

## PERFORMANCE SCRUTINY COMMITTEE

**Wednesday, 5 June 2019**

**6.00 pm**

**Committee Room 2 - City  
Hall**

- Membership: Councillors Gary Hewson (Chair), Helena Mair (Vice-Chair), Thomas Dyer, Ronald Hills, Lucinda Preston, Pat Vaughan, Loraine Woolley, Laura McWilliams and Rebecca Longbottom
- Substitute member(s): Councillors Jackie Kirk and Adrianna McNulty
- Officers attending: Democratic Services, Steve Bird, Jaclyn Gibson, Pat Jukes, Simon Walters, Alison Hewson, Claire Moses, Martin Walmsley, Jess Cullen, Daren Turner and Clare Stait

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### A G E N D A

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<b>SECTION A</b>	<b>Page(s)</b>
1. Confirmation of Minutes - 28 March 2019	<b>3 - 8</b>
2. Confirmation of Housing Scrutiny Sub-Committee Minutes - 19 March 2019	<b>9 - 14</b>
3. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
4. Homelessness in Lincoln - The Current Situation	<b>15 - 20</b>
5. New Strategic Performance Measures	<b>21 - 36</b>
6. Q4 2018-2019 Operational Performance Report	<b>37 - 60</b>
7. Financial Performance - Outturn 2018/19	<b>61 - 96</b>
8. Treasury Management Stewardship and Actual Prudential Indicators Report 2018/19 (Outturn)	<b>97 - 120</b>
9. Strategic Risk Register - Quarterly Review	<b>121 - 124</b>
10. Work Programme for 2019-20	<b>125 - 136</b>
11. Exclusion of the Press and Public	<b>137 - 138</b>

[Exempt Para(s) 3]

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**SECTION B**

12. Strategic Risk Register

[Exempt Para(s) 3]

**139 - 152**

**Present:** Councillor Gary Hewson (*in the Chair*),  
Councillor Helena Mair, Councillor Thomas Dyer,  
Councillor Ronald Hills, Councillor Lucinda Preston,  
Councillor Loraine Woolley, Councillor Laura McWilliams,  
Councillor Sue Burke and Councillor Jackie Kirk

**Apologies for Absence:** Councillor Pat Vaughan

**69. Confirmation of Minutes - 21 February 2019**

RESOLVED that the minutes of the meeting held on 21 February 2019 be confirmed.

**70. Declarations of Interest**

No declarations of interest were received.

**71. Housing Scrutiny Sub-Committee Minutes - 28 January 2019**

The minutes from the Housing Scrutiny Sub-Committee which took place on 28 January 2019 were received.

**72. Portfolio Holder under Scrutiny**

**a) Portfolio Performance Overview – Customer Experience and Review**

Pat Jukes, Corporate Policy Manager:

- Provided a presentation for information which outlined the performance of the Customer Experience and Review Portfolio which included:
- Contextual information on the Customer Experience and Review Portfolio:
  - In the 2018/19 Audit Plan, there were 23 audits planned.
  - There were currently 55 polling stations in Lincoln.
  - As of 8 March 2019, there were 60,945 people on the Electoral Register.
  - 53 quarterly measures were being monitored and 22 annual measures as part of the strategic performance reporting.
  - The IT Helpdesk received approximately 3000 calls in the last 12 months.
  - From April 2018 to February 2019, 105,827 letters were sent out using the franking machine.
  - Housing Teams had sent out 42,618 mail items through the bulk outsourced route so far this year and Revs & Bens had sent out over 150,000 pa this way.
- The presentation highlighted the following key points:
  - The number of users logged into the self-service system MyInfo this quarter had increased from 6,409 in Q3 last year to 7,651 in Q3 this year. This online system helped those who had access, to quickly report issues or receive updates on queries.

- The average time taken to answer a telephone call had deteriorated to 122 seconds, however the small initial glitches found in installing the new telephony system had now mostly been resolved and times were now recovering.
- Invited members comments and questions.

Question: Members asked whether the City Profile was available online for the public to view.

Response: Yes, the City Profile was a public document and could be found on our website.

Question: Members asked for the meaning of the term IQ Post Me.

Response: Officers explained that it was the name of the software used by officers to send post electronically to an external company to print, envelope and post.

RESOLVED that the content of the report be noted.

**b) Portfolio Holder Under Scrutiny – Report by Councillor Jackie Kirk, Portfolio Holder for Customer Experience and Review**

Councillor Jackie Kirk, Portfolio Holder for Customer Experience and Review:

- presented a report which highlighted the following areas:
  - High Performing Services
  - Customer Services
  - Customer Experience Board
  - Business Development & Information Technology
  - Audit Arrangements
  - Electoral Activity
  - Performance Overview
  - Update on the Development of the New Performance System
  - Complaints against the Council
- Invited member's comments and questions.

Question: Members asked the portfolio holder how she thought the portfolio was working.

Response: The past year had been a learning curve. No aims were set as the Portfolio Holder wanted to get to know the areas.

Question: Members asked how much time could be saved de-duplicating roles.

Response: The de-duplicating of roles came under the One Council approach. This approach was to shape what was done for the customer and improve the interaction with the Council.

Question: Members asked why the move to digital tech was happening more.

Response: The move to digital tech was taking place to change with the times and make access easier. Access and digital tech was included in the Customer

Experience Strategy which was about creating a better experience for the customer. Going digital saved time and money. There were still vulnerable customers that weren't able to interact digitally. Housing repairs were being looked at so that repairs could potentially be booked online.

Question: Members asked why the average time to pick up a telephone call had risen.

Response: Figures collected for call answering times related to Q3 when the new phone system was installed. Call answering times had since dropped to 80 seconds. Calls for the Housing Solutions Team were now being taken by Customer Services. Call answering times could also of risen due to enquiries being longer and more complex.

Question: Members asked how tension was to be managed between digital and vulnerable people as well as still looking after the customer.

Response: There would always be a service available for vulnerable customers. The Customer Experience Strategy would give different channels to customers that could use digital channels. This would then free up staff to help the vulnerable customers.

Question: Members asked whether feedback was being measured other than complaints and whether this was acted upon.

Response: Feedback was measured but not published anywhere. Positive feedback was published on the intranet.

Question: Members asked when they would have site of the Customer Charter if it were to be produced.

Response: The Customer Charter was connected to the One Council approach and if one was to be produced then a member seminar would take place.

Question: Members asked how enquiries were measured through social media as it was very public.

Response: The Communications Team used to handle all the social media enquiries but this had now transferred to Customer Services. There was about one a day so far.

Question: Members stated that two communication channels for customers were still needed but would like to see more performance measures regarding these channels.

Response: A new performance system was being created in house. Performance measures had been changed on the new system. New measures would be in place by 1 April 2019.

Question: Members asked what was achieved by staff being on the helpdesk at the bus station. 80% of queries on the helpdesk were related to buses.

Response: The presence of having a City of Lincoln Council employee on the helpdesk at the bus station added value as it was the entrance to the city. There

needed to be more emphasis on these staff as they classed themselves as City Ambassadors and were providing a customer service to residents of the city.

RESOLVED that the content of the report be noted.

### **73. High Performing Services Vision 2020 Progress Report**

Angela Andrews, Chief Executive and Town Clerk:

- Presented a report to update Performance Scrutiny Committee on progress with the Vision 2020 objective of maintaining 'Professional High Performing Service Delivery' during the year 2018/19, which included an update on the Towards Financial Sustainability (TFS) programme for the same year.
- Explained that Vision 2020 published in January 2017, contained four strategic priorities, underpinning these strategic priorities was a strand of work ensuring that high performing services were continuing to be delivered. The Corporate Management Team sat on the High Performing Services Board to consider a holistic view of progress and performance across the organisation.
- Highlighted that during the year the team had continued to identify and deliver savings and additional income under three strands:
  - Asset Rationalisation
  - Commercialisation
  - Cost Reduction/Shared Services/Managing Demand.
- Highlighted that there had been three further successful opportunities realised which were:
  - DTZ Stargas contract was now complete, which would achieve savings of around £100k per annum.
  - Travelodge was now complete and operating well as an investment property and in addition had provided a number of jobs for local people.
  - A rent review had increased rents at the two NCP car parks which had been purchased.
- Invited member's comments and questions.

Question: Members asked how an income stream could be made from the services the City of Lincoln Council offered.

Response: The website was currently being changed and other organisations wanted to work with the City of Lincoln Council regarding this. More exploration needed to take place with third sectors.

Question: Members asked if all non-executive members could be kept informed about acquisitions.

Response: Information regarding these acquisitions had been made available for all Councillors.

Question: Members asked how much was generated from sponsorship for the Christmas market.

Response: There had been sponsorship for the last four years which amounted to around £4000 a year. There had been no interest regarding having a partner. Work was taking place on how to move the market forward and make the event more of an experience. City of Lincoln Council currently funded all of the Christmas Market.

Question: Members asked what more could be done to benefit the City and be greener.

Response: Sustainability has been added into our Policies. Electric vehicles had been part of the fleet for a number of years and this scheme was to be broadened out. Hamilton House used re-usable cups.

RESOLVED that the content of the report be noted.

#### **74. Christmas Market 2018 Outturn Report**

Simon Colburn, Assistant Director (Health and Environment):

- Presented an interim report to Performance Scrutiny Committee on the financial performance of the 2018 Lincoln Christmas Market.
- Highlighted the following points:
  - The 2018 Lincoln Christmas Market was visited by around 230,000 people over 4 days.
  - Over 60% of visitors travelled to the City for the market with an average visitor spend of £57.
  - Overall the Christmas market generated an operational surplus of £54,160. This was £91,520 short of the budgeted surplus of £145,680.
  - The market had 180 stalls which achieved an income of £431,250 against a budget of £467,010 which was £35,760 below budget.
  - The most significant items of expenditure were staff costs; venue hire costs and contractor payments.
- Explained that the market had three main streams of income:
  - Stallholder fees (including the fairground)
  - Park and ride ticket sales
  - Coach bookings
- Invited member's comments and questions.

Question: Members asked why the cost of the rubbish disposal had increased and the rationale for the rise in stewarding costs although they were set.

Response: Only two contracts were not procured on a long term basis which were Police and Refuse. Biffa were becoming more commercial so costs had risen. At the Christmas Market the City of Lincoln Council collected rubbish for the market as a whole which meant that some businesses put their rubbish in the bins that were disposed of by City of Lincoln Council. Stewarding costs had increased due to having more stewards on the gates to the Christmas market taking the advice of the Police.

Question: Members asked if the City of Lincoln Council were considering being more sustainable.

Response: Officers were working on how the market could be more streamline. Stallholders turned up to the market with pre-packed stock.

Question: Members asked why the original budget allocation was kept the same if officers knew there was going to be a shortfall.

Response: This was due to optimism and hope that the Christmas Market would generate more income.

Question: Members asked if there was a way in which the Christmas Market could be included in a city wide experience.

Response: A visioning report was being produced to try and look at what Christmas in Lincoln should look like as well as increasing sponsorship and footfall.

RESOLVED that the content of the report be noted.

**75. Introduction of a new Homelessness Act**

This item was deferred to the next meeting to allow for further consultation.

**76. Draft Work Programme for 2019/20**

RESOLVED that:

1. The following additional agenda items be scheduled into the work programme for a later date:
  - The Introduction of a new Homelessness Act
  - Asset Rationalisation on Financial Target Achievements
2. The content of the work programme be noted.

- Present:** Councillors Councillor Gary Hewson (*in the Chair*), Bob Bushell, Pat Vaughan and Loraine Woolley
- Apologies for Absence:** Councillor Alan Briggs, Councillor Edmund Strenghel and Christine Lamming
- Also in Attendance:** Debbie Rousseau (Chair of LTP), Sheila Watkinson and Mick Barber (Vice-Chair of LTP)

**30. Confirmation of Minutes - 28 January 2019**

RESOLVED that the minutes of the meeting held on 28 January 2019 be confirmed.

**31. Declarations of Interest**

No declarations of interest were received.

**32. Repairs (Verbal Report)**

Matt Hillman, Maintenance Manager gave a presentation on Decent Homes and Responsive Repairs in response to a question asked at a previous Housing Scrutiny Sub Committee on why the numbers of day to day repairs were so high given the amount of decent homes work that had been completed.

He highlighted the following main points:

- What was Decent Homes?
  - It met the current statutory minimum standard for housing
  - It was in a reasonable state of repair
  - It had reasonably modern facilities and services
  - It provided a reasonable degree of thermal comfort.
- Lincoln Standard
- Investment Performance
- What was a responsive repair?
  - City of Lincoln Council was responsible for the structure, exterior, services and common parts of the property.
- Areas covered by Maintenance
  - Emergency Repair (24 hours) Remove immediate danger to the occupants of a property or outside space.
  - Urgent Repair (3 day) – Any defect where comfort or convenience of the tenant or third party was seriously affected.
  - Routine Repair (20 day) Any defect that could be deferred without serious discomfort, inconvenience or nuisance to a tenant or a third party, and could wait until the next convenient maintenance visit.
- Maintenance Figures
- Decent Homes Delivery vs Repair Volume
  - Maintenance and Investment were looking at options to share the asset management register to include customer services and inspectors.
  - Repairs were only carried out once reported by the customer.

- Some repairs would require multiple tickets – thus creating more repair numbers (plastering, damp and mould).
- Inspection tickets were also included within the figures (Voids/ condensation).
- Further repairs were required dependent upon asset type (Kitchen type/ shower type).
- Recharges were also included in the figures.
- Renewal based upon condition not life span.
- Customers could not be forced to have decent home work carried out (refusals were taken out the figures and completed during void)
- Next Steps
- Invited members questions and comments:

**Question:** How was damage to communal areas dealt with?

**Response:** The Rechargeable Repairs Policy would be used if possible, it was a contentious area and Officers were currently looking at ways to improve the system.

**Question:** Would it be better to do a non-slip, white wash flooring in all communal areas?

**Response:** There was an ongoing contract to do this. The comments would be reported back to the Asset Team regarding the flooring.

**Comment:** The level of repairs in the new build properties were high.

**Response:** This would be reported back to the New Build Team.

**Comment:** Expressed concern over fire safety as some bungalows only had 1 door in and out of the property.

**Response:** Any new window that had been fitted would provide a means of escape. If there was a vulnerable person living in the property they could contact the fire service for advice. Also if a new window was required at the property they could contact the Council and we would look to improve it.

**Comment:** Referred to the new build properties and commented that tenants needed to report issues so that the contractors could come back and fix the issues.

**Question:** Were the new build properties visited?

**Response:** Yes there was a Tenant visit when they moved into the properties. Contractors would come back and sort out any snagging repairs.

Darren Turner, Director of Housing and Investment explained that repairs was a complex issue and the number of repairs and decent homes did not link together. There were a number of factors that affected the repairs figures, this included the way that repairs were categorised for example 1 repair could generate multiple tickets and increase the number of repairs completed in the figures.

RESOLVED that the contents of the presentation be noted.

### 33. LTP Matters (Verbal Report)

Debbie Rousseau, Chair of Lincoln Tenants Panel advised on the following main points:

- The Housing Fun Day had been organised and it would be used to advertise the vacant LTP seats.
- A meeting on green spaces would be held.
- A clean up green day would be held in the Ermine, if successful this would be rolled out to other areas across the City.
- The LTP would look at Estate Inspections and why they had been scaled down as it was important to hold them each year.

Chris Morton, Resident Involvement Manager clarified that Estate Inspections still took place, however, the Council had changed how they were done in 2016.

Daren Turner, Director of Housing and Investment suggested that a ward walk take place to understand the best way to undertake the Estate Inspections.

#### **34. LTP Annual Report**

Debbie Rousseau, Chair of Lincoln Tenants Panel

- a. presented the activities and achievements of the Lincoln Tenants Panel between 1 April 2018 and 31 March 2019.
- b. thanked all the LTP members for their work in making the panel a success and the officers for the report received
- c. referred to paragraph 4 of the report and highlighted the activities that the Lincoln Tenants Panel had been involved with over the last year.
- d. referred to paragraph 5 of the report and highlighted the priorities for the LTP panel over the next 12 months.

RESOLVED that the contents of the report be noted.

#### **35. Resident Involvement Update**

Chris Morton, Resident Involvement Manager

- a. provided an update on resident involvement including:
  - Activities and Achievements in 2018
  - Objectives for 2019
- b. advised that effective engagement with residents was important for a number of reasons:
  - Feedback could lead to better service design and the most important issues being tackled.
  - Tenants felt empowered and had a choice about the service they received.
  - To meet the regulatory framework published by Homes England.
- c. detailed the main achievements for 2018:

- Managed the Community Investment Scheme
- Produced the Home! Magazine and Annual Report
- Helped the Voids Team to re-start tenant inspections of void properties
- Organised the visit for the Ministry of Housing Communities and Local Government.
- Assisted LTP in responding to the Government's consultation on the Housing Green Paper
- Facilitated LTP to carry out scrutiny into key service areas.
- Delivered the housing fun day.
- Increased the amount of 'likes' on Facebook
- Carried out activities to help residents tidy and look after their estates.

d. advised on the main objectives for 2019:

- Update Tenant Involvement Strategy to take into account the Housing Green Paper.
- Improve LTPs ability to provide meaningful feedback
- Carry out tenant led scrutiny of services.
- Get more tenants involved and publicise Resident Involvements achievements.
- Improve social media engagement.
- Get community investment applications and publicise the success.
- Help residents have tidy estates and improve them.
- Involve residents with fire safety.

e. invited members questions and comments:

**Question:** How would individuals apply for funding for a community project?

**Response:** They should contact the Resident Involvement Team who would help them put a group together and to submit an application.

The Chair suggested that one of the Housing Scrutiny Sub Committee meetings be held in the community to encourage more engagement from residents.

RESOLVED that

1. the contents of the report be noted.
2. a future Housing Scrutiny Sub Committee be held at a venue in the community.

### 36. Quarter 3 (2018/19) - Performance Report

Yvonne Fox, Assistant Director of Housing

- a. presented the Housing Scrutiny Sub Committee with an end of quarter report on performance for the third quarter of the year (October 2018 – December 2018)
- b. advised that of the 23 measures 14 were on or exceeding targets for the year and 11 had not met the targets set and 1 did not have a required target.

- c. referred to paragraph 4 of the report and highlighted areas of good performance:
  - Arrears as a percentage of rent debit
  - Complete repairs right first time
  - Average days to resolve ASB cases
- d. further highlighted areas that had not achieved their target and explained the reasons for this:
  - Complaints
  - Average re-let period – All dwellings (including major works) – (days)
- e. invited committees questions and comments

**Question:** Referred to the percentage of calls answered within 60 seconds and asked why it was below target?

**Response:** This had been raised with the customer contact centre and it was due to an increased volume of calls that they were receiving.

**Question:** Had tenants been involved in setting the performance targets for the forthcoming year?

**Response:** Officers had liaised with tenants and it was also on the agenda for the next LTP meeting.

**Question:** Would the current voids process be altered?

**Response:** The whole process would be looked at to improve practices and procedures. The standard of voids properties would not be reduced.

**Comment:** Only Councillor enquiries that went through the PA to the Director of Housing and Investment were logged within the performance indicator 22A. It was important that Councillors went through the PA rather than straight to the Housing Officer.

RESOLVED that the report be noted.

### 37. Work Programme Update

The Chair

- a. presented the draft work programme for the Housing Scrutiny Sub Committee for 2019/20 as detailed at appendix A of the report.
- b. advised that this was an opportunity for the committee to suggest other items to be included within the work programme.
- c. suggested that the following items be added to the work programme:
  - Tenancy Agreement
  - Supported Housing Update
  - Homelessness/ Action Lincs/ Rough Sleeper Interventions

RESOLVED that

1. The work programme be noted
2. The following reports be added to the work programme

- Tenancy Agreement
- Supported Housing Update
- Homelessness/ Action Lincs/ Rough Sleeper Interventions

<b>SUBJECT:</b>	<b>HOMELESSNESS IN LINCOLN – THE CURRENT SITUATION</b>
<b>DIRECTORATE:</b>	<b>HOUSING AND INVESTMENT</b>
<b>LEAD OFFICER:</b>	<b>YVONNE FOX – ASSISTANT DIRECTOR OF HOUSING</b>

## 1. Purpose of Report

- 1.1 To provide Performance Scrutiny Committee with information relating to the provision of homelessness services following the enactment of the Homelessness Reduction Act 2017 on the 3<sup>rd</sup> April 2018.
- 1.2 To update Members on the successful bid from the Rough Sleeper Initiative to reduce and prevent rough sleeping in the City Centre.

## 2. Executive Summary

- 2.1 The Homelessness Reduction Act placed new duties on English Councils so that everyone who is homeless or threatened with homelessness will have access to meaningful help, irrespective of their priority need status or local connection to the authority they approach.
- 2.2 Several new duties were introduced including:
  - Duty to assess all eligible applicants cases and agree a Personal Housing Plan
  - The Prevention Duty: in cases of threatened homelessness
  - The Relief Duty: in cases where the applicant is homeless

In addition, there are new duties on Public Authorities; the Public duty to refer, and on applicants. Any applicant who fails to co-operate may mean that they cease to be eligible for further assistance.

- 2.3 The Ministry for Housing, Communities and Local Government (MHCLG) created a new Homelessness Advice and Support Team (HAST), comprising of national, senior homelessness professionals. This team provides advice and support to all local authorities and we have received several visits from the HAST advisor for the East Midlands since the Act was implemented.
- 2.4 The Government acknowledges that rough sleeping has increased across the country over recent years. As a result the MHCLG provided £30m of funding to the 83 Councils that have the highest numbers of rough sleepers.
- 2.5 The City of Lincoln was invited to bid for funding and a comprehensive bid to address the rough sleeping problems in Lincoln was submitted.
- 2.6 The Council was successful in their bid and received £376,747 for the remainder of the financial year, 2018/19 and has been awarded £519,396 for 2019/20.

### **3. Homelessness Reduction Act 2017**

- 3.1 As mentioned, the Homelessness Reduction Act places new duties on English Councils so that everyone who is homeless or threatened with homelessness will have access to meaningful help, irrespective of their priority need status or local connection to the authority they approach.
- 3.2 The definition of homeless or threatened with homelessness has also been changed. The Act extends the number of days before a person becomes threatened with homelessness from 28 to 56 days.
- 3.3 This change has been introduced to enable people to apply for help and advice at an earlier stage and to give the local authority time to prevent homelessness or give advice to enable the applicant to secure alternative accommodation.
- 3.4 The Duty to provide advisory services requires the authority to provide advice on:
- Preventing homelessness,
  - Securing accommodation,
  - Legal rights,
  - Any help that is available from other agencies for example, debt advice.
- 3.5 If a local authority believes that a person is homeless or threatened with homelessness in 56 days and is eligible for assistance, the prevention duty is triggered and the council has a duty to assess the applicants circumstances and housing and support needs and reach an agreement with the applicant on a personalised plan which sets out what the authority will do and what the applicant must do to ensure accommodation is secured or retained.
- 3.6 If a person is or becomes homeless, then the relief duty is triggered and will continue for up to 56 days. The council has a duty to help all homeless applicants to secure accommodation for at least 6 months, if they have a local connection with the authority. If not, their case will be referred to the relevant authority to progress. It is important to note that it is expected that the majority of applicants owed a relief duty to secure accommodation will be helped to secure private rented accommodation.
- 3.7 If an applicant fails to cooperate with the council in order to prevent their homelessness or secure accommodation then the council can serve a notice on the applicant explaining the consequence of continued non-cooperation. As a consequence of non-cooperation, the council could choose to decide that the person is no longer eligible for assistance.
- 3.8 On October 1<sup>st</sup> 2018, the Duty to Refer was introduced which requires a number of public bodies to notify the council if they are working with someone who is homeless or threatened with homelessness.

### **4. Current Position – Homelessness Reduction Act**

- 4.1 A significant amount of work was required by local authorities to be ready for the new duties which came in to effect in April. The Housing Solutions Team has received specialist training and worked very hard over the last year to ensure that we are statutorily compliant with the new Act.

- 4.2 The introduction of the Homelessness Reduction Act has resulted in an increase in the number of people approaching the Council for advice and an increase in the number of people we have accepted a duty for.
- 4.3 A review is currently underway into the processes and procedures that are being used within the service to look at the best way to deliver the service in the future. The findings of the review so far have demonstrated that the staff are now seeing more people and a higher proportion of these customers are presenting with more complex needs and an increased complexity to their cases. This is especially apparent when working with customers that are street homeless or at risk of rough sleeping.
- 4.4 The team strive to prevent homelessness rather than relieve it and as part of this undertaking additional work is required to update the information that is available to customers on their first contact with the Council, whether it be online or in person. There is also the need to encourage the understanding of more private sector landlords and promote the benefits of engaging with their tenants in a more understanding way to prevent homelessness by making more agreements with their tenants and also making more of their accommodation available to people with more complex needs.
- 4.5 The city also has a shortage of adequate temporary accommodation and the provisions that are in place are not sufficient for the current demand, both with the number of units that people with a variety of needs require and also the level of support available once a person or family are in the accommodation.
- 4.6 The Housing Solutions Team continue to receive training relevant to their work and there is a training plan in place for this to continue over the coming year.

## **5. Current Position - Rough Sleeping in Lincoln**

- 5.1 Following the successful bid for funding from the Ministry for Housing, Communities and Local Government (MHCLG) the Rough Sleeper Project Team commenced in October 2018.
- 5.2 The Rough Sleeper Team consists of a Co-ordinator, two Rough Sleeper Officers, one Substance Misuse Worker and one Mental Health Nurse. The project also funds one Outreach Worker employed by P3. The project includes accommodation at the Corner House, a complex needs unit which is owned and managed by Framework Housing Association, and houses fifteen service users. We have also secured an extension to the opening hours at the Nomad Night Shelter to include a day centre run by the YMCA, offering day services to those who are street homeless. The team has also had access to five bedsit type units provided by the YMCA to both relieve and prevent rough sleeping for those with limited options. Private tenancies have also been utilised as much as possible.
- 5.3 The project engages with those who are already street homeless and also works to reduce the flow of those leaving prison and hospital into rough sleeping through early notification and intervention. The work has so far been extremely challenging and very fast paced and is expected to remain so.

- 5.4 Partnerships with P3, YMCA, Framework Housing Association, Addaction and Lincoln Partnership Foundation Trust have been strengthened and working relationships with both the prison and the hospital are being further developed. Work has begun on an agreed protocol between the Council and the prison to address the numbers of people losing their accommodation whilst in prison on short sentences and those leaving without suitable housing.
- 5.5 The service users engaged by the team are, in the main, very complex with multiple issues including serious mental health, substance misuse, offending history and various former tenancy arrears. They are often classed as high risk individuals. Many have limited housing options having been previously excluded by other housing providers.
- 5.6 The additional funding secured in December 2018 will see the opening of a 'Somewhere Safe To Stay Hub' with appropriate support workers. This will allow up to eight service users at any time to access the hub, for a period of 72 hours. Whilst on site the service users will be assessed for all needs and started on not only their housing pathway, but also allowing access to health, substance misuse and other support services.

**6. Organisational Impacts**

- 6.1 Finance - the impact of the extended duties are as yet, unknown. It is anticipated that the use of temporary accommodation will reduce but additional staffing may be required for which resources would need to be identified from existing budgets.
- 6.2 Legal Implications - the council is fully compliant with the provisions of the Homelessness Reduction Act.
- 6.3 Equality, Diversity & Human Rights – the Council is compliant with all requirements..

**7. Risk Implications** - Homelessness is a statutory function and there is a risk to vulnerable people and the Council if the service is not compliant with legislation and current guidance.

**8. Recommendation**

- 8.1 For Members to note the contents of the report.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** none

**List of Background Papers:**

None

**Lead Officer:**

Yvonne Fox, Assistant Director of Housing  
Telephone (01522) 873716

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**SUBJECT: NEW STRATEGIC PERFORMANCE MEASURES**

**DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK**

**REPORT AUTHOR: PAT JUKES, BUSINESS MANAGER – CORPORATE POLICY**

## 1. Purpose of Report

1.1 To present to Performance Scrutiny Committee the new strategic performance measure set for information following approval by CMT and Portfolio Holders.

1.2 The measures included within this set are to be reported to CMT, Performance Scrutiny Committee and Executive on a quarterly basis from Quarter 1 2019/20, and will replace the existing measure set reported through these routes over the past few years.

## Executive Summary

### 2.

2.1 The current performance system (IMPS) which provides information for the corporate reports to CMT and Members is unlikely to be supported in the near future by the software suppliers and by our internal IT system, thus work is ongoing to develop a new in house performance system.

2.2 In line with the development of the new system, officers from the Policy Team have been working with Service Managers, Assistant Directors and Directors to review the existing measure set reported through the above route. This work has helped to ensure the performance measures included in this set continue to be the right measures to report moving forwards.

2.3 As part of this work, all measures within the new strategic measure set, which consists of a mix of new and existing measures, have had both high and low targets allocated to them with the exception of those considered to be volumetric.

2.4 From Quarter 1 2019/20, measure results will be compared against their high and low targets to produce a status outturn (RAG). This is a change to monitoring performance in recent years where performance measures have been primarily monitored on a trend/tolerance basis to produce a RAG status.

### 3. Background

3.1 As a performance driven council following the Lincoln Performance Management Framework, we have in place a number of processes for reporting performance outputs and outcomes at various tiers:

3.2 Tier One - A holistic view of the city across all agencies which identifies areas of concern and facilitates the prioritisation of resources. Reported through:– Lincoln City Profile (Policy Unit) and the Lincoln Annual Monitoring Report (Planning).

3.3 Tier Two – Reporting of results and outcomes of strategic activity by the council – reported through annual reports from each Vision Group together with a summary in the form of the council’s Annual Report.

3.4 Tier Three - Provides a view of the council’s operational performance, measuring service performance against past performance trends and for defined key measures against agreed targets. This to date has been reported through quarterly reports driven by the IMPS performance system.

3.5 This report presents the new strategic measure set and targets linked to Tier Three, and follows a comprehensive review of the measures and their targets reported to CMT, Performance Scrutiny Committee and Executive on a quarterly basis.

3.6 The new strategic measure set and targets were approved by CMT and Portfolio Holders in April 2019.

#### 4. **New Strategic Performance Measures**

4.1 Between January and March 2019, officers from the Policy Team met with Service Managers, Assistant Directors and Directors to review the existing strategic performance measures, which are reported to CMT, Performance Scrutiny Committee and Executive on a quarterly basis.

Key questions considered during this review included:

- Are the current measures still the right ones to report?
- Are the right services covered in the strategic measure set?
- Should any measures be removed/any new ones to add?

4.2 Following agreement of the proposed new measures, Service Managers, Assistant Directors and Directors were asked to set high and low targets for these measures which were then agreed by Portfolio Holders. Where targets were already set for some measures continuing in the new set, confirmation was sought as to whether these targets continue to be suitable.

4.3 Following formal approval of the new measures and their targets by CMT and Portfolio Holders in April 2019, work is now underway to build the agreed measures and their targets into the new performance system.

4.4 Appendices A-C show the new set of strategic performance measures with targets split by directorate and by quarterly/annual collection.

4.5 All Corporate measures will continue to be collected, however the presentation of these measures will change as they will be reported through the new system.

4.6 The new measure set is formed of:

- **68** targeted measures
- **17** volumetric measures
- **6** corporate measures

4.7

4.8 For each measure full back data will be built into the system (where available), followed by full testing before Quarter 1 2019/20 data collection which is due to start in July 2019.

4.9 For Performance Scrutiny member information, Appendix D provides a list of the performance measures which have been removed from the strategic measure set during the review and the reasons for their removal. It should be noted that whilst these measures are no longer collected in the strategic performance measure set, a number of these measures are likely to be collected by services as part of their operational measure set. A review of the operational measures is due to start in the near future in phase two of this project.

5. Appendix E shows where existing targets have been revised for those measures which previously had targets allocated and have been carried forward into the new measure set.

### 5.1 **Strategic Priorities**

Let's drive economic growth; Let's reduce inequality; Let's deliver quality housing; Let's enhance our remarkable place

6. This report does not directly affect any of the strategic priorities, but it will help to effectively report on progress of business as usual activities within services supporting them.

### 6.1 **Organisational Impacts**

6.2 Finance (including whole life costs where applicable) – No financial impact.

6.3 Legal Implications including Procurement Rules – No legal impact.

7 Equality, Diversity and Human Rights – No equality, diversity and human rights impact.

### 7.1 **Risk Implications**

8. There are no risk implications linked to the new measures.

### 8.1 **Recommendation**

Performance Scrutiny Committee members familiarise themselves with the proposed new strategic performance measure set and allocated targets, in advance of the measures being presented to Executive for final approval (24<sup>th</sup> June 2019) and in advance of Q1 2019/20 performance reporting.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?**

No

**How many appendices does the report contain?**

Five

**List of Background Papers:**

None

**Lead Officer:**

Graham Rose, Strategic Senior Policy Officer  
Telephone (01522) 873658

## APPENDIX A - CX Strategic Measures

### CX Quarterly Measures

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director/Director
Communications	COM - Percentage of media enquiries responded to within four working hours (New measure)	%	Quarterly	High is good	No	70.00%	<->	85.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Steve Welsby - Communications Manager	Angela Andrews - Chief Executive & Town Clerk
Communications	COM - Number of proactive communications issued that help maintain or enhance our reputation (New measure)	Number	Quarterly	High is good	No	25	<->	40	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Steve Welsby - Communications Manager	Angela Andrews - Chief Executive & Town Clerk
Work Based Learning	WBL 5 - Percentage of apprentices completing their qualification on time	%	Quarterly	High is good	No	92.00%	<->	95.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Claire Burroughs - HR and WBL Manager	Carolyn Wheater – City Solicitor
Work Based Learning	WBL 6 - Number of new starters on the apprenticeship scheme	Number	Cumulative	High is good	No	Q1 - 3 Q2 - 8 Q3 - 13 Q4 - 18	<->	Q1 - 5 Q2 - 10 Q3 - 15 Q4 - 20	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Claire Burroughs - HR and WBL Manager	Carolyn Wheater – City Solicitor
Work Based Learning	WBL 7 - Number of apprentices moving into Education, Employment or Training	Number	Quarterly	High is good	No	92.00%	<->	95.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Claire Burroughs - HR and WBL Manager	Carolyn Wheater – City Solicitor
Customer Services	CS 4 - Number of face to face enquiries in customer services	Number	Quarterly	N/A	Yes	N/A	<->	N/A	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Joanne Crookes - Customer Services Manager	Angela Andrews - Chief Executive & Town Clerk
Customer Services	CS - Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services) (New measure)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Joanne Crookes - Customer Services Manager	Angela Andrews - Chief Executive & Town Clerk
Customer Services	CS 6 - Number of users logged into the on-line self service system this quarter	Number	Quarterly	High is good	No	Previous seasonal outturn + 2% Q1 19/20 = 8,084	<->	Previous seasonal outturn + 5% Q1 19/20 = 8,321	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Joanne Crookes - Customer Services Manager	Angela Andrews - Chief Executive & Town Clerk
Customer Services	CS 8 - Average time taken to answer a call to customer services	Seconds	Quarterly	Low is good	No	120 seconds	<->	90 seconds	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Joanne Crookes - Customer Services Manager	Angela Andrews - Chief Executive & Town Clerk
Customer Services	CS - Average customer feedback score (face to face enquiries - score out of 10) (New measure)	Number	Quarterly	High is good	No	8	<->	9.5	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Joanne Crookes - Customer Services Manager	Angela Andrews - Chief Executive & Town Clerk
Customer Services	CS - Customer satisfaction with their phone call to Customer Services (New measure)	%	Quarterly	High is good	No	80%	<->	95%	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Joanne Crookes - Customer Services Manager	Angela Andrews - Chief Executive & Town Clerk
Accountancy	ACC 8 - Average return on investment portfolio	%	Quarterly	High is good	No	0.75%	<->	0.85%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Colleen Warren - Financial Services Manager	Jaclyn Gibson - Chief Finance Officer
Accountancy	ACC 9 - Average interest rate on external borrowing	%	Quarterly	Low is good	No	4.75%	<->	3.75%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Colleen Warren - Financial Services Manager	Jaclyn Gibson - Chief Finance Officer
Revenues Administration	REV 4 - Council Tax - in year collection rate for Lincoln	%	Cumulative	High is good	No	Q1 - 26.73% Q2 - 52.39% Q3 - 78.56% Q4 - 96.85%	<->	Q1 - 27.09% Q2 - 52.80% Q3 - 79.47% Q4 - 97.10%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director/Director
Revenues Administration	REV 5 - Business Rates - in year collection rate for Lincoln	%	Cumulative	High is good	No	Q1 - 35.36% Q2 - 59.77% Q3 - 85.00% Q4 - 98.60%	<->	Q1 - 35.86% Q2 - 60.57% Q3 - 86.23% Q4 - 99.10%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer
Revenues Administration	REV 6 - Number of outstanding customer changes in the Revenues team	Number	Quarterly	Low is good	No	Q1 - 650 Q2 - 600 Q3 - 500 Q4 - 150	<->	Q1 - 450 Q2 - 400 Q3 - 350 Q4 - 250	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer
Housing Benefit Administration	BE 4 - Average (YTD) days to process new housing benefit claims from date received	Days	Cumulative	Low is good	No	Q1 - 31.00 Q2 - 29.50 Q3 - 28.00 Q4 - 27.00	<->	Q1 - 28.00 Q2 - 26.50 Q3 - 25.00 Q4 - 24.00	Cllr Rosanne Kirk - Portfolio Holder for Reducing Inequality	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer
Housing Benefit Administration	BE 5 - Average (YTD) days to process housing benefit claim changes of circumstances from date received	Days	Cumulative	Low is good	No	Q1 - 10.00 Q2 - 9.00 Q3 - 8.00 Q4 - 6.00	<->	Q1 - 7.50 Q2 - 7.00 Q3 - 6.50 Q4 - 4.50	Cllr Rosanne Kirk - Portfolio Holder for Reducing Inequality	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer
Housing Benefit Administration	BE 6 - Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Quarterly	Low is good	No	Q1 1550 Q2 1450 Q3 1250 Q4 1100	<->	Q1 1300 Q2 1200 Q3 1050 Q4 950	Cllr Rosanne Kirk - Portfolio Holder for Reducing Inequality	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer
Housing Benefit Administration	BE 7 - Percentage of risk-based quality checks made where Benefit entitlement is correct	%	Quarterly	High is good	No	Q1 - 83.00% Q2 - 84.50% Q3 - 86.00% Q4 - 87.00%	<->	Q1 - 86.00% Q2 - 87.50% Q3 - 89.00% Q4 - 90.00%	Cllr Rosanne Kirk - Portfolio Holder for Reducing Inequality	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer
Housing Benefit Administration	BE 8 - The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	Cllr Rosanne Kirk - Portfolio Holder for Reducing Inequality	Martin Walmsley - Head of Shared Revenues and Benefits	Jaclyn Gibson - Chief Finance Officer
ICT	ICT - Number of calls logged to IT helpdesk (New measure)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Matt Smith - Business Development & IT Manager	Angela Andrews - Chief Executive & Town Clerk
ICT	ICT - Percentage of first time fixes (New measure)	%	Quarterly	N/A	Yes	N/A	<->	N/A	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Matt Smith - Business Development & IT Manager	Angela Andrews - Chief Executive & Town Clerk

## CX Annual Measures

Service Area	Measure	Unit	Collection Frequency	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director
Debtors & Creditors	DCT 6 - Percentage of invoices paid within 30 days	%	Annual Q4	High is good	No	95.00%	<->	97.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Colleen Warren - Financial Services Manager	Jaclyn Gibson - Chief Finance Officer
Debtors & Creditors	DCT 9 - Percentage of invoices that have a Purchase Order completed	%	Annual Q4	High is good	No	40.00%	<->	50.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Colleen Warren - Financial Services Manager	Jaclyn Gibson - Chief Finance Officer
Democratic Services	DEM 8 - The number of individuals registered on the electoral register (local elections)	Number	Annual Q1	High is good	No	60,000	<->	61,500	Cllr Chris Burke - Portfolio Holder for Customer Experience and Review	Becky Scott - Legal & Democratic Services Manager	Carolyn Wheater – City Solicitor
Procurement Services	PRO - Percentage spend on contracts that have been awarded to "local" contractors (as the primary contractor) (New measure)	%	Annual Q2	High is good	No	20.00%	<->	45.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Heather Carmichael - Procurement Manager	Carolyn Wheater – City Solicitor

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director/Director
Procurement Services	PRO - Percentage value of the top 10 spend contracts that have been sub-contracted (wholly or partly) to "local" suppliers to deliver (New measure)	%	Annual Q2	High is good	No	70.00%	<->	90.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Heather Carmichael - Procurement Manager	Carolyn Wheater – City Solicitor
Procurement Services	PRO - Percentage of total contract spend that is with an SME (New measure)	%	Annual Q2	High is good	No	20.00%	<->	40.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Heather Carmichael - Procurement Manager	Carolyn Wheater – City Solicitor
Procurement Services	PRO - Percentage of total contract spend that is with an SME who meets the "local" definition (New measure)	%	Annual Q2	High is good	No	20.00%	<->	40.00%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Heather Carmichael - Procurement Manager	Carolyn Wheater – City Solicitor
Property Services	PRS - Return on new commercial investments - (Annual rental yield = Net Income/Purchase Price plus initial purchase costs) (New measure)	%	Annual Q2	High is good	No	5%	<->	7%	Cllr Ric Metcalfe - Portfolio Holder for Our People and Resources	Mark Wheater - Strategic Property Manager	Jaelyn Gibson - Chief Finance Officer

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**APPENDIX B - DCE Strategic Measures**

**DCE Quarterly Measures**

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director/Director
Food and Health & Safety Enforcement	FHS 4 - Percentage of premises fully or broadly compliant with Food Health & Safety inspection	%	Quarterly	High is good	No	95.00%	<->	97.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Sara Boothright - Environmental Health & Corporate Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Food and Health & Safety Enforcement	FHS 5 - Average time from actual date of inspection to achieving compliance	Days	Quarterly	Low is good	No	13.00	<->	8.00	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Sara Boothright - Environmental Health & Corporate Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Food and Health & Safety Enforcement	FHS 6 - Percentage of food inspections that should have been completed and have been in that time period	%	Quarterly	High is good	No	85.00%	<->	97.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Sara Boothright - Environmental Health & Corporate Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Development Management (Planning)	DM 8 - Number of applications in the quarter	Number	Quarterly	N/A	Yes	N/A	<->	N/A	ClIr Neil Murray - Portfolio Holder for Economic Growth	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Development Management (Planning)	DM 11 - End to end time to determine a planning application (Days)	Days	Quarterly	Low is good	No	85.00	<->	65.00	ClIr Neil Murray - Portfolio Holder for Economic Growth	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Development Management (Planning)	DM 13 - Number of live planning applications open	Number	Quarterly	Low is good	No	180	<->	120	ClIr Neil Murray - Portfolio Holder for Economic Growth	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Development Management (Planning)	DM 16 - Percentage of applications approved	%	Quarterly	High is good	No	85.00%	<->	97.00%	ClIr Neil Murray - Portfolio Holder for Economic Growth	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Development Management (Planning)	DM - Percentage of decisions on planning applications that are subsequently overturned on appeal (New measure)	%	Quarterly	Low is good	No	10.00%	<->	5.00%	ClIr Neil Murray - Portfolio Holder for Economic Growth	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Development Management (Planning)	DM 21 - Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	%	Quarterly	High is good	No	70.00%	<->	90.00%	ClIr Neil Murray - Portfolio Holder for Economic Growth	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Development Management (Planning)	DM 22 - Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	%	Quarterly	High is good	No	60.00%	<->	90.00%	ClIr Neil Murray - Portfolio Holder for Economic Growth	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Private Housing	PH - Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions) (New measure)	Weeks	Quarterly	Low is good	No	26	<->	19	ClIr Donald Nannestad - Portfolio Holder for Quality Housing	Sara Boothright - Food and Health and Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Private Housing	PH - Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level (New measure)	Weeks	Quarterly	N/A	Yes	Volumetric for one year to allow time to collect back data as currently have no indication of outturn.			ClIr Donald Nannestad - Portfolio Holder for Quality Housing	Sara Boothright - Food and Health and Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Private Housing	PH 4 - Number of empty homes brought back into use	Number	Quarterly (Collected 6 monthly)	High is good	No	Q2 - 12 Q4 - 25	<->	Q2 - 25 Q4 - 50	ClIr Donald Nannestad - Portfolio Holder for Quality Housing	Sara Boothright - Food and Health and Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Public Protection & Anti-Social Behaviour	ASB - no. of cases received in the quarter (ASB) (New measure)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	ClIr Rosanne Kirk - Portfolio Holder for Reducing Inequalities	Francesca Bell - Public Protection, ASB and Licensing Service Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Public Protection & Anti-Social Behaviour	ASB - No. of cases closed in the quarter (New measure)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	ClIr Rosanne Kirk - Portfolio Holder for Reducing Inequalities	Francesca Bell - Public Protection, ASB and Licensing Service Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Public Protection & Anti-Social Behaviour	ASB - Number of live cases open at the end of the quarter (New measure)	Number	Quarterly	Low is good	No	260	<->	220	ClIr Rosanne Kirk - Portfolio Holder for Reducing Inequalities	Francesca Bell - Public Protection, ASB and Licensing Service Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Public Protection & Anti-Social Behaviour	ASB 5 - Satisfaction of complainants relating to how the complaint was handled	%	Quarterly	High is good	No	75.00%	<->	85.00%	ClIr Rosanne Kirk - Portfolio Holder for Reducing Inequalities	Francesca Bell - Public Protection, ASB and Licensing Service Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Sport & Leisure	SP - Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	Number	Quarterly	High is good	No	Minimum increase of 0.7% each quarter = 213,355 (based on Q3 18/19 outturn)	<->	Increase of 1% each quarter (Sport England Target) = 213,991 (based on Q3 18/19 outturn)	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Steve Lockwood - Leisure, Sport and City Services Manager	Simon Colburn - Assistant Director of Health & Environmental Services

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director/Director
Sport & Leisure	SP - Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre (New measure)	Hours	Quarterly	High is good	No	520 hrs per quarter	<->	650 hrs per quarter	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Steve Lockwood - Leisure, Sport and City Services Manager	Simon Colburn - Assistant Director of Health & Environmental Services
CCTV	CCTV 6 - Total number of incidents handled by CCTV operators	Number	Quarterly	N/A	Yes	N/A	<->	N/A	ClIr Rosanne Kirk - Portfolio Holder for Reducing Inequality	Caroline Bird - Community Services Manager	Steve Bird - Assistant Director of Communities and Street Scene
Waste & Recycling	WM 5 - Percentage of waste recycled or composted	%	Quarterly	High is good	No	35.00%	<->	38.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Waste & Recycling	WM - Contractor points achieved against target standards specified in contract - Waste Management (New measure)	Number	Quarterly	Low is good	No	999	<->	501	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Street Cleansing	SC - Contractor points achieved against target standards specified in contract - Street Cleansing (New measure)	Number	Quarterly	Low is good	No	999	<->	501	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Grounds Maintenance	GM - Contractor points achieved against target standards specified in contract - Grounds Maintenance (New measure)	Number	Quarterly	Low is good	No	999	<->	501	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Allotments	AM 8 - Percentage occupancy of allotment plots	%	Quarterly	High is good	No	80.00%	<->	88.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manager	Steve Bird - Assistant Director of Communities and Street Scene
Parking Services	PS 6 - Overall percentage utilisation of all car parks (P8)	%	Quarterly	High is good	No	60.00%	<->	70.00%	ClIr Neil Murray - Portfolio Holder for Economic Growth	Steve Bird - Assistant Director of Communities and Street Scene	Steve Bird - Assistant Director of Communities and Street Scene
Parking Services	PS 7 - Number of off street charged parking spaces	Number	Quarterly	N/A	Yes	N/A	<->	N/A	ClIr Neil Murray - Portfolio Holder for Economic Growth	Steve Bird - Assistant Director of Communities and Street Scene	Steve Bird - Assistant Director of Communities and Street Scene
Licensing	LIC - Total number of committee referrals (for all licensing functions) (New measure)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Francesca Bell - Public Protection, ASB and Licensing Service Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Licensing	LIC - Total number of enforcement actions (revocations, suspensions and prosecutions) (New measure)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Francesca Bell - Public Protection, ASB and Licensing Service Manager	Simon Colburn - Assistant Director of Health & Environmental Services

Service Area	Measure	Unit	Collection Frequency	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director
Contaminated Land	CON 1 - Area of sites of potential concern (in m2) made suitable for use in the year.	Number	Annual Q4	N/A	Yes	N/A	<->	N/A	ClIr Neil Murray - Portfolio Holder for Economic Growth	Sara Boothright - Food and Health and Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Affordable Housing	AH 4 - Cumulative number of affordable homes delivered to date this year	Number	Annual Q4	High is good	No	150	<->	172	ClIr Donald Nannestad - Portfolio Holder for Quality Housing	Kieron Manning - Planning Manager	Simon Walters - Director of Communities and Environment
Sport & Leisure	SP - Percentage of respondents to satisfaction survey who would recommend Birchwood Leisure Centre and/or Yarborough Leisure Centre to others (New measure)	%	Annual Q4	High is good	No	62.00%	<->	70.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Steve Lockwood - Leisure, Sport and City Services Manager	Simon Colburn - Assistant Director of Health & Environmental Services
Waste & Recycling	WM 6 - Satisfaction with refuse service (collected via Citizens' Panel)	%	Annual Q3	High is good	No	90.00%	<->	96.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Waste & Recycling	WM 7 - Satisfaction with recycling service (collected via Citizens' Panel)	%	Annual Q3	High is good	No	90.00%	<->	94.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Grounds Maintenance	GM - Satisfaction with play areas, parks and open spaces (collected via Citizens' Panel)	%	Annual Q2	High is good	No	85.00%	<->	90.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Street Cleansing	SC 8 - Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)	%	Annual Q2	High is good	No	70.00%	<->	80.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Caroline Bird - Community Services Manger	Steve Bird - Assistant Director of Communities and Street Scene
Food and Health & Safety Enforcement	FHS 9 - Percentage of Citizens' Panel respondents who are satisfied with the standard of hygiene in restaurants/cafes/ shops and takeaways in Lincoln	%	Annual Q3	High is good	No	80.00%	<->	85.00%	ClIr Bob Bushell - Portfolio Holder for Remarkable Place	Sara Boothright - Environmental Health & Corporate Safety Manager	Simon Colburn - Assistant Director of Health & Environmental Services

**APPENDIX C - DHI Strategic Measures**

**DHI Quarterly Measures**

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Volumetric	Low Target (Worst)	On target	High Target (Best)	Portfolio Holder	Service Manager	Assistant Director/Director
Housing Investment	HI 4 - Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	Quarterly	Low is good	No	0.20%	<->	0.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Kevin Bowring - Investment Manager	Andrew McNeil - Assistant Director for Housing Investment & Strategy
Housing Investment	HI 6 - Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	Number	Quarterly	N/A	Yes	N/A	<->	N/A	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Kevin Bowring - Investment Manager	Andrew McNeil - Assistant Director for Housing Investment & Strategy
Housing Investment	HI 7 - Percentage of dwellings with a valid gas safety certificate	%	Quarterly	High is good	No	99.80%	<->	99.96%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Kevin Bowring - Investment Manager	Andrew McNeil - Assistant Director for Housing Investment & Strategy
Control Centre	CC - Percentage satisfied with new connections to the control centre (New measure)	%	Quarterly	High is good	No	94.00%		96.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Clive Thomasson - Supported Housing Manager	Yvonne Fox - Assistant Director for Housing Management
Control Centre	CC 5 - Percentage of Lincare Housing Assistance calls answered within 60 seconds	%	Quarterly	High is good	No	97.50%	<->	98.75%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Clive Thomasson - Supported Housing Manager	Yvonne Fox - Assistant Director for Housing Management
Rent Collection	RC 3 - Rent collected as a proportion of rent owed	%	Quarterly	High is good	No	96.50%	<->	98.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Central Area Housing Manager	Yvonne Fox - Assistant Director for Housing Management
Rent Collection	RC 4 - Current tenant arrears as a percentage of the annual rent debit	%	Quarterly	Low is good	No	4.00%	<->	3.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Central Area Housing Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Solutions	HS 3 - The number of people currently on the housing waiting list	Number	Cumulative	N/A	Yes	N/A	<->	N/A	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Paula Burton - Housing Solutions Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Solutions	HS 4 - The number of people approaching the council as homeless	Number	Cumulative	N/A	Yes	N/A	<->	N/A	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Paula Burton - Housing Solutions Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Solutions	HS - Successful preventions against total number of homelessness approaches (New measure)	%	Quarterly	High is good	No	45.00%	<->	50.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Paula Burton - Housing Solutions Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Voids	HV 7 - Percentage of rent lost through dwelling being vacant	%	Quarterly	Low is good	No	0.90%	<->	0.80%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Central Area Housing Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Voids	HV - Average re-let time calendar days for all dwellings - standard re-lets (New measure)	Days	Quarterly	Low is good	No	26 days	<->	23 days	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Central Area Housing Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Voids	HV 9 - Average re-let time calendar days for all dwellings (including major works)	Days	Quarterly	Low is good	No	31 days	<->	28 days	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Central Area Housing Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Maintenance	HM 3 - Percentage of reactive repairs completed within target time	%	Quarterly	High is good	No	96.00%	<->	98.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Matthew Hillman - Maintenance Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Maintenance	HM 4 - Percentage of repairs fixed first time	%	Quarterly	High is good	No	90.00%	<->	93.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Matthew Hillman - Maintenance Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Maintenance	HM - Percentage of tenants satisfied with repairs and maintenance (New measure)	%	Quarterly	High is good	No	94.00%		96.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Matthew Hillman - Maintenance Manager	Yvonne Fox - Assistant Director for Housing Management
Housing Maintenance	HM 5 - Appointments kept as a percentage of appointments made	%	Quarterly	High is good	No	94.00%	<->	96.00%	Cllr Donald Nannestad - Portfolio Holder for Quality Housing	Matthew Hillman - Maintenance Manager	Yvonne Fox - Assistant Director for Housing Management

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Appendix D - Measures removed from the strategic measure set following the review

Directorate	Service	Measure reference/name	Reason for removal
CX	Work Based Learning	WBL 8 - Number of early leavers	Reduction of WBL measures in the strategic set to help ensure there is a more even spread of measures across services. Both measures are continuing to be collected and monitored by the WBL team at an operational level.
CX	Work Based Learning	WBL 9 - Employers/supervisors rating the WBL team as good or very good	
CX	Customer Services	CS 5 - Number of telephone enquiries answered	Additional measure built into the new measure set, which is focused on the number of telephone enquiries answered in channel shift areas. This is a more suitable measure moving forward with the focus being on encouraging residents to move online specifically in these areas. CC5 is continuing to be collected in the operational measure set for Customer Services.
CX	Human Resources	HU 4 - Number of grievances	Human Resources have very little influence over these measures, therefore these measures will continue to be collected in the Corporate Measure set alongside sickness and complaints performance.
CX	Human Resources	HU 5 - Number of disciplinary sanctions	
DCE	Recreation Services	RES 17 - Total number of users of our Health & Recreation facilities per quarter	Measures replaced with 'Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres' & 'Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre'. Data on active participation in physical activity will continue to be collected and monitored as part of the operational measure set.
DCE	Recreation Services	RES 18 - Percentage of people over 16 actively participating in physical activity for 3 or more 30 minute sessions per week	
DCE	Public Protection and Anti-Social Behaviour	AB 4 - Number of service requests for Public Protection and ASB	Measure replaced with four new more suitable/detailed measures: - No. of cases received in the quarter - No. of cases closed in the quarter - Number of live cases open at the end of the quarter - Satisfaction of complainants relating to how the complaint was handled
DCE	Development Management	DM 20 - Number of planning appeals allowed	More suitable measure included in the new set - 'Percentage of decisions on planning applications that are subsequently overturned on appeal'. DM20 is continuing to be collected in the operational measure set.
DCE	Affordable Housing	AH 8 - The number of eligible sites where the full Affordable Housing requirement was renegotiated at or above the current target	Measure removed from the strategic set as it was felt that this does not provide members with a useful measure on how well we are performing in terms of Affordable Housing delivery. More useful measure 'AH4 - Cumulative number of affordable homes delivered to date this year' has been retained in the strategic measure set.
DCE	Sport & Leisure	SP 10 - The standard of service provided by Yarborough Leisure Centre (Collected via Citizens' Panel)	New satisfaction measure for Yarborough & Birchwood Leisure Centres included in the new strategic measure set. New measure is focused on actual user satisfaction rather than satisfaction of Citizens' Panel members. A proportion of Citizens' Panel members will not have used one or both of the leisure centres so are unable to respond.
DCE	Sport & Leisure	SP11 - The standard of service provided by Birchwood Leisure Centre (Collected via Citizens' Panel)	
DHI	Housing Solutions	HS 4 - The number of Homelessness applications progressed within the Housing Team	Measure replaced with 'Successful preventions against total number of homelessness approaches' which is a more suitable measure for the strategic measure set. HS 4 will continue to be collected in the operational measure set.

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Appendix E - Existing targets (where targets were previously set) compared to revised targets following the review

Directorate	Service	Measure reference/name	High/Low is good	Low target prior to the review (Worst)	High target prior to the review (Best)	Low target following review (Worst)	High target following review (Best)	Target amended	Notes/Reason for change
CX	Housing Benefit Administration	BE 4 - Average (YTD) days to process new housing benefit claims from date received	Low is good	26 days	24 days	27 days	24 days	Y	Lower target slightly amended due to impact of Universal Credit (UC) cases, which can delay assessment of Housing Benefit (large volume of UC-related documents to process).
CX	Housing Benefit Administration	BE 5 - Average (YTD) days to process housing benefit claim changes of circumstances from date received	Low is good	6 days	5 days	6 days	4.5 days	Y	Target considers the impact of UC-related changes, and large volume of UC-related documents to process. Despite this impact, target has been set with consideration of the current level of performance being achieved by the Benefits team.
CX	Housing Benefit Administration	BE 7 - Percentage of risk based quality checks made where Benefit entitlement is correct	High is good	86.50%	91.50%	87.00%	90.00%	Y	Risk-based quality checks take place on claims more likely to result in financial error. Increasing number of UC-related cases more likely to result in error due to complexity. Target slightly revised as a result of this. Staff training is currently taking place to help improve performance.
CX	Democratic Services	DEM 8 - The number of individuals registered on the electoral register	High is good	60,000	62,500	60,000	61,500	Y	Revised high target in line with current number of individuals on the electoral register and the estimated number of individuals expected to join the electoral register during 2019/20.
CX	Revenues Administration	REV 4 - Council Tax - in year collection rate for Lincoln	High is good	96.61%	97.11%	96.85%	97.10%	Y	Slight change of targets due to impact of Council Tax Scheme with some taxpayers receiving a reduced level of support. Target has however been set with consideration of the current level of performance being achieved by the Revenues team.
CX	Revenues Administration	REV 5 - Business Rates - In year collection rate for Lincoln	High is good	98.65%	99.15%	98.60%	99.10%	Y	Targets amended due to potential impact of high street downturn (empty business units).
35 CX	Work Based Learning	WBL 7 - Number of apprentices moving into Education, Employment or Training	High is good	90.00%	100.00%	92.00%	95.00%	Y	Due to there being a lower number of apprentices on the apprenticeship scheme, just one apprentice can have a large impact on the overall percentage. Therefore, targets slightly amended to be more appropriate.
CX	Customer Services	CS 8 - Average time to answer a call to customer services	Low is good	50 seconds	40 seconds	120 seconds	90 seconds	Y	Revised targets take into consideration the length of time customers expect to wait and are happy to wait for their call to be answered. Revised target also helps Customer Service Assistants to ensure customer enquiries are fully answered/resolved on first contact rather than the focus being on answering calls as quickly as possible. This is important with Customer Service Assistants receiving more complex calls and providing an increased level of support to vulnerable people.
DCE	Development Management	DM 16 - Percentage of applications approved	High is good	85.00%	97.00%	85.00%	97.00%	N	No change.
DCE	Development Management	DM 21 - Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	High is good	70.00%	90.00%	70.00%	90.00%	N	No change.
DCE	Development Management	DM 22 - Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	High is good	60.00%	90.00%	60.00%	90.00%	N	No change.
DCE	Parking Services	PS 6 - Overall percentage utilisation of car parks	High is good	60.00%	70.00%	60.00%	70.00%	N	No change.
DCE	Private Housing	PH 4 - Number of empty homes brought back into use	High is good	25	50	25	50	N	No change.
DCE	Affordable Housing	AH 4 - Cumulative number of affordable homes delivered to date this year	High is good	150	172	150	172	N	Targets for this measure remain the same at present. Work is currently being undertaken to calculate the new Projected Housing Needs figure for the city, which will form part of the new Housing Strategy (expected to be presented to members in June 2019). It is likely that the targets for this measure will be revised in line with the new Projected Housing Needs figure when this is available.

Directorate	Service	Measure reference/name	High/Low is good	Low target prior to the review (Worst)	High target prior to the review (Best)	Low target following review (Worst)	High target following review (Best)	Target amended	Notes/Reason for change
DCE	Food Health & Safety	FHS 4 - Percentage of premises fully or broadly compliant with Food Health & Safety Inspection	High is good	95.00%	97.00%	95.00%	97.00%	N	No change.
DCE	Food Health & Safety	FHS 6 - Percentage of food inspections that should have been completed and have been in that time period	High is good	90.00%	97.00%	85.00%	97.00%	Y	Minor amendment to the low target in line with national targets. High target remains the same.
DCE	Waste & Recycling	WM 5 - Percentage of waste recycled or composted	High is good	35.00%	45.00%	35.00%	38.00%	Y	The targets have been changed based on results from recent years and what we can reasonably expect to achieve. COLC will not improve beyond this target without a significant change to our collection services which would require significant investment. It is expected that Lincolnshire Waste Partnership will drive significant changes in waste services in future years, so it is appropriate to tighten margins between upper and lower to give greater focus on the impact of those changes.
DCE	Public Protection and Anti-Social Behaviour	AB 5 - Satisfaction of complainants relating to how the complaint was handled	High is good	85.00%	87.50%	75.00%	85.00%	Y	Parameter has been widened to account for variation in the results. Given the indicator relates to an enforcement service it's incredibly difficult to consistently achieve high levels of satisfaction. The indicator to date has given a useful overview of service performance, but even when that level drops the feedback has failed to highlight where the outcome was directly affected by the teams actions, i.e. we find people are dissatisfied where they do not like the outcome of a complaint, often dictated and governed by the legislative parameters the team has to work within. With a narrow parameter the indicator often turns red which is not representative of the team's performance.
DHI	Rent Collection	RC 3 - Rent collected as a proportion of rent owed	High is good	95.00%	96.50%	96.50%	98.00%	Y	Targets increased to be more challenging.
DHI	Rent Collection	RC 4 - Current tenant arrears as a percentage of the annual rent debit	Low is good	5.00%	3.50%	4.00%	3.00%	Y	Targets lowered to be more challenging (low is good).
DHI	Housing Voids	HV 9 - Average re-let time for all dwellings - including calendar days (including major works)	Low is good	28 days	25 days	31 days	28 days	Y	The targets have increased based on the last few years performance, coupled with the fact we have had the new build completions in last financial year. From those new builds, a lot of those were already existing tenants so that naturally left a significant number of voids in the system. Also, with this increase in the targets it still puts us around the upper/upper medium quartile when we benchmark nationally. Targets will be reviewed for next year based on this year's performance.
DHI	Housing Maintenance	HM 3 - Percentage of reactive repairs completed with target time	High is good	95.00%	97.50%	96.00%	98.00%	Y	Target increased to be more challenging.

**SUBJECT: Q4 2018-2019 OPERATIONAL PERFORMANCE REPORT**

**DIRECTORATE: CHIEF EXECUTIVE'S**

**REPORT AUTHOR: PAT JUKES, BUSINESS MANAGER – CORPORATE POLICY**

## 1. Purpose of Report

- 1.1 To present to Performance Scrutiny Committee a summary of the operational performance position for quarter four of the financial year 2018/19 (January to March 2019)
- 1.2 The report is in the following format:
- Executive Summary – highlighting key points of note
  - Background – recent changes to the report
  - Operational performance overview – issues and successes
  - Appendix A details all measures by individual directorate grouping – with annual and quarterly measures split separately

## 2. Executive Summary

- 2.1 The report includes four corporate measures:

- Sickness – split by long and short term
- Corporate complaints including Ombudsman rulings
- Employee FTE headcount, vacancies & turnover.
- Staff appraisals completed

In addition, key headlines from operational measures collected and reported by Directorates are summarised below and reported in full in section 4.

Some measures throughout this report are considered 'volumetric' measures e.g. The number of claims...They are needed to set the context of performance, but cannot be changed by the performance of the team – these are marked as 'V'

### 2.2 Key headlines from performance results:

<ul style="list-style-type: none"> <li>✓ The number of users logged into the self-service system MyInfo has increased from 9,865 Q4 last year to 10,199 Q4 this year</li> <li>✓ The average time taken to answer a call in customer services has decreased by 12 secs.compared to Q4 last year at 92 secs.</li> <li>✓ The business rates collection rate has exceeded its upper target of 99.15% at 99.81%</li> <li>✓ The ave. days taken to process housing benefit claim changes of circumstances has beaten its 5 day target at 4.12 days</li> </ul>	<ul style="list-style-type: none"> <li>✗ The in-year collection rate for council tax has decreased by 0.41% since Q4 last year, out-turning at 96.76%, although just above the lower target</li> <li>✗ The level of outstanding customer changes in the Revenues team has increased to 437 in Q4 this year, from 121 in Q4 last year</li> <li>✗ The percentage of waste that is recycled or composted has increased to 34.94% this year, (Lagged Q3 data) but is still below its lower target</li> </ul>
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<ul style="list-style-type: none"> <li>✓ The percentage of invoices paid within 30 days has improved from 95.17% in 2018 to 97.79% this year</li> <li>✓ The total number of users of our health and recreation facilities increased by 29,740 users since Q4 last year to 247,921 this year</li> <li>✓ % of FH&amp;S controls that should have been completed and have been has improved from 82.1% in Q3 to 96.5% in Q4</li> <li>✓ Lincoln premises achieve an average food hygiene rating of 4.69 out of a possible 5.</li> <li>✓ The percentage of Non-Major and Major Planning Applications determined within the government targets are above their 90% targets at 95.03% and 95.83% respectively</li> <li>✓ The percentage of planning applications approved is above its target of 97% - outturning at 98%</li> <li>✓ The number of empty homes brought back into use reached 47 in 2018/19</li> <li>✓ The rent collected as a proportion of rent owed has surpassed its target of 96.50%, achieving outturn of 99.24%</li> <li>✓ The final level of tenant arrears is better than the target of 3.50% with an outturn figure of 2.66%</li> <li>✓ The percentage of reactive repairs completed within target time is above the target of 97.50% at 98.65%</li> </ul>	<p>of 35%</p> <ul style="list-style-type: none"> <li>✗ The time to determine a planning application has deteriorated from 59.4 days in Q3 to 68.81 days in Q4</li> <li>✗ The satisfaction of PPASB complainants on how the complaint was handled has decreased from 92.7% in Q3 to 81% in Q4</li> <li>✗ The average re-let time in calendar days for all dwellings (incl. major works) is outside its lower target of 28 days with a figure of 30.02 days</li> </ul> <p><b><i>Following the introduction of full Universal Credit in March 2018, there has as expected been a lengthening of time taken in most aspects of Housing Benefits work.</i></b></p> <ul style="list-style-type: none"> <li>✗ The number of housing benefits and council tax support customers awaiting assessment has increased from 696 last Q4 to 897 this year</li> <li>✗ The % of risk based quality checks made where the benefit entitlement is correct is below its lower target of 86.50% with a figure of 86.07%</li> </ul>
<p><b>The following indicators are VOLUMETRIC ones (V).</b> This means that they are important to report, as they provide contextual data to support the performance data above. None of these will have a target allocated as it is not true performance—as in the team cannot affect the numbers coming in directly.</p>	
<ul style="list-style-type: none"> <li>✓ (V) Face to face enquiries at City Hall have decreased in Q4 to 4,731 compared to 9,826 in Q4 last year</li> <li>✓ (V) New benefit claims has decreased from 7,296 in Q4 last year to 5,252 in Q4 this year – UC has affected the housing benefit claims, but Council Tax support is also reduced</li> </ul>	<p><b>Due to the introduction of the Homelessness ACT in April 2018, we are seeing increased numbers of applicants, thus helping more people for longer</b></p> <ul style="list-style-type: none"> <li>✗ (V) The number of Homelessness applications progressed within the Housing team has increased from Q4 last year by 429, reporting at 708</li> </ul>

### 2.3 Key headlines from the corporate measures:

- ✓ The overall sickness data for Quarter 4 is 3.06 days per FTE (excl. apprentices). This brings the cumulative total of sick days to 10.35 days which is 3.27 days less than last year and is the lowest outturn since 2012/13
- ✓ The total number of formal complaints received for the year is 291 which is a decrease of 70 when compared to the same period last year. The cumulative average time across all directorates to respond to formal complaints was 7.6 days, which is a decrease of 0.3 days from last year.

The total number of FTE employees (excluding apprentices) at the end of quarter three was 564.63, a decrease of 2.99 FTE. During quarter four, there was also an average of 15.22 apprentices.

### 3. Background

- 3.1 Regular monitoring of the Council’s operational performance is a key component of the Local Performance Management Framework. This report covers key service performance measures identified by Members and CMT as of strategic importance.

### 4. Main Performance achievements

Please note the icons used in the summary highlight the trend performance of the measure.



The figure is improving (high is good)



The figure is improving (low is good)



The figure is worsening (low is good)



The figure is worsening (high is good)



The figure is maintaining

The report will predominantly report on improving and declining performance.

#### 4.1 Key performance areas in Chief Executives Directorate

The number of apprentices moving into Education, Employment or Training has achieved its target of 100%	
(V) The number of face to face enquiries at City Hall has decreased again in Q4 to 4,731 compared to 9,826 in Q4 last year	V
The number of users logged into the self-service system MyInfo this quarter has increased from 9,865 Q4 last year to 10,199 Q4 this year	
The average time taken to answer a call in customer services has decreased by 12 seconds compared to Q4 last year, at 92 seconds. However this is below the lower target of 50 seconds	
The in-year collection rate for council tax has decreased by 0.41% since Q4 last year, out-turning at 96.76%, although just above the lower target	
The in year collection rate for business rates has surpassed its upper target of 99.15% with a figure of 99.81%	
The level of outstanding customer changes in the Revenues team has increased to 437 in Q4 this year, from 121 in Q4 last year	
The average days taken to process housing benefit claim changes of circumstances has improved on its target of 5 with a figure of 4.12 days	
The number of housing benefits and council tax support customers awaiting assessment has increased from 696 last Q4 to 897 this year	
The % of risk based quality checks made where the benefit entitlement	

is correct is below its lower target of 86.50% with a figure of 86.07%	
(V) The number of new benefit claims year to date has decreased again from 7,296 in Q4 last year to 5,252 in Q4 this year	V
The percentage of invoices paid within 30 days has improved from 95.17% last year to 97.79% this year	↑

## 4.2 Customer Services

Over the last few quarters, focus has been on the increased length of time taken to answer calls to customer service, but we need to look at the whole picture to understand what changes have been happening within this area over the year.

In terms of the volumetric measurements, we have seen a dramatic drop in the number of face to face visitors to City Hall and a lesser drop in the number of telephone enquiries – both affected by the end of the Travel Concession contract that we were handling for the County Council. At the same time we have seen resident use of MyInfo (our self-service system) soar to over 10,000 users this quarter.

As noted - one of the key measures is how long it takes to answer a call to Customer services - this quarter we have seen that average time decrease by 12 seconds to 92 seconds compared to the same quarter last year. However, the measure still outside its target tolerance of 40 – 50 seconds.

The question raised towards the end of the year was – was the target of 40 seconds response time too ambitious with the current staffing levels and call complexity? To answer that we have reviewed the statistics over time as well as the types and lengths of calls now received

Figure 1 (below) shows the gradual drop in the number of calls taken, alongside the increased time taken to answer these calls. An additional factor can be seen through the addition of the Customer Service resource bars at the bottom, where a drop in the number of available staff more or less covers the same period. However it should also be noted that the team have handled a further 4871 calls this quarter for the Housing Solutions team, which do not feature in these figures (numbers or staffing).

There are also extra factors involved here – During the latter half of Q3 and the beginning of Q4 we introduced a new telephony system, which meant that staff had to train and learn different methodologies – losing some valuable time for a short period.

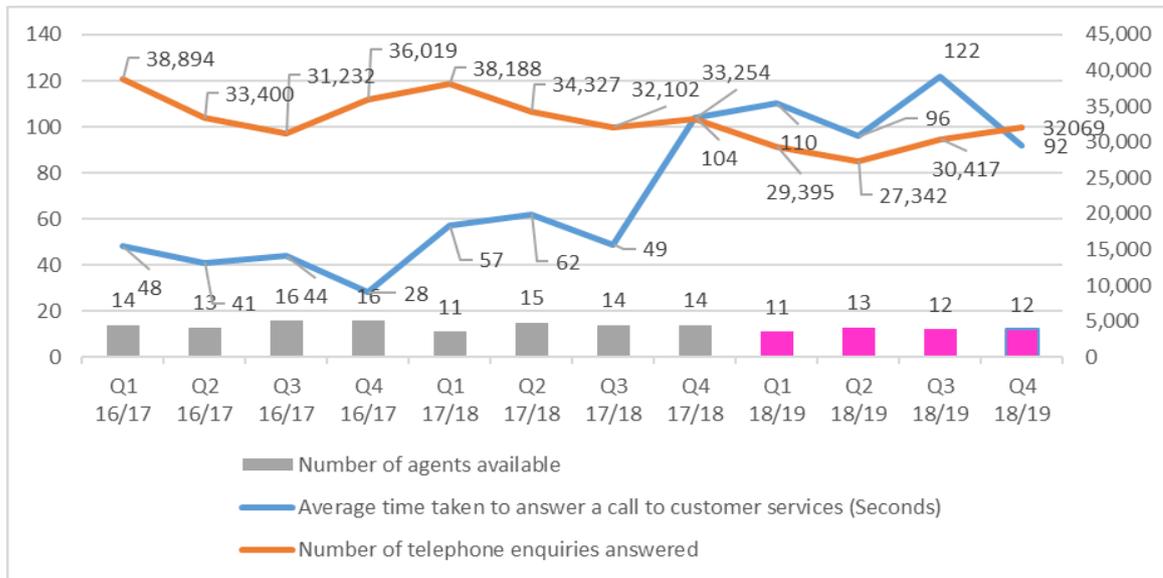


Figure 1 Source : CoLC CS data

More importantly we have identified that the average call times are increasing – see figure 2. Whilst an element of that at the start could be attributed to learning to manage the new telephony, it is believed that the ‘easy calls’ such as green waste renewals, and e-forms availability has meant that the remaining calls are the more complex calls. This is backed up by anecdotal evidence from Customer service team.

2018/19	Average talk time in seconds
Q1	197.2
Q2	190.2
Q3	299.6
Q4	286.7

Figure 2 Source : CoLC CS data

So, going back to the original question – had we set the right target for answering calls. It seems that the answer is it was too low for 2018/19 and will be adjusted to reflect the current situation in 2019/20. This means that we accept that as people move across to electronic contact, those that cannot do so may have either the more complex cases or may be vulnerable and unable to express themselves easily – and thus need more time to do so.

### 4.3 Revenues Administration

The 2018/19 outturn collection rate for Lincoln Council Tax at 96.76% has dropped below the 97.17% collected last year, but is still within its target boundaries of 96.61% - 97.11%. Whilst decreasing in-year collection by 0.41% compared to the same time last year, the net collectable debit has increased by £2.57m. Also, an additional 501 properties have been added to the tax base in 2018/19.

The 2018/19 collection rate for Lincoln Business Rates has over-achieved its 99.15% target with an outturn of 99.81% which is 0.94% (or £417,915) above that achieved last year. Also, the net collectable debit has increased by £646k, when compared to 2017/18.

This year we have seen a number of impacts that have affected the level of outstanding customer changes throughout the year – which currently stand at 437, significantly higher than the 121 outturn from last year. As well as temporary unforeseen reduction in staffing resources at various points throughout the year, additional workload has been undertaken within the Revenues team compared to last year such as Single Person Discount Review and Student Review. Through the year we have seen an additional 501 properties accepted onto the tax base to maintain and administer.

The outstanding changes figure at 8th March 2019 stood at only 53, and the increase to 437 was due to an influx of documents during the 3 week billing period, this will be managed through quarter one.

#### 4.4 Housing Benefit Administration

The number of Housing Benefit and Council Tax Support claims processed has continued to decrease compared to the same quarter in 2017/18, - in particular Housing Benefit, which is not unexpected due to most new claims now being for Universal Credit instead of Housing Benefit.

Number of new claims processed	Q4 2017/18	Q4 2018/19
Housing Benefits	2920	1403
Council Tax Support	4376	3849

Throughout the year, as expected we have seen a lengthening of time taken in almost all aspects of Housing Benefits work, caused in part by the introduction of full Universal Credit at the beginning of the financial year.

Initially the average time to process new housing benefit claims shot up from just over 24 days to over 30 days, but the team has now brought that back down to 25.82 days which is within the target tolerances.

The average number of days for processing Housing Benefit Changes of Circumstance outturned at 4.12 days, a positive outturn and almost equivalent to the 2017/18 outturn of exactly 4 days.

The biggest issue remains the number of Housing Benefit / Council Tax support customers awaiting assessment which increased significantly from the rollout of Universal Credit Full Service in Lincoln (from March 2018), more than doubling from 696 at the end of last year to almost 1500 at its maximum. However, as the year has progressed, these numbers have been gradually reduced and at year end stand at 897 of which less than half (371) are still waiting for contact from ourselves. For the remaining customers, Benefits Officers have made contact and are now awaiting information from the customer. Allocation of work is continuing to be reviewed and will continue to be monitored daily by management.

The percentage of risk based quality checks where benefit entitlement is correct, has seen a drop compared to last year. Changes introduced to the quality control procedure has increased the number of checks taking place and also now includes Universal Credit assessments being checked. The changes are much more complex, and require more time to be taken to ensure accurate processing. As a

result the outturn for 2018/19 stands at 86.07% which is just short of the target boundaries. Training continues to take place and be re-affirmed in respect of Universal Credit –related benefit assessments, so it is expected accuracy will improve going forward.

In summary, the additional workload was expected and planned for as much as possible. The new Universal Credit system has delays built into it which means that we cannot expect to achieve the previous response rates for new customers, but all effort is made to keep the processes running as smoothly as possible.

#### 4.5 Key performance areas in Directorate for Communities and Environment

The total number of users of our health and recreation facilities has increased by 29,740 users since Q4 last year to 247,921 this year	↑
The percentage of waste that is recycled or composted has increased from 33.7% in the same quarter last year to 34.94% this year, (Lagged Q3 data) but is still below its lower target of 35%	↔
The overall percentage utilisation of our car parks is stable at 45%, the same as for Q4 last year however, that is still below the lower target of 60%, but income is significantly up on last year's outturn	↔
The satisfaction of PPASB complainants relating to how the complaint was handled has decreased from 92.7% in Q3 to 81% in Q4 which is below its lower target of 85%	↓
The percentage of FH&S controls that should have been completed and have been has improved from 82.1% in Q3 to 96.5% in Q4	↑
The end to end time to determine a planning application has deteriorated from 59.4 days in Q3 to 68.81 days in Q4	↑
The percentage of Non-Major and Major Planning Applications determined within the government targets are above their 90% targets at 95.03% and 95.83% respectively	↑
The percentage of planning applications approved is above its target of 97% - out-turning at 98%	↑
The number of empty homes brought back into use has reached 47 this year – significantly higher than the 18 achieved last year	↑

#### 4.6 Recreation and Leisure

In comparison to quarter four last year, the total number of users across all of our health and recreation facilities has risen by almost 40,000, reaching an impressive 247,921 as of quarter four outturn this year. We are now seeing regular increases in usage at both leisure centres due to effective marketing between Active Nation and the City of Lincoln Council, promoting the facilities much more.

With the exception of community centres, quarter 4 figures are all up on quarter three, currently standing at:

- Birchwood – 53147
- Yarborough - 176204
- Community Centres – 15,655
- Recreation grounds – 2,915

Community centres are seeing reduced usage compared to last year, as a couple

of key users have moved elsewhere. The centres are being promoted and we hope to pick up new users soon.

#### **4.7 Waste & Recycling**

Note that the data presented here is as usual lagged and thus refers to quarter three 2018/19.

The percentage of waste recycled or composted has increased from 33.7% in the same quarter last year to 34.94% this quarter. This is just below the lower target of 35%. 16.75% of waste was recycled and 18.19% was composted. We are continuing work with Lincolnshire County Council to encourage recycling, however the lower figure is not unique to Lincoln and reflects the national recycling rates, which are also falling.

#### **4.8 Parking Services**

The number of off street parking spaces operated by City of Lincoln Council, stands at 3,621 in quarter four, significantly higher since the opening of the new Central Car Park. Overall utilisation of the car parks has remained at 45%,

Whilst this is below the lower target of 60%, income figures for the car parks in 2018/19 shows a very strong finish in the final quarter with sessional income rising by 15.6%, season tickets by 33.9% and Penalty Charge Notice income by over 100%.

The year end 2018/19 has declared a record achievement in car parking income, which is now achieving in excess of over £5 million pa. This is down primarily to the opening of the Central car park, with other highlights being the return of growth at Tentercroft, higher season ticket sales and improved enforcement activity by staff. Final overall income was returned at £5,049,932 against the previous year of £4,062,947 an increase of £986,985 (plus 24.2%)

#### **4.9 Public Protection and Antisocial Behaviour**

The number of service requests has seen an increase, from 587 in quarter four last year to 682 in quarter four this year.

The satisfaction of complainants relating to how the complaint was handled in the Anti-Social Behaviour team has dropped from 92.7% in quarter three to 81% in quarter four, which is a little below the lower target of 85%. The customer survey response rate currently represents between 10 - 20% of all service requests received by the team. The surveys are being undertaken by customer services. 81% still represents a high satisfaction rate for an enforcement service.

#### 4.10 Food Health and Safety

The percentage of premises fully or broadly compliant with Food Health & Safety inspection is on target with a figure of 96.4%. The total number of registered food businesses is 1017. Just 37 of those businesses are considered to be non-compliant of which 17 are new businesses.

There has been a strong team effort to increase the number of official FHS controls completed by year end with a highly successful outturn achieved of 96.5%. The team were fully staffed for the last 2 months of this quarter and a number of unsocial hours were worked to carry out inspections that were due of our evening economy businesses which tend to present the greatest risk to public health. A number of these businesses were food hygiene rated 1 and we are now working closely with these businesses to seek the improvements required.

As can be seen in a later section, Lincoln city is the number one place in the East Midlands for food hygiene standards and joint sixth across the UK according to data released by the Food Safety Agency. Lincoln premises achieve an average food hygiene rating of 4.69 out of a possible 5.

#### 4.11 Development Management

Quarter four saw 220 planning applications submitted, a small increase compared to last quarter. Overall the time taken to determine these applications has decreased from 59.40 days in quarter three to 68.81 in quarter four, this is predominantly because the team has been working on some major applications which take a significant amount of time. In particular Western Growth Corridor is likely to affect the timescales for a while longer.

However the key measures now required centrally are the percentage of non-major and major planning applications determined within the government target (70% in eight weeks and 60% in 13 weeks respectively measured on a two year rolling basis) have maintained well since last quarter, and are still above target of 90%, at 95.03% and 95.93% respectively. The Development Management team prioritises Major Developments and manages the timescales effectively with the applicant to ensure that this level of performance is maintained.

This workload was completed against a background where 98% of planning applications were approved. Four planning appeals were submitted of which just one was allowed, showing the quality of the original decisions.

#### 4.12 Key performance areas in Directorate for Housing and Regeneration

The number of properties not decent as a result of tenants refusal to allow work has increased to 213 from 167 last quarter	↑
The rent collected as a proportion of rent owed has surpassed its target of 96.50%, achieving a full year outturn of 99.24%	↑
The final level of tenant arrears is better than the target of 3.50% with an outturn figure of 2.66%	↓
(V) The number of people on the council housing waiting has increased slightly by 77 in Q4 with 1055 applications now on the list	V
(V) The number of Homelessness applications progressed within the	V

Housing team has increased from Q4 last year by 429, reporting at 708	
The average re-let time in calendar days for all dwellings (incl. major works) is below its lower target of 28 days with a figure of 30.02 days	↑
The percentage of reactive repairs completed within target time is above the target of 97.50% with a figure of 98.65%	↑

#### 4.13 Rent Collection and arrears

At quarter four the cumulative year-end rent collection has risen to 99.24%, which although slightly less than that achieved last year of 99.68%, is well above the adjusted target set of 96.5%, which was amended due to concern over impacts of Universal Credit.

The end of year tenant arrears as a percentage of the annual rent debit has increased from 2.11% last year to 2.66% this year – a sum of £737,513. However as noted above this still falls beneath the adjusted target of 3.5%.

Overall the effects of Universal Credit have not been as impactful as originally anticipated.

#### 4.14 Housing Solutions (Homelessness and Housing Waiting List)

Due to the Homelessness Reduction Act changes which came into force in April 2018, we must now open a homeless application/case for anyone eligible, threatened with homelessness within 56 days or is already homeless. The revised focus is to prevent homelessness and to help support people to find and secure accommodation. This means the Council has a duty to start working with people who approach for help and advice, at an earlier stage and help should initially be offered regardless of whether the person has a local connection to Lincoln or a priority need for assistance. It is therefore almost certain that homelessness presentations will increase in the first year but the number of cases where homelessness is prevented should also increase. The team has been working to ensure that the service complies with legislation and more work will take place to further develop and enhance the services offered. The team have also introduced changes to the Allocations Policy which means that they can secure accommodation for those households who are statutory homeless, more quickly.

The number of homeless applications received includes everything from triage, advice, under prevention, under relief, successfully prevented and successfully relieved. Outturn for 2018/19 shows that 708 applications have been made, which as expected is significantly higher than the 2017/18 outturn of 279, which was under the old legislation.

The number of people on the housing waiting list has risen to 1055 from 978 last quarter and the team continue to work on ensuring this list is full and accurate.

#### 4.15 Housing Voids

The average re-let time in calendar days for all dwellings (including major works) has increased from last quarter's figure of 28.35 to 30.02 in quarter four. This figure puts the measure two days outside its lower target of 28.

This quarter's figures have been affected once again by the delay in letting our sheltered accommodation and the vast amount of voids in the system at once impacting heavily on repairs.

When comparing ourselves to the latest benchmarking data available (Q3) we are still above median despite our slightly decreased performance against our national peer group (other stock retained councils).

The Q3 2018-19 data in figure 3 shows that we are still above the national average and only very slightly off being in the upper quartile.



Figure 3 Source Housing Management benchmarking data

#### 4.16 Housing Maintenance

The percentage of reactive repairs completed within the target time has seen very strong performance, reaching a figure of 98.65%, above the target of 97.5%. With the new repair task codes implemented, along with making sure the team are identifying the repairs correctly at the first point of contact, it is allowing the team to complete repairs in a more efficient timeframe.

At the same time as seeing this excellent repairs performance we continue to see improvements in both the percentage of repairs fixed first time – moving up from 93.57% to 93.68% and also the appointments kept as a percentage of appointments made has increased from 96.67% to 96.91%.

#### 4.17 OTHER ACHIEVEMENTS DURING THIS QUARTER

##### 4.18 Lincoln's Central Car Park wins the best new car park at the British Parking Awards 2019

The 2019 awards ceremony took place following a gala lunch held in London this March, with the event attracting over 120 entries.

This site-specific award recognises outstanding car park design and was open to local authority and private car



park operators, owners, architects, developers and construction companies. Car parks entered could include multi-storey, underground and surface sites.

The council was also shortlisted in the Parking Team of the Year award and the Front Line Award – but were not winners this year.

#### 4.19 Visit England awards Lincoln Guildhall the “Best Story Told” Accolade for 2018

Designed to celebrate excellence within the visitor attraction sector, Visit England’s Accolades showcase those businesses in their quality scheme that go the extra mile to provide a high quality day out, whether through a warm welcome, an engaging story, a delicious lunch or the overall visitor experience. Accolades are given for the following categories: Welcome, Best Told Story, Quality Food & Drink, Hidden Gem and Gold.



City of Lincoln Council has received the award for the **Best Told Story** Accolade 2018.

This is a great success as the Guildhall was the only venue in Lincolnshire to be included across all of the awards.

#### 4.20 Lincoln ‘To Let’ Board Ban Is Approved

City of Lincoln Council’s fight against the blight of ‘To Let’ boards has been successful.



In January 2019, government informed the city council that its proposal to ban the display of boards on certain streets in Lincoln has been given consent by the Secretary of State.

The application for the ban came after the council considered the results of several consultations with the public in problem areas, and complaints from residents who were concerned that they were creating an unnecessary eyesore within the historic city. A total of 134 consultation responses were been received by the council, with 85 of those responses calling for a total ban on the boards.

Government has now given the directive to remove the deemed consent for using letting boards in certain areas of the city.

#### 4.21 City of Lincoln shortlisted for three MJ awards

The council has been shortlisted for three of its five entries into this year’s Municipal Journal



awards.

The categories we are finalists in are:

- Innovation in communications – for the Vision 2020 campaign
- Innovation in finance – for our commercialisation programme
- Innovation in property and asset management – for the Transport Hub project

A winner will be announced from the finalists in each category at the awards night on Wednesday 26 June at the Hilton Hotel London, which is an opportunity for the sector to recognise and praise the vital work local government teams continue to undertake every day

#### 4.22 **Lincoln wins £235k funding from the MHCLG**

A successful application was made to the Ministry of Housing, Communities and Local Governments (MHCLG) Controlling Migration Fund. This will see £235k invested to support a number of projects in the Sincil Bank area. This work will include:

- Events Programme – £50k will be targeted to deliver events aimed at bringing the community together.
- Community Organising – Employed by Lincoln City Foundation, this post will listen to the views of local residents to deliver community led projects.
- Welcome Packs – A directory of local services and social activities in the neighbourhood.
- Rogue Landlord – This will see the continuation of this project until March 2020.
- Steps – A programme of one to one mentoring to support people to find employment
- Volunteer Development Project Officer – To support organisations to develop volunteering programmes
- Parent Support Worker – To support families navigate their way around public services.



Ministry of Housing,  
Communities &  
Local Government

#### 4.23 **Lincoln tops East Midlands food hygiene standards**

Lincoln city is the number one place in the East Midlands for food hygiene standards and joint sixth across the UK according to new data.



The 2019 report was carried out by Hub with data from the Food Safety Agency. The data revealed that the local authority area of Lincoln was the best in the East Midlands with an average food hygiene rating of 4.69 out of a possible 5.

A total of 893 businesses in the Lincoln city area are rated on the Food Standards Agency website (as of April 17, 2019).

- 748 businesses in the local authority area have a five star rating
- 80 businesses were given a rating of four
- 41 have a three star rating
- 13 were given a rating of two
- 11 businesses have a one star rating

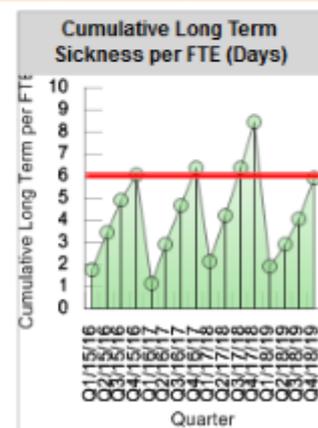
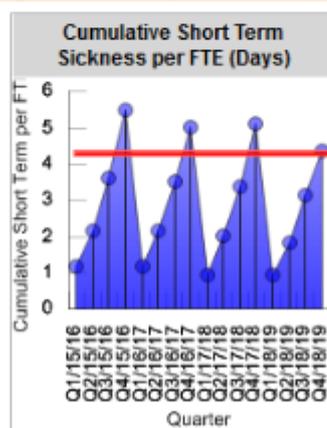
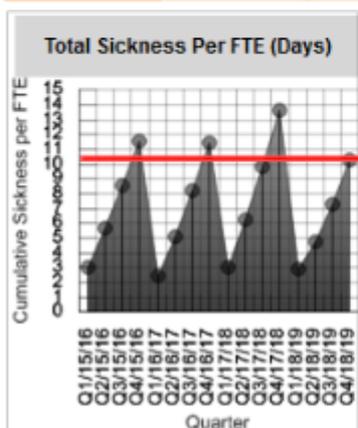
Our Food Health & Safety team are working closely with those business with lower stars

#### 4.24 CORPORATE MEASURES

#### 4.25 Sickness Indicators – Q4 cumulative (Year to date)

In quarter four the average short term sickness total stood at 1.23 days per FTE, and the average long term sickness stood at 1.83 days. The cumulative total sickness per FTE as at the end of March 2019 was 10.35 days (excl. apprentices). This is 3.27 days less per FTE compared to quarter four last year. Notably this is the lowest quarter four outturn since 2012/13, however CMT will continue to place a keen focus on these levels.

	Short Term Sickness	Long Term Sickness	Total Sickness	No. of FTE Employees	Short Term Per FTE	Long Term Per FTE	Total Sickness per FTE
CX (exc.appr's)	904.00	1,339.00	2,243.00	185.09	4.50	6.73	11.23
DCE	484.00	768.00	1,252.00	140.40	3.50	5.61	9.11
DMD	3.00	0.00	3.00	7.31	0.27	0.00	0.27
DHI	1,059.00	1,228.00	2,287.00	228.84	4.94	5.80	10.73
<b>TOTAL</b>	<b>2,450.00</b>	<b>3,335.00</b>	<b>5,785.00</b>	<b>561.64</b>	<b>4.38</b>	<b>5.97</b>	<b>10.35</b>



#### 4.26 Apprentices sickness – Q4 cumulative

During quarter four, the apprentices lost a total of 19 days due to short term sickness, which equates to a total of 1.25 days per FTE. This brings the average YTD to 8.61 days

Cumulative sickness to Q4	Short term days lost	Long term days lost	Total days lost	Average Number of FTE this Q	Short term days lost per FTE	Long term days lost per FTE	Total days lost per FTE
Apprentice sickness	115	16	131	15.22	7.56	1.05	8.61

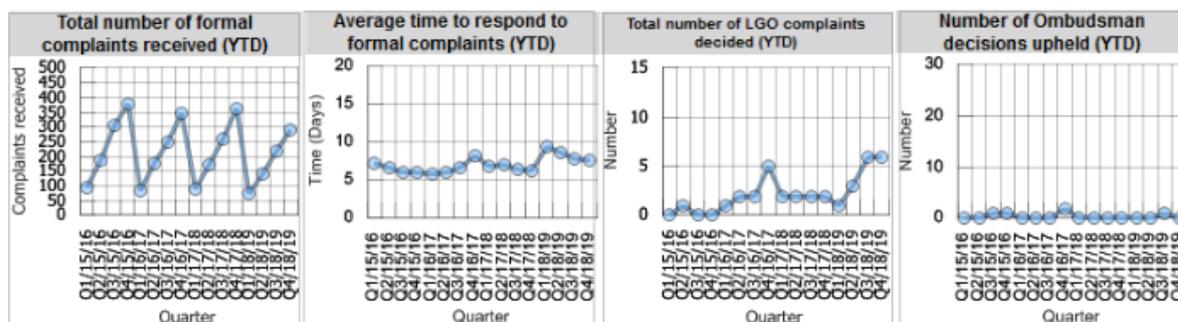
#### 4.27 Corporate Complaints – Q4 cumulative

In quarter four alone there were 71 complaints. The cumulative number of formal complaints received for the year is 291 which is a decrease of 70 when compared to the same period last year. The cumulative average time across all directorates to respond to formal complaints was 7.6 days, which is a decrease of 0.3 days compared to the outturn in 2017/18.

In quarter four we had no LGO complaints raised, but two raised in DCE and DHI Directorates, which have yet to be considered.

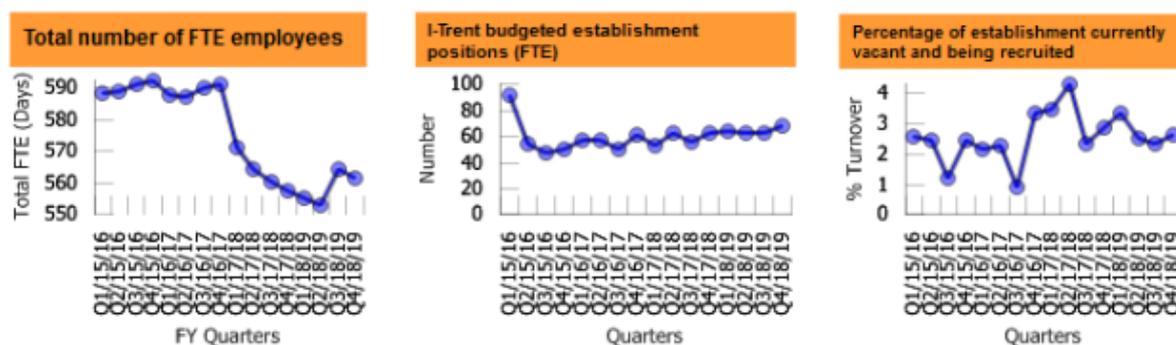
##### Complaints

	Number of Formal Complaints Received (YTD)	Average time to respond to Formal complaints (Days) (YTD)	LGO complaints decided (YTD)	Number of Ombudsman decisions upheld (YTD)	LHO complaints decided (YTD)
CX	51	7.5	0	0	
DCE	77	9.4	2	2	
DHI	154	6.8	4	1	0
DMD	9	7.4	0	0	
<b>TOTALS</b>	<b>291</b>	<b>7.6</b>	<b>6</b>	<b>3</b>	



#### 4.28 Employees (FTE, vacancies and turnover) for Q4

Number of FTE employees (exc. App.s)	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19
CX - Number of FTE employees	209.08	210.77	210.08	199.10	185.09
DCE - Number of FTE employees	137.59	133.95	133.05	141.77	140.40
DHI - Number of FTE employees	203.63	203.27	202.71	215.84	228.84
DMD - Number of FTE employees	7.62	0.13	7.42	7.92	7.31
<b>TOTAL</b>	<b>557.92</b>	<b>555.41</b>	<b>553.26</b>	<b>564.63</b>	<b>561.64</b>
Average number of apprentices across the period					15.22
	<b>Q4 2017/2018</b>	<b>Q1 2018/19</b>	<b>Q2 2018/19</b>	<b>Q3 2018/19</b>	<b>Q4 2018/19</b>
I-Trent budgeted establishment positions (FTE)			62.69	62.80	69.20
Active vacancies which are being recruited (FTE)	17.00	30.60	29.79	11.00	25.33
	<b>Q4 2017/18</b>	<b>Q1 2018/19</b>	<b>Q2 2018/19</b>	<b>Q3 2018/19</b>	<b>Q4 2018/19</b>
Percentage of staff turnover	2.83%	3.31%	2.50%	2.30%	2.64%



The total number of FTE employees (excluding apprentices) at the end of quarter four was 561.64 with an average of 15.22 apprentices over the period.

In terms of the level of vacancies at quarter three - budgeted establishment unfilled positions (FTE) stood at 69.2. This figure has slightly increased from that reported at quarter three. It should be noted that the Council are actively recruiting 25.33 FTE (30 positions).

The percentage of staff turnover at the end of quarter one was 2.64% (excluding apprentices). In comparison to the previous quarter, this has increased by 0.34%.

#### Budgeted establishment vacancy positions by Directorate (FTE)

Directorate	i-Trent Budgeted establishment positions (FTE)
CX	21.8
DCE	12
DHI	35
DMD	0.4
<b>OVERALL</b>	<b>69.2</b>

CMT have commissioned a piece of work to repeat that carried out by officers at the request of PSC in Q1 2017/18, in order to understand the current reasons for

the gap between the establishment positions and those we are recruiting to. This will be reviewed by the High Performing Services Board and reported from Q1 2019/20 as part of this report.

#### 4.29 Appraisal Monitoring for 2018/19 – final figures

Directorate	Percentage of appraisals completed
<b>CX</b>	90%
<b>DCE</b>	100%
<b>DHI</b>	92%
<b>DMD</b>	100%
<b>OVERALL</b>	<b>92.0%</b>

## 5 Strategic Priorities

Let's drive economic growth; Let's reduce inequality; Let's deliver quality housing; Let's enhance our remarkable place – As this report is purely concerned with service performance there are no direct impacts on Strategic Priorities, although the better the performance the more services can contribute towards priorities.

## 6 Organisational Impacts

**6.1** Finance (including whole life costs where applicable) - there are no direct financial implications as a result of this report. Further details on the Council's financial position can be found in the financial performance quarterly report elsewhere on the agenda.

**6.2** Legal Implications including Procurement Rules - there are no direct implications

**6.3** Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

Any impact of poor performance on individual groups is the responsibility of the relevant service area to consider. This report is simply a summary monitoring tool. However, should implications be seen when considering the data - they will be passed to services for resolution.

**6.4** Human Resources - there are no direct implications

**6.5** Land, Property and Accommodation - there are no direct implications

**6.6** Significant Community Impact - there are no direct implications

**6.7** Corporate Health and Safety implications - there are no direct implications

## 7 Risk Implications

7.1 (i) Options Explored – not applicable

7.2 (ii) Key risks associated with the preferred approach – not applicable

## 8. Recommendations

### 8.1 Members are asked to:

- a) Comment on the achievements, issues and future concerns noted this quarter
- b) Highlight any area for which they want to look at performance in more detail at a future meeting
- c) Refer the report to Executive to ensure relevant portfolio holders are placing a local focus on those highlighted areas showing deteriorating performance

**Is this a key decision?**

No

**Do the exempt information categories apply?**

No

**Does Rule 15 of the Scrutiny Procedure Rules apply?**

No

**How many appendices does the report contain?**

One – Appendix A: table of relevant quarterly and annual strategic measures

**List of Background Papers:**

None

**Lead Officer:**

Nathan Walker, Senior Corporate Performance & Engagement Officer. Telephone (01522) 873315

Lean Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Q4/18/19	Status	Q4/18/19 (Row Comment)	Under Performing	Target	Last Target Status
Work Based Learning	WBL 5 - Number of apprentices completing on time	10	Cumulative	High is good	Seasonal	100%	100%	100%	100%	100%	Maintaining	3/3 apprentices within quarter 4 achieved their framework on time			
Work Based Learning	WBL 6 - Number of new starters on apprenticeships	5	Cumulative	High is good	Seasonal	5	6	9	12	12	Maintaining	We had 12 new starts within quarter 4 - a combination of progressions and new apprentices			
Work Based Learning	WBL 7 - Number of apprentices moving into Education, Employment or Training	5	Cumulative	High is good	seasonal	75%	100%	100%	100%	100%	Maintaining	3/3 achievers moved in to Education/Employment or Training.	90	100	At target
Work Based Learning	WBL 8 - Number of early leavers	5.00	Cumulative	Low is good	Seasonal	1	0	3	0	1	Maintaining	We had 1 early leaver in Q4			
Work Based Learning	WBL 9 - Employers / supervisors rating the WBL team as good or very good	5.00	Quarterly	High is good	Seasonal	100%	100%	100%	100%	100%	Maintaining	100% of employers rated the WBL team as good or very good in quarter 4			
Customer Services	CS 4 - Number of face to face enquiries	1000	Quarterly	Low is good	Seasonal	9,826	5,550	4,873	4,893	4,731	Improving	Similar to the previous two quarters.			
Customer Services	CS 5 - Number of telephone enquiries answered	3000	Quarterly	Low is good	Seasonal	33,254	29,395	27,342	30,417	32,069	Maintaining	This is slightly lower than the same quarter last year which was 33254 but this included 3433 calls for bus passes which we are no longer taking. The 32069 also does not include 4871 calls for housing solutions which we are assisting with. Taking both of these factors into account we have answered more calls.			
Customer Services	CS 6 - Number of users logged into the self-service system MyInfo this quarter	400	Quarterly	High is good	Seasonal	9,865	7,925	7,298	7,651	10,199	Improving				
Customer Services	CS 8 - Average time taken to answer a call to customer services	10	Quarterly	Low is good	Seasonal	104	110	96	122	92	Improving	This is lower than the same quarter last year and the previous quarter.	50	40	Below Target
Human Resources	HU 4 - Number of grievances	5	Quarterly	Low is good	Quarterly	0	1	2	3	4	Maintaining				
Human Resources	HU 5 - Number of disciplinary sanctions	5	Quarterly	Low is good	Quarterly	0	2	2	5	0	Maintaining				
Accountancy	ACC 8 - Average return on investment portfolio	0.50	Cumulative	High is good	Seasonal	0.67%	0.57%	0.73%	0.74%	0.72%	Maintaining				
Accountancy	ACC 9 - Average interest rate on external borrowing	0.25	Cumulative	Low is good	Seasonal	3.90%	3.90%	3.90%	3.55%	3.42%	Maintaining	The average rate across all borrowing (including existing borrowing and both long and short term borrowing taken during the year) is 3.42%. The rate has reduced due to use of short term borrowing through other LAs.			
Revenues Administration	REV 4 - Council Tax - in year collection rate for Lincoln	0.29	Cumulative	High is good	Seasonal	97.17%	27.09%	52.80%	79.47%	96.76%	Deteriorating	Although collection is down by 0.41% - this only equates to £171,248, yet the net collectable debit has increased by 2.5m. Total net receipt has increased by 6.02%. There has been an additional 501 properties added to the tax base in 2018/19	96.61%	97.11%	On Target
Revenues Administration	REV 5 - Business Rates - in year collection rate for Lincoln	0.4%	Cumulative	High is good	Seasonal	98.87%	35.86%	60.57%	86.23%	99.81%	Maintaining	Collection is above by 0.94%, this equates to £417,915 of the net collectable debit. Total net receipt has increase by 0.15%	98.65%	99.15%	Above Target
Revenues Administration	REV 6 - Level of outstanding customer changes in the Revenues team	100	Quarterly	Low is good	Seasonal	121	659	749	401	437	Deteriorating	501 additional properties within the tax base to maintain and administer. Staffing resources reduced at points throughout the year due to unforeseen circumstances. Outstanding changes figure at 8th March 2019 stood at only 53, and the increase to 437 was due to an influx of documents during the 3 week billing period.			
Housing Benefit Administration	BE 4 - Average (YTD) days to process new housing benefit claims from date received	4.00	Cumulative	Low is good	Quarterly	24.29	30.13	28.16	27.00	25.82	Maintaining		26	24	On Target
Housing Benefit Administration	BE 5 - Average (YTD) days to process housing benefit claim changes of	3	Cumulative	Low is good	Seasonal	4.00	4.72	8.09	8.03	4.12	Maintaining	Numerous 1 day changes due to rent increases and changes in income at the start of the new financial year	6	5	Above target

Lean Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Q4/18/19	Status	Q4/18/19 (Row Comment)	Under Performing	Target	Last Target Status	
	circumstances from date received															
Housing Benefit Administration	BE 6 - Number of Housing Benefits / Council Tax support customers awaiting assessment	200	Cumulative	Low is good	Seasonal	696	1,312	1,491	1,235	897	Deteriorating	Of the 897 customers 371 are waiting a first contact from us.				
Housing Benefit Administration	BE 7 - Percentage of risk-based quality checks made where Benefit entitlement is correct	3	Cumulative	High is good	Quarterly	92.00%	87.50%	84.00%	86.34%	86.07%	Maintaining	This is lower due to the increase in Quality Checks and also the impact of new legislation - Universal Credit.	86.50%	91.50	Below Target	
Housing Benefit Administration	BE 8 - The number of new benefit claims year to date (Housing Benefits / Council Tax Support)	1000	Cumulative	Low is good	Seasonal	7,296	1,322	2,860	4,058	5,252	Improving	1403 HB and 3849 CTR				

CX Strategic Q4 Annual Measures

Service Area	Full Name	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	2017/2018	2018/2019	Status	2018/2019 (Row Comment)	Under Performing	Target	Last Target Status
56 Debtors & Creditors	DCT 6 - Percentage of invoices paid within 30 days	2	Quarterly	High is good	Annual	95.17%	97.79%	Improving	<p>Figures are calculated on all invoices &amp; credit notes (not refunds) paid 01/04/2018 to 31/03/2019. Figures are adjusted based on certain assumptions as below: -</p> <p>1) No invoice collected by supplier from CoLC by Direct Debit classified as late.  2) No credit note taken by CoLC outside of the 30 days classified as late.  3) Assumption that 0.5% of those invoices paid after 30 days were held in dispute at some point, hence paid later after dispute was resolved and not classified as late  4) 1.0% of those invoice paid after 30 days were held back from payment because the overall balance with the supplier was in credit.</p>			
Debtors & Creditors	DCT 9 - Percentage of invoices that have a Purchase Order completed	3	Quarterly	High is good	Annual	41.60	N/A	N/A	DCT9 will not be collected until mid may when other data has been calculated as part of final accounts			

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Q4/18/19	Status	Q4/18/19 (Row Comment)	Under Performing	Target	Last Target Status
CCTV	CCTV 6 - Total number of incidents handled by CCTV operators	1000	Quarterly	High is good	Quarterly	3,380	3,191	4,068	3,326	3,293	Maintaining				
Recreation Services	RES 17 - Total number of users of our Health & Recreation facilities per quarter	5000	Quarterly	High is good	Seasonal	218,181	244,381	247,762	245,374	247,921	Improving	Quarter 4 figures: Birchwood – 53147 Yarborough - 176204 Community Centres – 15,655 Recreation grounds – 2,915			
Waste & Recycling	WM 5 - Percentage of waste recycled or composted	2.5	Quarterly	High is good	Seasonal	33.70%	27.40%	38.20%	34.70%	34.94%	Maintaining	For quarter 3 (they work 2 quarters behind) % of waste recycled = 16.75% % of waste composted = 18.19% % of waste recycled or composted = 34.94%	35.00%	45.00%	Below Target
Parking Services	PS 6 - Overall percentage utilisation of all car parks (P8)	5	Quarterly	High is good	Seasonal	45.00%	48.00%	45.00%	52.00%	45.00%	Maintaining	Quieter quarter of the year with period after Christmas and colder weather having an impact.	60.00%	70.00%	Below Target
Parking Services	PS 7 - Number of off street charged parking spaces	20	Quarterly	High is good	Seasonal	3,621	3,621	3,621	3,621	3,621	Maintaining				
Allotments	AM 8 - Percentage occupancy of allotment plots	5	Quarterly	High is good	Seasonal	80.10%	84.20%	85.70%	86.80%	84.2%	Maintaining	Staff member responsible for this measure has been off on long term sick so this measure was unable to be collected but will be reported in Q1. Q4 therefore an average for last 12 months supplied.			
Public Protection and Anti-Social Behaviour Team	AB 4 - Number of service requests for Public Protection and ASB	300	Quarterly	Low is good	Seasonal	587	817	904	836	682	Maintaining	This is an increase on Q4 2017/18, overall across 2018/19 the team has seen an increase of service requests of around 8%.			
Public Protection and Anti-Social Behaviour Team	AB 5 - Satisfaction of complainants relating to how the complaint was handled	5	Cumulative	High is good	Quarterly	87.00%	80.00%	80.30%	92.70%	81.00%	Deteriorating	The customer survey response rate currently represents between 10 - 20% of all service requests received by the team. The surveys are being undertaken by customer services. 81% represents a high satisfaction rate for an enforcement service.	85.00%	87.50%	Below Target
Food and Health & Safety Enforcement	FHS 4 - Percentage of premises fully or broadly compliant with Food Health & Safety inspection	3	Quarterly	High is good	Quarterly	98.0%	98.7%	96.8%	97.6%	96.4%	Maintaining	The total number of registered food businesses is 1017. 37 businesses are considered to be non-compliant of which 17 of those are new businesses.	95.00%	97.00%	On Target
Food and Health & Safety Enforcement	FHS 5 - Average time from actual date of inspection to achieving compliance	2.00	Quarterly	Low is good	Quarterly	10.40	9.50	8.30	8.50	8.00	Maintaining	Performance levels being maintained			
Food and Health & Safety Enforcement	FHS 6 - Percentage of official controls that should have been completed and have been in that time period (cumulative data)	4	Quarterly	High is good	Quarterly	94.00%	90.00%	81.60%	82.10%	96.50%	Improving	This has been a team effort to bring this measure to this level of performance from the Q3 position. The team were fully staffed for the last 2 months of this quarter and it required Officers to work a number of unsocial hours to carry out inspections that were due of our evening economy businesses which tend to present the greatest risk to public health and a number of these businesses were food hygiene rated 1 and we are now working closely with these businesses to seek the improvements required.	75.00%	95.00%	Above Target
Development Management (Planning)	DM 11 - End to end time to determine a planning application (Days)	5	Quarterly	Low is good	Quarterly	67.34	57.44	56.25	59.40	68.81	Deteriorating	Some more complex applications have be dealt with in this period which can skew the overall average. This performance level is still quite acceptable and is not a measure that is captured nationally in any case. The submission of WGC will also mean that this figure may not improve over the coming months.			

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Q4/18/19	Status	Q4/18/19 (Row Comment)	Under Performing	Target	Last Target Status
Development Management (Planning)	DM 13 - Number of live planning applications open	20	Quarterly	Low is good	Quarterly	126	121	117	120	104	Maintaining				
Development Management (Planning)	DM 16 - Percentage of applications approved	5	Quarterly	High is good	Quarterly	96%	93%	93%	97%	98%	Maintaining		85.00%	97.00%	Above Target
Development Management (Planning)	DM 20 - Number of planning appeals allowed	5	Quarterly	Low is good	Quarterly	0	0	2	0	1	Maintaining	1 appeal out of 4 decided was allowed			
Development Management (Planning)	DM 21 - Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	10	Quarterly	High is good	Quarterly	95.00%	94.67%	95.05%	94.51%	95.03%	Maintaining		70.00%	90.00%	Above Target
Development Management (Planning)	DM 22 - Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	5	Quarterly	High is good	Quarterly	100.00%	100.00%	98.04%	97.96%	95.83%	Maintaining		60.00%	90.00%	Above Target
Development Management (Planning)	DM 8 - Number of applications in the quarter	40	Quarterly	High is good	Quarterly	234	247	229	211	220	Maintaining				

2018 Strategic Annual Measures – Q4 2018

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	2017/2018	2018/2019	RAG Status	Under Performing	Target	Last Target Status
Affordable Housing	AH 8 - The number of eligible sites where the full Affordable Housing requirement was negotiated at or above the current target	5	Quarterly	High is good	Awaiting confirmation that this has been collected in 2018/19 and if this will still be continued to be collected in 2019/20 as part of the new Strategic Measures set.					
Private Housing	PH 4 - Number of empty homes brought back into use	10		High is good	18	47	Improving	25	50	On Target

Service Area	Measure	Unit	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Q4/18/19	Status	Commentary	Under Performing	Target	Last Target Status
Housing Investment	HI 4 - Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	2	Cumulative	Low is good	Seasonal	0.00%	0.94%	0.48%	0.27%	0.21%	Maintaining				
Housing Investment	HI 6 - Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	Number	30	Quarterly	Low is good	Seasonal	4	174	192	167	213	Deteriorating	These are heating refusals. 208 of which, are boilers. The refusals are due to the tenants not wanting the disturbance of replacing their boiling systems. Now we are working in line with the Lincoln Standard, we are required to now look at these boilers (due to age and efficiency) whereas beforehand these may not have needed investigating.			
Housing Investment	HI 7 - Percentage of dwellings with a valid gas safety certificate	%	2	Cumulative	High is good	Quarterly	99.96%	99.85%	99.93%	99.93%	99.93%	Maintaining				
Control Centre	CC 5 - Percentage of calls answered within 60 seconds	%	1	Quarterly	High is good	Quarterly	98.25%	99.09%	99.16%	99.06%	99.07%	Maintaining				
Rent Collection	RC 3 - Rent collected as a proportion of rent owed	%	5	Cumulative	High is good	Quarterly	99.68%	97.56%	98.19%	99.83%	99.24%	Maintaining	Rent collection for the year is 99.24%, this excludes any arrears or credits brought forward. It was anticipated that the rent collection would take a slight dip due to the impact of Universal Credit full service.	95.00%	96.50%	Above Target
Rent Collection	RC 4 - Current tenant arrears as a percentage of the annual rent debit	%	1	Cumulative	Low is good	Quarterly	2.11%	2.72%	2.95%	2.47%	2.66%	Maintaining	Arrears for the year are 2.66% or £737,513. Although arrears have risen since last year, this was anticipated due to the impact of Universal Credit. The arrears are significantly better than we prediction at the start of the financial year.	5.00%	3.50%	Above Target
Housing Solutions	HS 3 - The number of people currently on the housing waiting list	Number	100	Cumulative	Low is good	Quarterly	1,693	1,692	1,663	978	1,055	Maintaining	Further cleansing has been made to the waiting list.			
Housing Solutions	HS 4 - The number of Homelessness applications progressed within the Housing team	Number	10	Cumulative	Low is good	Seasonal	279	167	368	526	708	Deteriorating	The figure is continues to rise, this figure is taken from the stage of the application at that time. It has significantly increased because of the changes to the Homelessness Reduction Act, in which we now have to open a homeless application/case for anyone who is eligible.			
Housing Voids	HV 7 - Percentage of rent lost through dwelling being vacant	%	0.1	Cumulative	Low is good	Quarterly	0.97%	0.72%	0.70%	0.84%	0.92%	Maintaining	Void loss has increased due to the increase in the average length of void time throughout the year. We have had a significant number of long term void properties which has naturally had a negative effect on void loss.			
Housing Voids	HV 9 - Average re-let time calendar days for all dwellings (including major works)	Days	5	Cumulative	Low is good	Quarterly	26.77	26.42	26.47	28.35	30.02	Maintaining	The void let is disappointing at 30 days YTD; however, if we compare with other authorities, then we are not in a bad position. This quarter's figures have been affected once again by the delay in letting our sheltered accommodation and the vast amount of voids in the system at once impacting heavily on repairs.	28	25	Below target
Housing Maintenance	HM 3 - Percentage of reactive repairs completed within target time	%	2.00	Cumulative	High is good	Quarterly	97.49%	98.00%	99.36%	98.51%	98.65%	Maintaining	Performance remains to be consistent in this area now that the significant changes within the service have now been fully embedded.	95.00%	97.50%	Above Target
Housing Maintenance	HM 4 - Percentage of repairs fixed first time	%	5	Cumulative	High is good	Quarterly	90.21%	93.38%	93.60%	93.57%	93.68%	Maintaining				
Housing Maintenance	HM 5 - Appointments kept as a percentage of appointments made	%	5	Cumulative	High is good	Quarterly	95.85%	96.56%	96.66%	96.67%	96.91%	Maintaining				

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## PERFORMANCE SCRUTINY COMMITTEE

5 JUNE 2019

<b>SUBJECT:</b>	<b>FINANCIAL PERFORMANCE – OUTTURN 2018/19</b>
<b>REPORT BY:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>COLLEEN WARREN, FINANCIAL SERVICES MANAGER</b>

**1. Purpose of Report**

1.1 To present to Members the provisional 2018/19 financial outturn position on the Council's revenue and capital budgets, including:

- General Fund
- Housing Revenue Account
- Housing Repairs Service
- Capital Programmes

And, to provide a review of the key budget risk assessments.

1.2 This report will provide members with a summary of actual income and expenditure compared to revised budget and how many surpluses have been allocated to reserves.

1.3 Members should note that the financial outturn is still subject to Audit by Mazars, the Council's external auditors.

**2. Executive Summary**

2.1 This section of the report provides a summary briefing on the financial position of the Council for the financial year 2018/19.

	<b>2018/19</b>		
	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Variance £'000</b>
<b>Revenue Accounts</b>			
General Fund – Contribution to/(from balances)	288	242	(46)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	0	(4)	(4)
Housing Repairs Service (surplus)/deficit	0	(272)	(272)
<b>Capital Programmes</b>			
General Fund Investment Programme	23,535	13,968	(9,567)

	2018/19		
	Budget £'000	Actual £'000	Variance £'000
Housing Investment Programme	31,458	24,985	(6,472)
<b>Capital Receipts</b>			
General Fund	3,555	3,880	325
HRA	1,719	788	(931)
<b>Reserves &amp; Balances</b>			
General Fund Balances	1,897	1,851	46
HRA Balances	1,023	1,027	4
HRS Balances	89	89	0
General Fund Earmarked Reserves	6,158	6,711	553
HRA Earmarked Reserves	1,366	1,604	238

2.2 The detailed financial position is shown in sections 3-7 and accompanying appendices.

### 3. General Fund Revenue Account

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

3.2 The financial performance quarterly monitoring report for the 3<sup>rd</sup> quarter predicted a shortfall against the revised budget of £206,302. The provisional outturn for 2018/19 now indicates that this shortfall has decreased by £159,946, resulting in an overall budget shortfall of £46,356 (including proposed transfers to/from earmarked reserves). This represents a variance against the revised budget of 0.33%.

3.3 Full details of the main variances are provided in appendix B whilst the key variances are summarised below:

- Car Parking – Reduced Income £1,015,648
- Housing Benefit Overpayments – Reduced Income £604,533
- Homelessness Bed and Breakfast – Increased Expenditure £101,418
- Borrowing costs – Reduced Expenditure (£270,763)
- Earmarked Reserves - Released Increased Income £(280,220)
- Contingencies Released - Reduced Cost £(175,930)

- Business Rates Section 31 Grants – Increased Income £(385,881)
- Revenues & Benefits New Burdens – Increased Income £(180,207)

3.4 Given the scale of the shortfall in car parking income targets, as identified in previous quarterly reports, the implementation of the car parking income generation strategy has been accelerated. This strategy focuses on 5 key strands, as follows:

- Car park improvements – focussing on making our car parks the preferred choice including enhanced ticket machines to improve connectivity and to offer contactless payment and improved security arrangements.
- Promotion of the City as a destination – focussing on maximising the linkages between visitor numbers into the City and an improving offer in the City with the utilisation of the Council's parking stock.
- Maximisation of car parking stock – focussing on ensuring that the Council's car parks are in the correct location and condition, in line with the Car Parking Strategy, and considering alternative income generation opportunities for some sites.
- 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.

3.5 Longer term, there is forecasted to be an increase in the demand for City Centre parking through developments such as the Cornhill Quarter, further expansion in the University and direct Lincoln to London trains with consequent increased passenger numbers. These future changes and growth over the next few years are set to increase utilisation of the Council's car parks, reducing the shortfall against income targets.

3.6 This action taken to date has had a positive effect in terms of the forecast shortfalls against the car parking income targets which have improved from a forecasted shortfall of £1.141m at quarter 1 to a provisional outturn of £1.039m. It is anticipated that this positive trend will continue, however reflective of the significant shortfall in achieving the income targets the MTFS 2019-24 has been revised with a significant reduction in income targets to be set in the early years of the MTFS, increasing over time as per paragraph 3.5.

3.7 In addition to the shortfall in car parking income the other most significant variance is in respect of housing benefit overpayments. Over recent years the level of overpayments has continued to significantly increase, however more recently with the transition of benefits customers to universal credit and with the use of 'real time' information the level of overpayments raised as drastically reduced. This has led to a budget pressure due to reduced income from the reclaiming over the overpayment from the claimant.

- 3.8 The impact of this reduction in overpayments is not isolated to 2018/19 and is set to continue over the period of the MTFs. As this has not been reflected in the MTFs 2019-24 the Corporate Management Team have commissioned a specific piece of work to assess the full implications of the MTFs encompassing the impact of the reduction in overpayments along with the transition to universal credit and its impact on historic overpayment debt. This work will feed directly into the refresh of the MTFs assumptions and financial planning process.
- 3.9 Although the mitigation strategy for car parking income is being implemented and some positive benefits have been realised in year, officers have also undertaken other appropriate action in order to address the budget shortfall as forecasted in previous quarterly reports. This has included a full review of earmarked reserves, contingencies budgets and balance sheet items, which has released a significant amount of one off resources. This has significantly reduced the forecast budget shortfall of £717,343 identified at quarter 1 to a provisional outturn of £46,356.
- 3.10 The provisional outturn of a £46,356 budget shortfall includes a number of proposed transfers to/from earmarked reserves as set out in paragraphs 3.11 – 3.12 below. Subject to their approval the outturn position will result in a contribution of £242,004 to balances (£288,360 budgeted), with balances as at 31<sup>st</sup> March 2019 f £1,851,368. Although this is £46,356 lower than assumed in the MTFs balances still remain within prudent levels.

### **Earmarked Reserves**

- 3.11 At quarter three Executive agreed that, subject to outturn, the following contributions to earmarked reserves be actioned: -
- Planning Delivery Fund – Transfer £95,000 grant income received to fund an additional post to support large scale applications in 2019/20,
  - Overachievement of Crematorium income – Transfer £100,000 of surplus income (net of increased cost) to an income equalisation reserve to mitigate against future fluctuations in income levels (subsequently Executive agreed on 11<sup>th</sup> March 2019 that this additional income would be used for pre-construction activities ahead of proposed major works at the crematorium).
  - Revenues and Benefits Shared Service – Transfer £100,000 of New Burdens funding to a reserve to be utilised in 2019/20, as determined by the Joint Committee.

Following the final outturn being known it is proposed that the £95,000 Planning Delivery Grant and £100,000 crematorium income are transferred into reserves as agreed. However, due to the significant reduction in Housing Benefit overpayments within the Revenues and Benefits area it is proposed that only £45,000 of the New Burdens funding is transferred into the reserve. These transfers to reserves are reflected in the provisional outturn position.

- 3.12 In addition to those transfers to earmarked reserves proposed at quarter 3, and those budgeted for, there are a number of further contributions to and from reserves listed below for approval:

Directorate	Reserve	TO £	FROM £
CX	City Hall Sinking Fund – contribution from Repairs and Maintenance underspend	24,400	
CX	Asset Improvement – contribution towards Committee Microphones		13,350
DCE	Tree Risk Reserve – additional contribution to the Tree Risk Reserve	16,705	
DCE	Tree Risk Reserve – contribution from the reserve for additional work carried out		34,622
DCE	Commons Parking – contribution to reserve for parking income offset by a contribution from the reserve for works carried out	6,260	8,060
CX	Property Searches Reserve – contribution from the reserve to cover the backdating of the VAT implications		32,300
CX	Asset Improvement Reserve – Contribution from reserve for Greetwell Hollow professional fees		3,933
DCE	Parks Improvement Funding – contribution to a new reserve for additional grant funding to improve parks and open spaces	15,451	
DCE	Community Clean Up – contribution to a new reserve for additional grant funding to clean up the high streets	17,256	
DHI	Flexible Homeless Support Grant – transferred to Reserve for use in 19/20	123,011	
DHI	Rough Sleeping Strategy Grant – transferred to reserve for use in 19/20	97,234	
DHI	County Homeless Partnership Grant – transferred to reserve for use in 19/20	31,072	
DHI	County Homeless Funding (Boston) Grant – transferred to reserve for use in 19/20	45,526	
DHI	Controlling Migration Grant – transferred to reserve for use in 19/20	143,181	
DHI	Repossession Prevention Grant – contribution from reserve to help cover the increase in Bed and Breakfast		48,500
DHI	Pocket Parks Plus Scheme – transferred to reserve for use in 19/20	25,500	

These proposed transfers to/from reserves are reflected in the provisional outturn position.

- 3.13 The level of each of the current earmarked reserves, as at 31st March 2019 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure along with the proposed transfers as set out in paragraphs 3.11 - 3.12.

3.14 In addition to the key variances, mitigating action being taken and earmarked reserves, as set out above, the following other key areas of monitoring of the General Fund Revenue Account set out below.

3.15 **Towards Financial Sustainability Programme** - The savings target included in the MTFS for 2018/19 is £3,850,000. Progress against this target, based on the outturn position shows a secured total £3,828,050. A summary of the provisional outturn position is shown in the following table:

	£
	<b>General Fund</b>
<b>Review/Business Case Approved/Delegated Decision Taken</b>	
Shared Services/Savings/Managing Demand	2,582,890
Commercialisation	833,680
Asset Rationalisation	407,270
<b>Total</b>	<b>3,823,840</b>
<b>MTFS savings target</b>	<b>(3,850,000)</b>
<b>(Under)/ over achievement</b>	<b>(26,160)</b>

3.16 **Fees and Charges Income** – Income from fees and charges represents a significant proportion of income to the Council, with the primary sources being from car parking, development management and building regulations. Due to the importance of these income streams to the Council's financial position and the impact external factors can have on the levels of income receive they are monitored regularly by the Corporate Management Team. A summary of the progress of these key income streams against the approved budget for the financial year is provided below:

	<b>Budget 2018/19</b>	<b>Actual 2018/19</b>	<b>Variance 2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Car Parks	(6,064)	(5,025)	1,039
Crematorium	(1,317)	(1,472)	(155)
Development Management	(446)	(550)	(104)
Building Control	(199)	(194)	5
<b>Total</b>	<b>(8,026)</b>	<b>(7,241)</b>	<b>785</b>

#### 4. Housing Revenue Account

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

4.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £5,000. The provisional outturn for 2018/19 now indicates an underspend of £3,467. This would result in HRA balances at 31 March 2019 of

£1,026,568. The main over and underspends included within the provisional outturn are detailed in Appendix D, while the key variances are summarised below:

- HRS Surplus – Additional Income of (£271,534) (see section 5 for further details);
- Rental Income - Additional Income £(161,055);
- Supervision and Management – Additional Income/Reduced Expenditure (£141,547);
- Repairs & Maintenance – Increased Expenditure £641,287.

4.3 Following outturn, HRA general balances will be £1,026,568, in line with the Medium Term Financial Strategy.

4.4 The level of each of the current earmarked reserves, as at 31<sup>st</sup> March 2019 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure.

## 5. Housing Repairs Service

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

5.2 The financial performance quarterly monitoring report for the 3<sup>rd</sup> quarter predicted a £146,000 surplus outturn for 2018/19. The provisional outturn for 2018/19 shows a trading surplus of £271,534.

5.3 The net trading surplus of £271,534 is the result of a number of year-end variations in income and expenditure against the approved budget. The fluctuation between the forecast at Quarter 3 and the final outturn is mainly down to the performance of the Voids function. When reporting at Quarter 3, the job costings were incomplete and therefore reflected a much lower recovery position. Full details of the main variances are provided in Appendix F.

5.4 The surplus of £271,534 has been repatriated to the HRA, which is the major service user. This is reflected in the HRA outturn within this report.

## 6. Earmarked Reserves

6.1 The details of all the earmarked reserves and their balance as at 31<sup>st</sup> March 2019 are attached in Appendix G. In summary:

	<b>Opening Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Closing Balance</b>
	<b>01/04/18</b>			<b>31/03/19</b>
	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>
General Fund	4,559	4,022	(1,877)	6,704
HRA	1,732	29	(158)	1,604

	<b>Opening Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Closing Balance</b>
	<b>01/04/18</b>			<b>31/03/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Resources	22,780	17,288	(27,797)	12,270

## 7. Capital Programme

### 7.1 General Investment Programme

7.2 The revised General Fund Investment Programme for 2018/19 as approved in the MTFs 2018-23 amounted to £23,460,862. Movements in the programme since the approval of the revised budget decreased actual capital expenditure in 2018/19 to £13,968,238. A further £175,000 was approved in 18/19 to transfer land from the HRA to General fund, creating additional resources within the HIP. No physical income/receipt or expenditure has been recorded as transfer occurred between council funds. A summary of the changes is shown below:

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget MTFs 2018-23	23,460	3,123	500	500	500
Budget changes approved under CFO delegated authority	(9,497)	9,598	0	0	0
Budget changes in Qtr approved by Executive	180	1,671	7,009	2,339	194
<b>Revised Budget</b>	<b>14,143</b>	<b>14,392</b>	<b>7,509</b>	<b>2,839</b>	<b>694</b>

7.3 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive.

The budget re-profiles approved by the Chief Finance Officer during the final quarter are detailed at Appendix I under the heading of "Approved by Chief Finance Officer".

#### Reprofiles

- Compulsory purchase orders £234,954 re-profiled into 2019/20.
- Disabled Facilities Grant - £467,687 re-profiled into 2019/20.
- Flood Alleviation scheme- £4,775 re-profiled from 2019/20 programme.
- Allotment Capital Improvement Programme - £102,158 re-profiled into 2019/20.
- Artificial Grass Pitches - £276,209 re-profiled into 2019/20.
- Housing Renewal Area - £388,877 re-profiled into 2019/20.
- Boutham Park Masterplan - £84,460 re-profiled into 2019/20.

- New Telephony System - £40,165 re-profiled into 2019/20.
- The Terrace Heat Mitigation Works - £11,418 re-profiled from 2019/20.
- Deacon Road scheme - £6,897,950 re-profiled into 2019/20 due to scheme completing in April 2019.
- Land and Property Acquisition - £193,706 re-profiled into 2019/20
- Lincoln Transport HUB - £845,357 re-profiled into 2019/20.

#### Other Movements

- Birchwood Leisure Centre - £16,678, reallocated from the Artificial Grass Pitches scheme within 2018/19.
- Memorial Tree - £4,200, additional borrowing within 2018/19 to cover VAT expense which could not be recovered within the scheme.
- Car Park Improvements-Ticket Machines - £69,323 expenditure within 2018/19 funded from the Parking Revenue budget.
- Boutham Park Masterplan - £20,000 additional borrowing to replace an unrealised capital grant within the scheme.
- Bereavement Services Lighting - £192 additional borrowing due to additional expenditure incurred within the scheme.
- CCTV upgrade - £29,184 additional funding in 2018/19 via DRF (£12,500 from service cash limits, and £16,684 from invest to save reserve).
- Planned Capitalised Works – various movements within 2018/19 and re-profiled to/from the 2019/20 central budget to specific projects – refer to Appendix I for a detailed split of movements.

7.4 Changes that have been approved by Executive approval for the final quarter (further details in Appendix I) are:

- **New Website** – new scheme commencing in 2018/19 to replace the current website. Approved at Executive 21/1/19. Funded by Invest to save reserve. £4,800 spent within 18/19, £49,200 to profile into 19/20.
- **New Software Package** – new software package scheme commencing in 2019/20 within Bereavement Services. Approved at Executive 11/3/19. £20,000 funded by the strategic priorities revenue reserve via direct revenue funding.
- **Western Growth Corridor**– Capital expenditure costs to the general fund of £11.3m for phase 1, with regards to developing the first 52 units within the scheme (Executive 20/3/19), funded by proposed Residential Sales, Homes England grant funding and contributions from the HRA, creating a proposed expected surplus of £3.2m to be held within the General Investment Programme to be reinvested in bringing forward Phase 1b on Tritton Road.
- **Western Growth Corridor**- Transfer of land from the HRA to General fund worth £175k, creating additional resources within the HIP. No physical income/receipt or expenditure recorded as transfer between council funds.

7.5 The table below provides a summary of the provisional outturn position for the General Investment Programme:

	<b>MTFS 2018-23 Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>Re-profiles (to)/from 2019/20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Active Programme</b>				
Communities & Environment	2,423	1,536	887	(940)
General Fund Housing	415	26	389	(389)
Chief Executives Department	19,076	11,856	7,220	(7,276)
Major Developments Directorate	1,393	547	845	(845)
<b>Total Active Schemes</b>	<b>23,306</b>	<b>13,965</b>	<b>9,341</b>	<b>(9,451)</b>
Schemes On Hold/Contingencies	154	3	151	(127)
<b>Total Capital Programme*</b>	<b>23,460</b>	<b>13,968</b>	<b>9,472</b>	<b>(9,578)</b>

\* Table above does not include the Land appropriation of £175k which took place during 18/19 creating additional available resources in the HIP.

7.6 The overall spending on the General Investment Programme for 2018/19 was £13,968,238, which is 59.54% of the revised 2018/19 programme as per the MTFS 2018-23.

Although this would appear to be low, the following points should be taken into consideration:-

- Expected budgeted expenditure of £6.9m relating to Deacon Road occurred in April 2019 just after the 18/19 financial year.
- Disabled Facilities Grant works of £467,687 have been agreed and are expected to occur within 2019/20.
- The retention payment and related expenditure of £845,357 with regards to the Lincoln Transport HUB has not yet been paid due to delays on final sign off.

## 8. Housing Investment Programme

8.1 The revised Housing Investment Programme for 2018/19 as approved in the MTFS 2018-23 amounted to £31,457,789. Movements in the programme since the approval of the revised budget decreased actual capital expenditure to £24,985,322 in 2018/19.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Budget MTFS 2018-23	31,458	12,857	12,747	11,353	12,932
Budget changes approved under CFO delegated authority	0	0	0	0	0
Budget changes for Executive approval at Outturn	(6,472)	5,214	97	(121)	0
Budget changes approved by Executive		8,579	598		
<b>Revised Budget</b>	<b>24,985</b>	<b>26,650</b>	<b>13,442</b>	<b>11,232</b>	<b>12,932</b>

8.2 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive. The changes approved by the Chief Finance Officer for the final quarter are detailed in Appendix K and summarised below:

### Reprofiles

- Bathrooms & WC's £11,217, Responsive Capitalised heating replacement £48,716, Kitchen Improvements £7343, Rewiring £4,922, Structural Defects £2,431, Safety Flooring £68,074, rephrased from 19/20 into the 18/19 programme.
- Thermal Comfort Works £88,895, and Re-roofing £31,765 rephrased from 21/22 into the 18/19 programme.
- Adaption works £56,928, Garages £44,037, HRA Assets Shops/Buildings £20,280, Communal TV aerials £31,554, rephrased from 18/19 into the 19/20 programme.
- Environmental new works £96,880 18/19 rephrased into 20/21.
- Rephrasing of new build schemes Westleigh £45,186, Searby Road £62,497, Allotment Site £20,027, Rookery Lane Site £28,237, Lytton Street £6,957, Ingleby Crescent £14,839, Rookery Lane Acquisition £13,379, Queen Elizabeth Road £75,413, Trelawney Crescent £5,897 from 2018/19 into 19/20.
- Rephrasing of the 18/19 new build programme £2,499,065 into 2019/20.
- Lincoln Standard Window replacement £134,606, Door Replacement £404,806, Replacement Door Entry System £25,599 rephased from 18/19 into the 19/20 programme.

## Movements

- Central Heating Upgrades £28,877 reallocated to Responsive capitalised heating replacement
- Asbestos Surveys £84,622, reallocated into Asbestos Removals 2018/19.
- Void capitalised works £62,225 reallocated into Exceptional costs 2018/19.
- Reallocations from the unallocated new build programme to Blankney Crescent £7,088, and Westwick Drive £842 within the 2018/19 programme.
- Reallocation from the unallocated land acquisition fund of £3,472 to Lillicrap Court.

The changes requiring approval from the Executive are detailed in Appendix K and summarised below:

- Six property purchases funded from the unallocated new build programme under delegated authority on 20<sup>th</sup> March 2019 at Turner Street £67,465, Williamson Street £110,210, and Naval Court £680,125 (**Previously approved under delegated authority 22<sup>rd</sup> March 2019**)
- Reallocations from the unallocated new build programme to Trelawney Crescent £30,259, Marham House £6,589 within the 2018/19 programme.
- Landscaping & Boundaries £182,178 reallocated into CO Detector Installation £40,826, Communal Hardstanding £118,150, Communal Electrics £23,202.
- New Services £19,442 reallocated into Decent homes £11,481 and CO Detector Installation £7,961 in 2018/19.
- The 2018/19 Wall Structure Repairs £6,951, over bath showers £28,003, Asbestos Surveys £51,457, plastering £222,854, Adaption works £28,916, Landscaping & Boundaries £110,623, Void capitalised works £26,555 programmes moved into uncommitted resources.

Changes that have been approved by Executive for the final quarter (further details in Appendix K) are:

- **De Wint new build extra care facility** - Within the £14m capital funding package (Executive 25/2/19), £92,995 funding from the HIP 'Available Resources/New Build programme has been allocated within 2018/19.
- **Western Growth Corridor Scheme** - £1.3m towards enabling works and infrastructure capital expenditure, from 2019/20, 20/21 (Executive 20/3/19), funded from the Land acquisition budget and HIP contingency 2019-24.
- **Western Growth Corridor-** Transfer of land from the HRA to General fund worth £175k, creating additional resources within the HIP. No physical income/receipt or expenditure recorded as transfer between council funds.

8.3 The table below provides a summary of the final outturn position:

	<b>MTFS 2018-23 Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>Re-profiles (to)/from 2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Decent Homes/ Lincoln Standard	7,065	6,378	(687)	373
Health and Safety	600	300	(300)	26
New Build Programme	18,329	15,639	(2,690)	2,690
Land Acquisition Fund	3,015	1,867	(1,148)	1,148
Other Schemes	2,338	775	(1,563)	2,149
Computer Fund	111	26	(86)	86
<b>Total Capital Programme</b>	<b>31,458</b>	<b>24,985</b>	<b>(6,472)</b>	<b>6,472</b>

\* Table above does not include the Land appropriation of £175k which took place during 18/19 creating available resources in the HIP

8.4 The overall spending on the Housing Investment Programme for 2018/19 was £24,985,322 which is 79.42% of the revised 2018/19 programme as per MTFS 2018-23.

Although this would appear to be low compared to previous financial years, the following points should be taken into consideration:-

- Due to external factors work programmed on individual flat fire door sets at Shuttleworth House for £739k was only around 30% complete at the end of the financial year.
- The budget included £18.3m for the 2018/19 New Build Programme. £15.6m has been spent on the new build programme including homes at Allenby, Westwick, Ingleby and Lytton Street, further budget has been earmarked for DeWint Extra Care facility which was approved during 2018/19.
- The budget included £3m for Land Acquisitions, of which £1.9m has been spent in 2018/19, the remaining budget of £1.1m has been allocated against the Western Growth Corridor Scheme to fund the HIP contribution towards the scheme.

## 9. Resource Implications

9.1 The financial implications are contained throughout the report.

9.2 There are no legal implications arising from this report.

9.3 There are no equality and diversity implications as a direct result of this report.

## 10 Risk Implications

- 10.1 A full financial risk assessment is included in the Medium Financial Strategy 2019-24.

## 11. Recommendations

Performance and Scrutiny Committee are recommended to:

- 11.1 Note the provisional 2018/19 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7, and in particular the reasons for any variances;
- 11.2 Note the proposed transfer to General Fund earmarked reserves in paragraphs 3.11 and 3.12;
- 11.3 Note the financial changes to both the General Investment Programme and the Housing Investment Programme (paragraphs 7.3 and 7.9) that are above the 10% budget variance delegated to the Chief Finance Officer.

**Key Decision** No

**Key Decision Reference No.** N/A

**Do the Exempt Information Categories Apply** No

**Call in and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**Does the report contain Appendices?** Yes

**List of Background Papers:** Medium Term Financial Strategy 2018-23  
Minutes of Strategic Plan Implementation Team.

**Lead Officer:** Colleen Warren, Financial Services Manager  
Telephone 873361.

**GENERAL FUND SUMMARY – OUTTURN 2018/19**

	Ref	Revised Budget £'000	Actual £'000	Variance £'000
Strategic Development	A	1,869	1,779	(90)
Chief Finance Officer (S.151)	B	489	771	282
Major Developments	C	506	461	(45)
City Solicitor	D	1,489	1,468	(21)
Housing	E	754	715	(39)
Communities and Street Scene	F	1,537	2,781	1,244
Health & Environmental Services	G	2,052	2,029	(23)
Planning	H	791	673	(118)
		<b>9,487</b>	<b>10,627</b>	<b>1,190</b>
Corporate Expenditure	I	1,645	1,640	(5)
<b>TOTAL SERVICE EXPENDITURE</b>		<b>11,132</b>	<b>12,317</b>	<b>1,185</b>
Capital Accounting Adjustment	J	1,864	1,773	(91)
Specific Grants	K	(1,006)	(1,032)	(26)
Contingencies	L	296	0	(296)
Savings Targets	M	(26)	0	26
Earmarked Reserves	N	1,600	1,381	(219)
Insurance Reserve	O	128	(19)	(147)
<b>TOTAL EXPENDITURE</b>		<b>13,988</b>	<b>14,420</b>	<b>432</b>
<b>CONTRIBUTION TO BALANCES</b>		<b>288</b>	<b>242</b>	<b>(46)</b>
<b>NET REQUIREMENT</b>		<b>14,276</b>	<b>14,662</b>	<b>386</b>
Retained Business Rates Income	P	(28,041)	(26,032)	2,009
Tariff	Q	20,620	20,199	(421)
Section 31 Grant	R	0	(1,974)	(1,974)
Levy	S	0	0	0
Revenue Support Grant	T	0	0	0
Council Tax	U	(6,393)	(6,393)	0
Council Tax Surplus	V	(30)	(30)	0
NNDR Deficit	W	(432)	(432)	0
<b>TOTAL RESOURCES</b>		<b>(14,276)</b>	<b>(14,662)</b>	<b>(386)</b>
<b>BALANCES B/F 1ST APRIL</b> (USE OF)/CONTRIBUTION TO BALANCES <b>BALANCES C/F 31ST MARCH 2018</b>				

Please note the above is now shown on an Expenditure Funding Analysis (EFA) basis. This means all charges which are reversed out under statute are now **not** shown in the above figures. Examples of this are depreciation and capital grants. This means the above only includes items which are a call on the general fund balance.

**General Fund Forecast Variances - Outturn 2018/19**

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
	<b><u>Additional Spending</u></b>		
G	Christmas Market	74,189	Increased security costs due to required Counter Terrorism measures.
D	Control Centre	60,258	Purchases of new equipment for Aging Lifelines plus increased maintenance costs.
F	Waste	64,820	Overspend on Waste Contract due to increasing property numbers and historic inflationary pressures.
	<b><u>Reduced Income</u></b>		
B	Housing Benefits	604,533	Significant reduction in Housing Benefit overpayments raised, due to increased used of Real Time Information and a move to Universal Credit, compared to the budgeted amount which is based on a three year average.
B	City Square & Cornhill	59,061	Underachieved income from Cornhill Kiosk along with empty property business rates
F	Car Parking	1,015,648	The budget for the new Lincoln Car Park Central has underachieved due to it not being fully operational. Income shortfalls have been partly offset by a reduction in expenditure, primarily contractual payments.
E	Homelessness Bed and Breakfast	101,418	Increased demand for Bed and Breakfast accommodation due to the rising number of presentations. In addition the levels of costs to be offset by Housing Benefit has not reached target levels.

## Appendix B

Ref		£	Reason for variance
	<b><u>Reduced Spending</u></b>		
L/J	Borrowing Costs	(270,763)	Through pro-active management of cash balances, anticipated levels of external borrowing have not been required during the year
L	Pay Contingency	(82,600)	At the time of setting the MTFS the Local Government Pay award was still pending, therefore additional amounts were set aside to fund any increases. This amount is no longer required.
L	Other Contingencies	(93,330)	Release of one off contingencies no longer required.
G	Private Sector Housing	(79,420)	Staff vacancies.
	<b><u>Additional Income</u></b>		
B	Industrial Estates	(42,097)	Income overachieved due to rent reviews and voids lower than budgeted.

## Appendix B

Ref		£	Reason for variance
N	Income Volatility Reserve	(178,010)	Earmarked reserve previously set aside to mitigate the peaks and troughs in income levels. Reserve to be released.
N	Release of Earmarked Reserves	(102,150)	Following mitigation undertaken, as agreed at quarter 2 a number of earmarked reserves that are no longer required will be released.
I	Release of Balance Sheet Items	(70,170)	A review of the Balance Sheet at 2017/18 outturn has identified amounts set aside which are no longer required.
G	HIMO	(58,841)	Extension of HIMO Licencing regime as set by Central Government.
H	Development Management	(89,996)	Overachievement of income projected in the year due to an increase in larger applications.
B	City Hall	(56,446)	Additional income due to rent inflation and increased service charges.
I	Interest Receivable	(50,637)	Increased investment income due to increased investment returns.
B	Revenues & Benefits	(180,207)	New Burdens funding in relation to work undertaken within existing Revenues and Benefits resources.
P/R	Business Rates	(385,881)	Additional Section 31 grants from reliefs granted in year, subsequent revenue impact is within the Collection Fund.

**HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2018/19**

<b>HRA PROVISIONAL OUTTURN - 2018/19</b>				
		<b>Revised Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
Gross Rental Income	A	(27,767)	(27,944)	(177)
Charges for Services & Facilities	B	(339)	(399)	16
Contribs towards Expenditure	C	(45)	(98)	(53)
Repairs & Maintenance	D	8,298	(8,939)	641
Supervision & Management:	E	6,693	6,554	(140)
S&M IAS19 Pension Adjustment	F			
Rents, Rates and Other Premises	G	34	137	103
Increase in Bad Debt Provisions	H	290	284	(6)
Contingencies	I	3	0	(256)
Depreciation	J	10,697	6,203	(4,494)
Impairments	K		(1,407)	(1,407)
Debt Management Expenses	L	12	0	(12)
<b>Net Cost of Service</b>		<b>(1,870)</b>	<b>(7,926)</b>	<b>(6,056)</b>
Loan Charges Interest	M	2,352	2,352	0
Investment/Mortgage Interest	N	(31)	(68)	(37)
<b>Net Operating Inc/Exp</b>		<b>451</b>	<b>(5,642)</b>	<b>(6,093)</b>
Capital Accounting Adjustments	O		1,407	1,407
Major Repairs Reserve Adjustment	P	0	4,506	4,506
HRS Repatriation				
- Trading (Surplus) Deficit	Q			
- IAS19 only	R			
Pension Reserve	S			
Transfers to/from reserves	T	(451)	(274)	177
<b>(Surplus)/Deficit in Year</b>	U	<b>0</b>	<b>5,639</b>	<b>6,090</b>
<b>Balances b/f @ 1st April</b>		<b>(1,023)</b>	<b>(1,023)</b>	<b>0</b>
(Increase)/Decrease in Balances		0	(4)	(4)
<b>Balances c/f @ 31st March</b>		<b>(1,023)</b>	<b>(1,027)</b>	<b>(4)</b>

### Housing Revenue Account Variances - Outturn 2018/19

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref		£	Reason for variance
<b><u>Increased Spending</u></b>			
D	Repairs & Maintenance	641,287	Increased spending projected on void properties as a result of the new build programme along with reduced voids capitalised vs budget as higher volume but lower values..
G	Rent, Rates & Premises	102,848	Council tax payable for empty properties including De-Wint Court.
P	Increase in funding to the DRF	4,506,000	Resulting from the reduction in the depreciation calculation. Revenue resources made available to fund DRF.
E	Supervision & Management	92,000	Internal Recharges to capital schemes re capitalisation of new build staff removed from the forecast. Staff are no longer HRA moved to General Fund.
<b><u>Increased Income</u></b>			
Q	HRS Repatriation	(271,534)	HRS Surplus not budgeted, increase as a result of the additional void works and new builds.
A	Gross Rental Income	(161,055)	Net overall income increase due to new builds available ahead of budget schedule.
C	Contribution towards Expenditure	(53,020)	Higher court income offset by higher legal fees in S&M.
<b><u>Reduced Spending</u></b>			
J	Depreciation	(4,494,076)	Revaluation of housing stock resulted in reduced depreciation.
E	Supervision & Management	(232,905)	Supervision and Management vacancies along with Kiers profit share contribution.

**HOUSING REPAIRS SERVICE SUMMARY - OUTTURN 2018/19**

	<b>Revised Budget £'000</b>	<b>Actual £'000</b>	<b>Variance £'000</b>
Employees	2,801	2,714	(87)
Premises	116	121	4
Transport	495	396	(99)
Materials	1,329	1,347	17
Sub-Contractors	2,228	2,310	81
Supplies & Services	134	213	79
Central Support Costs	338	426	89
Capital Charges	0	0	0
<b>Total Expenditure</b>	<b>7,443</b>	<b>7,527</b>	<b>84</b>
Income	7,443	7,799	(356)
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>(272)</b>	<b>(272)</b>

**Housing Repairs Service Variances - Outturn 2018/19**

The table below provides a summary of the provisional outturn position.

<b>Ref</b>	<b>£</b>	<b>Reason for Variance</b>
<b><u>Reduced Income</u></b>		
Voids Work	(355,702)	Net additional income charged to the HRA.
<b><u>Reduced Spending</u></b>		
Employees	(86,870)	Two Vacant Posts held for most of the year.
Transport	(33,286)	Savings on fleet costs (fuel).
Transport	(66,085)	Reclassification of Fleet indirect insurance recharges.
<b><u>Increased Spending</u></b>		
Materials	17,457	Higher materials costs due to increase in volume, partly offset by additional income.
Sub-Contractors	81,386	Higher contractor's costs due to increased voids, partly offset by additional income.
Supplies & Services	79,095	Higher equipment costs recharged to the HRA, offset by income.
Central Support Costs	88,505	Reallocation of CSS from within the admin, fleet and Hamilton House areas.

**EARMARKED RESERVES – OUTTURN 2018/19**

	Opening Balance 01/04/2018 £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/2019 £'000
<b>General Fund</b>				
Unused DRF	221	220	(238)	203
Invest to Save (GF)	307	252	(97)	463
Funding for Strategic Priorities	28	1,347	(156)	1,219
Business Rates Volatility	539	917	0	1,456
Section 106 interest	32	0	0	32
Mayoral car	47	0	0	47
Boston Audit Contract	14	0	0	14
MA Reserve	51	0	(51)	0
Yarborough Leisure Centre	2	0	0	2
Managed Workspace	35	0	(35)	0
Air Quality Initiatives	22	6	(18)	10
Private Sector Stock Condition Survey	63	12	(30)	45
Mercury Abatement	378	94	(58)	414
Christmas Decorations	17	0	(3)	14
Property Searches	36	0	(32)	4
Strategic Growth Reserve	100	14	(100)	14
Strategic Projects - revenue costs	496	0	(193)	303
Tank Memorial	10	0	0	10
IT Reserve	217	100	(317)	0
Revenues & Benefits shared service	163	45	(45)	163
Organisational Development	8	76	0	85
Commons Parking	27	6	(8)	25
Tree Risk Assessment	106	37	(35)	108
Backdated rent review	220	0	0	220
Electric Van replacement	22	4	(16)	11
Sinking Fund City Hall	36	24	0	60
Asset Improvement	72	0	(17)	55
Income Volatility	178	0	(178)	0
Crematorium Volatility Fund	0	100	0	100
Grants & Contributions	787	771	(92)	1,465
Carry Forwards	324	47	(199)	172
	<b>4,559</b>	<b>4,072</b>	<b>(1,921)</b>	<b>6,711</b>
<b>HRA</b>				
Growth Strategy (HRA)	150	0	0	150
HRA Invest to Save	164	0	0	164
Capital fees equalisation	241	0	(5)	236
HRA Repairs Account	611	26	0	637
HRA Survey Works	54	3	0	57
HRA Strategic Priorities	417	0	(153)	265
Stock Retention	22	0	0	22
De Wint Court	73	0	0	73
	<b>1,732</b>	<b>29</b>	<b>(158)</b>	<b>1,604</b>
<b>Total Earmarked Reserves</b>	<b>6,291</b>	<b>4,101</b>	<b>(2,079)</b>	<b>8,315</b>

**CAPITAL RESOURCES – OUTTURN 2018/19**

	<b>Adj Opening Balance 01/04/2018 £'000</b>	<b>Contributions £'000</b>	<b>Used in Financing £'000</b>	<b>Forecast Balance 31/03/2019 £'000</b>
Capital Grants	385	1,101	(1,004)	482
Capital Receipts	41	3,880	(1,345)	2,575
Capital Receipts (HRA)	5,716	788	(6,504)	0
Capital Receipts (HRA 1-4-1 receipts)	3,576	755	(835)	3,496
Major Repairs Reserve	12,841	10,743	(17,867)	5,717
DRF	221	21	(242)	0
<b>Total Capital Resources</b>	<b>22,780</b>	<b>17,288</b>	<b>(27,797)</b>	<b>12,270</b>

## General Investment Programme – Summary of Financial Changes

Project Name	2018/19	2019/20	2020/21	2021/22	2022/23	Comments
	£	£	£	£	£	
2018/19 MTFS Budget as at Q3	23,460,862	3,122,952	500,000	500,000	500,000	
Budget for approval	13,968,238	21,135,373	500,000	500,000	500,000	
<b>Total changes for Q4</b>	<b>(9,492,624)</b>	<b>18,012,421</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Approved by Chief Finance Officer</b>						
Compulsory Purchase Orders (13 Albany Terrace)	(83,700)	83,700				Re-profile to 2019/20
Disabled Facilities Grant	(467,687)	467,687				Re-profile to 2019/20
Transformation of Birchwood Leisure Centre	16,678					Re-allocation from AGP scheme
Bereavement Services Lighting	192					Additional funding to deliver scheme
Memorial Tree	4,200					Additional funding to deliver scheme
Flood alleviation scheme - Hartsholme Park	4,775	(4,775)				Re-profile from 2019/20
Boultham Park Masterplan	(64,460)	84,460				Re-profile to 2019/20
CCTV Upgrade	29,184					Funded from DRF and Invest to Save

**Appendix J**

Allotment Capital Improvement Programme	(102,158)	102,158				Re-profile to 2019/20
Housing Renewal Area Unallocated	(388,877)	388,877				Re-profile to 2019/20
New Telephony System	(40,165)	40,165				Re-profile to 2019/20
The Terrace Heat Mitigation Works	11,418	(11,418)				Re-profile from 2019/20
Planned Capitalised Works	(104,993)	106,863				Re-allocate and Re-profile from 2019/20
Land and Property Acquisition	(193,706)	193,706				Re-profile to 2019/20
Deacon Road	(6,897,950)	6,897,950				Re-profile to 2019/20
Lincoln Transport HUB	(845,357)	845,357				Re-profile to 2019/20
Compulsory Purchase Orders	(151,254)	151,254				Re-profile to 2019/20
Capital Contingencies	0	(24,392)				Re-allocate and Re-profiled from 2019/20
Car Park Improvements- Ticket Machines	69,323					Funded from DRF
AGPs	(292,887)	276,209				Re-allocate and Re-profile to 2019/20
<b>To be approved by Execs</b>						
<b>Approved by Exec</b>						
New Website (Execs 21/1/19)	4,800	49,200				New Scheme £54k, re-profile to 19/20
New Software (Execs 11/3/19)		20,000				

**Appendix J**

Western Growth Corridor (Execs 20/3/19)	175,000	1,601,700	7,009,060	2,339,385	194,625	
<b>Total changes in Quarter 4</b>	<b>(9,492,624)</b>	<b>11,268,701</b>	<b>7,009,060</b>	<b>2,339,385</b>	<b>194,625</b>	

## Appendix J

### General Investment Programme – Summary of Expenditure as at 31<sup>st</sup> March 2019

Scheme	2018/19 Approved Budget	2018/19 Actual	2018/19 Variance	Spend
	£	£	£	%
<b>DCE - Communities &amp; Environment</b>				
Compulsory Purchase Orders (13 Albany Terrace)	83,700	0	83,700	0.00%
Disabled Facilities Grant	1,162,510	694,823	467,687	59.77%
Transformation of Birchwood Leisure Centre	101,364	118,042	(16,678)	116.45%
Bereavement Services Lighting	24,290	24,482	(192)	100.79%
Memorial Tree	20,000	24,200	(4,200)	121.00%
Verso	25,000	25,000	0	100.00%
AGPs	300,000	7,113	292,887	2.37%
<b>DCE - Community Services</b>				
Flood alleviation scheme - Hartsholme Park	0	4,775	(4,775)	0.00%
Boultham Park Masterplan	134,413	69,953	64,460	52.04%
CCTV Upgrade	7,135	36,319	(29,184)	509.03%
Allotment Capital Improvement Programme	564,224	462,066	102,158	81.89%
Car Park Improvements- Ticket Machines	0	69,323	(69,323)	0.00%
<b>General Fund Housing</b>				
Housing Renewal Area Unallocated	414,545	25,668	388,877	6.19%
<b>Chief Executives Department - Corporate Policy</b>				
Chief Executives Department - Corporate Policy				0.00%
New Telephony System	40,165	0	40,165	0.00%
New Website	0	4,800	(4,800)	0.00%
<b>Chief Executives - Chief Finance Officer</b>				
The Terrace Heat Mitigation Works	0	11,418	(11,418)	0.00%
Planned Capitalised Works	12,262		12,262	0.00%
Allotments Asbestos Sheds	33,795	0	33,795	0.00%
Broadgate Car Park Works	14,364	14,364	0	100.00%
City Hall Improvement Works	60,000	46,212	13,788	77.02%
20/22 Steep Hill Improvements	8,000	8,000	0	100.00%
Broadgate Lift Refurbishment	258,764	259,002	(238)	100.09%
Guildhall Works	19,180	1,550	17,630	8.08%
Hartsholme Water Mains	109	109	0	99.72%
Fire Stopping Works	27,000	30,145	(3,145)	111.65%

## Appendix J

Stamp End Demolition	17,833	12,595	5,238	70.63%
Grandstand CC Stairs Improvements	2,119	0	2,119	0.00%
Hartsolme Park Barrier Improvements	14,000	16,042	(2,042)	114.59%
Greyfriars Roof Improvements	5,000	0	5,000	0.00%
City Hall Stairwell Improvements	5,123	5,122	1	99.98%
City Hall 3rd Floor Fire Works	9,783	4,782	5,001	48.88%
City Hall CP Resurfacing	27,835	27,342	493	98.23%
YLC Surfacing	4,827	5,827	(1,000)	120.72%
YLC Heating/Control Centre/BMS	8,765	8,765	0	100.00%
YLC Pipework/Water Quality	10,000	4,531	5,469	45.31%
YLC New Heating System Phase 1	20,000	20,565	(565)	102.83%
YLC New Heating System Phase 2	14,000	15,497	(1,497)	110.69%
High Bridge Cafe Improvements	5,117	0	5,117	0.00%
Guildhall	11,000	0	11,000	0.00%
Guildhall Boiler Upgrade	6,525	6,525	0	100.00%
Play Area Surfacing Works	15,000	14,825	175	98.83%
Long Leys Road Drainage	20,000	9,562	10,438	47.81%
High Bridge Canopy's	10,000	0	10,000	0.00%
Broadgate Distribution Board/Emergency Lighting	20,000	9,513	10,487	47.57%
Lucy Tower Lifts	20,000	0	20,000	0.00%
YLC Diving Boards	42,550	0	42,550	0.00%
Hartsholme Country Park Play Area Improvements	0	83,992	(83,992)	0.00%
Play Area Improvements	0	9,351	(9,351)	0.00%
CCTV St Benedict	0	3,740	(3,740)	0.00%
Land and Property Acquisition	11,399,195	11,205,489	193,706	98.30%
Deacon Road	6,897,950	0	6,897,950	0.00%
Electric Vehicle Replacement	16,076	16,076	0	100.00%
<b>Major Development Directorate</b>				
Lincoln Transport Hub	1,392,840	547,483	845,357	39.31%
<b>TOTAL BUDGET FOR ACTIVE SCHEMES</b>	<b>23,306,358</b>	<b>13,964,988</b>	<b>9,341,370</b>	<b>59.92%</b>
Schemes Currently Under Review				
Compulsory Purchase Orders	154,504	3,250	151,254	2.10%
Capital Contingencies				0.00%
<b>TOTAL BUDGET FOR SCHEMES UNDER REVIEW</b>	<b>154,504</b>	<b>3,250</b>	<b>151,254</b>	<b>2.10%</b>
<b>TOTAL GENERAL INVESTMENT PROGRAMME</b>	<b>23,460,862</b>	<b>13,968,238</b>	<b>9,492,624</b>	<b>59.54%</b>

\* Table above does not include Land appropriation of £175k which took part during 18/19 creating available resources in the HIP

## Housing Investment Programme – Summary of Financial Changes

Project Name	Approved Budget MTFS Qtr3	Budget to be Approved	Budget Increase/ (Reduction)	Movements (To)/from Available Resources	Movements Within Financial Year	Reprofile (to) / from future years	Notes
	£	£	£				
<b>Decent Homes</b>							
Bathrooms & WC's	370,001	381,218	11,217	0	0	11,217	19/20
DH Central Heating Upgrades	1,433,837	1,462,714	28,877	0	28,877	0	18/19
Responsive Capitalised Heating Replacements	272,221	194,628	(77,593)	0	(28,877)	(48,716)	18/19
Thermal Comfort Works	102,621	191,516	88,895	0	0	88,895	21/22
Kitchen Improvements	356,267	363,610	7,343	0	0	7,343	19/20
Rewiring	17,425	22,347	4,922	0	0	4,922	19/20
Re-roofing	756,776	788,541	31,765	0	0	31,765	21/22
Lincoln Standard Windows Replacement	600,000	465,394	(134,606)	0	0	(134,606)	19/20
Structural Defects	105,015	107,446	2,431	0	0	2,431	19/20
Wall Structure Repairs	6,951	0	(6,951)	(6,951)	0	0	18/19
Door Replacement	989,774	584,968	(404,806)	0	0	(404,806)	19/20
Decent Homes Decoration Allowance	13,371	24,852	11,481	0	11,481	0	18/19
CO Detector Installation	40,058	88,845	48,787	0	48,787	0	18/19
New services	47,046	27,604	(19,442)	0	(19,442)	0	18/19
Void Capitalised Works	1,282,797	1,194,017	(88,780)	(26,555)	(62,225)	0	18/19
Landscaping and Boundaries	399,159	106,358	(292,801)	(110,623)	(182,178)	0	18/19
<i>Prelim Costs &amp; Exceptionals to be allocated</i>		62,225	62,225	0	62,225	0	18/19
<b>Lincoln Standard</b>							

Appendix K

Over bath showers (10 year programme)	249,136	221,133	(28,003)	(28,003)	0	0	18/19
Safety flooring - Supported Housing	22,623	90,697	68,074	0	0	68,074	19/20
<b>Health &amp; Safety</b>							
Asbestos Removal	117,424	202,046	84,622	0	84,622	0	
Asbestos Surveys	230,583	94,504	(136,079)	(51,457)	(84,622)	0	
Replacement Door Entry Systems	29,000	3,401	(25,599)	0	0	(25,599)	19/20
Plastering (HHSRS)	222,854	0	(222,854)	(222,854)	0	0	
<b>New Build Programme</b>							
New Build Programme	3,558,710	0	(3,558,710)	0	(1,059,645)	(2,499,065)	19/20
New Build Partnership - Waterloo Housing	4,483,680	4,484,522	842	0	842	0	
New Build Partnership - Westleigh	1,502,054	1,456,868	(45,186)	0	0	(45,186)	19/20
New Build Partnership - Lytton Street	700,000	693,042	(6,958)	0	0	(6,958)	19/20
New Build Site - Searby Road	74,767	12,270	(62,497)	0	0	(62,497)	19/20
New Build Site - Allotment Site	20,027	0	(20,027)	0	0	(20,027)	19/20
New Build Site - Rookery Lane	38,769	10,531	(28,238)	0	0	(28,238)	19/20
Blankney Crescent New Build Scheme	0	7,088	7,088	0	7,088	0	18/19
New Build Site - Queen Elizabeth Road	0	64,072	64,072	0	64,072	0	18/19
Ingleby Crescent New Build Scheme	7,198,399	7,183,560	(14,839)	0	0	(14,839)	19/20
Land Acquisition - 93 Rookery Lane	200,000	186,621	(13,379)	0	0	(13,379)	19/20
New Build Capital Salaries	9,439	9,439	0	0	0	0	
New Build - De Wint Court	543,500	636,495	92,995	0	92,995	0	18/19
Buyback – Turner		67,465	67,465	0	67,465	0	18/19
Buyback – Williamson		110,210	110,210	0	110,210	0	18/19
Buyback - Naval Court		680,125	680,125	0	680,125	0	18/19
New Build - Trelawney Crescent		30,259	30,259	0	30,259	0	18/19
New Build - Marham House		6,589	6,589	0	6,589	0	18/19

Appendix K

<b>Land Acquisition</b>							
Land Acquisition Fund	1,070,213	0	(1,070,213)	0	(3,472)	(1,066,741)	18/19,19/20
Land Acquisition - Queen Elizabeth Road	1,695,000	1,619,588	(75,412)	0	0	(75,412)	19/20
Lillicrap Court	115,000	118,472	3,472	0	3,472	0	18/19
Trelawney Crescent	135,000	129,103	(5,897)	0	0	(5,897)	19/20
<b>Other</b>							
Environmental new works	100,054	3,174	(96,880)	0	0	(96,880)	19/20
84 Uffington Avenue	0	335	335	335	0	0	18/19
12 Webster Close	77,745	65,055	(12,690)	(12,690)	0	0	18/19
18 Garfield Close	67,034	50,473	(16,561)	(16,561)	0	0	18/19
2 Gunby Avenue	60,000	3,072	(56,928)	0	0	(56,928)	19/20
Communal Hardstanding Areas	359,989	478,139	118,150	0	118,150	0	18/19
Communal Electrics	139,485	162,687	23,202	0	23,202	0	18/19
Garages	44,598	561	(44,037)	0	0	(44,037)	19/20
HRA Assets - Shops/Buildings	20,280	0	(20,280)	0	0	(20,280)	19/20
CCTV	10,500	10,500	0	0	0	0	
Communal TV Aerials	32,777	1,223	(31,554)	0	0	(31,554)	19/20
Housing Support Services Computer Fund	111,427	25,720	(85,707)	0	0	(85,707)	19/20
Contingency Reserve	1,424,403	0	(1,424,403)	475,359	0	(1,899,762)	18/19,19/20
<b>Total Programme</b>	<b>31,457,789</b>	<b>24,985,322</b>	<b>(6,472,467)</b>	<b>0</b>	<b>0</b>	<b>(6,472,467)</b>	

Housing Investment Programme – Summary of Expenditure as at 31<sup>st</sup> March 2019

Project Name	2018/19 Approved	2018/19 Actual	Variance	Spend
	£	£	£	%
<b><u>Decent Homes</u></b>				
Bathrooms & WC's	370,001	381,218	11,217	103.03%
DH Central Heating Upgrades	1,433,837	1,462,714	28,877	102.01%
Responsive Capitalised Heating Replacements	272,221	194,628	(77,593)	71.50%
Thermal Comfort Works	102,621	191,516	88,895	186.62%
Kitchen Improvements	356,267	363,610	7,343	102.06%
Rewiring	17,425	22,347	4,922	128.25%
Re-roofing	756,776	788,541	31,765	104.20%
Lincoln Standard Windows Replacement	600,000	465,394	(134,606)	77.57%
Structural Defects	105,015	107,446	2,431	102.31%
Wall Structure Repairs	6,951	0	(6,951)	0.00%
Door Replacement	989,774	584,968	(404,806)	59.10%
Decent Homes Decoration Allowance	13,371	24,852	11,481	185.86%
CO Detector Installation	40,058	88,845	48,787	221.79%
New services	47,046	27,604	(19,442)	58.67%
Void Capitalised Works	1,282,797	1,194,017	(88,780)	93.08%
Landscaping and Boundaries	399,159	106,358	(292,801)	26.65%
Alterations to De Wint Court	0	0	0	0.00%
<i>Prelim Costs &amp; Exceptionals to be allocated</i>		62,225	62,225	0.00%
<b>Decent Homes</b>	<b>6,793,319</b>	<b>6,066,283</b>	<b>(727,036)</b>	
<b><u>Lincoln Standard</u></b>				
Over bath showers (10 year programme)	249,136	221,133	(28,003)	88.76%
Safety flooring - Supported Housing	22,623	90,697	68,074	400.91%
<b>Lincoln Standard</b>	<b>271,759</b>	<b>311,830</b>	<b>40,071</b>	
<b><u>Health &amp; Safety</u></b>				
Asbestos Removal	117,424	202,046	84,622	172.07%
Asbestos Surveys	230,583	94,504	(136,079)	40.98%
Replacement Door Entry Systems	29,000	3,401	(25,599)	11.73%
Renew stair structure	0	0	0	0.00%
Plastering (HHSRS)	222,854	0	(222,854)	0.00%
<b>Health &amp; Safety</b>	<b>599,861</b>	<b>299,951</b>	<b>(299,910)</b>	

**New Build Programme**

New Build Programme	3,558,710	0	(3,558,710)	0.00%
New Build Partnership - Waterloo Housing	4,483,680	4,484,522	842	100.02%
New Build Partnership - Westleigh	1,502,054	1,456,868	(45,186)	96.99%
New Build Partnership - Lytton Street	700,000	693,042	(6,958)	99.01%
New Build Site - Searby Road	74,767	12,270	(62,497)	16.41%
New Build Site - Allotment Site	20,027	0	(20,027)	0.00%
New Build Site - Rookery Lane	38,769	10,531	(28,238)	27.16%
Blankney Crescent New Build Scheme	0	7,088	7,088	0.00%
New Build Site - Queen Elizabeth Road	0	64,072	64,072	0.00%
Ingleby Crescent New Build Scheme	7,198,399	7,183,560	(14,839)	99.79%
Land Acquisition - 93 Rookery Lane	200,000	186,621	(13,379)	93.31%
New Build Capital Salaries	9,439	9,439	0	100.00%
New Build - De Wint Court	543,500	636,495	92,995	117.11%
Buyback - Turner		67,465	67,465	0.00%
Buyback - Williamson		110,210	110,210	0.00%
Buyback - Naval Court		680,125	680,125	0.00%
New Build - Trelawney Crescent		30,259	30,259	0.00%
New Build - Marham House		6,589	6,589	0.00%
<b>New Build Programme</b>	<b>18,329,345</b>	<b>15,639,156</b>	<b>(2,690,189)</b>	

**Land Acquisition**

Land Acquisition Fund	1,070,213	0	(1,070,213)	0.00%
Land Acquisition - Queen Elizabeth Road	1,695,000	1,619,588	(75,412)	95.55%
Lillicrap Court	115,000	118,472	3,472	103.02%
Trelawney Crescent	135,000	129,103	(5,897)	95.63%
<b>Land Acquisition</b>	<b>3,015,213</b>	<b>1,867,163</b>	<b>(1,148,050)</b>	

**Other**

Environmental new works	100,054	3,174	(96,880)	3.17%
84 Uffington Avenue	0	335	335	0.00%
12 Webster Close	77,745	65,055	(12,690)	83.68%
18 Garfield Close	67,034	50,473	(16,561)	75.29%
2 Gunby Avenue	60,000	3,072	(56,928)	5.12%
Communal Hardstanding Areas	359,989	478,139	118,150	132.82%
Communal Electrics	139,485	162,687	23,202	116.63%
Garages	44,598	561	(44,037)	1.26%
HRA Assets - Shops/Buildings	20,280	0	(20,280)	0.00%
CCTV	10,500	10,500	0	100.00%

## Appendix L

Communal TV Aerials	32,777	1,223	(31,554)	3.73%
<b>Other</b>	<b>912,462</b>	<b>775,219</b>	<b>(137,243)</b>	<b>84.96%</b>
 <b><u>Contingency Schemes</u></b>				
Contingency Reserve	1,424,403	0	(1,424,403)	0.00%
<b>Contingency Schemes</b>	<b>1,424,403</b>	<b>0</b>	<b>(1,424,403)</b>	
 <b><u>Other Schemes</u></b>				
Housing Support Services	111,427	25,720	(85,707)	23.08%
Computer Fund				
<b>Other Schemes</b>	<b>111,427</b>	<b>25,720</b>	<b>(85,707)</b>	
 <b>GRAND TOTALS</b>	 <b>31,457,789</b>	 <b>24,985,322</b>	 <b>(6,472,467)</b>	 <b>79.42%</b>

\* Table above does not include Land appropriation of £175k which took part during 18/19 creating available resources in the HIP

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<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT STEWARDSHIP AND ACTUAL PRUDENTIAL INDICATORS REPORT 2018/19 (OUTTURN)</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>SARAH HARDY – GROUP ACCOUNTANT (TECHNICAL &amp; EXCHEQUER)</b>

### 1. Purpose of Report

- 1.1 The annual Treasury Management stewardship report is a requirement of the Council's reporting procedures under regulations issued under the Local Government Act 2003. It covers the treasury management activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

### 2. Executive Summary

- 2.1 During 2018/19 the Council complied with its legislative and regulatory requirements. The key prudential indicators for the year, with comparators, are as follows:

<b>Actual Prudential Indicators</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
Actual Capital Expenditure	38,954	39,805
Capital Financing Requirement		
General Fund	61,803	50,977
HRA	58,328	58,503
Total	<b>120,131</b>	<b>109,480</b>
Net borrowing (borrowing less investments)	<b>86,154</b>	<b>65,504</b>
External debt (borrowing)	<b>115,354</b>	<b>81,104</b>
Investments		
• Longer than 1 year*	0	0
• Under 1 year	29,200	15,600
• Total	<b>29,200</b>	<b>15,600</b>

Other prudential and treasury indicators are to be found in section 4.

### 3. Background

3.1 The prudential system for capital expenditure is now well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and shows the status of the Prudential Indicators at 31<sup>st</sup> March 2019. For the 2018/19 financial year the minimum reporting requirements were that members should receive the following reports:

- An annual Treasury Management Strategy in advance of the year (Council 27<sup>th</sup> February 2018)
- A mid-year Treasury Update report (Executive 26<sup>th</sup> November 2018)
- An annual report following the year describing the activity compared to the strategy (this report)

3.2 Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

3.3 In compliance with the Prudential Code treasury management reports are scrutinised by Performance Scrutiny Committee and reviewed by the Executive prior to reporting to full Council if required. Member training for the Performance Scrutiny Committee was undertaken on 22<sup>nd</sup> November 2018 to support their role in scrutinising the half yearly report. Member training for the Audit Committee on treasury management issues was undertaken during the year on 12<sup>th</sup> February 2019 in order to support their role in scrutinising the treasury management strategy and policies.

#### 4. Summary of Performance against Treasury Management Strategy 2018/19

4.1 The full details of transactions in the year and performance against the Prudential Indicators are included at Appendices A and B.

4.2

<b>Actual Prudential Indicators</b>	<b>2018/19</b>	<b>2017/18</b>
Actual Capital Expenditure	38,954	39,805
Capital Financing Requirement		
General Fund	61,803	50,977
HRA	58,328	58,503
<b>Total</b>	<b>120,131</b>	<b>109,480</b>
Financing Costs as a proportion of Net Revenue Stream		
General Fund	11.9%	13.7%
HRA	30.1%	45.6%

4.3 The Chief Finance Officer confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, the Authorised Limit was not breached.

Additional borrowing of £34.25m was taken in 2018/19.

At 31<sup>st</sup> March 2019, the principal value of the Council's external debt was £115.354m (£81.104m at 31<sup>st</sup> March 2018) and that of its investments was £29.2m (£15.6m at 31<sup>st</sup> March 2018).

4.4 The small decrease in General Fund Financing costs as a % of net revenue stream in 2018/19, when compared with 2017/18, is due to changes in the revenue budget. The actual financing cost for the General Fund increased from the previous year due to additional borrowing. The decrease in HRA Financing costs results from a change to depreciation charge calculations in the HRA.

4.5 The financial year 2018/19 continued the challenging environment of previous years; low investment returns and continuing counterparty risk were the main features.

4.6 Key issues to note from activity during 2018/19:

- The Council's total debt (including leases and lease-type arrangements) at 31<sup>st</sup> March 2018 was £115.696m (Appendix A section 4.4) compared with the Capital Financing Requirement of £120.131m (Appendix A section 3.5). This represents an under-borrowing position of £4.435m, which is currently being supported by internal resources. Additional long-term borrowing will be taken in future years to bring levels up to the Capital Financing Requirement, subject to liquidity requirements, if preferential interest rates are available.
- The Council's Investments at the 31<sup>st</sup> March 2019 were £29.2m (Appendix A section 4.3), which is £13.6m higher than at 31<sup>st</sup> March 2018. Average investment balances for 2018/19 were £22.344m, which was higher than estimated balances of £14.97m in the Medium Term Financial Strategy 2018-23 due to the timing of borrowing taken. It should be noted that this refers to the principal amounts of investments held, whereas the investment values included in the balance sheet are based on fair value. In most cases, this will simply be equal to the principal invested, unless the investment has been impaired.
- Actual investment interest earned on balances was £143k compared to £77k estimated in the Medium Term Financial Strategy 2018-23 (Appendix A section 10.2).
- The interest rate achieved on investments was 0.77% which was 0.26% above the target average 7-day LIBID rate (for 2018/19 the average was 0.51%).

4.7 Risk Benchmarking

The following reports the outturn position against the security and liquidity benchmarks in the Treasury Management Strategy.

### **Security**

- The Council's actual average security risk for the portfolio as at 31<sup>st</sup> March 2019 is 0.002%, which compares with the 0.008% for the budgeted portfolio. This gives the estimated default rate on the investment counterparties which comprise the portfolio at 31<sup>st</sup> March 2019. This equates to a potential financial loss of £584 on the investment portfolio of £29.2m.
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk; however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2018/19 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31<sup>st</sup> March 2018, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this limit throughout the year.

## **Liquidity**

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.45 years (164 days).

The actual liquidity indicators at 31<sup>st</sup> March 2018 were as follows:

- Liquid short term deposits of £19.2 million as at 31<sup>st</sup> March 2019.
- Weighted Average Life of the investment portfolio was 0.04 years (15 days). This reflects that larger amounts of investments were deposited in short term accounts to deal with cash flow requirements.

The Chief Finance Officer can report that liquidity arrangements were adequate throughout the year.

## **4.8 Benchmarking**

The Council participates in the following benchmarking club:

- The Link Asset Services benchmarking club. Link Asset Services is the Council's treasury management advisors and they offer a benchmarking club for their clients. This is organised on a regional group basis. The group to which City of Lincoln belongs has 9 members within the East Midlands region. Unfortunately, at the date of writing this report, benchmarking comparatives are not yet available.

## **5. Strategic Priorities**

- 5.1 Through its Treasury Management Strategy the Council seeks to reduce the amount of interest it pays on its external borrowing and maximise the interest it achieves on its investments in order to support the Medium Term Financial Strategy and the delivery of the Council's Vision 2020.

## 6. Organisational Impacts

- 6.1 Finance - The financial impacts are contained within the main body of the report and within appendices A and B.
- 6.2 Legal Implications including Procurement Rules - Section 15 of the Local Government Act 2003 requires local authorities 'to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in Regulation 24 require local authorities to have regard to the TM Code of Practice. Investment guidance issued by the Ministry for Housing Communities and Local Government (MHCLG) which came into effect from 1st April 2010 requires investment policy to emphasise security and liquidity over income.

## 7. Risk Implications

- 7.1 The Council has the freedom to adopt its own treasury management policies. The CIPFA code of practice, which specifies the format and frequency of reporting, is part of the risk management procedures for treasury.

## 8. Recommendation

- 8.1 That Performance Scrutiny Committee notes the actual prudential indicators contained within appendices A and B.
- 8.2 That Performance Scrutiny Committee notes the annual treasury management report for 2018/19.

**Key Decision** No

**Do the Exempt Information Categories Apply?** No

**Call in and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**How many appendices does the report contain?** 2

### List of Background Papers:

Link Annual Stewardship Reports for 2018/19  
Medium Term Financial Strategy 2018-23 and 2019-24  
Prudential Indicators 2018/19 – 2020/21 and Treasury  
Management Strategy 2018/19 and 2019/20

**Lead Officer:** Sarah Hardy – Group Accountant, Technical & Exchequer

<p><b>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2018/19</b></p>
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## **1. Introduction**

1.1 The Council undertakes capital expenditure on long-term assets. These activities can be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

Capital expenditure activity is regulated by the CIPFA Prudential Code, which requires actual outturn to be reported in the following areas: -

- Capital expenditure;
- Capital Financing Requirement;
- Debt;
- Ratio of financing costs to net revenue stream.

The remaining prudential indicators are included to make the annual reporting comprehensive and to comply with the requirements of the Treasury Management Code.

1.2 Part of the Council's treasury activities is to address any borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance. This area of activity is regulated by the CIPFA Code of Practice on Treasury Management.

1.3 Wider information on the regulatory requirements is shown in section 11.

## **2. The Council's Capital Expenditure and Financing 2018/19**

2.1 This forms one of the required prudential indicators and shows total capital expenditure for the year and how this was financed.

	<b>2018/19 Actual £'000</b>	<b>2018/19 Revised Estimate £'000</b>	<b>2017/18 Actual £'000</b>
General Fund capital expenditure	13,968	16,867	29,098
HRA capital expenditure	24,985	33,048	10,707
<b>Total capital expenditure</b>	<b>38,953</b>	<b>49,915</b>	<b>39,805</b>
Resourced by:			
Capital receipts	8,192	12,206	4,674
Capital grants & contributions	1,004	1,683	3,016
Direct Revenue Financing	4,956	309	486
Major repairs reserve	13,160	21,835	9,190
<b>Un-financed capital expenditure (additional need to borrow)</b>	<b>11,642</b>	<b>13,882</b>	<b>22,439</b>

2.2 Further details on 2018/19 Capital Expenditure and Financing can be found in the Financial Performance Detailed Outturn 2018/19 report elsewhere on the agenda.

### 3. The Council's Overall Borrowing Need

3.1 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position and represents 2018/19 and prior years' net capital expenditure that has not yet been charged to revenue or other resources.

3.2 Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council.

3.3 The General Fund element of the CFR is reduced each year by a statutory revenue charge (called the Minimum Revenue Provision - MRP). The total CFR can also be reduced by:

- the application of additional capital resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP) or depreciation.

3.4 The Council's MRP policy for 2018/19 was approved by Council on 27<sup>th</sup> February 2018 as part of the Prudential Indicators 2018/19 – 2021/22 and Treasury Management Strategy 2018/19.

3.5 The Council's CFR for the year is shown below, and represents a key prudential indicator. The CFR includes leasing schemes which increase the Council's

borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract. During the year land appropriations resulted in an appropriation between the General Fund and HRA CFR.

<b>Capital Financing Requirement General Fund</b>	<b>31 March 2019 Actual £'000</b>	<b>31 March 2019 Revised Estimate £'000</b>	<b>31 March 2018 Actual £'000</b>
Opening balance 1 April	50,977	50,977	30,173
Plus un-financed capital expenditure	11,642	13,882	22,439
Finance leases	(342)	(342)	(559)
Less MRP/VRP*	(992)	(787)	(1,076)
Land Appropriation	175	0	0
<b>Closing balance 31 March</b>	<b>61,803</b>	<b>63,730</b>	<b>50,977</b>

<b>Capital Financing Requirement HRA</b>	<b>31 March 2019 Actual £'000</b>	<b>31 March 2019 Revised Estimate £'000</b>	<b>31 March 2018 Actual £'000</b>
Opening balance 1 April	58,503	58,503	58,503
Plus un-financed capital expenditure	0	0	0
Less MRP/VRP*	0	0	0
Land Appropriation	(175)		
<b>Closing balance 31 March</b>	<b>58,328</b>	<b>58,503</b>	<b>58,503</b>

\* includes finance lease repayments

#### 4. Treasury Position at 31st March 2019

4.1 Whilst the Council's gauge of its underlying need to borrow is the CFR, the Chief Finance Officer and the treasury team manage the Council's actual borrowing position by either:

- borrowing to the CFR,
- choosing to temporarily utilise some flow funds instead of borrowing (under-borrowing)
- borrowing for future increases in the CFR (borrowing in advance of need).

4.2 It should be noted that the figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items

such as accrued interest (outstanding interest due to be paid and received as at 31<sup>st</sup> March), or where the carrying amount is based on fair values .

- 4.3 During 2018/19 the Chief Finance Officer managed the borrowing position to £115.354 million. The treasury position at the 31<sup>st</sup> March 2019 compared with the previous year was:

	31 March 2019		31 March 2018	
	Principal £'000	Average Rate (full year)	Principal £'000	Average Rate (full year)
<b>Borrowing Position</b>				
Fixed Interest Rate Debt	115,354	3.24%	81,104	4.09%
Variable Interest Rate Debt	0	N/A	0	N/A
Total Debt (borrowing) *	115,354	3.24%	81,104	4.09%
Capital Financing Requirement (borrowing only)	120,131	N/A	109,480	N/A
Over/(under) borrowing	(4,777)	N/A	(27,817)	N/A
<b>Investment Position</b>				
Fixed Interest Investments	10,000	0.88%	9,000	0.74%
Variable Interest Investments	19,200	0.76%	6,600	0.46%
Total Investments **	29,200	0.80%	15,600	0.68%
<b>Net Borrowing Position</b>	<b>86,154</b>		<b>65,504</b>	

\* Excludes local Bonds & Mortgages and other long-term liabilities ( e.g. finance leases)

\*\* The interest rate given differs from the interest rate given in Paragraph 4.6 of the main report because the rates above are for investments held at 31 March whereas the average rate of investment is for investments held during 2018/19.

- 4.4 The total debt position also includes other long term liabilities such as finance leases and embedded leases within service contracts. The total debt position at 31<sup>st</sup> March 2019 was £115.913 million as shown below:

	31 March 2019 Actual £'000	31 March 2019 Revised Estimate £'000	31 March 2018 Actual £'000
Gross borrowing	115,354	95,354	81,104
Other long term liabilities	342	342	559
<b>Total External debt</b>	<b>115,696</b>	<b>95,696</b>	<b>81,663</b>

4.5 The maturity structure of the debt portfolio was as follows:

	<b>31 March 2019 Actual £'000</b>	<b>31 March 2018 Actual £'000</b>
Under 12 months	20,200	4,311
12 months and within 24 months	9,705	2,000
24 months and within 5 years	5,645	5,000
5 years and within 10 years	7,076	5,897
10 years and above	72,728	63,896
<b>Total</b>	<b>115,354</b>	<b>81,104</b>

4.6 The maturity structure of the investment portfolio was as follows:

	<b>31 March 2019 Actual £'000</b>	<b>31 March 2018 Actual £'000</b>
Longer than 1 year	0	0
Under 1 year	29,200	15,600
<b>Total</b>	<b>29,200</b>	<b>15,600</b>

## 5. The Strategy for 2018/19

5.1 The Council's overall core borrowing objectives are:

- To reduce the revenue costs of debt in line with the targets set for the Chief Finance Officer by Council (see local indicators).
- To manage the Council's debt maturity profile, leaving no one future year with a high level of repayments that might cause problems in re-borrowing.
- To effect funding at the cheapest cost commensurate with future risk.
- To forecast average future interest rates and borrow accordingly i.e. short term/variable when rates are 'high', long term/fixed when rates are 'low'.
- To monitor and review the level of variable rate loans in order to take greater advantage of interest rate movements.
- To proactively reschedule debt in order to take advantage of potential savings as interest rates change. Each rescheduling exercise will be considered in terms of the effect of premiums and discounts on the General Fund and the Housing Revenue Account.
- To manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.

## 6. Actual Debt Management Activity during 2018/19

### 6.1 Borrowing

- 6.1.1 Long term borrowing, totalling £20m, was taken in 2018/19; short term borrowing of £18m was taken in 2018/19; short term borrowing of £3.75m was repaid in 2018/19.
- 6.1.2 The average rate achieved for borrowing (excluding finance and embedded leases) in 2018/19 was 3.24%, which compares favourably to the target of 4.25% (2018/19 4.09% actual compared to the target of 4.25%). The lower rate is due to more borrowing being taken on a short term basis through other local authorities and a low rate of PWLB borrowing being available during the year.

	31 March 2019 Actual £'000	31 March 2019 Revised Estimate £'000	31 March 2018 Actual £'000
Interest payable on borrowing	3,260	3,221	3,135
- General Fund	908	824	783
- HRA	2,352	2,352	2,352
Interest payable on finance leases	42	93	60
- General Fund	42	93	60
- HRA	0	0	0

### 6.2 Rescheduling

- 6.2.1 No rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

## 7. Prudential Indicators and Compliance Issues

- 7.1 Some of the required prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:

## 7.2 Net Borrowing and the CFR

7.2.1 In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2018/19 plus the expected changes to the CFR over 2019/20 and 2020/21 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	<b>31 March 2019 Actual £'000</b>	<b>31 March 2019 Revised Estimate £'000</b>	<b>31 March 2018 Actual £'000</b>
<b>Net borrowing position</b>	86,154	80,754	65,504
<b>Capital Financing Requirement</b>	120,131	122,233	109,480

## 7.3 The Authorised Limit and Operational Boundary

7.3.1 The Authorised Limit is the "Affordable Borrowing Limit" required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its Authorised Limit.

7.3.2 The Operational Boundary is the expected borrowing position of the Council during the year, and periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.

7.3.3 The table below shows the highest borrowing position reached in the year (including temporary borrowing and other long term liabilities) compared to the Authorised Limit and Operational Boundary.

	<b>2018/19 £'000</b>
Authorised Limit (revised estimate)	135,800
Maximum gross borrowing position during 2018/19	115,913
Operational Boundary (revised estimate)	128,000
Average gross borrowing position during 2018/19	98,788
Minimum gross borrowing position during the year	81,663

## 7.4 Actual financing costs as a proportion of net revenue stream

- 7.4.1 This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

<b>Financing costs as a proportion of net revenue stream -</b>	<b>2018/19 Actual %</b>	<b>2018/19 Revised Estimate %</b>	<b>2017/18 Actual %</b>
General Fund	11.9%	14.1%	13.7%
HRA	30.1%	46.4%	45.8%

The small decrease in General Fund Financing costs as a % of net revenue stream in 2018/19, when compared with 2017/18, is due changes in the revenue budget. The actual financing cost for the General Fund increased from the previous year due to additional borrowing.

The decrease in HRA Financing costs results from a change to depreciation charge calculations in the HRA.

## 8. Economic Background for 2018/19

The following commentary on the economic conditions for 2018/19 is provided by Link Asset Services, the Council's treasury management advisers.

- 8.1 UK. After weak economic growth of only 0.1% in quarter one of 2018/19, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing individual country in the G7 in quarter 4.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC does have concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for CPI inflation itself, this has been on a falling trend, reaching 1.8% in January before rising marginally to 1.9% in February. However, in the February Bank of

England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Brexit. The Conservative minority government has so far, (1.4.19), been unable to muster a majority in the Commons over its Brexit deal. The EU has set a deadline of April 12 for the House of Commons to propose what form of Brexit it would support. If another form of Brexit, other than the current deal, does get a majority by April 12, then it is likely there will need to be a long delay to Brexit to allow time for negotiations with the EU. It appears unlikely that there would be a Commons majority which would support a disorderly Brexit or revoking article 50, (cancelling Brexit). There would also need to be a long delay if there is no majority for any form of Brexit. If that were to happen, then it increases the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the strong rate of growth; this rose from 2.2%, (annualised rate) in quarter 1 to 4.2% in quarter 2, 3.5% in quarter 3 and then back to 2.2% in quarter 4. The annual rate came in at 2.9% for 2018, just below President Trump's aim for 3% growth. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 i.e. below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fifth increase in 2018 and the ninth in the upward swing cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 25 bps by the end of 2020.

EUROZONE. Growth has been weak at 0.4% in quarter 2, 0.2% in quarter 3, 0.2% in quarter 4 and likely to be 0.1- 0.2% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. However, with its refinancing rate already at 0.0% and the deposit rate at -0.4%, it has probably reached the bottom of cutting rates. At its March meeting it said that

it expects to leave interest rates at their present levels “at least through the end of 2019”, but that is of little help to boosting growth in the near term. Consequently, it announced a third round of TLTROs; this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH. Equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world: they fear there could even be a recession looming up in the US, though this fear is probably overblown. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US), and there are concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks.

**9. Investment Position**

9.1 The Council’s investment policy is governed by MHCLG Guidance, which has been implemented in the Annual Investment Strategy approved by Council on 27<sup>th</sup> February 2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

9.2 The Council’s longer-term cash balances comprise primarily revenue and capital resources, although these are influenced by cash flow considerations. The Council’s core cash resources comprised as follows, and meet the expectations of the budget.

<b>Balance Sheet Resources - General Fund</b>	<b>31 March 2019 £'000</b>	<b>31 March 2018 £'000</b>
Balances	1,857	1,609
Earmarked reserves	6,705	4,599
Provisions	4,210	3,910

Usable capital receipts	1,166	41
Total	<b>13,938</b>	<b>10,159</b>
<b>Balance Sheet Resources - HRA</b>	<b>31 March 2019 £'000</b>	<b>31 March 2018 £'000</b>
Balances	1,027	1,023
Earmarked reserves	1,604	1,732
Usable capital receipts	3,408	9,204
Total	<b>6,039</b>	<b>11,959</b>
<b>Total General Fund &amp; HRA</b>	<b>19,977</b>	<b>22,118</b>

## 10. Investments Held by the Council

10.1 The Council does not have the expertise or resources to actively use a wide range of investment products and therefore performance tends to be more stable but lower over the longer term than for professionally managed funds (whose performance may fluctuate more). The Council maintained an average balance of £22.344m and received an average return of 0.77%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.51%. Based on the average investment balance this performance margin of 0.26% in the Council's favour.

10.2 In 2018/19, £143k interest was earned on balances (£110k in 2017/18). This is £66k more than the £77k estimated in the Medium Term Financial Strategy 2018-23. The analysis of this result is shown in the table below.

	<b>MTFS 2018-23 Budget £'000</b>	<b>Outturn 2018/19 £'000</b>
Interest earned - General fund & other commitments	46	68
- HRA	31	75
<b>Total interest earned</b>	<b>77</b>	<b>143</b>
Average balance invested in year	14,967	22,344
Average interest rate achieved	0.51%	0.77%*

\* The interest rate given differs from that given in Paragraph 4.3 of the main report because this is an average interest for the year whereas the interest rate given in paragraph 4.3 is a rate for balances at 31 March 2019.

The Economic Background for 2018/19 (see Section 8) sets out the economic conditions during this period, resulting in still falling deposit rates, which impacted adversely on investment returns. Counterparty security remains an issue, shown by little improvement in the credit ratings for the majority of financial institutions. There remained few counterparties available to the Council for investment, however, and there has been virtually no change in yield. Lending to local authorities for longer periods has again given an enhanced return at very low risk.

## 11. Risk Benchmarking

The regulatory framework also requires the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance (i.e. rate achieved compared with the 7-day LIBID). Security and liquidity benchmarks are used to assess the level of risk in the investment portfolio and whether sufficient liquidity is being maintained.

11.1 The following reports the current position against the benchmarks originally approved in the 2018/19 Treasury Management Strategy.

### Security

- The Council's security risk for the portfolio as at 31<sup>st</sup> March 2019 is 0.002%, which compares with the 0.008% for the budgeted portfolio. This gives the estimated default rate on the investment counterparties which comprise the portfolio at 31<sup>st</sup> March 2019. This equates to a potential financial loss of £584 on the investment portfolio of £29.2m
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2018/19 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31<sup>st</sup> March 2019, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this limit throughout the year.

### Liquidity

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.45 years (164 days).

The actual liquidity indicators at 31<sup>st</sup> March 2019 were as follows:

- Liquid short term deposits of £19.2 million as at 31<sup>st</sup> March 2019.
- Weighted Average Life of the investment portfolio was 0.04 years (15 days).

### 11.2 Performance Indicators set for 2018/19

11.3 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury management function over the year. The Chief Finance Officer set 8 local indicators for 2018/19, which aim to add value and assist the understanding of the main prudential indicators. These indicators, detailed in Appendix B, are:

- Debt – Borrowing rate achieved against average 7 day LIBOR.
- Investments – Investment rate achieved against average 7 day LIBID.

- Average rate of interest paid on the Councils Debt during the year – this will evaluate performance in managing the debt portfolio to release revenue savings.
- The amount of interest on debt as a percentage of gross revenue expenditure.
- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

### Regulatory Framework, Risk and Performance

**12.** The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2014/15);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM has issued Investment Guidance to structure and regulate the Council's investment activities;

Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices.

**12.1** The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

**13.** The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Capita Asset Services, the Council's advisers, has proactively managed its treasury position over the year. The Council has continued to utilise historically low borrowing costs and has complied with its internal and external procedural requirements. There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly fixed, utilising long-term loans.

- 13.1 Shorter-term variable rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

**Prudential and Treasury Indicators 2018/19**

<b>1. PRUDENTIAL INDICATORS</b>	<b>2018/19 Actual</b>	<b>2018/19 Revised</b>	<b>2017/18 Actual</b>
<b>Capital Expenditure</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	13,968	16,867	29,098
HRA	24,985	33,048	10,707
TOTAL	38,953	49,915	39,805
<b>Ratio of financing costs to net revenue stream</b>	<b>%</b>	<b>%</b>	<b>%</b>
General Fund	11.9%	14.1%	13.7%
HRA	30.1%	46.4%	45.6%
<b>Borrowing requirement General Fund</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing requirement at 1 April	50,977	50,977	30,173
Borrowing requirement at 31 March	61,803	63,730	50,977
In-year borrowing requirement	10,826	12,753	20,804
<b>Borrowing requirement HRA</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing requirement at 1 April	58,503	58,503	58,503
Borrowing requirement at 31 March	58,353	58,503	58,503
In-year borrowing requirement	(175)	0	0
<b>Net Debt</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	40,968	29,794	16,316
HRA	45,186	50,960	49,188
Total	86,154	80,754	65,504
<b>CFR</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	61,803	63,730	50,977
HRA	58,328	58,503	58,503
TOTAL	120,131	122,233	109,480
<b>Annual change in Capital Financing Requirement</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	10,826	12,753	20,804
HRA	(175)	0	0
TOTAL	10,651	12,753	20,804

<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2018/19 Actual</b>	<b>2018/19 Revised</b>	<b>2017/18 Actual</b>
<b>Authorised Limit for external debt –</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	115,354	134,000	81,104
Other long term liabilities	342	1,800	559
<b>TOTAL</b>	<b>115,696</b>	<b>135,800</b>	<b>81,663</b>
<b>Operational Boundary for external debt -</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	115,354	126,400	81,104
Other long term liabilities	342	1,600	559
<b>TOTAL</b>	<b>115,696</b>	<b>128,000</b>	<b>81,663</b>
<b>Actual external debt</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	57,583	37,241	22,991
HRA	58,113	58,113	58,113
<b>TOTAL</b>	<b>115,696</b>	<b>95,354</b>	<b>81,104</b>
<b>Upper limit for fixed interest rate exposure</b>	<b>£m</b>	<b>Target £m</b>	<b>£m</b>
Net principal re fixed rate borrowing / investments	108.1	96.5	77.2
<b>Upper limit for variable rate exposure</b>	<b>£m</b>	<b>Target £m</b>	<b>£m</b>
Net principal re variable rate borrowing / investments	24.2	30	20.7
<b>Upper limit for total principal sums invested for over 1 year (per maturity date)</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Nil	5,000	Nil

<b>Maturity structure of fixed rate borrowing during 2018/19</b>	<b>Actual %</b>	<b>Upper limit %</b>	<b>Lower limit %</b>
Under 12 months	18.14	40	0
12 months and within 24 months	8.41	40	0
24 months and within 5 years	4.89	60	0
5 years and within 10 years	6.13	80	0
10 years and above	63.05	100	10

## Local Indicators Treasury Management Indicators

	2018/19 Actual %	2018/19 Revised %	2017/18 Actual %
<b>Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year)</b>	Achieved 0.98% Average 0.63% +0.35%	Less than 7 day LIBOR	Achieved 0.71% Average 0.34% +0.37%

The indicator above uses the average of the 7 day LIBOR rate for temporary borrowing however the temporary borrowing taken during the year was for periods on average of 280 days – the average rates for PWLB loans for a up to 1 year were around 1.7%.

	2018/19 Actual %	2018/19 Revised %	2017/18 Actual %
<b>Investment rate achieved</b>	Achieved 0.77% LIBID 0.51% +0.26%	Greater than 7 day LIBID	Achieved 0.67% LIBID 0.22% +0.45%

	2018/19 Actual %	2018/19 Revised %	2017/18 Actual %
<b>Average rate of Interest Paid on Council Debt (%)</b>	3.24%	Less than 4.25%	4.09%

	2018/19 Actual %	2018/19 Revised %	2017/18 Actual %
<b>Interest on Debt as a % of Gross Revenue Expenditure</b>	3.4%	3.1%	3.3%
General Fund	1.34%	1.1%	1.23%
HRA	8.36%	8.0%	8.26%

	2018/19 Actual %	2018/19 Revised %	2017/18 Actual %
<b>Upper limits on fixed interest rate investments</b>	34%	100%	58%

	<b>2018/19 Actual %</b>	<b>2018/19 Revised %</b>	<b>2017/18 Actual %</b>
<b>Upper limits on fixed interest rate debt</b>	100%	100%	100%

	<b>2018/19 Actual %</b>	<b>2018/19 Revised %</b>	<b>2017/18 Actual %</b>
<b>Upper limits on variable interest rate investments</b>	66%	75%	42%

	<b>2018/19 Actual %</b>	<b>2018/19 Revised %</b>	<b>2017/18 Actual %</b>
<b>Upper limits on variable interest rate debt</b>	0%	40%	0%

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**PERFORMANCE SCRUTINY COMMITTEE**

**5 JUNE 2019**

<b>SUBJECT:</b>	<b>STRATEGIC RISK REGISTER - QUARTERLY REVIEW</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

**1. Purpose of Report**

1.1 To provide Members with a status report of the revised Strategic Risk Register as at the end of the fourth quarter 2018-19.

**2. Executive Summary**

2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to the this Committee in February 2019 and contained ten strategic risks.

2.2 Since reporting to this Committee in February 2019, the Strategic Risk Register has been reviewed and updated by the relevant Directors and Assistant Directors. This review has identified that there has been both positive and negative movements in the Risk Register.

2.3 The updated Register is contained with Part B of this Agenda, it contains ten strategic risks which are listed below, along with details of relevant mitigations.

**3. Strategic Risk Register**

3.1 The Strategic Risk Register currently contains 10 risks, as follows:

- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against e.g. Council's Vision 2020.
- 2) Failure to deliver a sustainable Medium term Financial Strategy (that supports delivery of Vision 2020).
- 3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.
- 4) Failure to ensure compliance with statutory duties/functions and appropriate governance arrangements are in place,
- 5) Failure to protect the local authority's vision 2020 due to changing structures in local government and impact on size, scale and scope of the Council.

- 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 transformational journey to one Council approach.
- 7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.
- 8) Decline in the economic prosperity within the City Centre.
- 9) Failure to mitigate against the implications for the Council following the outcome of Brexit.
- 10) Failure to deliver key strategic projects.

3.2 A number of control actions have now been progressed or completed and the key movements are outlined as follows:

- Risk 2. Failure to deliver a sustainable Medium Term Financial Strategy – the MTFS 2019-24 was approved March 2019, based on revised assumptions and with increased savings targets.
- Risk 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council - Investment Strategy for property acquisition developed approved March 2019. Draft project plans developed and programme mapping complete for Phase 6. Key messages communicated in staff briefings and through presentations to CLT and SMTF. The Transformational Change lead has been appointed and in post, focusing on 'One Council' approach.
- Risk 4. To ensure compliance with statutory duties and appropriate governance arrangements are in place – Although a disaster recovery facility and procedure are in place, in light of aging infrastructure and the development of a new IT Strategy, a review of the ITDR arrangements and consistency with Business Continuity Plans is to be developed.
- Risk 6. Unable to meet the emerging changes required in the Council's culture, behavior and skills to support the delivery of the council's Vision 2020 and the transformational journey to one Council approach – Transformation lead recruited and in post scheduled to support, "One Council" approach. The staff recognition scheme is in progress and first winners have been announced along with an East Midlands Challenge Team put forward for future development opportunities. Award submissions have been put forward to LGC and MJ to promote rising stars and recognize the work of our teams – resulting in 6 finalists nominations.
- Risk 8. Decline in the economic prosperity within the City Centre – the 'working together to support those who are street homeless' conference was delivered in partnership with Compassionate Lincoln

in March 2019, bringing together a range of partners from volunteering, statutory, third and faith sectors. In addition an expression of interest was submitted in March 2019 to the Government's Future High Street Fund and is now awaiting response/feedback.

- Risk 9. Failure to mitigate against the implications for the Council following the outcome of Brexit – A localised Brexit exercise has been undertaken by LRF with partners/organisations in Feb 2019. A working group has been established to understand impacts on residents/governance including current partnerships/contracts pending delay of Brexit vote/Article 50 with an internal action plan/ developed and monitored through the working group. Work also continues in preparation for EU elections on 23 May with additional measures in place.

The above movement in control actions has resulted in two changes to the assessed levels of likelihood and impact of risks identified on the risk register:

- Risk 4 has been increased slightly from Amber: possible/major to Amber: probable/major.
- Risk 9 has decreased from Red: almost certain/major to Amber: probable/major.

Control actions continue to be implemented and risks managed accordingly.

3.3 The levels of assessed risks are summarised as follows:

<b>Risk No.</b>	<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
2	Red/High	Probable	Critical
5 & 10	Amber/Medium	Possible	Critical
3, 4, 6, 7 & 9	Amber/Medium	Probable	Major
1 & 8	Amber/Medium	Possible	Major

3.4 The revised Strategic Risk Register is contained within Part B of this agenda.

#### **4. Strategic Priorities**

4.1 Sound risk management is one way in which the Council ensures that it discharges its functions in accordance with its expressed priorities, as set out in the Vision 2020, and that it does so in accordance with statutory requirements.

#### **5. Organisational Impacts**

5.1 Finance – There are no direct financial implications arising as a result of this report. The Council's Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme.

5.2 Legal Implications including Procurement Rules – The Council is required

under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance of a Strategic Risk Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.

## **6. Risk Implications**

6.1 The Strategic Risk Register contains the key strategic risks to the delivery of the Council's medium and longer term priorities. A failure to monitor the action that is being taken to manage these risks would undermine the Council's governance arrangements.

## **7. Recommendations**

7.1 Members are asked to note and comment on the Strategic Risk Register as at the end of the fourth quarter 18/19.

<b>[</b>	
<b>Key Decision</b>	No
<b>Do the Exempt Information Categories Apply?</b>	No
<b>Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?</b>	No
<b>How many appendices does the report contain?</b>	None
<b>List of Background Papers:</b>	N/A
<b>Lead Officer:</b>	Jaclyn Gibson, Chief Finance Officer Telephone 01522 873258

**PEFORMANCE SCRUTINY COMMITTEE****5 JUNE 2019**

**SUBJECT: WORK PROGRAMME FOR 2019/20**

**DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK**

**LEAD OFFICER: CLARE STAIT, DEMOCRATIC SERVICES OFFICER**

**1. Purpose of Report**

- 1.1 To present members with the Performance Scrutiny Committee work programme for 2019/20 (Appendix A).

**2. Background**

- 2.1 The work programme for the Performance Scrutiny Committee is put forward annually for approval by Council. The work programme is then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its chair.
- 2.2 Items have been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information can be reported to the committee.
- 2.3 The work programme includes the list of portfolio holders under scrutiny.

**3. Recommendation**

- 3.1 That members offer any relevant comments or changes on the proposed work programme.

**Key Decision** No

**Do the Exempt Information Categories Apply** No

**Call In and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**Does the report contain Appendices?** Yes

**If Yes, how many Appendices?** 1

**Lead Officer:** Clare Stait, Democratic Services Officer  
Telephone 01522 873239

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**5 June 2019 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Vision 2020 Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
<b>Monitoring Items</b>		
Financial Performance (Detailed): Outturn 2018/19 Quarter 4	Jaclyn Gibson/ Colleen Warren	Quarterly Report Professional High Performing Services
Strategic Performance Measures	Graham Rose	
Performance Monitoring Outturn 2018/19 Quarter 4	Pat Jukes	Quarterly Report-Professional High Performing Services
Treasury Management Stewardship and Actual Prudential Indicators Report 2018/19 (Outturn)	Colleen Warren	Six Monthly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report	Jaclyn Gibson/Colleen Warren	Quarterly Report Professional High Performing Services
Corporate Performance Targets	Pat Jukes	Report-Professional High Performing Services
Introduction of a New Homelessness Act (deferred from 28 March 2019)	Alison Timmins	

11 July 2019

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Professional High Performing Services
Portfolio Under Scrutiny Session – Our People and Resources	Portfolio Holder	Annual Session Professional High Performing Services
<b>Monitoring Item(s)</b>		
Christmas Market Outturn Report 2018	Simon Colburn	Annual Report Lets Drive Economic Growth
Central Lincolnshire Local Plan Annual Report 2018/19 including Financial Update	Toby Forbes-Turner	Annual Report Lets Drive Economic Growth

**22 August 2019 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20	Democratic Services	Regular Report
City of Lincoln Council Annual Report 2019	Angela Andrews	Regular Report
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 1	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 1	Pat Jukes	Quarterly Report Professional High Performing Services
Quarterly Strategic Risk Register Report-Quarter1	Colleen Warren	Quarterly Report Professional High Performing Services
Revenues and Benefits Shared Service Update	Claire Moses	Annual Report Professional High Performing Services
Income/Arrears Monitoring report	Claire Moses	Annual Report Professional High Performing Services

**3 October 2019 (Thematic Reviews)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Drive Economic Growth
Portfolio Under Scrutiny Session – Economic Growth	Portfolio Holder	Annual Session Lets Drive Economic Growth
Economic Growth Vision 2020 Progress Report	Kate Ellis	Regular Report Lets Drive Economic Growth
<b>Monitoring Items</b>		
Scrutiny Annual Report	Democratic Services	Annual Report Professional High Performing Services
<b>Other Item(s)</b>		
Christmas Market Stalls/Budget – Brief pre event report	Simon Colburn	Requested Lets Drive Economic Growth

**21 November 2019 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Reduce Inequality
Portfolio Under Scrutiny Session – Reducing Inequality	Portfolio Holder	Annual Session Lets Reduce Inequality
Reduce Inequality Vision 2020 Progress Report	Angela Andrews	Regular Report Lets Reduce Inequality
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 2	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 2	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 2	Colleen Warren	Quarterly Report Professional High Performing Services Services
Treasury Management and Prudential Code Update Report – Half Yearly Report	Colleen Warren	Half Yearly Report Professional High Performing Services
<b>Other Items:</b>		
Budget Theme Group – Nominees	Colleen Warren	Annual Appointment Professional High Performing Services

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 - Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Deliver Quality Housing
Portfolio Under Scrutiny Session – Quality Housing	Portfolio Holder	Annual Session Lets Deliver Quality Housing
Quality Housing Vision 2020 Progress Report	Kate Ellis/Daren Turner	Lets Deliver Quality Housing
<b>Monitoring Item(s)</b>		
Christmas Market Outturn 2019- Verbal Update	Simon Colburn	Pre Annual Report Lets Drive Economic Growth
Performance Report-HRS	Gareth Griffiths	Annual Report Lets Deliver Quality Housing

**20 February 2020 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 - Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Enhance Our Remarkable Place
Portfolio Under Scrutiny Session – Remarkable Place	Portfolio Holder	Annual Session Lets Enhance Our Remarkable Place
Remarkable Place Vision 2020 Progress Report	Simon Walters	Regular Report Lets Enhance Our Remarkable Place
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 3	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Feedback from Budget Review Group	Colleen Warren	Annual Report Professional High Performing Services

26 March 2020

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Draft Work Programme for 2020/21	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Vision 2020 (Mixed)
Portfolio Under Scrutiny Session – Customer Experience and Review	Portfolio Holder	Annual Session Vision 2020 (Mixed)
High Performing Services Vision 2020 Progress Report	Angela Andrews	Annual Progress Report Professional High Performing Services
<b>Other item(s)</b>		
Christmas Market 2019 Outturn Report	Simon Colburn	Annual Report Lets Drive Economic Growth
Introduction of a new Homelessness Act	Alison Timmins	Annual Progress Report Quality Housing
Section 106 Contributions Update	Nicola Collins	Annual Report Lets Drive Economic Growth

### Portfolio Under Scrutiny Sessions

<b>Date</b>	<b>Portfolio</b>
11 July 2019	Our People and Resources
3 October 2019	Economic Growth
21 November 2019	Reducing Inequality
23 January 2020	Housing
20 February 2020	Remarkable Place
26 March 2020	Customer Experience and Review

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