

# **CITY OF LINCOLN COUNCIL**

SIR/MADAM

You are hereby summoned to attend the meeting of the COUNCIL of the City of Lincoln to be held at the GUILDHALL on Monday 30 June 2008 at 6.30 p.m



Chief Executive and Town Clerk

Andrew Taylor

## **AGENDA**

<b>SECTION A</b>	<b>Page(s)</b>
1. Confirmation of Minutes	
a. 22 April 2008	<b>1 - 18</b>
b. 8 May 2008	<b>19 - 20</b>
c. 20 May 2008 (Annual Meeting)	<b>21 - 46</b>
d. 9 June 2008	<b>47 - 51</b>
2. 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 personal or prejudicial.	
3. Receive any Questions under Council Procedure Rule 11 from Members of the Public and provide Answers thereon	
4. Referrals from Planning Committee	
a. Planning Committee - 16 April 2008 - Application for Development - The Lawn, Union Road - Application No. 2008/0002/RG3	<b>52 - 59</b>
b. Planning Committee - 16 April 2008 - Application for Development - King Georges Field, Off Macaulay Drive, St Giles - Application No 2008/0001/RG3	<b>60 - 68</b>
c. Planning Committee - 28 May 2008 - Application for Development - Hughes House, Fordham House, Murfin House, De Wint Avenue -	<b>69 - 76</b>

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... Section A Continued

Application No 2008/0102/RG3

- d. Planning Committee - 28 May 2008 - Application for Development - **77 - 87**  
Yarborough Leisure Centre, Riseholme Road - Application No 2008/0121/RG3
- e. Planning Committee - 25 June 2008 - Application for Development - **88 - 94**  
The Terrace, Grantham Street - Application No 2008/0276/F
- 5. To consider the following recommendations of the Executive and Committees of the Council:
  - a. Licensing Committee - 3 June 2008 - Hackney Carriage and Private **95 - 103**  
Hire Vehicle Test Fees
  - b. Licensing Committee - 3 June 2008 - Review of Hackney Carriage **104 - 120**  
Fares
- 6. Receive any Questions Under Council Procedure Rule 12 from Members and provide Answers thereon
- 7. Receive any Motions under Council Procedure Rule 14 from Members
- 8. Statement of Accounts 2007/08 **121 - 238**
- 9. Scrutiny Annual Report 2007/08 **239 - 241**
- 10. Amendments to Appointment of Members: - To Committees - Substitute **242 - 243**  
Members - Representatives on Outside Bodies

City Hall  
Lincoln

SS/CB  
20 June 2008

**Item 1 a**

COUNCIL

22 APRIL 2008

Present: Councillor Spratt (the Mayor) (*in the Chair*).

Councillors: Bodger, Brothwell, Charlesworth, Clark, Coupland, Denman, D Grattrick, S Grattrick, D Grice, P Grice, Heath, Hewson, Hills, Jackson, Jones, Kerry, Kirby, Lee, C Metcalfe, J Metcalfe, R Metcalfe, Murray, Nannestad, Peeke, Robinson, Smith, Strengiel, Taylor, Toofany, Weaver, West and Woolley.

76. MAYORAL ANNOUNCEMENTS

The Mayor referred to the Civic Service and expressed his thanks to all Councillors for their support.

The Mayor wished Councillor Murray a “Happy Birthday” on behalf of all Members.

77. CONFIRMATION OF MINUTES

Councillor R Metcalfe referred to minute number 56 and queried the accuracy of the minute. Councillor D Grice confirmed that he was happy with the accuracy of the minute.

RESOLVED that the minutes of the meetings held on 26 February, 4 March and 31 March 2008 be confirmed.

78. DECLARATIONS OF INTEREST

Declarations of interest were declared under Minute number 88.

79. QUESTIONS FROM THE PUBLIC UNDER COUNCIL PROCEDURE RULE 11

Mr F King asked the following question of Councillor Bodger: -

Rubbish, blue bags and furniture are deposited everywhere around the centre of Lincoln.

Are the Council interested in the provision and supervised collection of black and brown bins in the City Centre?

Councillor Bodger replied as follows: -

The preferred method of refuse collection and recycling in Lincoln is 2 x 240 litre wheelie bins, one for recyclable material, (the brown bin) and one for material that cannot be recycled, (the black bin), with each of these bins being emptied on alternate weeks.

Between May and October this year, as part of a pilot, black 240 litre bins will be emptied weekly.

There are parts of the City where this method cannot be used, usually because of difficulties storing the bins or presenting them for emptying. Where this is the

case alternative methods are used. These can be smaller, 140 litre bins, the old sack and box method or other solutions such as communal bins. As you would expect, domestic properties in and around the City Centre, tend to be just the type of properties where the 2 x 240 litre wheelie bin system will not work, for the reasons I have just set out.

Where you see domestic refuse being presented for collection in bags, this will be because a wheelie bin solution cannot be made to work. If it could we would issue a wheelie bin because, as I said earlier, that is our preferred method.

In terms of rubbish on the streets we have recently let a new street cleaning contract that sets out a level of street cleanliness for the City Centre that is much higher than the standards applied previously. I can say that, following a government inspection of the Council's services last year, the clean condition of our streets, particularly in the City Centre was recognised.

In addition to a first class refuse collection, recycling and street cleaning service, we also employ Enforcement Officers who look for offences such as littering, fly tipping and dog fouling and who issue on the spot fines (Fixed penalty Notices when these offences are witnessed.)

Mr F King asked the following supplementary question: -

Thank you, there are brightly coloured bin bags and furniture in the gardens of houses in the Park ward and West Parade area.

Councillor Bodger responded as follows: -

I understand your concern with the piles of bags. I can assure you that they are not there all of the time. The bags are very visible to ensure that our contractors are able to identify which bags to remove.

#### 80. REPORT BY THE HISTORIC ENVIRONMENT ADVOCATE

Councillor Strengiel on behalf of the Historic Environment Advocate

(a) reported on the following: -

- Historic Environment Advisory Panel
- Issuing of the Heritage Protection for 21st Century Draft Bill
- Lincoln Townscape Assessment
- Urban Archaeological Database
- Historic Environment Record
- Lincoln Post – Excavation Project
- Townscape Heritage Initiative
- Buildings at Risk Register

(b) answered Members' questions thereon

RESOLVED that the report be noted with thanks

81. REPORT BY THE SUSTAINABILITY ADVOCATE

The Sustainability Advocate

(a) reported on the following:-

- The Western Growth Corridor
- Clean, Green and Safe Neighbourhoods
- Integrating the principles of sustainability into the development of policies.

(b) answered Members' questions thereon

RESOLVED that the report be noted with thanks.

82. REPORT BY THE CHAIRMAN OF THE STANDARDS AND AUDIT COMMITTEE

The Chairman of the Standards and Audit Committee

(a) submitted a report informing Members of the progress made by the Standards and Audit Committee, as detailed below:

- Terms of Reference
- Training
- Membership and Independence
- Relationships
- Standards
- Audit
- Internal Audit
- External Audit
- Regulatory Framework
- SIC and Accounts
- Constitution
- Effective Challenge
- Impact of the Audit Committee's work

(b) answered Members' questions thereon

RESOLVED that the report be noted with thanks.

It was agreed that Council Procedure Rule 17.4 relating to the length of speeches be suspended.

83. REFFERAL FROM PLANNING COMMITTEE- 5 MARCH 2008-  
APPLICATION FOR DEVELOPMENT  
CITY HALL, BEAUMONT FEE  
APPLICATION NO:2007/0828/RG3

The Director of Development and Environmental Services

- (a) stated that this Regulation 3 application was for the installation of an air conditioning unit within a fenced compound at City Hall, Beaumont Fee
- (b) advised that the proposal would be positioned adjacent to the existing air-conditioning compound and bicycle store to the north elevation of the building with the Roman Wall, an Ancient Monument, being located 9m to the west.
- (c) added that City Hall was situated within the Cathedral and City Centre Conservation Area (No. 1)
- (d) provided details of the policy pertaining to the application:
  - Policy 34: Design and Amenity Standards
  - PPG15: Planning and the Historic Environment
- (e) outlined the responses made to the consultation exercise
- (f) gave details of the issues raised by the application as follows:
  - Visual Amenity
  - Character and Appearance of the Conservation Area
  - Setting of Adjacent Ancient Monument
- (h) concluded that the proposal would not cause harm to visual amenity or the setting of the Ancient Monument and would also preserve the character and appearance of the Cathedral and City Centre Conservation Area (No. 1), in accordance with Policy 30 of the City of Lincoln Local Plan and PPG15: Planning and the Historic Environment.

RESOLVED that the application be granted.

84. REFERRAL FROM PLANNING COMMITTEE-26 MARCH 2008  
APPLICATION FOR DEVELOPMENT  
25-173 (ODDS)MONKS ROAD  
APPLICATION NO:2008/0049/F

The Director of Development and Environmental Services

- (a) stated that this was an application for the erection of a brick wall with railings and gates along the boundary facing Monks Road
- (b) provided details of the policies pertaining to the application:
  - Policy 28: Development within or adjoining Conservation Areas
- (c) outlined responses made to the consultation exercise
- (d) advised that the only issue was one of visual amenity and to assess whether the proposal would preserve or enhance the character and appearance of the conservation area

- (e) concluded that the replacement walls would make a positive contribution to the character and appearance of the area.

Members discussed the application in further detail.

RESOLVED that the application be granted.

85. RECOMMENDATIONS

The following recommendations were formally moved by the relevant Chairman, seconded, debated and dealt with in accordance with the decision as set out below: -

	<b>Chairman/ Vice Chairman</b>	<b>Subject</b>	<b>Decision</b>
(i)	Councillor Strengiel	Executive – 10 December 2008 – Council Tax – Provisions of Section 13A Local Government Finance Act 1992 – Power to Reduce Council Tax Payable	That individual applications be determined by the Director of Resources under delegated powers in accordance with Section 101 of the Local Government Act 1972
(ii)	Councillor Strengiel	Executive – 3 March 2008 – Lincoln Christmas Market Fees and Charges	That the fees and charges for the Lincoln Christmas Market detailed in the Executive report be approved.

86. MEMBERS QUESTIONS

The following questions were asked under Council Procedure Rule 12 and answered as indicated:

**Questioner – Councillor Hewson**

**Question 1**

Could Councillor Bodger please inform the Council what was the outcome of the feasibility study for extra toilet provision in the City Centre?

**Answered by Councillor Bodger**

**Answer**

The Council has not undertaken the assessment yet, and is presently scheduling the work with officers as a part of the service planning process for 2008.

**Supplementary Question**

In the light of Councillor Bodgers reply can I remind her that if she and the Controlling Group believe in consultation why when following the consultation the need for extra toilet provision was the highest priority that not even a feasibility study has taken place, so much for consulting with the public.

**Answer**

We did the consultation for the City Centre toilet block. A service plan is in progress in 2008 and work is scheduled to be done.

**Questioner – Councillor Smith****Question 2**

I believe I am correct in saying that as part of the Conservative Party's so called "green" policies a call is being made for a panel of independent experts to set and monitor yearly emission targets from vehicles, with a view to taking measures to reduce these.

This seems at odds with this Council's Conservative administration's recent decision to significantly add to the emissions in this City. The decision to reintroduce weekly collections of landfill waste means that there will be two additional heavy duty refuse collection vehicles on our streets 5 days a week for 6 months of the year collecting this waste. With all the known pollution in this City caused by emissions from traffic how can the Portfolio Holder for the Environment justify adding to it in this way?

**Answered by Councillor Bodger****Answer**

My colleagues on the Conservative Group and I are very aware of the contribution that road traffic makes to the emission of greenhouse gases. The decision to trial a weekly collection of refuse from 240 litre black wheeled bins for six months of the year was taken on the basis of listening to the views of residents in the run up to last year's elections. I accept that the addition of two refuse freighters during that period will add to the overall emissions from road vehicles in the city. I have to say that, in the scheme of things this increase will be, at best, marginal.

I am sure that you know that we intend to carry out a detailed post implementation review of the weekly collection pilot once it finishes at the end of October this year. As well as looking at the impact of the pilot on cost, performance and satisfaction levels, the review will examine the environmental implications. On that basis you can be assured that we will take full account of any environmental issues arising from the increase in frequency of refuse collection, at the same time balancing those issues against the wishes and expectations of our service users.

**Supplementary Question**

The impact of the use of two refuse freighters will add to overall emissions from road vehicles will be marginal, doesn't everyone take on individual responsibility, we should take on leadership.

**Answer**

I re-iterate the impact will be marginal.

**Questioner – Councillor Lee****Question 3**

At the last meeting of Council on 4 March 2008, Councillor Strengiel finally acknowledged that your administration has removed the whole of the Council's budget allocation of £247,000 for the St Giles and Moorland Neighbourhood Management projects.

As the Portfolio Holder for Social Justice, can you explain to those needy communities what financial support they can now expect in the financial years 08/09 and 09/10 and what the impact will be of the cuts you propose to make in their budgets on the ability of the projects to deliver what they originally promised to those areas?

**Answered by Councillor D Grice****Answer**

The amount of financial support available to the 2 projects in 2008/09 and 2009/10 is the **full** amount of the Government grant, £670,000. This is the amount of money that the original grant announcement, in 2005, said would be coming to Lincoln subject to confirmation in the Comprehensive Spending Review in 2007.

The money the Council had originally allocated in the budget for 2008/09, £246,000, was for one year only and only half the amount of grant provided in 2007/08. So whilst it is true that this has had to be reallocated elsewhere within the budget, I believe that the grant we have will enable us to move forward.

So rather than a cut, the amount of money available is almost 3 times that which the Council had allocated in the original budget.

But more importantly, the success of Neighbourhood Management is not simply how much money the Council can bring to the table but how all the resources of the public services in a community can be used to achieve the aims of that community. This means using Police, Health, County Council, Learning & Skills Council, the youth service, schools as well as city council staff and money in different ways to bring about change – it doesn't always

require new money just the more effective use of existing funds.

#### **Supplementary Question**

I did ask what the impact of the cuts in funding would be? I was told that there would be no watering down of funds. Please can I have a written answer to the cuts in funding?

#### **Answer**

It is not simply about how much money there is. It is also about:

- Learning and skills
- Bringing about change
- Making more effective use of existing funds

I am fully supportive of Neighbourhood Management.

I will provide a written answer to your question

#### **Questioner – Councillor Murray**

#### **Question 4**

The people of Lincoln place a very high value on the huge natural asset of the West Common.

Can Councillor Weaver explain to Council why his administration is failing to make an adequate investment in this vital natural asset?

#### **Answered by Councillor Weaver**

#### **Answer**

The Council presently spends over £61,720 on maintaining the commons each year. This figure is in –line with the expenditure of the previous administration. There have been no cuts to this level of funding.

A Commons Warden is now employed to support the work on common land, and act as a co-ordinator for commons related issues.

#### **Supplementary Question**

Obviously Councillor Weaver is not aware of the budget passed in March last year. It contained extra funding for Commons. Were you aware of this?

#### **Answer**

Yes, we did see the figures and we put them on hold until after the Strategic Plan Review.

## Questioner – Councillor Lee

### Question 5

Can you inform Council how many houses are in multiple occupation in the City as a whole, and in Carholme Ward in particular, how many need to be licensed and how many in each case have so far been licensed by the City Council.

Do you feel that the performance of the City Council, with regard to the licensing of houses in multiple occupation has been both satisfactory and effective, in Lincoln as a whole and more specifically in Carholme Ward?

## Answered by Councillor J Metcalfe

### Answer

To give this question the justice it deserves it would need more time to present the detail and I will therefore gladly provide members with a more detailed response in writing.

In summary however I can advise that the City Council's estimate for the number of House in Multiple Occupation [*as defined by Housing Act 2004*] derives from the City's local house condition survey undertaken in 2005.

The total estimated number of HMOs is **2,368**, which represents 7.8% of the total private sector stock [*includes housing association properties*] and may be compared with the position in England as a whole where HMOs make up 3.0% of the private sector.

The House Condition Survey figures are not available on a ward basis although the City was broken into 3 broad areas for the purpose of the study, namely North, Park and Central, and South. The Carholme ward is included principally included in the North, and partly in Park and Central.

The total number of estimated properties for licensing is **514**. The total number licensed at the end of March 2008 was **74**

Total estimated number of licensable HMOs: **514**

The total number of licences issued to the end of March 2008 is **74** with a further **55** licences applications under consideration. Within Carholme Ward the figures are **31** Licensed and **31** under consideration.

The City Council's performance in this area is favourable when compared to most authorities in England. Evidence shows that Lincoln is one of only 10% of authorities with more than 500 HMO's. Of these authorities 70% have received less than 50 applications.

The experience within Lincoln follows that of other local housing authorities, namely that the first 12 months of full operation of the local policy has been

about processing applications from the better landlords and agents.

I appreciate the reason for the question but would say that the City Council's performance in this area is better than most authorities and the achievements to date are testimony to the dedication within the Private Housing Team in delivering what they have within the resources available.

#### **Supplementary Question**

Caroline Flint talked about over concentration of Housing in Multiple Occupation and the negative effect it has on wards. Would other Councillors support the implementation of restraints on Housing in Multiple Occupation in student areas?

#### **Answer**

Until the concentration of 3 storey buildings in the area has been revised we can only operate within the current licensing parameters.

#### **Questioner – Councillor Jones**

#### **Question 6**

Could the Leader of the Council please inform me how he feels the new Conservative Administration has performed since they took control of the City of Lincoln Council last May and what difference they have made to the City?

#### **Answered by Councillor Strengiel**

#### **Answer**

I thank Cllr Jones for his question.

On taking control we put together a new team. Some members of the Executive had little or no experience of being a councillor. We also established Chairmen of Committees, again with little or no experience. All our group members took to their tasks with great vigour and responsibility and I am extremely proud of them all. The first task we had was to review the 5 year Strategic Plan.

In doing so, in order to implement the projects from our manifesto, we had to put certain projects on hold due to financial constraints within the budget. We intend to release these in order of priority as funding becomes available.

One of the first shocks that we had to deal with was to find £1.1M to cover a Fire Risk Assessment for all council buildings. There were more shocks to follow, such as the unexpected repairs to Yarborough swimming pool and the extra expense to ensure the Christmas market progressed .

We then went out to public consultation and met with various groups of the public, the voluntary and business sectors. All of these bodies approved our plans and we also received a positive response from our survey through

Your Lincoln. We underwent a Peer Review, which highlighted the things that we were doing well and those that could be improved on.

The Peer Review held up our consultation process as 'exemplary'. The Group looked at the plans for the Western Growth Corridor and sent the developer back to the drawing board. We re-iterated to Taylor Wimpey that unless flooding and road infrastructure mitigation was put in place, we would not accept the development. This is still our view.

We began work on implementing the weekly collection of black bin waste through the summer months and only last week the BBC programme Look North interviewed a family in Glebe Ward for the Politics Show, who stated that they were extremely keen for the council to put this project into practice. When asked by the BBC to arrange that our candidate, Cllr David Denman could be made available to be part of the interview along with candidates from the other parties, Cllr Denman had no hesitation in accepting. However, I was extremely disappointed to find that the other candidates did not attend and in their place were the Leader of the Opposition and the Leader of the Liberal Democrats. I just wonder how the public viewed the fact that their candidates weren't available. Well done to David Denman, you conducted the interview extremely well.

We also started work on the implementation of Ward Budgets and expect these to be in place within the next couple of months. We intend to establish an all member workshop prior to commencement.

We quickly put in place a Steering Group to deliver a more streamlined, effective and traditional Christmas Market (and I am pleased to say that the response in yesterday's Echo was extremely favourable).

The Scrutiny Committees were extremely fair and transparent, so much so that the Executive was even called in by our own side, something we feel would never have happened under labour.

In February we looked at the possibility of staging a Lincoln Military Tattoo and invited senior officers from the Edinburgh Tattoo to advise us on its feasibility. Having again gone out to public consultation, which met with a tremendously positive response, we are now investigating the logistical and financial requirements in order to implement a Military Tattoo.

Our relationship with the County Council has grown stronger and stronger over the last 11 months and I owe a great deal of gratitude to its Leader, Cllr Martin Hill and his Members. In partnership, we have also established excellent working relationships with all the Districts as well as the County and I am sure that this will result in great benefits for the people of Lincoln in the foreseeable future.

Earlier this year we proposed our budget for the Medium-Term Financial Strategy, which was approved by Council. It is a shame that the opposition, who had preached to us for many years about an alternative budget, put forward such a budget with no costings whatsoever.

At this same meeting we froze Member's Allowances and I'm sad to say Mr

Mayor that the vote on this was met by abstentions from all opposition Members. We Conservatives felt that our decision was morally correct in view of the hardships being faced by the people of Lincoln, due to the mismanagement of the country by this irresponsible Labour government.

This April we implemented the collection of glass in brown bins and again this was met with a positive response from the public.

I mentioned earlier the financial constraints imposed on this council and recently these have been increased by a very poor settlement from government through the Revenue Support Grant, the worst settlement of all the district councils. These constraints would have applied irrespective of who is in control and it is no use Labour trying to score political points by suggesting that they could do this or that, as they would be met by the same financial difficulties. It is about time that this council had more support from government, perhaps through our Member of Parliament, but don't hold your breath!

It has been an extremely interesting year for our group and we have experienced a steep learning curve but we have learned quickly. The year was made more interesting by our small majority but we have stuck together and have delivered a high percentage of what we intended to do. We have other exciting projects in mind for Lincoln and I hope to enlighten council in the very near future. There is more work to do and I have every confidence that the Conservative controlling Group will deliver the best service possible for the people of Lincoln.

Finally, I would like to thank my group for all their hard work, endeavour and support during our first year in office and my thanks to you Mr Mayor for your fair and unbiased handling of all the council meetings.

#### **Questioner – Councillor West**

<b>Question 7</b>
Could the Portfolio Holder for Planning Policy explain to Council the current administration's "High Building Strategy"?

#### **Answered by Councillor D Grattrick**

<b>Answer</b>
<p>The current policy of the Council regarding the height and scale of new development is set out in Policy 34: Design and Amenity Standards of the Local Plan, which states (inter alia);</p> <p>"Planning permission will be granted for new buildings, extensions, alterations or refurbishment of existing buildings which meet the following requirements:</p> <p>the scale, massing, height, design, external appearance and facing materials to be used in the development must complement the architectural style and townscape character of the locality;</p>

:"the siting and layout of any new development or extension must ensure a satisfactory physical and functional relationship to adjoining buildings and streetscape;"

The City Council is currently undertaking a pilot Townscape Assessment for Lincoln funded by English Heritage which will analyse the cities townscape and character, and policies will be incorporated into the emerging Local Development Framework to ensure their protection and enhancement.

#### **Supplementary Question**

We have always taken planning applications on their on merit.

We were promised a higher building policy last year, has this been put on hold?

#### **Answer**

I consider my Portfolio as very serious and work constantly with Officers. We do want a Higher Buildings Policy, however, this takes time and cannot be done in a year. It needs to go to the Lincoln Urban Design Forum and cannot be done in a short time.

#### **Questioner – Councillor Coupland**

#### **Question 8**

Could the Portfolio Holder tell Council how many additional affordable housing units have been directly provided by the City Council since May 2007?

#### **Answered by Councillor J Metcalfe**

#### **Answer**

The simple answer to Councillor Coupland's question is that the City Council itself has not directly provided any new affordable housing since May 2007.

The Government until recently did not see local authorities playing any significant part in the direct provision of affordable housing – relying instead on housing provided by Registered Social Landlords with subsidy through the Housing Corporations Annual Development Programme and/or through private developers under the Planning System – commonly known as Section 106 agreements.

However the Governments Housing Green Paper "Homes for the future: more affordable, more sustainable" published in July last year heralded a renewed role for local authorities in facilitating the direct supply of affordable housing by having a direct role in the building of new homes where it provides value for money.

The Green Paper talked about two possible options for Councils to become involved in building of new homes:

- Building new Council housing inside the Housing Revenue Account (HRA), and
- Building in partnership with others outside the HRA (via Local Housing Companies)

Following consultation on the proposals in the Green Paper the Government have now brought forward enabling legislation in the form of the Housing & Regeneration Bill that is currently being discussed in Parliament and should be on the statute books by the summer.

As Councillor Coupland will recall, the Director of Housing & Community Services briefed Members of the Council on the Housing Green Paper at an all Member seminar on 8 October and the Council's Executive subsequently submitted comments in response to the Green Paper.

Further Member briefings on the provisions in the Housing & Regeneration Bill will be arranged by the Director as the shape of the legislation becomes clearer and we will be looking to see how we can utilise any new powers that might be given to the Council under this new Bill to increase the supply of affordable housing.

As you know the Council is currently in what is known as "negative subsidy" on the Housing Revenue Account whereby Lincoln council tenants are currently contributing a significant sum from the rent they pay to the Council to meet the governments national housing finances (over half million pounds this year and expected to rise to over £1.8million over the next few years). Therefore without significant reform of the Governments Housing Subsidy system and the Housing Revenue Account finance system I would guard against too much optimism at this stage that the Council will be able to build significant numbers of new Council Housing within the HRA. This is because the Council's Housing finances are totally committed to delivering improvements in the quality of the Councils existing stock of 8,000 homes to bring them up to the minimum Decent Homes Standard by 2010 and the higher Lincoln Standard by 2016. If we were able to keep the money we currently pay over to the government in negative subsidy this would certainly open up the possibility of building more council housing.

The good news is that the Government on 10 March 2008 launched a review of the HRA housing finance system and this review might open up the possibility of being able to build new council houses inside the HRA, the bad news is that this review is likely to take at least a year to complete and any changes to the Housing finance system are not likely to come into place before 2010/11 at the earliest.

We will however be contributing to the governments review through our membership of the Association of Retained Council Housing and I can assure Councillor Coupland that if we are able to take advantage of the Governments new legislation to improve the supply of affordable housing by directly providing new Council housing without detriment to the promises we have already made to improve the quality of our existing stock - we will do so.

**Supplementary Question**

You state that there will be more affordable housing in your next manifesto. Can you explain how?

**Answer**

I refer back to the original question and in the response I mentioned Section 106 monies being an option available.

**Questioner – Councillor R Metcalfe****Question 9**

Could Councillor Strengiel tell Council when the Ward Budgets for Councillors scheme will be introduced?

**Answered by Councillor Strengiel****Answer**

Implementation will commence following agreement by Executive. It is likely that it will take approximately 6 weeks to programme in a launch of the scheme (subject to its own communication strategy). This will involve raising awareness of the scheme's procedures and criteria amongst Members, including scheduling of a Member workshop, and establishing all the administrative processes and procedures. A full launch to the public could therefore take place after this has all been put in place.

The reason for it taking time to implement ward budgets are centred around the need to fully explore the range of options before recommending single approach. This is a high profile initiative and one that needs to be extremely well thought through before 'going live'. The main reasons for Ward budgets not processing in 2007/08 are:

- Strategic Plan review continued until the Autumn. The review was comprehensive and so delayed the start of the initial investigation.
- Various options were explored to make the money go further, e.g, match funding
- We looked at how we can best engage the community
- We looked at how we can best keep overhead costs to a minimum
- Importantly: we have ensured that probity issues have been covered and that the scheme will be delivered in a proper and responsible manner.

**Supplementary Question**

So, the claim that "we have delivered ward budgets" is one of a number of the blatant untruths in this years Conservative election manifesto?

<b>Answer</b>
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We take time to prepare our manifesto in advance. The scheme has been implemented throughout the County including West Lindsay District Council. When the Manifesto was written we felt that the implementation of the scheme would be done and dusted by now. However due to probity and implementation issues this has not been completed yet. This is a small issue.
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The remaining question for which insufficient time remained for it to be answered would be the subject of a written response.

87. MOTION

RESOLVED that a ten-minute recess be taken.

88. MOTION

MAINTAINING FREE PEAK TRAVEL FOR PENSIONERS

Councillor R Metcalfe moved the following motion:

Free travel for pensioners has brought huge benefits to pensioners and other eligible groups and has contributed to the growth in the use of public transport and reduced the level of traffic congestion there might otherwise have been.

Many pensioners, whilst welcoming the introduction of the national scheme allowing travel across the country, feel that disallowing travel at peak times is an inequitable and unnecessary restriction on them.

Bearing in mind that :

- Lincoln pensioners **already** enjoy peak time travel under the existing Lincolnshire scheme and there is no evidence from operators that there is any displacement of fare paying passengers by pensioners at peak travel times **and**
- Lincoln pensioners often need to shop before the City gets uncomfortably busy, may have Doctors appointments or be travelling to undertake carer responsibilities before school start times **and**
- There was already in place City Council budget provision to meet the relatively modest cost for Lincoln Pensioners to enjoy peak travel

Council agrees to instruct the Executive to reconsider its decision in 2007 not to exercise the City Council's discretion to maintain free peak travel for pensioners when the National Travel Concessions scheme is introduced which does not allow free travel before 9.30 am and after 11.p.m. and that it should agree to maintain the terms of the existing scheme.

The motion was seconded by Councillor Murray, debated by Members and a recorded vote taken as follows:

For		Against	
Councillor	Brothwell	Councillor	Bodger
Councillor	Charlesworth	Councillor	Clark
Councillor	Coupland	Councillor	Denman
Councillor	Hewson	Councillor	D Grattrick
Councillor	Jackson	Councillor	S Grattrick
Councillor	Lee	Councillor	D Grice
Councillor	R Metcalfe	Councillor	P Grice
Councillor	Murray	Councillor	Hills
Councillor	Nannestad	Councillor	Jones
Councillor	Robinson	Councillor	Kerry
Councillor	Smith	Councillor	Kirby
Councillor	Taylor	Councillor	C Metcalfe
Councillor	Toofany	Councillor	J Metcalfe
Councillor	West	Councillor	Peeke
Councillor	Woolley	Councillor	Spratt
		Councillor	Strengiel
		Councillor	Weaver

Councillor Heath abstained from voting

RESOLVED that the motion not be carried.

*(Councillors Bodger, Brothwell, Charlesworth, Coupland, D Grattrick, S Grattrick, Jackson, Kirby, Robinson, Smith, Strengiel, Toofany and Weaver declared personal interests as they were pensioners)*

## 89. MOTION

### IMPROVING THE CITY COUNCIL'S RECYCLING RATE

Councillor Smith moved the following motion:

Council recognises the efforts made by this Council prior to May 2007 to secure agreement with the Lincolnshire Waste Authority to enter an agreement with a contractor who would take waste glass. This has paved the way for the welcome introduction of kerbside glass collection in Lincoln this year.

However, the challenge remains of how to take out of the waste stream currently going straight into landfill the substantial amount of kitchen waste, not currently catered for in our recycling arrangements.

Latest estimates put kitchen waste at some 40 % of the total volume of waste going to landfill, & would therefore be a very significant gain in terms of recycling levels and the City's contribution to slowing climate change.

Council therefore agrees that, as a matter of urgency, officers:

- Examine the kitchen waste collection & recycling schemes at the City of Bristol, London Borough of Haringey and elsewhere

- Develop a costed plan for the introduction of the kerbside collection of kitchen waste for the City of Lincoln
- Discuss the proposal with the Lincolnshire waste Authority with a view to seeking their agreement to include provision for this in the revised Lincolnshire Waste Strategy
- Report back to the Executive within 3 months on the progress made

Councillor Taylor seconded the motion.

The Motion was debated and put to the vote.

RESOLVED that the motion not be carried.

90. RESIGNATION OF PORTFOLIO HOLDER FOR SUSTAINABLE GROWTH (ECONOMY, TOURISM AND CULTURE)

RESOLVED that the resignation of Portfolio Holder for Sustainable Growth (Economy, Tourism and Culture) be noted.

91. DRAFT SCRUTINY WORK PROGRAMME 2008/09

RESOLVED that the draft scrutiny programme for the municipal year 2008/09 be approved.

92. TIMETABLE OF MEETINGS 2008/09

RESOLVED that the timetable of meetings for the 2008/09 Municipal Year be approved.

**Item 1 b**

COUNCIL

8 MAY 2008

Present: Councillor Spratt (the Mayor) (*in the Chair*).

Councillors: Bodger, Brothwell, Clark, Coupland, Denman, D Grattrick, S Grattrick, D Grice, P Grice, Heath, Hills, Jackson, Jones, Kerry, Kirby, J Metcalfe, R Metcalfe, Nannestad, Peeke, Robinson, Smith, Strengiel, Toofany, Weaver, West, Williams and Woolley

93. PRESENTATION OF THE HONORARY FREEDOM OF THE CITY TO THE GRENADIER GUARDS

At the request of the Mayor (Councillor H Spratt), the Chief Executive and Town Clerk read out the following motion:

To consider the recommendation of Council of 26 June 2007, pursuant to Section 249 of the Local Government Act 1972, to be proposed by the Right Worshipful the Mayor, Councillor H Spratt and seconded by Councillor D Grice that:

- a. The Mayor and Citizens of the City of Lincoln confer the Honorary Freedom of the City upon the Officer Commanding, the Officers, Non-commissioned Officers and Junior Ranks of the Grenadier Guards in recognition of the important contribution which they have made to the City and the Nation during War and Peace as well as continuing their traditional and privileged tasks of Mounting Guard over the Sovereign and in the certainty that the close ties which bind the Grenadier Guards and the City will draw even closer.
- b. That an illuminated scroll embodying the abovementioned terms and sealed with the Common Seal of the Council be presented to the Regimental Lieutenant Colonel of the Grenadier Guards, Brigadier David Maddan.

The Mayor of Lincoln Councillor Spratt, proposed the said motion. He emphasised that it was with great pleasure and an honour for him personally to propose the freedom of the City of Lincoln to the Grenadier Guards. He referred to an excellent musical concert performed by the Grenadier Guards in the Cathedral the previous evening, which had raised a significant amount of money for both the Mayors Charity and the Colonel's fund and thanked members of the public for their attendance and generosity. He referred to a Cathedral service to take place the next day followed by the beating of the retreat in the Castle. He outlined the main reasons why the Grenadier Guards should be honoured with the Freedom of the City of Lincoln, highlighting that it was one of the finest regiments in the British Army.

The motion was seconded by Councillor D Grice.

The Leader of the Opposition, Councillor R Metcalfe, spoke in support of the presentation of the honorary freedom of the City to the Grenadier Guards.

The Chief Executive and Town Clerk read the Oath to the Regimental Lieutenant Colonel of the Grenadier Guards, Brigadier David Maddan.

The Mayor put the motion to the Council for resolution, which was carried unanimously.

RESOLVED that the granting of the honorary freedom of the City to the Grenadier Guards be approved

The Roll of Honorary Freedom was signed by the Regimental Lieutenant Colonel, Brigadier David Maddan.

The Mayor presented the Regimental Lieutenant Colonel, Brigadier David Maddan with the Scroll admitting the Grenadier Guards to the Honorary Freedom of the City of Lincoln.

Regimental Lieutenant Colonel, Brigadier David Maddan responded on behalf of the Grenadier Guards. He stated that it was a great honour on behalf of the whole regiment to receive the Honorary Freedom of the City of Lincoln. He thanked the Mayor for the two organised days of celebration and presented the City with a silver statute of a Grenadier Guardsman.

The Mayor thanked Regimental Lieutenant Colonel, Brigadier David Maddan for his generous gift.

## Item 1 c

### ANNUAL MEETING OF THE COUNCIL

20 MAY 2008

Present: The Mayor (Councillor H Spratt) (in the Chair).

Councillors: Bodger, Brothwell, Charlesworth, Clark, Coupland, Denman, D Grattrick, S Grattrick, D Grice, P Grice, Heath, Hewson, Hills, Jackson, Jones, Kerry, Kirby, Lee, C Metcalfe, J Metcalfe, R Metcalfe, Nannestad, Peeke, Robinson, Smith, Strengiel, Toofany, Weaver, West, Williams and Woolley.

#### 1. MAYORAL ANNOUNCEMENTS

The Mayor referred with regret to the recent death of Charles Ireland the Mayor in 1987. Members stood in silence as a mark of respect.

#### 2. ELECTION OF MAYOR

Upon the recommendation of Councillor Spratt and seconded by Councillor Bodger it was

RESOLVED that Councillor Ronald Hills be hereby elected as Mayor of the City of Lincoln for the ensuing year. Councillor R Hills then made and subscribed the Declaration of Acceptance of Office and took the Oath of Allegiance. The newly elected Mayor then returned thanks for his appointment, advised the Council that his charities for his year of office would be the Alzheimers Society and Lincoln Breast Cancer.

(The Mayor [Councillor R Hills ] in the Chair).

#### 3. APPOINTMENT OF SHERIFF

It was moved by Councillor E Strengiel and seconded by Councillor S Grattrick and

RESOLVED that Mr Frank Connell be hereby appointed Sheriff of the City of Lincoln for the ensuing year. The newly appointed Sheriff then made and subscribed the Declaration of Acceptance of Office, took the Oath of Allegiance and returned thanks for his appointment.

#### 4. APPOINTMENT OF DEPUTY MAYOR

Upon the announcement of the Mayor it was

RESOLVED that Councillor David Grattrick be appointed Deputy Mayor for the ensuing year.

#### 5. VOTE OF THANKS TO THE RETIRING MAYOR

It was moved by Councillor R Hills and seconded by Councillor B Robinson and

RESOLVED that the thanks of the Council be accorded to the retiring Mayor for the manner in which he discharged his duties during his period of office.

#### 6. VOTE OF THANKS TO THE RETIRING SHERIFF

It was moved by Councillor D Grattrick and seconded by Councillor S Grattrick and

RESOLVED that the thanks of the Council be accorded to the retiring Sheriff for the manner in which he discharged his duties during his period of office.

7. APPOINTMENT OF MAYOR'S CHAPLAIN

The Mayor notified the Council of his appointment of Reverend H Smart as his Chaplain for the ensuing year.

8. APPOINTMENT OF COMMITTEES, SUB-COMMITTEES, CHAIRS AND VICE-CHAIRS

Councillor D Grice moved the appointment of Committees and Sub-Committees, Chairman and Vice-Chairman for the ensuing year, including the amendments provided at the meeting, seconded by Councillor Weaver.

Councillor R Metcalfe

- (a) moved the following amendments to the appointment of Committees and Sub Committees, Chairs and Vice Chairs for the ensuing year, seconded by Councillor Nannestad.

That Councillor Lee be appointed as a Member of Corporate Equality and Diversity Development Group and Councillor R Metcalfe be appointed as a Substitute Member of the Group.

Whereupon the Council

RESOLVED that

- (1) the Committees and Sub-Committees together with the Chairman and Vice-Chairman thereof, as set out in the list of Committees contained in Appendix A to the written minutes together with the amendments detailed in (a) above be approved.

9. APPOINTMENT OF REPRESENTATIVES OF THE COUNCIL UPON OUTSIDE BODIES AND THE LINCOLNSHIRE COUNTY COUNCIL

Councillor D Grice moved the appointment of representatives of the Council on outside bodies and the Lincolnshire County Council, seconded by Councillor Weaver.

Whereupon the Council

RESOLVED that the representatives of the Council on the outside bodies and the Lincolnshire County Council as set out in Appendix B to the written minutes be approved.

10. REPORT OF THE RETURNING OFFICER  
CITY OF LINCOLN COUNCIL ELECTIONS 3 MAY 2007

RESOLVED that the report of the Returning Officer on the results of the elections for the wards of the City, held on 1 May 2008 be received.

**EXECUTIVE**

Leader	<u>Darren Grice</u>
Deputy Leader	<u>Keith Weaver</u>

**Portfolios**

Corporate Management	Councillor	<u>Eddie Strengiel</u>
Economy, Tourism & Culture	Councillor	<u>Hilton Spratt</u>
Planning Policy	Councillor	<u>Alister Williams</u>
Social Inclusion	Councillor	<u>Darren Grice</u>
Environment	Councillor	<u>Yvonne Bodger</u>
Housing	Councillor	<u>John Metcalfe</u>
Leisure & Sport	Councillor	<u>Keith Weaver</u>
Customer Services	Councillor	<u>Sandra Grattrick</u>

**PERFORMANCE SCRUTINY COMMITTEE**

Chairman	<u>Marc Jones</u>
Vice-Chairman	<u>Jane Clark</u>

## Other Members of the Committee

Councillor	<u>Richard Coupland</u>
Councillor	<u>Paul Grice</u>
Councillor	<u>Helen Heath</u>
Councillor	<u>Charlotte Metcalfe</u>
Councillor	<u>Ric Metcalfe</u>
Councillor	<u>Neil Murray</u>
Councillor	<u>Oliver Peeke</u>
Councillor	<u>Fay Smith</u>
Councillor	<u>Peter West</u>
Councillor Subs:	<u>David Denman</u>
	<u>Andrew Kerry</u>
	<u>Gary Hewson</u>
	<u>Ralph Toofany</u>

## **POLICY DEVELOPMENT SCRUTINY COMMITTEE**

Chairman Paul Grice

Vice-  
Chairman David Grattrick

### Other Members of the Committee

Councillor Kathleen Brothwell

Councillor Jane Clark

Councillor Helen Heath

Councillor Gary Hewson

Councillor David Jackson

Councillor Andrew Kerry

Councillor Karen Lee

Councillor Charlotte Metcalfe

Councillor Loraine Woolley

Councillor  
Subs: David Denman

Oliver Peeke

Brent Charlesworth

Donald Nannestad

## **POLICY REVIEW SCRUTINY COMMITTEE**

Chairman	<u>Andrew Kerry</u>
Vice-Chairman	<u>Marc Jones</u>
	Other Members of the Committee
Councillor	<u>Brent Charlesworth</u>
Councillor	<u>Jane Clark</u>
Councillor	<u>Paul Grice</u>
Councillor	<u>David Jackson</u>
Councillor	<u>Geoff Kirby</u>
Councillor	<u>Ric Metcalfe</u>
Councillor	<u>Donald Nannestad</u>
Councillor	<u>Oliver Peeke</u>
Councillor	<u>Ralph Toofany</u>
Councillor Subs:	<u>David Denman</u>
	<u>Charlotte Metcalfe</u>
	<u>Gary Hewson</u>
	<u>Fay Smith</u>

## **SCRUTINY LIAISON COMMISSION**

### Members of the Committee

Councillor	<u>Darren Grice</u>	<i>(Leader)</i>
Councillor	<u>Keith Weaver</u>	<i>(Deputy Leader)</i>
Councillor	<u>Ric Metcalfe</u>	<i>(Leader of Opposition)</i>
Councillor	<u>Paul Grice</u>	<i>(Chairman of Policy Development Committee)</i>
Councillor	<u>Marc Jones</u>	<i>(Chairman of Performance Scrutiny Committee)</i>
Councillor	<u>Andrew Kerry</u>	<i>(Chairman of Policy Review Scrutiny Committee)</i>

- \* CHAIRMAN/VICE CHAIRMAN APPOINTED AT FIRST MEETING OF  
SCRUTINY LIAISON COMMISSION

## **PLANNING COMMITTEE**

Chairman	<u>David Denman</u>
Vice- Chairman	<u>David Grattrick</u>

### Other Members of the Committee

Councillor	<u>Kathleen Brothwell</u>
Councillor	<u>Jane Clark</u>
Councillor	<u>Paul Grice</u>
Councillor	<u>Gary Hewson</u>
Councillor	<u>Andrew Kerry</u>
Councillor	<u>Karen Lee</u>
Councillor	<u>Charlotte Metcalfe</u>
Councillor	<u>Peter West</u>
Councillor	<u>Loraine Woolley</u>

Councillor Subs:	<u>Geoff Kirby</u>
	<u>Oliver Peeke</u>
	<u>Brent Charlesworth</u>
	<u>Ric Metcalfe</u>

### **PERSONNEL APPEALS**

Chairman	<u>David Gratrick</u>
Vice-Chairman	<u>John Metcalfe</u>

#### Other Members of the Committee

Councillor	<u>Yvonne Bodger</u>
Councillor	<u>Ric Metcalfe</u>
Councillor	<u>Fay Smith</u>
Councillor Subs:	<u>Paul Grice</u>
	<u>Loraine Woolley</u>

### **HOUSING APPEALS PANEL**

Chairman	<u>Geoff Kirby</u>
Vice-Chairman	<u>Darren Grice</u>
	Other Members of the Committee
Councillor	<u>Keith Weaver</u>
Councillor	<u>Bud Robinson</u>
Councillor	<u>Loraine Woolley</u>
Councillor Subs:	<u>Yvonne Bodger</u>
	<u>Richard Coupland</u>

## **LICENSING COMMITTEE**

Chairman Darren Grice  
Vice-  
Chairman David Grattrick

### Other Members of the Committee

Councillor Kathleen Brothwell  
Councillor Brent Charlesworth  
Councillor Richard Coupland  
Councillor Paul Grice  
Councillor David Jackson  
Councillor Andrew Kerry  
Councillor Charlotte Metcalfe  
Councillor Oliver Peeke  
Councillor Bud Robinson  
Councillor Fay Smith  
Councillor Keith Weaver  
Councillor Alister Williams  
Councillor Loraine Woolley

Councillor  
Subs: Jane Clark  
Geoff Kirby  
Gary Hewson  
Peter West

## **HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING SUB-COMMITTEE**

Chairman	<u>Darren Grice</u>
Vice-Chairman	<u>Keith Weaver</u>

### Other Members of the Committee

Councillor	<u>Kathleen Brothwell</u>
Councillor	<u>David Jackson</u>
Councillor	<u>Andrew Kerry</u>

Councillor Subs:	<u>Paul Grice</u>
	<u>Bud Robinson</u>

## **STANDARDS AND AUDIT COMMITTEE**

Chairman	<u>To be appointed at the first meeting of the Committee from the Independent Members</u>
Vice-Chairman	<u>To be appointed at the first meeting of the Committee from the Independent Members</u>

### Other Members of the Committee

Councillor	<u>Brent Charlesworth</u>
Councillor	<u>Ron Hills</u>
Councillor	<u>Marc Jones</u>
Councillor	<u>Geoff Kirby</u>
Councillor	<u>Ric Metcalfe</u>
Councillor	<u>Donald Nannestad</u>
Councillor	<u>Oliver Peeke</u>

Councillor Subs:	<u>Paul Grice</u>
	<u>Hilton Spratt</u>
	<u>David Jackson</u>
	<u>Peter West</u>

Independent Member	<u>Mr David Mitchell</u>
Independent Member	<u>Mr Russell Pond</u>
Independent Member	<u>Mr Paul Walsh</u>

### **DAWBER CHARITY**

Chairman Darren Grice  
Vice-  
Chairman Keith Weaver

#### Other Members of the Committee

Councillor Yvonne Bodger  
Councillor Jane Clark  
Councillor Sandra Grattrick  
Councillor Gary Hewson  
Councillor Neil Murray  
Councillor Bud Robinson  
Councillor Ralph Toofany  
Councillor  
Subs: Alister Williams  
David Jackson

### **HOUSING SCRUTINY SUB COMMITTEE**

Chairman Marc Jones

#### Other Members of the Committee

Councillor Jane Clarke  
Councillor Richard Coupland  
Councillor Charlotte Metcalfe  
Councillor Bud Robinson

## **CORPORATE EQUALITY AND DIVERSITY DEVELOPMENT GROUP**

Chairman Darren Grice

Vice

Chairman Geoff Kirby

Other Members of the Committee

Councillor Marc Jones

Councillor Karen Lee

Councillor

Subs: Oliver Peeke

Ric Metcalfe

## **CITY OF LINCOLN COUNCIL AND EMPLOYEE JOINT CONSULTATIVE COMMITTEE (Including Health, Safety and Welfare)**

Chairman To be confirmed at the first  
meeting

Vice-

Chairman Keith Weaver

Other Members of the Committee

Councillor Jane Clark

Councillor Richard Coupland

Councillor David Grattrick

Councillor John Metcalfe

Councillor Ric Metcalfe

Councillor Bud Robinson

Councillor

Subs: Alister Williams

Fay Smith

### **APPOINTMENT PANEL FOR INTERNAL APPOINTMENTS**

Leader : Councillor D Grice  
Leader of Opposition: Councillor Ric Metcalfe

As per the minutes of Council held on 26 February 2008 the other three Members of the Panel are to be chosen by the respective leaders depending on the political balance of the Authority and the appointment to be made. This is as follows:

Conservatives:	Deputy Leader Relevant Portfolio Holder } 2
Labour:	1

### **ASSET MANAGEMENT GROUP**

Chairman Darren Grice *(Leader)*

#### Other Members of the Committee

Councillor	Hilton Spratt	<i>(Executive Portfolio Holder, Economy, Tourism and Culture)</i>
Councillor	Alister Williams	<i>(Executive Portfolio Holder, Planning Policy)</i>

**CITY HONOURS COMMITTEE**

Chairman    Darren Grice                      *(Leader)*

## Other Members of the Committee

Councillor Keith Weaver *(Deputy Leader)*

Councillor Ric Metcalfe *(Leader of Opposition)*

Independent  
Member

Independent  
Member

Independent  
Member

Independent  
Member

Sub: Donald Nannestad

## CONSTITUTIONAL REVIEW GROUP

Chairman                      Darren Grice                      *(Leader)*

Councillor                      Helen Heath

Councillor Ric Metcalfe

Councillor Neil Murray

Councillor Hilton Spratt

Councillor Keith Weaver

Councillor Alister Williams

### **LOCAL AGENDA 21 WORKING GROUP**

Councillor (Chairman)                      David Gratrick

Councillor (Vice-Chairman)              John Metcalfe

#### **Other Members of the Committee**

Councillor                                      Jane Clark

Councillor                                      Fay Smith

Councillor                                      Alister Williams

### **MEMBER INVESTIGATING COMMITTEE**

Councillor                                      Yvonne Bodger

Councillor                                      Kathleen Brothwell

Councillor                                      Brent Charlesworth

Councillor                                      Richard Coupland

Councillor                                      David Denman

Councillor                                      Darren Grice

Councillor                                      Ron Hills

Councillor                                      Marc Jones

Councillor                                      Andrew Kerry

Councillor                                      Karen Lee

Councillor                                      Ric Metcalfe

Councillor                                      Neil Murray

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Councillor	<u>Donald Nannestad</u>
Councillor	<u>Hilton Spratt</u>
Councillor	<u>Eddie Strengiel</u>

## ADVISORY GROUPS

### LINCOLN URBAN DESIGN FORUM

Councillor	<u>Yvonne Bodger</u>
Councillor	<u>David Denman</u>
Councillor	<u>Alister Williams</u>

### OUTSIDE MEMBERSHIP

Mr RM Lucas, (*Lincoln Civic Trust*)

Mr K Brown, (*Lincoln Civic Trust*)

Ms C I Heidschuster, (*The Dean and Chapter*)

Mr S Bartle, (*Lincolnshire Society of Architects*)

Mr J Lord, (*University of Lincoln*)

Ms M Anderson, (*The Society for the Protection of Ancient Buildings*)

Mr P Banks, (*East Midlands Branch of Royal Institute of Chartered Surveyors*)

Mr S Kemp, (*Royal Town Planning Institute - East Midlands Branch*)

Dr J Lomholt, (*University of Lincoln*)

Mr G Stocker, (*Landscape Institute - East Midlands Branch*)

Mr P Stuart, (*Commission for Architecture and the Built Environment CABE*)

Mr S Palmer, (*Lincolnshire Society of Architects*)

#### **City Residents**

Mr D Broughton

Mr D Freeman

Ms R Longbottom

Mr M Marschner

#### **Co-Opted Members**

Miss P Wheatley, (*Council for British Archaeology*)

Mr S Squires, (*Society for Lincs. History & Archaeology*)

Mr C Fletcher, (*English Heritage*)

Mrs J Jones, (*Friends of Lincoln Archaeology, Research and Education (FLARE)*)

#### **Artists/Designers**

Ms J Killner

### **COMMONS ADVISORY PANEL**

Chairman	Councillor Keith Weaver
Vice-Chairman	Councillor David Grattrick

#### Other Members of the Committee

Councillor	Yvonne Bodger
Councillor	Donald Nannestad
Councillor	Oliver Peeke

### **OUTSIDE MEMBERSHIP**

Ms.J Ladley, (*Lincoln Commons Horse Association*)

Mr J Lamming, (*Carholme Golf Club*)

Mr M Commons, (*Lincoln Open Spaces Society*)

Mr. C J Smith, (*Lincoln Group Ramblers Association*)

Mr G Woolfenden, (*West End Residents Association*)

Mrs V C Malone, (*Lincoln Commons Preservation Society*)

Mr J Shipton, (*Long Leys Road Residents Association*)

Professor S Hall, (*Cross O Cliff Residents Association*)

Mr D Newton, (*Lincoln District Sunday Football League*)

Mrs M Smith, (*The Lincolnshire Fieldpaths Association*)

Mrs S Davies, (*South Park Residents Association*)

Mr V Hughes, (*Lincoln Civic Trust*)

## **HISTORIC ENVIRONMENT ADVISORY PANEL**

Chairman	<u>To be appointed at first meeting</u>
Vice-Chairman	<u>To be appointed at first meeting</u>
Other Members of the Committee	
Councillor	Oliver Peeke
Councillor	Hilton Spratt
Councillor	Alister Williams

## **OUTSIDE MEMBERSHIP**

Dr G Coppack	East Midlands Region ( <i>English Heritage</i> )
Ms D Haywood	( <i>The Collection</i> )
Dr K Jones	( <i>FLARE</i> )
Mr S Squires	( <i>The SLHA</i> )
Dr A Walker	( <i>University of Lincoln</i> )
Miss P Wheatley	( <i>The SLHA</i> )
Mr J Wilford	( <i>FLARE</i> )

## **THE REGENERATION AND TOURISM ADVISORY GROUP**

Chairman     Councillor Hilton Spratt

Vice-  
Chairman     Councillor Alister  
Williams

Other Members of the Committee

Councillor     David Denman

Councillor     Darren Grice

Councillor     Neil Murray

### **OUTSIDE MEMBERSHIP**

Mr Robin Peak, *(representing Lincoln College)*

Mrs J Bennett, *(representing Tourism and Chamber of Commerce)*

Mr G Cook, *(representing University of Lincoln)*

Mr M Corrigan, *(representing Lincoln B.I.G)*

Mr W Dennett, *(representing Lincoln Co-operative Society Ltd)*

Mr Frank Ellis, *(representing Lincoln & District Trades Council)*

Mr B Heward (Mr D Mitchell), *(representing Lincolnshire Federation of Small Businesses)*

Mr N Jackson, *(representing Amicus-AEEU)*

Mr H Kok, *(representing The Lindum Group)*

Ms U Lidbetter, *(representing Lincoln Co-operative Society Ltd)*

Mr B Jackson, *(representing Siemens)*

Mr L Wells, *(representing Lincoln Trades Council)*

Mrs H Wilson, *(representing Lincoln Cathedral)*

County Councillor Colin Helstrip, *(representing Lincolnshire County Council)*

Mrs P J Yeardley, *(representing Lincolnshire Federation of Small Businesses)*

Mr J Brown representing Lincolnshire County Council

Ms Viv Mcveigh, *(City Arts Forum and Culture Sector)*

**JOINT MEETING BETWEEN REPRESENTATIVES OF LINCOLN CITY  
COUNCIL AND LINCOLNSHIRE CHAMBER OF COMMERCE AND INDUSTRY**

Councillor	<u>Hilton Spratt</u>	Economy Tourism and Culture
Councillor	<u>Alister Williams</u>	Planning Policy
Councillor	<u>Darren Grice</u>	Social Inclusion
Councillor	<u>Yvonne Bodger</u>	Environment
Councillor	<u>John Metcalfe</u>	Housing
Councillor	<u>Keith Weaver</u>	Leisure, & Sport
Councillor	<u>Eddie Strengiel</u>	Corporate Management
Councillor	<u>Sandra Grattrick</u>	Customer Services

**OUTSIDE MEMBERSHIP**

Mr M Corrigan – *(representing Lincoln B.I.G)*

Amanda Jameson - *(Secretary responsible for distribution of Agenda to  
Chamber of Commerce Members)*

Paul Coathup – *(Lincolnshire County Council)*

Police if *(necessary)*

### **LOCAL DEVELOPMENT FRAMEWORK MEMBER PANEL**

Portfolio Holder for Corporate Management	Councillor	<u>Eddie Strengiel</u>
Economy, Tourism and Culture	Councillor	<u>Hilton Spratt</u>
Planning Policy	Councillor	<u>Alister Williams</u>
Social Inclusion	Councillor	<u>Darren Grice</u>
Environment	Councillor	<u>Yvonne Bodger</u>
Housing	Councillor	<u>John Metcalfe</u>
Leisure and Sport	Councillor	<u>Keith Weaver</u>
Customer Services	Councillor	<u>Sandra Grattrick</u>
Chairman – Policy Development Scrutiny Committee	Councillor	<u>Paul Grice</u>
Vice Chairman – Policy Development Scrutiny Committee	Councillor	<u>David Grattrick</u>
Chairman – Policy Review Scrutiny Committee	Councillor	<u>Andrew Kerry</u>
Chairman – Performance Scrutiny Committee	Councillor	<u>Marc Jones</u>
Chairman of Planning Committee	Councillor	<u>David Denman</u>

### **APPOINTMENT OF ADVOCATE MEMBERS**

Children and Young People Advocate	Darren Grice
Design Advocate	Alister Williams
Historic Environment Advocate	Oliver Peeke
Sustainability Advocate	Yvonne Bodger

**OUTSIDE BODIES****APPENDIX B**

<b>Name of Organisation</b>	<b>New Council Representatives 2008/09</b>
Accessibility Lincoln	Councillor Jane Clark Councillor Darren Grice Mrs Metcalfe
Birchwood Boiler House Project Committee	Councillor John Metcalfe
Birchwood Youth Club Management Committee	Councillor Jane Clark
Brayford Trust Board	Councillor Darren Grice Councillor Hilton Spratt
Christmas Market and Water Festival Member Steering Group	Councillor Yvonne Bodger Councillor Darren Grice Councillor Ronald Hills Councillor Hilton Spratt Councillor Keith Weaver
Citizens Advice Bureau	Councillor Yvonne Bodger
Citizens Advocacy Lincoln Link	Councillor Geoffrey Kirby
City of Lincoln Freeman and Lady Freeman's Gild	Councillor Ronald Hills (Post held by current Mayor)
Community Policing Body	Councillor Darren Grice
Drainage Boards <ul style="list-style-type: none"><li>Upper Witham (9 members)</li></ul>	Councillor Geoffrey Kirby Mr Bradley Mr Hansard Mr Howie Mr Hutchinson Ms Isaac Ms Jones Mr McCartney Mr Ward

Drainage Boards • First (3 members)	Councillor Geoffrey Kirby Mr Hansard Ms Hubbard
Drainage Boards • Witham Third (5 members)	Councillor Geoffrey Kirby Mr Hansard Ms Isaac Mr Howie Ms Hubbard
East Midlands Regional LGA General Meeting	Councillor Darren Grice
East Midlands Regional Assembly	Councillor Darren Grice
East Midlands Regional Assembly – Sub Group	Councillor Darren Grice
East Midlands Regional LGA Employers' Organisation	Councillor Darren Grice (Sub Councillor David Grattrick)
East Midlands Reserve Forces and Cadets Association	Councillor David Grattrick
Eastern Orchestral Board	(Post held by Director of Development and Environmental Services)
Events Safety Advisory Group	Councillor Hilton Spratt Councillor Alister Williams
Greater Lincoln Partnership	Councillor John Metcalfe Councillor Hilton Spratt
Groundwork Trust	Councillor Yvonne Bodger (Sub – Councillor Alister Williams)
Hartsholme Community Contact Centre	Councillor Geoffrey Kirby
Health Scrutiny Committee for Lincolnshire	Councillor Jane Clark
Heslam Trust	Councillor Oliver Peeke
Homestart	Councillor Jane Clark
Investors in Lincoln	Councillor Darren Grice Councillor Hilton Spratt
Life Long Learning, City Of Lincoln Council	Councillor Geoffrey Kirby

Lincoln Area Dial-a-Ride	Councillor D Grice and Director of Resources
Lincoln Area Strategic Partnership Joint Advisory Committee	Councillor David Grattrick Councillor Darren Grice Councillor John Metcalfe Councillor Keith Weaver
Lincoln Business Improvement District	Councillor Darren Grice Councillor Eddie Strengiel
Lincoln Civic Trust	Councillor Oliver Peeke
Lincoln Community Development Project	Councillor Darren Grice
Lincoln Cultural Sector Partnership	Councillor Hilton Spratt
Lincoln Municipal Charities	Councillor Sandra Grattrick Councillor Paul Grice Councillor Andrew Kerry
Lincoln Museums Panel	Councillor Yvonne Bodger Councillor Geoffrey Kirby Councillor John Metcalfe Councillor Hilton Spratt
Lincolnshire Arts Forum	Councillor Hilton Spratt
Lincolnshire Assembly	Councillor Darren Grice and Chief Executive and Town Clerk
Lincolnshire Chamber of Commerce and Industry	Councillor Darren Grice and Director of Development and Environmental Services
Lincolnshire E Government Steering Group	Councillor Darren Grice
Lincolnshire Enterprise	Councillor Darren Grice Councillor Hilton Spratt
Lincolnshire Health Board	Councillor Darren Grice
Lincolnshire Playing Fields Association	Councillor Keith Weaver
Lincolnshire Race Equality Council	Councillor Darren Grice
Lincolnshire Sports Partnership	Councillor Keith Weaver
Lincolnshire Tourism	Councillor Darren Grice Councillor Hilton Spratt

Lincolnshire Waste Partnership	Councillor Yvonne Bodger
Longhurst Housing Association	Councillor Alister Williams
Mayor's Appeal Fund	Current Mayor (Ex-officio)
MERE Trust	Councillor Yvonne Bodger
Orchestra Live	Director of Development and Environmental Services
Ruston Hall Trust	Councillor Weaver Councillor West Councillor Woolley Mrs M Tointon
Share the Care	Councillor Darren Grice
Supporting People Commissioning Body	Councillor John Metcalfe
Sure Start	Councillor Darren Grice
West Lincolnshire Community Safety Partnership	Councillor Darren Grice

## Item 1 d

### COUNCIL

9 JUNE 2008

Present: Councillor Hills (Mayor) (in the Chair)

Also present Councillors: Bodger, Brothwell, Charlesworth, Clark, D Grattrick, P Grice, Heath, Hewson, Kerry, Kirby, C Metcalfe, J Metcalfe, R Metcalfe, Nannestad, Peeke, Smith, Spratt, Weaver, West, Williams and Woolley.

Apologies for absence were received from Councillors: Coupland, Denman, S Grattrick, D Grice, Jackson, Jones, Lee, Murray, Robinson, Strengiel and Toofany.

#### 11. DECLARATIONS OF INTEREST

The following declarations of interest were received: -

Councillor R Metcalfe advised that as he had been involved in the Call In on the site in question he considered that it might be conceived that he had already predetermined his decision. Accordingly he took part in the debate on the application but not in the voting.

Councillor Heath advised that as she had been involved in discussions with residents and had written letters on the matter she considered that it might be conceived that she had predetermined her decision on this matter. Accordingly she took part in the debate but not in the voting.

#### 12. SUSPENSION OF COUNCIL PROCEDURE RULES

Councillor R Metcalfe proposed the following motion: -

That Council Procedure Rules in so far as they affect the timing of speeches by Councillors and members of the public be suspended during the consideration of the next item.

Councillor Nannestad seconded the motion.

The motion was debated and a vote was taken.

The motion was carried.

#### 13. REFERRAL FROM PLANNING COMMITTEE- 26 MARCH 2008- APPLICATION FOR DEVELOPMENT LAND TO THE EAST OF LONG LEYS ROAD APPLICATION NO: 2008/0091RG3

The Director of Development and Environmental Services

- (a) stated that this was an application for the change of use of land to form a cemetery.

- (b) advised members on the proposed layout of the cemetery and the drainage proposals
- (c) provided details of the following Local Plan policies pertaining to the application:
  - Policy 34: Design and Amenity Standards
  - Policy 43: Green Wedges and other Major Open Spaces
  - Policy 44b: Basic Natural Stock
  - Policy 53: Cemeteries
  - Planning Policy Statement 1: Delivering Sustainable Development
  - Planning Policy Statement 7: Sustainable Development in Rural Areas
  - Planning Policy Statement 9: Bio – Diversity and Geological Conservation
  - Planning Policy Guidance Note 13: Transport
  - Planning Policy Statement 23: Planning and Pollution Control
  - Planning Policy Statement 25: Development and Flood Risk
- (d) outlined the responses made to the consultation exercise, which included receipt of a signed petition containing 149 signatures.
- (e) gave details of the issues raised by this proposal as follows:
  - a. Design and the impact on the landscape
  - b. Objections to the application
  - c. The suitability of the site in accordance with local and national planning policy
  - d. Loss of the riding school
  - e. Suitability of the land and ground conditions
  - f. Flood risk and drainage issues
  - g. The impact on ecology
  - h. Parking and highway safety
  - i. Residential amenity
- (f) referred Members to the Update Sheet which contained further details in relation to the application
- (g) concluded that the development would be in accordance with local and national planning policy, was of a suitable design and would not harm highway safety, residential amenity, the ecological habitat and would not increase the risk of flooding either on or around the site.

Mr A Wilson (local resident), addressed Council and raised the following objections in relation to the proposal:

- thanked members for attending the site visit, however advised that the site had been seen in good condition unlike the conditions that had been experienced in 2007

- there were active springs within the site which affect ground conditions
- Cannot understand how the Planning Department can ignore the advice of both Geodine or the Environment Agency
- There are issues in respect of contaminated water which could arise from the use of the site
- Advised that the Environment Agency were not happy with the proposals
- Noise pollution caused by its proximity to both the A46 and Long Leys Road
- The access was a problem as it was on an acute bend and a brow of a hill
- The privacy of those living nearby would be compromised
- Land erosion was taking place within 50 metres of the eastern boundary of the site.
- The land had been leased by the Riding School for 47 years and those Councillors attending the site visit could not have failed to appreciate the valuable amenity provided. The field was pivotal to the running of the school.
- The water table problems are no different at the Washingborough Road site to those experienced at Bakers Field
- The reason why Bakers Field had been chosen was because it was a cheap option to the criteria of the different agencies involved.

Mr B Gallagher (Agent), addressed Council and raised the following comments in support of the proposal:

- His Company had been appointed to prepare and submit a suitable application and his role at this meeting was to provide factual information on the process that had been followed.
- The drawings provided with the report gave an indicative layout for a new cemetery.
- All matters had been resolved prior to the application being submitted.
- The current cemetery provision was currently filling up
- Suitable sites had been investigated for sometime.
- Canwick Road extension had been found to be unsuitable.
- 28 sites had been considered as part of an assessment process
- The Long Leys Road site had been found to be the most suitable
- The plans detailed the drainage and access arrangements together with a proposed layout.
- The proposed site would have less impact on residents.
- Prior to the submission of the application consultation had taken place with local residents and further consultation had taken place once the application had been submitted

- The application was in accordance with both local and national planning policy.
- The highway aspects of the scheme had been discussed and agreed with the Highways Authority.
- The drainage strategy had been designed so that there was no impact on neighbouring authorities.
- The location of the site was appropriate in planning terms
- The site will enhance biodiversity

The Development Control Manager provided clarification as follows:-

- (i) The area of the site that would be subject to hard landscaping was the entrance, car park and the routes around the cemetery.
- (ii) The Environment Agency had been consulted and had raised no objections. Their advice had been provided on page 11 of the report. The City Council's contaminated land expert had concluded that there were no significant pollution risks. A Drainage Strategy had also been developed.
- (iii) The reference to the mitigation measures are not in respect of contamination but flooding. The Environment Agency comments are in respect of the amount of water discharging into the drain, they need to see evidence of the capacity and the rate of run off. However a technical solution does exist.
- (iv) The Environment Agency always provide careful responses, if they had had any issues with the application they would have made it clear in the response. They have some technical issues for which solutions are available.
- (v) The consultations in respect of the application had been carried out in accordance with the Statement of Community Involvement, which had been adopted in June 2006. Additional consultation had also been carried out by the City Council as cemetery operator during the site selection process.
- (vi) The Environment Agency had commented upon two issues for which technical solutions exist. Water flowing on to the site would be intercepted and water on site would be drained away using the French drains. The issue that the Environment Agency are looking at is whether there is the potential for water to overwhelm the drainage system.

Members discussed the application in further detail.

RESOLVED that the application be granted with conditions to include:

- Development to commence within 3 years
- The final layout and landscaping plans to be submitted for approval by the Local Planning Authority

- Archaeology
- Contaminated Land
- Surfacing
- Development of hedgerows and site clearance to take place outside the bird nesting season
- An investigation into the use of land by badgers be undertaken before development commences
- Further surface water drainage information submitted to and approved by the Local Planning Authority
- A 2 metre footway be provided on Long Leys Road
- The ownership of the hedge on the southern boundary be investigated and a suitable height agreed
- That additional planting be provided within the south east corner of the site.
- Provision of a drainage scheme to include drainage along the southern boundary
- That a 6ft high boundary fence be provided along the southern boundary.
- Scheme of traffic calming to reduce speed of traffic on Long Leys Road in the vicinity of the site entrance, particularly from the west.

<b>SUBJECT:</b>	<b>REFERRAL FROM COMMITTEE – PLANNING COMMITTEE – 16 APRIL 2008 – THE LAWN, UNION ROAD</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>STEVE SWAIN – DEMOCRATIC SUPPORT MANAGER</b>

**1. Matter for Committee**

- 1.1 To consider the recommendation from the Planning Committee held on 16 April 2008 in respect of The Lawn, Union Road. The report and minute from the Planning Committee are attached as **Appendices A and B**.

**List of Background Papers:** Planning Application in respect of the site.

**Lead Officer:** Steve Swain – Democratic Support Manager  
Telephone 873439

**EXTRACT FROM COMMITTEE**

161. APPLICATION FOR DEVELOPMENT  
THE LAWN, UNION ROAD  
APPLICATION NO: 2008/0002/RG3

The Development Control Manager

- (a) stated that the application was a Regulation 3 application for the installation of additional play equipment to the existing play area at the Lawn on a site within Cathedral and City Centre Conservation Area No 1 and within mixed-use area
- (b) provided details of the policies pertaining to the application:
  - Policy 34: Design and Amenity Standard
  - Policy 52B: Formal Public Parks, Gardens and Monuments
- (c) outlined responses made to the consultation exercise
- (d) gave details of the issues raised by this proposal as follows:
  - Local Plan Policy
  - Residential Amenity
  - Visual Amenity, Design and Access
- (e) concluded that the proposal would not have an unacceptable impact on residential and visual amenity or the character and appearance of the park itself and was therefore in accordance with Policies 34 and 52B of the City of Lincoln Local Plan.

Members discussed the application in further detail.

RESOLVED that the application be supported and referred to Full Council for determination, to include the following conditions:

- Standard years and plans condition
- Times of use of I-Play equipment.

**Item No 4 (c)**

**Site:** The Lawn, Union Road  
**Application No:** 2008/0002/RG3  
**Target Date:** 19 April 2008  
**Agent:**  
**Applicant:** City of Lincoln Council  
**Development:** Installation of Further Play Equipment to Existing Fixed Play Area.

**Background**

The application is a Regulation 3 application for the installation of additional play equipment to the existing play area at the Lawn. The land is between Union Road, from which access is taken, and Carline Road, whilst properties on Belle Vue Road and Belle Vue Terrace border the site on its eastern and south eastern boundaries. The site is also within the Cathedral and City Centre Conservation Area no.1 and within the central mixed-use area.

The site accommodates the main lawn complex, which includes shops, the Joseph Banks Conservatory, the main Grade II\* listed building, formerly a hospital and Charlotte House, recently converted to a hotel. Its also includes substantial grounds which accommodate an existing play area.

The proposal itself involves a small extension to the existing play area, to accommodate 3 pieces of play equipment aimed at young children, and an iPlay system, aimed at older children.



## **Consideration of Issues**

### **Local Plan Policy**

#### **Policy 52B: Formal Public Parks, Gardens and Monuments**

The site is allocated within the Local Plan as a public park and garden. This policy states that development would only be approved where it facilitates the public's enjoyment of the park and does not detract from its character, appearance, setting, features or purpose as a park. Given that the existing play provision would be enhanced, with the equipment designed to appeal to children of all ages, the proposal would improve the facilities on offer within the park itself. The area in which the play area would be extended into also does not contain any special features, and I am therefore satisfied that the proposal is in accordance with this policy.

#### **Visual Amenity, Design and Access**

The play area has been designed to accommodate equipment to appeal to all ages of children and therefore gives a better balance of provision. The toddlers play area would incorporate a small slide; a spring mounted motorbike and a toddler swing with anti-wrap fittings, and would be surfaced with 'loose fill' cushioning as the existing play area. The iPlay system would be solar powered via a separate panel, and offers interactive play for older children, whilst it would be surfaced using 'wetpour', a standard rubberised surface commonly used in play areas.

The play area would be accessed from two ramps with self-closing gates, allowing for disabled access, whilst the upper elements of the iPlay system could be switched off to allow for wheel chair users to use the facility. The area will also be surrounded by a 1m high fence, designed to compliment the existing play area. The plans do, however, indicate that the fence would be built in proximity to an existing mature tree, and whilst I am satisfied given the type of fencing proposed this would not harm the tree, I would propose a condition to ensure that excavation here is done by hand to ensure the roots are not harmed. Subject to this condition, I am satisfied that the proposal has been designed appropriately and would not harm visual amenity.



### **Residential Amenity**

The new play area would be located further away from the properties on Belle Vue Road than the existing play area, and I am satisfied in any event that it would not cause undue noise and disturbance, particularly the existing wall which currently separate the properties from the play area. The iPlay system does, contain an element of noise, however the sound level would be relatively low and the applicant has stated that the unit would only operate between 08:30 and 18:00. Given that there are residential properties within the vicinity, I propose that this be a condition of any permission. Subject to this condition, I am satisfied that residential amenity would not be harmed.

A response has been received to the application stating that anti-social behaviour is a continuing problem at the site, and this will be increased should permission be granted. I am satisfied that neighbouring properties, being separated from the play area by the wall, would not be harmed, whilst the City Council's Urban Rangers also regularly patrol the site. I do not, therefore, consider this sufficient reason for refusal and recommend the application is supported.

### **Conclusion**

The proposal would not have an unacceptable impact on residential and visual amenity or the character and appearance of the park itself and is therefore in accordance with Policies 34 and 52B of the City of Lincoln Local Plan.

### **Financial Implications**

None.

### **Legal Implications**

None.

### **Equality Implications**

There are no equality implications raised by this proposal, which are not considered under other legislation.

### **Application Negotiated Either at Pre-Application or During Process of Application**

No.

### **Application Determined Within Target**

Yes.

### **Recommendation**

Support and refer to Council for determination.

### **Conditions**

Standard years and plans conditions

Times of use of I-Play equipment

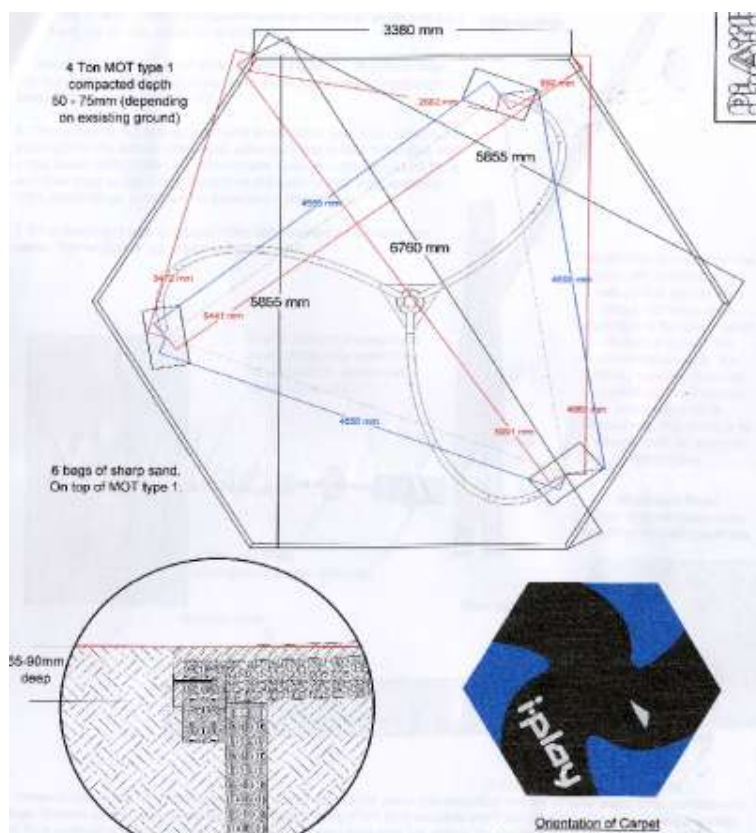
**Report by: Head of Planning Services**



Proposed Layout of Play Area



A



Layout of the iPlay area

<b>SUBJECT:</b>	<b>REFERRAL FROM COMMITTEE – PLANNING COMMITTEE – 16 APRIL 2008- KING GEORGES FIELD, OFF MACAULAY DRIVE, ST GILES</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>STEVE SWAIN –DEMOCRATIC SUPPORT MANAGER</b>

**1. Matter for Committee**

- 1.1 To consider the recommendation from the Planning Committee held on 16 April 2008. The report and minute from the Planning Committee are attached as **Appendices A and B.**

**List of Background Papers:** Planning Application in respect of the site.

**Lead Officer:** Steve Swain – Democratic Support Manager  
Telephone 873439

**EXTRACT FROM COMMITTEE**

161. APPLICATION FOR DEVELOPMENT  
KING GEORGE'S FIELD, OFF MACAULAY DRIVE, ST GILES  
APPLICATION NO: 2008/0001/RG3

The Development Control Manager

- (a) stated that this was a Regulation 3 application for the installation of a fixed play area, sports wall and youth shelter at King George V playing field
- (b) provided details of the policies pertaining to the application:
  - Policy 34: Design and Amenity Standards
  - Policy 48A: Existing Playing Fields
- (c) outlined responses made to the consultation exercise
- (d) gave details of the issues raised by this proposal as follows:
  - Local Plan Policy
  - Residential Amenity
  - Visual Amenity, Design and Access
- (e) concluded that the proposal would not have an unacceptable impact on residential amenity, visual amenity, was acceptable in policy terms and therefore in accordance with Policies 34 and 48A of the City of Lincoln Local Plan.

Members discussed the application in further detail.

RESOLVED that the application be supported and referred to Council for determination.

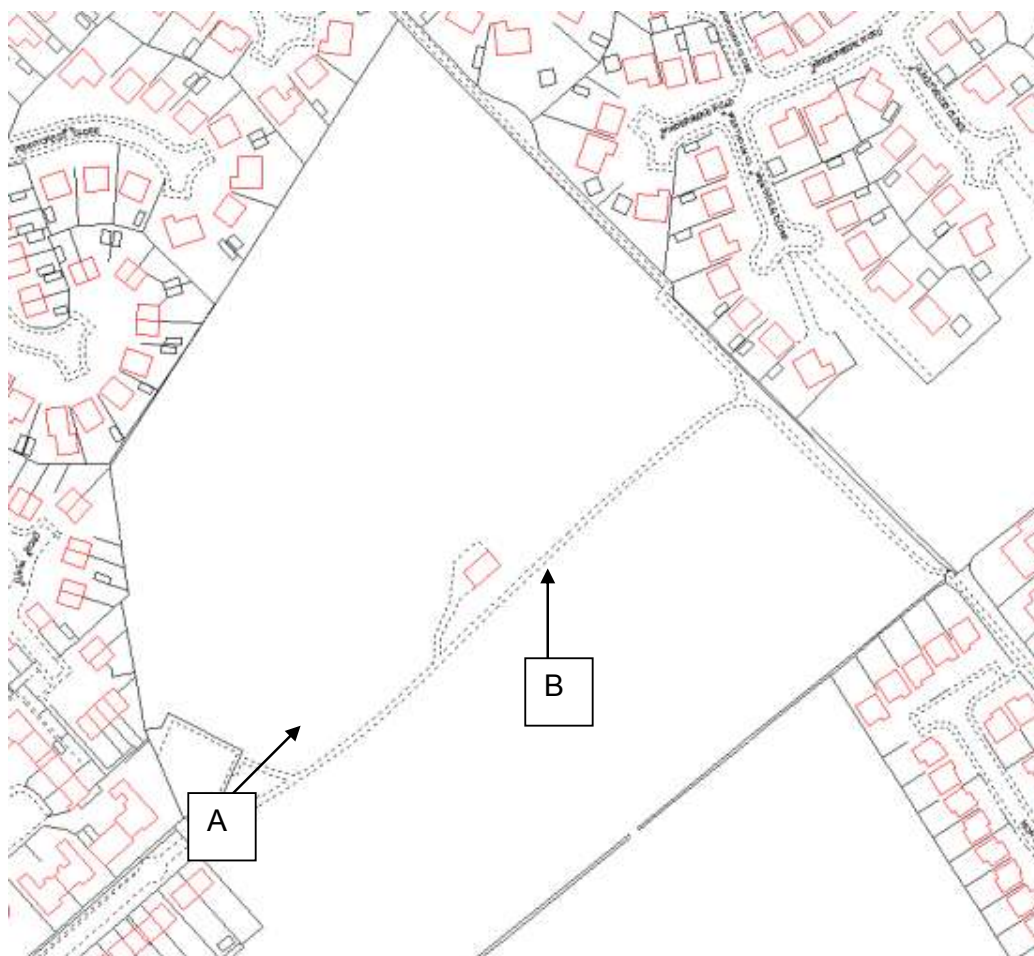
**Item No 4 (b)**

**Site:** King George's Field, off Macaulay Drive, St Giles  
**Application No:** 2008/0001/RG3  
**Target Date:** 19 April 2008  
**Agent:**  
**Applicant:** City of Lincoln Council  
**Development:** Installation of a Fixed Play Area, Sports Wall and Youth Shelter.

**Background**

The application is a Regulation 3 application for the installation of a fixed play area, sports wall and youth shelter at King George IV playing field. The main access to King George V field is off Macaulay Drive, however the site is bounded by residential development on all sides by the St Giles, Nettleham Fields and Glebe Park housing estates, whilst a public footpath runs adjacent to the site linking Wolsey Way with Montaigne Garden.

The play area would be located to the southwest of the site, adjacent to the main pathway through the site, whilst the sports wall and youth shelter would be sited utilising the existing hard court area from an outdoor basketball court.

**Site Visit**

31 March 2007.

**Issues**

- Local Plan Policy
- Residential Amenity
- Visual Amenity, Design and Access.

**Policies Referred to**

Policy 34: Design and Amenity Standards

Policy 48A: Existing Playing Fields.

**Consultations**

Consultations were carried out in accordance with the Statement of Community Involvement, adopted June 2006.

**Responses**

No objections, Highways & Planning  
Lincolnshire County Council.

Observations made, Mrs S M Gray  
22 Windermere Road, Lincoln, LN2 4UA  
Concerned that the proposed play area will lead to increased anti-social behaviour in the area.

Mixed, Maureen Geddis  
10 Thistle Close, Lincoln, LN2 4TE  
Support for the application, however, concerns regarding anti-social behaviour and security.

## **Consideration of Issues**

### **Local Plan Policy**

#### **Policy 48A: Existing Playing Fields**

The site is allocated as an existing playing field within the City of Lincoln Plan. As such, the facilities to be provided should be ancillary to the primary use of the land for the playing of sport or similar recreational pursuits, and should meet a community need. I am satisfied that the development proposed serves to enhance the recreational facilities at the site, satisfying many of the main points of this policy. The Youth Forum at St Giles Community Centre has also helped to select equipment at the site, and so the proposals have been developed to meet the needs of the community. I am satisfied, therefore, that the proposals are in accordance with this policy.

#### **Visual Amenity, Design and Access**

The site for the main play area is close to the car park for the site, as well as the main pathway which runs through the centre of the field, and I am therefore satisfied that the play area would be accessible and would be appropriately located. The equipment for the play area would be primarily aimed at younger children, although it would be suitable for a wide range of ages and abilities, including wheel chair users, whilst the surface would be black wetpour which is a standard surface for play areas. The play area would be surrounded by a 1m high, green bow top fence with contrasting yellow self-closing gates, to enable disabled access. I am therefore satisfied that the play area has been designed appropriately.

The youth shelter and sports wall would be constructed on the existing, hard court basketball area located centrally within the field. Aimed at older children, it would be sited a suitable distance away from the play area, whilst the apparatus has been designed appropriately. I am therefore satisfied that both proposals are acceptable in design terms, and would not harm visual amenity.

#### **Residential Amenity**

The play areas have been sited to minimise the impact on local residents. The sports wall and youth shelter, where older children may congregate, would be located approximately 85m from the nearest properties, which back onto the site from Windermere Road and Westholm Close. This is a suitable distance to ensure that any noise and disturbance created would not impact upon these properties, whilst the play area would be located over 60m away from the nearest properties, located on Macaulay Drive, Sheridan Close and Lupin Road.

Two local residents have raised concerns regarding the potential for the proposals to lead to increased anti-social behaviour in the area. Again, I am satisfied that both proposals are located sufficient distances away from properties, whilst the site is patrolled by the City Council's Urban Rangers daily which should act as a deterrent.

I am therefore satisfied that the development would not have an unacceptably harmful impact on residential amenity.

## **Conclusion**

The proposal would not have an unacceptable impact on residential amenity, visual amenity and is acceptable in policy terms, and is therefore in accordance with Policies 34 and 48A of the City of Lincoln Local Plan.

## **Financial Implications**

None.

### **Legal Implications**

None.

### **Equality Implications**

There are no equality implications raised by this proposal, which are not considered under other legislation.

### **Application Negotiated Either at Pre-Application or During Process of Application**

No.

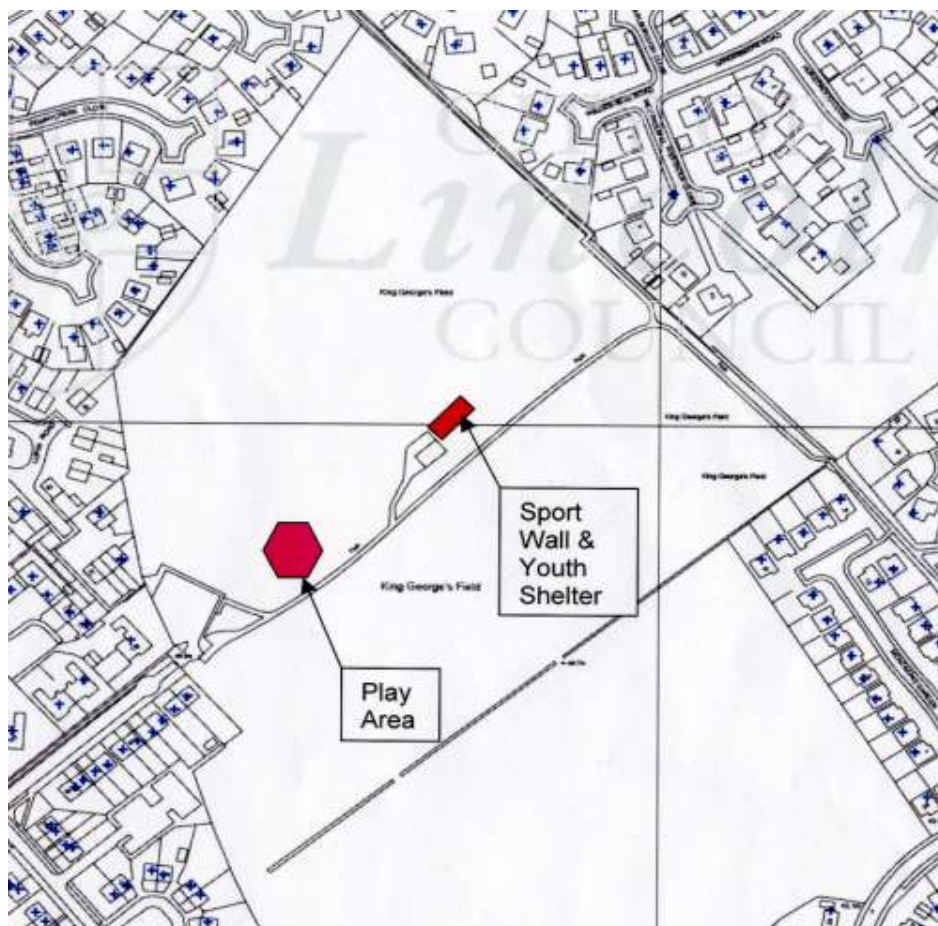
### **Application Determined Within Target**

Yes.

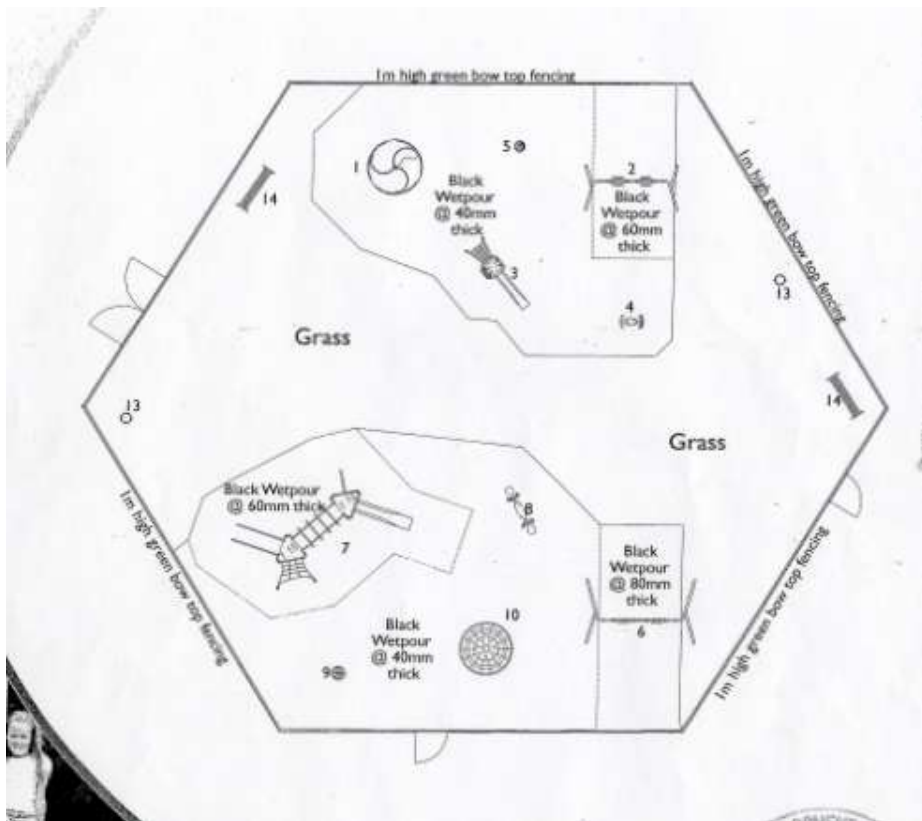
### **Recommendation**

Support and refer to Council for determination.

**Report by: Head of Planning Services**



Proposed Siting of Play Area, Sports Wall and Youth Shelter



Proposed Layout of the Play Area



Proposed Sports Wall



Proposed Youth Shelter



A



B

<b>SUBJECT:</b>	<b>REFERRAL FROM COMMITTEE – PLANNING COMMITTEE – 28 MAY 2008 – HUGHES HOUSE, FORDHAM HOUSE, MURFIN HOUSE, DE WINT AVENUE</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>STEVE SWAIN – DEMOCRATIC SUPPORT MANAGER</b>

**1. Matter for Committee**

- 1.1 To consider the recommendation from the Planning Committee held on 28 May 2008 in respect of Hughes House, Fordham House, Murfin House, De Wint Avenue. The report and minute from the Planning Committee are attached as **Appendices A and B.**

**List of Background Papers:** Planning Application in respect of the site.

**Lead Officer:** Steve Swain – Democratic Support Manager  
Telephone 873439

7. APPLICATION FOR DEVELOPMENT  
HUGHES HOUSE, FORDHAM HOUSE, MURFIN HOUSE DE WINT  
AVENUE  
APPLICATION NO: 2008/0102/RG3

The Development Control Manager

- (a) stated that the application related to the provision of a hipped roof on each building.
- (b) provided details of the policy pertaining to the application as follows:
  - Policy 34: Design and Amenity Standards
- (c) outlined responses made to the consultation exercise
- (d) gave details of the issues raised by this proposal as follows:
  - Effect on Residential Amenities of Neighbouring Properties
  - Effect on the Visual Amenity of the Wider Area
- (e) concluded that the proposal would not cause harm to the residential amenities of neighbouring properties nor the visual amenity of the wider area in accordance with Policy 34 of the City of Lincoln Local Plan.

Members discussed the application in further detail.

RESOLVED that the application be supported and referred to Council for determination.

### Item No 4 (b)

**Site:** Hughes House, Fordham House, Murfin House, De Wint Avenue  
**Application No:** 2008/0102/RG3  
**Target Date:** 10 April 2008  
**Agent:** Mr S Gilman Steve Gilman Design Ltd  
**Applicant:** City of Lincoln Council  
**Development:** Erection of a Hipped Roof on Each Building.

### **Background**

This Regulation 3 application is for the erection of a hipped roof to Hughes House, Fordham House and Muffin House, all located on De Wint Avenue. The premises are two-storey council owned properties accommodating one-bedroom flats.

### **Site Visit**

Undertaken on 10 April 2008

### **Issues**

- Residential Amenity
- Visual Amenity

### **Policies Referred to**

Policy 34: Design and Amenity Standards

### **Responses**

No objections, Highways & Planning  
Lincolnshire County Council.

### **Consultations**

Consultations were carried out in accordance with the Statement of Community Involvement, adopted June 2006.

### **Consideration of Issues**

The existing flat roof buildings measure 5.7m high, and the proposal will increase this to a maximum ridge height of 8.4m. The roof will be tiled with Britmet Ultratiles and have a 22.5° pitch. The Britmet tiles are lightweight and can therefore be accommodated on the existing building without the need for significant structural alterations.

### **Residential Amenity**

There would be no effect on the amenities of the occupants of the three buildings. The closest relationship with an adjacent property is 13m between Hughes House and 99 De Wint Avenue. I consider that this is acceptable and that the roof to the building would neither appear overbearing nor result in an unacceptable degree of loss of light. I am therefore also satisfied that the relationship of the proposal with other neighbouring properties is appropriate.

### **Visual Amenity**

I consider that the principle of erection of hipped roofs to these buildings would improve their appearance and accordingly the visual amenity of the wider area. Whilst the Britmet tiles are not a common feature in the area, I am satisfied that their appearance would be acceptable.

**Conclusion**

The proposal would not cause harm to the residential amenities of the occupants of neighbouring properties nor the visual amenity of the wider area, in accordance with Policy 34 of the City of Lincoln Local Plan.

**Financial Implications**

None.

**Legal Implications**

None.

**Equality Implications**

There are no equality implications raised by this proposal, which are not considered under other legislation.

**Application Negotiated Either at Pre-Application or During Process of Application**

No.

**Application Determined Within Target**

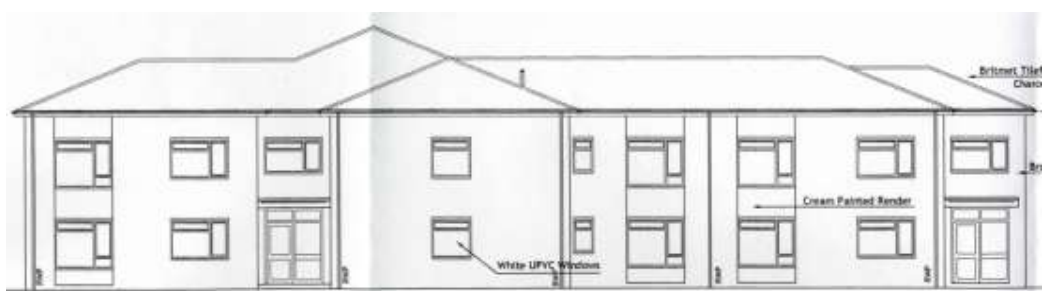
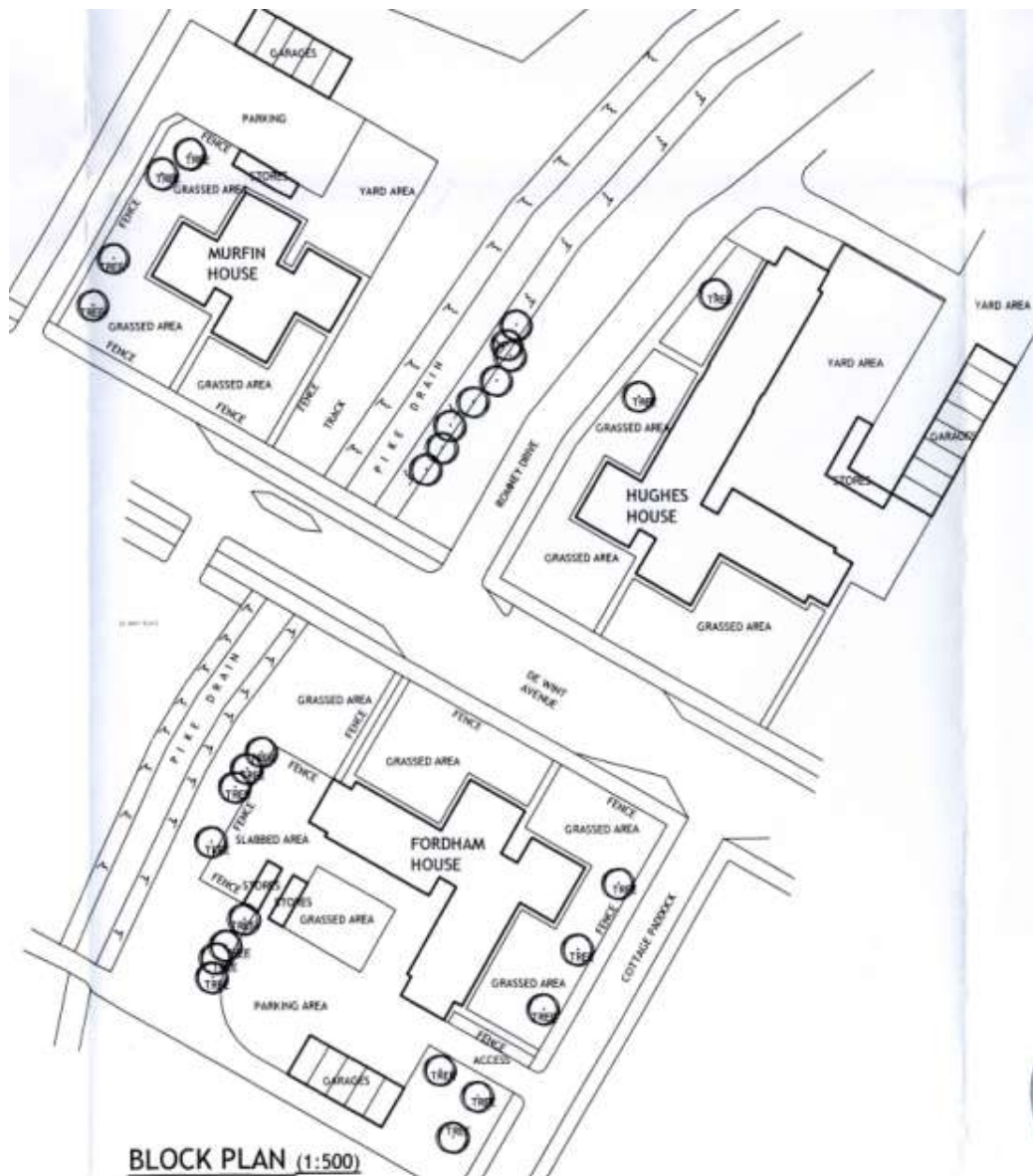
No, application will need presenting to both the Planning Committee and Full Council, which could not be achieved within eight-week period.

**Recommendation**

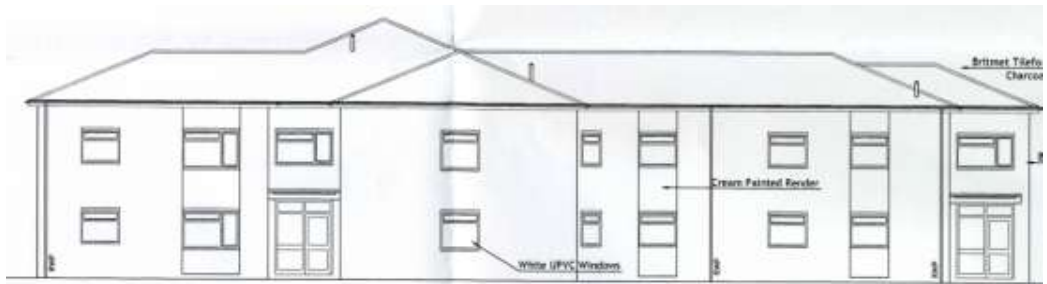
Support and refer to Full Council for determination.

**Report by: Head of Planning Services**





Proposed south elevation of Hughes House



Proposed north elevation of Fordham House



Proposed south elevation of Murfin House



A: Hughes House viewed from De Wint Avenue



B: Fordham House from De Wint Avenue



C: Murfin House from De Wint Avenue

**SUBJECT:** REFERRAL FROM COMMITTEE – PLANNING COMMITTEE – 28 MAY 2008 – YARBOROUGH LEISURE CENTRE, RISEHOLME ROAD

**REPORT BY:** DIRECTOR OF RESOURCES

**LEAD OFFICER:** STEVE SWAIN –DEMOCRATIC SUPPORT MANAGER

**1. Matter for Committee**

- 1.1 To consider the recommendation from the Planning Committee held on 28 May 2008 in respect of Yarborough Leisure Centre, Riseholme Road. The report and minute from the Planning Committee are attached as **Appendices A and B.**

**List of Background Papers:** Planning Application in respect of the site.

**Lead Officer:** Steve Swain – Democratic Support Manager  
Telephone 873439

8. APPLICATION FOR DEVELOPMENT  
YARBOROUGH LEISURE CENTRE, RISEHOLME ROAD  
APPLICATION NO: 2008/0121/RG3

The Development Control Manager

- (a) stated that the application was for the erection of a single storey store and two temporary buildings to accommodate toilet and shower facilities.
- (b) provided details of the policies pertaining to the application:
  - Policy 34: Design and Amenity Standards
  - Policy 48A: Existing Playing Fields
- (c) outlined responses made to the consultation exercise
- (d) gave details of the issues raised by this proposal as follows:
  - Effect on residential amenity
  - Effect on visual amenity
- (e) concluded that the proposed buildings would not harm residential amenity or visual amenity and therefore was in accordance with Policies 34 and 48A of the City of Lincoln Local Plan.

Members discussed the application in further detail.

RESOLVED that the application be supported and referred to Council for determination to include the following conditions:-

- Standard 3 year condition
- To be developed in accordance with the approved plans
- Temporary period for shower and toilet facilities

**Item No 4 (c)**

**Site:** Yarborough Leisure Centre, Riseholme Road  
**Application No:** 2008/0121/RG3  
**Target Date:** 1 May 2008  
**Agent:** R L Loukes MBA Architects Ltd  
**Applicant:** City of Lincoln Council  
**Development:** Erection of a Single Storey Store and Two Temporary Buildings to Accommodate Toilet and Shower Facilities.

**Background**

The application is a Regulation 3 application by the City Council for the erection of a single storey store and two temporary buildings to accommodate toilet and shower facilities. The application premises are Yarborough Leisure Centre located on Riseholme Road.

The application proposes the erection of a single storey store and two temporary buildings. The proposed store would measure 18.9 metres wide x 6.5 metres deep and have a mono-pitched roof; the highest part of the roof would be 4.25 metres high. The proposed temporary building to provide shower facilities would measure 9.75 metres wide x 3.04 metres deep x 3.4 metres high. The proposed temporary toilet block would measure 4.86 metres wide x 2.74 metres deep x 2.4 metres high.

**Site Visit**

Undertaken on 14 April 2008.

**Issues**

To assess the proposal with regard to:

- Effect on the amenities of neighbouring properties.
- Effect on the visual amenity of the wider area.

**Policies Referred to**

Policy 34: Design and Amenity Standards  
Policy 48A: Existing Playing Fields

**Responses**

No objections, Highways & Planning  
Lincolnshire County Council

**Consultations**

Consultations were carried out in accordance with the Statement of Community Involvement, adopted June 2006.

**Consideration of Issues**

**Effect on Residential Amenity.**

The proposed store would replace an existing wooden shed. The store would be

positioned 1 metre from the boundary with 39a Anzio Crescent, defined by substantial planting and an approximately 2 metre high close-boarded fence. Given this boundary treatment I do not consider there will be any issues of overlooking. Given the single storey nature of the proposed I also do not consider that it would appear unduly dominant or overbearing in relation to this property. Located to the Northwest of No. 39a I do not consider that there would be any issues of loss of light. The proposed store would therefore not have a detrimental effect on the occupiers of No. 39a Anzio Crescent.

The proposed shower and toilet facilities would be obscured from No. 39a by the proposed store. I therefore do not consider they would harm the residential amenity of this property.

#### **Effect on Visual Amenity**

The proposed store would be visible to those using the facilities at the leisure centre and above the boundary treatment on Anzio Crescent. Given the appropriate design and materials, I do not consider that the visual amenity of the wider area would be harmed.

The design and general appearance of the toilet and shower blocks are functional, however, given that this is for a temporary period until new purpose built facilities are completed I consider that the provision of these facilities for the users far outweighs the appearance of the structures.

#### **Conclusion**

The proposed buildings will not harm residential amenity or visual amenity and therefore are in accordance with Policy 34 and 48A of the City of Lincoln Local Plan.

#### **Financial Implications**

None.

#### **Legal Implications**

None.

#### **Equality Implications**

There are no equality implications raised by this proposal, which are not considered under other legislation.

#### **Application Negotiated Either at Pre-Application or During Process of Application**

No.

#### **Application Determined Within Target**

No requires determination by Full Council.

#### **Recommendation**

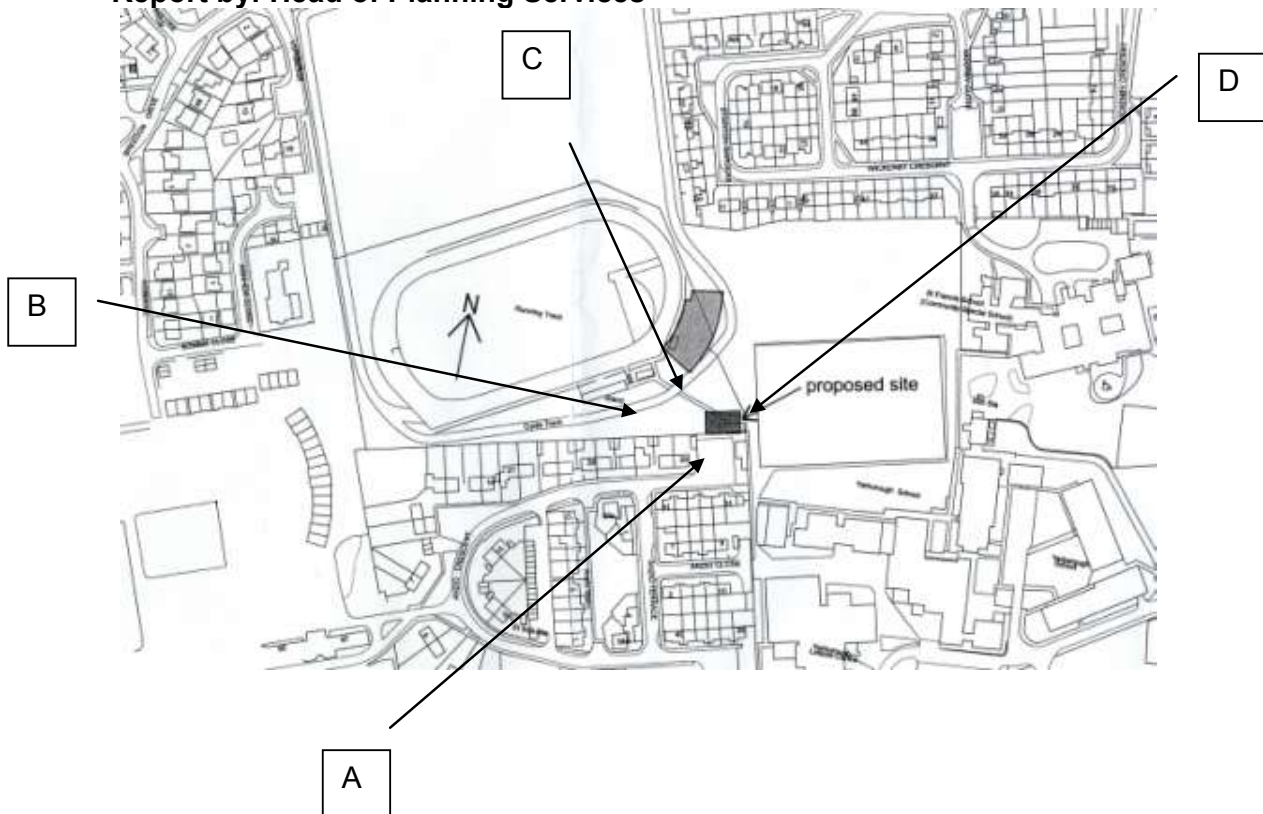
Support and refer to Full Council for determination.

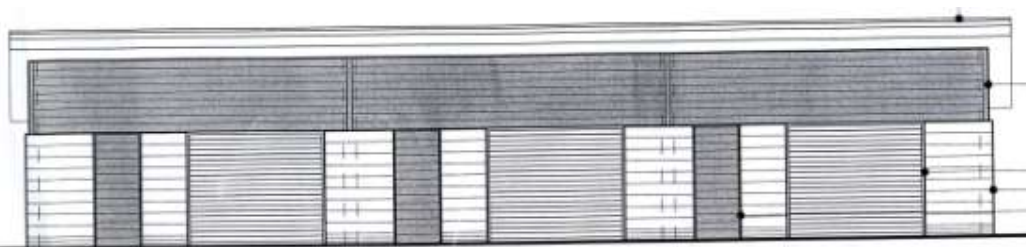
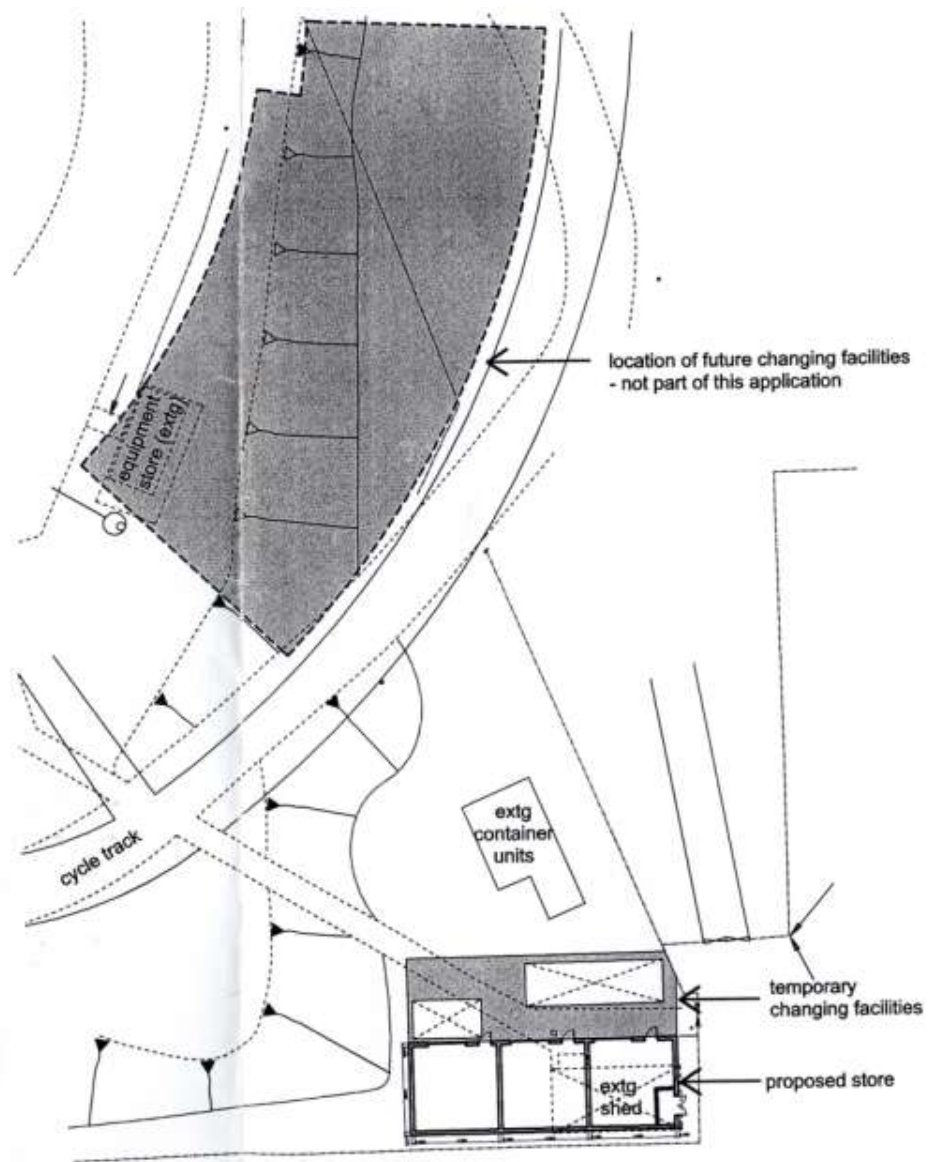
#### **Conditions**

Standard 3 Year condition

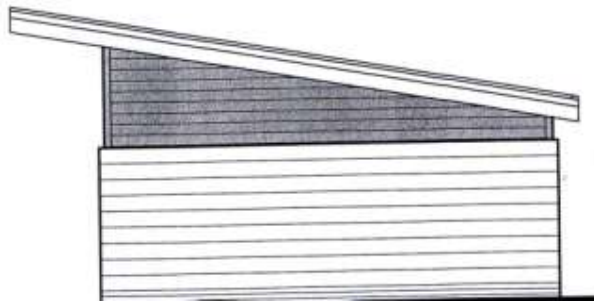
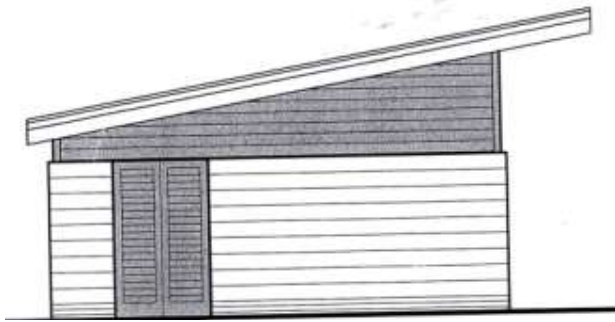
In accordance with approved plans.  
Temporary period for shower and toilet facilities.

**Report by: Head of Planning Services**





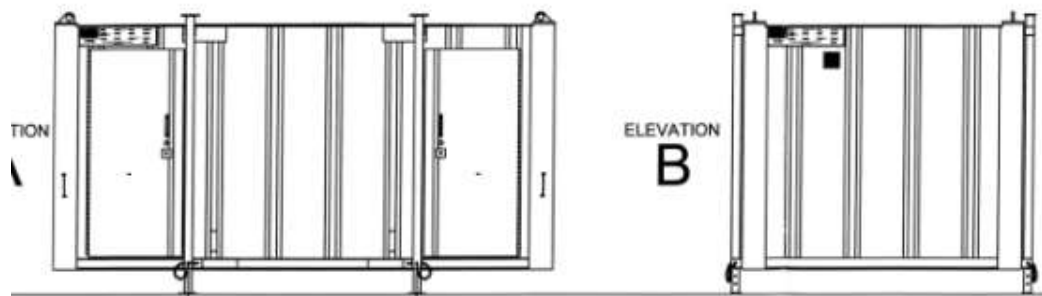
Front Elevation



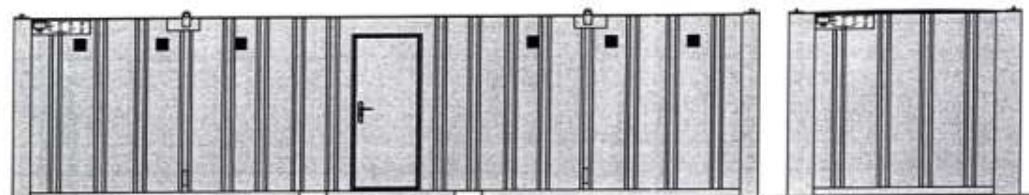
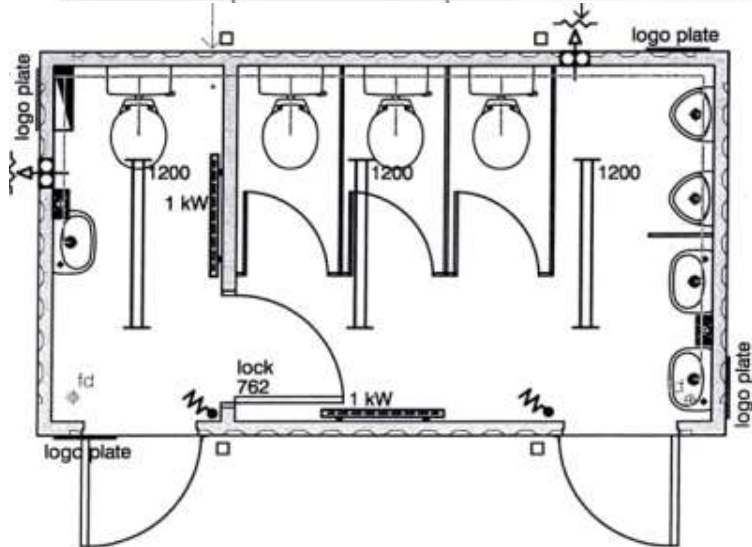
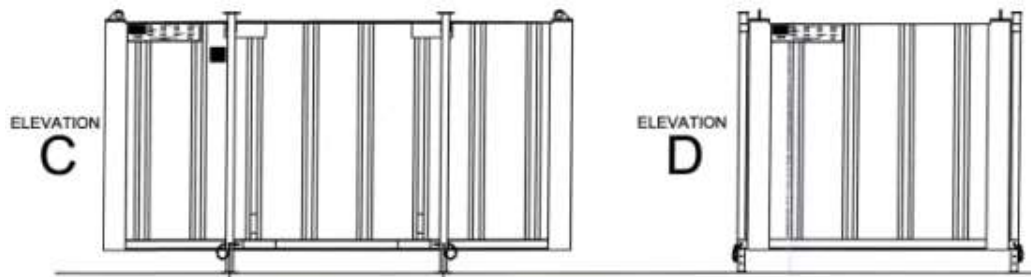
Side Elevations



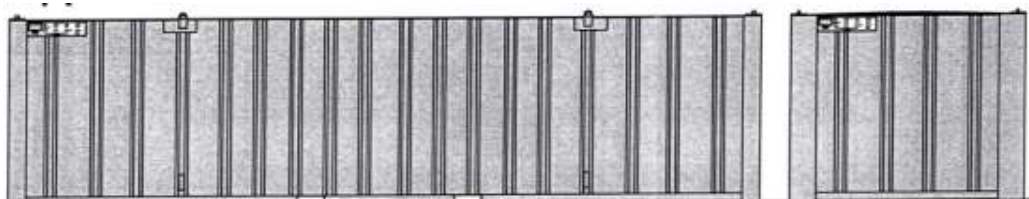
Rear Elevation

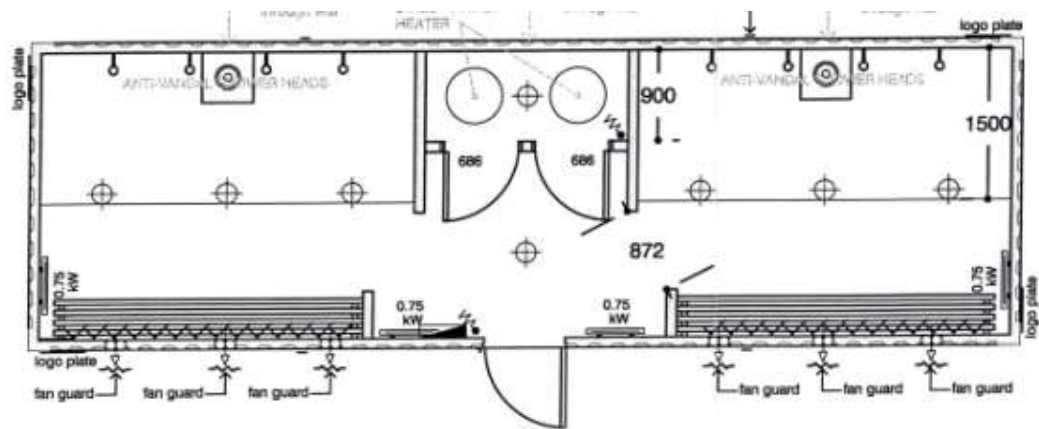


Toilet Block



Shower Units





Photograph A



Photograph B



Photograph C



Photograph D

<b>SUBJECT:</b>	<b>REFERRAL FROM COMMITTEE – PLANNING COMMITTEE _ 25 JUNE 2008 – THE TERRACE, GRANTHAM STREET</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>STEVE SWAIN – DEMOCRATIC SUPPORT MANAGER</b>

**1. Matter for Committee**

- 1.1 To consider the recommendation from the Planning Committee held on 25 June 2008 in respect of The Terrace, Grantham Street. The report is attached as **Appendix A.**

**List of Background Papers:** Planning Application in respect of the site.

**Lead Officer:** Steve Swain – Democratic Support Manager  
Telephone 873439

**NB. The relevant minute will be distributed after the Planning Committee held on the 25 June 2008.**

**Item No 4 d**

**Site:** The Terrace Grantham Street  
**Application No:** 2008/0276/F  
**Target Date:** 26th June 2008  
**Agent:** Mr S Waite Steve Waite Design Ltd  
**Applicant:** City Of Lincoln Council  
**Development:** Formation of external landing and steps with balustrading to form access/egress from part of existing building.

**Background**

The application site is The Terrace managed workspace recently completed on Grantham Street. The application proposes to install a short flight of steps from the café situated at the eastern end of the building down to the outdoor courtyard where it is proposed to site some additional tables.

The City of Lincoln Council is the applicant although the café will be operated by a private company.

**Site Visit**

Undertaken on 29<sup>th</sup> May 2008.

**Issues**

The issue raised by this application is one of visual amenity – are the steps of a suitable design for the building to which they relate.

**Policies Referred to**

Policy 34 – Design and Amenity Standards

**Responses**

No objections, Highways & Planning  
Lincolnshire County Council

No objections, Lincoln Civic Trust  
St Mary's Guildhall, 385 High Street, Lincoln, LN5 7RY

**Consultations**

Consultations were carried out in accordance with the Statement of Community Involvement, adopted June 2006.

**Consideration of Issues**

This is a straightforward proposal which is before Planning Committee because the application is made by the City Council.

The steps are designed to allow easy access between the café and the outdoor courtyard at the Terrace and the full height glazing on the café will slide back to

give access.

The detailed design is important as the main building is a carefully detailed contemporary piece of architecture. There are only three steps but they need to be provided with a balustrade to comply with the building regulations and this has been the subject of discussion with the designer. The steps will be faced and surfaced with materials which match those on the building and the balustrade has been revised from a steel railing to a glass screen to better complement the main building.

**Conclusion**

The proposal is sensitively designed and is appropriate for the building.

**Financial Implications**

None

**Legal Implications**

None

**Equality Implications**

There are no equality implications raised by this proposal which are not considered under other legislation

**Application negotiated either at pre-application or during process of application**

Yes.

**Application determined within target**

Yes.

**Recommendation**

That Planning Committee supports the application and refers it to Council for a decision.

**Report by: Head of Planning Services**





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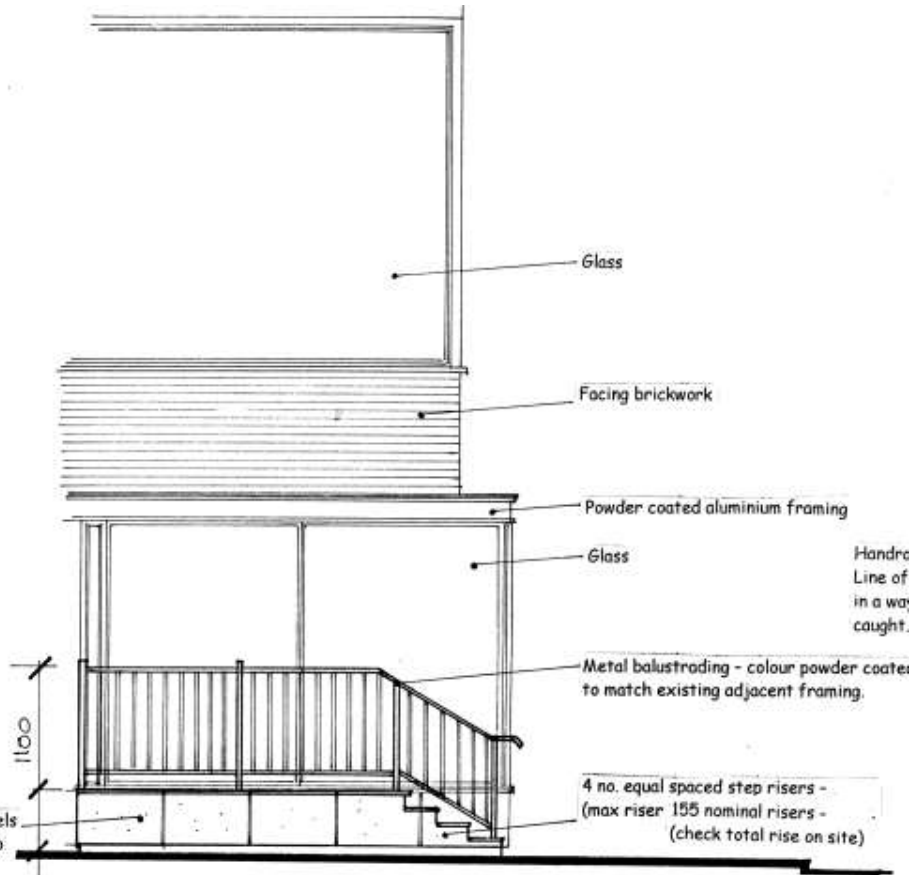
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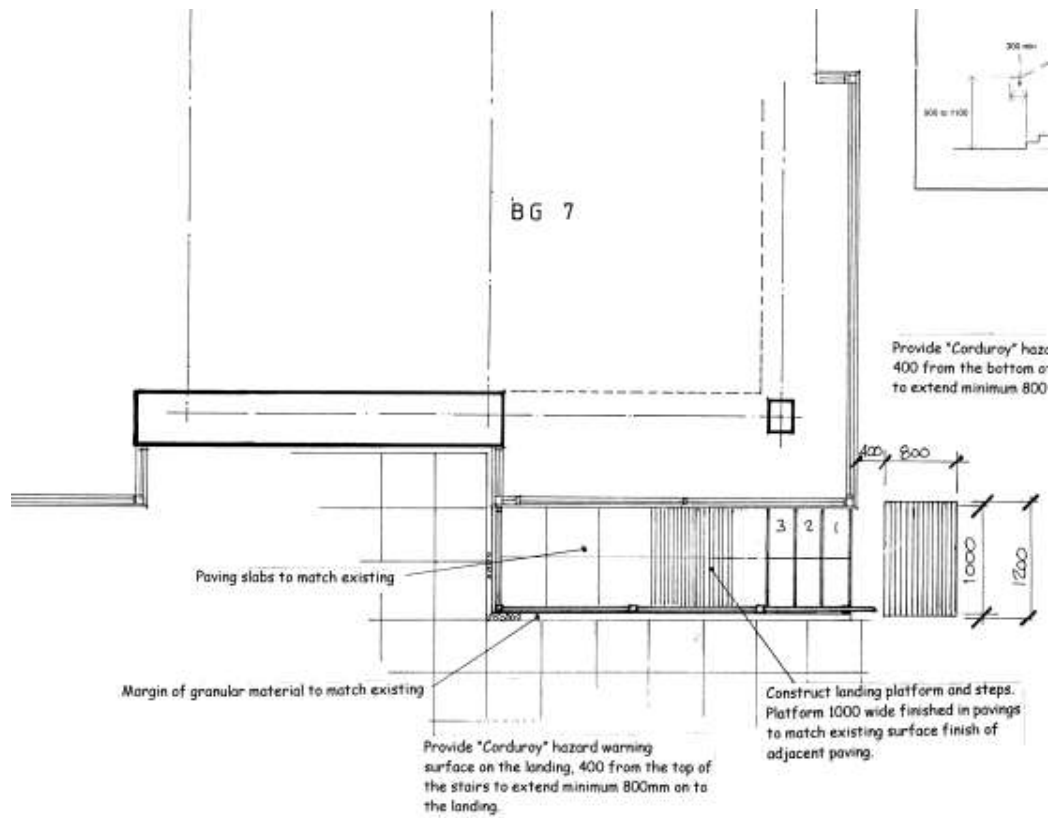
tuted stone panels  
 existing units to  
 ew steps

600 nom



**Proposed South Elevation (part)**

**Diagram 5 External steps and key dimensions**



**Proposed Ground Floor Plan**

<b>SUBJECT:</b>	<b>EXTRACT FROM COMMITTEE – LICENSING COMMITTEE – 3 JUNE 2008– HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE TEST FEES</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>STEVE SWAIN – DEMOCRATIC SUPPORT MANAGER</b>

**1. Matter for Council**

1.1 To approve the test fees for hackney carriage and private hire vehicles.

**List of Background Papers:** Minute and Report from the Licensing Committee held on the 3 June 2008.

**Lead Officer:** Steve Swain – Democratic Support Manager  
Telephone 873439

**Extract from Committee**

**6. HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE TEST FEES**

The Director of Resources advised

- (a) on the current situation in respect of Hackney Carriage and Private Hire vehicle test fees.
- (b) that the testing of vehicles licensed as hackney carriages or private hire vehicles is conducted by Cory Environmental Municipal Services (Cory) on behalf of the Council.
- (c) that the Council had approved and published the fees in respect of test fees for 2008/09.
- (d) on the current fees that are being levied by Cory which are above the fees approved by Council.
- (e) that there was no current contract in place to limit the fee that Cory can charge.
- (f) that VOSA had set the maximum fee for MOT tests at £50.35 however the test conducted on Hackney Carriages and Private Hire vehicles is an enhanced version of the MOT.
- (g) that in the event of Cory further increasing their fees that cost cannot, under the current arrangements be passed on to the proprietors and would have to be borne by the Council.
- (h) that only the costs of administering the service can be recouped from the proprietors.
- (i) That action was required to :-
  - immediately increase fees to prevent any further loss on the testing of vehicles;
  - put in place plans to immediately react to increases (or decreases) in fees charged to the Council and not wait for either the annual fees setting exercise or interim reports to Council;
  - set the administration fee to produce the test certificates at £3.65; and
  - set a charge of £3.65 for the issue of replacement test certificates.

RESOLVED that

- (1) Council be recommended to: -
  - (i) approve the fees as detailed in Appendix A to the report.
  - (ii) approve that determination of the fees for vehicle/meter testing be a variable amount based on the actual fee charged to the Council by the testing garage plus the administration fee for the production of the test certificate.
  - (iii) set the administration fee for the production of test certificates for 2008/09 at £3.65.
  - (iv) set a fee for issuing replacement test certificates at £3.65 and that the fee be subject to annual adjustments.
- (2) CMT be advised of the urgency required to complete the necessary contract arrangements with Cory.

<b>SUBJECT:</b>	<b>HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE TEST FEES</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>KEVIN BARRON, LICENSING MANAGER</b>

## **1. Purpose of Report**

- 1.1 To advise the Licensing Committee of the current situation in respect of Hackney Carriage and Private Hire vehicle test fees and request it to make recommendations to Council which has authority to set fees.

## **2. Background**

- 2.1 The testing of vehicles licensed as hackney carriages or private hire vehicles is conducted by Cory Environmental Municipal Services (Cory) on behalf of the Council. There is no contract in force to limit the fees for testing.
- 2.2 The Council has approved and published the fees in respect of test fees for 2008/09.
- 2.3 The approved fee to be paid by the proprietor for a vehicle test certificate is currently £30. This fee was increased from the 2007/08 approved fee of £28. This latter fee was based on a test fee of £24.35 and £3.65 an administrative fee levied by DHCS at Hamilton House for production of the test certificate. It is not known how the 2008/09 was to be split between test fee and administration fee.
- 2.4 There are other fees for a taximeter test and a combined vehicle and taximeter tests which are £11.30 and £38.10 respectively. These figures include the administration fee.
- 2.5 Cory has increased the fee it charges to the Council for testing vehicles after fees were set.
- 2.6 Currently there is no charge levied to issue a replacement licence following the original's loss etc. This service requires officers to search through past records to obtain the details to issue a replacement.

### **3. Details of Proposed Fees and Charges**

3.1 Cory Environmental have increased the cost of the vehicle tests to:

Test -	£48.70
Re-test following failure -	If presented the same day - no charge If presented later full charge of £48.70.
Test and meter test/sealing -	£48.70
Meter test/sealing -	£24.35
Test following accident -	Previously no charge made – not yet decided but could be full test fee of £48.70.

3.2 There is no current contract in place to limit the fee that Cory can charge.

3.3 VOSA has set the maximum fee for MOT tests at £50.35. The test conducted on Hackney Carriages and Private Hire vehicles is an enhanced version of the MOT.

3.4 Vehicle testing is a commercial activity and unless tied within a contract, is subject to change at any time.

3.5 Should Cory increase their fees above the current cost, then that increase cannot, under the current arrangements, be passed on to the proprietors and would have to be subsidised by the Council.

3.6 The Local Government (Miscellaneous Provisions) Act 1976 prohibits the Council from making any profit from the Hackney Carriage and Private Hire licensing regimes. Therefore, only the actual cost incurred by the Council in administering the regime can be passed on to the licence holders.

3.7 Therefore immediate action is required:

- To immediately increase fees to prevent any further loss on the testing of vehicles;
- To put in place plans to immediately react to increases (or decreases) in fees charged to the Council and not wait for either the annual fees setting exercise or interim reports to Council;
- To set the administration fee to produce the test certificates at £3.65; and
- To set a charge of £3.65 for the issue replacement test certificates.

### **4. Resource Implications**

4.1 (i) Finance (including impact on Savings Targets) -

- The Council is at risk of having to subsidise the cost of test fees. The

exact amount cannot be determined. The vehicles are tested twice per year and there are additional tests required following accidents and for replacement vehicles. This equates to approximately 700 tests per year.

- Work is being undertaken by staff at Hamilton House to provide replacement test certificates which have been lost/stolen for no charge. This work involves checking past records in order to confirm and extract details required before a replacement can be issued.

## **5. Legal Implications**

- 5.1 The Council determined that all vehicles be tested by Cory and can determine the fee to be charged to the proprietors for the testing and production of the test certificate.

## **6. Assessment of Options**

- 6.1 (i) Key Issues - loss of revenue to the Council
- 6.2 (ii) Risks Assessment (including Impact Assessment) – uncertainty of outcome of contract or contract tendering.

## **7. Recommendation**

- 7.1 The Committee is requested to recommend to Council the measures in paragraphs 7.2, 7.4 and 7.5 and one option from 7.3.

- 7.2 That the Council approve the fees as specified in Appendix A with immediate effect.

- 7.3 That the Council authorise the Chairman of the Licensing Committee, in consultation with the Licensing Manager, to authorise the fees charged to proprietors for the testing of vehicles/meters;

OR

To determine that fees for vehicle/meter testing be a variable element based on the actual fee charged to the Council by the testing garage plus the administration fee for production of the test certificate.

In both options above; the administration fee be retained as a full Council function within its annual fee determination.

- 7.4 That the Council set the administration fee for production of test certificates for 2008/2009 at £3.65.

- 7.5 That the Council set a fee for issuing replacement test certificates at £3.65 and that this fee be subject to annual adjustments.

**Access to Information:**

Does the report contain exempt information, which would prejudice the public interest requirement if it was publicised? No

**Key Decision** No

**Key Decision Reference 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

**List of Background Papers:** Appendix A Table of fees to be approved.

**Lead Officer:** Kevin Barron  
Telephone 873564

		<b>Checklist Applies</b>	<b>Checklist Completed and retained as a background document</b>	<b>Consultation Required (Insert Name of Consultee and Date Completed)</b>
<b>Report Section That Applies</b>	<b>Items For Inclusion in all reports</b>	<b>Yes/No</b>	<b>Yes/No</b>	
Resource Implications	Financial Implications (including impact on savings targets)	Yes		Nick Rouse Angela Andrews John Bibby Howard Usher Sandra Hudson
Resource Implications	Staffing	No		
Resource Implications	Property/Land/ Accommodation	No		
Resource Implications	Procurement	No		
Legal Implications	Legal	No		Phil Dawson
Legal Implications	Contractual	No		Phil Dawson
Legal Implications	Constitutional Issues	No		
Policy Implications	Strategic Priority	No		
Policy Implications	Section 17 Crime and Disorder	No		
Policy Implications	Equality and Diversity (NB a full IA is mandatory if the report relates to a new/change to council policy)	No		
Policy Implications	Environmental Sustainability	No		
Policy Implications	Community engagement/ communication	No		
Risk Implications	Risk Assessment	No		

**APPENDIX A**

<b>Type of Test</b>		<b>Fee</b>
Vehicle Test		£52.35
Vehicle Test following failure	If presented same day	No charge
Vehicle Test following failure	If presented other than on same day	£48.70
Vehicle Test and meter sealing		£52.35
Meter Sealing		£24.35
Vehicle Test following accident	If fee levied by testing station	£48.70
Replacement Test Certificate		£3.65

<b>SUBJECT:</b>	<b>EXTRACT FROM COMMITTEE – LICENSING COMMITTEE – 3 JUNE – REVIEW OF HACKNEY CARRIAGE FARES</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>STEVE SWAIN – DEMOCRATIC SUPPORT MANAGER</b>

**1. Matter for Council**

- 1.1 To approve a request from the Hackney Carriage trade for an increase in Hackney Carriage fare rates.

**List of Background Papers:** Minute and Report from the Licensing Committee held on the 3 June 2008.

**Lead Officer:** Steve Swain – Democratic Support Manager  
Telephone 873439

## EXTRACT FROM COMMITTEE

7. REVIEW OF HACKNEY CARRIAGE FARES

The Director of Resources

- (a) presented a report requests from members of the Hackney Carriage trade for an increase in Hackney Carriage fares.
- (b) advised that the last fare increase took place in November 2006 and the current tariff was appended to the report.
- (c) advised that appended to the report were two proposals for increases however the one submitted by Mr James Hart had the greater support from proprietors.
- (d) advised that Mr Hart also requested the inclusion of a provision of an incremental surcharge of 20p for each journey when the price of diesel reaches £1.30p a litre and for each 10p increase in the cost of diesel beyond £1.30 a further 20p surcharge be applied. The advantage of this would be that fares would react to increases and decreases in fuel costs instantly.
- (e) advised that in addition to the increase in fares, the applicants have requested a decrease in the distance travelled at which increments to fare are made.
- (f) any proposal to increase fares must be referred to Council for approval following which, if approved, must be advertised in a local newspaper.

Mr James Hart , representing Proprietors who supported his application, addressed the Committee in support of the proposals and advised as follows:-

- (1) since the last increase in November 2006 there has been a steady increase in the price of fuel which currently stands at around £1.25 per litre.
- (2) Within the same period there had been increases in test fees
- (3) The cost of maintaining vehicles had also increased.
- (4) Accepted it was a difficult time to request an increase but it was necessary.
- (5) It was not possible to absorb the increases anymore without a fare increase.

RESOLVED that Council be recommended to approve: -

- 1) the increase in fares and decrease in distance for flag falls as set out in Appendix A to the report
- 2) a fuel surcharge of 20p for each price increase of 10p per litre commencing at £1.30

**SUBJECT: REVIEW OF HACKNEY CARRIAGE FARES**

**REPORT BY: DIRECTOR OF RESOURCES**

**LEAD OFFICER: MICHAEL RIGG, LICENSING OFFICER**

### **1. Purpose of Report**

- 1.1 To consider requests from members of the Hackney Carriage trade for an increase in Hackney Carriage Fares as set out in Appendix A and C

### **2. Background**

- 2.1 The last fare increase took place in November 2006 and the current tariff is shown at Appendix B.

- 2.2 The cost of diesel and other fuels has increased dramatically in the last few months, and is currently increasing on a weekly if not daily basis.

The first application was received from Mr Hart and can be seen at Appendix A. It includes a petition amongst the proprietors and is signed in the affirmative by 15 proprietors.

- 2.3 A letter/questionnaire was sent to all Hackney Carriage proprietors on the 15 May 2008 requesting proprietor's views on Mr Hart's suggestions. At the time of writing this report:  
 3 have said 'no' to the increase;  
 12 have agreed in full; and  
 1 has agreed to the fare increase but not for the decrease in distance.  
 12 have not replied.

- 2.4 There has also been an alternative request for an increase from a Mr Sharma (see Appendix C).

Mr Sharma has referred to Mr Hart's request and claims his suggestion is better for the trade. Part of Mr Sharma's letter is a questionnaire and of the 22 responses:

8 agreed to Mr Hart's suggestion;  
 1 to increase Rate 1 (the daytime rate) of Mr Hart's suggestion;  
 7 to increase Rate 1 & 2 (the daytime rate and the evening/bank holiday rate) of Mr Hart's suggestion; and,  
 6 to Mr Sharma's suggestion.

### **3. Considerations**

- 3.1 In November 2006, when the last fare increase was considered, diesel prices were around 85p per litre. This price has steadily increased, and recently it has

increased at a dramatic rate and now stands at around £1.25.

- 3.2 Officers are using the Shell Garage on Burton Road in Lincoln as a standard for pricing and reflect an average for the City. It is not distorted by supermarket promotions.
- 3.3 On each occasion that a fare increase is requested, this cost must be met from the income from licence fees.
- 3.4 Officers have been requested to consider the use of a fuel surcharge to be added to a journey to assist proprietors meet the increases in fuel prices.
- 3.5 The suggested fare increases were calculated when diesel was below £1.20 per litre.
- 3.6 To this end, consideration has been given to add a surcharge for each incremental increase of 10 pence per litre to each journey, or such other surcharge as the Council determines, when diesel reaches £1.30/litre and beyond.
- 3.7 The advantage of this system would be that fares would react to increases and decreases in fuel costs instantly.
- 3.8 If approved, then there would be no need to refer any increase to Council due to fluctuations in fuel cost which in turn would save officer and Member time/costs.
- 3.9 The Council must advertise the fare increase in the local paper and if there are objections, then a hearing has to be held to hear them. The advertising costs will be in the region of £800. The surcharge would not have to be advertised once approved, again saving costs to the licensing regime and the financial burden on licence holders.
- 3.10 Other Councils have also considered and approved the use of extras, and it is known that Blackpool and Plymouth are two of the most recent.
- 3.11 In addition to the increase in fares, the applicants have requested a decrease in the distance travelled at which increments to a fare are made.
- 3.12 The increment is currently 235 metres and the request is to reduce this to 225 metres.

#### **4. Resource Implications**

- 4.1 (i) Finance (including impact on Savings Targets)
  - Capital Implications – Payment of advertising costs.
  - Revenue Implications – if surcharge approved no costs for advertising to be passed on to the licence holders.

#### **5. Recommendation**

- 5.1 Members views are sought as to whether to recommend to Full Council;

1. To approve the increase in fares and decrease in distance for flag falls as set out in Appendix A or C;
2. To approve the increase in fares only;
3. To approve a decrease in the distance increments only.
4. To determine its own fare structure.
5. To allow a fuel surcharge and set that surcharge and increments.

**List of Background Papers:**

Appendix A - Letter from J Hart on behalf of the Hackney Carriage Trade  
 Appendix B – Current tariff card.  
 Appendix C – letter from Mr Sharma

**Lead Officer:**

Michael Rigg  
 Telephone 873565

**Access to Information:**

Does the report contain exempt information, which would prejudice the public interest requirement if it was publicised?

No

**Key Decision**

No

**Key Decision Reference 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

		<b>Checklist Applies</b>	<b>Checklist Completed and retained as a background document</b>	<b>Consultation Required (Insert Name of Consultee and Date Completed)</b>
<b>Report Section That Applies</b>	<b>Items For Inclusion in all reports</b>	<b>Yes/No</b>	<b>Yes/No</b>	
Resource Implications	Financial Implications (including impact on savings targets)	Yes		Nick Rouse
Resource Implications	Staffing	No		
Resource Implications	Property/Land/ Accommodation	No		
Resource Implications	Procurement	No		
Legal Implications	Legal	No		Phil Dawson
Legal Implications	Contractual	No		
Legal Implications	Constitutional Issues	No		
Policy Implications	Strategic Priority	No		
Policy Implications	Section 17 Crime and Disorder	No		
Policy Implications	Equality and Diversity (NB a full IA is mandatory if the report relates to a new/change to council policy)	No		Melanie Cowell / Sophie Ford
Policy Implications	Environmental Sustainability	No		
Policy Implications	Community engagement/ communication	No		
Risk Implications	Risk Assessment	No		

## Silver Service Taxi Co. 07860 383433

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5 Bristol Drive,

LINCOLN LN6 7UE

12<sup>TH</sup> MAY 2008

Head of Taxi Licensing

City Hall, LINCOLN.

Dear Sir,

This letter is to inform you that I wish to make a formal application for an increase in the tariff for Hackney Carriage fares, due to increased operating costs, in particular, the massive increase in the cost of Diesel. There are of course, other associated increases in both business and personal household running costs.

I wish to make it clear that I make this request as an individual proprietor, for, and on behalf of the others who have signed this letter. There is not at present a taxi trade organisation in Lincoln.

Yours Faithfully



James Hart

Proprietor.

Letter sent WLS  
Consult to 30/5.

The changes I wish to make are as follows:-

**Present Rate One**

MILEAGE: DAILY 6:00am to 11:00pm.

First 235 Metres = £2:20

For each subsequent 235 Metres=20p

Waiting time = 20 pence for 65 seconds

Mileage set at £1:37

Cost of a One Mile Journey= £3:40

Cost of a Two Mile Journey= £4:80

Cost of a Five Mile Journey= £9:00

**Present Rate 2**

First 279 Metres= £2:80

For each subsequent 279 Metres=30p

Waiting time = 30p pence for 65 seconds

Mileage set at £1:73

Cost of a One Mile Journey = £ 4:30

Cost of a Two Mile Journey = £ 6:10

Cost of a Five Mile Journey = £11:20

Extras for each additional

Passenger in excess of two 40 pence

Dog fare £1:20

SOILING CHARGE £30:00

**Proposed rate One**

First 225 Metres = £2:60

For each subsequent 225 Metres=20p

Waiting time = 20 pence for 60 seconds

Mileage set at £1:43

Cost of a one Mile Journey= £3:80

Cost of a Two Mile Journey= £5:40

Cost of a Five Mile Journey= £9:60

**Proposed Rate 2**

First 265 Metres= £3:40

For each subsequent 265 Metres=30p

Waiting time = 30 pence for 60 seconds

Mileage set at £1:83

Cost of a One Mile Journey = £ 5:20

Cost of a Two Mile Journey = £ 6:80

Cost of a Five Mile journey = £12:20



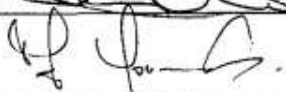
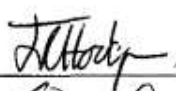
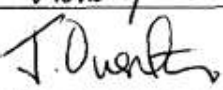
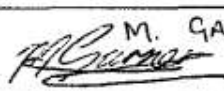


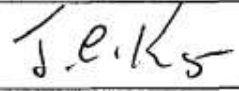
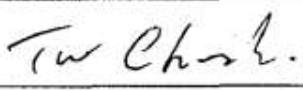



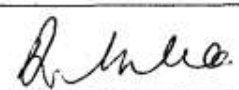
Extras for each additional

Passenger in excess of two 60 pence

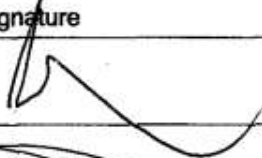

Dog Fare £1:80

SOILING CHARGE £50:00

We, the undersigned Taxi proprietors approve of the application for a fare increase.

Print Name	Signature	Plate Number(s)
JAMES HART		28
Simon Hearn		2
Frank Young.		6
J R HODGSON		19
J. G. OVERTON		8
M. GARNER 		5
R. ZICCARDI		10
J KEEGAN		15 + 11
T. CHESSHER		20
M. LAWSON.		3
S. W. HART		4
Tom Moore		25
N. DJORIC		7
D. STOKERDALE		30

We, the undersigned Taxi proprietors approve of the application for a fare increase.

Print Name	Signature	Plate Number(s)
S. ROBINSON		21
P. WATSON		24

5 BRISTOL DR,  
LINCOLN  
LN6 7UE  
07860 383433

Dear Sir,

Further to my recent fare rise application, I would like to take this opportunity to expand on my reasoning behind the increase. The last time Hackney fares were increased was November 2006. At that time, the cost of diesel fuel was 84.9p a litre. When I first formulated this increase in March 2008, it had risen to 111.9 a litre. Unfortunately, the application was unable to be processed because of the May 1<sup>st</sup>. local elections, and prevarication on the part of a small minority of proprietors. At the time of writing the price of a litre of diesel is 121.9p. This is an increase in fuel costs of more than 40%. Each 1p a litre increase is a 4.5 pence per gallon increase. In the time since our last rise, diesel has increased from £3:86 per gallon, to £5:54 a gallon. For every £1,000 spent on fuel in 2006, a

proprietor now has to pay over £1,400. Of course, fuel costs are not the only increase we have had to face. It is imperative that this increase goes through. I am in no doubt that there will be some proprietors who will object in the strongest possible terms to the proposed increase, and they will be the same proprietors who objected to the previous increase, and indeed, the one before that, and the one before that. It should be remembered that the metered fare is the MAXIMUM fare that can legally be charged. Drivers can, if they wish, charge less than the fare shown on the meter. If a driver wishes to discount fares, that option is available. However, the majority of taxi owner/drivers, realise that due to rapidly rising costs, of fuel in particular, mean that these costs now must be passed on to the consumer. I wish we lived in a world where we never had increasing prices, but we do not. It should be noted that I now wish also to introduce a fuel surcharge, where future increases in fuel costs will trigger an extras charge of 20p for each fuel

price increase of 10p per litre, or 45.5p per gallon, at 130p, and 140p, and so on. This will have the effect of taxi proprietors being able to increase charges when fuel rises, with an immediate effect, and will save the Council from having to go through the expensive requirement to advertise increases when further rises are requested. When (or if) the price of Diesel falls back, then the "extra" charge will be removed.

Finally, I would thank you for your time in considering this application, and would urge you to implement this increase in full as a matter of urgency.

A handwritten signature in black ink, appearing to be 'JH' with a large, stylized flourish.

James Hart

Taxi proprietor

## CITY OF LINCOLN COUNCIL HACKNEY CARRIAGE FARES



<b>RATE 1</b> <b>MILEAGE: DAILY 6.00am to 11.00pm</b> If the distance does not exceed 235 metres for the whole distance £2.20 For distances over 235 metres for the first 235 metres £2.20 For each subsequent 235 metres or part of £0.20 <b>WAITING TIME:</b> For each period of one minute and 05 seconds £0.20 Extras as shown	<b>RATE 2</b> <b>MILEAGE: DAILY 11.00pm to 6.00am ALL PUBLIC &amp; BANK HOLIDAYS, from NOON to 11.00pm on CHRISTMAS EVE and from 6.00pm to 11.00pm on NEW YEAR'S EVE</b> If the distance does not exceed 279 metres for the whole distance £2.80 For distances over 279 metres for the first 279 metres £2.80 For each subsequent 279 metres or part of £0.30 <b>WAITING TIME:</b> For each period of one minute and 05 seconds £0.30 Extras as shown
<b>RATE 3</b> <b>FOR HIRING from 11.00pm on CHRISTMAS EVE until 6.00am on 27th DECEMBER and from 11.00pm on NEW YEAR'S EVE until 6.00am on 1st JANUARY:</b> RATE 1, plus 100%	<b>EXTRAS</b> i) For each adult passenger in excess of two (two children under age count as one person for this charge only) £0.40 ii) For each dog (carried at the discretion of the driver) Guide Dogs (wearing a harness), Hearing Dogs, Dogs for the Disabled, Support Dogs or Canine Partners for Independence - These dogs should be wearing a jacket with the name of the relevant charity NO CHARGE
<b>SOILING CHARGE</b> THIS TAXI IS KEPT CLEAN FOR THE COMFORT AND CONVENIENCE OF ALL PASSENGERS. ANY SOILING BY PERSON OR ANIMALS IS THEREFORE LIABLE TO A CHARGE OF £30.00	All enquiries in connection with Hackney Carriages should be directed to: Directorate of Resources, City of Lincoln Council, City Hall, Rosemont Pde, Lincoln, LN1 1DB

## CITY OF LINCOLN COUNCIL HACKNEY CARRIAGE FARES



<b>RATE 1</b> <b>MILEAGE: DAILY 6.00am to 11.00pm</b> If the distance does not exceed 235 metres for the whole distance £2.20 For distances over 235 metres for the first 235 metres £2.20 For each subsequent 235 metres or part of £0.20 <b>WAITING TIME:</b> For each period of one minute and 05 seconds £0.20 Extras as shown	<b>RATE 2</b> <b>MILEAGE: DAILY 11.00pm to 6.00am ALL PUBLIC &amp; BANK HOLIDAYS, from NOON to 11.00pm on CHRISTMAS EVE and from 6.00pm to 11.00pm on NEW YEAR'S EVE</b> If the distance does not exceed 279 metres for the whole distance £2.80 For distances over 279 metres for the first 279 metres £2.80 For each subsequent 279 metres or part of £0.30 <b>WAITING TIME:</b> For each period of one minute and 05 seconds £0.30 Extras as shown
<b>RATE 3</b> <b>FOR HIRING from 11.00pm on CHRISTMAS EVE until 6.00am on 27th DECEMBER and from 11.00pm on NEW YEAR'S EVE until 6.00am on 1st JANUARY:</b> RATE 1, plus 100%	<b>EXTRAS</b> i) For each adult passenger in excess of two (two children under age count as one person for this charge only) £0.40 For each dog (carried at the discretion of the driver) £1.20 ii) Guide Dogs (wearing a harness), Hearing Dogs, Dogs for the Disabled, Support Dogs or Canine Partners for Independence - These dogs should be wearing a jacket with the name of the relevant charity NO CHARGE
<b>SOILING CHARGE</b> THIS TAXI IS KEPT CLEAN FOR THE COMFORT AND CONVENIENCE OF ALL PASSENGERS. ANY SOILING BY PERSON OR ANIMALS IS THEREFORE LIABLE TO A CHARGE OF £30.00	All enquiries in connection with Hackney Carriages should be directed to: Directorate of Resources, City of Lincoln Council, City Hall, Rosemont Pde, Lincoln, LN1 1DB

## APPENDIX C

DEAR COLLEAGUES.

As you know Mr James Harte has asked you to support his fare rise proposal and I know some of you have already signed it. Most people do agree that we do need a fare rise on rate one but are not happy with Jimmy's proposal, so Mr Sharma asked if I would do another proposal based on his thoughts which I have done. These are on the back of this letter. It shows what you would get if the meters went up 1p stages as does any other example I might use, (yes that do's mean it will still go up in 20p stages.)

I have been told that a lot of the night shift do not want a fare rise, (and they are still over £1 a running mile on a ten mile job on rate two) and so even if you think Jimmy's proposal on rate one is the one to go for but not his rate two, please let me know as soon as possible so we can get the wheels in motion.

### SOME FARE PRICES TO COMPARE

STAVERTON CRESS/BIRCHWOOD NOW £7.54 JIM'S £8.18 SHARMA'S £8.06

FORUM POST OFFICE NOW £6.45 JIM'S £7.03 SHARMA'S £6.90

BRANSTON POST OFFICE NOW £7.82 JIM'S £8.46 SHARMA'S £8.35

LINCOLN HOTEL NOW £3.30 JIM'S £3.74 SHARMA'S £3.56

NEWARK NORTH GATE VIA BYEPASS NOW £26.86 JIM'S £28.34 SHARMA'S

£28.50

On rate one a two mile journey Sharma's proposal gives you 7.6% fare rise.

On rate one a two mile journey on Jim's proposal gives you 11 %fare rise

Sharma's mileage increase 6% and Jim's 4.5%

PLEASE TICK YOUR SELECTION AND RETURN TO ME ( FOGGY) CAB21

JIM'S PROPOSAL BOTH RATE ONE AND TWO

JIM'S PROPOSAL RATE ONE ONLY ☒

SHARMA'S PROPOSAL ☐

NAME AND PLATE NUMBER'S

J E Keegan PLATE 11+15

Sheet1

RATES AT PRESENT

MILES	DROP	PRICE	TOTAL FARE	RETURN ON RUNNING MILE
1=2		£2.20	£1.37	£3.57
2=4		£2.20	£2.74	£4.94
3=6		£2.20	£4.11	£6.31
4=8		£2.20	£5.48	£7.68
5=10		£2.20	£6.85	£9.05
6=12		£2.20	£8.22	£10.42
7=14		£2.20	£9.59	£11.79
8=16		£2.20	£10.96	£13.16
9=18		£2.20	£12.33	£14.58
10=20		£2.20	£13.70	£15.90

JIM'S PROPOSED

FARE RISE

1=2		£2.60	£1.43	£4.03
2=4		£2.60	£2.86	£5.46
3=6		£2.60	£4.29	£6.89
4=8		£2.60	£5.72	£8.32
5=10		£2.60	£7.15	£9.75
6=12		£2.60	£8.58	£11.18
7=14		£2.60	£10.01	£12.61
8=16		£2.60	£11.44	£14.04
9=18		£2.60	£12.87	£15.43
10=20		£2.60	£14.30	£16.90

SHAMA'S COMPROMISE

FARE RISE PROPOSAL

1=2		£2.40	£1.45	£3.85
2=4		£2.40	£2.90	£5.30
3=6		£2.40	£4.35	£6.75
4=8		£2.40	£5.80	£8.20
5=10		£2.40	£7.25	£9.65
6=12		£2.40	£8.70	£11.10
7=14		£2.40	£10.15	£12.55
8=16		£2.40	£11.60	£14.00
9=18		£2.40	£13.05	£15.45
10=20		£2.40	£14.50	£16.90

**SUBJECT: STATEMENT OF ACCOUNTS 2007/08**

**REPORT BY: DIRECTOR OF RESOURCES**

**LEAD OFFICER: JACLYN HILLS, HEAD OF BUSINESS DEVELOPMENT AND FINANCE**

**1. Purpose of Report**

- 1.1 To recommend to Council the approval of the full Statement of Accounts for the year ended 31 March 2008, together with a short summary of the key issues reflected in the statutory financial statements.

**2. Background**

- 2.1 The Accounts and Audit Regulations 2003 require the Council to prepare and approve the Statement of Accounts for 2007/08 by 30 June 2008. The timescales involved with the approval of the Statement of Accounts for 2007/08 are:

- |   |              |
|---|--------------|
| a) Report to Standards and Audit Committee  | 16 June 2008 |
| b) Report to Performance Scrutiny Committee | 19 June 2008 |
| c) Report to the Executive                  | 23 June 2008 |
| d) Approval by Council                      | 30 June 2008 |

- 2.2 The Statement of Accounts for 2007/08 is still subject to detailed scrutiny by external audit. The Council's external auditor is the Audit Commission, which is due to commence the preliminary stages of its audit in mid July.
- 2.3 The Council must make the Statement of Accounts available for public inspection for 20 working days. Following notification from the District Auditor, this will commence on 25 July 2008.
- 2.4 The full Statement of Accounts for 2007/08 provides a comprehensive picture of the Council's financial circumstances and is compiled to demonstrate probity and stewardship of public funds. There is a great deal of technical detail contained in the statutory rigid format, which is not always easy to understand to the reader unless they are familiar with accounting and audit standards.
- 2.5 Set out below is a short summary, which highlights the most important figures in the financial statements which it is hoped will prompt questions in order for the Council to promote greater accountability and transparency for the significant sums of public money entrusted to the Council.

- 2.6 Following completion of the audit and finalisation of the Statement of Accounts for 2007/08, a Summary Statement of Accounts will be produced. This is intended to be a short, user-friendly summary of the statutory rigid format. A summary will also be included in the Annual report.

### 3. Summary of Key Issues

- 3.1 Spending – clearly the most significant issue for Members to be aware of is how the Council performed financially in 2007/08, in comparison to the revised budget for the year. The financial results show that there has been an overall overspend on the General Fund, against revised budget estimates for the year, of £11,924 and an overall underspend on the Housing Revenue Account, against revised budget estimates for the year, of £252,108.

- 3.2 General Balances – General balances have decreased by £3.15 million during the year, as analysed below:

Description	Opening Balance	Closing Balance	Increase/ (Decrease)
General Fund balances	£2.089 m	£2.558 m	£0.469 m
HRA balances	£5.242 m	£1.530 m	£(3.712) m
Collection Fund balances	£0.135 m	£0.222 m	£0.087 m
Total	£7.466 m	£4.310 m	£(3.156) m

The main reason for this reduction in balances is due to the transfer of £2.384m from HRA balances to earmarked reserves in respect of direct revenue financing for the Decent Homes Capital Programme.

- 3.3 Earmarked Reserves - in total monies carried forward to pay for specific future commitments increased by £2.173 million, as analysed below: –

Description	Opening Balance	Closing Balance	Increase/(Decrease)
Other Specific Reserves	£10.666 m	£12.839m	£2.173m

The main reason for this increase in balances is due to the transfer of £2.384m from HRA balances to earmarked reserves in respect of the direct revenue financing for the Decent Homes Capital Programme.

- 3.4 Tangible Fixed Assets – the value of the fixed assets grew by 1.8% to £371 million.

- The Council has a 5-year rolling revaluation programme whereby 20% of the Council's assets (excluding Council Houses) are re-valued each year in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors. Council Dwelling were re-valued in full, on a beacon bases, in 2005/06. From 2007/08 25% of dwellings are valued on a rolling programme with an uplift for 75%.

- New capital investment totalled £22.4 million of which the main areas of expenditure include £12.5 million spent improving Council dwellings, £4.3 million spent on the Central and Eastern Strategic Development Opportunities regeneration works, £2.1 million spent on the Innovation Centre and £1.5 million spent on improvement and renovation grants.
  - To pay for this investment, the Council has used £7.7 million of capital grants and contributions, £4.4 million of capital receipts, £5.0 million of the Major Repairs Reserve, £1.0 million of supported borrowing and £4.3 million of direct revenue financing.
  - Assets under Construction – the Council has invested £2.1 million in assets under construction, due to £6.0 million worth of assets under construction becoming operational the value of assets under construction has decreased to £3.3 million (Included in the figures in 3.4 above).
  - Surplus assets – £0.258 million assets have been transferred to surplus assets in 2007/08 and are awaiting sale. These assets have been revalued to £0.412 million at 31 March 2008.
- 3.5 Premiums and Discounts - The balance of deferred premiums on the early repayment of debt of £2.363 million and the balance of deferred discounts £(0.291) million at 31 March 2007 have been transferred to the Financial Instrument Adjustment Account on 1 April 2007 in line with new accounting requirements.
- 3.6 Liquidity – this can be measured by the ratio of current assets less stock, to current liabilities. The Council's current assets (less stock) of £34.8 million exceed it's current liabilities of £11.2 million by a ratio of 3.1:1, an increase on the previous year's ratio of 2.9:1
- 3.7 Debtors – debtors have increased by £6.174 million to £18.518 million. This being mainly due to the outstanding debt with Lincolnshire County Council increasing by £3.3 million to £3.6 million, the amount owing for contributions to the NNDR pool increasing by £1.3 million to £1.9 million and £1.3 million being outstanding from the Department of Communities and Local Government.
- 3.8 Investments – the Council invests surplus cash on the London money markets, typically for periods less than one year to approved organisations. These investments have decreased by £10.193 million to £14.765 million over the year (this figure excluded accrued interest included in the Balance Sheet figure as at 31 March). Core cash balances are invested over 1 year if interest rates are favourable. These long-term investments have increased by £3.000 million to £7.519 million as at 31 March 2008 (excluding accrued interest at 31 March 2008). The average interest rate received on investments in 2007/08 was 5.75% (an increase of 0.8% on the average rate achieved in 2006/07).
- 3.9 Creditors – have reduced by £1.187 million to £11.211 million.

- 3.10 Borrowing – the Council's total borrowing increased from £37.948 million to £37.953 million (excluding accrued interest added to the Balance Sheet figure as at 31 March 2008). This can be split between short term borrowing of £0.03 million and long term borrowing of £37.923 million. The average rate of interest payable on long-term borrowing has increase by 0.07%, from 4.45% in 2006/07 to 4.52% in 2007/08.

The maturity profile of the long term borrowing is as follows:

<b>Within</b>	<b>£m</b>	<b>% of Total Debt</b>
1 year	0.03	0.08%
1 – 2 years	-	-
2 – 5 years	-	-
5 – 10 years	-	-
10 years and over	37.923	99.92%
<b>Total</b>	<b>37.953</b>	<b>100.00%</b>

- 3.11 Government Grants Deferred – When capital grants are used to fund capital expenditure on fixed assets they are transferred from Usable Capital Grants into Government Grants Deferred on the Balance Sheet. They are written off to the Income and Expenditure Account over the life of the fixed asset they are used to finance. In 2007/08 £3.531 million capital grants we added to the opening balance of £7.163 million and £0.308 million was deducted and written off to the Income and Expenditure Account. The balance as at 31 March 2008 was £10.386 million.
- 3.12 Revaluation Reserve - The Revaluation Reserve was created on 1 April 2007 in line with new accounting requirements, therefore there was no balance in the 2006/07 accounts. The balance on the Revaluation Reserve reflects the revaluation of fixed assets and any revaluation gains written out when assets have been sold during 2007/08.
- 3.13 Financial Instrument Adjustment Account - The Financial Instruments Adjustment Account was created on 1 April 2007 in line with new accounting requirements, therefore there was no balance in the 2006/07 accounts. The balances of deferred premiums on early repayment of debt £(2.363) million and deferred discounts on the early repayment of debt £0.291 million were transferred to the Financial Instruments Adjustment Account at the beginning of the year. Premiums and discounts totalling £0.595 million were written out in 2007/08.
- 3.14 Pension Liability - The Pension Liability shows the underlying commitments that the Council has in the long run to pay retirement benefits. The liability has reduced by £4.687 million to £22.304 million as at 31 March 2008. This is a result of a reduction in scheme assets of £10.237 million and a reduction in scheme liabilities of £14.924 million. Statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the schemes actuary.

#### **4. Resource Implications**

- 4.1 The financial implications are contained within the attached Statement of Accounts.

#### **5. Legal Implications**

- 5.1 The Statement of Accounts has been prepared in accordance with the Accounts and Audit Regulations 2003.

#### **6. Policy Implications**

- 6.1 There are no policy implications directly arising from this report.

#### **7. Recommendation**

- 7.1 The Council are asked to approve the Statement of Accounts for 2007/08.

#### **Access to Information:**

Does the report contain exempt information, which would prejudice the public interest requirement if it was publicised?

No

#### **Key Decision**

No

#### **Key Decision Reference 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?**

Yes, one

#### **List of Background Papers:**

Final Account Working Papers 2007/2008  
Accounts & Audit Regulations 2003  
Best Value Accounting Code of Practice (BVACOPP)  
Statement of Recommended Practice (SORP)  
Audit Commission Act 1998

**Lead Officer:**

Jaclyn Hills, Head of Business Development & Finance  
 Telephone: 873258  
 Email: jaclyn.hills@lincoln.gov.uk

		<b>Checklist Applies</b>	<b>Checklist Completed and retained as a background document</b>	<b>Consultation Required (Insert Name of Consultee and Date Completed)</b>
<b>Report Section That Applies</b>	<b>Items For Inclusion in all reports</b>	<b>Yes/No</b>	<b>Yes/No</b>	
Resource Implications	Financial Implications (including impact on savings targets)	Yes	No – contained within report and appendix	Head of Business Development & Finance
Resource Implications	Staffing	No		
Resource Implications	Property/Land/ Accommodation	No		
Resource Implications	Procurement	No		
Legal Implications	Legal	Yes	No – contained within report and appendix	Director of Resources
Legal Implications	Contractual	No		
Legal Implications	Constitutional Issues	No		
Policy Implications	Strategic Priority	No		
Policy Implications	Section 17 Crime and Disorder	No		
Policy Implications	Equality and Diversity (NB a full IA is mandatory if the report relates to a new/change to council policy)	No		
Policy Implications	Environmental Sustainability	No		
Policy Implications	Community engagement/ communication	No		
Risk Implications	Risk Assessment	No		

# STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2008

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# **INTRODUCTION TO THE CITY OF LINCOLN COUNCIL'S ANNUAL STATEMENT OF ACCOUNTS**

This document is the City of Lincoln Council's Annual Statement of Accounts, which shows how the Council has managed the money available to it, for the period 1 April 2007 to 31 March 2008.

The Statement of Accounts is only one of several documents that form part of the Council's policy and financial planning framework. Other documents include the Sustainable Community Strategy, the Council's Strategic Plan, the Medium Term Financial Strategy, the Asset Management Plan and the HRA Business Plan.

The Council is required by law to produce this annual Statement of Accounts, the main purpose of which is to:

- Explain to Council Tax Payers how their money has been managed
- Demonstrate that the Council has complied with proper accounting practice and relevant statute in conducting its financial affairs

The Statement includes a Financial Summary for the year 2007/08, which shows that there has been an over-spend at the end of the year, that General Fund balances remain at a prudent level and that the necessary provisions have been set aside for future liabilities or losses.

The Council continues to face competing demands for the resources available to it as new needs and priorities emerge and as central government continues to place new responsibilities and financial impositions on local government.

The Council is now responding positively to these challenges and will in future manage its affairs in such a way as to ensure the economic, efficient and effective use of its resources and to safeguarding its assets for the future.

Councillor Darren Grice  
Leader of the Council

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**S T A T E M E N T   O F   A C C O U N T S**  
**2 0 0 7 / 0 8**

## COUNCIL APPROVAL

The Statement of Accounts for the year 1 April 2007 to 31 March 2008 has been prepared and I confirm that these Accounts were approved by the City of Lincoln Council, at the meeting held on 30 June 2008.

Councillor Darren Grice  
Leader of the Council

Date:

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STATEMENT OF ACCOUNTS  
2007/08

## EXPLANATORY FOREWORD BY THE DIRECTOR OF RESOURCES

The Accounts, which follow, show the financial performance for 2007/08 and the financial position at 31 March 2008. The accounts present expenditure and income incurred by the Council in the financial year 2007/08 and highlight changes in the financial position of the Council over the course of the year. The financial statements have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in Great Britain' published by the Chartered Institute of Public Finance and Accountancy.

The Statement of Accounts comprise the following:

**The Income and Expenditure Account** - this reports the net cost for the year of the functions for which the Council is responsible and demonstrates how the cost has been financed from government grants, rents, charges and income from local Tax payers.

**The Statement of Movement in General Fund** - this report reflects the movements to the accounts in addition to the Income and Expenditure Account that are required by statute to be either included or excluded in determining the movement on the General Fund.

**Statement of Total Recognised Gains and Losses** - this statement brings together all the gains and losses of the Council, for the year, and shows the aggregate increase in its net worth. In addition to the surpluses generated in the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

**The Balance Sheet** - this statement sets out the financial position of the Council as at 31 March 2008. It shows the balances and reserves at the Council's disposal, its long-term indebtedness and the fixed and net current assets employed in its operations, together with summarised information on the fixed assets held.

**The Cashflow Statement** - this statement summarises the total movement of cash, to and from the Council, arising from both capital and revenue transactions.

**The Housing Revenue Account** - this reflects a statutory requirement to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure, and how these are met by rents and other income.

**The Collection Fund** - this account reflects the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transaction of the Council in relation to Council Tax and Non Domestic Rates and illustrates how the money is then allocated between the relevant authorities delivering services within the district.

### 3 STATEMENT OF ACCOUNTS 2007/08

## Financial Summary 2007/08

The Council prepares revenue budgets for the financial year, the main purpose of which is to set the Council Tax and Housing Rent levels for the General Fund and the Housing Revenue Account respectively. In addition, the Council prepares a Capital Programme for the General Fund (General Investment Programme) and the Housing Revenue Account (Housing Investment Programme). The Capital Programmes set out the planned spending on the acquisition, construction or improvement of fixed assets.

### Revenue Expenditure

#### General Fund

The General Fund account covers all net spending by the Council on services other than those accounted for in the Housing Revenue Account.

For 2007/08, the approved net operational expenditure budget for General Fund services was £15.402m. After allowing for £0.214m budgeted to be transferred in from earmarked reserves and the planned contributions to non-earmarked general reserves of £0.481m the total Net General Fund Budget for 2007/08 was £15.669m.

	<b>ACTUAL 2007/08 £ 000</b>	<b>BUDGET 2007/08 £ 000</b>	<b>VARIANCE 2007/08 £ 000</b>
Sustainable Growth	5,944	5,777	167
Quality of Life	9,211	8,844	367
Enhanced Social Justice	2,436	2,511	(75)
Excellent Democratic Council	2,153	3,033	(880)
<b>Net Operational Expenditure</b>	<b>19,744</b>	<b>20,165</b>	<b>(421)</b>
Pensions – FRS17	403	0	403
Capital Financing	(4,810)	(4,953)	143
Contingencies	0	190	(190)
Earmarked Reserves	(212)	(214)	2
CMS Repatriation	74	0	74
<b>Total Expenditure</b>	<b>15,199</b>	<b>15,188</b>	<b>11</b>
Contribution to general reserves	469	481	(12)
<b>Total Net Budget</b>	<b>15,668</b>	<b>15,669</b>	<b>(1)</b>
Council Tax Payer	5,337	5,337	0
Formula Grant	10,331	10,332	(1)
<b>Total Resources</b>	<b>15,668</b>	<b>15,669</b>	<b>(1)</b>

Actual net service operational costs for the financial year 2007/08 were £19.744m compared to the equivalent approved budget of £20.165m, allowing £0.211m to be set aside in earmarked reserves, as well as an increase in non-earmarked general reserves of £0.469m.

The financial summary shows that there has been an over-spend overall, against revised budget estimates for the year, of £11,924. The main General Fund variances for the year have been identified as follows:

	<b>£ 000</b>
<b>Additional Income</b>	
• Investment Income	(138)
• Lincoln Properties	(37)
<b>Reduced Income</b>	
• LABGI Grant	510
• Car Parks Fees & Charges	62
<b>Reduced Spending (Strategic Plan Bids)</b>	(230)
<b>Reduced Spending (other)</b>	
• Creative Industries Workspace	(26)
• Antisocial Behaviour Team	(28)
• IT Services	(57)
• Benefits Expenditure	(103)
• Directorate of Resources – administration	(41)
• Western Growth Corridor	(67)
• Provision for Bad Debts	(90)
• Insurance Fund	(200)
• LABGI Reserve	(150)
• Street Cleansing Contract	(131)
<b>Increased Spending</b>	
• Refuse Contract	371
• CLAU	127
• Other	134
• Additional Contributions from Earmarked Reserves	(350)
• 2007/08 Budget Carry Forwards	456
<b>NET TOTAL</b>	<b>12</b>

As at 31 March 2008, the Council held £8.051m General Fund revenue reserves, comprising £5.493m earmarked reserves (to cover specific or potential financial risks and liabilities) and £2.558m non-earmarked general reserves. This latter balance represents 15.5% of our 2008/09 annual net service budget and provides an adequate level of reserves to cover unforeseen financial risks.

### **Housing Revenue Account**

The Housing Revenue Account deals with the cost and income of landlord functions associated with the provision, management and maintenance of Council owned dwellings.

Actual net expenditure for 2007/08 showed a deficit of £3.712m against a budgeted deficit of £3.964m.

	<b>ACTUAL 2007/08 £ 000</b>	<b>BUDGET 2007/08 £ 000</b>	<b>VARIANCE 2007/08 £ 000</b>
Operational Expenditure			
Repairs & Maintenance	6,366	5,763	603
Supervision & Management	4,948	6,062	(1,114)
Bad Debt Provision	162	235	(73)
Capital Financing	13,723	13,290	433
<b>Sub Total</b>	<b>25,199</b>	<b>25,350</b>	<b>(151)</b>
Add:			
Subsidy Limitation Transfer	538	356	182
CMS Repatriation	(427)	0	(427)
Interest Payable & Similar Charges	1,339	1,342	(3)
Amortisation of Premiums & Discounts	591	591	0
<b>Total Expenditure</b>	<b>27,240</b>	<b>27,639</b>	<b>(399)</b>
Income			
Rents & Service Charges	(21,700)	(21,728)	28
Interest	(547)	(535)	(12)
<b>Net Expenditure</b>	<b>4,993</b>	<b>5,376</b>	<b>(383)</b>
Less:			
Direct Revenue Financing	4,105	4,143	(38)
Capital Accounting Adjustment	(6,813)	(6,482)	(331)
Appropriation to Major Repairs Reserves	(2,001)	(2,001)	0
Appropriation to Pension Fund Liability	1,044	0	1,044
Appropriations to Earmarked Reserves	2,384	2,928	(544)
<b>Net HRA Deficit*</b>	<b>3,712</b>	<b>3,964</b>	<b>(252)</b>

\* Please refer to the SMHRAB and note on pages 91 & 92 respectively to see how the Net HRA Deficit reconciles to the HRA Income & Expenditure Account deficit for the year on page 90

The overall underspend of £252,108 for the year includes the following major variances:

	<u>£ 000</u>
<b>Additional Income</b>	
Additional contribution to Direct Revenue Financing	(250)
<b>Reduced Spending</b>	
Central Support costs	(115)
Reduction in contribution to bad debt provision	(73)
Others (net)	(137)
<b>Reduced Income</b>	
Dwelling Rents	141
<b>Increased Spending</b>	
Subsidy Limitation transfer	182
<b>NET TOTAL</b>	<b>(252)</b>

As at 31 March 2008, the Council held £7.120m HRA revenue reserves, comprising £5.590m earmarked reserves (to cover identified, specific, potential financial risks and liabilities) and £1.530m non -earmarked general reserves.

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**STATEMENT OF ACCOUNTS**  
**2007/08**

## Capital Expenditure- Spending 2007/08

The Council's capital spending in the year was £22.390m compared to the revised programme budget of £23.680m, representing a net variance of £1.290m. The 2007/08 capital spending and funding position is summarised below:

	<b>ACTUAL 2007/08 £ 000</b>	<b>BUDGET 2007/08 £ 000</b>	<b>VARIANCE 2007/08 £ 000</b>
<b>Capital Expenditure</b>			
General Fund (GIP)	9,695	9,884	(189)
Housing Revenue (HIP)	12,695	13,796	(1,101)
<b>Total Expenditure</b>	<b>22,390</b>	<b>23,680</b>	<b>(1,290)</b>
<b>Financed by:</b>			
Supported Borrowing	1,020	1,020	0
Capital receipts	4,411	6,524	(2,113)
Capital Grants and Contributions	7,692	6,845	847
Major Repairs Reserve	4,984	4,948	0
Revenue Contributions	4,319	4,343	(24)
<b>Total Financing</b>	<b>22,390</b>	<b>23,680</b>	<b>(1,290)</b>

Major Capital works carried out during 2007/08 are set out on the table below:

	<b>£ 000</b>
<b>Housing</b>	
Decent Homes Improvements	11,291
Other Major Works	1,183
Mobile working	221
<b>General Fund</b>	
Central & Eastern SDO	4,270
Innovation Centre	2,086
Improvement & Renovation Grants	1,515
Extension to Bracebridge Community Centre	316
Brayford Moorings	297
CARP (Athletics track) at Yarborough Leisure Centre	121
Implementing Electronic Government	126
Works at King George V Playing Fields	111
Work to scheduled monument at Monks Abbey ruins	102
Contribution to Lincoln Centre (UK)	100
Other Schemes	651
<b>Total</b>	<b>22,390</b>

## Borrowing

The Prudential Code, which came into force on 1 April 2004, allows the Council to determine the appropriate level of capital investment to properly deliver quality public services.

Developed by CIPFA, the code allows authorities to raise unsupported borrowing, within pre-determined limits, to resource capital expenditure programmes, subject to it being Prudent, Affordable and Sustainable.

Supported borrowing levels are issued annually by Central Government (£1.020m in 2007/08), which give the Council authority to borrow monies to cover capital expenditure, the costs of which will be funded by Central Government. The Council's level of total debt outstanding, as at 31 March 2008 increased by £0.005m to £37.953m.

<b>Source of loan</b>	<b>Total Outstanding</b>	
	<b>31/03/08</b>	<b>31/03/07</b>
	<b>£ 000</b>	<b>£ 000</b>
PWLB - Maturity	21,362	21,362
Money Market	16,000	16,000
Other	591	586
<b>Total</b>	<b>37,953</b>	<b>37,948</b>

Note: From 1 April 2007 the accrued interest payable on borrowings at the financial year end is added to the principal outstanding on the Balance Sheet. As at 31 March 2008 £0.655m has been added to Long Term Borrowing in the Balance Sheet.

## Pension Costs

2007/08 is the fifth year of full adoption the Financial Reporting Standard, FRS 17: 'Retirement Benefits'. FRS 17 is based on a simple principle - that an organisation should account for retirement benefits when it is committed to give to them, even if the actual giving will be many years in the future. The Income & Expenditure Account includes pension costs of providing retirement benefits, that are recognised in the accounting period(s) in which the benefits are earned by the employees.

Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. The related finance costs and any other changes in value of the assets and liabilities are recognised in the periods in which they arise. In order that this Financial Reporting Standard does not impact on the amounts to be met by Council Tax payers, the entries are reconciled to the pension costs required to be made for Council Tax purposes by transfers to, or from, the Pension Reserve. The Balance Sheet shows the 'Net Asset Position', in terms of the Council's share of the Pension Fund assets and liabilities.

The Balance Sheet presents a reduction in the estimated Pension Fund Reserve net liability over the 2007/08 year of £4.687m, down from £26.991m at 1 April 2007 to £22.304m at 31 March 2008. This reduction in the Pension Fund deficit resulted from a combination of the Council's strategy to increase the employer's superannuation contribution rate, together with a general improvement in the stock market performance.

The statutory arrangements for funding the remaining liability of £22.304m means that this deficit will be made good by the increased level of annual employer contributions payable to the Pension Fund over the remaining estimated average working life of our employees in the Pension Scheme. The latest triennial review of the Pension Fund was completed as at 31 March 2007, this review did not indicate that any changes in our annual contributions were required. The next triennial review is due as at 31 March 2010, with any changes in our contribution rates effective from 1 April 2011.

### Reserves and Balances

The Balance Sheet as at 31 March 2008 incorporates the following level of revenue and capital balances available to the Council:

	£'000	£'000
<b>Revenue Reserves</b>		
<b>General Fund</b>		
Earmarked Reserves	5,493	
Non-earmarked General Reserves	<u>2,558</u>	
<b>Total General Fund Reserves</b>		8,051
<b>Housing Revenue Account</b>		
Earmarked Reserves	5,590	
Non-earmarked General Reserves	<u>1,530</u>	
<b>Total HRA Reserves</b>		7,120
<b>Insurance Reserve</b>		1,756
<b>Total Revenue Reserves</b>		<u><u>16,927</u></u>
<b>Capital Reserves</b>		
Usable Capital Receipts Reserve		14,477
<b>Total Capital Reserves</b>		<u><u>14,477</u></u>

## **Group Accounts**

The increasing scope and scale of local authorities moving away from traditional ways of providing services makes it increasingly difficult for the authority's own financial statements to present fairly all the aspects of control over service provision and accountability for all resources and exposure to risks that the authority has taken on. A consolidated set of group accounts can make a vital contribution towards giving users a full picture of the authority's sphere of control and influence.

From 2005/06 authorities were required to prepare Group Accounts with full prior year comparators, unless the materiality test is fully satisfied.

The Council has identified that the interest that it holds in Investors in Lincoln Ltd meets the test of 'joint control' and as such should be accounted for as a Joint Venture. However after assessing the criteria for materiality has concluded that the amounts are not material to the fair presentation of the financial position and transactions of the authority and to the understanding of the Statement of Accounts by a reader. Investors in Lincoln Ltd has therefore not be consolidated into the Council's accounts. Details of transactions and relevant balances with Investors in Lincoln Ltd can be found on pages 85 - 86.

## **Changes in Accounting Policies and Prior Period Adjustments**

In the 2007/08 Statement of Accounts, the Council has adopted two significant new accounting policies (as directed by the Statement of Recommended Practice (SORP), for Local Government):

1. Financial Reporting Standards 25, 26 and 29 relating to Financial Instruments have been incorporated into Local Authority accounting requirements
2. The Fixed Asset Restatement Account and the Capital Financing Account have been replaced by a Revaluation Reserve and Capital Adjustment Account

Full details can be found in the Accounting Policies section (pages13-21). The impact of these changes on opening balances and transactions in 2007/08 is summarised below:

## **Financial Instruments**

The accounting requirements for Financial Instruments have been implemented from 1 April 2007 and all transactions to move balances to comply with the new requirements have taken place in the 2007/08 accounts. Therefore comparators in the 2006/07 accounts reflect transactions and balances under the previous accounting requirements. To enable a comparison of 2007/08 accounts to those in 2006/07 the effect of changes are summarised below:

## Premiums and Discounts

Premiums and discounts on the early repayment of debt had previously been included in the Council's Balance Sheet in long term assets and long term liabilities. On 1 April 2007 these balances have been transferred to the new Financial Instrument Adjustment Account (via General Fund and HRA Balances).

	<b>Balance Sheet 31 March 2007 £'000</b>	<b>Movements 1 April 2007 £'000</b>	<b>Balance Sheet 1 April 2007 £'000</b>
Deferred Premiums	2,363	(2,363)	0
Deferred Discounts	(291)	291	0
Financial Instrument Adjustment Account	0	2,072	2,072
<b>Total</b>	<b>2,072</b>	<b>0</b>	<b>2,072</b>

In previous years premiums and discounts were amortised to the Income and Expenditure Account over a number of years. From 1 April 2007 existing premium and discount balances are written out of the Balance Sheet through the Statement of Movement in General Fund Balances.

## Interest on Borrowing and Investments

From 1 April 2007 accrual interest (interest payable and receivable) as at 31 March on borrowings and investments is included in the Balance Sheet with the borrowing and investment balances. Previously accrued interest payable had been included in creditors and accrued interest receivable in debtors. The table below allows a comparison between amounts in the Balance Sheet as at 31 March 2007 and 31 March 2008:

Principal Amount 31 March 2007 £'000	Accrued Interest 31 March 2007 £'000	Total 31 March 2007 £'000	Balance Sheet Item	Principal Amount 31 March 2008 £'000	Accrued Interest 31 March 2008 £'000	Total 31 March 2008 £'000
0	679	679	Debtors	0	0	0
0	(654)	(654)	Creditors	0	0	0
24,958	0	24,958	Short Term Investments	14,765	599	15,364
4,519	0	4,519	Long Term Investments	7,519	496	8,015
(25)	0	(25)	Borrowing due < 12 months	(30)	0	(30)
(37,923)	0	(37,923)	Borrowing due > 12 months	(37,923)	(655)	(38,578)

### Revaluation Reserve and Capital Adjustment Account

The SORP does not require 2006/07 accounts to be restated (therefore revaluations and other transactions in 2006/07 are brought forward as comparative figures unchanged from the published accounts). However, the Balance Sheet as at 31 March 2007 is required to be restated to show a nil balance on the Revaluation Reserve and the balances on the Fixed Asset Restatement Account and Capital Financing Account are transferred to the new Capital Adjustment Account (as shown in the table below):

	Balance 31 March 2007 £'000	Adjustments to Balances £'000	Restated Balance 31 March 2007 £'000
Fixed Asset Restatement Account	287,807	(287,807)	0
Capital Financing Account	30,560	(30,560)	0
Capital Adjustment Account	0	318,367	318,367
Revaluation Reserve	0	0	0
<b>Total</b>	<b>318,367</b>	<b>0</b>	<b>318,367</b>

### Further Information

Further information about the accounts is available on request from the Directorate of Resources, City Hall, Beaumont Fee Lincoln LN1 1DB. In addition, local electors have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.

# ACCOUNTING POLICIES

## 1. General

The Accounting Statements which follow have been prepared in accordance with the Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is recognised as representing proper accounting practices, together with guidance notes issued by CIPFA on the application of Statements of Standard Accounting Practice (SSAP's) and the Financial Reporting Standards (FRS's), approved by the Accounting Standards Board.

## 2. Accruals of Income and Expenditure

The revenue accounts of the Council are maintained on an accruals basis in order to comply with the above-mentioned guidelines. Therefore, sums due to or from the Council during the year are included whether or not cash payment has been received or made. As such the full cost of employees, other costs & income are charged to the accounts in the period in which they are incurred/due. Exceptions to this principle may be made where the adjustments involved are not considered to be material to the presentation of the accounts.

## 3. Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure in excess of £10,000 is capitalised, provided that the fixed asset yields benefits to the Council for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets, which is charged direct to services in the income and expenditure account.

Fixed assets have been valued on the basis recommended by CIPFA and in accordance with guidance notes issued by the Royal Institute of Chartered Surveyors (RICS). Fixed assets are classified into the groupings required by the Code of Practice on Local Authority Accounting as follows:

### Intangible Fixed Assets

Intangible fixed assets are assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences). They are capitalised when they bring benefits to the Council for more than 1 year.

- Intangible Assets are capitalised on the Balance Sheet and amortised over their life, subject to impairment reviews.

### Tangible Fixed Assets

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis. Assets are initially measured at cost, comprising all expenditure that is directly attributable to bring that asset into working condition for its intended use. Assets are then carried in the Balance Sheet using the basis recommended by CIPFA and in accordance with guidance notes issued by RICS:

- Land, operational properties and other operational assets – lower of net current replacement cost or net realisable value in existing use (in the case of non-specialised operational properties this is normally existing use value and in the case of specialised operational properties it's normally depreciated replacement cost).
- Investment properties and assets surplus to requirement – lower of net current replacement cost or net realisable value (in the case of investment properties this is usually market value).
- Infrastructure assets and community assets – depreciated historical cost where this can be determined or at a nominal amount.
- Increases in value are credited to the Revaluation Reserve to recognise unrealised gains. Exceptionally gains might be credited to the Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to a service revenue account.
- The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

#### **4. Provisions & Reserves**

Provisions have been made for liabilities or losses that are either likely or certain to be incurred, although the amounts or the dates on which they will arise are not yet known. The provisions are charged to the appropriate General Fund, Housing Revenue or DLO revenue accounts when the provision is created, with the subsequent expenditure being charged direct to the provision.

In addition, provision has been made in the accounts for expected losses of income to the General Fund and Housing Revenue Account in respect of sums due but not received from debtors.

The Council maintains certain reserves, which have been set aside for specific policy purposes falling outside the definition of provisions. Transfers to and from the reserves (commonly known as appropriations) have been distinguished from service expenditure disclosed in the Statement of Accounts.

## 5. Depreciation and Impairment

### Depreciation

Depreciation is provided for on all operational fixed assets with a finite useful life (determined at the time of acquisition or revaluation) according to the following policy:

- newly acquired assets are depreciated from the start of the financial year following the date they were brought into use,
- depreciation is calculated using the straight-line method (writing off Balance Sheet values in equal instalments over remaining expected useful life).

Where an asset has major components with different estimated useful economic lives, these are depreciated separately.

Revaluation gains are depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Impairment

The values of each category of assets and of any materially individual assets that are not being depreciated are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as the result of a revaluation exercise, this is accounted for by:

- where attributable to the clear consumption of economic benefits – the loss is charged to the relevant service in the Income and Expenditure Account,
- where due to a general fall in prices – the loss is written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the relevant service in the Income and Expenditure Account.

Where an impairment loss is charged to the Income and Expenditure Account but where there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

## 6. Charges to Revenue for Fixed Assets

Service revenue accounts, central support services, trading accounts and DLO are charged with the following amounts to reflect the real cost of holding fixed assets during the year:

- depreciation of assets used by the service

- amortisation of intangible fixed assets used by the service
- impairment losses attributable to the clear consumption of economic benefits of tangible fixed assets used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.

The Council is not required to raise Council Tax to cover depreciation, amortisation or impairment losses. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. This amount is equal to at least 4% of the underlying amount of borrowing, measured by the Capital Financial Requirement, excluding amounts attributed to the HRA. Depreciation, amortisation and impairment losses are replaced by the minimum and voluntary revenue provisions in the Statement of Movement on the General Fund Balance so there is no impact on the level of Council Tax.

## **7. Capital Receipts**

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Income and Expenditure Account as part of the gain or loss on disposal. Receipts from disposals are credited to the Income and Expenditure Account as part of the gain or loss on disposal (i.e. netted off the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve attributable to assets that have been disposed of or decommissioned are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is credited to the Usable Capital Receipts Reserve, and can then be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the reserve from the Statement of Movement on the General Fund Balance.

The written-off value of disposals is not charged against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Statement of Movement on the General Fund Balance.

## **8. Cost of Support Services**

In performing its functions, the Council employs professional officers such as accountants and solicitors. At the end of the year the cost of these support service officers are fully recharged to the services they have assisted, e.g. Housing, Recreation, Leisure & Tourism, Environmental Health etc. The basis of allocation used for the main costs of management and administration are outlined below together with examples of other allocation methods used:

<b>COST</b>	<b>BASIS OF ALLOCATION</b>
Service Departments	Estimated Time
Personnel Support	Pro-rata to number of employees
Administrative Buildings	Area Occupied
Telephone/Switchboard	Unit Charge (Telephone Extension)
Payment of Creditors	Average cost of processing invoices for payment
Collection of Debtors	Average cost of raising debtor account transactions
Computer Hardware	Unit Charge (Terminals)
Printing Services	Actual cost

Support service costs are recharged to services based on actual cost.

The Support Service costs of Corporate and Democratic Core are not reallocated to services, but are charged direct to a separate cost centre, as defined by the Best Value Accounting Code of Practice.

All overhead costs are dealt with in accordance with the Best Value Accounting Code of Practice, to comply with the 'total cost' principle.

## **9. Government Grants and Contributions**

Government grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant contribution will be received.

Revenue Grants are recognised in the Income and Expenditure Account. Capital Grants are recognised in the Usable Capital Grants and Contributions Reserve until they are used to finance capital expenditure:

- Where the acquisition or enhancement of a fixed asset is financed either wholly or in part by government grant or other contribution and a useful asset life can be determined, the amount of the grant or contribution is credited to the government grants deferred account. The balance is then written down to the Income and Expenditure Account to offset depreciation charges made for the relevant assets in the relevant service account, in line with the depreciation policy applied to them.
- For non-depreciating assets, the grant or contribution is released in full to the Capital Adjustment Account in the year the asset is acquired or enhanced.

## **10. Stocks, Stores & Work - in - Progress**

Stocks and Stores are included in the accounts and valued at actual cost or net realisable value whichever is lower. This is in accordance with the requirements of the Code of Practice and SSAP 9.

Work in progress is valued at actual cost.

## **11. Internal Interest**

Interest on the Council's internal balances is credited to the General Fund and Housing Revenue Account based on the level of fund balances, to the benefit of the Council Tax/ Rent payer.

## **12. Leases**

### Finance Leases

The Council accounts for leases as finance leases when substantially all the risks and rewards relating to the leased property transfer to the Council. Rentals are apportioned between:

- A charge for the acquisition of the interest in the asset (this is recognised as a liability in the Balance Sheet at the start of the lease, matched with a tangible fixed asset. The liability is written down as rentals become payable),
- A finance charge (charged to Net Operating Expenditure in the Income and Expenditure Account as rentals become payable).

Fixed assets acquired under finance leases are accounted for using the policies generally applied to tangible fixed assets, subject to depreciation being charged over the term of the lease if this is shorter than the assets estimated useful life.

### Operating Leases

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payable/receivable are charged to the relevant service revenue account on a straight-line basis over the term of the lease.

## **13. Pension Costs**

FRS 17 'Retirement Benefits' replaced SSAP 24 'Accounting for Pension Costs' with effect from 2001/02. However full compliance was on a staged basis up to 2002/03, with full compliance from 2003/04. It has introduced substantial changes in the way that retirement benefits are accounted for. FRS 17 is based on a simple principle - that an organisation should account for retirement benefits when it is committed to give to them, even if the actual giving will be many years into the future. 2003/04 was the first year of the full adoption of FRS 17, whereby the pension costs of providing retirement benefits, that are charged to the Council's revenue account, are recognised in the accounting period(s) in which the benefits are earned by the employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. The related finance costs and any other changes in value of the assets and liabilities are recognised in the periods in which they arise. In order that this Financial Reporting Standard does not impact on the amounts to be met by council-tax payers, the entries are reconciled to the pension costs

required to be made for Council Tax purposes by transfers to or from the Pension Reserve. The Balance Sheet shows the 'Net Asset Position', in terms of the Council's share of the Pension Fund assets and liabilities.

In assessing liabilities for retirement benefits as at 31 March 2007, for the 2006/07 Statement of Accounts, the actuary assumed a discount rate of 2.1% real, a rate based the current rate of return on a high-quality corporate bond rate of equivalent currency and term to scheme liabilities. For the 2007/08 Statement of Accounts, the equivalent rate to be used is 3.2%. Application of this rate and the impact of other changes in the financial assumptions compared to the 2007 FRS17 report resulted in a decrease in liabilities measured at today's prices of £21.427m adjusted for by an increase in actuarial gains. This is in addition to an actuarial loss of £4.097m in respect of a change in the mortality, resulting in a total recognised gain of £17.330m.

#### **14. Financial Liabilities**

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective interest rate for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (adjusted accrued interest payments as at 31 March) and interest charged to the Income and Expenditure Account is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to Net Operating Expenditure in the Income and Expenditure Account in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, any premium or discount is respectively deducted for or added to the amortised cost of the new or modified loan and the write-down to the Income and Expenditure Account is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Income and Expenditure Account, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over un-expired life of the original loan. The reconciliation of amounts charged to the Income and Expenditure Account to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Statement of Movement on the General Fund Balance.

#### **15. Financial Assets**

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market

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- Available for sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

#### Loans and Receivables

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective interest rate of interest for the investment. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Income and Expenditure Account is the amount receivable for the year in the loan agreement.

However, occasionally the Council may make loans to other parties (e.g. voluntary organisations) at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Income and Expenditure Account for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of the amounts debited and credited to the Income and Expenditure Account to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Statement of Movement on the General Fund Balance. There are no soft loans in the Council's Balance Sheet as at 31 March 2008.

Where assets are identified as impaired because of a likelihood arising from a past event that payments under the contract will not be made, the asset is written down and a charge is made to the Income and Expenditure Account.

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Income and Expenditure Account.

#### Available for Sale Assets

Available for Sale Assets are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Income and Expenditure Account for interest receivable are based on the amortised cost of the asset multiplied by the effective interest rate for the instrument. Where there are no fixed or determinable payments, income is credited to the Income and Expenditure Account when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- Instruments with quoted prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis

Changes in fair value are balanced by an entry in the Available for Sale Reserve and the gain/loss is recognised in the Statement of Total Recognised Gains and Losses. The exception is where impairment losses have occurred – these are debited to the Income and Expenditure Account, along with any net gain/loss for the asset accumulated in the reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments under the contract will not be made, the asset is written down and a charge is made to the Income and Expenditure Account.

Any gains and losses that arise on de-recognition of the asset are credited/debited to the Income and Expenditure Account, along with any accumulated gains/losses previously recognised in the Statement of Total Recognised Gains and Losses.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

## **16. Deferred Charges**

Deferred Charges represent expenditure that may be capitalised under statutory provision but where the Council obtains no tangible fixed asset (e.g. improvement grants and spend on assets not in the Council's ownership). These are amortised to the relevant service in the Income and Expenditure Account in the year the expenditure is incurred. Where the Council has determined to meet the costs of the deferred charges from existing capital resources or by borrowing, a transfer to the Capital Adjustment Account is made to reverse out the amounts charged in the Statement of Movement on the General Fund Balance so there is no impact on the Council Tax payer.

## **17. Group Accounts**

Councils are required to produce Group Accounts to include services offered to Council Tax payers by organisations other than the Council itself but in which the Council has an interest. There are a number of criteria set out by which the Council must determine whether the value of the company and the Council's interest is significant enough for Group Accounts to be produced. The Council has complied with the Code of Practice on Local Authority Accounting, and while it has identified a company over which it has joint control, it has concluded that the company does not meet the criteria that would require consolidation into the Council's accounts.

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### **The Authority's Responsibilities**

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Resources;
- to manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

### **The Director of Resources Responsibilities**

The Director of Resources is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice').

In preparing this Statement of Accounts, the Director of Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Director of Resources has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounts present fairly the financial position of the authority at 31 March 2008 and its income and expenditure for the year ended on that date.

SIGNED \_\_\_\_\_

AA ANDREWS, CPFA,  
Director of Resources

DATE: 16 JUNE 2008

## 1. Scope Of Responsibility

1.1. The City of Lincoln Council is responsible for ensuring that its business is conducted in accordance with the Law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The City of Lincoln Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2. In discharging this overall responsibility, The City of Lincoln Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

1.3. The City of Lincoln Council has approved and adopted a Code Of Corporate Governance, which is consistent with the principles of the CIPFA SOLACE Framework Delivering Good Governance in Local Government.

1.4. A copy of the code is on our website at [www.lincoln.gov.uk/doclib/Code\\_of\\_Corp\\_Governance.pdf](http://www.lincoln.gov.uk/doclib/Code_of_Corp_Governance.pdf) or can be obtained from The Policy Unit Business Manager, Chief Executive's Directorate, City Hall, Beaumont Fee, Lincoln LN1 1DD.

1.5. This statement explains how the City of Lincoln Council has complied with the code and also meets the requirements of regulation 4121 of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit [Amendment] [England] Regulations 2006 in relation to the publication of a Statement On Internal Control.

## 2. The Purpose Of The Governance Framework

2.1. The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the City of Lincoln Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2.3. The governance framework has been in place at the City of Lincoln Council for the year ended 31 March 2008 and up to the date of approval of the Statement of Accounts.

### **3. The Governance Framework**

3.1. The key elements of the systems and processes that comprise the Authority's governance arrangements include arrangements for:

3.2. Identifying And Communicating The Authority's Vision Of Its Purpose And Intended Outcomes For Citizens And Service Users

3.2.1 To help identify priorities the Council uses public consultation with the Lincoln Citizen Panel (an established representative group of 1,000 local residents). This is supplemented by 'All Member' workshops, which build on the identified community priorities to include those issues of concern to elected members.

3.2.2. The Council also takes account of its own aspirations, as expressed within its Excellence 2008 (Our Agenda for Change, E08 programme) along with its commitments to the Community Plan and to the agreed national priorities through the Local Area Agreement (LAA). The Council also makes use of a significant level of statistics included in the "State of the City" report highlighting local priorities for the City".

3.2.3. The Authority developed four main aims supported by ten priorities for 2007/8, which have been formally adopted by Full Council as part of the Strategic Plan.

3.2.4. Following the change of administration in the May 2007 elections, a further review of spending plans supporting these priorities was undertaken during 2007 to release the capacity to deliver the Manifesto pledges of the new administration. This included a City-wide consultation exercise inviting all residents to participate.

3.2.5. A revised Strategic Plan was completed and approved by Council in November 2007.

3.2.6. The Strategic Plan Cycle ensures that objectives are reflected in Directorate and Head of Service plans and are matched with budgets. This ensures that the necessary resources, both staff and financial, are allocated to deliver the service plans.

3.2.7. The Council's vision is derived from the Lincoln Community Plan and is articulated in the Strategic Plan, which is translated into service plans, team plans and personal actions, which contain specific key objectives, responsibilities and targets. Budgets are controlled and monitored by Heads of Service in each Service area.

3.2.8. Aligned to Council priorities, the Council launched a refreshed Excellence 2008 programme in September 2007. 'E08' seeks to achieve a number of key outcomes:

High quality accessible and user-friendly services that put the customer at the heart of everything we do.

A skilled and motivated workforce prepared for the future.

Maximising the benefits of new technology.

a) A culture of continuous improvement and desire to seek better ways of working.

b) A sustainable use of resources that deliver affordable, cost effective services capable of continuous improvement

3.2.9. The over-arching challenge is to secure measurable improvement in the Council's capacity to deliver high quality services, which increases the satisfaction of our service users.

3.2.10. The Council monitors its performance in meeting its objectives through management and Committee processes, including:

a) Regular management team meetings, including Departmental Management Team, Corporate Management Team (CMT).

b) Reports to Scrutiny Committee, and the Executive including quarterly performance reports to Performance Scrutiny Committee.

c) Risk Advisory Group.

d) EO8 working groups.

e) Other working groups, i.e. Partnership Monitoring Group and Strategic Plan Implementation Team for actual supporting schemes.

3.2.11. The Council communicates its vision and priorities through the Community Plan for Lincoln and its Strategic Plan and associated consultation strategies including Excellence 2008. There are various communication channels and campaigns each year.

3.2.12. The Council recognises that it needs to articulate its ambition for the City more clearly and will include this in the new Sustainable Community Strategy and the next refreshed Strategic Plan.

3.2.13. The Council has previously published a Best Value Performance Plan (BVPP), as well as the Statement of Accounts. The requirement to publish a BVPP will cease after June 2008 and in its place the Council intends to publish an annual report, which will detail the Authority's activities and achievements, its financial position and performance.

3.3. Reviewing The Authority's Vision And Its Implications For The Authority's Governance Arrangements

3.3.1. There will be an annual report updating on progress with the Strategic Plan each year with a full review every five years. There was a comprehensive review of the Council's vision and main aims in March 2007.

3.3.2. The Council's main aims and vision are consistent for a period of 10 years and priorities for 5 years.

3.3.3. The Community Plan is currently undergoing a review and will become the Sustainable Community Strategy for Lincoln. The next Strategic Plan review is due in May 2011/12.

3.3.4. The new National Performance Management Framework starts in 2008/9 and this will be appropriately reflected in Council plans and the local Performance Management Framework.

3.3.5. The Council has recently approved a Code of Corporate Governance. Any change in vision for the future will be assessed against the Code to ensure that implications are appropriately considered.

3.4. Measuring The Quality Of Services For Users, For Ensuring They Are Delivered In Accordance With The Authority's Objectives And For Ensuring That They Represent The Best Use Of Resources

### **Performance Management**

3.4.1. The Council has a robust and comprehensive Performance Management framework (PMF) in place, which is supported by a Performance Clinic process to examine poor performance and instigate supportive and corrective action as appropriate. The PMF is being refreshed in 2008/09 to incorporate new National Indicators.

3.4.2. The Council's web based "IMPS" performance management system is used to collect data across the Council's services and all Council managers and Members have access to the system to allow them to input data and examine current performance.

3.4.3. Performance against Strategic Plan priorities and targets is reported quarterly to the Executive and Performance Scrutiny Committee. The Performance Scrutiny Committee plays a clear role in helping to manage and monitor performance.

3.4.4. Performance is also considered quarterly by the Corporate Management Team, DMT's and individual performance is discussed via the performance and development appraisal system (PANDA) for employees. Further work is being undertaken during 2008-9 to ensure that the PANDA system is applied even more consistently.

3.4.5. Quarterly performance information is linked to both financial and customer satisfaction information to provide a high level view of value for money. Service standards are also being introduced more widely during 2007-8.

3.4.6. The Council has a track record of using performance clinics to consider and tackle areas where the performance is causing some concern. The clinic process is to be expanded to other services where further support could lead to exceptional performance in priority areas

3.4.7. The Council recognised that there were areas for improvement including the monitoring of Strategic Plan, LAA and Excellence 2008 priorities which needed to be better integrated; this has now been actioned. The Council also needed to improve further the performance management of its partnership commitments, including the Community Strategy and resources have been applied to ensure that this takes place.

3.4.8. Overall performance against a core set of key performance indicators (the CPA re-categorisation BVPI pack) shows the Council is performing well. The Council can improve across the full range of performance indicators and this is currently being addressed. The Council is aware of weak areas and has a programme of review activity.

3.4.9. The Council has clear, reliable information on costs and performance across most service areas and action is being taken in 2008/9 to address any gaps. The Council has adequate management arrangements to ensure the quality of data and introduced a data quality policy during 2006/7 in response to Audit Commission recommendations to further improve control arrangements.

3.4.10. The Council publishes a Best Value Performance Plan each year showing how it performed against national, local and departmental performance indicators.

3.4.11. The range of local indicators is kept under review to ensure that all service areas are effectively measured. For 2007-8 Local PI's were replaced by a series of service standards, some developed in consultation with local residents.

3.4.12. The programme of Fundamental Best Value Reviews was integrated with the Comprehensive Performance Assessment (CPA) Improvement Planning process. A Cultural Services Best Value Review is being finalised and is due for completion by July 2008.

## **Partnerships**

3.4.13. The Council has a Partnership Strategy in place, which provides a firm basis on which to assess and monitor partnerships and partnership activity including risk. The Council is currently updating detailed guidance for officers.

3.4.14. The Council has a positive approach to partnership working and there are several examples of successful delivery through partnership work, including the LSP (Local Strategic Partnership).

3.4.15 Delivery of the new Local Area Agreement for Lincolnshire is key and is at the heart of partnership working within the Council.

3.4.16 Lincoln needs to use the development of the new Sustainable Community Strategy to articulate a more strategic role for the LSP in future, with broader involvement of Members and private and voluntary sectors.

## Use Of Resources

3.4.17 Members and senior officers are committed to achieving value for money, which is a central feature of the Council's 'Excellence 2008' agenda.

3.4.18. The Council has achieved an overall level 3 (out of 4) use of resources rating from the Audit Commission, which indicates that the Council is using its resources well and provides value for money in most services. The value for money assessment was a level 2 (out of 4) and it is anticipated that with changes made for 2008/9 this score will improve.

3.4.19. The Council will refocus its value for money agenda from 2008/09, moving away from cross cutting themes and has developed a Value For Money Review Programme integrated as part of a wider service review programme. These reviews will focus on those services that have been deemed as priority services of the Council and will be targeted, short; sharp reviews, maximizing the impact on value for money

3.4.20. Information to inform the prioritisation of the Value for Money Review Programme will be collated from service plans. The service planning template has been revised for 2008/09 to include the essential elements of value for money, clearly demonstrating the interplay between cost, performance and customer satisfaction. Focussed support will be provided to those services with benchmarking gaps to help judge performance within the context of peers and there will be greater use of consultation to obtain customer and non-customer feedback. Based on these elements of information the services will be scored as high, medium or low risk in terms of demonstrating value for money using evaluation toolkit comparing cost, review outcomes, and performance. The overall score will then be compared to that of other services, categorised and then ranked for whether the value of money reviews should be in Year 1, 2 or 3 and integrated into the Council's overall forward improvement programme.

3.4.21. The Council is also taking further steps to improve value for money at a practical level. This includes partnership working (for example housing, refuse and leisure), tackling high cost areas, maximizing the use of technology, procurement options, shared services (across the County) and attracting external funding.

3.4.22. The Value for Money Programme forms part of a wider service review programme which is designed overall to deliver budget savings for the Council. The delivery of a high level of savings is necessary to ensure the longer-term sustainability of the budget and to allow for the potential release of further resources for improvement and investment in the medium to longer term.

3.4.23. Both Members and officers monitor performance and service costs. Members now analyse cost alongside performance and financial and performance reports have been combined to provide a more holistic view of services for Members.

3.5. Defining And Documenting The Roles And Responsibilities Of The Executive, Non Executive, Scrutiny And Officer Functions, With Clear Delegation Arrangements And Protocols For Effective Communication

## Policy And Decision-Making

3.5.1. The Council has strong overview and scrutiny function and there is a clear split between Executive and Scrutiny. Overview and Scrutiny adds value to the decision making process.

3.5.2. The importance with which the Council places on effective Overview and Scrutiny is reflected in dedicated officer resource, which is recognised and valued by Members and effectively supports scrutiny.

3.5.3. The Council's policy and decision-making process is defined in the Constitution but can be summarised as follows: -

- a) The Budget and Policy Framework is decided by Council, and has significant links to the Strategic Plan and Community Plan.
- b) Executive is allocated authority by Council to deliver approved Policy.
- c) Executive approves policies, plans and strategies which do not form part of the Council's Policy Framework, and for which the Executive has a defined Constitutional responsibility.
- d) Three Scrutiny Committees have been assigned as follows; performance, policy review and policy development.
- e) Scrutiny Committees work to individual work programmes of matters to be considered for the year ahead and there is a monitoring role for each Scrutiny Committee to ensure delivery of the programme.
- f) The work of the Executive is scrutinised by Policy Review Scrutiny Committee who can undertake in depth investigation into individual issues.
- g) Quasi-judicial matters such as Planning and Licensing are dealt with through separate Development Control and Licensing Committees.
- h) Officers generate reports for Executive and Scrutiny Committees approval in accordance with Council Policy, the Forward Plan and Scrutiny Work Programmes.
- i) Forthcoming issues are considered in advance at an informal Executive Briefing.
- j) The Council publishes on a monthly basis a rolling twelve monthly Forward Plan of key decisions to be taken by the Executive. The Forward Plan is reviewed and monitored by the Policy Review Scrutiny Committee.

3.5.4. The scheme of delegated and reserved powers is set out within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Authority, taking account of relevant legislation. It is monitored and updated at the appropriate intervals.

3.5.5. There are protocols for effective communication which include

- a) Member/Officer Relations Protocol
- b) Portfolio Holders regularly meet with designated officers and Chief Officers
- c) Decision "call in protocol" which enables a decision of the Executive to be questioned by Scrutiny before its is finally approved

### 3.6. Developing, Communicating And Embedding Codes Of Conduct, Defining The Standards Of Behaviour For Members And Staff

3.6.1. The Authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.

3.6.2 Standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols.

3.6.3. This includes:

- a) Members Code of Conduct
- b) Guidance when dealing with Planning Matters
- c) Protocol on Member/Officer Relations
- d) Officer Code of Conduct
- e) Whistle Blowing Policy in place
- f) Complaints procedure in place
- g) Anti-Fraud and Corruption Policy
- h) Partnerships may have their own governance arrangements as well as those operated by partner organisations

3.6.4. Arrangements are in place to ensure that Members and employees of the Authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

3.6.5. Appropriate processes are in place also to ensure that they continue to operate in practice.

3.6.6. Rules and procedure are set out in Constitution including Members Code of Conduct, Standards Committee, Rules of Procedure, Financial and Contract Procedure Rules.

3.6.7 Training is provided to staff and Members and there are various registers in place to ensure compliance, supported by staff appraisal. Processes are in place to ensure they continue to operate in practice. The Monitoring Officer and Chief Finance Officer also have clear supporting roles.

3.6.8 There is a good awareness level of probity issues amongst managers as evidenced by a fraud and corruption survey.

3.6.9. The Council has a robust investigation and disciplinary process for conduct issues and action is taken against employees where conduct falls below that expected.

3.6.10. From 2008-09 complaints against Members will be dealt with by the Standards and Audit Committee, rather than the Standards Board and processes to accommodate this change are now being finalized.

3.7. Reviewing And Updating Standing Orders, Standing Financial Instructions, A Scheme Of Delegation And Supporting Procedure Notes/Manuals, Which Clearly Define How Decisions Are Taken And The Processes And Controls Required To Manage Risks

3.7.1. The scheme of delegated and reserved powers is set out within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Authority, taking account of relevant legislation.

3.7.2. Standing orders and financial instructions are reviewed regularly and were recently updated.

3.7.3. The Council uses training, procedure notes and manuals to help staff operate systems and these are updated each year.

3.7.4. The Council has clear guidance on managing risk. During 2005/06 a new Risk Management Framework was developed. The new approach to risk management was implemented during 2006-07 and 2007-08, which included the appointment of a dedicated Risk Manager. Risk management is now well embedded and Members receive a comprehensive range of reports.

3.7.5. In terms of risk to partnership arrangements the Council has an officer led monitoring group which is working with other local authorities to implement best practice, review governance arrangements and ensure partnership effectiveness. This includes detailed risk workshops for key partnerships.

### **The Financial Management Of The Authority**

3.7.6. Financial Management

3.7.7. Statutory responsibility for ensuring effective systems of accounting, financial management control and reporting lies with the Council's statutory "Section 151 Officer", currently the Director of Resources.

3.7.8. Responsibility for the effective management of approved operational budgets is allocated to identified service managers who are accountable for the efficient discharge of their service delivery responsibilities within the resource allocated to them and each service.

3.7.9. The financial management framework is summarised as follows:

3.7.10 Budget Process

- Five-Year Medium Term Financial Strategy, revised annually.
- Capital Strategy/Asset Management Plan.
- Annual Budget and setting of the Council Tax.
- Member prioritisation of Strategic Plan Bids.
- Identification, impact and containment of strategic financial risks.

3.7.11. Budget Monitoring

- a) Detailed monthly monitoring of actual income and expenditure against budgets by Service Managers.
- b) Financial management/budgetary control monitoring reports presented to Directorate Management Teams on a quarterly basis.
- c) Summary financial management/budgetary control monitoring reports, a review of the financial risks and earmarked reserves presented to Performance Scrutiny and the Executive on a quarterly basis.
- d) High level financial management information combined with performance information is reported to Performance Scrutiny and Executive on a quarterly basis and annually to Full Council

3.7.12. Good financial management is essential for the Council to improve its performance and achieve its strategic priorities. In future year's financial resources will become tighter for local government as a whole and good financial management and use of resources will therefore be increasingly important. In light of this the Financial Procedures Rules of the Council were amended during 2006/07 to empower managers with budgetary control and operational responsibilities to actively influence service delivery and optimise utilisation of resources.

3.7.13. Financial management training was also delivered to all Heads of Service and Service Managers along with the development of a Budget Managers Manual.

### **Procurement And Projects**

3.7.14. From April 2008 the Council will delegate its procurement activities to a Shared Service Partnership in conjunction with the County Council and the six other District Councils. The Council's current Procurement Policy And Strategy, which was developed using national procurement strategy guidance, will be combined with the strategies of the other partners to produce a joint Sustainable Procurement Strategy for Lincolnshire. As part of the transfer of delegation to Procurement Lincolnshire the Council's current Contract Procedure Rules will need to be reviewed to ensure that they still remain fit for purpose.

3.7.15. Major projects undertaken by the Council are managed and monitored in accordance with the Corporate Project Management Model (The Lincoln Model). During 2007/08 the Council identified some potentially large overspends on significant infrastructure projects, and is currently working to mitigate these costs, however the Council also committed to learn lessons from this and has commissioned a review of the Lincoln Model. The review of the model will ensure that an effective framework is in place so that we are developing the right projects to deliver our strategic objectives and then subsequently manage and monitor these projects in a clear and transparent way so that we deliver the right outputs and outcomes on time and to budget.

### 3.8. Undertaking The Core Functions Of An Audit Committee, As Identified In CIPFA's Audit Committees - Practical Guidance For Local Authorities

3.8.1. The Council maintains and operates an effective Standards and Audit Committee (as measured by a recent review) which is independent of the Executive and Scrutiny functions. The Committee includes three lay members.

3.8.2. Core functions are set out in the Constitution. Terms of reference have been updated to take account of CIPFA guidance and the Committee operates to these.

### 3.9. Ensuring Compliance With Relevant Laws And Regulations, Internal Policies And Procedures, And That Expenditure Is Lawful

3.9.1. Officer, Member, Committee and Council responsibilities are outlined in the Constitution and also in relevant job descriptions.

3.9.2. Legal hold a central library of all relevant legislation. Departments take responsibility for receiving and operating to new legislative responsibilities as they arise. Legislation and Statutory Instruments are dealt with and assessed as they are received (from a range of sources including National email alert system). Changes in legislation have been implemented successfully with no major issues arising.

3.9.3. The communication of local policies and procedures is embedded in a number of different ways such as team briefings and local training etc. Employees ensure that they are aware of, and comply with laws and regulations, which are relevant to their roles.

3.9.4. The Council's statutory officers are the Chief Executive (Head of Paid Service), the Section 151 Officer (Director of Resources) and the Monitoring Officer (Head of Corporate Support Services) are responsible for ensuring that the Council acts within the law and in accordance with established policy and procedure.

3.9.5. Counsel opinion may be obtained in certain circumstances and unusual transactions are referred to the External Auditor for consideration.

3.9.6. The Section 151 Officer is specifically responsible for the proper discharge of the Council's financial arrangements and must advise Elected Members where expenditure is likely to exceed resources.

3.9.7. Where any proposal is unlawful, the Section 151 Officer, jointly with the Monitoring officer, must also advise Elected Members.

3.9.8. Directors and senior management carry responsibility for ensuring that legislation and policy relating to service delivery and health & safety are implemented.

### 3.10. Whistle-Blowing And For Receiving And Investigating Complaints From The Public

3.10.1 The Council has established systems for receiving whistleblowing complaints and general service based complaints.

3.10.2. There is a Corporate Whistle Blowing Policy in place, which is publicised, and there are separate arrangements for housing benefit fraud. Details are included on the Council's website and intranet with regular reminders to staff.

3.10.3. The Whistleblowing Policy covers all staff and contractors.

3.10.4. Further improvements are currently being made to the Council's Complaint's Procedure which is subject to regular review.

3.11. Identifying The Development Needs Of Members And Senior Officers In Relation To Their Strategic Roles, Supported By Appropriate Training

3.11.1 All employees have a job description, which includes elements of the corporate competency framework, as well as service specific responsibilities. The appraisal scheme (PANDA) has been operating for some time now. Objectives are based on activities incorporated in the corporate competency framework and job descriptions, as well as on activities cascaded from the strategic plan.

3.11.2. Development needs link directly to the achievement of objectives, as well as looking ahead to future requirements.

3.11.3. The Council has a Corporate Training Strategy. There is an Annual Training & Development Programme for all Members and by running an induction programme for new Members. Members also receive specific training or briefings before performing certain roles.

3.11.4. The Council has a formal induction system and a Corporate Induction Course runs regularly.

3.11.5. The Council's PANDA and job chat system is used to ensure training needs are adequately met and this is supplemented by officer's own professional requirements for Continuing Professional Development

3.11.6. Member job descriptions have previously been reviewed and these are now being taken forward.

3.11.7. The Council recognises that there are strategy areas linked to development needs which require finalising and these have been action planned.

3.12. Establishing Clear Channels Of Communication With All Sections Of The Community And Other Stakeholders, Ensuring Accountability And Encouraging Open Consultation

3.12.1. The Council uses a variety of channels to communicate with the community and stakeholders for example: -

a) Strategic Plan Consultation including the voluntary and business sector

- b) Citizen Panel (four surveys per year)
- c) All Residents Surveys
- d) Youth Panel
- e) Focus Groups
- f) Equality and Diversity work with 3rd sector
- g) Other Groups
- h) E-Surveys

There are stakeholder forums for example: -

- a) Housing
- b) NNDR

3.12.2. In reviewing the Strategic Plan the Council has consulted widely with local people about which initiatives should be taken forward and these have now been communicated.

3.12.3. The Council has its own newspaper "Your Lincoln" and has recently updated its website and appointed a full time web co-ordinator. The Council has an experienced and well-regarded Communications Team (as noted in the IdeA peer review). There is also good recognition of Councillors by the public.

3.12.4. Neighbourhood Management is also helping to create additional opportunities to directly engage with local people to help shape services.

3.12.5. The Council recognises that it could improve the consistency of its branding across services and involvement with the Community empowerment network also requires review. The Council will consider the identification of a more central role for the community empowerment network in order to better use its capacity to help engage local people and community group.

3.12.6. At an operational level the Council is investigating options for bringing all reception points together in one place within City Hall, is continuing to work proactively to build effective communication channels between the front and back offices and will continue to appropriately implement the CRM system (Customer Relationship Management) to create a single record of individual customers' contact with the Council

3.13. Incorporating Good Governance Arrangements In Respect Of Partnerships And Other Group Working As Identified By The Audit Commission's Report On The Governance Of Partnerships, And Reflecting These In The Authority's Overall Governance Arrangements.

3.13.1. The good governance arrangements set out by the Audit Commission have been adopted and used to assess Council partnerships. These arrangements are included within the Council's partnership strategy. Guidance is currently being reviewed.

3.13.2. The Council's top partnerships have been reviewed to ensure good governance arrangements are in place.

## **4 Review Of Effectiveness**

- 4.1. The City of Lincoln Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework including the System of Internal Control. The Review of Effectiveness is informed by the work of the Executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report, and also by comments made by the external auditors and other review agencies and inspectorates.

- 4.2. The following section describes the process that has been applied in maintaining and reviewing the effectiveness of the Governance Framework, including some comment on the role of:

- The Authority
- The Executive
- The Standards and Audit Committee
- Internal Audit
- Other explicit review/assurance mechanisms.

### **4.3. The Council**

The Council approves:

- Strategic and Service Priorities (through the Strategic Plan and Best Value Performance Plan).
- Annual Budget and Council Tax.
- Annual Budget Outturn.
- All policies, plans and strategies forming, or to be included, in the Council's Budget and Policy Framework.

### **4.4. Executive**

The Executive:

- Recommends to Council the budget and Council Tax proposal.
- Enacts Policy set by the Council.
- Approves policies, plans and strategies, which do not form part of the Council's Policy Framework.

### **4.5. Scrutiny**

4.5.1. The scrutiny function is provided by three Scrutiny Committees, which examine the activity of the Executive to ensure it delivers Council Policy. The Standards and Audit Committee acts as the Audit Forum and receives the Annual Internal Audit Report of the Audit Manager incorporating his opinion on the Internal Control Environment throughout the Council. This Committee also receives quarterly reports

from Internal and External Audit. All Scrutiny Committees now have dedicated officer support to enhance their capacity.

#### **4.6. Internal Audit and the Standards and Audit Committee**

4.6.1. The Council have established a politically balanced Standards and Audit Committee with audit and governance issues in its terms of reference, providing independent assurance on the Risk Management and Internal Control Environment. The Committee oversees the production of the Council's Annual Governance Statement. The Committee provides challenge across the Council.

4.6.2. Directors are responsible for ensuring proper standards of Internal Control within their departments. The Audit Manager is responsible for review of the Systems of Internal Control and for giving an opinion, both service specific and corporate, on the standards in place. The five-year Strategic Internal Audit Plan covers all activities of the Council at a level and frequency determined using a risk management methodology.

4.6.3. An Annual Audit Plan governs each year's activity and at the completion of each audit a report is produced for management with recommendations for improvement.

4.6.4. The Accounts and Audit Regulations require the Council to review at least annually the effectiveness of Internal Audit, including the Audit Committee. This review was completed and reported to Executive and Council. Points arising from the review have been action planned.

4.6.5. For the 2007/08 financial year the Audit Manager was satisfied that the overall level of Internal Control throughout the Council was adequate with certain areas highlighted for improvement.

4.6.6. The Audit Committee meet regularly and receive a summary of all Internal Audit and External Audit reports issued and monitor progress on implementing the recommendations that are made. Other issues may be brought to Committee's attention as required.

#### **4.7. External Audit**

4.7.1. External Audit's Annual Audit and Inspection Letter for 2006/07 was received in March 2008. There were no major concerns raised from their work on financial systems and controls.

4.7.2. During the year External Audit have examined a small number of new areas and determined progress on previous completed reviews.

#### **4.8. Other Explicit Review And Assurance Mechanisms**

4.8.1. The Local Government Ombudsman report on complaints showed no issues arising with a good level performance noted. Of all the decisions made by the Ombudsman there were no cases of maladministration and no requirement for any local settlements.

4.8.2. The Council commissioned a Peer Review report during 2007-08, covering various aspects of the Council's business. The Council has accepted recommendations and completed a detailed Action Plan. Where applicable reference has been made within this statement to the outcomes of that review.

We have been advised on the implications of the result of the review of the effectiveness of the Governance Framework by The Executive and Standards and Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**Significant Governance Issues**

This includes an outline of the actions taken, or proposed, to deal with significant governance issues.

1	<p><b>Governance Issue</b></p> <p>Officers and Members need to be more engaged with the LAA (Local Area Agreement) and delivery aspects due to the broad nature of the LAA targets.</p> <p>LAA targets have been assigned to Heads of Service and Service Managers.</p> <p>Local Area Agreements (LAAs) represent a new relationship between Local and Central Government and key partners. It will show how partners will deliver a better quality of life for people through improving performance on both local and national priorities.</p> <p>The Local Area Agreement is the principal Action Plan for the Sustainable Community Strategy. It is a three year agreement that sets out the priorities for Lincolnshire. It is negotiated with government, represented by the Government Office, and local authorities, including the City of Lincoln Council and other key partners. The LAA has recently been submitted to Government Office for approval.</p>	<p>The Council needs to raise awareness of the LAA generally with Members.</p> <p>Portfolio Holders will need to be become involved in the delivery aspects of the LAA.</p> <p>This will include reports via the Performance Management Framework to Performance Scrutiny Committee and Portfolio Holder meetings.</p> <p><b>Responsible Officer:</b> Director of Development &amp; Environmental Services.</p> <p><b>Monitoring Arrangements:</b> Performance Scrutiny Committee Portfolio Holder meetings</p> <p><b>Implementation Dates:</b> 31 August 2008.</p>
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2	<p><b>Business Continuity</b></p> <p>Business Continuity Plans (BCP's) have been developed for each service area and corporately in consultation with Emergency Planning Officers from the County Council.</p> <p>Resulting from a review of BCP's in 2007-08, officers recognised that plans needed further development and initiated a further BCP project.</p>	<p>The project has commenced with a very detailed review of selected service areas. These pilot areas include Communications and Customer Services.</p> <p>Full Business Impact and Risk Assessments (BIRAs) are being completed, together with revised Business Continuity Plans. These initial areas should be completed in September 2008. IT Disaster Recovery (DR) Planning is being developed alongside.</p> <p>Once the pilot is completed, there will be rollout across the Council, subject to Resources.</p> <p><b>Responsible Officer:</b> Director of Resources</p> <p><b>Monitoring Arrangements:</b> E08 – Meeting Business Needs</p> <p><b>Implementation Dates:</b></p> <ul style="list-style-type: none"> <li>• 30th September 2008 (Initial exercise)</li> <li>• From 1st November 2008 (Further areas reviewed)</li> </ul> <p>By 31 March 2009 (Dovetail new arrangements with IT DR plan)</p>
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3	<p>Project and Contract Management needs to be improved.</p> <p>The Council has identified some potential large overspends on significant infrastructure projects during 2007-08 and is working to mitigate these costs and learn lessons for the future.</p> <p>The Council also identified weaknesses with Section 106 processes and these have already been improved.</p> <p>The Council has A Corporate Project Management Model in place and project monitoring arrangements however guidance needs to be improved and officers require further training.</p>	<p>Recommendations arising from the review of overspends on the large infrastructure projects will be implemented.</p> <p>The update on the Project Management Guidance will be completed and officers will ensure appropriate training is completed on both Project, Contract Management and related Council Procedure Rules.</p> <p>The new Strategic Plan Implementation Team will work effectively to monitor key projects.</p> <p><b>Responsible Officer:</b> Director of Resources</p> <p><b>Monitoring Arrangements:</b> CMT</p> <p><b>Implementation Dates:</b></p> <ul style="list-style-type: none"> <li>• Project management guidance (by August 2008)</li> <li>• Implement recommendations arising from the review of overspends on the large infrastructure projects (July 2008 onwards)</li> </ul>
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4	<p><b>Information Management and Information Security requires improvement.</b></p> <p>This issue was highlighted in the previous SIC, but insufficient progress has been made during 2007-8 and therefore it remains a significant governance issue.</p> <p>This is currently a key risk on the Council's Strategic Risk Register.</p> <p>A project is currently being lead by the Director of Resources to address information governance gaps that have been identified.</p> <p>The Council has developed a draft IT Security Policy and undertaken a gap analysis – further work is now required to address these gaps.</p> <p>Information Management similarly has weaknesses in particular around records management.</p> <p>Resource bids for additional funding have not previously been successful for these areas.</p> <p>Interim funds have been earmarked from existing budgets to take forward this project over the next 6-12 months.</p>	<p>Interim funds will be utilised to develop Information Management Strategies.</p> <p>Risks will be identified through a gap analysis and steps taken to mitigate these with existing resources.</p> <p>Opportunities for additional funding will again be sought in the medium term.</p> <p><b>Responsible Officer:</b> Director of Resources.</p> <p><b>Monitoring Arrangements:</b> E08 – Meeting Business Needs Governance Group</p> <p><b>Implementation Dates:</b></p> <p><b>IT Security</b></p> <p>Policy approval (31 July 2008) Prepare action plan and commence delivery (31/12/08)</p> <p><b>Information Management</b></p> <ul style="list-style-type: none"> <li>Engage consultancy (30 June 2008)</li> <li>Establish Action Plans of priority activity. (30 November 2008)</li> <li>Begin implementation of propriety areas (31st December 2008).</li> </ul>
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5	<p><b>Facilities Management</b></p> <p>The key governance concerns relate to the lack of assigned responsibility for land and property at all levels of the organisation leading to a lack of clarity around health and safety responsibilities. Significant progress has been made in this area.</p> <p>Inadequate systems were in place concerning the day-to-day management of repairs and maintenance of Council properties. Systems have been agreed and are currently being embedded.</p> <p>Resources have been allocated to this project and regular reports are being provided to Standards and Audit Committee.</p> <p>At the current stage of the project, it is felt that this should remain a significant governance issue.</p>	<p>Ensure that the project is completed to timescales and ensure continued monitoring through Committee.</p> <p><b>Responsible Officer:</b> Director of Resources</p> <p><b>Monitoring Arrangements:</b> Facilities Management Group Standards and Audit Committee Executive</p> <p><b>Implementation Dates:</b> Refer to detailed action plan</p>
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### Emerging issues

The following governance issues have been highlighted by management as a significant part of the Governance Framework and will provide challenge and opportunity for the future. These are emerging issues, which will require careful management.

#### a) Community Empowerment

Community Empowerment is about people and Government, working together to make life better. It involves more people being able to influence decisions about their communities, and more people taking responsibility for tackling local problems, rather than expecting others to.

The idea is that Government can't solve everything by itself, and nor can the community: it's better working together.

There are three key ingredients to Community Empowerment:

- Active citizens: people with the motivation, skills and confidence to speak up for their communities and say what improvements are needed.
- Strengthened communities: community groups with the capability and resources to bring people together to work out shared solutions.
- Partnership with public bodies: public bodies willing and able to work as partners with local people.

An Empowerment White Paper is due to be published later this summer.

Currently the Authority has limited resources to respond. When the full implications are known officers will report back to Members with what is required together with a gap analysis.

#### b) Performance Management

The new National Performance Indicators and linkages to the Local Area Agreement will be a key focus for the Council over the next 12 to 24 months.

#### c) Financial Strategy, Service Review and Value for Money.

The Council's new approach to Value for Money will also be a key focus. The Value For Money and Service Review Programme is key to deliver budget savings for the Council and deliver savings necessary to ensure the longer-term sustainability of the budget and to allow for the potential release of further resources for improvement and investment in the medium to longer term.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next Annual Review.

**Signed:** .....**Date**.....

**Leader of the Council.**

**Signed:** .....**Date**.....

**Chief Executive**

# INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

2006/07		Notes	2007/08	2007/08	2007/08
Net		P52-89	Gross	Income	Net
Expenditure			Expenditure		Expenditure
£'000			£'000	£'000	£'000
1,564	Central Services to the Public	32	7,868	(6,502)	1,366
11,272	Cultural, Environmental & Planning Services	1,29,32	22,024	(5,710)	16,314
(217)	Highways, Roads and Transport Services	1,32	3,621	(3,898)	(277)
(331)	Housing Services	32	49,615	(43,279)	6,336
2,237	Corporate & Democratic Core	32	1,620	0	1,620
809	Non Distributed Costs	32	59	0	59
15,334	<b>Net Cost of Services</b>		84,807	(59,389)	25,418
(152)	Gain or loss on the disposal of fixed assets				(27)
643	Internal Drainage Board precepts	11			645
(95)	(Surpluses)/deficits on trading undertakings not included in Net Cost of services	1,29			(1,183)
1,690	Interest payable and similar charges				1,715
2,278	Contribution to Housing Pooled Capital Receipts				1,832
(1,613)	Interest and investment income				(1,683)
16	Pensions interest cost and expected return on pensions assets	32			(204)
53	RSG amending report				0
18,154	<b>Net Operating Expenditure</b>				26,513
(5,017)	Council Tax Income				(5,337)
(2,535)	Government Grants (not attributable to specific services)	11			(1,977)
(8,438)	Distribution from NNDR Pool	11			(8,847)
2,164	<b>(Surplus)/deficit for the Year</b>				10,352

Note: The Gains and Loss on sale of fixed assets have been restated for 2006/07 to show gains of £152k (£229k receipts from non-fixed asset sales and disposal costs of £77k).

## STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The Income and Expenditure Account shows the Council's actual financial performance for the year measured in terms of the resources consumed and generated over the last twelve months. However, the Council is required to raise Council Tax on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The payment of a share of housing capital receipts to the Government scores as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than Council Tax.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance compares the Council's spending against the Council Tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

2006/07 £'000		2007/08 £'000
2,164	(Surplus)/deficit for the Year on the Income and Expenditure Account	10,352
163	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(10,821)
2,327	<b>(Increase)/Decrease in the General Fund Balance</b>	(469)
(4,416)	General Fund Balance Bought Forward	(2,089)
(2,089)	<b>General Fund Balance Carried Forward</b>	<b>(2,558)</b>
<b>(2,089)</b>	Amount of General Fund Balance generally available to the Authority	<b>(2,558)</b>

Note: The deficit for 2006/07 on the Income and Expenditure Account, and the net additional amount required to be debited to the General Fund Balance for the year have been restated to reflect gains on sale of assets of £152k (£229k receipts from non-fixed asset sales and disposal costs of £77k).

# NOTE OF THE RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

2006/07 £'000		2007/08 £'000
<b>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the movement on the General Fund Balance for the year</b>		
(566)	Depreciation and Impairment of General Fund Fixed Assets	(11,962)
(2,341)	Excess of depreciation charged to HRA services over the Major Repairs Allowance	(2,000)
152	Government Grants Deferred amortisation matching depreciation	308
(1,530)	Write downs of Deferred Charges to be financed from Capital Sources	(934)
152	Gain/loss on the sale of Fixed Assets	27
(3,897)	Net charges made for retirement benefits in accordance with FRS17	(2,446)
<b>(8,030)</b>		<b>(17,007)</b>
<b>Amounts not included in the Income and Expenditure Account but required by statute to be included when determining the movement on the General Fund Balance for the year</b>		
0	Premiums and Discounts Charged in year	595
382	Minimum Revenue Provision for Capital Financing	367
125	Capital Expenditure charged to the General Fund Balance	4,265
(2,278)	Transfer from Useable Capital Receipts to meet payments to the Housing Capital Receipts Pool	(1,832)
3,705	Employer's contributions payable to Lincolnshire County Pension Fund on Retirement Benefits payable direct to pensioners	4,097
<b>1,934</b>		<b>7,492</b>
<b>Transfers to or from the General Fund Balance that are required to be taken into account when determining the movement on the General Fund Balance for the year</b>		
1,172	Transfer of the surplus or deficit for the year on the Housing Revenue Account	(3,712)
0	Voluntary Revenue Provision for repayment of debt	3
5,086	Net transfer to or from Earmarked Reserves	2,403
<b>6,259</b>		<b>(1,306)</b>
<b>163</b>	<b>Net Additional Amount Required to be (Credited)/Debited to the General Fund Balance</b>	<b>(10,821)</b>

Note: The Gains and Loss on sale of fixed assets have been restated for 2006/07 to show gains of £152k (£229k receipts from non-fixed asset sales and disposal costs of £77k).

## STATEMENT OF RECOGNISED GAINS AND LOSSES

This Statement brings together all the gains and losses of the Council for the year and shows the aggregate increase in its net worth. In addition to the surplus/deficit generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and the re-measurement of the net liability to cover the cost of retirement benefits.

2006/07 £'000		2007/08 £'000
2,164	(Surplus)/deficit on the Income and Expenditure Account for the year	10,352
(7,038)	(Surplus)/deficit on Revaluation of Fixed Assets	(16,017)
(7,233)	Actuarial (gains) and losses on Pension Fund Assets and Liabilities	(3,036)
(54)	(Surplus)/deficit on the Collection Fund	(87)
0	* Any other (gains) or losses recognised in the STRGL	2,072
<b>(12,161)</b>	<b>Total Recognised (gains)/losses for the year</b>	<b>(6,716)</b>

Note: The deficit on the Income and Expenditure Account for 2006/07 has been restated to reflect gains on sale of fixed assets of £152k. The surplus on the revaluation of fixed assets and other gains recognised in the STRGL have been adjusted for the same restatement (revaluation surplus has been reduced by £77k disposal costs and other gains have been reduced by £228k receipts from non-fixed asset sales).

\* In 2007/08 £2.072m is shown as any other loss recognised in the STRGL. This represents the transfer of deferred premiums and discounts on early repayment of debt to the Financial Instrument Adjustment Account on 1 April 2007.

# BALANCE SHEET AS AT 31 MARCH 2008

31 March 2007		Notes	31 March 2008
£'000		P52-89	£'000
128	<b>Intangible Assets</b>	<b>13,14,18</b>	456
	<b>Tangible Fixed Assets</b>	<b>13-18</b>	
	Operational Assets		
299,539	- Council Dwellings		297,278
32,539	- Other Land and Buildings		38,525
2,425	- Vehicles Plant and Equipment		2,765
0	- Community Assets		292
	Non-Operational Assets		
22,165	- Land and Buildings		27,657
0	- Surplus Assets		412
7,139	- Assets Under Construction		3,256
<b>363,934</b>	<b>Total Tangible and Intangible Fixed Assets</b>		<b>370,641</b>
4,519	Long-term investments	<b>19-22</b>	8,015
134	Long- term debtors	<b>24</b>	179
2,363	Deferred premiums on early repayment of debt		0
	Current Assets		
276	- Stocks and work in progress	<b>25</b>	235
12,344 *	- Debtors	<b>26</b>	18,518
24,958	- Investments	<b>19-22</b>	15,364
150	- Cash and bank	<b>41</b>	926
<b>408,678</b>	<b>Total Assets</b>		<b>413,878</b>
	Current Liabilities		
(25)	- Borrowing repayable within 12 months	<b>19-22</b>	(30)
(12,398) *	- Creditors	<b>27</b>	(11,211)
<b>396,255</b>	<b>Total Assets less Current Liabilities</b>		<b>402,637</b>
(37,923)	Borrowing repayable in more than 12 months	<b>19-22</b>	(38,578)
(25)	Deferred liabilities		(21)
(7,163)	Government Grants Deferred		(10,386)
(1,267)	Usable Capital Grants		(2,038)
(98)	Deferred Capital Receipts	<b>28</b>	(90)
(248)	Provisions	<b>29</b>	(254)
(291)	Deferred discounts on early repayment of debt		0
(26,991)	Liability related to defined benefit pension schemes	<b>32</b>	(22,304)
<b>322,249</b>	<b>Total Assets Less Total Liabilities</b>		<b>328,966</b>

\*2006/07 Debtors and Creditors figures have been restated to reflect post audit adjustments

## BALANCE SHEET AS AT 31 MARCH 2008

<b>Financed by:</b>			
318,367	Capital Adjustment Account	<b>30b</b>	311,082
0	Revaluation Reserve	<b>30a</b>	10,118
12,763	Usable Capital Receipts Reserve	<b>30d</b>	14,477
0	Financial Instruments Adjustment Account	<b>30c</b>	(1,477)
234	Major Repairs Reserve	<b>30</b>	0
(26,991)	Pension Reserve	<b>30</b>	(22,304)
10,666	Other reserves	<b>30e</b>	12,839
2,089	General Fund	<b>30</b>	2,558
5,242	Housing Revenue Account	<b>30</b>	1,530
(256)	CMS	<b>30</b>	(79)
135	Collection Fund	<b>30</b>	222
<hr/> <b>322,249</b> <hr/>	<b>Total Net Worth</b>	<b>23</b>	<hr/> <b>328,966</b> <hr/>

## CASH FLOW STATEMENT

2006/07 £'000		Notes P87-89	2007/08 £'000
	<b>Revenue Activities</b>		
	<b>Cash Outflows</b>		
20,775	Cash paid to and on behalf of employees		20,428
20,610	Other operating costs		28,945
7,499	Benefits Paid (Housing and Council Tax)		8,140
23,435	Precept paid to County Council		24,826
3,110	Precept paid to Police Authority		3,309
34,111	National non-domestic rate payments to national pool		35,304
	<b>Cash Inflows</b>		
(8,457)	Rents (after rebates)		(9,115)
(26,107)	Council Tax		(27,689)
(32,893)	Non-domestic rate receipts		(33,725)
(8,438)	National non-domestic rate receipts from national pool		(8,847)
(27,510)	Government Grants	38	(28,431)
(12,588)	Cash received for goods and services		(13,819)
<b>(6,453)</b>		<b>37</b>	<b>(674)</b>
	<b>Returns on Investment and Servicing of Finance</b>		
	<b>Cash Outflows</b>		
1,692	Interest paid		1,716
	<b>Cash Inflows</b>		
(1,725)	Interest received		(1,741)
<b>(33)</b>			<b>(25)</b>
	<b>Capital Activities</b>		
	<b>Cash Outflows</b>		
7,775	Purchase of fixed assets		15,116
2,087	Capital spend that does not result in a fixed asset		5,163
4,061	Other Capital spends		2,111
	<b>Cash Inflows</b>		
(9,060)	Sale of fixed assets		(7,881)
(3,278)	Capital Grants received		(8,532)
<b>1,585</b>			<b>5,977</b>
<b>(4,901)</b>	<b>Net Cash (inflow)/outflow before Financing</b>		<b>5,278</b>
	<b>Management of Liquid Resources</b>		
<b>5,686</b>	Net increase / (decrease) in short term deposits		<b>(6,098)</b>
	<b>Financing</b>		
	<b>Cash Outflows</b>		
15,595	Repayments of amounts borrowed		45
	<b>Cash Inflows</b>		
(15,604)	New loans raised		0
<b>(9)</b>			<b>45</b>
<b>776</b>	<b>Net (Increase)/Decrease in Cash and Cash Equivalents</b>	<b>41</b>	<b>(775)</b>

## NOTES TO THE ACCOUNTS

### Note 1 - Trading Operations

The Best Value Accounting Code of Practice (BVACOP) defines which services are to be defined as Trading Operations. The Council has established the following trading services whose financial results for 2007/08 are shown below.

The Council operates City Maintenance Services (CMS), which carries out day to day maintenance on Council Housing and other public buildings as well as environmental works, street furniture etc. The Council also owns and manages a fruit, vegetable and retail market situated within the City Centre and also operates and manages a bus station and several car parks located throughout the city. It also manages a number of industrial estates and commercial properties. The Printing Unit provides graphic design, general printing and duplicating to both internal and external clients.

	2007/08			2006/07		
	Exp. £'000	Inc. £'000	Net £'000	Exp. £'000	Inc. £'000	Net £'000
CMS	5,032	(5,562)	(530)	6,142	(5,714)	428
Markets *	212	(278)	(66)	183	(267)	(84)
City Bus Station	163	(68)	95	149	(69)	80
Car Parks **	1,914	(3,612)	(1,698)	1,741	(3,328)	(1,587)
Industrial Estates	267	(494)	(227)	356	(479)	(123)
Lincoln Properties	240	(764)	(524)	117	(633)	(516)
Printing Unit	176	(173)	3	192	(156)	36
<b>(Surplus)/Deficit</b>	<b>8,004</b>	<b>(10,951)</b>	<b>(2,947)</b>	<b>8,880</b>	<b>(10,646)</b>	<b>(1,766)</b>

\* Trading Operations included within Cultural, Environmental and Planning Services

\*\* Trading Operations included within Highways, Roads and Transport Services

### Note 2 - Section 137 Expenditure of the Local Government Act 1972

Section 137 of the Local Government Act 1972, (as amended by the Local Government & Housing Act 1989) empowers local authorities to make contributions to certain charitable funds, not for profit bodies providing a public service in the United Kingdom and certain mayoral appeals.

In 2007/08 the Council incurred £27,310 (2006/07 = £21,210)

### Note 3 - Expenditure on Publicity

Section 5 of the Local Government Act 1986 requires a Local Authority to keep a separate account of its expenditure on publicity. In accordance with this requirement the following summarises the Council's spending on publicity:

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STATEMENT OF ACCOUNTS  
2007/08

	<b>2007/08</b> <b>£</b>	<b>2006/07</b> <b>£</b>
Recruitment Advertising	125,166	78,021
Other Advertising	48,527	138,122
Industrial Promotion & Publications	32,233	31,390
Other Publicity	58,337	37,314
<b>Total</b>	<b>264,263</b>	<b>284,847</b>

#### **Note 4 - Building Control Account**

The Local Authority Building Control Regulations require the disclosure of information regarding the setting of charges for the administration of the building control function. However, certain activities performed by the Building Control Unit cannot be charged for, such as providing general advice and liaising with other statutory authorities. The following statement shows the total cost of operating the Building Control Unit divided between the Building Regulations chargeable and non-chargeable activities:

	<b>Chargeable</b> <b>£</b>	<b>Non- Chargeable</b> <b>£</b>	<b>Total Building Regulations</b> <b>£</b>
<b>Expenditure</b>			
Employee Expenses	219,656	68,391	288,047
Transport	9,102	1,846	10,948
Supplies & Services	10,719	3,422	14,141
Central Support Service	67,046	21,408	88,454
<b>Total Expenditure</b>	<b>306,523</b>	<b>95,067</b>	<b>401,590</b>
<b>Income</b>			
Building Regulation Charges	(410,262)	0	(410,262)
<b>Total Income</b>	<b>(410,262)</b>	<b>0</b>	<b>(410,262)</b>
<b>(Surplus)/Deficit For The Year</b>	<b>(103,739)</b>	<b>95,067</b>	<b>(8,672)</b>
<b>Comparative Data for 2006/07</b>			
Total Expenditure	281,273	86,397	367,670
Total Income	(386,706)	0	(386,706)
<b>(Surplus)/Deficit For The Year</b>	<b>(105,433)</b>	<b>86,397</b>	<b>(19,036)</b>

#### **Note 5 – Agency Expenditure**

The Council undertook no agency work for the financial years 2006/07 and 2007/08.

## Note 6 – Business Improvement Schemes

In 2005/06 a Business Improvement District (BID) was created to enable collaboration on initiatives that improve the BID area. The BID has been set up for a five year period commencing 1 July 2005, and is managed by the Lincoln Business Improvement Group (LBIG). The funding is through a levy from business ratepayers and is collected by the Council on behalf of the BID body. As the BID year runs from 1 July to 30 June, the figures in the table below are shown on a cash, rather than accruals, basis and cover 3 months of the second year of the scheme and 9 months of the third year.

	2007/08	
	£ 000	£ 000
<b>Receipts</b>		
Bid Levy Income	(318)	
Contribution from LBIG	(4)	
Less overpayments refunded	7	
Interest on Bank Account	(2)	
		(317)
<b>Payments</b>		
Cost of Collecting Levy	6	
Payment for Services provided by other parties	1	
Payments made to LBIG	292	
		299
<b>Balance 01/04/07 on Council LBIG bank</b>		<b>(5)</b>
<b>Balance 31/03/08 on Council LBIG bank account</b>		<b>(23)</b>

## Note 7 - Local Authority (Goods and Services) Act 1970

The Council is empowered by this Act to provide goods and services to other public bodies. The Authority provided Piper Lifeline Alarm facilities to residents of other District Councils within the County. In 2007/08 income from these services amounted to £198,381 and total expenditure to £351,823. (£235,891 and £309,692 respectively in 2006/07).

## Note 8 – Local Area Agreements

The Council is a member of a Local Area Agreement (LAA). The LAA is an agreement between local partners and national government to deliver key outcomes for Lincolnshire over the next three years. The LAA provides a framework for improved joint working that will address the priorities for Lincolnshire through better use of existing resources and strengthened partnership working.

The priorities of the LAA are centred around –

- Safer and Stronger Communities
- Children and Young People
- Healthier Communities and Older People

- Economic Development and Environment

The members of the LAA are –

- Lincolnshire County Council
- Lincolnshire Police Authority
- Lincolnshire Primary Care Trust
- Lincolnshire & Rutland Learning and Skills Council
- Lincolnshire Association of Local Councils
- City of Lincoln Council
- North Kesteven District Council
- South Kesteven District Council
- West Lindsey District Council
- East Lindsey District Council
- South Holland District Council
- Boston Borough Council
- Representatives of the Voluntary Sector
- Representatives of the Business Community

Lincolnshire County Council acts as the accountable body for the receipt and distribution of the LAA grant. In the financial year 2007/08, the LAA received £8.421m from the Government. Of this the City of Lincoln received £792,334 of which £659,334 was received to fund Safer and Stronger Community programmes and £133,000 for the funding of Neighbourhood Renewal programmes.

#### **Note 9 - Members' Allowances**

The Local Authorities (Members' Allowances) (Amendment) Regulations 1995 requires local authorities to publish the amounts paid to members made under the members' allowance scheme.

The payments made to the City Council members during 2007/08 totalled £207,168 (£202,059 in 2006/07).

Payments are defined as:

- i. Basic Allowance
- ii. Special Responsibility Allowance.

#### **Note 10 - Officer's Emoluments**

A requirement of the Accounts and Audit Regulations 2003 is to identify the numbers of employees whose remuneration, excluding pension contributions, was in excess of £50,000 (in multiples of £10,000). This is shown below:

Remuneration Band £	Number of Employees	
	2007/08	2006/07
50,000 - 59,999	10	5
60,000 - 69,999	1	1
70,000 - 79,999	1	3
80,000 - 89,999	0	0
>90,000	1	1

#### **Note 11 - Related Party Transactions**

It is a requirement for the Council to disclose any transactions with a related party, including non-financial transactions. A 'related party' is defined as being an organisation with which the Council has dealings and where Officers or Members of the Council have a controlling interest or influence in the activities of that organisation. The 'Code of Practice on Local Authority Accounting in Great Britain 1998' requires local authorities to disclose material transactions with 'related parties'. The disclosure is required in order that the true and fairness of the accounts can be understood by the reader of the accounts having knowledge of any 'related parties' of the authority.

**Members/Officers** - For 2007/08 the Council sent a letter dated 1 April 2008 to all Members, Chief Officers and Heads of Service requesting disclosure of any 'related party transactions'. All the letters were returned, one officer declared pecuniary interests in accordance with section 117 of the Local Government Act 1972. A Head of Service declared a share holding, in the following companies. 930 ordinary shares in Stagecoach and 1500 shares in Capita Group PLC. In 2007/08 the Council paid a contribution of £921,822 to the Lincolnshire Countywide Concessionary Travel Scheme. Stagecoach and Lincolnshire Roadcar (a subsidiary of the Stagecoach Group) are operators within the scheme and received £10,925 and £608,041 respectively. In 2007/08 the Council awarded Capita a contract to supply an automated telephony system. In 2007/08 the Council paid Capita £14,670.

**Central Government** - has effective control over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transaction's that the Council has with other parties (e.g. housing benefits).

Details of transactions with government departments are set out below:

	<b>£'000</b>
Revenue Support Grant	1,485
NNDR	8,847
Rent Allowances	7,942
Council Tax Benefit	6,121
Rent Rebates	12,361
LABGI	492
Other Government Grants	1,932

**Other Bodies** - transactions with other bodies levying demands on the Council Tax - Levying bodies in 2007/2008 were as follows:

	<b>£'000</b>
Upper Witham Drainage Board	345
Witham 1 <sup>st</sup> Drainage Board	100
Witham 3 <sup>rd</sup> Drainage Board	200

**Assisted Organisations** - the Council made material financial assistance to the following organisations during the year:-

	<b>£'000</b>
The Theatre Royal	173
Lincoln Dial -a-Ride	48
Citizens Advice Bureau	67

**Joint Ventures** – the Council holds an interest in Investors In Lincoln Ltd, details of amounts received from IIL during 2007/08 are shown below:

	<b>£'000</b>
Property Management costs	149
Facility Fee	90
Management Fee	59

Further details of the Council's relationship with Investors in Lincoln Ltd are disclosed in the note 33 (related companies).

#### **Note 12 – External Audit Costs**

In 2007/08 the following fees relating to External Audit and Inspection were incurred and paid to the Audit Commission:

	<b>2007/08 £'000</b>	<b>2006/07 £'000</b>
Fees Payable with regard to external audit services carried out by the appointed auditor	98	95
Fees payable in respect of statutory inspection	12	5
Fees payable for the certification of grant claims and returns	21	20
Fees payable in respect of other services provided by the appointed auditor	0	0

Note: the fees relating to grant claims can vary from year to year depending on the number of claims to be audited. The figure for 2007/08 is an estimate, as the work will be carried out in the period August to December 2008.

## Note 13 - Fixed Assets (Tangible and Intangible)

The movement in the Council's Fixed Assets during the year was as follows:

	Fixed Asset Type								Total
	Intangible	Operational				Non Operational			
	Software Licences	Council Dwellings	Land & Buildings	Vehicles, Plant & Equip	Comm-unity Assets	Surplus Assets	Other Land & Buildings	Assets Under Construction	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Certified Valuation as at 31.03.07	157	299,548	34,026	2,804	0	0	22,165	7,139	365,839
Accumulated depreciation & impairment.	(29)	(10)	(1,487)	(379)	0	0	0	0	(1,905)
Net book value of assets at 31.03.07	128	299,538	32,539	2,425	0	0	22,165	7,139	363,934
Movement 2007/08									
Additions	359	11,837	2,054	538	292	0	36	2,111	17,227
Disposals	0	(2,562)	(4,536)	0	0	0	(767)	0	(7,865)
Revaluations	0	(3,555)	5,057	0	0	148	3,149	0	4,799
Depreciation	(31)	(6,577)	(476)	(400)	0	0	0	0	(7,484)
Written back depreciation on Revaluations	0	32	1,166	0	0	6	257	0	1,461
Written back depreciation Assets sold	0	0	4	0	0	0	0	0	4
Impairments	0	(6,904)	(4,272)	0	0	0	(17)	0	(11,193)
Written back impairments on Revaluations	0	5,469	4,272	0	0	0	17	0	9,758
Transfers	0	0	2,717	202	0	258	2,817	(5,994)	0
Net book value of assets at 31.03.08	456	297,278	38,525	2,765	292	412	27,657	3,256	370,641

## Note 14 – Capital Expenditure and Financing

Total Capital expenditure and financing during the year:

	2007/08 £ 000	2006/07 £ 000
Capital investment		
Operational assets	14,721	7,758
Non operational assets	36	98
Other	2,470	3,981
Capital Expenditure not resulting in the creation of a Fixed Asset	5,163	2,088
	<u>22,390</u>	<u>13,925</u>
Sources of finance		
Capital Receipts	(4,411)	(4,517)
Government grants and other contributions	(7,692)	(3,729)
Revenue contributions	(4,319)	(261)
Major Repairs Reserve	(4,948)	(4,398)
<b>Capital Financing Requirement</b>	<u><b>1020</b></u>	<u><b>1,020</b></u>
<b>Capital Financing Requirement - Funded by:</b>		
Supported Borrowing	<u>(1,020)</u>	<u>(1,020)</u>
	<u><b>(1,020)</b></u>	<u><b>(1,020)</b></u>
	<u><b>0</b></u>	<u><b>0</b></u>

The Council has a five-year Capital programme, of which £28.831m is contractually committed. This is for a period of three years and relates to a partnership arrangement with two contractors to meet the Decent Homes Standard by December 2010.

## Note 15 – Analysis of Fixed Assets

The Council's fixed assets, which had a value of £370.641m on 31 March 2008 include:

	31/03/08 No.	31/03/07 No.
Council Dwellings	7,968	8,013
Depots	3	3
Off street Car Parks & fee paying spaces	2,496	2,496
Sports & Leisure Centres	2	2
Parks & Recreation Grounds (Acres)	1,131	1,131
Theatre	1	1
Bus Station	1	1
Markets	1	1
Cemeteries	4	4

Crematorium	1	1
Community Centres	5	5
The Lawn Multi-User Complex	1	1

The Council has, within its Balance Sheet, a number of assets that are categorised as community assets (assets that the Authority intends to hold in perpetuity, that have no determinable useful life, and have a restriction on their disposal). These are assets that have generally been acquired some considerable time ago and, due to their characteristics hold little or no market value. Such assets, incorporated in the above table within Parks and Recreation Grounds, include Commons, Closed Cemeteries, Allotments, The Brayford Pool and Miscellaneous Parcels of Land.

## Note 16 - Finance and Operating Leases

### Operating Leases

The Council has obtained the use of a number of assets, such as vehicles and buildings, under operating leases. The amounts paid under these leases in 2007/08 are shown in the table below.

Asset Classification	Lease rental paid	Lease rental paid
	2007/08 £'000	2006/07 £'000
Vehicles Plant & Equipment	189	157
Land and Buildings		
- Industrial Estates	170	185
- Admin Buildings	720	440
- Car Parks	160	153
- Tourist Info centre	11	11
- HRA Shops and Offices	17	22
<b>Total Rentals</b>	<b>1,267</b>	<b>968</b>

The Authority was committed at 31 March 2008 to making payments of £1.056m under operating leases in 2008/09, comprising the following elements:

	Land and Buildings £'000	Vehicles Plant and Equipment £'000
Leases expiring in 2008/09	0	32
Leases expiring between 2009/10 to 2012/13	84	57
Leases expiring after 2012/13	883	0
<b>Total</b>	<b>967</b>	<b>89</b>

The authority has granted leases for various properties, industrial estates, markets, shops, other buildings and open spaces that it owns, to third parties. The gross value of assets held for use in operating leases was £20.965m as at 31 March 2008 with

accumulated depreciation of £0.052m. The rentals receivable from operating leases in 2007/08 are shown in the table below.

<b>Asset Classification</b>	<b>Rentals Rec'd 2007/08 £'000</b>	<b>Rentals Rec'd 2006/07 £'000</b>
Vehicles Plant & Equipment	0	0
Land and Buildings		
- Lincoln Properties	718	619
- Industrial Estates	493	472
- Admin Buildings	403	406
- Markets	310	304
- Open Spaces	47	44
- Bus Station	3	2
- HRA Shops and Offices	115	135
<b>Total Receivable</b>	<b>2,089</b>	<b>1,982</b>

#### Finance Leases

Where the Council is the lessee

**Vehicles, Plant and Equipment** - The Council has one finance lease that it entered into in 2005/06 to acquire a refuse vehicle. The rentals payable under these arrangements in 2007/08 were £5,028 (£5,028 in 2006/07). Of this £1,110 (£1,314 in 2006/07) was charged to the income and expenditure account as finance costs (debited to the interest payable) and £3,919 (£3,715 in 2006/07) related to the write-down of obligations to the lessor.

**Land and Buildings** - The Council has two finance leases one for the use of the Bus Station and one for the Bus Station Car Park. These leases are at a peppercorn rental, meaning no rentals are payable.

The following value of assets are held under finance leases by the authority, accounted for as part of tangible fixed assets:

	<b>Other Land and Buildings £'000</b>	<b>Vehicles Plant &amp; Equipment £'000</b>
Value 1/4/2007	4,515	24
Additions	0	0
Revaluations	662	0
Depreciation	(58)	(6)
Disposals	0	0
<b>Value at 31/3/2008</b>	<b>5,119</b>	<b>18</b>

Outstanding obligations to make payments under finance leases (excluding finance costs) at 31 March 2008, accounted for as part of other long-term liabilities, are as follows:

	Other Land and Buildings	Vehicles Plant & Equipment
	£'000	£'000
Obligations payable in 2008/09	0	4
Obligations payable between 2009/09 to 2012/13	0	17
Obligations payable after 2012/13	0	0
<b>Total liabilities at 31 March 2008</b>	<b>0</b>	<b>21</b>

Where the Council is lessor

The Council has granted a long term lease to Lincolnshire County Council for the use of The Collection (City and County Museum) accounted for as a finance lease. Rental is at a peppercorn, meaning no rentals are receivable.

**Note 17 – Fixed Asset Valuation**

The statement below shows the progress of the Council's rolling programme of fixed asset revaluation.

The valuations of the Council's freehold and leasehold properties have been carried out in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors. All valuations are either undertaken by the following Council Officers, or by the District Valuers.

Principal Property Surveyor  
Principal Surveyor

Mr P Clifton  
Mr M Dawson

MRICS  
MRICS

	Council Dwellings	Operational Land & Buildings	Vehicles Plant & Equip.	Other Land & Buildings
	£'000	£'000	£'000	£'000
<b>Valuation at historical cost</b>			2,804	
<b>Valued at current value in:</b>				
Valued at 01.04.07	295,046	33,945		26,764
Valued at 01.04.06	300,251	33,118		27,874
Valued at 01.04.05	291,347	26,411		31,687
Valued at 01.04.04	246,044	21,176		28,422

**Note 18 - Fixed Assets Depreciation**Tangible Fixed Assets

Depreciation, as stated in the Accounting Policies, is calculated on a straight-line basis. Non-operational assets are treated as investment properties and as such are not depreciated (SSAP 19 applies). The standard useful lives of assets, used for depreciation purposes (unless overwritten by asset valuations), are as follows:

<b>Category Of Asset</b>	<b>Useful Economic Life</b>
<b>Council Dwellings</b>	50 years
<b>Other Land &amp; Buildings</b>	
- Council Buildings	50 years
- Car Parks	100 years
- Cemeteries	50 years
- Crematorium	100 years
- Community Centres	50 years
- Offices	50 years
- Depots & Workshops	50 years
- Public Conveniences	50 years
- Recreation Grounds	50 years
- Sports Centres	50 years
<b>Vehicles, Plant &amp; Equipment</b>	
- Computers	5 years
- Equipment	10 years
- Fixtures and Fittings	5 years
- Plant	7/10 years
- Vehicles	5/7 years

Intangible Assets

Intangible fixed assets are amortised in the Income and Expenditure Account on a straight-line basis, as stated in the Accounting Policies. The standard useful live, used for amortisation purposed are:

<b>Category Of Asset</b>	<b>Useful Economic Life</b>
<b>Intangible Asset</b>	
- Software	5 years

**Note 19 Financial Instruments Balances**

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

**Long-Term****Current**

	31 March 2008 £'000	31 March 2007 £'000	31 March 2008 £'000	31 March 2007 £'000
Financial Liabilities (principal amount)**	37,923	37,923	30	25
Financial Liabilities at Amortised Cost	38,578	38,578	30	25
Financial Liabilities at Fair Value through the I&E Account	0	0	0	0
<b>Total Borrowings</b>	<b>38,578</b>	<b>38,578</b>	<b>30</b>	<b>25</b>
Financial Assets (principal amount)**	7,519	4,519	14,765	24,958
Loans and Receivables	7,996	4,695	15,364	25,443
Available-for-Sale Financial Assets	19	19	0	0
Financial Assets at Fair Value through the I&E Account	0	0	0	0
Unquoted Equity Investment at Cost	0	0	0	0
<b>Total Investments</b>	<b>8,015</b>	<b>4,714</b>	<b>15,364</b>	<b>25,443</b>

\*\* This is the actual value of loans/investments not arising from any adjustments. The carrying amounts of liabilities and assets held in the Balance Sheet from 1/4/07 at amortised cost, which reflects the principal amount outstanding adjusted for the effective interest rate and accrued interest as at 31 March.

Accounting policies for measurement of financial instruments changed from 1 April 2007. From 1 April 2007 investments and loans are shown in the Balance Sheet at amortised cost. Investment and borrowing balances as at 31 March 2007 are included in the Balance Sheet as the principal amounts outstanding. To provide a comparator for financial instrument balances these balances have been adjusted in the note above to comply with the accounting policies effective from 1 April 2007. The following adjustments have been made to provide comparators

	Principal Outstanding 31-Mar-07 £'000	Accrued Interest 31-Mar-07 £'000	Revised Comparator 31-Mar-07 £'000
<b><u>Current Liabilities</u></b>			
Financial Liabilities at Amortised Cost	25	0	25
<b><u>Current Assets</u></b>			
Loans and Receivables	24,958	485	25,443
Available-for-Sale Financial Assets	0	0	0
<b><u>Long-Term Liabilities</u></b>			
Financial Liabilities at Amortised Cost	37,923	654	38,577
<b><u>Long-Term Assets</u></b>			
Loans and Receivables	4,500	195	4,695
Available-for-Sale Financial Assets	19	0	19

## Note 20 Financial Instrument Gains/Losses

The gains and losses recognised in the Income and Expenditure Account and STRGL in relation to financial instruments are made up as follows:

**2007/2008**

	Financial Liabilities	Financial Assets			Total
	Liabilities measured at amortised cost	Loans and Receivables	Available- for-Sale Assets	Fair Value through the I&E	
	£'000	£'000	£'000	£'000	£'000
<b>Income and Expenditure Account</b>					
Interest expense	1,715	0	0	0	1,715
Impairment losses	162	0	0	0	162
<b>Interest payable and similar charges</b>	<b>1,877</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,877</b>
Interest income	0	(1,677)	(15)		(1,692)
<b>Interest and investment income</b>	<b>0</b>	<b>(1,677)</b>	<b>(15)</b>	<b>0</b>	<b>(1,692)</b>
<b>Net gain/loss for the year</b>	<b>1,877</b>	<b>(1,677)</b>	<b>(15)</b>	<b>0</b>	<b>185</b>

	Financial Liabilities	Financial Assets			Total
	Liabilities measured at amortised cost	Loans and Receivables	Available- for-Sale Assets	Fair Value through the I&E	
	£'000	£'000	£'000	£'000	£'000
<b>Income and Expenditure Account</b>					
Interest expense	1,689	0	0	0	1,689
Impairment losses	172	0	0	0	172
<b>Interest payable and similar charges</b>	<b>1,861</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,861</b>
Interest income	0	(1,608)	(15)		(1,623)
<b>Interest and investment income</b>	<b>0</b>	<b>(1,608)</b>	<b>(15)</b>	<b>0</b>	<b>(1,623)</b>
<b>Net gain/loss for the year</b>	<b>1,861</b>	<b>(1,608)</b>	<b>(15)</b>	<b>0</b>	<b>238</b>

#### Note 21 Fair Value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried on the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, premature repayments rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the principal outstanding or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

## Financial Liabilities

	31 March 2008		31 March 2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
PWLB Debt	21,835	22,754	21,835	21,411
Money Market Debt	16,178	18,212	16,176	17,810
Stock	565	355	565	329
Other	30	30	25	25
<b>Total Debt</b>	<b>38,608</b>	<b>41,351</b>	<b>38,601</b>	<b>39,575</b>
Creditors	11,211	11,211	12,398	12,398
<b>Total Financial Liabilities</b>	<b>49,819</b>	<b>52,562</b>	<b>50,999</b>	<b>51,973</b>

The fair value is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the Balance Sheet date.

## Financial Assets

	31 March 2008		31 March 2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Money Market Investments <1 year	15,364	15,364	25,443	25,443
Money Market Investments >1 year	7,996	8,093	4,695	4,657
<b>Total Investments</b>	<b>23,360</b>	<b>23,457</b>	<b>30,138</b>	<b>30,100</b>
Debtors	18,518	18,518	12,344	12,344
<b>Total Loans and receivables</b>	<b>41,878</b>	<b>41,975</b>	<b>42,482</b>	<b>42,444</b>

The differences are attributable to fixed interest instruments payable being held by the authority whose interest rate is higher than the prevailing rate estimated to be available at 31 March. This increases the fair value of financial liabilities and raises the value of loans and receivables.

The fair values for financial liabilities have been determined by reference to the Public Works Loans Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each Balance Sheet date, and include accrued interest. The fair values for non-PWLB debt has also been calculated using the same procedures and interest rates and this provides a sound approximation for fair value for these instruments. It should be noted that the redemption rules applying to PWLB debt changed on 1 November 2007, and are less favourable than the previous procedures. As a result the fair value figures for 31 March 2008 are relatively higher (more costly to redeem) than the 31 March 2007 comparators.

The fair values for loans and receivables have been determined by reference to the Public Works Loans Board (PWLB) redemption rules which provide a good approximation for the fair value of a financial instrument, and includes accrued interest. The comparator market rates prevailing have been taken from indicative investment rates at each Balance Sheet date. In practice rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

## **Note 22 Nature and Extent of Risks Arising from Financial Instruments and how the Council Manages Those Risks.**

### **Key Risks**

The Council's activities expose it to a variety of financial risks, the key risks are:

- ✓ Credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- ✓ Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- ✓ Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- ✓ Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

### **Overall Procedures for Managing Risk**

The Council's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Council to manage risk in the following ways:

- ✓ by formally adopting the requirements of the Code of Practice;
- ✓ by approving annually in advance prudential indicators for the following three years limiting:
  - The Council's overall borrowing;
  - Its maximum and minimum exposures to fixed and variable rates;
  - Its maximum and minimum exposures the maturity structure of its debt;
  - Its maximum annual exposures to investments maturing beyond a year.
- ✓ by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

These are required to be reported and approved at or before the Council's annual Council Tax setting budget. These items are reported with the annual treasury management strategy, which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported annually to Members.

These policies are implemented by the Treasury Team in Financial Services. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

### **Credit risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

The following analysis summarised the Authority's potential maximum exposure to credit risk, based on experience of default assessed by the ratings agencies and the Council's experience of its customer collection levels over the last five financial years, adjusted to reflect current market conditions.

	Amount at 31 March 2008 £'000s	Historical experience of default** %	Adjustment for market conditions at 31 March 2008 %	Estimated maximum exposure to default £'000s (a * c)
	a	b	c	
<u>Deposits with banks and financial institutions</u>				
AAA rated counterparties (investments up to 1 year)	3,262	0.000%	0.00%	0
AA rated counterparties (investments up to 1 year)	3,002	0.000%	0.00%	0
AA rated counterparties (investments 1-2 years)	2,500	0.001%	0.00%	0
A rated counterparties (investments up to 1 year)	8,501	0.007%	0.00%	1
A rated counterparties (investments 2-3 years)	4,000	0.090%	0.00%	4
A rated counterparties (investments 3-4 years)	1,000	0.159%	0.00%	2
Other Investments	19	5.85%	0.00%	0
Debtors	<u>18,518</u>	5.85%	0.00%	<u>1,083</u>
	<u>40,802</u>			<u>1,090</u>

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Whilst the current credit crisis in international markets has raised the overall possibility of default the Council maintains strict credit criteria for investment counterparties. As a result of this high credit criteria, historical default rates have been used as a good indicator under these current conditions. The Council also used non credit rated institutions (for instance smaller building societies), In these circumstances these investments have been classified as other counterparties.

Collateral – During the reporting period the council held no collateral as security.

### Liquidity risk

The Council has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well through cash flow management procedures required by the Code of Practice.

### Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- ✓ monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- ✓ monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities (principal amount) is as follows:

	<b>31-Mar-08</b>	<b>31-Mar-07</b>
	<b>£'000</b>	<b>£'000</b>
Less than one year	30	25
Between one and two years	0	0
Between two and seven years	0	0
Between seven and 15 years	0	0
More than fifteen years	37,923	37,923
<b>Total borrowing</b>	<b>37,953</b>	<b>37,947</b>

The maturity analysis of financial assets (principal amount) is as follows:

	31-Mar-08	31-Mar-07
	£'000	£'000
Less than one year	14,765	21,958
Between one and two years	2,500	3,000
Between two and three years	4,000	2,500
More than three years	1,019	2,019
<b>Total Investments</b>	<b>22,284</b>	<b>29,477</b>

All trade and other payables that are due to be paid in less than one year of £11.211m and trade debtors of £18.518m are not shown in the table above.

### Market risk

**Interest rate risk** - The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- ✓ borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise;
- ✓ borrowings at fixed rates – the fair value of the borrowing liability will fall;
- ✓ investments at variable rates – the interest income credited to the Income and Expenditure Account will rise; and
- ✓ investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Income and Expenditure Account or STRGL. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and effect the General Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the STRGL, unless the investments have been designated as Fair Value through the Income and Expenditure Account.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favorable, fixed rate investments may be taken for longer periods to secure better long term returns.

In the HRA the risk of interest rate loss is partially mitigated by Government grant payable on financing costs.

If all interest rates had been 1% higher with all other variables held constant the financial effect would be:

	2007/08
	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(34)
Impact on Income and Expenditure Account	(34)
Increase in Government grant receivable for financing costs	0
Share of overall impact debited to the HRA	(11)
Share of overall impact debited to the General Fund	(23)
Total	(34)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

**Price risk** - The Council does not generally invest in equity shares but does have shareholdings to the value of £19k in a number of joint ventures and in local industry. Whilst these holding are generally illiquid, the Council is exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. The majority of the shareholdings (£14k) are in Investors in Lincoln. A representative of the Council sits on the Investors in Lincoln Board which enables the Council to monitor factors that might cause a fall in the value of specific shareholdings.

The shares are all classified as Available-for-Sale, meaning that all movements in price will impact on gains and losses recognised in the STRGL. A general shift of 5% in the general price of shares (positive or negative) would thus have resulted in a £1k gain or loss being recognised in the STRGL for 2007/08.

**Foreign exchange risk** - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

#### **Note 23 – Net Assets Employed**

The net assets employed by the Council, as shown in the Balance Sheet, can be subdivided between the General Fund, HRA and Trading Operations as shown below:

	<b>31/03/08</b>	<b>31/03/07</b>
	<b>£'000</b>	<b>£'000</b>
General Fund	60,668	49,626
Housing Revenue Account	268,268	272,769
Trading Operations	30	(146)
<b>Total</b>	<b>328,966</b>	<b>322,249</b>

#### **Note 24 – Long Term Debtors**

Long-term debtors represent monies due to the Council where repayment has been agreed over a number of years. These are analysed as follows:

	<b>Outstanding 31/03/07</b>	<b>Increases 2007/08</b>	<b>Written down 2007/08</b>	<b>Outstanding 31/03/08</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Mortgages net of doubtful debt provision	47	4	(11)	40
Loans to Individuals	29	1	(22)	8
Other Bodies	58	75	(2)	131
<b>Total</b>	<b>134</b>	<b>80</b>	<b>(35)</b>	<b>179</b>

#### **Note 25 - Stocks and Work in Progress**

In undertaking its work the Council holds reserves of stock together with amounts of uncompleted work (work in progress). The figure shown in the Balance Sheet may be subdivided as follows:

	31/03/08 £'000	31/03/07 £'000
Stocks	165	209
Work in progress	70	67
<b>Total</b>	<b>235</b>	<b>276</b>

#### Note 26 – Debtors

Debtors listed under current assets are monies due which the Council expects to collect within one year of the Balance Sheet date and are analysed as follows:

	31/03/08 £ 000	31/03/07 £ 000
Government Departments	3,772	3,125
Other Local Authorities	3,963	1,552
Housing Rents	1,786	1,589
Debtors - Other	5,265	4,736
Local Tax payers	5,274	3,275
Other	767	550
	20,827	14,827
Less:		
Provision for Doubtful Debts	(2,309)	(2,483)
<b>Total</b>	<b>18,518</b>	<b>12,344</b>

#### Note 27 - Creditors

Creditors shown as current liabilities are amounts payable by the Council within one year of the Balance Sheet date and are analysed as follows:

	31/03/08 £ 000	31/03/07 £ 000
Collection Fund	(2,189)	(1,453)
General Fund	(7,757)	(9,221)
Housing Revenue Account	(1,163)	(1,006)
External Loans	(5)	(659)
DLO	(97)	(59)
<b>Total</b>	<b>(11,211)</b>	<b>(12,398)</b>

#### Note 28 - Deferred Capital Receipts

This refers to the expected future repayments of capital from sales of assets which will be received in instalments over an agreed period of time. They arise principally from mortgages on sold Council Houses. When made, these payments are regarded as being of a capital nature and transactions during the year were as follows:

	<b>2007/08</b> <b>£ 000</b>	<b>2006/07</b> <b>£ 000</b>
Balance as at 1 April	(98)	(120)
Add investments purchased during the year:	0	0
Properties purchased under Rent-to-Mortgage scheme in year		
Less repayments of principal in year	8	22
<b>Balance as at 31 March</b>	<b>(90)</b>	<b>(98)</b>

## Note 29 - Provisions

These amounts are set aside to provide for potential liabilities relating to specific occurrences and comprise the following balances:

	<b>Balance</b> <b>31 March</b> <b>2007</b> <b>£ 000</b>	<b>Net</b> <b>Transfers</b> <b>(From)/To</b> <b>£ 000</b>	<b>Balance</b> <b>31 March</b> <b>2008</b> <b>£ 000</b>
Business Development & Opportunities Fund	(96)	0	(96)
Cory Pension	(136)	(15)	(151)
CLAU Legacy Work	(16)	9	(7)
<b>Total</b>	<b>(248)</b>	<b>(6)</b>	<b>(254)</b>

## Note 30 – Reserves

The Council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending needs.

<b>Reserve</b>	<b>Balance 31/03/07</b>	<b>Net Movement in Year</b>	<b>Balance 31/03/08</b>	<b>Purpose of Reserve</b>	<b>Further Details of Movements</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
Revaluation Reserve	0	10,118	10,118	Store of gains on revaluation of fixed assets	a) below
Capital Adjustment Account	318,367	(7,285)	311,082	Contains the balances of the Fixed Asset Restatement account and the Capital Financing Account as at 31 March 2007	b) below
Financial Instruments Adjustment Account	0	(1,477)	(1,477)	Balancing mechanism between the rates at which gains and losses are recognised under the SORP	c) below
Usable Capital Receipts	12,763	1,714	14,477	Proceeds of fixed asset sales received available to meet future capital investment	d) below
Pensions Reserve	(26,991)	4,687	(22,304)	Balancing account to allow inclusion of Pensions Liability in the Balance Sheet	Note 30 to the core financial statements, page 78
Housing Revenue Account	5,242	(3,712)	1,530	Resources available to meet future running costs for council housing	HRA Statements, page 90
Major Repairs Reserve	234	(234)	0	Resources available to meet capital investment in council housing	HRA Statements, page 90
General Fund	2,089	469	2,558	Resources available to meet future running costs for non-housing services	Statement of Movement on General Fund Balances, page 46
Other Reserves	10,666	2,173	12,839	Various	e) below
Collection Fund	135	87	222		Collection Fund Statements, page 99
CMS	(256)	177	(79)		
	<b>322,249</b>	<b>6,717</b>	<b>328,966</b>		

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#### a) Revaluation Reserve

The Balance Sheet Figures for 31 March 2007 have been adjusted from those included in the Statement of Accounts 2006/07 to accommodate the implementation of the Revaluation Reserve (see accounting policy 3 Fixed Assets). The Revaluation Reserve replaces the Fixed Asset Restatement Account. The £287.807m balance on the Fixed Asset Restatement Account at the 31 March 2007 has been written off to the Capital Financing Account (£30.560m credit balance) to form the new Capital Adjustment Account with a balance of £318.367m.

The Revaluation Reserve has then been included in the Balance Sheet with a zero balance. The closing position on the reserve as at 31 March 2008 therefore only shows gains accumulated since 1 April 2007.

	<b>2007/08</b>
	<b>£ 000</b>
Balance 1 April	0
Revaluations in year	16,185
Depreciation adjustment for re-valued assets	(74)
Revaluation gains written out on disposals	(5,993)
<b>Balance 31 March</b>	<b>10,118</b>

#### b) Capital Adjustment Account

The Capital Adjustment Account contains the balances of the Fixed Asset Restatement Account and the Capital Financing Account at 31 March 2007. It contains:

- i) the write down of the historical cost of the fixed assets as they are consumed by depreciation and impairment or written off on disposal
- ii) the accumulation on resources that have been set aside to finance capital expenditure

	<b>2007/08</b>
	<b>£ 000</b>
Balance 31 March 2007 Statement of Accounts	0
Balance transferred from the Fixed Asset Restatement Account	287,807
Balance transferred from the Capital Financing Account	30,560
<b>Balance 31 March 2007</b>	<b>318,367</b>
MRP adjustment and HRA depreciation	(7,114)
Impairments	(11,193)
Balances written out on disposals	(1,869)
Depreciation adjustment for re-valued assets	74
Capital Financing:	
Capital Receipts	4,412

Major Repairs Reserve	4,948
Revenue	4,319
Write down Government Grants Deferred	308
Write out capital expenditure not resulting in the creation of a asset (net of grants)	(934)
Other adjustments	(236)
<b>Balance 31 March 2008</b>	<b>311,082</b>

#### c) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account was created on 1 April 2007 in line with new accounting requirements. On 1 April 2007 the balances of deferred premiums on early repayment of debt (£2.363m debit balance) and deferred discounts on the early repayment of debt (£0.291m credit balance) were transferred to the Financial Instruments Adjustment Account (via General Fund and HRA balances). These transactions took place during the 2007/08 financial year and therefore have no impact on the 31 March 2007 Balance Sheet.

The Financial Instruments Adjustment Account provides a balancing mechanism between the rates at which gains and losses (such premiums on the early repayment of debt) are recognised under the SORP and are required by statute to be met from the General Fund and HRA balances.

	<b>2007/08</b>
	<b>£ 000</b>
Balance 1 April 2007	0
Deferred Premiums transferred 1 April	(2,363)
Deferred discounts transferred 1 April	291
Discounts charged to balances	(71)
Premiums charged to balances in year	666
<b>Balance 31 March 2008</b>	<b>(1,477)</b>

#### d) Useable Capital Receipts

These are cash receipts from the sale of Council assets, which have not yet been used to finance capital expenditure.

	<b>2007/08</b>	<b>2006/07</b>
	<b>£ 000</b>	<b>£ 000</b>
Balance 1 April	12,763	10,406
Capital Receipts in year	7,958	9,152
	<u>20,721</u>	<u>19,558</u>
Less:		
Capital Receipts Pooled	(1,832)	(2,278)
Capital Receipts used for financing	(4,412)	(4,517)

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Balance 31 March 2008

14,477

12,763

### e) Other Reserves

These amounts are held to meet expenditure in future financial years. The movement on these Reserve Accounts during the year have been as follows:

	Balance 31.03.07 £'000	Appropriations to reserve £'000	Appropriations from reserve £'000	Transfers	Balance 31.03.08 £'000
Computer Purchases	0	0	0	70	70
Civica/ Anite Integration	12	0	0	(12)	0
CLAU redundancy	60	0	0	0	60
CMT Contingency	100	100	(70)	0	130
DRF reserve	2,373	7,303	(4,320)	12	5,368
Headstone Testing	6	0	(6)	0	0
Accommodation Review (GF)	382	0	(153)	0	229
Accommodation Review (HRA)	66	0	0	0	66
HRA Repairs Account	1,069	5,495	(6,366)	0	198
Housing Survey Works	124	24	(6)	0	142
Invest to Save Opportunities (GF)	33	0	(33)	0	0
Invest to Save Opportunities (HRA)	131	0	(131)	0	0
Maternity/Staff Advertising	144	60	(114)	(21)	69
Mayoral Car	28	0	0	0	28
Member Training	9	0	(3)	0	6
Managed Workspace	100	0	(30)	0	70
Car Parking Strategy	31	0	(6)	0	25
Private Sector Stock	37	12	0		49
Condition Survey				0	
Second Homes	47	44	(51)	0	40
Skewbridge/Swanpool Development	4	0	(4)		0
Stock Retention Strategy	53	0	(20)	0	33
Tourism Review	39	0	(39)	0	0
Uphill/ Downhill Link	44	0	(43)	1	2
Waste Officers	60	0	(17)	0	43
2006/07 Budget Carry Forwards	308	0	(65)	(126)	117
Strategic Plan VII Approved Bids	3,557	0	(333)	0	3,225
Fire Risk Assessments	50	0	0	0	50
LABGI	306	0	(306)	0	0
Insurance Fund	1,492	588	(324)	0	1,756
Planning Delivery Grant	0	80	0	0	80
Concessionary Fares	0	76	0	0	76

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Contribution to future efficiency targets	0	365	0	0	365
Yarborough Leisure Centre	0	35	0	55	90
CMT Development	0	0	(11)	21	10
2007/08 Budget Carry Forwards	0	442	0	0	442
<b>Total</b>	<b>10,666</b>	<b>14,624</b>	<b>(12,451)</b>	<b>0</b>	<b>12,839</b>

### Note 31 – Insurance Reserve

The insurance fund has been set up to ensure adequate funding for the insurance risk covered by the City of Lincoln Council. In 2007/08 the risk in respect of Public Liability Insurance had an excess of £100,000 (per claim) with no cap ceiling. The movements on the fund are as follows:

	2007/08 £'000	2006/07 £'000
<b>Opening Balance</b>	1,492	1,025
Funding of claims/losses	(224)	(382)
Contributions from revenue	588	849
Release of reserve	(100)	0
<b>Closing Balance</b>	<b>1,756</b>	<b>1,492</b>

### Note 32 – Retirement Benefits

#### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme, administered by Lincolnshire County Council – this is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liability with investment assets.

#### Transactions Relating to Retirement Benefits

We recognised the cost retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to go against Council Tax is based on

the cash payable in the year, so the real cost of retirement benefits is reversed out in the Statement of Movement in the General Fund Balance. The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Fund Balance during the year:

	Year to 31 March 2008	Year to 31 March 2007
	£ 000	£ 000
<b>Income and Expenditure Account</b>		
<b>Net Cost of Services:</b>		
Current Service Cost	(2,591)	(3,072)
Past Service Costs	(53)	(740)
Curtailment and Settlements (NDC)	(6)	(69)
Decrease in irrecoverable surplus		
<b>Net Operating Expenditure:</b>		
Expected Return on Employer Assets	6,781	6,012
Interest on Pension Scheme Liabilities	(6,577)	(6,028)
<b>Net Charge to the Income and Expenditure Account</b>	<b>(2,446)</b>	<b>(3,897)</b>
<b>Statement of Movement in General Fund Balance</b>		
Reversal of net charges made for retirement benefits in accordance with FRS17	2,446	3,897
<b>Actual amount charged against the General Fund Balance for pensions in year</b>	<b>4,097</b>	<b>3,705</b>

## Assets and Liabilities in Relation to Retirement Benefits

The underlying assets and liabilities for retirement benefits attributable to the Council at 31 March are as follows:

	<b>2008 £'000</b>	<b>2007 £'000</b>
<b>Estimated Employer Assets (A)</b>	85,298	95,535
Present Value of Scheme Liabilities	(104,481)	(119,265)
Present Value of Unfunded Liabilities	(3,121)	(3,261)
<b>Total Value of Liabilities (B)</b>	(107,602)	(122,526)
<b>Net Pension Asset/(Liability) (A) – (B)</b>	<b>(22,304)</b>	<b>(26,991)</b>

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £22.304m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in an overall balance of £328.966m. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the schemes actuary.

## Basis of Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The liabilities of the County Council Fund have been assessed by Hymans Robertson, an independent firm of actuaries. The main assumptions used in their calculations being:

<b>Assumptions as at</b>	<b>31 March</b>	
	<b>2008 % per annum</b>	<b>2007 % per annum</b>
Price increases	3.6	3.2
Salary increases	5.1	4.7
Pension increases	3.6	3.2
Discount rate	6.9	5.4

Assets in the County Council Pension Fund are valued at fair value, principally market value for investments, totalling £1.108m for the fund as a whole at 31 March 2008 (£1,142.5m at 31 March 2007). The Fund's assets consist of the following categories, by proportion of the total assets held by the Fund:

	<b>Long Term Return % p.a.</b>	<b>31/03/08 %</b>	<b>31/03/07 %</b>
Equities	7.7	68	72
Bonds	5.7	17	14
Property	5.7	14	13
Cash	4.8	1	1
<b>Total</b>		<b>100</b>	<b>100</b>

### Actuarial Gains and Losses

The actuarial gains identified as movement on the Pension Reserve 2007/08 can be analysed into the following categories, measures as absolute amounts and as a percentage of assets or liabilities at 31 March 2008.

	<b>Year to 31 March</b>				
	<b>2008 £ 000</b>	<b>2007 £ 000</b>	<b>2006 £ 000</b>	<b>2005 £ 000</b>	<b>2004 £ 000</b>
<b>Difference between the expected and actual return on assets</b>	(11,531)	264	11,806	2,800	7,257
Value of assets	85,298	95,535	88,524	70,883	63,326
Percentage of assets	(13.5%)	0.3%	13.3%	3.95%	11.46%
<b>Differences between actuarial assumptions about liabilities and actual experience</b>	(2,763)	(53)	(49)	(99)	(793)
Present value of liabilities	107,602	122,526	122,556	103,319	82,055
Percentage of the present value of liabilities	(2.6%)	(0.0%)	(0.0%)	(0.1%)	(1.0%)
<b>Changes in demographic and financial assumptions used to estimate liabilities</b>	17,330	7,022	(1,732)	(13,887)	6,464
Present value of liabilities	107,602	122,526	122,556	103,319	82,055
Percentage of the present value of liabilities	2.8%	5.73%	(1.4%)	(13.44%)	7.9%
	<b>3,036</b>	<b>7,233</b>	<b>(1,732)</b>	<b>(13,887)</b>	<b>6,464</b>

Further information can be found in the County Council's Superannuation Fund Annual Report which is available on request from the County Treasurer's Department, County Offices, Newland, Lincoln LN1 1YG.

### Note 33 – Related Companies

The Council holds 5.6% (£14,000) of the ordinary share capital of £250,000 of Investors in Lincoln Ltd. (IIL)

The principal activity of the company is the promotion of economic regeneration and the development and expansion of industry, commerce and enterprise of all forms for the benefit of the community in and around the City of Lincoln. Investors in

Lincoln Ltd grant the Council the sole and exclusive right to licence and manage it's managed workspace development at Greetwell Place.

The company's accounting year-end is 31 March and the latest (audited) accounts are for the year ended 31 March 2007 and show net assets of £4,154,556 (£2,707,145 in 2005/06) and a profit of £130,458 before taxation, £101,810 after tax (£54,438 before tax and £40,938 after tax in 2005/06).

The Council is fully responsible for meeting the first £100,000 of any cumulative deficit on operating the managed workspace units. In the event that the cumulative deficiency exceeds £100,000 the Council shall meet 75% of the deficiency. In 2007/08 a surplus on the managed workspace units of £34,255 was attributable to the Council.

An amount of £74,938 was owed from ILL at 31 March 2008 in respect of property management costs, facility fees and management fees. This is included in the debtors balance in the Council's Balance Sheet on page 49.

The accounts of the company may be obtained from The Company Secretary, 5 Beck Hall, Welton, LN2 3LJ.

#### **Note 34 - Contingent Liabilities**

A contingent liability is a possible liability arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control. Where a material loss can be estimated with reasonable accuracy a provision is accrued within the financial statements. If, however a loss cannot be accurately estimated or the event is not considered sufficiently certain, a contingent liability will be disclosed in a note to the Balance Sheet.

The Council is currently involved in a dispute with the contractor of the 'Public Realm' capital improvement programme to the City's streets. The contractor is claiming an additional £741,000, however the Council does not accept the extent of their assertions and disputes the claim. At this time it is not possible to ascertain the amount of any settlement.

The Council is also currently involved in a dispute with the contractors for the 'Terrace' creative industries managed workspace. Contractors are claiming an additional £408,000, however the Council does not accept the extent of their assertions and disputes the claim. At this time it is not possible to ascertain the amount of any settlement.

If the contractors are successful in these claims then they would represent additional payments in respect of the works carried out in the previous year.

### Note 35 – Authorisation of Accounts for Issue

These accounts were authorised for issue on the 16 June 2008 by AA Andrews, CPFA (Director of Resources and Section 151 Chief Financial Officer)

### Note 36 – Post Balance Sheet Events

In accordance with the requirements of FRS21 "Events after the Balance Sheet date" the date up to which events after the Balance Sheet date have been considered for final accounts purposes is the date that the Statement of Accounts were authorised for issue by the Director of Resources, 16 June 2008.

As at this date there were no significant post Balance Sheet events.

### Note 37 - Revenue Activities

The net cash flow from revenue activities may be reconciled to the Surplus/Deficit Accounts of the Council. This is shown below:

2006/07		2007/08
£'000		£'000
2,316	General Fund Deficit	10,352
(1,173)	Housing Revenue Account Deficit	3,712
(269)	Direct Labour Organisations Surplus	(87)
(54)	Collection Fund Surplus	(530)
<b>820</b>	<b>(Surplus) / Deficit for the year</b>	<b>13,447</b>
	<b>Add</b>	
(7,420)	Depreciation & Impairment	(8,918)
0	Contribution to Provisions and Reserves	0
1,776	Other non-cash transactions	(13,255)
	<b>Add</b>	
(2,368)	Contribution from Provisions, Reserves & other balances	589
	<b>Less</b>	
1,585	(Increase)/Decrease in creditors	1,478
(42)	Decrease in stocks and work in progress	(41)
(837)	Increase /(Decrease) in debtors	6,001
	<b>Add</b>	
33	Financing items shown previously in cash flow statement	25
<b>(6,543)</b>	<b>Net Cash Inflow from Revenue Activities</b>	<b>(674)</b>

### Note 38 – Government Grants

An analysis of Government Grants is as follows:

2006/07 £'000		2007/08 £'000
13,520	Housing Benefit Grants	14,166
12,130	Housing Subsidy Grant	12,619
267	Neighbourhood Renewal	161
1,593	Revenue Support Grant	1,485
<b>27,510</b>		<b>28,431</b>

### Note 39 - Analysis of Cash, Borrowing & Investments

	Balance 1 April 07 £ 000	Cash Flow £ 000	Non Cash Changes £ 000	Balance 31 March 08 £ 000
Cash & Bank	151	(1,077)	0	(926)
Bank Overdraft	0	0	0	0
		<b>(1,077)</b>		
Long Term Borrowing	(37,791)	(608)	0	(38,399)
Short Term Borrowing	(25)	(5)	0	(30)
		<b>(613)</b>		
Current Investments	29,477	(6,098)	0	23,379
		<b>(6,098)</b>	0	
<b>Total</b>	<b>(8,188)</b>	<b>(7,788)</b>	<b>0</b>	<b>(15,976)</b>

### Note 40 – Reconciliation of Liquid Resources

The short-term investments the Council makes with various financial institutions are included within this note.

	2006/07 £ 000	Movement £ 000	2007/08 £ 000
Short-Term Investments	(24,958)	9,594	(15,364)

#### **Note 41 - Analysis of Balances of Cash**

There has been a net decrease in the balances of cash held reflecting the net inflow from all activities as shown below:

	<b>2006/07</b>	<b>2007/08</b>	<b>Movement</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ '000</b>
Cash Overdrawn	0	0	0
Cash at Bank	148	924	(776)
In Hand	3	2	1
<b>(Increase)/Decrease in Cash</b>			<b>(775)</b>

## HRA INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31 MARCH 2008

2006/07 £'000	Notes	2007/08 £'000	2007/08 £'000
<b>Income</b>			
(20,016)	Dwelling rents	(20,627)	
(412)	Non-Dwelling Rents	(434)	
(475)	Charges for Services and Facilities	(535)	
(662)	HRA Subsidy Receivable (inc MRA)	0	
<b>(21,565)</b>	<b>Total Income</b>		<b>(21,595)</b>
<b>Expenditure</b>			
6,290	Repairs and Maintenance	6,366	
5,215	Supervision and Management	4,817	
37	Rents, rates, taxes and other charges	53	
0	Negative HRA subsidy payable	79	
391	Negative HRA subsidy transferable to the General Fund	538	
6,854	Depreciation and Impairment of Assets	13,527	
64	Debt Management Costs	91	
104	Provision for bad or doubtful debts	162	
0	Sums directed by the Secretary of State that are expenditure in accordance with UK GAAP	0	
<b>18,955</b>	<b>Total Expenditure</b>		<b>25,633</b>
<b>(2,610)</b>	<b>Net Cost of HRA Services per Authority Income and Expenditure Account</b>		<b>4,038</b>
0	HRA Services Share of Corporate and Democratic Core		0
748	HRA share of other amounts included in the whole authority Net Cost of Service but not allocated to specific services		0
(593)	Transfer from CMS		(427)
<b>(2,455)</b>	<b>Net Cost of HRA Services</b>		<b>3,611</b>
(60)	Gain or loss on the sale of HRA assets		(26)
1,273	Interest payable and similar charges		1,338
592	Amortisation of premiums and discounts		0
(348)	Interest and investment income		(547)
7	Pensions interest cost and expected return on pensions assets		(83)
<b>(991)</b>	<b>Surplus) or deficit for the year on HRA services</b>		<b>4,293</b>

Note: The Gains & Losses on sale of fixed assets have been restated for 2006/07 to show gains of £60k (£137k receipts from non-fixed asset sales and disposal costs of £77k)

# STATEMENT OF MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

2006/07 £'000		2007/08 £'000
(991)	(Surplus) or deficit for the year on the HRA Income and Expenditure Account	4,293
(181)	Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	(581)
<b>(1,172)</b>	<b>(Increase)/Decrease in the Housing Revenue Account Balance</b>	<b>3,712</b>
(4,070)	Housing Revenue Account Surplus Bought Forward	(5,242)
<b>(5,242)</b>	<b>Housing Revenue Account Surplus Carried Forward</b>	<b>(1,530)</b>

Note: The surplus for 2006/07 on the HRA Income & Expenditure Account and the Net Additional Amount Required by Statute to be Credited to the HRA balance for the year have been increased or decreased respectively by £60k to reflect gains on sale of assets (£137k receipts less £77k disposal costs)

# NOTE OF THE RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

2006/07 £'000		2007/08 £'000
<b>Amounts included in the HRA Income and Expenditure Account but required by statute to be excluded when determining the movement on the HRA Balance for the year</b>		
0	Difference between amounts charged to income and expenditure for amortisation of premiums and discounts and the charge for the year determined in accordance with statute	591
0	Difference between any other item of income or expenditure determined in accordance with statutory HRA requirements	(6,813)
60	Gain or loss on sale of HRA assets	26
(1,633)	Net charges made for retirement benefits in accordance with FRS17	(542)
0	Sums directed by the Secretary of State to be debited or credited to the HRA that are not income or expenditure in accordance with UK GAAP	0
<b>(1,573)</b>		<b>(6,738)</b>
<b>Amounts not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year</b>		
(2,341)	Transfer to/(from) Major Repairs Reserve	(2,001)
2,258	Transfer to/(from) Reserves	1,514
(191)	Transfer to/(from) Housing Repairs Account	870
1,566	Employer's contributions payable to the Lincolnshire County Council Pension Fund and retirement benefits payable direct to pensioners	1,669
0	Voluntary set aside for repayment for repayment of debt	0
100	Capital expenditure funded by the HRA	4,105
<b>1,392</b>		<b>6,157</b>
<b>(181)</b>	<b>Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year</b>	<b>(581)</b>

Note: The gains and losses on sale of fixed assets have been restated for 2006/07 to show gains of £60k (£137k receipts less £77k disposal costs)

## NOTES TO THE HOUSING REVENUE ACCOUNT

### Note 1 – Fixed Assets

The number of dwellings in the Authority's housing stock, as at 31 March 2008, totalled 7,968 properties. The type of properties and the period in which they were built, were as follows:

	<1945 No.	1945-64 No.	>1964 No.	TOTAL No.
<b>Property Type</b>				
Low Rise Flats (Blocks up to and incl. 2 Storey)				
1 Bed	44	666	741	1,451
2 Bed	6	98	79	183
3 Bed	0	0	14	14
<b>Sub-Total</b>	<b>50</b>	<b>764</b>	<b>834</b>	<b>1,648</b>
Medium Rise Flats (Blocks of 3 up to and incl. 5 Storey)				
1 Bed	2	300	849	1,151
2 Bed	0	254	362	616
3 Bed	0	15	7	22
<b>Sub-Total</b>	<b>2</b>	<b>569</b>	<b>1,218</b>	<b>1,789</b>
High Rise Flats (Blocks of 6 Storey's or more)				
1 Bed	0	58	138	196
2 Bed	0	30	74	104
<b>Sub-Total</b>	<b>0</b>	<b>88</b>	<b>212</b>	<b>300</b>
Houses / Bungalows				
1 Bed	159	147	41	347
2 Bed	771	845	346	1,962
3 Bed	877	614	304	1,795
4 or more Beds	102	20	5	127
<b>Sub-Total</b>	<b>1,909</b>	<b>1,626</b>	<b>696</b>	<b>4,231</b>
<b>Total Dwellings 31 March 2008</b>	<b>1,961</b>	<b>3,047</b>	<b>2,960</b>	<b>7,968</b>

The Council's in house Valuation Officers, and the District Valuers have undertaken the valuations of HRA dwellings, land, and other property in accordance with Royal Institute of Chartered Surveyor guidelines. The movement in fixed assets during the year was as follows:

	Operational Assets			Non-Operational Assets		TOTAL
	Council Dwellings	Land & Buildings	Vehicles Plant & Equip.	Other Land & Buildings	Surplus Assets	
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>Certified Valuation As at 31.03.07</b>	<b>299,072</b>	<b>4,227</b>	<b>0</b>	<b>7,375</b>	<b>0</b>	<b>310,674</b>
Accumulated depreciation & impairment.	(110)	(25)	0	0	0	(135)
<b>Net book value of assets at 31.03.07</b>	<b>298,962</b>	<b>4,202</b>	<b>0</b>	<b>7,375</b>	<b>0</b>	<b>310,539</b>
<b>Movement in 2007/2008</b>						
Additions	11,797	601	0	36	0	12,434
Disposals	(2,562)	(24)	0	0	0	(2,586)
Revaluations	(3,555)	384	0	200	8	(2,963)
Depreciation	(6,571)	(144)	0	0	0	(6,715)
Written back depreciation on Revaluations	32	137	0	0	6	175
Written back depreciation on Assets sold	0	0	0	0	0	0
Impairments	(6,904)	0	0	(13)	0	(6,917)
Written back impairment on Revaluations	5,469	0	0	13	0	5,482
Transfers	110	(26)	0	(150)	66	0
<b>Net book value of assets at 31.03.08</b>	<b>296,778</b>	<b>5,130</b>	<b>0</b>	<b>7,461</b>	<b>80</b>	<b>309,449</b>

Dwelling houses within the Housing Revenue Account are valued in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors, and DCLG guidance. Accordingly the Existing Use Value for Social Housing (EUV-SH) has been used as the basis of valuation. The beacon approach to valuation of the housing stock has been adopted as recommended by the DCLG, including the regional adjustment to be adopted within the EUV-SH valuation. Valuations of dwellings are carried out on a rolling programme with 25% of dwellings valued at 1 April each year.

The vacant possession value (open market value) of Council dwellings as at 31 March 2008 was £585.910m. This does not compare to the Balance Sheet, which shows the Essential Use Value, the difference being an indication of the economic and social costs of providing Council housing at less than market rent.

## Note 2 – Major Repairs Reserve

The Major Repairs Reserve details the Major Repairs Allowance (MRA) received by the Council. This, received as part of Housing Subsidy grant, was introduced for the first time in 2001/02. The MRA is based on national average unit costs for each of the property types and represents the estimated long-term average amount of capital spending required to maintain a local authority's stock in its current condition. The MRA received in the year totalled £4,713,141. A total of £4,974,510 Major Repairs

Allowance was used to finance capital spend in the Housing Investment Programme in 2007/08 (£4,713,141 received in year plus £234,369 carried forward from 2006/07).

	<b>2007/08 £ 000</b>	<b>2006/07 £ 000</b>
<b>Balance on 1 April</b>	<b>(234)</b>	<b>0</b>
Amount transferred from the HRA		
- Depreciation		
Dwellings	(6,571)	(6,731)
Other Assets	(144)	(123)
Transferred from Capital Financing Account (prior years depreciation on other assets)	0	(119)
	<b>(6,715)</b>	<b>(6,973)</b>
 -HRA Capital Expenditure	 4,948	 4,398
-Appropriations to HRA	2,001	2,341
-Depreciation on other assets	0	0
	<b>6,949</b>	<b>6,739</b>
 <b>Balance on 31 March</b>	 <b>0</b>	 <b>(234)</b>

### Note 3 – Housing Repairs Account

The Housing Repairs Account was set up on 1 April 2001 in order to assist with the longer term planning of repairs and maintenance expenditure. The following analysis details the movement on the Housing Repairs Account during the year.

	<b>2007/08 £'000</b>	<b>2006/07 £ 000</b>
Balance on 1 April	<b>(1,069)</b>	<b>(1,260)</b>
Expenditure in year		
-Tenant Notified Repairs	3,479	3,304
-Void Repairs	1,294	1,392
-Servicing Contracts	1,301	1,242
-Painting Programme	0	11
-Asbestos removal	0	29
-Aids & adaptations	234	199
-Decoration Grants	37	54
-Other Expenditure	21	58
-Contribution to HRA	24	72
	<b>6,390</b>	<b>6,361</b>
Income in year		
-Contribution from HRA	(5,459)	(5,975)
-Contribution from Insurance Reserve	(24)	(151)
-Interest Received in year	(36)	(44)
	<b>(5,519)</b>	<b>(6170)</b>
 <b>Surplus Balance on 31 March</b>	 <b>(198)</b>	 <b>(1,069)</b>

### Note 4 – Capital Expenditure in the year

The Housing Revenue Account capital expenditure and sources of funding during the financial year is detailed in the table overleaf:

**2007/08      2006/07**

	<b>£'000</b>	<b>£'000</b>
<b>Capital investment</b>		
Operational assets	12,487	5,825
Non operational assets	36	98
Other	172	0
Capital Expenditure not resulting in the creation of a Fixed Asset	0	0
	<b>12,695</b>	<b>5,923</b>
<b>Sources of funding</b>		
Supported Borrowing	(1,020)	(1,020)
Capital Receipts	(2,476)	(76)
Major Repairs Reserve	(4,948)	(4,398)
Government grants and other contributions	(146)	(329)
Direct Revenue Financing	(4,105)	(100)
	<b>(12,695)</b>	<b>(5,923)</b>
<b>Balance unfunded at 31 March</b>	<b>0</b>	<b>0</b>

Supported borrowing levels are issued annually by Central Government, authorising the Council to borrow monies, which will be funded by Central Government to cover capital expenditure. Additionally, the Council is able to take out unsupported borrowing which must be financed from it's own resources. In 2007/08 however, no such borrowing was undertaken by the HRA.

#### **Note 5 - Capital Receipts**

The cash receipts from the disposal of land, houses and other property within the HRA in the year are summarised below:

	<b>2007/08 £'000</b>	<b>2006/07 £'000</b>
Council dwellings -		
-Right to Buy	(2,393)	(2,986)
-Discounts repaid	(81)	(104)
-Non-Right to Buy	(107)	(219)
Other Receipts -		
-Land sales	(24)	(5,000)
-Mortgage Property	(7)	(20)
	<b>(2,612)</b>	<b>(8,329)</b>
Less Pooled (Paid to Central Government)	1,832	2,278
<b>Total</b>	<b>(780)</b>	<b>(6,051)</b>

#### **Note 6 - Housing Subsidy**

The Government (DCLG) bases this subsidy entitlement on a notional account representing their assessment of what the Council should be collecting and spending. In 2007/08 the Council moved to a 'negative' Housing Subsidy position and the amount payable in the 2007/08 financial year amounted to £78,950 as detailed below:

	<b>2007/08</b>	<b>2006/07</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Housing Subsidy</b>		
Management & Maintenance	(12,712)	(12,468)
Major Repairs Allowance	(4,713)	(4,632)
Admissible Allowance	0	(8)
Capital Charges	(2,326)	(2,261)
Interest on Receipts	4	4
Guideline Rent Income	19,807	18,724
Rental Constraint Allowance	0	(21)
<b>Total in-year HRA Subsidy Claimed</b>	<b>60</b>	<b>(662)</b>
Previous year(s) Subsidy adjustments	19	0
<b>Total HRA Subsidy due to/(from) DCLG</b>	<b>79</b>	<b>(662)</b>

#### **Note 7 - Rent Arrears**

During the year 2007/08 total rent arrears decreased by £10,682, or 0.7%, to £1.581m. A summary of rent arrears and prepayments is shown in the following table:

	<b>2007/08</b>	<b>2006/07</b>
	<b>£ 000</b>	<b>£ 000</b>
Current Tenant Arrears @ 31 March	630	590
Former Tenant Arrears @ 31 March	951	1,002
<b>Total Rent Arrears</b>	<b>1,581</b>	<b>1,592</b>
Prepayments @ 31 March	(235)	(206)
<b>Net Rent Arrears</b>	<b>1,346</b>	<b>1,386</b>

A bad debt provision of £162,165 has been made in this year's accounts in respect of potentially non-collectable rent arrears, as detailed above, and associated miscellaneous debts. The value of the bad debt provision held on the Balance Sheet at 31 March 2008 is £1,368,165 (£1,393,469 at 31 March 2007).

#### **Note 8 - Pension Costs**

In line with the full adoption of FRS 17 'Retirement Benefits' the Net Cost of Services include the cost of retirement benefits when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required when determining the movement on the HRA Balance for the year is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the HRA in the Statement of Movement on the Housing Revenue Account. The following transactions have been made in the HRA during the year:

	Year to 31 March 2008	Year to 31 March 2007
	£ 000	£ 000
<b>HRA Income &amp; Expenditure Account</b>		
Current Service Cost	(625)	(878)
Past Service Costs	0	(679)
Curtailment and Settlements (NDC)	0	(69)
Expected Return on Employer Assets	2,762	2,541
Interest on Pension Scheme Liabilities	(2,679)	(2,548)
<b>Total</b>	(542)	(1,633)
Amount to be met from HRA	1,669	1,566
<b>Movement on Pension Reserve</b>	<b>1,127</b>	<b>(67)</b>

## THE COLLECTION FUND ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

This account reflects the statutory requirements for all Billing Authorities, such as the City Council, to maintain a separate Collection Fund Account. This shows the transactions of the Billing Authority in relation to Non Domestic Rates and the Council Tax, and illustrates the way in which these have been distributed to preceptors (Lincolnshire County Council & Lincolnshire Police Authority) and the General Fund.

Income & Expenditure Account	Notes P100- 102	2007/08 £ 000	2006/07 £ 000
<b><u>Income</u></b>			
Council Tax Income	3	(27,877)	(26,043)
Transfers from General Fund:			
Council Tax Benefit	4	(6,063)	(5,903)
Transitional Relief	4	0	0
Income collectable from Business Ratepayers	5	(33,554)	(33,640)
<b>Total Income</b>		<b>(67,494)</b>	<b>(65,586)</b>
<b><u>Expenditure</u></b>			
Precepts	6	33,472	31,562
Business Rates:			
Payment to National Pool	5	33,400	33,485
Cost of Collection		154	155
Provision for Bad & Doubtful Debts:			
Council Tax/Community Charge	4	381	330
Contributions:			
Community Charge Surplus	1(d)	0	0
Council Tax Surplus	1(c)	0	0
Adjustment of Previous Year Community Charge:			
CC Payers A/c	4	0	0
<b>Total Expenditure</b>		<b>67,407</b>	<b>65,532</b>
<b>Movement on Fund Balance</b>		<b>(87)</b>	<b>(54)</b>

## NOTES TO THE COLLECTION FUND

### **Note 1 - Council Tax**

The introduction of Council Tax on 1 April 1993 revised the method of accounting for the Council's Collection Fund. The main features of the arrangements may be summarised as follows:

- a) Revenue Support Grant and amounts for distribution from the NNDR National Pool are paid directly to all Billing and Precepting Authorities and are disclosed in the Income and Expenditure Account on page 30.
- b) Interest is no longer payable between the General Fund and the Collection Fund on cash-flow deficits/surpluses. All interest is now payable directly to the General Fund, as shown on the Income and Expenditure Account on page 45.
- c) The year end surplus or deficit on the Collection Fund is to be distributed between Billing and Precepting Authorities on the basis of estimates, made in January of each year end balance. For 2007/08, the amount outstanding in January 2007 in respect of Council Tax when compared with the provision made by the Council for non-payment, was not above the level anticipated and therefore no surplus was declared.
- d) Under the old Community Charge Collection Fund any surplus or deficits were retained within the fund, however the revised arrangements in (c) above resulted in any such balances being cleared to the relevant authority. For 2007/08, the amount outstanding in January 2007 in respect of Community Charge was not above the level anticipated and therefore no surplus was declared in 2007/08.

### **Note 2 - Council Tax Valuation Bands**

Most domestic Dwellings (including flats) whether rented or owned, occupied or not, are subject to Council Tax. Each Dwelling is allocated to one of eight bands according to their open market capital value at 1 April 1991.

Valuation Band	Range of Values (£)
A	Up to & including £40,000
B	£40,001 - £52,000
C	£52,001 - £68,000
D	£68,001 - £88,000
E	£88,001 to £120,000
F	£120,001 - £160,000
G	£160,001 - £320,000
H	More than £320,001

### Note 3 - Council Tax Income

The amount of Council Tax payable is calculated by establishing a 'Council Tax Base'. This is the Council's estimated number of chargeable dwellings expressed in relation to those dwellings in Band D. Once this has been determined the Council Tax payable for each band is established as follows:

(The actual amount payable for each property is also subject to discounts where applicable.)

Band	Calculated number of dwellings	Ratio to Band D	Equated number of dwellings	Council Tax Payable
Z	80	5/9	44	739.48
A	19,469	6/9	12,979	887.37
B	6,542	7/9	5,088	1,035.27
C	3,878	8/9	3,447	1,183.16
D	1,999	9/9	1,999	1,331.06
E	814	11/9	995	1,626.01
F	275	13/9	397	1,922.64
G	109	15/9	182	2,218.43
H	8	18/9	16	2,662.12
			<b>25,147</b>	

### Note 4 - Council Tax Required

The amount of Council Tax required for Band D was calculated on the following basis:

(i) Preceptor's Council Tax Requirements	£33,472,219
(ii) Number of Band D equivalent Dwellings	25,147
Band D ( i divided by ii )	£1,331.06

The Council Tax required then forms part of the Income and Expenditure Account as detailed below:

	2007/08 £ 000	2006/07 £ 000
Net Amount	27,877	26,043
Benefits	6,063	5,903
Transitional Relief	0	0
Use of Provision for Doubtful Debts	(381)	(330)
Community Charge Surplus	0	0
Council Tax Surplus	0	0
Adj. Re previous years Community Charge	0	0
Balance carried forward	(87)	(54)
<b>Council Tax Requirement</b>	<b>33,472</b>	<b>31,562</b>

## Note 5 - Non Domestic Rates

Non Domestic Rates are organised on a national basis. The Government specifies an amount and subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. In 2007/08 the amount was 44.4p (43.3p = 2006/07). The Council is responsible for collecting rates due from the ratepayers in its area but pays the proceeds into an NNDR Pool administered by the Government.

The Government redistributes the sums paid into the Pool back to Local Authorities on the basis of a fixed amount per head of population. This is shown in the Income and Expenditure Account on page 45.

The total rateable value @ 31 March 2008 was £89,760,179 (31 March 2007 = £91,538,049).

## Note 6 - Precepts & Demands

The following amounts were paid from the fund:

	<b>2007/08</b> <b>£ 000</b>	<b>2006/07</b> <b>£ 000</b>
City of Lincoln Council	5,337	5,017
Lincolnshire County Council	24,826	23,435
Lincolnshire Police Authority	3,309	3,110
<b>Total</b>	<b>33,472</b>	<b>31,562</b>

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STATEMENT OF ACCOUNTS  
2007/08

### **ACCOUNTING PERIOD**

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

### **ACCRUALS**

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

### **ACTUARIAL GAINS AND LOSSES**

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed

### **ASSET**

An item having value to the authority in monetary terms. Assets are categorised as either current or fixed:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A fixed asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

### **AUDIT OF ACCOUNTS**

An independent examination of the Authority's financial affairs.

### **BALANCE SHEET**

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

### **BORROWING**

Government support for capital investment is described as either Supported Capital Expenditure (Revenue) known as SCE(R) or Supported Capital Expenditure (Capital Grant) known as SCE(C). SCE can be further classified as either Single Capital Pot (SCP) or ring-fenced.

### **BUDGET**

The forecast of net revenue and capital expenditure over the accounting period.

### **CAPITAL EXPENDITURE**

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

### **CAPITAL FINANCING**

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### **CAPITAL PROGRAMME**

The capital schemes the Authority intends to carry out over a specific period of time.

### **CAPITAL RECEIPT**

The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

### **CLAW-BACK**

Where average council house rents are set higher than the government's prescribed average limit rent, used in the calculation of rent rebates, the percentage difference reduces the amount of rent rebate subsidy due to the authority, i.e. it is "clawed-back" by the government.

### **CIPFA**

The Chartered Institute of Public Finance and Accountancy

### **COLLECTION FUND**

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

### **COMMUNITY ASSETS**

Assets that the Authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

### **CONSISTENCY**

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

### **CONTINGENT ASSET**

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's accounts.

### **CONTINGENT LIABILITY**

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or

- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

### **CORPORATE AND DEMOCRATIC CORE**

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

### **CREDITOR**

Amount owed by the Authority for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

### **CURRENT SERVICE COST (PENSIONS)**

The increase in the present value of a defined benefit's pension scheme's liabilities, expected to arise from employee service in the current period.

### **DEBTOR**

Amount owed to the Authority for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

### **DEFERRED CHARGES**

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

### **DEFINED BENEFIT PENSION SCHEME**

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

### **DEPRECIATION**

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Authority's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

### **DISCRETIONARY BENEFITS (PENSIONS)**

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

### **EQUITY**

The Authority's value of total assets less total liabilities.

### **EVENTS AFTER THE BALANCE SHEET DATE**

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

#### **EXCEPTIONAL ITEMS**

Material items which derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

#### **EXPECTED RETURN ON PENSION ASSETS**

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

#### **EXTRAORDINARY ITEMS**

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Authority and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

#### **FAIR VALUE**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

#### **FINANCE LEASE**

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

#### **GOING CONCERN**

The concept that the Statement of Accounts are prepared on the assumption that the Authority will continue in operational existence for the foreseeable future.

#### **GOVERNMENT GRANTS**

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.

#### **HOUSING BENEFITS**

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

#### **HOUSING REVENUE ACCOUNT (HRA)**

A separate account to the General Fund which includes the income and expenditure arising from the provision of housing accommodation by the Authority.

#### **IMPAIRMENT**

A reduction in the value of a fixed asset to below its carrying amount on the Balance Sheet.

### **INCOME AND EXPENDITURE ACCOUNT**

The revenue account of the Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

### **INFRASTRUCTURE ASSETS**

Fixed assets belonging to the Authority that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

### **INTANGIBLE ASSETS**

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Authority's intangible assets comprise computer software licences.

### **INTEREST COST (PENSIONS)**

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

### **INVESTMENTS (PENSION FUND)**

The investments of the Pension Fund will be accounted for in the statements of that fund. However, Authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

### **LIABILITY**

A liability is where the Authority owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

### **LIQUID RESOURCES**

Current asset investments that are readily disposable by the Authority without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market

### **LONG-TERM CONTRACT**

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services

which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

**MATERIALITY**

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

**MINIMUM REVENUE PROVISION (MRP)**

The minimum amount, which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority.

**NEGATIVE SUBSIDY**

If the Subsidy Housing Revenue Account produces a result, which assumes that the Authority's income is higher than its expenditure, a "negative subsidy" situation arises. In this case the Authority must pay an amount equivalent to the deficit, from its Housing Revenue Account to the government.

**NET BOOK VALUE**

The amount at which fixed assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

**NET DEBT**

The Authority's borrowings less cash and liquid resources.

**NON-DISTRIBUTED COSTS**

These are overheads for which no user now benefits and as such are not apportioned to services

**NATIONAL NON-DOMESTIC RATES (NNDR)**

The National non-domestic Rate is a levy on businesses, based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Authority on behalf of central government and then redistributed back to support the cost of services.

**NON-OPERATIONAL ASSETS**

Fixed assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

**OPERATING LEASE**

A lease where the ownership of the fixed asset remains with the lessor.

**OPERATIONAL ASSETS**

Fixed assets held and occupied, used or consumed by the Authority in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

#### **PAST SERVICE COST (PENSIONS)**

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

#### **PENSION SCHEME LIABILITIES**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

#### **PRECEPT**

The levy made by precepting authorities by billing authorities, requiring the later to collect income from Council Tax on their behalf.

#### **PRIOR YEAR ADJUSTMENT**

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

#### **PROVISION**

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

#### **PUBLIC WORKS LOAN BOARD (PWLb)**

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

#### **RATEABLE VALUE**

The annual assumed rental of a hereditament, which is used for NNDR purposes.

#### **RELATED PARTIES**

There is a detailed definition of related parties in FRS 8. For the Council's purposes related parties are deemed to include the Authority's members, the Chief Executive, its Directors and their close family and household members.

#### **RELATED PARTY TRANSACTIONS**

The Statement Of Recommended Practice requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

#### **REMUNERATION**

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money

value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.

#### **RESERVES**

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Authority. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure.

#### **RESIDUAL VALUE**

The net realisable value of an asset at the end of its useful life.

#### **RETIREMENT BENEFITS**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

#### **REVENUE EXPENDITURE**

The day-to-day expenses of providing services.

#### **REVENUE SUPPORT GRANT**

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

#### **STOCKS**

Items of raw materials and stores an authority has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

#### **TEMPORARY BORROWING**

Money borrowed for a period of less than one year.

#### **TRUST FUNDS**

Funds administered by the Authority for such purposes as prizes, charities, specific projects and on behalf of minors.

#### **USEFUL ECONOMIC LIFE (UEL)**

The period over which the Authority will derive benefits from the use of a fixed asset.

#### **WORK IN PROGRESS (WIP)**

The cost of work performed on an uncompleted project at the Balance Sheet date, which should be accounted for.

<b>SUBJECT:</b>	<b>SCRUTINY ANNUAL REPORT 2007/08</b>
<b>REPORT BY:</b>	<b>CHAIRMAN OF SCRUTINY LIAISON COMMISSION ON BEHALF OF PERFORMANCE, POLICY DEVELOPMENT AND POLICY REVIEW SCRUTINY COMMITTEES</b>
<b>LEAD OFFICERS:</b>	<b>HEATHER GROVER AND AMY ROSEWALL, SCRUTINY AND POLICY OFFICERS</b>

### 1. Purpose of Report

- 1.1 To present to Council the second Scrutiny Annual Report.

### 2. Background

- 2.1 The Constitution states that the Scrutiny Committees should report annually to Council. Individual Chairman of the Committees provided reports during the last municipal year, and attached separately is the Scrutiny Annual Report (Appendix 1), which summarises the work of the three Committees.
- 2.2 Following presentation to Council, the Annual Report will be published for circulation to stakeholders, witnesses, members of the public, and any other interested person or group. It will also be available on the Council's website.

### 3. Recommendation

- 3.1 That Council note and comment on the Scrutiny Annual Report.

#### Access to Information:

Does the report contain exempt information, which would prejudice the public interest requirement if it was publicised?

No

#### Key Decision

No

#### Key Decision Reference 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

**List of Background  
Papers:**

**Lead Officers:**

Heather Grover and Amy Rosewall,  
Scrutiny and Policy Officers  
Telephone: 873326/ 873325

		<b>Checklist Applies</b>	<b>Checklist Completed and retained as a background document</b>	<b>Consultation Required (Insert Name of Consultee and Date Completed)</b>
<b>Report Section That Applies</b>	<b>Items For Inclusion in all reports</b>	<b>Yes/No</b>	<b>Yes/No</b>	
Resource Implications	Financial Implications (including impact on savings targets)	No		
Resource Implications	Staffing	No		
Resource Implications	Property/Land/ Accommodation	No		
Resource Implications	Procurement	No		
Legal Implications	Legal	No		
Legal Implications	Contractual	No		
Legal Implications	Constitutional Issues	No		
Policy Implications	Strategic Priority	No		
Policy Implications	Section 17 Crime and Disorder	No		
Policy Implications	Equality and Diversity (NB a full IA is mandatory if the report relates to a new/change to council policy)	No		
Policy Implications	Environmental Sustainability	No		
Policy Implications	Community engagement/ communication	No		
Risk Implications	Risk Assessment	No		

**SUBJECT:            AMENDMENTS TO APPOINTMENT OF MEMBERS:**

- TO COMMITTEES  
- SUBSTITUTE MEMBERS  
- REPRESENTATIVES ON OUTSIDE BODIES

**REPORT BY:        DIRECTOR OF RESOURCES**

**LEAD OFFICER:    STEVE SWAIN – DEMOCRATIC SUPPORT MANAGER**

## 1. Purpose of Report

1.1 To agree amended Membership for the following areas:

- Substitute Members to Committees
- Members as representatives on Outside Bodies

## 2. Background

2.1 At the Council's Annual Meeting, which took place on Tuesday 20 May 2008, appointments to Committees and Sub-Committees (including substitutes), Chairman and Vice-Chairman and representatives onto Outside Bodies were agreed for the current Municipal Year.

2.2 Subsequently, information has been received in relation to a number of the appointments and this has necessitated a number of changes to Membership, and the list of organisations the City Council is represented on.

2.3 Below are proposed changes to current committee membership:-

Committee	Current	New Member
Policy Review Scrutiny Committee	Cllr Clark	To be confirmed at the meeting

2.4 Below is a proposed change to Substitute Members to Committees:

Committee	Current Substitute	Substitutes Nominated
Corporate Equality and Diversity Development Group	Cllr Peeke	Cllr J Metcalfe

2.5 Below are the proposed amendments to the outside bodies schedule: -

<b>Outside Body</b>	<b>Current Representative</b>	<b>Nomination</b>
Lincoln Dial a Ride	Cllr D Grice	Cllr Clark
Share the Care	Cllr D Grice	Cllr Clark
Lincolnshire Shared Improvement and Efficiency Partnership	N/A	To be confirmed at the meeting
Lincoln Business Improvement Group	Cllr Strengiel	To be confirmed at the meeting
Urban Partnership Group	Cllr Peeke	To be confirmed at the meeting
Drainage Board- Upper Witham	Mr J Howie	To be confirmed at the meeting
Drainage Board – Witham Third	Mr J Howie	To be confirmed at the meeting

### **3. Equality Implications**

- 3.1 Representation by Members of the Council on trusts/outside bodies ensures that the Council's social inclusion and equality agendas are cascaded through organisations both within and outside the City.

### **4. Legal Implications**

- 4.1 As referred to in the Constitution it is the function of Council to receive nominations of Councillors to serve on outside bodies/trusts.

### **5. Financial Implications**

- 5.1 None arising from this report.

### **6. Recommendation**

- 6.1 That amendments be made to the appointments list in accordance with 2.3, 2.4 and 2.5 above.

#### **List of Background Papers:**

##### **Lead Officer:**

Steve Swain, Democratic Support Manager  
Telephone 873439