

### TO ALL PERFORMANCE SCRUTINY COMMITTEE MEMBERS

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Date: Friday 8 November 2024

# **PERFORMANCE SCRUTINY COMMITTEE - THURSDAY, 14 NOVEMBER 2024**

Dear Councillor,

Further to the previously issued agenda for the Performance Scrutiny Committee meeting of Thursday, 14 November 2024, please find attached the following additional papers.

- 1. Confirmation of Minutes 26 September 2024 (Pages 3 16)
- 6. Financial Performance (Detailed) Quarterly Monitoring: Quarter 2 (Pages 17 50)
- 7. Treasury Management and Prudential Code Update Report Half Yearly Report (Pages 51 64)
- 8. Annual Complaints Performance and Service Improvement Report 2023/24 (Pages 65 98)

If you require any further information please feel free to contact me using the information provided above.

Yours faithfully,

**Democratic Services Officer** 

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Present:	Councillor Gary Hewson <i>(in the Chair)</i> , Councillor Pat Vaughan, Councillor Thomas Dyer, Councillor Adrianna McNulty, Councillor Lucinda Preston, Councillor Anita Pritchard, Councillor Emily Wood and Councillor James Brown
Also Present:	Councillor Naomi Tweddle, Leader of the Council and Portfolio Holder for Climate and Corporate Strategy Councillor Bob Bushell. Portfolio Holder for Remarkable Place
Apologies for Absence:	Councillor Natasha Chapman and Councillor Neil Murray

### 28. Confirmation of Minutes - 15 August 2024

RESOLVED that the minutes of the meeting held on 15 August 2024 be confirmed and signed by the Chair as an accurate record.

### 29. Housing Scrutiny Sub-Committee Minutes - 8 August 2024

RESOLVED that the minutes of the Housing Scrutiny Sub Committee held on 8 August 2024 be received.

#### 30. <u>Declarations of Interest</u>

Councillor Pat Vaughan, in the interests in transparency, wished it be noted that his grand-daughter worked in the Finance Department at the City of Lincoln Council.

### 31. <u>Related Matters</u>

Councillor Gary Hewson, Chair of the Performance Scrutiny Committee advised Members that Councillor Naomi Tweddle, Leader of the Council was in attendance at the meeting.

As Climate Change would be included within her changed responsibilities from the former Portfolio Holder for Our People and Resources to Portfolio Holder for Climate and Corporate Strategy from 2025, she was in attendance to offer contributions and answer questions regarding future Climate Change strategic projects.

### 32. <u>Portfolio Holder under Scrutiny - Remarkable Place</u>

Councillor Bob Bushell, Portfolio Holder for Remarkable Place:

- a) presented a report to give an update on the Council's current progress towards the Vision 2025 strategic plan, together with updates on each service area under the Portfolio of Remarkable Place
- b) presented his report regarding activity and achievements within his portfolio, covering the following main areas:

- Introduction
- Parks and Open Spaces General
- The Arboretum
- Boultham Park
- Hartsholme Country Park/Swanholme Lakes and the Camp Site
- Commons
- Hope Wood
- Allotments
- Equipped Play Areas
- John Dawber Gardens
- Events and Activities
- Education
- Volunteering
- Arboriculture
- Travellers
- Local Landscapes, Hidden Histories
- Street Scene
- Infrastructure
- Waste/ Recycling
- Street Cleansing
- Graffiti
- Compactor Bins
- Shopping Trolleys
- Public Toilets
- Food, Health and Safety
- Licensing
- Community Centre and Recreation Grounds
- Sport and Leisure
- Lincoln 10K
- Local Air Quality Management
- Bereavement Services
- c) welcomed comments and questions from Members of the Committee.

The Chair offered his thanks to Bob Bushell, Portfolio Holder for Remarkable Place, for his extensive and thorough report. As a result of discussions, the following points were made: -

**Bob Bushell, Portfolio Holder for Remarkable Place:** Offered his thanks to officers, particularly Steve Bird (Assistant Director, Communities & Street Scene) and Simon Colburn (Assistant Director Health & Environmental Services), for the remarkable work carried out and took the opportunity to champion the work of such an extensive portfolio.

**Comment:** Performance Scrutiny Committee had previously requested that the Portfolio Holder for Remarkable Place report be presented later in the year and as such, this was the reason why the first quarter data only, was available.

**Bob Bushell, Portfolio Holder for Remarkable Place:** Wished the Chair of the Arboretum Advisory Group well in advance of his departure from his post His hard work and commitment had been very important and was recognised with gratitude.

Thanks were also offered to two recently resigned members of Boultham Park Advisory Group. Thanks were offered to them both for their work and dedication. Successors to the post were wished well.

**Comment:** Thanks were offered for an excellent report and congratulations given for the green flag awards for Arboretum, Boultham Park, Hartsholme Country Park and Hope Wood.

**Question:** How many ordinary burials apart from cremations had there been, in particular green burials?

**Response:** The city did not have the facilities for green burials and as such, there had not been any. Individuals could be referred to green burial areas.

**Question:** Was the Portfolio Holder for Remarkable Place responsible for taxi drivers and hackney carriages? **Response:** Yes.

**Question:** Was it possible to remove UBER drivers from operating in the city? **Response:** UBER drivers were legal operators, and although more prevalent within the city were within regulations. It was noted that a lot of UBER drivers were licensed from Birmingham or Wolverhampton and the City of Lincoln Council (CoLC) did not have close oversight although there was communication between Birmingham, Hull and Lincoln.

**Question:** The presence of UBER drivers within the city affected local operators who had struggled. Could something be done nationally? The system was nor a fair system as Lincoln taxi drivers underwent a knowledge test within the city.

**Response:** Discussions nationally had been ongoing regarding the regulation of UBER. UBER drivers operated within the free market and local operators may be required to reconsider their pricing if UBER drivers had undercut them. Reference was made to the local knowledge test in Lincoln and it was confirmed that the element would form part of the national debate.

**Question:** Reference was made to food take away deliveries carried out in cars and on motorbikes. How was it ensured that food remained hot and safe when it was delivered?

**Response:** Food was regulated up to point of sale however when food was placed into transport containers, there was no control over that. As a professional body, the City of Lincoln Council (CoLC) pushed for regulations with regard to deliveries to be considered. The preparation of the food fell under the regulations, not the delivery.

**Comment:** The report was fantastic, very detailed and thanks were given to officers. Members commented that the work within the parks had been very positive and the support offered to volunteers of the John Dawber Gardens was wonderful.

**Response:** The success evidenced was owed to staff and volunteers. Individuals worked with enthusiasm and were proud of their job/vocation.

**Question:** Thanks were given to officers for the speed in which reports of abandoned trolleys had been dealt with. They were clearly not belonging to a specific individual given the branding. What action could be taken to tackle the issue?

**Response:** The company that owned the trolley was responsible for it. It was not possible for officers to enter a garden to remove a trolley. The preference was for

supermarkets to take responsibility and for their trolleys not to be removed from site in the first instance. Anecdotally, it was not in the supermarkets interests to recover trolleys. The Council retained powers within private dwellings. If a trolley was within the public domain, it could be removed and a number of different notices could be served.

**Question:** Reference was made to compactor bins on page 50 of the report. Was there a commitment to roll additional compactor bins out in the city? If so, where would they likely be situated and what was the basis of any commitment in terms of data and statistics?

**Response:** The compactor bins had been a very successful trial. The future of additional bins was dependent on the outcome of the trial and would likely be located in areas of high litter levels. The city had a total of ten compactor bins that ran through the main strip of the city. The bins were very expensive; it was not cost effective to go right across the city.

**Supplementary Question:** Was there a guarantee on the bins? How long were they expected to last?

**Supplementary Response:** The bins were on a 5-year rental programme and were intended to be insitu long term. They had proved extremely popular and worked well.

**Question:** Reference was made to the new offer of a separate food waste service planning for all households in the city by April 2026. There was no mention of paper waste. Were there plans to roll out paper waste collections within the city? Other districts had already implemented paper and card waste collections.

**Response:** Discussions had taken place regarding a future paper and card collection offer. A report would be presented to the Executive by the end of the year.

**Supplementary Comment:** A date for the report had not been confirmed which appeared vague.

**Supplementary Response:** It was a part of the decision-making process and was a matter of timing with multiple factors. It was important that the scheme was a success once implemented. Lincoln and South Holland had not implemented the scheme, and it was widely understood that implementation was different for Lincoln due to tight urban areas. There were many areas to consider which would be drawn out in the report which would be ready later in the year.

**Comment:** Lincoln was one of the last tranche of Council's to implement the scheme which presented an opportunity to consider situations in other areas, things that had worked well and things that could be improved.

**Response:** Lincoln had an opportunity to ensure that the scheme was introduced in the correct way for its success to ensured.

**Comment:** It was noted that there was a policy review underway in regard to Long Leys for memorials. A large number of memorials made maintenance difficult.

**Response:** A report in relation to Long Ley's memorials would follow later in the year. Consideration would be given to how some facilities had been extended and how that impacted the maintenance of the site. The site was built on a hill with clay grounds.

**Comment:** Members were pleased the County Council appeared to be taking responsibility for bus shelters. It was hoped that facilities would improve.

**Question:** Members welcomed the review carried out further to the sad issues experienced at Lincoln Crematorium earlier in the year. Was a time frame known for when the report would be available for members to view? People were anxious that the issues did not occur again. A tour of the crematorium whereby implemented changes could be viewed and reassurance offered, would be positive.

**Response:** There was currently both an internal and external investigation. Until both investigations had been completed, the report would be awaited. An action plan had been written up and was implemented.

**Question:** Did supermarkets pay for the recovery of abandoned trolleys? **Response:** Yes.

**Question:** Was an estimated timeframe known for the County Council agreement in regard to bus shelters?

**Response:** Proposals had been submitted to the County Council and were with their legal department for consideration and agreement.

**Question:** Was there anything specific that could be done to see an improved rate of recycling?

**Response:** Education was important to ensure that contamination was prevented which was better for the environment and cost the CoLC less. Enforcement was important as well as one contaminated refuse lorry contaminated the entire lorry load. There were certain areas more likely to put out contaminated bins and those areas needed to be targeted to ensure that residents acted responsibly.

**Comment:** Fly tipping seemed to occur in the same places. Reference was made to the BIFFA contract on page 29 of the report. It would be positive for members to assess what would be included in the contract in 2026. It was a good idea for a meeting of all members to be arranged whereby members could be informed what would be included within the new contract.

**Response:** Workshops had been prepared and members input sought. There were three monthly meetings with contractors where issues could be raised and reported. The contact documentation was weighty, and plans had been made for the preparation of a summary report which could be circulated to members to include pertinent day-to-day issues.

**Comment:** Reference was made to the percentage waste recycled and composted on page 44 of the report. Recycling rates had deteriorated over the years. It was not always easy to ensure that people placed the correct waste in the correct bins however it was a poor reflection on the contract.

**Response:** The contractor had not changed. The issue resulted from what individuals placed into their bins. The Council did not have a recycling officer anymore, but recycling encouragement continued. Strict enforcement would be necessary for an improved rate.

**Comment:** Reference was made to rewilding of the city on page 30 of the report. Wild flowering at Maxwell Avenue was a concern. There were substantial green areas that backed up from Maxwell Avenue to Tritton Road, areas used for exercising dogs etc. Consultation with local residents should take place prior to any works being carried out. The green areas were vital within the city.

**Response:** Consultation had taken place previously and the responses were positive; individuals wanted to see rewilding. Areas and paths would be cut for them to be used in the widest possible sense. Feedback received would be reported.

**Comment:** Tree maintenance had previously been a difficulty, but trees appeared to have prospered well this year. We had a duty of care to maintain trees and it was hoped that maintenance had improved from the first quarter of the year.

**Response:** The contractor had been challenged. There had been staffing difficulties which continued to be improved at regular management meetings.

**Question:** Reference was made to the play equipment within the Yarborough area. It was hoped that the equipment would result in improved lifestyle and health. Would any money be received by CoLC from the contractor at Yarborough?

**Response:** The equipment was purchased upfront and Active Nation planned to pay it back over the next 5-year period. The contractor would not receive full ownership until the last payment was made.

**Comment:** There had been a great deal of fantastic work. The portfolio was a difficult portfolio to measure performance. The report was fantastic.

RESOLVED that the annual report be noted with thanks.

### 33. Addressing the Challenge of Climate Change - Vision 2025 Progress Update

Councillor Gary Hewson offered his thanks to Kate Bell, Climate Change Manager for her hard work during her years employed by the City of Lincoln Council. It was highlighted that Kate Bell had been an asset and would be deeply missed. She was wished well in future employment opportunities.

(Note: Steve Bird left the meeting at this point in proceedings).

Councillor Bob Bushell, Portfolio Holder for Remarkable Place:

- a) presented a report to Performance Scrutiny Committee with an update towards addressing the challenge of the Climate Change Strategy Priority contained in Vision 2025
- b) explained that Appendix A of the report provided an overview of the current and live projects for this strategic priority
- c) highlighted that there were 12 projects that were currently being monitored in the work programme for Climate Change and these were listed within the report
- d) invited comments and questions from Members of the Committee.

**Question:** Thanks were offered for a fantastic report. Was it possible to increase media coverage on the work that had taken place on Lincoln Climate Commission? It was useful for people to be aware of the important initiatives. **Response:** It would be positive to raise the profile of the Commission through communications and media which included work from University of Lincoln and Bishop Grosseteste University.

**Question:** Reference was made to electric vehicle infrastructure on page. 79 of the report. Had specific areas been targeted to ensure sufficient future provision?

**Response:** On street electrical vehicle points were something funding had been hoped for years ago. Sadly, that had not happened however the Council endeavoured to add charging points to car parks within the city in order that individuals that lived in terraced houses could access those at a particular rate without paying for parking. Additional provision would likely take place in more densely populated areas.

**Question:** Reference was made to the Air Quality Management plan on page. 81 of the report. Was the 3% increase of transport carbon associated with post Covid-19? Was it possible to benchmark against similar sized cities?

**Response:** Air quality and benchmarking was useful. It was difficult to achieve figures, like for like. The Eastern Bypass and the increased level of electric vehicles on the road helped figures. Busy roadways in the past with standing traffic had been shifted in order that traffic moved and didn't pump out as much pollution. The 3% figure included green gases.

**Comment:** Reference was made to nitrous oxides, O2 and particulates. Whilst one increased, the other decreased. Nitrogen Dioxide was harmful when inhaled however the rate had improved which resulted in the proposal of the removal of the air quality area. Figures had been low for four consecutive years. There was a legal requirement to report air quality management data. Broad data was achievable as monitoring took place across a number of pollutants.

**Question:** Reference was made to work with partners on the Lincoln Climate Commission and Lincoln Climate Action Plan on page 78. of the report. Confirmation was requested that the information referred to the city geographically and not the CoLC as an organisation. Were there figures available for the organisation?

**Response:** An environmental performance report was published yearly, audited externally and published on the Council's website. A new baseline was set in 2018 and since then, emissions around transport and electricity usage as an organisation, had reduced.

**Supplementary Question:** Where had the organisation gone from the baseline? **Supplementary Response:** Approximately 40% since the baseline.

**Question:** What challenges had to be overcome between the present and 2030 in order for net zero to be achieved? How confident was the organisation that net zero would be achieved as a wider city, by 2030?

**Response:** There was a lot of work to be done, and retrofitting was expensive. The previous Government had not been committed to climate change in the same way that the new one was. The original motion for net zero 2030 had not included work with Government and Lincolnshire County Council for the vision to be achieved. It was hoped that central Government would provide funding further to their commitment to climate change.

**Question:** What had been put in place to ensure that the housing stock reached net zero?

**Response:** The housing business plan contained information in regard to retro fitting and vehicle stock would be replaced as and when possible.

**Question:** How likely was it that the target of net zero 2030 would be achieved? **Response:** The CoLC remained committed to net zero by 2030 and it was a positive target.

**Supplementary Question:** What steps had been taken to ensure that the target would be met?

**Supplementary Response:** The policies that had been put in place would help the target to be achieved.

**Comment:** In terms of funding, it was disappointing that the previous Government had not demonstrated its commitment to climate change. Overall numbers had reduced however the CoLC building was very old and inefficient; there were also complications the way the build had been constructed and its location. Net Zero 2030 was a target within the original motion and the CoLC remained committed to the achievement of the target. The Climate Commission work was excellent. It was disappointing that Lincolnshire County Council (LCC) voted against the local plan however movement in the right direction at speed was visible. It was not possible to guarantee that the 2030 target would be met however an assurance was offered that it was a commitment and ambition. It was hoped that other partners such as LCC would work collaboratively. Climate ambitions had been evidenced within the Western Growth Corridor development. The Leader of the Council would work with the MP for Lincoln to ensure the creation of a greener future for Lincoln.

**Question:** Thanks were given for such a detailed report. What sort of projects were expected to come out of the community energy scheme and if successful, would it be rolled out?

**Response:** Funding had been secured for the initial feasibility study. Testing capacity considered what businesses were in the area and what land was in the area that could be used to generate energy. The idea was that stage 2 funding would do further works to ensure it was brought forward to the planning stage. The third stage was a capital funding announcement expected imminently. What happened in Sincil Bank and Long Leys could be replicated in other areas because of the geography.

### **Question:** What did social housing decarbonisation entail?

**Response:** A recent announcement had been made about a new funding scheme. The name would be changed to 'More Homes Local Grant,' for old privately owned and rented properties to retrofit fuel inefficient homes. Individuals with an income under £36K a year would be eligible. The second announcement was a scheme for retro fitting social housing and discussions with consultants would take place. The target was to get to a C rating. Most Councils and Housing Associations had D, E and F ratings however we were a lot further ahead.

**Supplementary Comment:** A lot of houses in the St. Giles area were 1930's builds.

**Supplementary Response:** There was a mixture of C and D rated homes. Prefabricated homes were likely to be D rated.

RESOLVED that the report be noted with thanks.

(Note: Kate Bell and Councillor Naomi Tweddle left the meeting at this point in proceedings).

### 34. Portfolio Holder under Scrutiny - Reducing Inequality

Councillor Sue Burke Portfolio Holder for Reducing Inequality:

- a) presented a report to Performance Scrutiny Committee regarding activity and achievements within her portfolio, covering the following main areas:
  - Welfare and Benefits Advice

- Welfare Reform and Cost of Living Support
- Housing Benefit/Council Tax Support
- Discretionary Rate Relief Policy
- Financial Inclusion
- Safeguarding
- Skills and Training
- Allocations, Homelessness and Rough Sleeping
- Asylum Seekers and Refugees
- Neighbourhood Working
- Equality and Diversity
- Public Protection and Anti-Social Behaviour Team (PPASB)
- CCTV Service
- Lincoln Community Lottery
- Lincoln Social Responsibility Charter
- b) welcomed comments and questions from Members of the Committee.

The Chair offered his thanks to Sue Burke, Portfolio Holder for Reducing Inequality, for her extensive and thorough report. As a result of discussions, the following points were made: -

**Question:** Reference was made to Safer Streets Funding at paragraph 12.3 of the report on page 110 of the agenda pack, and CCTV installed on the way into the Scampton site. Were there any plans for the CCTV to be moved to a location where it could be used?

**Response:** Consideration would be given to the suggestion and information provided further to the meeting.

**Question:** As a percentage, how much had inequality reduced?

**Response:** A percentage figure was not known however the CoLC remained extremely dedicated in the name of serving residents well.

**Comment:** It was difficult to measure performance within the portfolio in the absence of performance data.

**Question:** How many visits through the door of Sincil Bank neighbourhood working had taken place?

**Response:** The information was contained within the report and was approximately 4000.

Supplementary Question: Were visits direct visits to City Council services?

**Supplementary Response:** Advice was given by CoLC but also facilitated other services such as Citizens Advice.

**Question:** Many years ago, a discussion had taken place with regard to neighbourhood working in Sincil Bank. When was the review due to take place? **Response:** The Rose Regeneration report was awaited further to an evaluation of the scheme which considered what had worked well, what lessons could be learnt and what was transferable. The report was key and once received, a Members workshop would be arranged in order that it could be considered.

**Question:** Reference was made to Enforcement Action within Appendix A of the report. Was that a direct results of the work within the Portfolio or city wide?

**Response:** A great deal of work had taken place on fly tipping within Sincil bank and CCTV had been installed. Consideration had been given to enforcement action in Sincil Bank.

**Comment:** It would be useful for figures to be presented to Performance Scrutiny Committee in order that comparisons could be made and improvements seen. **Response:** It would be helpful for officers to be given a clear definition of the period data required for each Portfolio Holder report.

**Comment:** Data would be included within the quarterly performance reports for each area, and in November, side by side comparisons could be made.

**Question:** Reference was made to CCTV installed for fly tipping hotspots. Could a similar scheme be introduced in other areas of the city. How successful had it been?

**Response:** CCTV had helped however it was no fail safe solution. There had been some success and it would be kept under review. When there was a future opportunity for funding, plans would be considered.

**Comment:** As a Committee, statistics were important as they were a measure of how well the Council had performed.

**Response:** There were some issues which were difficult to directly measure with numbers. Officers continued to find ways of demonstrating differences. It was difficult for the change in quality of life and people's wellbeing to be measured, although not impossible. If an improvement in health of an area e.g. life expectancy was seen, it was difficult to evidence via data in the short term but was better longer term.

**Comment:** The issue was about measurability. The average processing time for benefits was one measure and the CoLC were approximately 6/7 days ahead of the national. We had a small cost of living support team and there was no target on phones calls, some of which were difficult conversations. However, a one-hour call had the potential to lead to an improved quality of life although that was difficult to measure.

**Comment:** Reference was made to safeguarding figures on page 102 of the agenda pack and the dramatic rise over the years was noted.

**Response:** Figures had increased however it was evidenced that recognition of problems and intervention of appropriate support, had improved.

**Supplementary Comment:** Officers were successful in the identification of individuals that required support and signposting effectively.

**Comment:** There were elements that lent themselves to qualitative data which could include testimonials from people. A narrative at the beginning of the report would be helpful. Performance could be measured in a variety of ways and some statistics could be skewed.

**Question:** Reference was made to microchipping under Enforcement within Appendix A of the report. Could further information be provided?

**Response:** If the CoLC became aware that a dog was not microchipped, the owner would be serviced with a notice but it had not become necessary. A dog would be microchipped at a kennel further to collection. Cats were not collected as strays as it was not a statutory responsibility however the action taken would be the same if a cat came into possession.

**Comment:** A discussion had taken place previously in regard to qualitative and quantitative data. It was important that a customer continued to receive the best possible service, and it was not possible that calls be rushed.

**Comment:** Safeguarding figures had been introduced for the first time on a quarterly basis. It was not possible for the outcome of calls to be shared in a public forum. However, many of these calls were dealt with and supported by officers.

**Question:** Reference was made to childhood obesity. There were only 5 local authorities in the country worse than Lincoln in regard to childhood obesity. Was there anything more that could be done?

**Response:** Childhood obesity was a very important issue and links could be drawn between obesity and poverty. It was often cheaper to buy poor quality food and education around food nutrition was important. The issue required closer consideration. The Community Grocery carried out fantastic work.

**Comment:** Through various grants, the 'Go Grow' scheme had been supported which taught individuals how to cook healthy food at low costs, approximately feeding a family for £1. The scheme had been a real success.

**Comment:** Performance measure fell under a national public health profile. Councillor Donald Nannestad, Portfolio Holder for Quality Housing, sat on the County excessive weight group which fed into the LCC Health and Wellbeing Board. There was a wide stream of work delivered by Public Health and Children's Services etc. There was a physical activity strategy, and football pitches, cricket pitches and green areas had been provided. Statistically, there was strong correlation with obesity and lack of physical activity.

**Comment:** Themed work around poverty and an anti-poverty strategy agenda was considered at recent meetings of the Community Leadership Scrutiny Committee (CLSC). Poverty and Health and Education would be considered by CLSC in the future.

**Question:** Reference was made to Rough Sleeping at paragraph 8 on page 102 of the agenda pack. Rough sleeping had increased within the city. Was the rise caused by early prison releases?

**Response:** Within the first tranche of the early release scheme, four individuals had been released into Lincoln. Officers worked with The Probation Service prior to their release. The next tranche of early releases would take place in October, for individuals that had served more than 5 years. Officers had not been informed that any individuals under the second tranche would be released into Lincoln. It was hoped that individuals released early from prison could be assisted into supported accommodation on the day of release. In order to be counted as a rough sleeper, as per Government guidelines, individuals had to have been bedded down, and Lincoln had approximately 12-13 rough sleepers. There was a fine narrative of what a rough sleeper actually was.

**Question:** Reference was made to Lincoln Embracing All Nations (LEAN) at paragraph 10.7 on page 105 of the agenda pack. Who had paid for the three newly appointed members of staff?

**Response:** LEAN was not a CoLC organisation and as such, there was no cost to CoLC.

(Note: Councillor Bob Bushell left the meeting at this point in proceedings).

**Comment:** Reference was made to Public Space Protection Orders (PSPO) at paragraph 12.5 on page 111 of the agenda pack. There were no figures for achievement of enforcement.

**Response:** There was a city centre team that worked wider than only the city centre. Dedicated staff concentrated on the city centre. If behaviour were to be identified, individuals would be signposted however enforcement powers were retained.

**Comment:** Figures would be circulated further to the meeting.

**Comment:** Staff were well coordinated to ensure that behaviour such as aggressive begging and the public consumption of alcohol were dealt with. Some of the lifestyles were chaotic and at times, it was difficult for individuals to be engaged with. The Drug and Alcohol Treatment Team, CCTV, Anti-Social Behaviour Team and the Police were engaged and continued to work collaboratively on the issues.

**Comment:** Reference was made to the number of live cases open at the end of the Quarter (across full PPASB service) on page 120 of the agenda pack. It was disappointing that figures had worsened with 2 additional staff members.

**Response:** Employment of additional staff resulted in the identification of more issues, and it was a part of improved reporting. Businesses within the city centre and Bailgate had been encouraged to report into the Council. Therefore, additional reporting activity had been generated. Some cases were not closed quickly as they could be very complex.

RESOLVED that:

- 1. Figures in relation to the enforcement of Public Space Protection Orders (PSPO) be circulated further to the meeting.
- 2. Feedback in respect of potential relocation of CCTV installed on the way into the Scampton site be provided to members.
- 3. The contents of the annual report be noted with thanks.

(Note: Councillor Thomas Dyer left the meeting at this point in proceedings).

### 35. <u>Vision 2025 - Remarkable Place Progress Report for Year 5</u>

Simon Colburn, Assistant Director Health & Environmental Services:

- a) presented a report to Performance Scrutiny Committee with an update on the *Let's Enhance our Remarkable Place* strategic priority within Vision 2025
- b) confirmed that the strategic priority fell within the remit of two Portfolios -Economic Development (Heritage and Culture) and Remarkable Place
- c) added that there were a number of key projects that the City Council had progressed over the last year or were in the process of delivery. The timescales of some projects were such that they would be continued beyond the current Vision 2025 period

- d) highlighted the main projects as follows:
  - a. Consolidation of an entirely new events programme for the city
  - b. Hope Wood
  - c. Heritage Action Zone (Complete)
  - d. Leisure Strategy Work
  - e. Preparations for New Refuse Collection, Street Cleansing and Grounds Maintenance Service
  - f. Greyfriars
  - g. Harlequin
  - h. Local Landscapes, Hidden Histories (formerly called Lincoln's Green Museum)
- e) welcomed comments and questions from Members of the Committee.

The Chair offered his thanks to Simon Colburn for the report and update.

RESOLVED that the content of the update be noted with thanks.

(Note: Paul Carrick and Matthew Hillman left the meeting at this point in proceedings).

### 36. Protecting Vulnerable People Update

Emily Holmes, Assistant Director - Strategic Development:

- a) presented a report to Performance Scrutiny Committee with a summary of the key issues, trends and statistical data associated with Protecting Vulnerable People in the city
- b) confirmed that the performance information demonstrated the Council's continued compliance with statutory safeguarding requirements
- c) added that the report provided a means by which statutory compliance could be monitored and provided an opportunity to impart key information on current and emerging public safety concerns within the city and surrounding areas
- d) highlighted the key topics which included:
  - a. Training
  - b. Key Service Changes in 2023/24
  - c. Safeguarding Children and Young People
  - d. Safeguarding Adults
  - e. Domestic Abuse
  - f. Internal Safeguarding Referrals
  - g. Prevent
  - h. Audit
  - i. Corporate Safeguarding Policy
  - j. Service Priorities in 2024/25
- e) welcomed comments and questions from Members of the Committee.

The Chair offered his thanks to Emily Holmes for the report. As a result of discussions, the following points were made: -

**Comment:** The section 11 Audit was important as the screen rating received was 100% which was fantastic. There was a real breadth of spread of knowledge of referrals received across services. The Housing Repairs Team reported issues, and the level of awareness was very good as it demonstrated that reporting had taken place.

Question: Thanks were offered for the detailed and thorough report. Was it possible to email further questions into officers.

**Response:** Questions further to the meeting were welcomed.

RESOLVED that the content of the report be noted with thanks.

### 37. Work Programme 2024-25

The Chair:

- a) presented the draft work programme for 2024/25 as detailed at Appendix A of the report
- b) advised that the work programme for the Performance Scrutiny Committee was put forward annually for approval by Council; the work programme was then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its Chair
- c) reported that items had been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information could be reported to the committee; the work programme also included the list of portfolio holders under scrutiny
- d) requested any relevant comments or changes to the proposed work programme for 2024/25.

**Comment:** It was difficult for two Portfolio Holder reports to be considered during one meeting. It would be best avoided where possible in the future.

**Comment:** Consideration should be given to reporting on agency workers which came with an associated cost. The preferred approach was the retention of Council staff.

(Note: Councillor Sue Burke left the meeting at this point in proceedings).

**Comment:** Both the CoLC and the Development Group had carried out considerable reviews across services, training needs and succession. The reviews would be summarised in a report that would be presented to Performance Scrutiny Committee and agencies, retention, and *'growing our own'* would be included within the report. Lincoln was not alone in the challenges faced with recruitment and retention, particular those with technical skills and qualifications.

RESOLVED that the work programme 2024/25 be noted.

## PERFORMANCE SCRUTINY COMMITTEE

SUBJECT:FINANCIAL PERFORMANCE – QUARTERLY MONITORINGREPORT BY:CHIEF EXECUTIVE & TOWN CLERKLEAD OFFICER:LAURA SHIPLEY, FINANCIAL SERVICES MANAGER

### 1. Purpose of Report

- 1.1. To present to the PSC the second quarter's performance (up to 30th September), on the Council's:
  - General Fund
  - Housing Revenue Account
  - Housing Repairs Service
  - Capital Programmes

And to seek approval for changes to the capital programmes.

1.2. Financial Procedure Rules require members to receive, on a quarterly basis, a report prepared jointly by the Chief Finance Officer and Corporate Management Team commenting on financial performance to date. This report is designed to meet this requirement.

### 2. Executive Summary

- 2.1. This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year.
- 2.2. While there are still a number of variables, which are subject to a level of uncertainty, based on the latest set of assumptions as at the end of the second quarter (up to 30<sup>th</sup> September) the forecast financial position of the Council for 2024/25 is:

	2024/25				
Revenue Accounts	Budget	Forecast @	Variance @		
	£'000	Q2 £'000	Q2 £'000		
General Fund – Contribution (to)/from balances	(147)	(184)	(37)		
Housing Revenue Account – Contribution (to)/from balances	101	(418)	(519)		
Housing Repairs Service – (surplus)/deficit	0	17	17*		

\*any HRS variance is repatriated to the HRA and as such included within the HRA balances above

	2024/25				
Capital Programmes	Opening Budget £'000	Revised Budget @ Q2	Movement @ Q2		
		£'000	£'000		
General Investment Programme	23,455	27,894	4,439		
Housing Investment Programme	22,763	17,432	(5,331)		

	2024/25				
Balances	Budgeted	Forecast	Forecast Movement		
	Balance @	Balance @			
	31/03/25	31/03/25			
	£'000	£'000	£'000		
General Fund Balances	(2,392)	(2,429)	(37)		
Housing Revenue Account Balances	(1,030)	(1,549)	(519)		

	2024/25				
Reserves	Opening	Forecast	Forecast		
	Balance @	Balance @	Movement		
	01/04/24	31/03/25			
	£'000	£'000	£'000		
General Fund Earmarked Reserves	(8,234)	(6,987)	1,247		
HRA Earmarked Reserves	(4,507)	(4,376)	131		

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

### 3. General Fund Revenue Account

- 3.1. For 2024/25 the Council's net General Fund revenue budget was set at £15,427,670 including a planned contribution to balances of £146,820 resulting in an estimated level of general balances at the year-end of £2,391,979 (after allowing for the 2023/24 outturn position).
- 3.2. The General Fund Summary is currently projecting a forecast underspend of £37,227 (appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,429,206. This position maintains balances above the prudent minimum of c.£1.5-£2m.

3.3. There are a number of forecast year-end variations in income and expenditure against the approved budget, full details of the main variances are provided in Appendix B while the table below sets out the key variances:

General Fund Forecast year-end key variances:	Forecast £'000
Increased non recoverable supported (exempt) accommodation and other housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payments	361
Trend in reduced crematorium income plus additional interim management & administration costs	351
Nationally agreed pay award settlement	184
Cornhill Market additional initial operational costs	124
Less:	
Reduced Borrowing Costs	(325)
Release of Inflation Volatility reserve	(184)
Additional Government grant for Land Drainage Levies	(173)
Increased Investment Interest	(124)
Net Car Parking Income surplus (gross surplus £179k)	(103)
Net other variances	(148)
Overall forecast budget deficit/(surplus)	(37)

- 3.4. A number of the key forecast variances have arisen as a result of external variables e.g. economic factors, service demands etc, which differ from the budgeted assumptions. These main variances, both positive and negative cover:
  - Pay settlement inflation pressure the impact of the nationally agreed pay award is in excess of the assumptions included within the MTFS. The 2024/25 pay award, agreed by the National Employers for Local Government Services, provided either a flat rate increase of £1,290 (prorate) or a 2.5% increase to all staff dependent on pay spinal point, equivalent to a 5.7% increase for the lowest paid members of staff. In order to mitigate this cost pressure, an equivalent drawdown from the inflation volatility reserve will be released.
  - Unrecoverable Housing Benefit the number of housing benefit claims in relation to supported (exempt) accommodation, which does not attract 100% subsidy, continues to be at elevated levels, in addition other areas of housing benefit expenditure which do not attract 100% subsidy are also above budgeted levels. Grant funding from the Department of Works and Pensions is also lower than previous years and budgeted for.
  - Borrowing costs as a result of a delay in the anticipated reduction of the Bank of England Base Rate, which has only dropped marginally from 5.25% to 5% at quarter two, the Council have benefitted from reduced borrowing costs due to the continued strategy to review the reprofiling of loans and maintain adequate resource to reduce the level of budgeted borrowing while interest rates are still high.

- Investment income in addition to savings on interest payable, the ongoing high base rate has increased the level of interest earnt on the Council's cash balances over and above the levels anticipated within the MTFS.
- Carparking Fees and Charges levels of carparking income remain buoyant, particularly in relation to sessional fees and season ticket sales.
- 3.5 In response to the key cost pressures anticipated in 2024/25; the additional staff costs arising as a result of the proposed pay award are unavoidable and will require the resetting of budgets for 2025/26 onwards within the upcoming MTFS. However, in relation to the increasing cost of housing benefits, a range of mitigating actions are being taken, e.g. lobbying against current subsidy rules and Local Housing Allowance rates, focusing on actions to manage the supply of and demand for affordable/social housing and temporary accommodation, review of all supported accommodation claims is in place to ensure the appropriate levels of housing benefit are awarded, supporting housing providers to attain social registered landlord status etc. These actions are not likely to reduce costs in the short term, but are part of a longer-term solution.
- 3.6 Alongside the above variances, a significant variance against the Council's crematorium budget is also forecasted, resulting from a continuation of the reduction in income from cremations seen last financial year, driven by increasing competition from neighbouring Crematoriums. This position is being carefully monitored and an action plan developed. In addition, the service is currently being supported by external industry professionals, increasing the management and administration costs, this is being carefully monitored and will only remain in place for as long as required.
- 3.7 In addition, a significant in-year variance is now forecasted for the Cornhill Market. The refurbished Market opened on 17 May 2024 but the original budget for 2024/25 was set on the basis of a full year of operation and based on the draft business plan approved at Executive in July 2021. Now that the market is operational a full review of the business plan based on the actual operating costs and income levels is underway and will be reported to Executive in early 2025 and reflected in the next update of the Council's MTFS. The in-year variance being reported at the end of Q2 therefore reflects a number of one-off opening costs in 3 main areas:
  - Rental income for the year has now been forecast to be £56k less than originally budgeted as it will not be operating for the full financial year with all stalls let at full rent.
  - As part of opening the market a number of one-off items totalling £20k have been purchased which have not been able to be capitalised.
  - Additional legal and letting fees of £48k have also been incurred as a one-off for the production of new lease types/terms/lettings for all stalls.
- 3.8 While the forecast outturn for the General Fund is a small budget underspend, there still remains uncertainty in terms of service demands and income forecasts. As such the final outturn position for the year is still subject to further change and will continue to be carefully monitored. While mitigating actions are underway as set out above, strong budgetary control should continue to be a focus to ensure expenditure and

income remain balanced within the budget, resulting in a positive contribution to reserves at outturn.

### 3.9 Earmarked Reserves

Further details of the General Fund Earmarked Reserves are set out in paragraph 6 and Appendix G.

### 3.10 Towards Financial Sustainability Programme

The savings target included in the MTFS for 2024/25 was £125,000.

Progress against this target, based on quarter two performance, shows secured savings of £88,840, with a further £25,400 identified savings totalling £114,240 for the General Fund, resulting in a forecast under-achievement of £10,760 in year.

### 4. Housing Revenue Account

- 4.1. For 2024/25 the Council's Housing Revenue Account (HRA) net revenue budget was set with a planned contribution from balances of £101,220, resulting in an estimated level of general balances at the year-end of £1,030,024, after allowing for the 2023/24 outturn position.
- 4.2. The HRA is currently projecting a forecast underspend of £519,410 (appendix C provides a forecast HRA Summary), which would result in HRA balances of £1,549,435 as at the end of 2024/25. This position maintains balances above the prudent minimum of c.£1m.
- 4.3. Although the forecast position is an underspend there are a number of significant variations in income and expenditure. Full details of the main variances are provided in the Appendix D, while the table below sets out the key variances:

Housing Revenue Account	Forecast
Forecast year-end key variances:	£'000
Nationally agreed pay award settlement	119
Less:	
Additional Rental Income	(204)
Increased Investment Interest	(179)
Reduced Borrowing Costs	(68)
HRS Recharges:	
Housing Repairs Service Overall Deficit Repatriation	17
HRS Repairs – increased Responsive jobs	749
HRS Repairs – reduced level of Voids, Aids & Adaptations and	(1,099)
Cleansing jobs (see Appendix D for breakdown)	
Net Other Variances	146
Overall forecast deficit/(surplus)	(519)

- 4.4. In line with the General Fund, some of the key variances have arisen as a result of external variables e.g. economic factors, service demands etc, which differ from the budgeted assumptions. However, in addition, the HRA and HRS continue to experience a number of other variances due to demand pressures and the ongoing recruitment and retention challenges. Theses main variances, both positive and negative, cover:
  - Nationally agreed pay award inflation pressure as per the General Fund the national pay award is in excess of the assumptions included within the MTFS.
  - Investment income as per the General Fund as a result interest rates and the Council's borrowing strategy, the level of borrowing and reprofiling of loans is being carefully managed, reducing overall borrowing costs.
  - Rental income income levels are higher than anticipated due to a higher than budgeted opening Housing stock at the start of the financial year.
  - HRS Repairs while there has been a net reduction in repairs recharges from the HRS to the HRA, there has been a switch in the nature of HRS rechargeable works anticipated this year with a significant increase in demand for responsive repairs, wholly offset by a reduction in the level of voids repairs, aids and adapts and cleansing works.
- 4.5. Alongside these variances the Housing Repairs Services (HRS) is currently reporting a small forecast deficit, which is consequentially repatriated to the HRA, as a result of the issues set out in Section 5 below.
- 4.6. In response to the key cost pressures forecast in 2024/25; the additional staff costs arising as a result of the nationally agreed pay award are unavoidable and will require the resetting of budgets for 2025/26 within the upcoming MTFS. In relation to housing repairs, the Housing Directorate Management Team continue work on the individual repairs service areas, i.e. Aids & Adaptations, Voids, Responsive Repairs etc, in order to review and manage demand and cost drivers. Work also continues within the HRS to address the recruitment and retention challenges, (this also forms part of a wider scope of work developing the Council's Workforce Development Strategy), which is already seeing some success with a reduction in level of vacancies.
- 4.7. As outlined throughout this report, there still remains a number of variables in the forecast assumptions, and as such the final outturn position for the year is still subject to further change. At this stage no additional mitigations, other than those currently being implemented in response to the issues faced by the HRS are recommended. Strong budgetary control should continue to be a focus to ensure expenditure and income remain balanced within budget.

### 4.8. HRA Earmarked Reserves

Details of the HRA Earmarked Reserves are set out in paragraph 6 and Appendix G.

### 5. Housing Repairs Service

- 5.1. For 2024/25 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2. At quarter two the HRS are forecasting a deficit of £17,146 in 2024/25, an improvement of £338,165 since quarter one, which has subsequently been repatriated to the HRA, Appendix E provides a forecast HRS Summary. Full details of the main variances are provided within Appendix F of this report, while the key variances are summarised below:

Housing Repairs Service Forecast year-end key variances:	Forecast £'000
Increase in sub-contractors usage and prices	760
Income shortfall as a result of a lower level of voids, aids &	521
adapts and cleansing jobs	
Increased Skip hire costs	67
Nationally agreed pay award settlement	47
Less:	
Staff vacancies due to recruitment and retention challenges	(462)
Income surplus as a result of increase in responsive repairs,	(940)
quoted jobs & other works	
Net other variances	24
Overall forecast deficit/(surplus)	17

- 5.3. While overall the HRS is forecasting a much-improved year-end position, with a small forecast deficit, there are still a number of significant income and expenditure variances. These main variances, both positive and negative, cover:
  - The HRS is still being impacted by recruitment challenges, with continued difficulties in attracting and retaining staff resulting in a greater reliance on the use of sub-contractors to ensure that service demands are met. The cost of using subcontractors is however more expensive than the HRS's own workforce, due to the ongoing impact of inflationary factors.
  - Additionally, the HRS are seeing increased levels of work in relation to regulatory compliance, such as damp and mould remediation and installation of fire doors, this is increasingly affecting the capacity to carry out routine works, further compounding the reliance on sub-contractors.
  - As the increased subcontractor costs are not reflected in the service hourly rate and overhead recovery is not recouped on sub-contractors this results in an under recovery of full costs from the HRA. However, due to the change in nature of works this year and the increase in responsive repairs, which are predominantly performed by our own labour force, the HRS has seen an increase in income which does attract the overhead recovery rate.

- The forecast deficit also includes the impact of the national pay award settlement, which is in excess of the assumptions included within the MTFS as outlined in both the General Fund and HRA variances.
- 5.4. While the forecast outturn for the HRS is a small budget overspend, there still remains uncertainty in terms of service demands and income forecasts. As such it is essential that the tight controls implemented to monitor premium sub-contractor spend are maintained to minimise the projected deficit and mitigate against the potential for the current net underspend in the HRA, as outlined in section 4 above, to deteriorate.

### 6. Earmarked Reserves

- 6.1. The Council holds a number of earmarked revenue reserves over both the General Fund and HRA. These reserves are sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. Key reserves include income volatility, business rates volatility, IT investment fund, asset sinking funds for future refurbishment, etc. A number of these reserves are budgeted for use over the period of the MTFS.
- 6.2. The details of all the earmarked reserves and their forecast balance as at 31<sup>st</sup> March 2025 are attached in Appendix G, with further details in the MTFS 2024-2029. In summary:

Earmarked Reserves	Opening Balance 01/04/24	Increase	Decrease	Closing Balance 31/03/25
	£'000	£'000	£'000	£'000
General Fund	8,234	673	(1,919)	6,987
Housing Revenue Account	4,507	515	(645)	4,377

### 7. Capital Programme

### 7.1. General Investment Programme

7.2. The revised General Investment Programme for 2024/25 amounted to £23.5m following the quarter 1 report. At quarter 2 the programme has been increased by £4.4m to £27.9m, as shown below:

General Investment	2024/25	2025/26	2026/27	2027/28	2028/29
Programme	£'000	£'000	£'000	£'000	£'000
Revised Budget at 2023/24 Outturn	23,455	7,563	1,052	1,052	1,052
Budget changes for approval – Quarter 2	4,439	10,076	3,565	0	0
Revised Budget	27,894	17,639	4,617	1,052	1,052

7.3. All changes over delegated limits require approval by the Executive. The following changes have already been approved by the Executive during quarter 2.

Approved by the Executive / Delegated Portfolio Holder	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Western Growth Corridor Housing Delivery Phase 1a – revised costs approved at Executive 22 <sup>nd</sup> July 2024	(2,826)	(178)	3,565	0	0
Western Growth Corridor Phase 1b Bridges – approved at Executive 22 <sup>nd</sup> July 2024	7,697	9,759	0	0	0
Western Growth Corridor Phase Wider Site Costs – approved at Executive 22 <sup>nd</sup> July 2024	53	15	0	0	0
Total Schemes already considered by the Executive	4,924	9,596	3,565	0	0

- 7.4. New schemes over an approved limit, are subject to Executive approval. There have been no new schemes in quarter 2 requiring Executive approval.
- 7.5. The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit, or to reprofile the budget, as set out under Financial Procedure Rules. The following changes and reprofiles were approved during quarter 2:

GIP Movements Approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
Reprofiling budgets to other years:						
The Terrace Heat Mitigation	(247)	247	0	0	0	
Compulsory Purchase Orders	(233)	233				
Transfers between schemes						
Planned Capitalised Work – allocated to specific schemes	(209)	0	0	0	0	
Sudbrooke Drive Community Centre showers refurbishment	35	0	0	0	0	
City Hall Level 2 ceiling & lights	23	0	0	0	0	
City Hall Level 3 toilet refurbishment	40	0	0	0	0	
Victoria Street Car Park Wall	99	0	0	0	0	
Yarborough Leisure Centre replacement of mansafe system	12	0	0	0	0	
Shared Prosperity Fund (UKSPF) funds allocated to agreed schemes	(7)	0	0	0	0	
UKSPF Sudbrooke Drive Hub	7	0	0	0	0	
Changes to budget allocations	5					
Windmill View – scheme is now complete (borrowing requirement reduced)	(15)	0	0	0	0	

Yarborough Leisure Centre - Energy Efficiency – increased costs funded through revenue contributons.	10				
Total GIP Movements Approved by the CFO	(485)	479	0	0	0
Total GIP Delegated Approvals and Approvals by/for Executive	4,439	10,076	3,565	0	0

7.6. The table below provides a summary of the projected outturn position for the General Investment Programme:

	2024/25					
General Investment Programme - Projected Outturn	Budget following Q1 Report	Revised Budget Q2	Forecast Outturn	Variance		
	£'000	£'000	£'000	£'000		
Active Programme						
Housing and Investment	298	298	298	0		
Communities and Environment	2,911	2,907	2,907	0		
Chief Executive	3,417	3,417	3,417	0		
Major Developments	10,936	15,613	15,613	0		
Total Active Schemes	17,562	22,235	22,235	0		
Schemes on Hold/ Contingencies	308	74	74	0		
Externally Delivered Town Deal Schemes	5,585	5,585	5,585	0		
Total Capital Programme	23,455	27,894	27,894	0		

- 7.7. The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), at the end of quarter 2 is £3.2m, which is 14.5% of the budget. This is detailed further at Appendix I.
- 7.8. The low capital spend at this stage of the year is primarily mainly due to the profiling of a number of large schemes only starting on site towards the end of quarter 2/beginning of quarter 3, e.g. Greyfriars, Yarborough Leisure Centre, Western Growth Corridor Phase 1a Homes and the LUF2 Eastern Access Bridge.

### 7.9. Housing Investment Programme

7.10. The revised Housing Investment Programme for 2024/25 amounted to £17.650m following the Quarter 1 position. At quarter 2 the programme has been decreased by £0.219m to £17.432m, as shown below:

Housing Investment	2024/25	2025/26	2026/27	2027/28	2028/29
Programme	£'000	£'000	£'000	£'000	£'000
Revised Budget at Quarter 1	17,650	17,783	15,968	15,159	13,324

Budget changes for approval	(219)	(563)	(1,188)	(1,460)	(1,268)
– Quarter 2					
Revised Budget	17,432	17,219	14,780	13,698	12,056

7.11. All changes over the approved limit require approval by the Executive. The following changes require Executive approval for Quarter 2:

Changes requiring Executive Approval:	2024/25 2025/26 £'000 £'000		2026/27 £'000	2027/28 £'000	2028/29 £'000	
Budget Under/Overspends r	eturned to	available re	sources			
Rewiring	(130)	(1,079)	(1,944)	(1,221)	(394)	
Kitchen Improvements	0	0	0	(100)	(746)	
Door Replacement	(600)	(163)	(493)	(334)	0	
Fire Compartment Works	0	(160)	0	0	0	
Fire Alarms	0	0	(50)	(50)	(50)	
Renew stair structure	0	(25)	(25)	(25)	(25)	
Landscaping & Boundaries	(100)	(652)	(313)	(382)	(758)	
Over bath showers	0	(151)	(166)	(182)	(182)	
Fire Doors	(200)	(215)	0	0	0	
Increased budget allocation	S					
Kitchen Improvements (funded from MRR)	0	415	1,175	0	0	
Communal Electrics (funded from DRF)	0	130	50	50	50	
Door Replacement (funded from MRR)	0	0	0	0	795	
Replacement Door Entry Systems (funded from DRF)	0	98	98	98	98	
Void Capitalised Works (funded from MRR)	578	0	0	0	0	
New Build – Hermit Street (funded from DRF)	104	0	0	0	0	
Fire Doors (funded from MRR)	0	0	35	285	0	
Housing Support Services Computer Fund (funded from DRF)	0	103	0	0	0	
Property Acquisitions – this includes individual purchase and repair acquisitions approved under officer delegations (funded from 1- 4-1 receipts with borrowing as match element).	155	0	0	0	0	
Total changes requiring Executive Approval	(193)	(1,696)	(1,633)	(1,860)	(1,211)	

7.12. The following schemes have also been added to the HIP, having been approved at Executive during Quarter 2, (or in previous quarters):

Approved by the Executive:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000		
Increased budget allocations							
Western Growth Corridor Phase 1b Bridges – approved at Executive 22 <sup>nd</sup> July 2024	0	1,559	0	0	0		
Western Growth Corridor Phase Wider Site Costs – approved at Executive 22 <sup>nd</sup> July 2024	278	59	0	0	0		
Total changes approved by Executive	278	1,618	0	0	0		

7.13. The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. The following changes were approved during Quarter 2:

Changes approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000			
Reprofiled Expenditure								
Bathrooms & WC	(235)	235	0	0	0			
Re-roofing	(400)	(445)	445	400	0			
Lincoln Standard Windows Replacement	275	(275)	0	0	0			
Increased budget allocations								
Aids & Adaptations (funded from MRR)	50	0	0	0	0			
New Services (funded from MRR)	25	0	0	0	0			
Reduced budget allocations								
CCTV	(20)	0	0	0	0			
HRA Buildings	0	0	0	0	(57)			
Total Changes Approved by the Chief Finance Officer	(305)	(485)	445	400	(57)			

Total HIP Delegated	(219)	(563)	(1,188)	(1,460)	(1,268)
Approvals and Approvals					
by/for Executive					

- 7.14. The reduction in forecast budgets across the MTFS is primarily due to the capital programme budgets initially being driven by stock condition surveys and not current available labour resource. Amounts in the programme have been reprofiled to future years, or removed, to better reflect availability of Council operatives and sub-contractors.
- 7.15. The table below provides a summary of the projected outturn position for the Housing Investment Programme:

	2024/25				
Housing Investment Programme - Projected Outturn	Budget following Q1	Revised Budget Q2	Forecast Outturn	Variance	
	Report £'000	£'000	£'000	£'000	
Decent Homes / Lincoln Standard	9,642	9,005	9,005	0	
Health and Safety	646	646	646	0	
Contingent Major Repairs / Works	0	0	0	0	
New Build Programme	5,793	6,331	6,331	0	
Other Schemes	1,257	1,137	1,137	0	
Computer Fund / IT Schemes	312	312	312	0	
Total Capital Programme	17,650	17,432	17,432	0	

- 7.16. The overall expenditure on the Housing Investment Programme at the end of Q2 was £5.730m, which is 32.87% of the 2024/25 revised programme. This excludes expenditure relating to Western Growth Corridor which is currently shown on the GIP, to be apportioned at year end (current forecast outturn £1.3m). This is detailed further at Appendix J.
- 7.17. A further £1.091m has been spent as at the end of October 2024, although this is still a low percentage of expenditure at this stage of the financial year, works have been constrained by the availability of contractors and materials however new contracts are in place and spend is expected to increase in by the end of the financial year.

### 8. Strategic Priorities

8.1. The MTFS underpins this policy and financial planning framework and set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. Vision 2025 identifies the Council's strategic priorities, setting the vision and direction for the council and the city for the next five years. The proposals in this report allow the Council to maintain a balanced budget position in 2024/25 in order that it can continue to deliver services in support of Vision 2025.

### 9. **Resource Implications**

9.1. The financial implications are contained throughout the report.

Under the Local Government Act 2003 the Chief Finance Officer (S151 Officer) is required to give Council an opinion on the robustness of the budget estimates and the adequacy of reserves. Although there remains some uncertainty around the latest budget forecasts, based on the information to date on income and expenditure, both the General Fund and HRA are forecasted to maintain balanced budget positions in the current financial year.

General Balances, on both the General Fund and HRA, are the only resource not earmarked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the latest forecasts of income and expenditure the level of balances in 2024/25 are estimated to be maintained above these ranges. The close monitoring of the Council's overall financial position will remain critical over the course of this financial year, and as ever strong budgetary control will be required.

Although the primary focus of this report has been to set out the financial variances being faced in the current financial year, beyond 2024/25 the Council continues to face ongoing pressures as a result of increasing baseline costs due to inflationary impacts, escalating service demands and income pressures. The Council will continue to face further financial challenges as it responds to the impact of these issues and an increased need to deliver ongoing reductions in the net cost base, as set out in the MTFS 2024-2029.

9.2. Legal implications including Procurement Rules

There are no legal implications arising from this report.

9.3. Equality, Diversity and Human Rights

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

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

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

Due to the nature of the report there are no direct equality, diversity, or human rights implications.

### 10. Risk Implications

A full financial risk assessment is included in the MTFS, this is continually reviewed in light of changes in the underlying financial assumptions. There are currently a significant number of critical risk factors to the budget and MTFS, with further details provided within the MTFS 2024-29.

### 11. Recommendations

PSC are recommended to:

- 11.1. Note the financial performance for the period 1<sup>st</sup> April to 30<sup>th</sup> September 2024.
- 11.2. Assess the underlying impact of the pressures and underspends identified in paragraphs 3.3 (and appendix B), 4.3 (and appendix D), and 5.2 (and appendix F).

- 11.3. Note the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.5 and 7.12.
- 11.4. Note the changes to the General Investment programme and the Housing Investment programme approved, or to be approved, by the Executive as detailed in paragraphs 7.3, 7.10 and 7.11.
- 11.5. Consider any specific recommendations to be referred to Executive relating to the contents of this report.

Key Decision	No
Key Decision Reference No.	N/A
Do the exempt information categories apply?	No
<b>Call in and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain appendices?	Yes
List of Background Papers:	Medium Term Financial Strategy 2024-2029
Lead Officer:	Laura Shipley, Financial Services Manager laura.shipley@lincoln.gov.uk

# **GENERAL FUND SUMMARY – AS AT 30 SEPTEMBER 2024**

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	А	2,228	2,211	(16)
Chief Finance Officer (S151)	В	(105)	(197)	(92)
City Solicitor	С	1,967	1,964	(4)
Revenues & Benefits	D	830	1,167	337
Housing	Е	294	291	(3)
Director of Major Developments	F	(3,103)	(3,007)	96
Communities and Street Scene	G	8,033	8,301	267
Health and Environmental Services	Н	1,200	1,148	(52)
Planning	I	(2,900)	(3,103)	(202)
		8,443	8,775	332
Corporate Expenditure	J	1,446	1,296	(151)
TOTAL SERVICE EXPENDITURE		9,890	10,070	181
Capital Accounting Adjustment	к	2,137	1,812	(325)
Specific Grants	L	4,452	4,452	0
Contingencies	Μ	(122)	158	280
Savings Targets	Ν	(36)	(25)	11
Earmarked Reserves	0	(1,063)	(1,247)	(184)
Insurance Reserve	Р	23	23	0
TOTAL EXPENDITURE		15,281	15,244	(37)
CONTRIBUTION FROM BALANCES		147	184	37
NET REQUIREMENT		15,428	15,428	0
Retained Business Rates Income	Q	6,972	6,972	0
Collection Fund Surplus/(Deficit)	R	364	364	0
Revenue Support Grant	S	187	187	0
Council Tax	Т	7,906	7,906	0
TOTAL RESOURCES		15,428	15,428	0

### **General Fund Forecast Variances – Quarter 2**

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

Ref E	Increased Expenditure Housing Needs	<b>£</b> 79,020	Increased staffing costs as a result of additional Fixed Term Contracts covering temporary absences.
F	Cornhill Market	68,253	Increased expenditure as a result of additional one off equipment, legal & lettings costs required as part of initial operation of the newly re-opened market.
н	Crematorium	226,910	External industry professional support to the management and administration of the Crematorium.
Н	Yarborough Leisure Centre	50,000	Anticipated contribution under profit/loss agreement.
I	Car Parks	66,410	Additional charges due to increased pay by phone transactions (cost & volume) (£26k) and forecast maintenance works (£40k), wholly offset by increased income below (net car parking surplus £103k).
М	National Proposed Pay Award	183,890	Impact of the National Employers pay settlement, in excess of budget assumptions.
Μ	Annual Vacancy Savings Target	96,080	YTD vacancy savings target, offset by savings in service areas.
В	Reduced Income Internal Audit	38,430	Forecast underachievement of income due to reduction in externally contracted services.
D	Housing Benefits	361,080	Increased non recoverable supported (exempt) accommodation and other housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payment.
F	Cornhill Market	56,000	Reduced rental income due to market not operating for the full financial year with all stalls let at full rent as originally budgeted.
Н	Crematorium	108,470	Forecast reduction in income as a result of YTD, and anticipated, cremation levels, partially offset by vacancy and utilities savings, (net pressure £54.4k).

Н	Cemeteries	61,530	Forecast reduction in income as a result of YTD, and anticipated, burials.	
I	Building Regulations	50,000	Anticipated reduction in income as a result of current economic conditions, wholly offset by vacancy savings below above (net saving £64.8k).	
I	Land Charges	42,520	Anticipated reduction in income as a result of current economic conditions.	
	Reduced Expenditure			
A	CX Corporate Policy	(27,150)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.	
С	CoLC Apprentices	(25,230)	Residual vacancy savings after TFS savings target met.	
G	Street Cleansing	(63,900)	Reduction in contracted charges and underspend on amenity cleaning.	
Н	Housing Regeneration	(36,890)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.	
Н	Crematorium	(54,090)	Forecast underspend, predominantly utilities and vacancy savings, offset by reduced income above (net pressure £54.4k).	
I	Building Regulations	(129,320)	Vacancy savings offset against anticipated reduction in income above (net saving £64.8k).	
I	Heritage	(59,140)	Vacancy savings offset against corporate vacancy savings target.	
0	Earmarked Reserves	(183,870)	Release of Inflation Volatility reserve to offset increased expenditure as a result of proposed pay award.	
	Increased Income			
В	Lincoln Properties & Industrial Estates	(46,910)	Increased income as a result of backdated rent reviews & lower level of void properties.	
В	City Hall	(25,000)	Increased income to be received from lease agreements.	
В	Other Interest	(123,680)	Increased investment income as a result of higher interest rates (£119k) and additional dividend income (£4k).	
Е	Community Leadership & Sustainability	(38,850)	New Burdens grant funding for administration of UKSPF project.	

F	Major Developments Team	(51,640)	New Burdens grant funding for administration of UKSPF project.
Н	Community Centres	(75,120)	Increased income levels, predominantly driven by ongoing contract at the Grandstand.
I	Car Parks	(179,000)	Increase in season ticket income & forecast increase in pay and display income (net car parking surplus £103k).
I	Development Policy	(26,810)	Additional grant income for Biodiversity Net Gain.
J	Capital Accounting Adjustment- Interest Payable	(324,900)	Reduction in interest payable as a result of reduced borrowing levels.
J	Land Drainage Levies	(173,000)	Additional government grant received to offset the increased cost of Internal Drainage Board Levies.

# HOUSING REVENUE ACCOUNT FUND SUMMARY – AS AT 30 SEPTEMBER 2024

	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Gross Rental Income	А	(35,220)	(35,410)	(190)
Charges for Services & Facilities	В	(658)	(687)	(29)
Contribution towards Expenditure	С	(50)	(10)	40
Repairs Account – Income	D1	(68)	(65)	3
Supervision & Management – General	D2	(808)	(1,020)	(212)
Supervision & Management – Special	D3	(75)	(156)	(80)
Repairs & Maintenance	Е	11,729	11,821	92
Supervision & Management – General	F1	7,395	7,605	210
Supervision & Management – Special	F2	2,148	2,404	256
Rents, Rates and Other Premises	G	861	914	53
Increase in Bad Debt Provisions	Н	251	251	0
Insurance Claims Contingency	I	439	439	0
Contingencies	J	312	353	41
Depreciation	K	8,198	8,198	0
Impairments	L	0	0	0
Debt Management Expenses	М	16	16	0
HRS Trading (Surplus) / Deficit	Ν	0	17	17
Net Cost of Service	Ο	(5,530)	(5,329)	201
Loan Charges Interest	Р	2,331	2,264	(68)
Investment/Mortgage Interest	Q	(428)	(607)	(179)
Net Operating Inc/Exp	R	(3,626)	(3,672)	(46)
Major Repairs Reserve Adjustment	т	3,423	3,423	(0)
Transfers to/from reserves	U	304	(170)	(474)
(Surplus)/Deficit in Year	V	101	(418)	(519)

# Housing Revenue Account Variances – Quarter 2

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

Ref		£	Reason for variance
	Reduced Income		
С	Court Costs	40,000	Reduction in recovered income from court costs
	Increased Income		as less cases in year than anticipated.
U	Transfers to/(from) Reserves	(473,650)	Contributions from reserves to offset expenditure as outlined below (further detail in appendix G).
Q	Investment Interest	(178,830)	Increased investment income as a result of higher interest rates.
A	Gross Rental Income	(146,110)	Additional rental income as a result of higher than budgeted opening housing stock levels.
D2	Supervision & Management - General	(134,000)	Increase in contractor admin fee income due to addition of major contracts commencing in second half of financial year.
В	Non Dwelling Rents	(43,640)	Reduction in void loss garage rental income
	Reduced Expenditure		
E	Repairs & Maintenance - HRS	(1,099,260)	Reduced HRS expenditure on Voids (£980k), Aids and Adapts (£94k) and Cleansing (£25k), wholly offsetting the increase on Responsive Repairs costs below (net underspend £704k).
F	Supervision & Management	(140,780)	Reduced expenditure on Employee Costs due to staff vacancies, offset by agency costs below.
Е	Repairs Account	(99,240)	Lower than budgeted installs for CO Detectors & Smoke Alarms due to cyclical replacements, offset by contribution to reserves to level out future costs future replacement cycle peaks.
Ρ	Loan Charges Interest	(67,560)	Reprofiling of loans & adequate resources resulting in reduction in planned borrowing costs.
	Increased Expenditure		
Е	Repairs & Maintenance - HRS	704,180	Increased HRS expenditure on Responsive Repairs (£704k), offset by underspend above (net underspend £395k).

Ref		£	Reason for variance
Е	Repairs Account	311,000	High rise review and remediation (£300k), Carbon reduction and home safety works (£11k) entirely funded from reserves
Е	Repairs Account	136,500	Stock Condition Survey costs funded entirely from reserves.
J	Contingencies	119,390	Impact of National Employers pay award settlement in excess of budgeted assumptions.
F1	Supervision & Management – General	76,110	Cost of agency staff to cover staff vacancies within Supervision & Management, offset by Vacancy savings above.
F1	Supervision & Management – General	65,370	Membership Fee increases on Housing Ombudsman, and additional Regulator of Social Housing annual subscription costs.
Е	Repairs Account	63,220	Gas Servicing of Central Heating increase in market prices and addition of relet costs.
F1	Supervision & Management – General	92,500	Consultancy costs funded entirely from reserves.
F1	Supervision & Management – General	56,650	Increased expenditure primarily due to additional Housing IT costs
F1	Supervision & Management – General	52,840	Caretakers fly tipping costs increase – nationally increased trend since COVID.
F1	Supervision & Management – General	29,900	Downsizing Incentive Scheme costs funded entirely from reserves
Ν	HRS Surplus/Deficit	17,150	Estimated HRS deficit position (refer to further detail in Section 5 and Appendix F).

# HOUSING REPAIRS SERVICE SUMMARY – AS AT 30 SEPTEMBER 2024

	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Employees	4,107	3,692	(415)
Premises	193	172	(21)
Transport	440	444	4
Materials	1,561	1,568	7
Sub-Contractors	2,635	3,395	760
Supplies & Services	323	422	99
Central Support Charges	707	707	0
Capital Charges	0	0	0
Total Expenditure	9,965	10,401	436
Income	(9,965)	(10,384)	(419)
(Surplus)/Deficit	0	17	17

# Housing Repairs Service Variances – Quarter 2

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

#### £ Reason for Variance

#### Reduced Expenditure

Employee Costs	(461,645)	Vacancies within the Operative staff.
Premises	(20,643)	Reduction in utility forecasts due to delay in depot being in use.
Increased Expenditure		
Sub-Contractors	760,486	Increased use of sub-contractors to meet void turnaround targets, new work streams and cover vacancies within the operative team.
Skip Hire	67,048	Increased usage of skips due to delay to the use of Hiab.
Proposed Pay Award	46,570	Impact of National Employers pay award settlement in excess of budgeted assumptions.
Increased Income		
Response Repairs, Quoted Jobs & Other Income	(940,325)	Higher level of responsive work carried out by HRS Operatives, as a result of a switch in the nature of HRS works between voids and responsive repairs, generating increased income through the internal over- head recovery rate.
Reduced Income		
Voids, Aids & Adapts and Cleansing Works Income	523,123	Reduced income as a result of sub-contractor costs on overhead recovery and old SOR rates used for billing (pending update). Predominantly voids works at £402k, Aids & Adapts £94k and Cleansing works at £25k.

# EARMARKED RESERVES – Q2 MONITORING 2024/25

	Revised Opening Balance	In Year Increase	In Year Decrease	Forecast Closing Balance
	01/04/2024 £'000	£'000	£'000	31/03/2025 £'000
General Fund				
Budget Carry Forwards	539	-	(196)	343
Grants & Contributions	1,504	43	(434)	1,113
Active Nation Bond	180	-	(80)	100
AGP Sinking Fund	102	50	-	152
Air Quality Initiatives	22	-	-	22
Birchwood Leisure Centre	106	20	-	126
Business Rates Volatility	916	53	-	969
Christmas Decorations	14	-	-	14
City Centre Masterplan	75	-	-	75
City Hall Improvement Works	50	-	-	50
City Hall Sinking Fund	60	-	-	60
Commons Parking	28	15	-	43
Control Centre Volatility Reserve	-	31	-	31
Corporate Maintenance	100	-	-	100
Corporate Training	71	-	(26)	45
Council Tax Hardship Fund	-	-	-	-
Covid19 Recovery	1,047	-	(200)	847
Covid19 Response	354	-	-	354
CX Capacity	56	-	(56)	-
Electric Van replacement	31	4	-	35
HiMO CPN Appeals	110	1	-	111
Income Volatility Reserve	520	-	(170)	350
Inflation Volatility Reserve	466	-	(184)	282
Invest to Save (GF)	350	-	-	350
IT Reserve	393	65	-	458
Lincoln Lottery	9	-	-	9
Mayoral Car	7	-	-	7
MSCP & Bus Station Sinking Fund	195	47	-	242
Private Sector Stock Condition Survey	51	12	(52)	11
Professional Trainee Scheme	90	-	(02)	90
Residents Parking Scheme	-	5	-	5
Revenue & Benefits Community Fund	54	-	-	54
Section 106 Interest	32	_	-	32
Staff Wellbeing	28	-	-	28
Tank Memorial	10	_	_	10
Tree Risk Assessment	86	-	25	61
Unused DRF	161	110	(271)	-
Vision 2025/Vision 2030	386	327	(304)	408
VISION 2020/ VISION 2030	8,234	<u> </u>	(304) (1,918)	<u> </u>
	0,234	072	(1,910)	0,307

HRA				
Capital Fees Equalisation	110	-	-	110
De Wint Court	73	-	-	73
De Wint Court Sinking Fund	113	34	-	147
Disrepairs Management	287	-	(31)	256
Housing Business Plan	842	-	(381)	461
Housing Repairs Service	76	-	-	76
HRA IT	170	365	-	535
HRA Repairs Account	1,351	99	(137)	1,314
Housing Strategic Priority	764	-	-	764
HRS Social Value	111	-	-	111
Invest to Save (HRA)	375	-	(44)	331
NSAP/RSAP Sinking Fund	18	9	-	27
Regulator of Social Housing	180	-	(53)	127
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	31	8	-	39
	4,507	515	(645)	4,377
Total Earmarked Reserves	12,741	1,187	(2,564)	11,364

# CAPITAL RESOURCES – Q2 MONITORING 2024/25

	Opening balance 01/04/24	Contributions	Used in financing	Forecast balance 31/03/25
	£'000	£'000	£'000	£'000
Capital Grants/Contributions General Fund	0	14,601	(14,601)	0
Capital Grants/Contributions HRA	0	1,155	(1,155)	0
Capital receipts General Fund	1,663	0	(74)	1,589
Capital receipts HRA	2,560	1,059	(404)	3,215
Capital receipts 1-4-1	4,453	1,422	(1,273)	4,601
Major Repairs Reserve	23,062	11,622	(13,204)	21,480
GENF DRF	141	8,505	(8525)	121
Total Capital Resources	31,879	38,364	(39,236)	31,006

Currently the HIP has schemes planned to facilitate use of all 1:4:1 receipts with no repayment required in 24/25.

#### General Investment Programme – Summary of Expenditure as at 30<sup>en</sup> September 2024

GENERAL INVESTMENT PROGRAMME	Budget 2024/25 - Reported at Q1	Q2 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 30/09/24	2024/25 % Spend to Revised Budget
Housing and Investment					
Housing Renewal Area Unallocated	298,152		298,152	0	0.00%
Housing and Investment Total	298,152		298,152	0	0.00%
DCE - Health and Environmental Services					
Better Care Fund (was Disabled Facilities Grant)	2,159,391		2,159,391	428,348	19.84%
Yarborough Leisure Centre - Energy Efficiency	634,350	10,000	644,350	0	0.00%
Yarborough Leisure Centre - Equipment	80,000	- ,	80,000	0	0.00%
DCE - Health and Environmental Services Total	2,873,741	10,000	2,883,741	428,348	14.91%
DCE - Community Services					
Traveller deterrent	6,200		6,200	0	0.00%
DCE - Community Services Total	6,200		6,200	0	0.00%
DCE - Planning & City services					
Car Parking Software	14,337		14,337	8,663	60.42%
St Mary's Guildhall (HAZ)	0		0	(90)	0.00%
Windmill View	16,475	(14,303)	2,172	2,172	99.99%
DCE - Planning & City services Total	30,812	(14,303)	16,509	10,744	65.08%
Chief Executive Corporate Policy					
New Telephony System	5,558		5,558	(400)	-7.20%
Chief Executive Corporate Policy Total	5,558		5,558	(400)	-7.20%
Chief Executive Chief Finance Officer					
Allotments Asbestos Sheds	33,795		33,795	0	0.00%
City Hall Level 2 Ceiling & lights	0	22,961	22,961	0	0.00%
City Hall Refurb level 3 toilets	0	39,930	39,930	0	0.00%

GENERAL INVESTMENT PROGRAMME	Budget 2024/25 - Reported at Q1	Q2 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 30/09/24	2024/25 % Spend to Revised Budget
Greyfriars - Phase 2 Delivery	2,662,787		2,662,787	21,954	0.82%
Lincoln Central Lifts	150,000		150,000	0	0.00%
Michaelgate	75,000		75,000	68,564	91.42%
Planned Capitalised Works	489,955	(208,851)	281,104	0	0.00%
Sudbrooke Drive CC Shower refurb	0	34,700	34,700	0	0.00%
Victoria St Car Park Wall	0	99,260	99,260	0	0.00%
Yarborough LC mansafe system	0	12,000	12,000	0	0.00%
Chief Executive Chief Finance Officer Total	3,411,537	0	3,411,537	90,518	2.65%
Major Developments					
Central Markets	2,000		2,000	0	0.00%
Central Markets (All Funding Streams)	283,583		283,583	(73,864)	-26.05%
Lincoln Transport HUB	0		0	(56,196)	0.00%
TD Sincil Bank Gateway & Greening Project	555,028		555,028	11,157	2.01%
TD Tentercroft Street	312,000		312,000	0	0.00%
The Terrace Heat Mitigation Works	246,547	(246,547)	0	0	0.00%
Towns Deal Programme Management	75,970		75,970	6,120	8.06%
UKSPF (Shared Prosperity Fund)	7,487	(7,487)	0	0	0.00%
UKSPF Belmont Street Our Community Bakery	130,000		130,000	0	0.00%
UKSPF Moorland Community Hub	70,000		70,000	60,012	85.73%
UKSPF Sudbrooke Drive Hub	222,801	7,487	230,288	16,600	7.21%
WGC Housing Delivery	5,622,755	(2,825,905)	2,796,850	91,266	3.26%
WGC Phase 1b Bridges	2,355,359	7,696,781	10,052,140	1,338,900	13.32%
WGC Shared Infrastructure	1,011,645		1,011,645	1,251,875	123.75%
WGC Site Wide Costs	19,487		19,487	37,896	194.47%
WGC Wider 1b Site Costs	21,000	52,810	73,810	20,000	27.10%
Major Developments Total	10,935,662	4,677,139	15,612,801	2,703,765	17.32%
TOTAL ACTIVE SCHEMES	17,561,662	4,672,836	22,234,498	3,232,975	14.54%

GENERAL INVESTMENT PROGRAMME	Budget 2024/25 - Reported at Q1	Q2 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 30/09/24	2024/25 % Spend to Revised Budget
Schemes Currently Under Review					
Compulsory Purchase Orders	233,481	(233,481)	0	0	0.00%
IT Reserve	74,334	(====; ===;	74,334	0	0.00%
Schemes Currently Under Review Total	307,815	(233,481)	74,334	0	0.00%
TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES	17,869,477	4,439,355	22,308,832	3,232,975	14.49%
Externally Delivered Town's Deal Schemes					
Store of Stories	28,000		28,000	28,000	100.00%
TD Barbican Production & Maker Hub	1,700,000		1,700,000	183,503	10.79%
TD Lincoln Connected	577,968		577,968	435,913	75.42%
TD LSIP	800,000		800,000	0	0.00%
TD Sincil Bank	2,234,696		2,234,696	0	0.00%
TD Wigford Way	244,708		244,708	0	0.00%
Externally Delivered Town's Deal Schemes Total	5,585,372		5,585,372	647,416	11.59%
Grand Total	23,454,849	4,439,355	27,894,204	3,880,391	13.92%

# Housing Investment Programme – Summary of Expenditure as at 30<sup>th</sup> September 2024

HOUSING INVESTMENT PROGRAMME	Budget 2024/25 - Reported at Q1	Q2 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 30/09/24	2024/25 % Spend to Revised Budget
Contingency Schemes					
Contingency Schemes	0	0	0	0	0
Contingency Schemes Total	0	0	0	0	0
			•		
Decent Homes					
Bathrooms & WC's	734,550	(234,550)	500,000	164,659	32.93%
DH Central Heating Upgrades	2,016,960	0	2,016,960	1,025,833	50.86%
Door Replacement	1,634,266	(600,266)	1,034,000	389,579	37.68%
Fire Compartment works	50,000	0	50,000	2,675	5.35%
Fire Doors	500,000	(200,000)	300,000	51,529	17.18%
Kitchen Improvements	1,190,000	0	1,190,000	499,850	42.00%
Lincoln Standard Windows Replacement	907,672	275,328	1,183,000	631,894	53.41%
New services	50,000	25,000	75,000	72,572	96.76%
Re-roofing	500,000	(400,000)	100,000	484	0.48%
Rewiring	150,000	(130,000)	20,000	0	0.00%
Structural Defects	100,000	0	100,000	8,451	8.45%
Thermal Comfort Works	50,000	0	50,000	0	0.00%
Aids & Adaptions	0	50,000	50,000	46,879	93.76%
Void Capitalised Works	1,721,860	578,140	2,300,000	233,970	10.17%
Decent Homes Total	9,605,307	(636,348)	8,968,959	3,128,376	34.88%
Health and Safety					
Asbestos Removal	198,702	0	198,702	64,862	32.64%
Asbestos Surveys	133,763	0	133,763	34,487	25.78%
Fire Alarms	0	0	0	0	0.00%

HOUSING INVESTMENT PROGRAMME	Budget 2024/25 - Reported at Q1	Q2 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 30/09/24	2024/25 % Spend to Revised Budget
Renew stair structure	25,000	0	25,000	0	0.00%
Replacement Door Entry Systems	288,846	0	288,846	1,491	0.52%
Health and Safety Total	646,311	0	646,311	100,840	15.60%
IT/Infrastructure					
Housing Support Services Computer Fund	306,441	0	306,441	136,520	44.55%
Telephony	5,558	0	5,558	0	0.00%
IT/Infrastructure Total	311,999	0	311,999	136,520	43.76%
Lincoln Standard					
Over bath showers (10 year programme)	36,450	0	36,450	0	0.00%
Lincoln Standard Total	36,450	0	36,450	0	0.00%
Other Current Developments					
CCTV	20,000	(20,000)	0	0	0.00%
Communal Electrics	160,000	0	160,000	60,059	37.54%
Communal TV Aerials	5,000	0	5,000	4,069	81.38%
Environmental works	500,000	0	500,000	87,540	17.51%
Garages	60,000	0	60,000	0	0.00%
Hiab and Mule	130,689	0	130,689	130,689	100.00%
HRA Buildings	81,639	0	81,639	0	0.00%
Landscaping & Boundaries	300,000	(100,000)	200,000	52,495	26.25%
Other Current Developments Total	1,257,327	(120,000)	1,137,327	334,852	29.44%
HOUSING INVESTMENT TOTAL	11,857,395	(756,348)	11,101,047	3,700,589	33.34%

HOUSING INVESTMENT PROGRAMME	Budget 2024/25 - Reported at Q1	Q2 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 30/09/24	2024/25 % Spend to Revised Budget
HOUSING STRATEGY AND INVESTMENT					
New Build Programme					
Property Acquisitions	2,391,534	155,457	2,546,991	629,714	24.72%
New Build Capital Salaries	46,953	0	46,953	0	0.00%
New Build- De Wint Court	0	0	0	0	0.00%
New Build Site – Hermit Street	1,891,443	104,414	1,995,857	1,400,233	70.16%
Jasmin Green	50,000	0	50,000	0	0.00%
Ermine Church Land	349,893	0	349,893	0	0.00%
Western Growth Corridor	1,063,281	277,660	1,340,941	0	0.00%
New Build Programme Total	5,793,104	537,531	6,330,635	2,029,946	32.07%
HOUSING STRATEGY AND INVESTMENT TOTAL	5,793,104	537,531	6,330,635	2,029,946	32.07%
TOTAL HOUSING INVESTMENT PROGRAMME	17,650,499	(218,817)	17,431,682	5,730,535	32.87%

Service	Summary of project	Dir.	Total savings in 2024/25 £000's	GF savings in 2024/25 £000's	HRA savings in 2024/25 £000's	Comments
	ACTIONS COM	PLETED	AS OF EN	ND Q2 202	4/25	
Major Developments	Maximise Towns Fund/Review of workspaces	DMD	46	39	6	Complete
Workbased Learning	Review of Workbased Learning	сх	86	50	36	Complete for 24/25 – future business case required
TOTAL			131	89	42	

# TFS Phase7 programme: progress at Q2 – 2024/2025

# PERFORMANCE SCRUTINY COMMITTEE

14 NOVEMBER 2024

SUBJECT:	TREASURY MANAGEMENT AND PRUDENTIAL CODE UPDATE MID YEAR REPORT – 30 SEPTEMBER 2024
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	LAURA SHIPLEY, FINANCIAL SERVICES MANAGER

#### 1. Purpose of Report

1.1 This report summarises the Council's treasury management activity and the actual prudential indicators for the period 1<sup>st</sup> April 2024 to 30<sup>th</sup> September 2024.

#### 2. Executive Summary

- 2.1 The Treasury Management Strategy for 2024/25 approved by council on 27<sup>th</sup> February 2024 outlines the Council's capital and investment priorities as follows;
  - Liquidity of investments
  - Security of capital / investments
  - Yield earned on investments
- 2.2 The strategy includes indicators that help ensure that the Council's capital investment plans are affordable, prudent and sustainable. Setting an integrated Capital and Treasury Management Strategy is a requirement of the CIPFA Code of Practice.
- 2.3 The position and performance for the 6 months ended 30<sup>th</sup> September 2024 are set out in the body of this report.
- 2.4 Officers can confirm that the approved limits within the Annual Treasury Management Strategy were not breached during the quarter ended 30<sup>th</sup> September 2024.

#### 3. Background

- 3.1 The prudential system for capital expenditure is well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 30<sup>th</sup> September 2024. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 27<sup>th</sup> February 2024.
- 3.2 This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.

3.3 This report highlights the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporates any new or revised schemes previously reported to Members. Changes required to the residual prudential indicators and other related treasury management issues are also included.

## 4. Investment portfolio

- 4.1 The Council held £29.355m of investments as at 30<sup>th</sup> September 2024. (as set out in paragraph 4.8).
- 4.2 Forecast interest income for the year is £0.961m (£0.354m General Fund & £0.606m HRA), an overachievement of income of £0.300m against the £0.661m budget.
- 4.3 Of this investment portfolio 100% was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments. During the 6 months to 30<sup>th</sup> September on average 93% of the portfolio was held in low risk specified investments and an average of 7% of the portfolio was held in non-specified investments (with other local authorities).
- 4.4 Where possible the council seeks sustainable investments and are working with our advisors on the best way to score banks and funds ESG ratings, whilst balancing this against generating returns that are in the best interest of the taxpayer.
- 4.5 Liquidity The Council seeks to maintain liquid short-term deposits of at least £5m available with a week's notice. At 30<sup>th</sup> September 2024 the Council held liquid short term deposits of £20.355m and the WAL of the investment portfolio was 0.082 years (30 days). The WAL of the investment portfolio is higher than expected.
- 4.6 Security The Council's maximum security risk benchmark for the portfolio as at 30<sup>th</sup> September 2024 was 0.012%. Based on the historic risk of default of the counterparties and types of accounts in which the council's funds are place this equates to a potential loss of £0.004m on an investment portfolio of £29m. This represents a very low risk investment portfolio.
- 4.7 Yield The Council achieved an average return of 5.25% on its investment portfolio for the 6 months ended 30<sup>th</sup> September 2024. This compares favourably with both the prior year's equivalent figure of 4.73% and average SONIA rate over the period of 5.12%.
- 4.8 The table below highlights the level of investment activity, and the rates obtained as at 30<sup>th</sup> September 2024. Investments were made in line with Link's approved counterparty list.

INVESTMENTS	PRINCIPAL £	RATE %	PERIOD DAYS
Lloyds Bank Corporate Market NRFB	2,000,000	5.24	92
Lloyds Bank Corporate Market NRFB	2,000,000	5.12	185
SMBC Bank International Plc	2,000,000	4.95	92
SMBC Bank International Plc	3,000,000	4.77	181
Total Fixed Short term Investments	9,000,000		

Aberdeen Standard Liquidity Fund	7,000,000	5.01	Call
BlackRock Institutional Sterling Liquidity	605,000	4.97	Call
BNP Paribas Insticash Sterling	5,750,000	4.96	Call
Federated Short-Term Sterling Prime Fund	7,000,000	5.03	Call
Total Money Market Fund Investments	20,355,000		
Total Investments / Average Rate	29,355,000	5.01	

#### 5. Borrowing

- 5.1 In accordance with the Local Government Act 2003, the Council has a statutory duty to determine and keep under review how much it can afford to borrow. Therefore, the Council establishes 'Affordable Borrowing Limits' (or Authorised Limit) as part of the Prudential Indicators within the approved treasury management strategy.
- 5.2 The 'authorised limit' and 'operational boundary' indicators govern the maximum level of external borrowing to fund the capital programme and short-term cash flow. See Appendix A.
- 5.3 The Council's capital financing requirement (CFR) for 2024/25 is £154.944m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has projected borrowing at the end of 2024/25 of £105.068m and is forecasting to utilise £49.876m of cash flow funds in lieu of borrowing towards capital expenditure. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if further upside risk to gilt yields prevails.
- 5.4 As at 30<sup>th</sup> September 2024, the average rate of interest paid during the first half of the financial year on external borrowing was 3.26%. This is lower than the budgeted rate set in the MTFS 2024-29 of 3.65% due to the repayment of a loan in the prior year which was not anticipated in the MTFS, and the new borrowing forecast at budget setting has not yet been required.
- 5.5 As at 30<sup>th</sup> September 2024, the Council held £107.406m of external borrowing, of which 100% were fixed rate loans (See table below).

Borrowing Type	Lender	Outstanding Loans (£)	No Of Loans	Ave Rate %
PWLB	PWLB	95,405,738	32	3.55
LA Borrowing	North Kesteven District Council	2,000,000	1	2.05
Market Loans	Barclays	10,000,000	4	4.24
Total/ Ave Rate		107,405,738	37	3.59*

\* Note the average rate in the table above differs from the actual average rate of interest paid in **5.4** as it relates to all loans and doesn't take into account size of loans / weighting.

5.6 It is anticipated that no additional borrowing will be undertaken during this financial year. A loan of £2m is due to mature in February 2025, the need to replace this will

be assessed closer to the time in-line with cashflow forecasts and interest rates at the time.

5.7 The capital programme is being kept under regular review due to the effects of inflationary pressures and shortages of materials and labour. The borrowing strategy will therefore also be regularly reviewed and revised, to achieve optimum value and risk exposure in the long-term.

#### 6. Capital Expenditure and Financing

- 6.1 Capital expenditure forms one of the required prudential indicators. The Council must ensure that capital expenditure is affordable, approved and monitored.
- 6.2 The table below shows the forecast capital expenditure as at Q2 against budgets set as part of the Medium Term Financial Strategy (OE), and revised budgets adjusted at 2023/24 year end due to reprofiling etc, and how these are to be financed.

	2024/25 Original Estimate (OE) £'000	2024/25 OE inc. Year End Adj 's £'000	2024/25 Q2 Revised Estimate £'000
General Fund Capital Expenditure	17,527	23,151	27,894
Financed By -			
Capital Grants	4,550	6,806	14,601
Capital Receipts	1,112	1,133	74
Revenue Contributions	121	161	149
REFCUS Grants	5,468	8,270	8,376
Prudential Borrowing	6,276	6,781	4,694

6.3 The General Fund Investment Programme was adjusted post 2023/24 year end to take into account reprofiling of schemes and known changes at the time. The programme has since seen an increase in forecast expenditure in Q2, mainly due to the approval and inclusion of the Western Growth Corridor Levelling Up Fund bridge works.

	2024/25 Original Estimate (OE) £'000	2024/25 OE inc. Year End Adj 's £'000	2024/25 Q2 Revised Estimate £'000
Housing Revenue Account Capital Expenditure	21,043	22,763	17,432
Financed By -			
Capital Receipts	1,119	2,213	1,677
Capital Grants	0	0	1,155
MRR Revenue Contributions	5,721	5,855	4,235
MRR Depreciation	13,603	13,352	8,969
Prudential Borrowing	600	1,343	1,396

- 6.4 The Housing Investment Programme original was adjusted post 2023/24 year end to take into account reprofiling of schemes and known changes at the time. In addition, the original estimates, set as part of the Medium-Term Financial Strategy, were based on a stock condition survey of properties and the required levels of work. The forecast expenditure has now been adjusted to better reflect what the council's internal workforce and current contractors have capacity to complete in year.
- 6.5 The Capital Financing Requirement (CFR), the councils underlying need to borrow, and the movement in year can be seen below. (See also 5.3 & 7.2)

Capital Financing Requirement (CFR)	2024/25 Original Estimate (OE) £'000	2024/25 OE inc. Year End Adj 's £'000	2024/25 Q2 Revised Estimate £'000
Capital Financing Requirement (CFR) - General Fund	76,810	76,701	74,614
Capital Financing Requirement (CFR) - HRA	79,913	80,278	80,330
Capital Financing Requirement Total	156,723	156,979	154,944
Net movement in CFR (Capital borrowing need less MRP & VRP)	5,949	7,197	5,163

\* Note that although the CFR total doesn't change significantly between the Original Estimate and the OE including year end adjustments, the net movement figures look greater due to the reprofiling of capital expenditure at year end and the 2023/24 CFR carried forward figure being adjusted accordingly.

## 7. Prudential Indicators

- 7.1 As part of the Treasury Management Strategy, the Council established a range of Prudential Indicators (in accordance with professional practice) to monitor both Treasury and Capital as the two are intrinsically linked.
- 7.2 Details of the performance against the Prudential Indicators can be found at Appendix A. See comments below.
  - 1. <u>Capital Expenditure General Fund</u> see section 6.2
  - 2. <u>Capital Expenditure HRA see section 6.2</u>.
  - <u>Capital Financing Requirement (CFR) General Fund The Capital Financing</u> Requirement is the Council's underlying need to borrow for a capital purpose. The GF CFR is currently less than anticipated at budget setting due to the reprofiling of WGC Housing element, in line with revised build schedule.
  - <u>Capital Financing Requirement (CFR) HRA</u> As above. The HRA CFR remains very close to the original estimate (including year-end adjustments) with minimal additional borrowing expected, pushing the CFR up only slightly.
  - <u>Actual External Debt</u> Currently forecasting actual external debt at year end to be less than original anticipated at budget setting due to the council utilising internal funds rather than borrowing whilst interest rates are still high. The need for borrowing will be continuously monitored in-line with the councils cashflow and spending requirements.

- <u>Gross debt to the CFR Under Borrowing –.</u> The council is currently under borrowing against the CFR, meaning the council is utilising internal resources (£46m) rather than borrowing.
- 7. <u>Authorised Limit for External Debt -</u> This represents the limit beyond which borrowing is prohibited and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.
- Operational Boundary for External Debt This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. CIPFA anticipate that this should act as an indicator to ensure the authorised limit is not breached.
- Financing costs to net revenue stream (General Fund) improved position anticipated due to re-profiling of forecast borrowing (planned borrowing for Western Growth Corridor £6m) and utilising internal funds.
- 10. <u>Financing costs to net revenue stream (HRA)</u> Slight improvement due to forecasting holding off on reborrowing to replace a maturing loan.
- 7.3 Due to changes in accounting practice and the implementation of IFRS16 (leases) this year, the CFR will include lease liabilities that are currently not recognised on the balance sheet. As IFRS16 implications have not been fully calculated at the date of this report no changes to the CFR forecast have been made yet. The council is currently establishing the impact of the change in accounting for these liabilities (previously treated as operating leases and treated as rental expenditure) and estimates will be reflected in the 2024/25 Statement of Accounts.
- 7.4 The Chief Finance Officer reports that no difficulties are envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in the budget report.

#### 8. Economic Update

- 8.1 The current economic update from the Council's treasury advisors (LINK) can be found in Appendix B.
- 8.2 <u>Interest Rate Forecast Current medium term interest rate forecasts are shown</u> below. Economists have now forecast a more gradual / slower reduction of rates so

Link Group forecasts are likely to be adjusted to reflect the Capital Economics forecast.

Bank Rate											
	NOW	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	5.00%	4.50%	4.00%	3.50%	3.25%	3.25%	3.25%	3.25%	3.00%	3.00%	3.00%
Capital Economics	5.00%	4.75%	4.50%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	-
5yr PWLB Rate											
	NOW	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	4.75%	4.50%	4.30%	4.10%	4.00%	3.90%	3.90%	3.90%	3.90%	3.90%	3.80%
Capital Economics	4.75%	4.70%	4.60%	4.40%	4.30%	4.10%	4.10%	4.00%	4.00%	4.00%	-
10yr PWLB Rate											
	NOW	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	5.01%	4.60%	4.40%	4.30%	4.10%	4.10%	4.10%	4.00%	4.00%	4.00%	3.90%
Capital Economics	5.01%	4.80%	4.70%	4.60%	4.50%	4.30%	4.30%	4.20%	4.10%	4.10%	-
25yr PWLB Rate											
	NOW	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
ink Group	5.51%	5.00%	4.80%	4.70%	4.50%	4.50%	4.40%	4.40%	4.40%	4.30%	4.30%
Capital Economics	5.51%	5.10%	4.90%	4.80%	4.70%	4.50%	4.50%	4.40%	4.30%	4.20%	-
50yr PWLB Rate											
	NOW	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	5.29%	4.80%	4.60%	4.50%	4.30%	4.30%	4.20%	4.20%	4.20%	4.10%	4.10%
Capital Economics	5.29%	5.10%	5.00%	4.80%	4.70%	4.60%	4.50%	4.40%	4.40%	4.30%	-

#### 9. Strategic Priorities

#### 9.1 <u>One Council</u>

Through its Treasury Management Strategy the Council seeks to reduce the amount of interest it pays on its external borrowing and maximise the interest it achieves on its investments.

#### 10. Organisational Impacts

#### 10.1 Finance

The financial implications are covered in the main body of the report.

#### 10.2 Legal Implications including Procurement Rules

The powers for a local authority to borrow and invest are governed by the Local Government Act 2003 (LGA 2003) and associated Regulations. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs. The Regulations also specify that authorities should have regard to the CIPFA Treasury Management Code and the MHCLG Investment Guidance when carrying out their treasury management functions.

#### 10.3 Equality, Diversity and Human Rights

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

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

- Eliminate discrimination
- Advance equality of opportunity

Foster good relations between different people when carrying out their activities

Due to the nature of the report, no specific Equality Impact Analysis required.

#### 11. Risk Implications

The Local Government Act 2003, the Prudential Code and the Treasury Management Code of Practice include a key principal that an organisations appetite for risk is included in their annual Treasury Management Strategy and this should include any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing.

#### 12. Recommendation

- 12.1 Members are asked to:
  - a) note the Prudential and Treasury Indicators and the actual performance against the Treasury Management Strategy 2024/25 for the mid-year ended 30<sup>th</sup> September 2024, and;
  - b) consider any specific recommendations to be referred to the Executive relating to the contents of this report.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Two
List of Background Papers:	Treasury Management Strategy 2024/25 (Approved by Council February 2024)
Lead Officer:	Laura Shipley, Financial Services Manager laura.shipley@lincoln.gov.uk

# **Updated Position on Prudential and Local Indicators**

The table below summarised and provides an update of the main prudential indicators as at 30<sup>th</sup> September 2024 against budget.

Indicator No.	Indicator	2024/25 Original Estimate (OE) £'000	2024/25 OE inc. Year End Adj 's £'000	2024/25 Q2 Revised Estimate £'000
1 & 2	Capital Expenditure - General Fund	17,527	23,151	27,894
1 & 2	Capital Expenditure - HRA	21,043	22,763	17,432
	Capital Expenditure Total	38,570	45,914	45,326
3 & 4	Capital Financing Requirement (CFR) - General Fund	76,810	76,701	74,614
3 & 4	Capital Financing Requirement (CFR) - HRA	79,913	80,278	80,330
	Capital Financing Requirement Total		156,979	154,944
5	Estimated Actual External Debt (As at 31st March 2025)	113,017	113,017	105,068
6	Gross Debt and the CFR – Under Borrowing	(43,706)	(43,962)	(49,876)
7	Authorised Limit for External Debt	130,165	130,773	128,850
8	Operational Boundary for External Debt	124,217	124,217	116,268
9 &10	Financing Costs to Net Revenue Stream - General Fund	15.39%		13.51%
9 &10	Financing Costs to Net Revenue Stream - HRA	28.79%		28.34%
Local 5	Net Income from Commercial and Service Investments to Net Revenue Stream	10.45%		10.58%

#### **Remaining Prudential Indicators**

In addition to the 10 key Prudential Indicators covered in the main report are 4 further indicators, as set out below.

#### **Treasury Management Prudential Indicators**

The first treasury indicator requires the adoption of the CIPFA Code of practice on Treasury Management. This Council adopted the Code of Practice on Treasury Management on 1st March 2011 (revised 2021), and as a result adopted a Treasury Management Policy & Practices statement.

There are two further indicators:

These limits relate to funds invested for greater than 365 days.

<u>Upper Limits On Variable Rate Exposure</u> – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.

<u>Upper Limits On Fixed Rate Exposure</u> – Similar to the above indicator, this covers a maximum limit on fixed interest rates.

Indicator No	Indicator	2024/25 %
11	Upper Limit for Fixed Interest Rates	100%
12	Upper Limit for Variable Interest Rates	40%

<u>Total Principal Funds Invested</u> – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.

Indicator 14 - Maximum Principal Sums invested for longer than 365 days	2024/25 Limit £m	Actual as at 30/09/24	
	7	0	0

As at 30<sup>th</sup> September 2024, there were no principal funds invested for a duration invested greater than 1 year.

## **Maturity Structure of Borrowing**

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing at the same time and are required for upper and lower limits.

The table below shows the maturity structure limits in places per the Treasury Management Strategy, maturity structure as at Q2 and the profile expected at year end.

Indicator 13 - Maturity	2024/25	2024/25	Actual at	Forecast
structure of fixed borrowing	Lower Limit	<b>Upper Limit</b>	30/09/24	at 31/03/25
Under 12 months	0%	40%	3%	2%
12 months to 2 years	0%	40%	1%	1%
2 years to 5 years	0%	60%	7%	9%
5 years to 10 years	0%	80%	14%	15%
10 years and above	10%	100%	75%	74%

#### **Local Prudential Indicators**

In addition to the statutory and local indicators listed above the Chief Finance Officer has set five additional local indicators aimed to add value and assist in the understanding of the main indicators. These are summarised in the table below.

Additional Local Indicator	2024/25 Target	2024/25 Actual as at 30/09/24
1. Borrowing rate achieved (i.e. temporary borrowing of loans less then 1 year)	Less than SONIA rate	No temporary loans taken
2. Investment rate achieved against the SONIA rate	Greater than SONIA rate (5.12% 6 month Ave)	5.25%
3. Average rate of interest paid on Council debt during the year	4.50%	3.26%
4. The amount of interest on debt as a percentage of gross revenue expenditure.	Reported at year end	
5. Net Income from Commercial and Service Investments to Net Revenue Stream	10.45%	10.58%

The interest rate achieved on investments compares favourably to the SONIA rate due to the use of fixed rate investments setup prior to Bank of England rate reduction forecasts. The council is also proactive with the use of money market funds and seeking best possible rates.

Average rate of interest paid on the Council's debt during the year - The council has benefitted from holding long term loans taken out prior to rates being as high as they have been over the last couple of years.

Net income from commercial and service investments has to Net revenue stream ratio being slightly higher due to rent reviews in excess of what was assumed at budget setting.

#### Economic Update from LINK (the Council's treasury advisors) NOTE – THIS WAS PREPARED AHEAD OF THE 2024 AUTUMN BUDGET

- The third quarter of 2024 (July to September) saw:
  - GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
  - A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
  - CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
  - Core CPI inflation increasing from 3.3% in July to 3.6% in August;
  - The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
  - 10-year gilt yields falling to 4.0% in September.
- The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.
- The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% m/m increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
- The government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Our colleagues at Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.
- The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3myy growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.
- Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job

vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its prepandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.

- CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.
- The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member (Swati Dhingra) voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no change.
- Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.
- Our forecast is next due to be updated around mid-November following the 30 October Budget, 5 November US presidential election and the 7 November MPC meeting and the release of the Bank of England Quarterly Monetary Policy Report.
- Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.
- The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on

several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

## MPC meetings: 9 May, 20 June, 1 August, 19 September 2024

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20<sup>th</sup> June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- Nonetheless, November still looks most likely to be the next month to see a rate cut to 4.75% but, thereafter, inflation and employment data releases, as well as geo-political events, are likely to be the determinant for what happens in the remainder of 2024/25 and into 2025/26.

#### Interest Rate Forecasts

The Authority has appointed Link Group as its treasury advisors and part of their service is to assist the Authority to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012.

Our latest forecast on 28 May sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance. Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1 November 2012.

Link Group Interest Rate View	28.05.24									
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10

# PERFORMANCE SCRUTINY COMMITTE

#### 14 NOVEMBER 2024

# SUBJECT:ANNUAL COMPLAINTS PERFORMANCE AND SERVICE<br/>IMPROVEMENT REPORT 2023-2024DIRECTORATE:CHIEF EXECUTIVE & TOWN CLERKREPORT AUTHOR:JOANNE CROOKES, CUSTOMER SERVICES MANAGER

#### 1. Purpose of Report

- 1.1 To present an annual complaints report including details from the Annual Review of Local Authority Complaints issued by the Local Government and Social Care Ombudsman (LGSCO) and the decisions of the Housing Ombudsman Service (HOS).
- 1.2 To report on the overall number of complaints received by the Council on a Directorate basis for the full year 2023-2024, including performance against target response times and the percentage of complaints which are upheld.

#### 2. Background

- 2.1 The council's complaints procedure includes two levels in response to formal complaints. Once the complaint has been considered and responded to by two separate officers the complainant is advised that if they are not satisfied with the final response, they can seek redress the relevant Ombudsman service.
- 2.2 Complaints relating to the landlord function of the council, as a provider of social housing, are escalated to the Housing Ombudsman Service. All other complaints, about any other service or aspect of council business fall under the jurisdiction of the Local Government and Social Care Ombudsman.
- 2.3 In April 2024 the Housing Ombudsman Complaint Handling Code (The Code), became statutory for all social housing providers. We have updated our policy to ensure that we comply with the code and, as it represents best practice in dealing with customer complaints, we have adopted the principles of the code as a corporate policy. This report summarises our performance in 2023-2024 i.e. before the Complaint Handling Code came into force.
- 2.4 There are a number of elements in The Code which are designed to ensure that our complaint handling performance is both effective and transparent. The HOS has a statutory duty to monitor our compliance with the code and they have powers to issue Complaint Handling Failure Orders where they find that performance is not conforming with The Code.
- 2.5 The main changes to our complaint handling are in terms of reporting of our performance, learning lessons from complaints, and ensuring that customers find it easy to make a complaint. We already had timescales for complaint handling which reflect the recommended response times in the code. These are:

- Initial acknowledgement within 5 days
- Level 1 complaints to be responded to within 10 working days of the acknowledgement, and
- Level 2 complaints to be resolved within 20 working days of the acknowledgement.
- 2.6 The Code requires that we complete an annual self-assessment against all of the provisions set out in the code. The self-assessment requires that we consider each element of the code and certify ourselves as either "Complied" or "Not Complied" with each of 78 provisions. Our self-assessment was also considered by the Lincoln Tenant's Panel prior to submission.
- 2.7 Our 2024 Corporate Complaints Policy and Guidance is compliant with many of the provisions but there are a small number of areas where we had to undertake work. At date of submission of the initial self-assessment (30 June 2024) only 5 of the provisions were self-assessed as non-compliant at the date of submission (30 June 2024) as detailed in 2.8 below. These are now almost complete in demonstrating full compliance with The Code. The self-assessment is available for inspection on the Council's website and is attached to this report as Appendix A.
- 2.8 The areas declared as non-compliant (as things were on the date of selfassessment i.e. 30 June 2024) are:
  - 1. The annual Complaints Performance and Service Improvement Report must be presented to members and published on our website. This report and subsequent publishing on our website will satisfy this provision.
  - 2. The annual Complaints Performance and Service Improvement Report must include details of the annual self-assessment against the code. This report and subsequent publishing on our website will satisfy this provision. The self-assessment itself is already published on our website and has been submitted to the Housing Ombudsman.
  - 3. There should be a policy to deal with unacceptable resident behaviours (in making complaints) which reflect the provisions of the code. This has been developed and will be adopted following approval by committee. This policy has been reviewed by Housing Scrutiny Sub Committee on 31 October 2024 and will be presented to Executive for approval on 18 November 2024.
  - 4. There should be a Remedies Policy to reflect the provisions of the code. This has been developed and will be adopted following approval by committee. This policy has been reviewed by Housing Scrutiny Sub Committee on 31 October 2024 and will be presented to Executive for approval on 18 November 2024.
  - 5. The requirement to have an objective around complaint handling for each relevant staff member was certified as an area of non-compliance but the latest review of job descriptions has identified that that each employee has reference to this in their job description and going forward it is recommended

that this is captured in the annual appraisal.

## 3. Complaints – Annual Performance (April 2023 – March 2024)

3.1 The number of complaints received over the year has slightly decreased over the peak of the previous year. Please see the figures in the table below at 3.3.

It is worth noting that there were some council services who had suspended their operations for several months in the year 2020-2021, due to Covid restrictions, and this will have reduced the potential for something to go wrong in that time and consequently kept complaints low.

3.2 In 2021, following the publication of the Housing Ombudsman's Complaint Handling Code, we changed our measure on response times to reflect the expectation that all complaints should be responded to within the agreed target time of 10 days for level one or 20 days for level two. Prior to this development we reported on the overall average response time across all complaints.

3.3	Year	Number of complaints	Average response time
	2019-2020	338	7.4 days
	2020-2021	260	8.1 days
	2021-2022	392	66% within target
	2022-2023	459	70% within target
	2023-2024	418	67% within target

#### 4 Breakdown of Complaints

4.2

4.1 Of the 418 complaints received for 2023-2024 the broad categories they relate to are set out in the table below. The figures for the previous 2 years are included for comparative purposes.

Service area or responsibility	2021-2022	2022-2023	2023-2024
Repairs & Maintenance	166	199	178
Community Services	7	15	36
Parking	7	39	33
Tenancy issues	67	75	29

Housing Solutions	64	51	26
Council Tax / NNDR	27	22	18
Planning and building control	5	9	17
Housing Investment	6	17	16
PPASB service	13	5	15
Events (Christmas Market)	10	7	13
Major developments	3	1	7
Recreation and Leisure	0	1	7
Private Housing	2	7	6
Bereavement Services	0	1	5
Benefits	4	0	3
Customer Services	2	2	3
Licensing	1	0	2
Financial Services	0	0	2
Legal Services	0	2	1
I.T (website)	0	0	1
Bus Station	1	1	0
Civic & Democratic Services	0	2	0
Property Services	1	2	0
Environmental Health	1	1	0
Human Resources	1	0	0
Total compleinte	202	450	44.0
Total complaints	392	459	418

4.3 Upheld complaints: Of the 418 complaints responded to in 2023-2024, Just over 50% (211) were upheld. This is in line with the 55% upheld last year.

In instances where a complaint is upheld customers are offered an explanation and an apology. In certain circumstances they may also be offered some other form of redress. Additionally, the officer upholding the complaint completes a feedback form for the directorate complaint monitoring officer outlining lessons learned, training needs and any recommended changes to procedures.

4.4 The lessons learned are reported through each Directorate Management Team (DMT) by the Directorate Monitoring Officer. DMTs are therefore fully aware of the complaints received. Where any changes to procedure are required or potential policy developments are needed these are discussed and taken forward as appropriate.

#### 5. Local Government and Social Care Ombudsman Annual Review Report

- 5.1 The LGSCO Advice team provides comprehensive information and advice to both the public and local authorities on complaints. It also produces an annual review of local government complaints which includes an overview of trends, followed by statistical tables detailing the numbers of complaints received from each local authority area broken down into general service areas. This data is published on their website.
- 5.2 The second data set details the number of decisions made and the outcome of those complaints which the LGSCO has undertaken to investigate fully. In terms

of outcome the only data published is whether the investigation has led to the complaint being upheld or not upheld. Details of the complaints themselves, the decision and any recommendations are now only available in the form of individual published decisions as they are released throughout the year.

5.3 In the year to 31 March 2024 the LGSCO made decisions on 13 new complaints about City of Lincoln Council services. This is in line with the previous two years, which saw 13 and 11 complaints respectively moving to the Ombudsman stage.

Service Area	2021-2022	2022-2023	2023-2024
Environmental Services	1	1	0
Housing	3	7	6
Revenues and Benefits	6	3	1
Corporate Services	0	0	0
Highways and Transport	0	2	2
Planning and Development	1	0	4
Totals	11	13	13

The general service areas of these were as follows:

- 5.4 One of the complaints were referred back for local resolution: This had not been through our own complaints procedure, and we had therefore not had the opportunity to investigate or resolve the complaint before the customer involved a third party in the issue. In effect this is not an LGSCO complaint.
- 5.5 Three of the complaints were closed after initial enquiries: These complaints are where the Ombudsman has decided that it could not or should not investigate the complaint; usually because the complaint is outside LGSCO's jurisdiction, and they cannot lawfully investigate it. The early assessment of a complaint may also show there was little injustice to a complainant that would need an LGSCO investigation of the matter, or that an investigation could not achieve anything, either because there was no fault, or the outcome a complainant wants is not one that the LGSCO could achieve, for example overturning a court order.
- 5.6 In four cases there was advice given: These are cases where the LGSCO would not look at a complaint because they had previously looked at the same complaint from the complainant, or another complaint handling organisation or advice agency was best placed to help them.
- 5.7 There were five complaints which were deemed appropriate for a full investigation. This compares with one investigation undertaken in the previous year and two for the year before that. Of the five fully investigated complaints three were "Not Upheld" and two were "Upheld". This is reported and published as an "Uphold rate" of 40%. The average District Council Uphold rate is 63%.
- 5.8 The two upheld complaints were reported as follows:
  - 1. <u>Housing Solutions:</u> Decided 30 May 2023 Mr X complained the Council failed to carry out proper checks and misrepresented information about a

prospective tenant introduced to him under its private landlord scheme. There was fault by the Council in failing to carry out, or properly carry out all the checks it said it would complete, and to be open and transparent about this and the information it had obtained, causing injustice. The Council agreed to the suggested remedy, by apologising to Mr X, making a payment to reflect the worry and uncertainty caused and undertook a service improvement.

2. <u>Highways and Transport (Car-Parking)</u>: Decided 10 July 2023 - Mr X complained the Council failed to follow statutory guidance on enforcing parking restrictions through a lack of signage at a car park detailing the relevant conditions of parking. Mr X also complained the Council failed to consider the Equality Act 2010 by failing to make reasonable adjustments for disabled drivers. There was fault by the Council for its delays in implementing new signage and the way in which the Council handled Mr X's complaint. The Council agreed to apologise to Mr X, pay him compensation and complete a review of the signage at the car park.

#### 6. Housing Ombudsman Service Complaints

- 6.1 Tenancy related complaints i.e., those which are classed as a landlord function, are referred to The Housing Ombudsman Service (HOS), rather than being dealt with by the LGSCO.
- 6.2 The Housing Ombudsman publishes its decisions and a summary of landlord performance on its website. They create individual reports for landlords with 5 or more findings in the year. These findings are counted individually and there may be multiple findings from a single complaint.
- 6.3 In 2023-2024 The Housing Ombudsman upheld 2 complaints made to it by our residents. These 2 complaints resulted in 5 findings, and the Council has received an individual report to this effect which was published on 5 November 2024. The details of these were as follows in para 6.4:
- 6.4 Upheld Housing Ombudsman Complaints:
  - 1. The tenant complained about ongoing outstanding repairs which were not completed. There were reports of damp and mould which were not dealt with in accordance with policy, and there was a delay in responding to the tenant's complaints. The HOS found fault with the council and issued a finding of Service Failure in dealing with the repairs, and two findings of Maladministration. These were in connection with how the Damp and Mould was dealt with and another finding of Maladministration for delays in responding to the complaint. This one complaint resulted in three findings.

For this complainant, the following remedies were ordered.

- A written apology to the tenant for the service failure identified in the investigation.
- The council to perform a survey of the resident's property and provide the resident with a list of the works needed to combat any damp and mould

identified in this survey along with timescales for completing the work.

- Payment of compensation for distress caused by the delays.
- Provide evidence to the HOS that we have complied with the orders.
- 2. The tenant complained about Damp and Mould in the property. This was not dealt with in a timely manner and tenants were affected by the condition of their home. The HOS found fault with the council and issued a verdict of Maladministration for how with the Damp and Mould was dealt with and another finding of Maladministration for how the complaint was handled. The maladministration in dealing with the complaint was associated with a situation where an officer was promoted internally, had dealt with the level one complaint as a supervisor and then responded to the level two complaint in their new role as service manager due to a cross over period. The policy states that the level one and the level two complaints will be investigated by two separate officers, and therefore did not adhere to policy on this occasion. This one complaint resulted in two findings. The following remedies were ordered:
  - A written apology to the tenant for the failures identified in the investigation.
  - Payment of compensation for distress caused by the delays.
  - Completion of a post inspection report, with a copy sent to the tenant.
  - A management review of the complaint handling process to be completed and submitted to the HOS.
  - A self-assessment against the HOS Spotlight report on Damp and Mould to be completed and submitted to the HOS.
  - A self-assessment against the HOS Spotlight report on Knowledge and Information Management to be completed and submitted to the HOS.
  - Refresher training to be provided to staff dealing with complaints.
  - Provide evidence to the HOS that we have complied with the orders.
- 6.5 The Council has complied with the orders and recommendations of the Housing Ombudsman and have received a rating of 100% compliant in our report.

# 7 Complaint Trends

- 7.1 In the full year to 31 March 2024 there has been a slight decrease in the number of complaints received compared to the previous year.
- 7.2 Complaints from our tenants about repairs to their homes, continue to be our most common complaint although there was a reduction in 2023/24 compared to the previous year. The Council, along with other stock holding authorities and Registered Social landlords continued to see reports of damp, mould and condensation within our stock during this reporting period.
- 7.3 Complaints about Community Services, Major Developments, Planning and Building Control, Recreation and Leisure and PPASB have increased on the previous year.
- 7.4 Complaints about Tenancy Services and Housing Solutions have seen a notable

reduction in the number of complaints received over the year. Additionally, complaints to DHI during 2023/24 decreased by over 100 when compared to previous years.

7.5 It should be noted that in April 2024, the Housing Ombudsman Complaint Handling Code became statutory. The way that complaints are handled has changed from April 2024 to ensure that we are complying with the requirements of the code. Any resident expressing dissatisfaction informally must be given the opportunity to make a complaint which receives a formal response. As such, it is anticipated that future trends will see an increase in formally recorded complaints.

## 8 Learning from Complaints

- 8.1 When an individual complaint is investigated and responded to, the responding manager or team-leader is required to complete a Complaint Outcome Report.
- 8.2 This report asks for details about the response and the decision to uphold the complaint or otherwise. Where there is learning as a result of the complaint this is outlined on the report and details of changes to policies, processes, or information is described.
- 8.3 A new procedure was implemented in April 2024 to record and monitor lessons learned in a more structured way and as such, the next year's report covering the period April 2024 March 2025 will have a comprehensive update.
- 8.4 Some examples of learning from complaints over the April 2023 March 2024 period are listed here:
  - A complaint from a person applying to go on the Housing register identified that the information set out for applicants on the Homefinder web page was not sufficiently explicit about what the applicant needed to complete and what they were required to provide in terms of evidence. As a result, the contents of the website were reviewed and the wording amended to make it much clearer to applicants about what they need to do and what the next steps are.
  - 2. A complaint about a billing error meant that the call recording was reviewed, and it was identified that the team member was misinterpreting the procedures. The resident's account was corrected, and the learning led to refresher training for the individual.
  - 3. A complaint about the inaccessibility of the kennels used for stray animals led to a review of the payment process which means that people can now collect their pets at weekends.

#### 9 Compliments

9.1 Despite the current challenges and pressures, the council continues to receive regular compliments from the public. These tend to acknowledge the

professionalism of staff and occur across all service areas. Residents often take the time to appreciate the care and consideration demonstrated by our staff.

Some examples of positive feedback are as follows:

Council Tax - "I would like to thank you for taking the time to send such a kind reply - and above all for taking into account the human dimension into the whole situation. This is appreciated beyond words - and it means a lot"

Parking Services - "I just wanted to say how lovely and helpful your staff member always is, in any dealings that I have responses are always very prompt and she is very helpful if I am seeking help, she is a credit to your team".

Benefits - I would like to express my thanks to the excellent benefits team. I do not think, in this day and age, enough attention is paid to those that provide an excellent service and in this case, I'm pleased to say that I've had nothing but a first class and speedy service from yourselves over the past few weeks following the recent reduction in my state pension entitlement. Both on the phone and by email, you have all provided me with a quick and courteous service, and this is very much appreciated.

Housing Repairs Service - "The workers did a very good job, they were very polite, they were on time, they were very helpful and put things back where they found them and cleaned up after themselves".

Customer Service – "I would like to compliment Lincoln Council for their excellent customer service and systems. On a few occasions I have needed to contact the council about Council Tax and each time the people who work in customer service, are professional, helpful and well informed. The system of speaking to someone directly is really useful when compared to my local council in Sussex. Please pass on my feedback"

Even where we make a mistake, customers appreciate it when we take prompt action to redress the issue. A member of the public was charged twice for their car park charge – money was refunded. Customer feedback was "Thank you so much for both a positive, and very quick resolution to this issue. I am mightily impressed"

#### **10.** Organisational Impacts

Strategic Priority: High Performing Services

#### <u>Finance</u>

The Council pays an annual fee to the Housing Ombudsman Service (HOS). Membership is mandatory for all social landlords and the current fee is £8.03 per home. At our current level of stock this costs in excess of £64,000. Last year the HOS ordered the Council to pay a total of £1,850 in compensation to our tenants.

Legal - There are no direct legal implications arising from this report.

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

To ensure that we deliver our Equality Duty we accept complaints from customers via all communication channels. Customers can complain in person, verbally, in writing or via our online complaints template. Customers who need assistance to log a complaint can get help from Customer Services to ensure that they are heard. All complaints received are dealt with equally regardless of how they are made.

<u>Community engagement and communications</u> - We welcome feedback from customers and clearly promote the Complaints procedure on our website and in our public buildings.

#### 11 Recommendations

11.1 Members to consider and comment on the complaints report for 2023-2024

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	None
List of Background Papers:	None

Lead Officer:

Joanne Crookes, Customer Services Manager jo.crookes@lincoln.gov.uk

# **Appendix A: Self-Assessment Form**

This self-assessment form should be completed by the complaints officer and it must be reviewed and approved by the landlord's governing body at least annually.

Once approved, landlords must publish the self-assessment as part of the annual complaints performance and service improvement report on their website. The governing body's response to the report must be published alongside this.

Landlords are required to complete the self-assessment in full and support all statements with evidence, with additional commentary, as necessary.

We recognise that there may be a small number of circumstances where landlords are unable to meet the requirements, for example, if they do not have a website. In these circumstances, we expect landlords to deliver the intentions of the Code in an alternative way, for example by publishing information in a public area so that it is easily accessible.

## Section 1: Definition of a Complaint

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
1.2	A complaint must be defined as: 'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the landlord, its own staff, or those acting on its behalf, affecting a resident or group of residents.'	Yes	Complaints Policy contains this definition	
1.3	A resident does not have to use the word 'complaint' for it to be treated as such. Whenever a resident expresses dissatisfaction landlords must give them the choice to make complaint. A complaint that is submitted via a third party or representative must be handled in line with the landlord's complaints policy.	Yes	The Complaints Policy contains this definition and the recognition of 3 <sup>rd</sup> party or representatives' ability to complain on behalf of the resident. Staff information emphasises this aspect. See Video for launch of policy and emails to all staff.	
1.4	Landlords must recognise the difference between a service request and a complaint. This must be set out in their complaints policy. A service request is a request from a resident to the landlord requiring action to be taken to put something right. Service requests are not complaints, but must be	Yes	The Complaints Policy reflects this	

	recorded, monitored and reviewed regularly.			
1.5	A complaint must be raised when the resident expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. Landlords must not stop their efforts to address the service request if the resident complains.	Yes	This definition is included in our policy	
1.6	An expression of dissatisfaction with services made through a survey is not defined as a complaint, though wherever possible, the person completing the survey should be made aware of how they can pursue a complaint if they wish to. Where landlords ask for wider feedback about their services, they also must provide details of how residents can complain.	Yes	This is in the policy. Corporate Communications and Policy Unit have been briefed.	

#### **Section 2: Exclusions**

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
2.1	Landlords must accept a complaint unless there is a valid reason not to do so. If landlords decide not to accept a complaint they must be able to evidence their reasoning. Each complaint must be considered on its own merits	Yes	Set out in the Complaints Policy	
	A complaints policy must set out the circumstances in which a matter will not be considered as a complaint or escalated, and these circumstances must be fair and reasonable to residents. Acceptable exclusions include:			
2.2	<ul> <li>The issue giving rise to the complaint occurred over twelve months ago.</li> </ul>	Yes	Exclusions are clearly set out in the Complaints Policy	
	<ul> <li>Legal proceedings have started. This is defined as details of the claim, such as the Claim Form and Particulars of Claim, having been filed at court.</li> </ul>			
	<ul> <li>Matters that have previously been considered under the complaints policy.</li> </ul>			

2.3	Landlords must accept complaints referred to them within 12 months of the issue occurring or the resident becoming aware of the issue, unless they are excluded on other grounds. Landlords must consider whether to apply discretion to accept complaints made outside this time limit where there are good reasons to do so.	Yes	As set out in our Policy	
2.4	If a landlord decides not to accept a complaint, an explanation must be provided to the resident setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman. If the Ombudsman does not agree that the exclusion has been fairly applied, the Ombudsman may tell the landlord to take on the complaint.	Yes	As set out in our Policy	
2.5	Landlords must not take a blanket approach to excluding complaints; they must consider the individual circumstances of each complaint.	Yes	As set out in our Policy	

# Section 3: Accessibility and Awareness

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
3.1	Landlords must make it easy for residents to complain by providing different channels through which they can make a complaint. Landlords must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of residents who may need to access the complaints process.	Yes	Residents can complain by any means. See Corporate Complaints policy and video launch for confirmation	
3.2	Residents must be able to raise their complaints in any way and with any member of staff. All staff must be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the landlord.	Yes	Residents can complain by any means and to any member of staff, wherever they work. See Corporate Complaints policy and video launch for confirmation	
3.3	High volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that residents are unable to complain.	Yes	Complaints are seen as an opportunity to put things right and to learn. See Corporate Complaints policy and video launch for confirmation	
3.4	Landlords must make their complaint policy available in a clear and accessible format for all residents. This will detail the two stage process, what	Yes	We are compliant with this	

3.6	deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the landlord. Landlords must provide residents with information on their right to access the Ombudsman service and how the individual can engage with the	Yes	<ul> <li>Please see Complaints Policy and the Guidance notes for staff on responding to complaints.</li> <li>Please see Complaints Policy and the Guidance notes for staff on responding to complaints.</li> <li>This includes details of what</li> </ul>	
	about the Ombudsman and this Code. Landlords must give residents the opportunity to have a representative		Please see Complaints Policy	
3.5	The policy must explain how the landlord will publicise details of the complaints policy, including information	Yes		
	will happen at each stage, and the timeframes for responding. The policy must also be published on the landlord's website.			

# Section 4: Complaint Handling Staff

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
4.1	Landlords must have a person or team assigned to take responsibility for complaint handling, including liaison with the Ombudsman and ensuring complaints are reported to the governing body (or equivalent). This Code will refer to that person or team as the 'complaints officer.' This role may be in addition to other duties.	Yes	Complaints handling team clearly set out in appendix to policy	
4.2	The complaints officer must have access to staff at all levels to facilitate the prompt resolution of complaints. They must also have the authority and autonomy to act to resolve disputes promptly and fairly.	Yes	Yes – complaints officer suitably senior and has empowerment and access to staff at all levels. Has been tasked with undertaking management review of recent upheld HOS decisions.	
4.3	Landlords are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff must be suitably trained in the importance of complaint handling. It is important that complaints are seen as a core service and must be resourced to handle complaints effectively	Yes	Complaints handling team clearly set out in appendix to policy. Regular reporting of Complaint Outcome reports and monitoring of response times. All staff reminded of importance via corporate video.	

# Section 5: The Complaint Handling Process

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
5.1	Landlords must have a single policy in place for dealing with complaints covered by this Code. Residents must not be treated differently if they complain.	Yes	Single Policy in existence across all areas/services.	
5.2	The early and local resolution of issues between landlords and residents is key to effective complaint handling. It is not appropriate to have extra named stages (such as 'stage 0' or 'informal complaint') as this causes unnecessary confusion.	Yes	We have no informal complaint level – This is set out in the policy and was emphasised in the corporate launch video and in email to all staff.	
5.3	A process with more than two stages is not acceptable under any circumstances as this will make the complaint process unduly long and delay access to the Ombudsman.	Yes	Our policy complies with this provision in the code.	
5.4	Where a landlord's complaint response is handled by a third party (e.g. a contractor or independent adjudicator) at any stage, it must form part of the two stage complaints process set out in this Code. Residents must not be expected to go through two complaints processes.	Yes	Where contractors deliver services on our behalf, for example central heating repairs – we remain the responsible party. All complaints about services which are our responsibility to deliver will be dealt with through our own 2 stage complaint process,	

5.5	Landlords are responsible for ensuring that any third parties handle complaints in line with the Code.	Yes	We do not use third party complaints processes. Customers are encouraged to raise their complaints with us as their landlord/council	
5.6	When a complaint is logged at Stage 1 or escalated to Stage 2, landlords must set out their understanding of the complaint and the outcomes the resident is seeking. The Code will refer to this as "the complaint definition." If any aspect of the complaint is unclear, the resident must be asked for clarification.	Yes	This process is set out in both our policy and the staff guidance notes	
5.7	When a complaint is acknowledged at either stage, landlords must be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.	Yes	This process is set out clearly the staff guidance notes	
5.8	<ul> <li>At each stage of the complaints process, complaint handlers must:</li> <li>a. deal with complaints on their merits, act independently, and have an open mind;</li> <li>b. give the resident a fair chance to set out their position;</li> <li>c. take measures to address any actual or perceived conflict of interest; and</li> <li>d. consider all relevant information and evidence carefully.</li> </ul>	Yes	This process is set out clearly the staff guidance notes	

	e.			
5.9	Where a response to a complaint will fall outside the timescales set out in this Code, the landlord must agree with the resident suitable intervals for keeping them informed about their complaint.	Yes	This process is set out clearly in the staff guidance notes	
5.10	Landlords must make reasonable adjustments for residents where appropriate under the Equality Act 2010. Landlords must keep a record of any reasonable adjustments agreed, as well as a record of any disabilities a resident has disclosed. Any agreed reasonable adjustments must be kept under active review.	In Progress	We are currently undertaking a full census. As at 28/5/24 we have 7,638 occupied properties. So far, we have returned censuses from 552 properties. Of these returns 70% of tenants are reporting a long-term health problem or disability	Census in progress and new IT system will allow for better record-keeping and alerts.
5.11	Landlords must not refuse to escalate a complaint through all stages of the complaints procedure unless it has valid reasons to do so. Landlords must clearly set out these reasons, and they must comply with the provisions set out in section 2 of this Code.	Yes	This process is set out clearly in the staff guidance notes	
5.12	A full record must be kept of the complaint, and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the resident, correspondence with other parties, and any relevant supporting documentation such as reports or surveys.	Yes	This process is set out clearly in the staff guidance notes	

5.13	Landlords must have processes in place to ensure a complaint can be remedied at any stage of its complaints process. Landlords must ensure appropriate remedies can be provided at any stage of the complaints process without the need for escalation.	No	We do not currently have an approved Remedies Policy	This policy is under development
5.14	Landlords must have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives. Landlords must be able to evidence reasons for putting any restrictions in place and must keep restrictions under regular review.	No	We do not currently have an approved Unacceptable Behaviour Policy	This policy is under development
5.15	Any restrictions placed on contact due to unacceptable behaviour must be proportionate and demonstrate regard for the provisions of the Equality Act 2010.	Under review	See Unacceptable Behaviour Policy	This policy is under development

## Section 6: Complaints Stages

#### <u>Stage 1</u>

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.1	Landlords must have processes in place to consider which complaints can be responded to as early as possible, and which require further investigation. Landlords must consider factors such as the complexity of the complaint and whether the resident is vulnerable or at risk. Most stage 1 complaints can be resolved promptly, and an explanation, apology or resolution provided to the resident.	Yes	Our policy and guidelines expect this.	
6.2	Complaints must be acknowledged, defined and logged at stage 1 of the complaints procedure <u>within five</u> <u>working days of the complaint being</u> <u>received</u> .	Yes	This process is set out in both our policy and the staff guidance notes	
6.3	Landlords must issue a full response to stage 1 complaints <u>within 10 working</u> <u>days</u> of the complaint being acknowledged.	Yes	This process is set out in both our policy and the staff guidance notes	
6.4	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident	Yes	This process is set out in both our policy and the staff guidance notes	

	of the expected timescale for response. Any extension must be no more than 10 working days without good reason, and the reason(s) must be clearly explained to the resident.			
6.5	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	This process is set out in both our policy and the staff guidance notes	
6.6	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	This process is set out in both our policy and the staff guidance notes	
6.7	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	This process is set out in both our policy and the staff guidance notes	
6.8	Where residents raise additional complaints during the investigation, these must be incorporated into the stage 1 response if they are related and the stage 1 response has not been issued. Where the stage 1 response has been issued, the new issues are unrelated to the issues already being	Yes	This process is set out in both our policy and the staff guidance notes	

	investigated or it would unreasonably delay the response, the new issues must be logged as a new complaint.			
6.9	Landlords must confirm the following in writing to the resident at the completion of stage 1 in clear, plain language: a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.	Yes	This process is set out in both our policy and the staff guidance notes	

## <u>Stage 2</u>

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.10	If all or part of the complaint is not resolved to the resident's satisfaction at stage 1, it must be progressed to stage 2 of the landlord's procedure. Stage 2 is the landlord's final response.	Yes	This process is set out in both our policy and the staff guidance notes	
6.11	Requests for stage 2 must be acknowledged, defined and logged at stage 2 of the complaints procedure	Yes	This process is set out in both our policy and the staff guidance notes	

	within five working days of the escalation request being received.			
6.12	Residents must not be required to explain their reasons for requesting a stage 2 consideration. Landlords are expected to make reasonable efforts to understand why a resident remains unhappy as part of its stage 2 response.	Yes	This process is set out in both our policy and the staff guidance notes	
6.13	The person considering the complaint at stage 2 must not be the same person that considered the complaint at stage 1.	Yes	This process is set out in both our policy and the staff guidance notes	
6.14	Landlords must issue a final response to the stage 2 <u>within 20 working days</u> of the complaint being acknowledged.	Yes	This process is set out in both our policy and the staff guidance notes	
6.15	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 20 working days without good reason, and the reason(s) must be clearly explained to the resident.	Yes	This process is set out in both our policy and the staff guidance notes	
6.16	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	This process is set out in both our policy and the staff guidance notes	
6.17	A complaint response must be provided to the resident when the answer to the complaint is known, not when the	Yes	This process is set out in both our policy and the staff guidance notes	

	outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.			
6.18	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	This process is set out in both our policy and the staff guidance notes	
6.19	<ul> <li>Landlords must confirm the following in writing to the resident at the completion of stage 2 in clear, plain language: <ul> <li>a. the complaint stage;</li> <li>b. the complaint definition;</li> <li>c. the decision on the complaint;</li> <li>d. the reasons for any decisions made;</li> <li>e. the details of any remedy offered to put things right;</li> <li>f. details of any outstanding actions; and</li> <li>g. details of how to escalate the matter to the Ombudsman Service if the individual remains dissatisfied.</li> </ul> </li> </ul>	Yes	This requirement is clearly set out in the staff complaint handling guidance notes	
6.20	Stage 2 is the landlord's final response and must involve all suitable staff members needed to issue such a response.	Yes	This requirement is clearly set out in the staff complaint handling guidance notes	

# Section 7: Putting Things Right

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
7.1	<ul> <li>Where something has gone wrong a landlord must acknowledge this and set out the actions it has already taken, or intends to take, to put things right.</li> <li>These can include: <ul> <li>Apologising;</li> <li>Acknowledging where things have gone wrong;</li> <li>Providing an explanation, assistance or reasons;</li> <li>Taking action if there has been delay;</li> <li>Reconsidering or changing a decision;</li> <li>Amending a record or adding a correction or addendum;</li> <li>Providing a financial remedy;</li> <li>Changing policies, procedures or practices.</li> </ul> </li> </ul>	No		Remedies Policy under development
7.2	Any remedy offered must reflect the impact on the resident as a result of any fault identified.	No		Remedies Policy under development
7.3	The remedy offer must clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.	No		Remedies Policy under development

7.4 Landlords must take guidance issued by when deciding on a remedies.	the Ombudsman	No		Remedies Policy under development
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## Section 8: Self-Assessment, Reporting and Compliance

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
8.1	Landlords must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include: a. the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements. b. a qualitative and quantitative analysis of the landlord's complaint handling performance. This must also include a summary of the types of complaints the landlord has refused to accept; c. any findings of non-compliance with this Code by the Ombudsman; d. the service improvements made as a result of the learning from complaints; e. any annual report about the landlord's performance from the Ombudsman; and f. any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlord.	In Progress	The annual report has been compiled and is currently going through consultation. It will be presented to the Corporate Management Team and then the Governing body at Performance Scrutiny Committee on 14 November 2024. The report and the minutes of this meeting will be published on our website. The implications will be discussed further at our Audit Committee on 10 December 2024 and will form part of our overall Audit Report.	

8.2	The annual complaints performance and service improvement report must be reported to the landlord's governing body (or equivalent) and published on the on the section of its website relating to complaints. The governing body's response to the report must be published alongside this.	In Progress	This has not yet happened but is part of our policy and process. Please refer to the notes in 8.1	
8.3	Landlords must also carry out a self- assessment following a significant restructure, merger and/or change in procedures.	Yes	This has not happened but is part of our policy and processes	
8.4	Landlords may be asked to review and update the self-assessment following an Ombudsman investigation.	Yes	This is within the remit of the HOS	
8.5	If a landlord is unable to comply with the Code due to exceptional circumstances, such as a cyber incident, they must inform the Ombudsman, provide information to residents who may be affected, and publish this on their website Landlords must provide a timescale for returning to compliance with the Code.	YES	Business Continuity Plan and Emergency Plan	

## Section 9: Scrutiny & Oversight: Continuous Learning and Improvement

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
9.1	Landlords must look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.	Yes	This is part of our complaints policy. Also, our BD team are working on a tool to ensure that all learning is captured and service improvements monitored and can be reported on more efficiently.	
9.2	A positive complaint handling culture is integral to the effectiveness with which landlords resolve disputes. Landlords must use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.		As above	
9.3	Accountability and transparency are also integral to a positive complaint handling culture. Landlords must report back on wider learning and improvements from complaints to stakeholders, such as residents' panels, staff and relevant committees.	Yes	This is part of our policy and the new processes following the Code becoming statutory.	
9.4	Landlords must appoint a suitably senior lead person as accountable for their complaint handling. This person must assess any themes or trends to identify potential systemic issues,	Yes	Lead officer is Customer Services Manager. MRC is the Portfolio Holder for Customer Experience, Review and Resources	

	serious risks, or policies and procedures that require revision.			
9.5	In addition to this a member of the governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to as the Member Responsible for Complaints ('the MRC').	Yes	Portfolio Holder for Customer Experience, Review and Resources	
9.6	The MRC will be responsible for ensuring the governing body receives regular information on complaints that provides insight on the landlord's complaint handling performance. This person must have access to suitable information and staff to perform this role and report on their findings.	Yes	This has not yet happened but is part of our policy and process and will happen.	
9.7	As a minimum, the MRC and the governing body (or equivalent) must receive: a. regular updates on the volume, categories and outcomes of complaints, alongside complaint handling performance; b. regular reviews of issues and trends arising from complaint handling; c. regular updates on the outcomes of the Ombudsman's investigations and progress made in complying with	Yes	This has not yet happened but is part of our policy and process and will happen.	

	orders related to severe maladministration findings; and d. annual complaints performance and service improvement report. Landlords must have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to: a. have a collaborative and co-		This is included as part of the job	
9.8	operative approach towards resolving complaints, working with colleagues across teams and departments; b. take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and c. act within the professional standards for engaging with complaints as set by any relevant professional body.	Partially	description for all roles – (specified in the corporate section). Some further work is required to ensure that t forms part of the discussion at annual appraisals and objective setting for all relevant employees.	