingency reduced cost - £200,000;
- balance sheet review increased income - £70,170;
- income volatility reserve increased income - £178,070;
- pay contingencies reduced cost - £82,600.

In terms of the Towards Financial Sustainability Programme, the savings target included in the Medium Term Financial Strategy for 2018/19 was £3,850,000. Progress against this target based on quarter two performance showed that secured and confident projections totalled £3,867,900 which resulted in a current forecast under achievement of the target in 2018/19 of £12,890.

Income from fees and charges represented a significant proportion of income to the Council, with primary sources being from car parking, development management and building regulations. A summary of the progress against these key income streams against the approved budget, together with the forecast variance for the second quarter of the financial year, was provided in paragraph 3.4 of the report. Given the scale of the shortfall in car parking income targets, the implementation of the car parking income generation strategy had been accelerated which focussed on five key strands:

- car park improvements;
- promotion of the city as a destination;
- maximisation of car parking stock;
- permit parking – focussing on increasing the number of permit parking arrangements with major employers in the city;
- residents parking – focussing on responding to residents' concerns and encouraging commuters to modal shift or to move into city centre car parks.

Housing Revenue Account

For 2018/19 the Council's Housing Revenue Account net revenue budget was set at break even, resulting in an estimated level of general balances at the year-end of £1,023,099.

The Housing Revenue Account was currently projecting an in-year overspend of £63,988 which would decrease general balances to £959,113 at the end of 2018/19. The assessed prudent minimum balance for the Housing Revenue Account was currently £1,000,000 and the level of forecast balances would be monitored closely during the coming quarter and would be subject to a fundamental review as part of the Medium Term Financial Strategy 2018-23 process which was currently underway. The components of this overspend were detailed in Appendix D to the report and were summarised as follows:

- staff vacancies reduced spending - £221,000;
- council tax payable on void properties increased spending - £74,000;
- repairs and maintenance void properties increased spending - £423,000;
- rental income additional income - £79,000;
- Housing Repairs Service additional income - £145,570.

Housing Repairs Service

For 2018/19 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

At quarter two the Housing Repairs Service was forecasting a surplus of £145,570 in 2018/19.

Capital Programmes

In respect of the General Fund Investment Programme, movements in the programme during the second quarter had decreased overall planned expenditure in 2018/19 to £16,867,296 with a summary of overall changes set out in paragraph 7.2 of the report.

Budget re-profiles approved by the Chief Finance Officer during the second quarter were noted as follows:

- the Terrace Heat Mitigation Works - £257,965 re-profiled into 2019/20;
- flood alleviation scheme – Hartsholme Park £88,293 re-profiled into 2019/20.

One project required Executive approval in relation to electric vehicle replacement totalling £16,076.

Overall spending on the General Fund Investment Programme for the second quarter was £875,816, which was 5.19% of the agreed programme and 3.34% of the active programme. Although this appeared to be a relatively low percentage of expenditure at this stage of the financial year, the budget for the active programme included:

- residual expenditure on the Transport Hub which was the subject of a retention period;
- Disabled Facilities Grants of £1,000,000, some of which may be committed or offered but the expenditure was not incurred until later in the year or perhaps the following accounting period;
- the largest scheme, which was a land and building acquisition at Tentercroft Street, was projected to be fully spent during quarter three at approximately £12,000,000 in 2018/19.

The last quarterly report approved a Housing Investment Programme for 2018/19 of £30,197,788 and movements in the programme since had increased overall planning expenditure in 2018/19 to £33,047,788. The following changes were approved by the Chief Finance Officer in the second quarter:

- movement out of decent homes rewiring budget of £45,000 re-profiled into communal electrics;

- increases to the CCTV scheme of £10,500 and an increase of £57,811 to existing properties major aid and adaption schemes from available resources.

Further changes requiring Executive approval were summarised as follows:

- movements from over bath showers for £600,000 and asbestos removal £150,000 back into available resources based on current year work profiling;
- movements within the financial year with regards to Ingleby Crescent for £328,399 which had been allocated from the new build programme;
- re-profile from 2019/20 to 2018/19 due to timing movement of the Waterloo Housing new build programme.

Authority was also required to replace all site equipment across six of the Council's supported housing schemes on a three year rolling programme. The Housing Revenue Account supported housing service had four long standing vacant posts from which it was proposed the £197,000 three year project was funded from 2019/20.

Expenditure against the Housing Improvement Programme budget during the second quarter was £6,181,928 which was 18.71% of the approved programme. Although this appeared to be low at this stage of the financial year a large element of the programme in 2018/19 was the new build programme, most of which was planned to be delivered during quarter three of 2018/19.

66. Quarter 2 2018/19 Operational Performance Report

Purpose of Report

To provide the Executive with an opportunity to consider the operational performance position for quarter two of the financial year 2018/19.

Decision

That the Executive:

- (1) Notes the content of the report.
- (2) Requests that relevant Portfolio Holders ensure that management have a focus on those highlighted areas showing deteriorating performance.

Alternative Options Considered and Rejected

None.

Reason for Decision

A summary of the key headlines from operational measures in terms of areas performing well were noted below:

- the number of users logged into the self-service system had increased again to 7,298 from 6,059 in quarter two last year;
- the total number of users of the Council's health and recreation facilities had increased by 38,487 since quarter two last year;

- the standard of service provided by Birchwood Leisure Centre had improved back up to 87.7%;
- the percentage of non-major and major planning applications determined within the government targets were above their targets at 95.05% and 98.04% respectively;
- the cumulative number of affordable homes delivered had increased by 20 since quarter two last year, now reporting at 41, and was only slightly below its lower target of 45;
- the rent collected as a proportion of rent owed had surpassed its target of 3.50% with a figure of 2.95%;
- the percentage of reactive repairs completed within target time was above the target of 97.50% with a figure of 99.36%;
- the number of face to face enquiries in customer services had decreased to 4,873 from 12,123 in quarter two last year;
- the number of telephone enquiries answered had decreased again to 27,342 from 34,327 in quarter two last year;
- the total number of CCTV incidents handled by operators had increased by 877 since quarter one, now reporting at 4,068.

Those areas where performance could be improved were noted as follows:

- the average time taken to answer a call in customer services had increased by 36 seconds compared to quarter two last year at 96 seconds which was below the lower target of 50 seconds;
- the level of outstanding customer changes in the Revenues Team had increased to 749 in quarter two this year, from 624 in quarter two last year;
- the average days to process new housing benefit claims was below the target of 24 days at 28.16 days;
- the number of housing benefit or council tax support customers awaiting assessment had increased from 810 in quarter two last year to 1,491 in quarter two this year;
- the percentage of benefit quality checks made where the entitlement was correct had decreased from 87.50% in quarter one to 84% in quarter two and was below the target of 91.50%;
- the percentage of food health and safety controls that should have been completed had decreased by 8.4% since quarter one, now reporting at 81.60% and was below its target of 97%;
- the number of homelessness applications progressed within the housing team had increased from quarter two last year by 241, now reporting at 368.

It was noted that, following the introduction of full Universal Credit from March 2018, there had been a lengthening of time taken in almost all aspects of housing benefit work.

The following headlines from corporate measures were noted:

- the overall sickness data as at the end of September was 1.93 days per full time equivalent, excluding apprentices. This was 0.97 days less compared to quarter one and brought the cumulative total of sick days to 4.83 days which was 1.51 days less than last year and was the lowest quarter two average in the last six years;

- the cumulative average time across all directorates to respond to formal complaints was 8.7 days, which was an increase of 1.7 days from quarter two in 2017/18;
- the total number of full time equivalent employees, excluding apprentices, at the end of quarter one was 553.26. During quarter two there was also an average of 16.43 apprentices;
- 84% of all staff appraisals were completed by quarter two in the year 2018/19.

Other achievements during the quarter were noted as follows:

- the Council's joint revenues and benefits service had been awarded the Institute of Revenues Rating and Valuation Award for Excellence in Partnership Working 2018;
- 172 new properties were being delivered by the Council, with partners, over the next six months to meet the demand for much needed affordable housing in the city;
- two of the Council's officers had been nominated for the Lincolnshire Public Service Apprentice of the Year Awards taking place on 30 November 2018;
- the Council had been shortlisted for three awards in the national Local Government Chronicle Awards for 2019 in the entrepreneurial council category, rising stars category and for a partnership award along with North Kesteven, West Lindsey and East Lindsey;
- the Council had launched its Social Responsibility Charter to showcase star employers in Lincoln who went above and beyond to support their employees and the local community.

Councillor Ric Metcalfe, Leader of the Council, was pleased to see that sickness absence performance was improving and praised officers' efforts that had been put into wellbeing programmes across the authority.

67. Strategic Risk Register - Quarterly Review

Purpose of Report

To provide the Executive with a status report of the revised Strategic Risk Register as at the end of the second quarter 2018/19.

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

A comprehensive review of the Strategic Risk Register had been undertaken by the Council's Corporate Management Team and Assistant Directors. A number of further control actions had now been progressed or completed and key movements were noted as follows:

- risk 3 – failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council. Continued monitoring of the phase 5 programme with development of phase 6 proposals was now in progress. The development of a high level commercial strategy would be drafted alongside the development of an investment strategy for property acquisition scheduled for completion in December 2018, with linkages to organisational development and leadership development to be explored in March 2019;
- risk 4 – failure to ensure compliance with statutory duties and functions and having appropriate governance in place. An internal audit had been completed with actions allocated which were being refined by the Business Continuity Planning Group;
- risk 6 – unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the Council's Vision 2020 and the transformation journey to the 'One Council' approach. Further work would take place to review the People Strategy in line with 'One Council' by the Corporate Management Team.

It was reported that a new risk had been added to the Strategic Risk Register in respect of decline in the economic prosperity within the city centre.

68. Treasury Management and Prudential Code Update Report - Half Year ended 30 September 2018

Purpose of Report

To provide the Executive with an update on the Council's treasury management activity and the actual prudential indicators for the period 1 April 2018 to 30 September 2018.

Decision

That the Executive:

- (1) Notes the report.
- (2) Approves the change to the use of Low Volatility Net Asset Value Money Market Funds.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Council held £20.3 million of investments at 30 September 2018, the investment profile relating to which was attached to the report at Appendix A. Of this investment portfolio 100% was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments.

In terms of liquidity, the Council sought to maintain liquid short-term deposits of at least £5 million available with a week's notice. The weighted average life of investments for the year was expected to be 165 days. At 30 September 2018 the Council held liquid short-term deposits of £11.3 million and the weighted average

life of the investment portfolio was 61 days. The decrease in the weighted average life of the investment profile was due to a larger proportion of the portfolio being placed in shorter term investments.

With regard to security, the Council's maximum security risk benchmark for the portfolio as at 30 September 2018 was 0.009% which equated to a potential loss of £0.001827 million on an investment portfolio of £20.3 million. This was slightly higher than the budgeted maximum risk of 0.008% in the Treasury Management Strategy which represented a very low risk investment portfolio. The Council invested in Money Market Funds which allowed easy access to funds for cashflow purposes whilst providing a small variable rate of interest. These had been Constant Net Asset Value funds, which meant that funds invested maintained a constant value. The Money Market Fund sector was in the final stages of converting these funds to Low Volatility Net Asset Value pricing which did not guarantee a constant net asset value, however, there were only low levels of volatility in these funds. It was recommended that this change did not present high levels of risk to the security of the Council's funds and they would continue to represent a secure investment opportunity whilst allowing easy access to funds.

In respect of yield, the Council achieved an average return of 0.73% on its investment portfolio for the six months ended 30 September 2018 which compared favourably with the target 7 day average LIBID of 0.59% and was higher than the budgeted yield of 0.52% for 2018/19 in the Medium Term Financial Strategy.

As at 30 September 2018 the Council held £81,104,000 of external borrowing, of which 100% was fixed rate loans. For the six months ended 30 September 2018 the Council achieved an average rate of 3.90% on its external borrowing which was slightly lower than the budgeted rate set in the Medium Term Financial Strategy 2018-23.

Details relating to prudential indicators in terms of the Council's capital expenditure plans, how these plans were financed, the impact of changes in these plans on the prudential indicators and the underlying need to borrow and compliance with the limits in place for borrowing were set out in paragraph 4 of the report.

69. Annual Report to Tenants and Leaseholders 2017/18

Purpose of Report

To provide the Executive with an opportunity to consider the annual report to tenants and leaseholders for 2017/18 as required by Homes England, the regulator for social housing in England.

Decision

That the annual report for tenants and leaseholders for 2017/18 be approved for publication, subject to the replacement of an article relating to Ermine residents with an article about contents insurance.

Alternative Options Considered and Rejected

None.

Reason for Decision

There was a requirement by Homes England to produce and submit an annual report to tenants and leaseholders each year. The report for 2017/18 therefore set out performance from 1 April 2017 to 31 March 2018.

The main theme of the report was to illustrate the successes achieved by housing and to report performance information for 2017/18, which included rent arrears, satisfaction with repairs, repair appointments kept, percentage of antisocial behaviour resolved and void turnaround times.

The secondary theme of the report was around celebrating the communities of Lincoln, an example being an article about the Tower Action Group and a garden competition held on the estates. Unfortunately an article about Ermine residents in relation to the Tuesday Club and the Ermine Singalong had been replaced with an article on contents insurance due to these groups no longer being active.

The outcomes of the Government's Housing Green Paper may dictate what specific information should be shared with tenants in the future and provided a good opportunity to reconsider the format and content of the report moving forward.

70. Joint Municipal Waste Management Strategy for Lincolnshire

Purpose of Report

To provide the Executive with an opportunity to consider the new draft Municipal Waste Strategy document for Lincolnshire.

Decision

That the Executive:

- (1) Endorses the proposed Municipal Waste Management Strategy attached at Appendix A to the report, subject to the Strategy in the same form being formally adopted by all waste collection authorities in Lincolnshire.
- (2) Agrees that funding be used from the Business Rate pilot 2018/19 as the City of Lincoln Council's contribution towards the shared post of project manager for the Lincolnshire Waste Partnership.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Joint Municipal Waste Management Strategy for Lincolnshire attempted to set out how members of the Lincolnshire Waste Partnership could work together to protect the environment by delivering sustainable waste management services

through the establishment of best value waste management practices across the county.

At the meeting of the Lincolnshire Waste Partnership on 8 March 2018 the draft Strategy was approved for public consultation, which was launched on 4 April 2018 and closed on 2 July 2018. During this period the draft Strategy was submitted to the City Council's Policy Scrutiny Committee for consideration. Feedback was minuted and taken into account as part of redrafting the Strategy.

The Strategy encompassed ten proposed objectives, noted as follows:

- (i) to improve the quality and therefore commercial value of our recycling stream;
- (ii) to move towards a common set of recycling materials;
- (iii) to consider the introduction of separate food waste collections where technically, environmentally and economically practicable;
- (iv) to explore new opportunities of promoting waste minimisation and of using all waste as a resource in accordance with the waste hierarchy;
- (v) to contribute to the UK recycling targets of 50% by 2020 and 55% by 2025;
- (vi) to find the most appropriate ways to measure our environmental performance and set appropriate targets;
- (vii) to seek to reduce our carbon footprint;
- (viii) to make an objective assessment of what further waste processing/disposal capacity is required and, as necessary, secure appropriate capacity;
- (ix) to regularly review the Lincolnshire Waste Partnership governance model in order to provide the best opportunity to bring closer integration and the implementation of the objectives set by the strategy;
- (x) to consider appropriate innovative solutions in the delivery of our waste management services.

In order to achieve these objectives the Strategy was accompanied by an action plan which would be reviewed and revised annually to ensure that it remained up to date and addressed any new challenges arising during the lifetime of the Strategy. It was noted that the Council would not be signing up to the content of the action plan at this stage, with the Strategy document being that which was currently in the process of going through the decision-making processes of all local authorities in the county.

All members of the Lincolnshire Waste Partnership, apart from one, had agreed to jointly fund a project manager to support the work programme arising from the action plan. This was estimated to cost in the order of £9,500 per annum and would be funded for three years. It was proposed that this funding be met from the 2018/19 business rate pilot.

Councillor Fay Smith, Portfolio Holder for Remarkable Place, reported that she and officers had spent a lot of time on this and that it did feel as though development of the Strategy was being delivered in partnership with the County Council. She highlighted that the City Council was slightly different to the other authorities in the county due to the fact that they had their own collection services whereas the City Council sub-contracted waste collection out to a third party. She fully supported the objectives in the Strategy document and hoped the City Council and wider Partnership achieved them.

Councillor Jackie Kirk highlighted that, in respect of recycling, education would be a fundamental element of improving performance with contamination being a big issue.

Councillor Rosie Kirk was concerned about the closure of the Whisby Household Waste Recycling Centre which she felt had resulted in an increase in flytipping in the area and added to the congestion in the city due to people having to travel to the centre at Great Northern Terrace. She questioned whether this was something that could be re-visited with the County Council. Councillor Smith clarified that the Lincolnshire Waste Partnership was looking at other schemes to tackle the issue of contamination, such as the food waste pilot at South Kesteven. It was noted that comments in respect of the Whisby Household Waste Recycling Centre would be fed into the next cycle of meetings for the Partnership, although it was understood that there were currently no plans to re-open the site.

71. Update on Unauthorised Encampments in Lincolnshire

Purpose of Report

To provide the Executive with an update on recent unauthorised encampments in the city, consider a proposal as to how to deal with these in the future and seek authority to delegate the signing of the revised Joint Protocol for dealing with unauthorised encampments in Lincolnshire to the Chief Executive and Leader of the Council.

Decision

That the proposal to apply for a city-wide Injunction Order and the delegation of authority for the changes to the Joint Protocol dealing with unauthorised encampments in Lincolnshire being signed off by the Chief Executive and Leader of the Council be approved.

Alternative Options Considered and Rejected

If the Council did not take action to resolve instances of unauthorised encampments, costs and resources would be taken up by each encampment which unlawfully arrived on City Council land. To not sign to revised Joint Protocol risked there being an ad-hoc reaction to unauthorised encampments countywide, meaning that the potential benefits of partnership working would not be maximised.

Reason for Decision

The City Council had experienced numerous unauthorised encampments since the Joint Protocol was originally approved in 2014. Each encampment took up substantial officer time and resources, often necessitating an application to the court and extensive interaction with third parties, with engagements often being protracted and confrontational. The Joint Protocol had therefore been a very useful document on which to base the response of the Council to any encampments and, in particular, had led to improved relationships between Lincolnshire County Council, the Police and the City Council. As a result this had improved the consistency of approach.

The proposed revised Joint Protocol being considered by the County Council included the following main changes:

- to include a precedent Community Impact Assessment to be completed in the initial visit to capture information in a consistent manner and enable a full assessment of the impact to inform decisions about actions to be taken;
- to include a standard report to be completed by a local authority to present to the Police, with relevant documents attached to cover all actions taken regarding the encampment and suggested justifications for the Police to exercise their discretionary powers to evict trespassers in an unauthorised encampment;
- to include powers of the County Council in respect of taking action against encampments on the highway;
- to firm up definitions, expanding on general requirements.

A review had been carried out on the available powers and other authority's approaches to unauthorised encampments. In particular, the City Council had been linking with the Lincolnshire Shared Services legal team and their involvement in obtaining a citywide Injunction in Boston from the High Court. This had included various areas of land which had been targeted by unauthorised encampments and was granted in 2014. Since that time, whenever a group of travellers who met the requirements of the Order arrived the Police served upon them the Injunction Order. To date this had appeared to have had the desired effect with groups moving on relatively quickly and without the need for further legal action. This approach had also been taken by the City of Wolverhampton Council which had now obtained an Injunction Order covering 60 sites in their area.

In terms of the Council pursuing an Injunction Order, it would need to present evidence of unauthorised encampments across the city and in the areas which it was seeking to be covered by the Order. This needed to show the impact on the residents or visitors to the areas as well as the financial and reputational impact on the Council itself. There also needed to be a site set aside in the boundary to offer to the travellers, which there currently was within the city at Washingborough Road. However, over the past few years no members of any of the encampments had chosen to move to the Washingborough Road site as it was occupied mainly by one family whom it was understood the traveller community would not want to share a site with.

Support for the Injunction Order had been given by the Police through the Chief Inspector and also the County Council's Traveller's Liaison Officer. The City Council was therefore working in partnership with the County Council which was hoping to be able to include any areas of its land in the application within the city boundary where encampments had occurred in the past.

The City Council's Policy Scrutiny Committee considered this report at its meeting on 9 October 2018 where support for the proposals was given.

Councillor Ric Metcalfe, Leader of the Council, acknowledged that the public always expected the Council to act quickly in response to unauthorised encampments, although made it clear that there was a balance to be struck regarding people's right to roam and any illegal occupation of land. It was noted that the rights and specific needs of any individuals would always be taken into account as part of addressing any unauthorised occupation of land, whether an

Injunction Order was in place or not. It was clear in analysing use of Injunction Orders by other authorities that they acted as a significant deterrent.

Councillor Jackie Kirk asked why the costs associated with the unauthorised encampment at Hartsholme Country Park in 2016 had cost the authority so much in comparison to other unauthorised encampments. It was reported that a significant amount of damage had occurred to fixtures and fittings in the park which had to be repaired or replaced, together with clean-up costs and loss of bookings and associated income due to antisocial behaviour.

Councillor Neil Murray said that anything which could be done to truncate the amount of time and resources between the initial unauthorised occupation of land and removal from that land should be supported.

72. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

This item was considered in private as it was likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposal to consider this item in private.

73. Write Outs

Purpose of Report

To seek approval from the Executive to write out debts deemed as irrecoverable.

Decision

That the write outs as set out in Appendices A, B, C and D be approved.

Alternation Options Considered and Rejected

None.

Reasons for Decision

The report outlined a number of cases that were deemed to be irrecoverable for various reasons, as shown in the report. All cases would have been through a recovery process and had reached a point where further recovery was not considered appropriate.