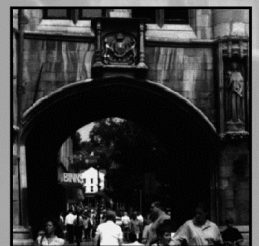


CITY OF
Lincoln
COUNCIL

Council Summons



For the meeting to be held on
Tuesday, 23 January 2018

Summons Council

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CITY OF LINCOLN COUNCIL

Sir/Madam,

You are hereby summoned to attend the meeting of the COUNCIL of the City of Lincoln to be held at The Guildhall on Tuesday, 23 January 2018 at 6.30 pm.



Chief Executive and Town Clerk

Angela Andrews

A G E N D A

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The agenda for this meeting of Council was published on 15 January 2018. The Pay Policy Statement item is scheduled to be considered at the meeting of the Executive on 22 January 2018. A copy of the Executive report is therefore attached.

A extract of the minutes from the meeting of the Executive in relation to this item will be published and circulated via a supplement as soon as practicable after the meeting.

- Present:** Councillor Chris Burke (*in the Chair*),
Councillor Biff Bean, Councillor Yvonne Bodger,
Councillor Kathleen Brothwell, Councillor Sue Burke,
Councillor Bob Bushell, Councillor Gill Clayton-Hewson,
Councillor Thomas Dyer, Councillor Geoff Ellis, Councillor
Paul Gowen, Councillor Gary Hewson, Councillor
Ronald Hills, Councillor Andy Kerry, Councillor
Jackie Kirk, Councillor Rosanne Kirk, Councillor
Liz Maxwell, Councillor Neil Murray, Councillor
Donald Nannestad, Councillor Lucinda Preston,
Councillor Fay Smith, Councillor Tony Speakman,
Councillor Edmund Strengiel, Councillor Ralph Toofany,
Councillor Naomi Twedde, Councillor Pat Vaughan,
Councillor Keith Weaver and Councillor Peter West
- Apologies for Absence:** Councillor Jim Hanrahan, Councillor Jane Loffhagen,
Councillor Helena Mair, Councillor Adrianna McNulty,
Councillor Ric Metcalfe and Councillor Loraine Woolley

Mayoral Announcements

The Mayor reported that John Thomas, Chief Executive of the City of Lincoln Council between 1981 and 1994 and former Treasurer, had recently passed away. The Mayor said that Mr Thomas had made a big difference to the city and was well known by members and officers. Council observed a moment of silence in his memory.

The Mayor welcomed Councillor Lucinda Preston to her first meeting of the Council since her election following the Carholme By Election held on 19 October 2017.

The Mayor reported that he had attended approximately 37 civic engagements and events this month in his capacity as Mayor, highlighting that details relating to each were available on Facebook and Twitter.

25. Confirmation of Minutes - 26 September 2017

RESOLVED that the minutes of the meeting held on 26 September 2017 be confirmed, subject to the inclusion of the word 'Local' to Councillor Strengiel's declaration of interest at minute number 22(a) so that it read 'Birchwood Big Local'.

26. Declarations of Interest

No declarations of interest were received.

27. Receive Any Questions under Council Procedure Rule 11 from Members of the Public and Provide Answers thereon

No questions from members of the public were received.

28. Receive Any Questions under Council Procedure Rule 12 from Members and Provide Answers thereon

Councillor Ron Hills, Leader of the Opposition, asked the following question to the Leader of the Council:

“Now that the planning inspectors have revised the decision of our planning committee on the "floating restaurant" by granting it planning consent, how is that decision going to be given permission of commencement by the landlords? Who in this instance, happen to be the council.”

Councillor Donald Nannestad, Deputy Leader of the Council, responded on behalf of the Leader and said that once a request had been submitted a decision would be taken by the Executive due to this being a property matter, in accordance with the Council’s Constitution.

Councillor Ron Hills, as a supplemental question, asked:

“If this is an Executive decision, will it be applicable for Call In if enough members felt it needed to be used?”

Councillor Nannestad reiterated that no formal request had yet been received.

**29. Receive Reports under Council Procedure Rule 2 (vi) from Members
(a) Chair of the Performance Scrutiny Committee**

Councillor Gary Hewson, Chair of the Performance Scrutiny Committee, presented Council with a report on the work of the Performance Scrutiny Committee.

Councillor Hewson took the opportunity to thank members of the committee for their commitment and contributions throughout the year and, in particular, thanked Councillor Tony Speakman as Vice Chair for the time and effort he had put into the work of the Committee. He also thanked Pat Jukes, Business Manager – Corporate Policy, and officers for the work they undertook to support the Committee.

Clarification was sought over the term ‘key contextual benchmarking indicators’ which had been used in the report. Councillor Hewson explained that performance indicators and performance measures were an important part of being able to monitor the performance of the Council’s services. He added that key contextual benchmarking indicators were those indicators used to compare the Council’s performance with that of other local authorities and statistical neighbours, but made the point that this could sometimes be misleading due to some indicators not always being measured on a like-for-like basis.

Council noted the report.

(b) Portfolio Holder for Planning and Economic Regeneration

Councillor Neil Murray, Portfolio Holder for Planning Policy and Economic Regeneration, presented Council with a report on the work of his portfolio.

Some members expressed their disappointment that the report did not include more detail considering the significance of the projects referred to in the document.

It was noted that Councillor Murray had recently attended a meeting of the Performance Scrutiny Committee where he was questioned in depth about the matters included in the report, which he answered fully and provided significant updates on.

Councillor Murray had purposely written the report to be brief and welcomed the opportunity to answer questions on any of the projects he had included. The following updates were noted:

- Western Growth Corridor – all members had been invited to attend briefings and had been given the opportunity to keep themselves updated on the status of this scheme. The project remained vitally important for the Council in terms of the building of new houses for people to live in and better leisure facilities for people to enjoy in the city;
- Parking in Lincoln and the Transport Hub – the Central Lincoln car park was now open, which gave the city the car parking capacity it needed. The new Transport Hub was also progressing well and would be a vast improvement to the previous bus station. Improvements to the Sincil Street and Cornhill area by the Co-operative were progressing extremely well and were an excellent example of how buildings could be knocked down but the historic value of the area retained for a more modern use and purpose;
- Regeneration in Park Ward – no plans had been agreed at this stage, but Councillor Murray was hopeful that solid projects would soon be put in place that people in the ward and community would be able to support. The area was currently used as a free car park for commuters or visitors to the city, which he hoped the County Council would assist with addressing as part of this regeneration;
- Christmas market – the Christmas market was due to open on 7 December 2017 and the Council's officers committed a huge amount of time to ensure the market was a success. Councillor Murray was confident that this year's Christmas market would deliver its usual high standards, noting that this year's costs would be greater than expected due to additional security measures which were unfortunately unavoidable in the current climate;
- Heritage – the Council was continuing to do what it could to protect its historic environment. The City of Lincoln Council would be the first authority in the country to adopt the ARCADE system which would provide the public with online access to heritage data, including records of historic buildings, archaeological discoveries, historic maps and a library of photographs and reports. The Council's conservation areas had not been reviewed for some considerable time so consideration would soon be given to the conversation area 'character zones'. The Council had been successful in enforcing planning law in relation to a historic building and the Council was in the process of trying to bring another into occupation. Councillor Murray emphasised that officers were being vigilant in respect of historic buildings.

Council noted the update.

30. To Consider the Following Recommendations of the Executive and Committees of the Council

(a) Community Infrastructure Levy

It was proposed by Councillor Donald Nannestad, Deputy Leader of the Council and seconded by Councillor Geoff Ellis.

A query was raised in relation to the wording of paragraph 4 in Appendix A regarding the rate of £25 per square metre proposed for Sustainable Urban Extensions. It was noted that the document had been produced by the Planning Inspectorate's examiner and therefore could not be amended, but it was agreed that clarification on the matter would be sought.

RESOLVED that Council:

- (1) Approves the modifications as set out in the City of Lincoln Council CIL Examination Report (Appendix 1) to the Draft Charging Schedule.
- (2) Incorporates those modifications into the City of Lincoln Council CIL Charging Schedule.
- (3) Adopts the amended City of Lincoln Council CIL Charging Schedule as set out in Appendix 2 of the report.
- (4) Approves the supporting policies outlined in Appendix 3 of the report (Regulation 123 List, Instalments and In-Kind Policies).
- (5) Implements the CIL Charging Schedule on a date as soon as is practicable on or after 1 January 2018.
- (6) Incorporates this additional function within its Constitution.

(b) Review of the Housing Appeals Panel Procedures

It was proposed by Councillor Donald Nannestad, Deputy Leader of the Council, and seconded by Councillor Geoff Ellis.

A query was raised regarding the quorum of the Housing Appeals Panel, which had previously required either the Chair or the Vice Chair to be present. It was noted that this requirement had been removed from the proposed amendments to the Housing Appeals Panel procedures.

RESOLVED that Council amends the Constitution to reflect amendments to the Housing Appeals Panel procedures agreed by the Executive on 30 October 2017.

(c) Amendment to Minimum Revenue Provision Policy

It was proposed by Councillor Donald Nannestad, Deputy Leader of the Council, and seconded by Councillor Geoff Ellis.

RESOLVED that Council approves changes to the Minimum Revenue Provision Policy.

(d) Procurement Policies

It was proposed by Councillor Donald Nannestad, Deputy Leader of the Council, and seconded by Councillor Geoff Ellis.

Councillor Nannestad, in proposing the motion, said that an important part of implementing these new policies would be about how people were informed about them. He confirmed that considerable effort would be going into communicating the documents through the Chamber of Commerce and the Lincoln Business Hub to encourage people to use the policies and do business with the Council.

Councillor Ron Hills, Leader of the Opposition, queried the definition of 'local' and 'social value', making reference to the living wage and the national living wage. He was concerned that the Procurement Policies set these definitions in such a way that they could disadvantage some local companies in the city. He referred to a question posed at the meeting of the Policy Scrutiny Committee on 10 October 2017 where the issue of social value had been raised in the context of works at St Botolphs Court and Shuttleworth House.

Councillor Nannestad responded by reminding Council that the definition of 'local' and 'social value' in the proposed policies were not different to the definitions included in the policies of Procurement Lincolnshire, previously used by the City of Lincoln Council prior to leaving the partnership arrangement.

RESOLVED that the proposed Procurement Policies, as appended to the report, be approved.

(e) Brownfield Land Register

It was proposed by Councillor Donald Nannestad, Deputy Leader of the Council, and seconded by Councillor Geoff Ellis.

RESOLVED that the Constitution be amended to include decision making associated with its forthcoming Brownfield Land Register, as set out in the report.

31. Report of the Returning Officer

It was proposed by Councillor Donald Nannestad, Deputy Leader of the Council, and seconded by Councillor Geoff Ellis.

RESOLVED that the report of the Returning Officer for the City of Lincoln Council By Election for the Carholme Ward on 19 October 2017 be received.

32. Proposed amendments to the Constitution

It was proposed by Councillor Donald Nannestad, Deputy Leader of the Council, and seconded by Councillor Geoff Ellis.

RESOLVED that the proposed changes to the Constitution as set out in the report and the supplement, be approved.

33. Proposed amendments to committee membership

It was proposed by Councillor Nannestad, Deputy Leader of the Council and seconded by Councillor Geoff Ellis.

RESOLVED that the following appointments be approved:

- Councillor Lucinda Preston to be appointed to the Community Leadership Scrutiny Committee in place of Councillor Paul Gowen;
- Councillor Lucinda Preston to be appointed to the Performance Scrutiny Committee in place of Councillor Paul Gowen;
- Councillor Lucinda Preston to be appointed to the Commons Advisory Panel to fill a vacancy;
- Councillor Gary Hewson to be appointed to the Dawber Trust to fill a vacancy;
- Councillor Tony Speakman to be appointed to the Select Scrutiny Committee to fill a vacancy;
- Councillor Paul Gowen be appointed as a substitute on the Select Scrutiny Committee;
- Councillor Pete West to be appointed in place of Councillor Jim Hanrahan on the Central Lincolnshire Joint Strategic Planning Committee.

COUNCIL

23 JANUARY 2018

REPORT UNDER RULE 2(VI) OF THE COUNCIL PROCEDURE RULES

Report by Councillor Tony Speakman, Chair of the Audit Committee

Mr Mayor, Members of the Council

Introduction

This report summarises the work of the Audit Committee to date in the year ending April 2018 and is to confirm that the Committee's function is consistent with best practice as well as demonstrating the positive impact of its work.

There are 5 meetings of the Committee during the period up to April 2018.

Purpose of the Audit Committee

The Audit Committee, as a key part of the Council's corporate governance arrangements, oversees and assesses the Council's risk management, control and governance arrangements and advises the Council on their adequacy and effectiveness. It also has responsibility for reviewing the statutory financial reporting process through approval of the Statement of Accounts and receiving key reports from the External Auditor.

Specifically it provides:

- Oversight and challenge to the Statement of Accounts
- Oversight and review of the Annual Governance Statement
- A review of the Internal Audit Strategy and Audit Plan
- A review of Internal Audit progress reports and recommendations including appropriate follow up actions for outstanding Audit recommendations
- An examination of the External Audit Plan
- Consideration of External Audit reports, including the "report to those charged with governance", the "Annual Audit letter" and "certification of grant claims and returns report"
- Review of Counter Fraud arrangements and associated monitoring reports
- Annual review of the Council's Treasury Management Policy/Strategy
- Annual review of risk management arrangements
- Oversight of Information Governance

At its December 2015 meeting the Audit Committee accepted the responsibility to lead monitoring of the Information Governance Strategy and Action Plan, with the Chair to be lead member on the Information Governance Board. A considerable volume of work has now taken place across the Council, in terms of identifying documents for retention or disposal, training and roll out of new Information governance policies, the provision of guidance to staff and work on information sharing.

Data Protection breaches are recorded and lessons are being drawn to improve future performance.

Work is therefore well underway to ensure compliance with the European General Data Protection Regulation (GDPR), which will be in force for May 2018 and which will increase the level of fines for breaches to a maximum of 20,000,000 Euros or 4% of total worldwide turnover. It is not yet known what level of fines Local Authorities can expect, however it is likely

to be more than the current maximum of £500,000. This is a significant change and is currently being adopted into UK law.

The Audit Committee has considered two reports on information governance during 2017/18 and is monitoring the relevant action plans.

I am pleased to report that whilst there is still work to be completed, we have a high level of confidence that the Council will be GDPR compliant by 31st May 2018

Terms of Reference

CIPFA (Chartered Institute of Public Finance and Accountancy) guidance on Audit Committees, which sets out various requirements, has been incorporated into the terms of reference of the Audit Committee.

Training

Committee Members receive (or plan to receive) relevant training during the year, including:

- Internal audit and Audit Committee effectiveness
- Training linked to understanding the Council's financial statements
- Treasury management
- Corporate governance
- Counter fraud arrangements
- Risk management.
-

Membership and Independence

The Audit Committee comprises seven Councillors and (since 2013) one Independent Member. The current Independent member, Jane Nellist from the University of Lincoln who has good knowledge of public sector finance and business accountancy was appointed from April 2016. Having one or more Independent Members is seen as best practice, as their experience and expertise should assist the Audit Committee to more effectively discharge its role. The Audit Committee and the Officers have found the Independent member's contribution to be particularly useful during the last 2 years.

As Chairman of the Committee, I confirm I am free from Executive functions, and have not had my independence impaired during my time to date as Chair.

Membership During 2017-18

Councillor Tony Speakman (Chair)
Councillor Geoff Ellis (Vice Chair)
Councillor Thomas Dyer Councillor Jim Hanrahan
Councillor Gary Hewson
Councillor Ronald Hills
Councillor Jackie Kirk
Jane Nellist (Independent Member)
•Councillor Paul Gowen (Substitute)

Relationships

I am happy to report that there continues to be a sound working relationship between officers and Members of the Committee.

Audit function responsibility rests with Rob Baxter (Interim Chief Finance Officer) on behalf of the Chief Executive.

I am satisfied through discussions with External Audit representatives (KPMG) and Internal Audit that relationships between Internal and External audit have been satisfactory and are effective.

Joint working arrangements between Internal Audit and KPMG, the External Auditors have been agreed during the year.

The external auditor takes consideration of and uses the work of our internal auditors in connection with their integrated audit of the Council's financial statements. External and internal auditors collaborate to minimise duplication of effort and work in tandem to help management and the Audit Committee ensure that the Council's financial reports and other information are accurate and that its system of internal control is effective. Internal audit have also audited elements of the housing benefit subsidy claim on behalf of the external auditor, which also provides a saving on the audit fee.

Internal Audit and the Audit Committee

To comply with best practice, I can confirm that the Audit Committee is suitably independent and that the Committee's terms of reference are consistent with (CIPFA) best practice guidance. Internal auditing also is an independent, objective assurance and consulting activity designed to add value and improve the City Council's operations.

Operationally it sits under the Chief Executive and has freedom to report to any level within the organisation.

The Audit Committee approves the Annual Internal Audit Plan and the Internal Audit Strategy. The work of internal audit is reviewed at each meeting. This review includes a summary of audit reports as well as performance against the plan and other measures. It is pleasing to note that the majority of audits achieve a high level of assurance, reflecting that in most areas risks are being effectively managed and the control environment is sound. Those audits which require a greater degree of improvement are classed as having limited or no assurance. There is just one area which received a Limited Assurance during 2017/18

An annual report by the Audit Manager is presented to the Audit Committee following the end of the financial year, which also helps to support the Annual Governance Statement.

The 2016-17 annual internal audit report to the July 2017 meeting gave a substantial (green) assurance across governance, risk and control.

The Committee also reviews anti-fraud arrangements, receiving a 6 monthly update report on counter-fraud, and it has in the past received a presentation on the Lincolnshire Fraud Partnership – this is a partnership of Lincolnshire Councils who successfully bid for and received government funding to tackle fraud locally. The partnership continues until at least March 2018 under current arrangements. The Committee considers relevant corporate counter fraud policies and any updates, as well as information on fraud risk and fraud training. Another important part of the Committee's role is helping to ensure that audit recommendations are implemented. The Committee ensures that officers are acting on recommendations from both internal and external audit with updates being received at each meeting. Where necessary, directorate officers are asked to attend Committee to provide further explanation. Implementation of recommendations remains an area that the Committee is determined to keep focussed on. Audit recommendations are integrated into the Council's

performance management system (IMPS) to increase their status and visibility and are now linked to the relevant Portfolio holders and are discussed at Portfolio Holder meetings. The number of high priority recommendations outstanding is very low.

The Council's Internal Audit Team is part of the wider Assurance Lincolnshire Partnership which includes the City of Lincoln Council, the County Council and East Lindsey District Council. Assurance Lincolnshire provides internal audit services to several District Councils in Lincolnshire and one in Nottinghamshire. There are also other income generation opportunities that are currently being explored.

The partnership is making good progress and yielding positive benefits for the internal audit service in Lincoln. As part of the partnership arrangements the Council contracts directly with Boston Borough Council. The current contract runs until 31st March 2019.

The City of Lincoln Council and the wider Assurance Lincolnshire Partnership (ELDC and County Council) received their most recent external quality assessment review (EQA) in September 2016 which was undertaken by CIPFA -both were found to be compliant with required standards and some very positive comments were received.

The Committee receives reports mainly from the Audit Manager, the Chief Finance Officer and the External Auditor covering a wide range of topics.

A selection of what we have covered/reviewed this year includes:

- Annual Governance Statement (review of AGS and update reports on significant issues)
- Statement of Accounts (review)
- Treasury Management Policy and Strategy (consultation prior to approval by Council)
- Annual Internal Audit Report
- Internal Audit Strategy and Plan
- Counter Fraud Reports
- Risk Management Annual Report
- Report to those Charged with Governance
- Annual Audit Letter (External Audit)

The resourcing for the audit plan remains at a satisfactory level enabling appropriate coverage across key financial and corporate systems, with sufficient resources to respond to emerging risks.

The Audit Committee received its third "Combined Assurance" report in April 2017. Working with management, Internal Audit has been able to show what assurances the Council currently has for the areas of the business that matter most. The aim is to give Senior Management and the Audit Committee an insight on assurances across all critical activities, key risks and projects. Assurances are drawn from the "three lines of defence" including Management (controls), internal audit and third parties (including corporate business assurance functions such as performance management). The report also feeds into the Audit Manager's annual audit opinion. The next report will be presented to the Audit Committee in April 2018.

External Audit Arrangements

The external auditor's primary role is to express an opinion on whether management has given a true and fair view of the information in its financial statements. The auditor expresses this assurance in an auditor's report.

External auditors also examine and express an opinion on grant claims and returns made by the Council, to ensure that accurate figures are reported to Central Government, and that claims for grant funding are made in accordance with relevant rules.

Currently, External Audit still assess whether the Council has appropriate arrangements to deliver value for money and this is also reported annually.

The Council's external audit is provided for 2017-18 by a private sector accountancy firm, KPMG.

Through Public Sector Audit Appointments (the organisational route agreed by Council to procure new external auditors), Mazars will be the Council's new external auditors taking over in April 2018, to audit 2018-19 accounts.

The Audit Committee has a role to comment on the scope and depth of external audit work, through considering plans and reports to ensure the work gives value for money.

The Committee considers the reports of External Audit and inspection agencies, including the External Auditor's "Annual Audit Letter", relevant reports, and the report to "Those Charged with Governance".

The Committee has considered the 2016/17 Annual Governance Report and Annual Audit letter from the External Auditor and on behalf of the Committee, I am pleased to report that the 2016/17 final accounts were presented by the Council for audit by the required statutory date and were free from material error, and the External Auditor issued an unqualified opinion on the Council's 2016/17 financial statements in September 2017.

The Auditor also confirmed that the Council has put in place adequate arrangements for securing economy, efficiency and effectiveness in its use of resources and gave an unqualified value for money conclusion. Furthermore, the Auditor did not identify any significant weaknesses in the council's internal control arrangements.

However, the audit identified a number material audit differences, which were corrected by management. These were due to unprecedented resourcing pressures within Finance in the months before the audit and arrangements have since been put in place to ensure that robust arrangements are in place for 2017/18 and the 2017/18 year end. These arrangements are being monitored by the Committee during 2017/18.

Regulatory Framework

The Committee has a role (through its terms of reference) in overseeing risk management strategies.

The Committee reviews the authority's financial and assurance statements, including the Statement of Accounts and the Annual Governance Statement, ensuring the latter properly reflects the risk environment and any actions required to improve it and then to recommend its adoption.

The Annual Governance Statement is a statutory statement and provides an overview of key governance arrangements within the Authority, including any significant control issues arising during the year. This is signed by the Leader of the Council and Chief Executive and is presented to Council in September each year. The Audit Committee monitors all "significant issues" arising from the Statement approximately each quarter.

The Committee in 2016/17 reviewed a new Code of Corporate Governance and self-assessment which takes account of updated guidance.

The Committee considers whether there are any concerns arising from the financial statements or from the audit (including the external audit report to those charged with governance on issues arising from the audit of the accounts) that need to be brought to the attention of the Council. There are no such issues arising to date during 2017/18. The Audit Committee reviews the Statement of Accounts in September as well as June/July.

It is also worth noting the Committee's role in relation to Treasury Management. Guidance has meant that the Audit Committee has an increased role in assessing the robustness of Treasury Management policy. Training is provided to the Committee by the Council's Treasury Management consultants.

The Committee reviews the Strategy and considers the adoption of Treasury Management indicators prior to Council approval.

The Council's Constitution

The Committee has a role in reviewing certain aspects of the Council's Constitution, in particular contract procedure rules and financial procedure rules when changes occur.

Effective Challenge

The Committee provides effective challenge across the Council and provides independent assurance on the risk management and governance framework and associated internal control environment to the Council and the public.

The Committee has received a variety of reports from both Internal and External Audit during the year. It has scrutinised and challenged the findings of audit reports on risk and control issues, sought clarification and in some cases required detailed explanations and action plans to address significant issues.

Some specific examples of where the Committee has requested further reports or action are as follows:

- Rigorous challenge on the Annual Governance Statement and Statement of Accounts
- Requirement for progress reports, officer attendance and CMT referral for appropriate areas
-

Impact of the Audit Committee's Work

By completing the work programme and providing challenge where required, the Audit Committee has:

- increased public confidence in the Council's governance arrangements;
- reinforced the importance and independence of internal and external audit and other review processes that reported to the Audit Committee;
- assisted in the co-ordination of assurance with internal audit and, in so doing, made management more accountable;
- provided additional assurance through a process of independent and objective review; and raised awareness of the need for internal control and
- helped ensure the timely implementation of audit recommendations.

Conclusions

This annual report has summarised the work of the Audit Committee over the last twelve months and has demonstrated the breadth and impact of the Committee's work.

I confirm therefore that the City Council's Audit function is consistent with best practice

In conclusion I would like to express my appreciation and thanks to Geoff Ellis, the Vice Chair, Jane Nellist, the Independent member and to all those elected members who have served on the Committee, and to Jaclyn Gibson, Rob Baxter, John Scott and the Internal Audit team, Becky Scott and all those officers that have provided reports, training and guidance to the Committee.

Councillor Tony Speakman
Chair of Audit Committee

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COUNCIL –

23 JANUARY 2018

REPORT UNDER RULE 2(VI) OF THE COUNCIL PROCEDURE RULES

Report by Councillor Rosanne Kirk, Portfolio Holder for Social Inclusion and Community Cohesion

This is my fourth report as portfolio holder. In the following pages I have summarised the progress made across my portfolio over the past year. This work builds on the work we have done over the previous three years since I gained responsibility for this portfolio. I continue to be proud of what has been achieved.

The past year has been an extremely challenging year due to changes and developments both nationally and internationally. The impact of leaving the European Union continues to be unclear for many, especially for those residents who have moved to the city from Eastern Europe. Over the past year there has also been two major terrorist attacks in the UK, which have placed greater pressure on communities. Further afield the ongoing crisis in Syria and the Middle East continues to be of concern.

Local Government savings, driven by austerity ideology have been felt in all departments, and my portfolio is no exception. The challenges ahead will be immense, with fewer resources. This is the reality of the cuts to Local Government, as it affects our communities. The changes to Neighbourhood Working highlight the reality of what is happening in Local Government.

As a result of the above the level of available resource to work on community cohesion projects has also been severely reduced following the Community Cohesion Officer post at the council coming to an end in March 2017. Work on this and other areas of my portfolio has been further impacted as a result of there not being a permanent Assistant Director of Strategic Development in position since August 2016.

Although there have been many challenges during 2017, it is important for me to highlight some of the positives in my portfolio. These include the continuing success of World Hello Day, Lincoln Against Poverty Conference and ongoing work to promote the benefits of paying the Voluntary Living Wage to Lincoln businesses, to name just a few.

The areas covered by my portfolio include neighbourhood working, community cohesion, social inclusion, domestic violence, young people, older people, safeguarding children, vulnerable adults, community centres, asylum seekers and adult learning. I have provided an insight into the work completed over the past twelve months under each of these areas below.

Key Activities

This section of my report goes through the different areas of my portfolio highlighting activities undertaken during the past year.

Neighbourhood Working

It has been a difficult year for Neighbourhood Working due to the ongoing review of the service partly driven by the need to make considerable savings across the council.

In late 2016 we consulted on a proposal to change the way the service operated. Following the first round of consultation it became clear that neighbourhood boards in the areas we were withdrawing the Neighbourhood Working service from, felt they needed support to transition from the current service to the new way of working. In the second round of consultation we therefore proposed a year's worth of support for the boards from the third sector and this was generally received well. The amended proposal was approved by Executive in September 2017.

The revised service is therefore:

- A reduction to one team (from three) focusing intensely in the 'Sincil Bank' area of the city initially.
- Reducing the breadth of issues tackled by Neighbourhood Working to emphasise a focus on lifting people out of poverty through offering them pathways into skills acquisition and ultimately employment.
- A revised team consisting of
 - One Neighbourhood Manager;
 - One Community Connector (new role);
 - One Neighbourhood Working Project Assistant;
- Delivery of a one year package of support through the third sector to ensure sustainable active neighbourhood boards.
- Delivery of a saving of around £177,000 per year.
- A move of the Neighbourhood Working service into the Directorate of Housing and Regeneration to better align with the emerging regeneration area.

This does mean that the service is withdrawing from several areas where we have been working – St Giles, Ermine East, Ermine West, Abbey and Tower, Moorland, Birchwood and Bracebridge and the third sector support will be aimed at supporting these seven boards (as well as the board in the Sincil Bank area) over the next year.

Over the summer we went out to procure a third sector partner and the procurement was based around the following five principles –

1. Improving the governance and administrative resilience of the boards;
2. Upskilling of the community representatives on the boards;
3. Attracting and developing volunteers within the area to support the work of the local Board;
4. Providing each Board with the ability and confidence to help them identify the needs and desires of the local communities;
5. Identifying long term funding opportunities for each Board.

I am pleased to inform committee that we have recently appointed a Lincoln based community and voluntary sector consortium to deliver this work. The consortium is led by Urban Challenge and involves –

- Development Plus,
- Abbey Access Training,
- Green Synergy,
- Just Lincolnshire and the
- Pelican Trust.

As a consequence of the review the Neighbourhood Working offices in both Moorland and St Giles have been closed. The Moorland office closed in 2017 and the St Giles office closed on Friday 12th January 2018. Work is underway to relocate the public access computers and public telephone line from St Giles to another accessible location within the area.

The consortium led by Urban Challenge is now working with all of the eight neighbourhood boards that they will be working with over the next year. I wish these boards every success for the future and would like to thank the Neighbourhood Working service for all of the fantastic work that they have delivered across the city.

Community Cohesion

The previous two years have seen significant challenges for community cohesion, both on a national and international level. These challenges have further highlighted the importance of community cohesion, both on a national and local level.

As mentioned above, unfortunately in the past year the council's Community Cohesion Officer post came to an end in March 2017, which has unavoidably impacted on the level of community cohesion activities delivered after this time. Despite this impact on resource, I am pleased with what has been achieved.

The largest community cohesion event in the city continues to be World Hello Day, which takes place on 21st November each year. World Hello Day 2017 was once again promoted as our key community cohesion event with 19 events (with many more organisations involved), linked to the day taking place between 17 and 25 November. These events were hosted by a number of organisations across the city. The council worked closely with these organisations to ensure individual events were a success. Some of the key events this year included:

- Communication Across Culture Conference - University of Lincoln
- Web Walk starting from different areas of the city – Access Lincoln and Lincoln Interfaith Forum
- Big Coffee Morning at Queen's Park Community Hub – Development Plus
- WHD themed work at five primary schools

- Hidden Gems; music, poetry and food – UoL and Lincolnshire Polish Society

Myself and the Mayor attended various events around the city to say hello and find out about the groups taking part.

Despite the reduction in resources, the council's community cohesion work continues to focus on four areas, as well as the ongoing citywide promotion to encourage people to get to know each other. These areas include:

- The mosque and different faiths
- Students and integration in to the community, including international students
- Integrating people from different backgrounds
- Hate crime

I have provided further information below outlining the key activities undertaken over the past year under each area of focus.

The Mosque and Different Faiths

- Work continues to maintain an awareness of the development of the new mosque in the city.
- Over the summer work on the mosque has focused on making the building water tight in advance of the winter months. Focus has now turned to completing the interior work. Opening of the mosque is scheduled for winter 2017, however this is reliant the funding required being available.
- Faith's Festival 2017 took place from 21st April 2017 until 1st May 2017 and was co-ordinated by a small group of representatives from different faith groups. The festival's aim was to raise awareness of and celebrate different faiths and cultures in the city.
- A Peace Walk took place in the city on Monday 31st July. The walk focused on encouraging people of all ages, races, faiths or no faith to spread an important message – That we can all live in harmony, whoever you are and whatever your background or religion. The walk was organised by Lincoln Interfaith Forum and was well attended.

Students and Integration into the Community, Including International Students

- In August 2017 representatives from the council met with the new student leaders for 2017/18. This meeting allowed contacts to be exchanged and good relationships to be formed at an early stage in the academic year. This meeting also provided an opportunity for our Communications Team to offer students studying photography the chance to gain experience in a real work environment. This helped to further develop our relationship with the University of Lincoln.
- City of Lincoln Council has been present at two Fresher's Fayres in the city during Fresher's Week 2017. The first attended was at the

University of Lincoln on 18th September, and the second at Bishop Grosseteste University on 19th September. The attendance at both allowed the City of Lincoln Council to promote our services, together with raise awareness of the importance of students respecting and getting on well with their neighbours. Promotional 'Proud to be Lincoln' and 'Shush' items were handed out at the events to encourage students to make Lincoln a city they are proud to live in.

Integrating People from Different Backgrounds

- The council provided a small amount of funding to enable a summer open air cinema event to take place in the Arboretum on 19th August 2017.
- The council has successfully supported the promotion of four ESOL classes in the city to help improve the English of those residents where English isn't their first language.
- The council has supported meetings to look at setting up a new partnership group for agencies to engage with the supplementary schools. A new panel was launched in spring 2017.

Hate Crime

- A Hate Crime Charter was adopted by the council in December 2016, showing our ongoing commitment towards reducing incidents of hate crime.
- Representatives from the council continue to attend the Safer Communities Lincolnshire Hate Crime Delivery Group.
- As part of our membership to this group, the council actively promoted Hate Crime Awareness Week between 16th and 20th October.
- The council is supporting a countywide hate crime survey, led by Lincolnshire County Council. The survey was rolled out during Hate Crime Awareness Week. The closing date for the survey is 15th December 2017.
- The council is also currently raising awareness of Hate Crime, which is becoming an increasing issue. Information posters and flyers on this type of crime were also distributed during Hate Crime Awareness Week. Raising awareness of this type of crime is being co-ordinated by Safer Communities Lincolnshire.

City Wide, Bringing People Together (Including Media Coverage)

- We have continued to promote community cohesion through the media. Over the past year we have had 53 articles that have featured in print, either online or in the Lincolnshire Echo newspaper. In addition we have also had 8 radio articles and 1 television article.
- We have also had a very positive year on social media, publishing two Facebook live videos, which received a total of 1,054 views.
- In addition to the Facebook live videos we have also posted 31 community cohesion based stories on Facebook.

- We have reached an audience of 13,200 people through posts on Twitter.
- We have issued 2 statements to the media in total, both of which were offers of condolences for terror attacks.
- There have been 15 articles published in Your Lincoln over the past year
- As mentioned above, World Hello Day 2017 on 21st November 2017 was again promoted as the main community cohesion event in the city. This was the fifth year we have celebrated the day.
- For the year 2016/17, I have continue to chair the Community Cohesion Steering Group, which has met on three occasions since my last report. A different partner now hosts each meeting providing an opportunity to showcase how they make a positive contribution to tackling community cohesion.

Looking Ahead

Whilst community cohesion resource has been heavily reduced during the last year, I continue to be pleased with what has been achieved. However, it is important to ensure we continue to focus on integrating our communities across the city. This is particularly important in light of the recent terrorist attacks in the UK. To allow us to do this we will be refreshing the community cohesion strategy during 2018, but in the meantime continue to focus on the four strands as outlined above, and support a range of community cohesion initiatives and events held by our partners within the city.

Social Inclusion

Anti-Poverty Performance Outcomes

The Anti-Poverty Action Plan was launched in 2014/15 and continues to be delivered jointly by officers at the City of Lincoln Council, and by our partners across the city. Over 100 actions have been delivered to date. To ensure agreed actions are delivered on time, I continue to chair the Lincoln Against Poverty Steering Group, which meets bi-annually to discuss current poverty issues and progress towards this plan.

Lincoln Against Poverty Conference 2017

The fourth annual Lincoln Against Poverty event took place in March 2017 at Alive Conferences. The event was attended by over 50 delegates from 28 organisations across the city. The keynote speaker for this year's event was Katharine Knox, Policy and Research Programme Manager for the Joseph Rowntree Foundation. The event focused on reviewing the completed anti-poverty actions in 2016/17, and developing actions for the year ahead. To help identify these actions, two workshop sessions were held during the conference. These workshops focused on 'Reducing benefits dependency and reducing benefits for the working age' and 'Older person's poverty'.

Lincoln Money

A new service providing an alternative to high cost loans for people who are unable to access mainstream services, Lincoln Money, was launched at the Lincoln Anti-Poverty Conference 2017. After an encouraging start, unfortunately the operator has currently had to cease the delivery of this service. We are therefore now looking at exploring a number of other services with the Lincolnshire Financial Inclusion Partnership. In the meantime we are continuing to promote the service provided by Lincolnshire Credit Union based here in City Hall.

Lincoln Against Poverty Activity Taking Place in 2016/17

- A campaign to promote Lincolnshire Energy Switch continues to take place to help tackle the issue of fuel poverty in Lincoln. Fourteen external partners and eight internal teams have been encouraged to display posters and issue flyers to their service users to raise awareness of the benefits of registering for the scheme. Registration numbers continue to be high following this promotion with 495 households registering for a personal energy quote in the past year.
- The Lincoln Living Wage Campaign continues to be promoted to Lincoln businesses. The Voluntary Living Wage rate is currently set at £8.45 per hour/£16,258 per year. To date 26 organisations are registered as Living Wage employers in the city. Within these organisations 220 employees have received a pay rise as a direct result of the campaign. The campaign was also successful in encouraging the first key national employer, Barclays, to join the Lincoln Living Wage register in September 2017.
- Following the ending of the Lincolnshire Community Assistance Scheme in November 2016, the council funded a six month pilot project with Voluntary Centre Services to assess and distribute food vouchers. This has now been extended to the end of March 2018 in order to provide time to develop a long term solution.
- We continue to work closely with the foodbanks and have initiated a regular monthly collection of foodbank donations at City Hall. In addition the mayor's charity for 2017/18 is supporting local food banks, which has also helped to raise awareness of the need for donations.
- The council continues to support two partnership steering groups focused on reducing poverty in the city – Lincoln Living Wage Forum & Lincoln Against Poverty Steering Group. These two groups help to steer and manage the Lincoln Against Poverty Strategy and Action Plan.
- Residents seeking bulky waste collection have continued to be signposted to furniture redistribution charities in the city. This not only helps the individual to save money, but also helps to increase the supply of good quality second hand furniture available. Residents disposing of their unwanted furniture through this route also helps to reduce the amount of furniture going to landfill.
- The council continues to ensure good quality flooring is left in council properties. This helps to reduce costs for new tenants and ensures

tenants can quickly move into their new property. Since my last report, flooring has been left in 53 rooms across 22 council properties as a result of this initiative.

- The Lincoln Against Poverty website and Twitter accounts continue to be key resources for raising awareness of support available to residents in the city. To date we have 538 followers to the Lincoln Against Poverty Twitter account, with posts to this page regularly being retweeted further to raise awareness of poverty related support available in the city.
- Although not included in the Anti-Poverty Action Plan, the council continues to support Lincoln as a Fair Trade City. I would like to take this opportunity to thank Cllr Gary Hewson for his hard work in this area.

Adult Learning

Free Health & Wellbeing Adult Learning Courses

A Health & Wellbeing project to provide access to 600 places on college courses continues to be a success. To date 300 people have benefitted from free courses, helping them into employment and training. These people would have otherwise struggled to meet the cost of their course. The course has also supported 70 people into employment so far.

The Network

Launch into events continue to be hosted by The Network. The events provide young residents with information on the different career routes available to them in Lincoln and/or how to get into a career of their choice. Launch into events have focused on the sectors of construction, IT, law, business and health & social care amongst others. In addition, The Network continues to support individuals seeking guidance and support. Since the launch of The Network, 187 individuals have used the services available. Of these 112 (60%) have progressed into employment, education and training.

Safeguarding Children and Adults at Risk

Safeguarding at the Council

Safeguarding has been a high profile area of work at a national level for a number of years now. The council continues to give this agenda high priority and our processes and procedures are now well embedded in our everyday work. We have a safeguarding policy which is reviewed annually and we provide training, via the Lincolnshire Safeguarding Children Board, for all of our staff, Elected Members and volunteers. We also ensure that any contractors engaged to work on our behalf are appropriately committed to the agenda.

The Housing Solutions and Support Manager (who is the designated Lead Safeguarding Officer for the authority) continues to be an active member of the Lincolnshire Safeguarding Children Board and also has strong links to the

Adult Board. The council attends the District Safeguarding meeting which is a group of officers from the seven districts who meet regularly to exchange good practice and to ensure a consistency of application across the organisation. The council has an internal working group which consists of key officers from across the work areas, and this group ensures that our statutory duties are met.

We have recently undertaken a Section 11 Audit, which relates to our statutory child safeguarding duties in accordance with the Children Act 1989. The audit consisted of a submission of evidence which demonstrates how we meet specific criteria under 10 distinct areas of work including corporate commitment to safeguarding, strategic planning, contract management, accountability, consultation with children and families, training and development of staff, and proper involvement with safeguarding processes and procedures. The council's submission was moderated in early October and our compliance with all requirements of the Audit was confirmed at that meeting. We are anticipating a similar assessment of compliance in relation to adult safeguarding early in 2018.

Prevent

The council continues to support Prevent, which is a supportive framework to assist people at risk of radicalisation. All council staff have received Prevent training, either face to face or online, and are fully aware of the council's procedures to make referrals for people they are concerned about. To ensure the council remains fully informed on Prevent, a council representative attended a county wide Prevent conference on 1st November 2017, which focused Prevent and Community Collaboration. The council is continuing, as part of a wider partnership across Lincolnshire, to look at new ways to raise the profile of Prevent in the community. The council also continues to report any signs of community tension to the Police. Fortunately this is very rare. Where information is requested by the Police, the council continues to provide this information (under our information sharing arrangements).

Domestic Abuse

The council remains compliant with the domestic abuse charter, and continues to attend the Domestic Abuse Delivery Group and strategic management board. To help increase staff knowledge and awareness of domestic abuse, the PPASB team has linked in with the Multi-Agency Risk Assessment Conferences (MARAC), and is continuing to identify training needs for staff on MARAC engagement and DASH assessments. A quilt which has been produced by women who have been subject to domestic abuse will be displayed in City Hall in on 31 January 2018. This will align with a staff briefing.

Older People

The council continues to work with Age UK Lincoln & Kesteven to deliver a range of actions to support older people as part of the Lincoln Anti-Poverty

Action Plan. One of the actions currently be progressed is to produce a 'Bus pass to your rights' information pack to be issued with bus passes. This pack will include information on a range of local services available to them and how to access these. In addition the council continues to promote the Lincolnshire Energy Switch scheme as mentioned above. To help raise older people's awareness of the scheme, Age UK Lindsey & Kesteven, Lincoln Citizen's Advice, Neighbourhood Working, Housing Estate Officers and the Resident Involvement Team have been encouraged to promote the scheme to their elderly service users.

Community Centres

With the secondment of the Recreation Services Team Leader in February to deal directly with the transport hub, existing leisure and recreation council officers have stepped up and taken on added responsibilities to ensure the continued smooth running of the service. Any challenges faced by the team have been dealt with promptly, with customer satisfaction being at the forefront of any decisions made.

Over the last year, there has been an escalation in the number of key holders that have been trained across the portfolio of community centres. A continuing trend of groups taking ownership is proving to be successful. A recent satisfaction survey was under taken to determine the key-holders views on the process and overall the feedback was highly positive.

Through key holder engagement and assistance the number of groups that still require support has reduced to two. Voluntary support is still being explored with partner organisations with the aim of moving all remaining groups to key-holding.

Talks are on-going with Lincolnshire County Council regarding the use and provision of alternative resources at St. Giles community centre, particularly with regard to the upstairs area. The Executive committee met on the 30th August to discuss the opportunity of the first floor being leased to the Youth service. We continue to support the provision of youth services in the area in a focussed and sustainable model.

Capital works have been completed at the Grandstand weighing rooms which has significantly improved the quality and accessibility of the building for groups. This has seen an increase in the use of this facility. Work is about to begin on the repair and replacement of the terracing steps at the Grandstand site. Again, this will vastly improve the overall appearance of the centre and safeguard a well-known Lincoln landmark for future generations.

Emphasis is currently being given to freshening up the decoration and appearance of the community centres both internally and externally. This is an on-going process which involves replacing windows and cladding at a number of the centres, rooms being re-painted and in some cases re-carpeted.

Young People

Children of Lincoln Project

The City of Lincoln Council, with the support of the Children and Young People Advocate for Lincoln, has been working with the School of Political Sciences at the University of Lincoln and Lincolnshire County Council since May 2016 to launch a child rights initiative for the city of Lincoln. The aspiration of the group is for Lincoln to be recognised by Unicef as a 'Child Friendly City' alongside a number of other cities in the UK. A launch event for the project took place on 4th November 2017 as part of a university led ESRC Festival of Social Science Family Fun Day. The event focused on recognising what young people living in Lincoln need to thrive and succeed, and what obstacles or challenges they face. A range of fun activities for the entire family were available on the day to encourage participation.

Asylum Seekers and Refugees

We have not received any asylum seekers or refugees into the city during the year. The council has been considering the plight of Syrian refugees and an officer group has looked at the Syrian Vulnerable Person Resettlement Scheme with a view to offering accommodation. However, without confirmed support from Lincolnshire County Council in relation to Education and Social Care, we are unable to move forward to pledge an offer of accommodation.

Concluding Comments

Following outlining the key activities above which have taken place under my portfolio remit over the past year, I hope you will agree, despite a severe reduction in resources, we should again be proud of what has been achieved during the last year during a time of change. I would like to thank all of those officers, members, partners and community volunteers alike, who have worked so hard to make Lincoln a better place to call home, and a place we can all be proud of.

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SUBJECT:	PROPOSED AMENDMENT TO THE CONSTITUTION – FINANCIAL PROCEDURE RULES
DIRECTORATE:	CHIEF EXECUTIVE
REPORT AUTHOR:	ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER

1. Purpose of Report

1.1 To propose amendments to the Council’s Constitution in respect of the Financial Procedure Rules.

2. Executive Summary

2.1 The Financial Procedure Rules provide a framework for officers to work within to ensure compliance with the need to secure proper administration of the Council’s financial affairs as required by section 151 of the Local Government Act 1972.

2.2 The last fundamental review took place in 2010, as approved by Council on 9 December 2010, with subsequent updates to reflect necessary changes.

2.3 The changes now required will ensure that officers have the flexibility to respond to the changing environment in which the Council now operates.

3. Proposed amendments

3.1 The revised Financial Procedure Rules (Appendix A) have been compiled using the existing rules but also from comparison against other authorities and in accordance with changes in accounting regulations and practices.

3.2 Key changes from the existing Financial Procedure Rules include:

- financial planning arrangements including the management and use of the Council’s reserves (section 4)
- financial management arrangements including clarity of the roles and responsibilities of budget holders, amendments to the rules relating to the carry forward of budgets from one year to the next and changes to capital project management (section 5)
- further clarity of the roles and responsibilities for orders and payments for works, goods and services including the introduction of a new section on officer responsibilities in relation to contracts for works, goods and services (section 6)
- the setting of new fees and charges and devolving increased flexibility to

respond to operational issues and changing market forces (section 7)

- resources and asset management including clarity around the roles and responsibilities of the Chief Finance Officer and Assistant Directors in relation to the acquisition and disposal of assets (section 9)
- external arrangements including a new section on officer responsibilities in relation to external funding (section 10)

3.3 Specific changes to delegations and limits are;

Procedure Rule	Current	Proposed
Carry forward of revenue budgets (from one year to the next)	Proposals for carry forward will only be considered where there is an overall underspend of the Directorate's cash limited budgets equal or greater than the carry forward amount	Proposals for carry forwards will only be considered where there is an overall underspend of the Directorate's cash limited budgets equal or greater than the carry forward amount (for this purpose income budgets for which the Directorate doesn't have full control, e.g. due to market forces) are excluded from the considered cash limit budget;
Amending fees and charges	Head of Service has the discretion to amend the set fees and charges by +/- 20% , after consulting with Director of Resources and relevant Portfolio Holder. Such an occurrence shall be reported by the Head of Service to full Council at the earliest opportunity.	In such circumstances the relevant Assistant Director has the discretion to amend the set fees and charges by +/- 50% for any individual fee, after consulting with the relevant Portfolio Holder. Such an occurrence shall be reported to the Chief Finance Officer at the earliest opportunity.
Collection of income	No specific reference	The Council does not accept cash payments except where this is unavoidable. In those unavoidable instances in accordance with the Council's Anti-Money Laundering policy payment to the Council can be accepted if it is in cash and does not exceed a specified limit (currently £2,000). The receipt of cash payments over

		£2,000 requires the prior authorisation of the Chief Executive, City Solicitor or Chief Finance Officer.
Writing off bad debts	No specific reference	The authority to reinstate previously written off debts upon receipt of outstanding amounts shall be as follows: <ul style="list-style-type: none"> • Reinstatement of debts up to £5,000 - authorisation required by Chief Finance Officer, City Solicitor or the Head of Shared Revenues and Benefit Service. • Reinstatement of debts over £5,000 - authorisation required by the Chief Finance Officer
Disposal of Items of Inventory, Stocks and Stores	No specific reference	The receipt of any income from the disposal of goods, equipment, stocks and stores shall be treated as a capital receipt if it is in excess of £10,000, below this threshold it will be treated as revenue income for the relevant service area.

3.4 The key theme in these changes has been to ensure that officers have the flexibility required in order to respond to the changing environment in which the Council now operates. This reflects a more commercial approach to the operation of the Council. However the Financial Procedure Rules still ensure that a sound system of internal control is maintained.

3.5 In addition to the revised Financial Procedure Rules the Constitution itself includes other references to the conduct of the financial affairs of the Council. To ensure consistency throughout the Constitution a number of changes have therefore been made to Part 2 and Part 3. (Appendix B)

4. Organisational Impacts

4.1 Finance - There are no direct financial implications from the adoption of these rules although the framework that they provide is a key consideration when managing the financial affairs of the whole organisation.

4.2 Legal Implications including Procurement Rules - The Council is required under Section 151 of the Local Government Act to ensure that it makes arrangements for the proper administration of its financial affairs. These rules lay down the principles to be followed to secure that proper administration.

5. Risk Implications

5.1 The review of the Financial Procedure Rules will ensure that the Council continues to have effective arrangements in place to maintain a sound system of internal control whilst giving officers and members the flexibility to deliver services.

5.2 The Rules provide guidance and general advice to officers and members as to their responsibilities and as such, they are a means of mitigating risk and controlling financial behaviour within the Council.

6. Recommendation

6.1 That Council be recommended to approve the revised Financial Procedure Rules and the subsequent amendments to the Constitution.

Is this a key decision? Yes

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? Yes - two

List of Background Papers: None

Lead Officer: Robert Baxter, Interim Chief Finance Officer
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FINANCIAL PROCEDURE RULES

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1. INTRODUCTION

1.1 Status of Financial Procedure Rules

- 1.1.1 Financial Procedure Rules lay down the principles to be followed in securing a proper administration of the Council's financial affairs as required by Section 151 of the Local Government Act 1972.
- 1.1.2 These Procedure Rules shall be read in conjunction with the Council's;
- i) Responsibility for Functions (Constitution Part 3)
 - ii) Contract Procedure Rules (Constitution Part 4)
 - iii) Budget and Policy Framework Procedure Rules (Constitution Part 4)
- 1.1.3 These Procedure Rules apply to every Member and officer of the Council and anyone, including consultants, acting on its behalf.
- 1.1.4 These Financial Procedure Rules shall apply in relation to any partnership for which the Council is the accountable body unless the Council expressly agrees otherwise.
- 1.1.5 These Procedure Rules are supplemented by other related documents, issued by the Chief Finance Officer, which are designed to give guidance, including operational financial instructions. In the event of contradiction, the Financial Procedure Rules take precedence.
- 1.1.6 Financial Procedure Rules shall not override any statutory provisions that apply.
- 1.1.7 Financial Procedure Rules will be reviewed by the Chief Finance Officer at intervals of not more than three years and will be subject to approval by the full Council.
- 1.1.8 Failure to comply with these Procedure Rules or instructions issued under them will be subject to consideration as a disciplinary offence. Breaches of these Procedure Rules must be reported to the Chief Finance Officer and Internal Audit, who will be responsible for investigating the circumstances and recommending the further action to be taken.

1.2 General Roles and Responsibilities

- 1.2.1 These Financial Procedure Rules set out the roles and responsibilities of the Council and officers in financial matters. They should be read in conjunction with the Constitution, specifically Article 13, which details other specific responsibilities.

Full Council

- 1.2.2 The full Council is responsible for approving the overall Budget and Policy Framework within which the Executive operates having regard to the Chief Financial Officer's comments in his/her Local Government Act 2003 Section 25 report. The budget setting process includes the setting of the Council Tax and Housing Rent levels to be levied, and the approval of the Prudential Indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities.

1.2.3 The full Council approves these Financial Procedure Rules.

The Executive

1.2.4 The Executive is responsible for proposing the Budget and Policy Framework to full Council, and for discharging executive functions in accordance with that framework.

1.2.5 The Executive monitors financial performance and service performance and makes changes, within the Budget and Policy Framework to ensure the budget is met or met within the limits determined by the Council.

Chief Finance Officer

1.2.6 Section 151 of the Local Government Act 1972 requires the Council to appoint a suitably qualified person to be responsible for the proper planning, administration and monitoring of its financial affairs. The Chief Finance Officer fulfils this statutory role.

1.2.7 The Chief Finance Officer is responsible for:

- i) the proper administration of the authority's financial affairs;
- ii) setting and monitoring compliance with financial management standards;
- iii) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
- iv) providing financial information;
- v) preparing the Medium Term Financial Strategy including the Revenue Budget and Capital Programme;
- vi) Treasury Management.

1.2.8 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to full Council, the Executive and the External Auditor if he/she considers the Council, the Executive or an officer has made or is about to;

- i) make a decision involving expenditure or a loss which is or would be unlawful,
- ii) take an unlawful action which has resulted in or would result in a loss or deficiency to the Council or;
- iii) make an unlawful entry in the Council's accounts

Before making any report to the Council or the Executive the Chief Finance Officer shall consult the Chief Executive and the City Solicitor.

1.2.9 The Chief Finance Officer also has a duty under Section 25 of the Local Government Act 2003 to report to the Council on;

- i) the adequacy of the proposed reserves,
- ii) the robustness of the budget

1.2.10 In order to carry out these responsibilities;

- i) the Council must provide the Chief Finance Officer with sufficient resources,

- ii) the Council recognises the Chief Finance Officer as its principal financial adviser with access to all meetings as he/she considers necessary (including the right to be heard),
- iii) the Council recognises that neither it, nor any committee, Member or officer can require the Chief Finance Officer to breach any of his/her statutory duties.

1.2.11 The Council is also required by section 114 of the 1988 Act to have a designated deputy, currently the Financial Services Manager, to carry out these functions.

Chief Officers

1.2.14 The term, “Chief Officers”, refers to the Council’s Chief Executive and the Strategic Directors.

1.2.15 Chief Officers are each accountable to the Council for the financial management and administration of those services and activities allocated to them in accordance with Council policy.

1.2.16 Chief Officers are responsible for the overall arrangements within their Directorates and that due regard is given to compliance with the requirements of these Procedure Rules.

Assistant Directors

1.2.17 Assistant Directors are responsible for bringing these Procedure Rules and related documents to the attention of staff, for highlighting aspects of particular relevance to certain staff and for disseminating related documents including financial instructions as appropriate.

1.2.18 Assistant Directors are responsible for the accountability and control of staff and the security, custody and control of all other resources including buildings, furniture, equipment, stocks, stores, cash and other valuable resources or assets used by their service.

All Officers

1.2.19 All officers are responsible for ensuring that all actions they perform comply with the requirements placed upon them by the Council. They must also ensure that actions they take are properly authorised and within the sphere of responsibility their post possesses.

1.2.20 All officers have a general responsibility for taking reasonable action to provide for the security and use of the resources and assets under their control, and ensuring that the use of these resources and assets is legal, is consistent with Council policies and priorities and provides value for money.

1.2.21 All officers must report to a Chief Officer, the Chief Finance Officer or Internal Audit any occasions where they believe that these Procedure Rules, Contract Procedure Rules, Council policy or financial instructions are not being followed, or where Council resources or assets are at risk.

Other Responsibilities

- 1.2.22 Chief Officers and Assistant Directors are required to carry out their tasks in accordance with these Procedure Rules. These officers may authorise other officers to carry out tasks for which they have responsibility as set down by these Procedure Rules.
- 1.2.23 Chief Officers have the same rights and responsibilities as Assistant Directors for any matters falling under their direct management.

2. ACCOUNTING ARRANGEMENTS

2.1 Accounting Arrangements

2.1.1 Subject to statutory requirements, all accounting procedures and records of the Council and its officers shall be determined by the Chief Finance Officer.

2.1.2 The Chief Finance Officer may issue detailed financial instructions on any aspect of accounting procedures and records to be applied generally or to specific departments or functions.

2.2 Accounting Records

2.2.1 The Chief Finance Officer shall be responsible for keeping the principal accounts and financial records of the Council.

2.2.2 The Chief Finance Officer shall ensure the safe retention of all accounting records, including paid invoices and certificates, for as long as may be statutorily required, currently 7 years for prime records such as invoices and 3 years for budget records.

2.2.3 All Directorate financial procedures and records shall be complied and maintained in accordance with such direction given by the Chief Finance Officer.

2.2.4 Assistant Directors must ensure that a complete audit trail, allowing financial transactions to be traced between accounting records and original documents, is maintained.

2.3 Accounting Systems and Procedures

2.3.1 Assistant Directors shall consult with and must obtain permission from the Chief Finance Officer before introducing, amending or discontinuing any system, record or procedure that relates to any area covered by these Procedure Rules.

2.4 Directorate Financial Management Arrangements

2.4.1 Chief Officers are responsible for the operation of financial processes within their Department and in consultation with the Chief Finance Officer shall ensure adequate controls are in place.

2.5 Annual Statement of Accounts

2.5.1 The Chief Finance Officer should ensure that the Council's accounts are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, for each financial year ending 31st March and the CIPFA Service Reporting Code of Practice and prepared, published and audited in accordance with the Accounts and Audit Regulations 2003, or any subsequent Regulations.

2.5.2 The Chief Finance Officer is responsible for selecting the Council's accounting policies, including any change to these policies and ensuring that they are applied accurately and consistently.

2.6 Trading Accounts

- 2.6.1 The Chief Finance Officer will advise on the establishment and operation of trading accounts. Each trading account will have defined objectives, including the way in which surpluses or deficits will be dealt with.
- 2.6.2 Assistant Directors will observe all statutory requirements in relation to services that maintain trading accounts, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce suitable information for the statutory disclosure in the Statement of Accounts.
- 2.6.3 Assistant Directors will ensure that the same accounting principles are applied in relation to trading accounts as for other services unless, in the opinion of the Chief Finance Officer, arrangements which are more advantageous to the Council are permissible.

3. AUDIT ARRANGEMENTS

- 3.1 The Accounts and Audit Regulation 2015 require that a, “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems and review its effectiveness on an annual basis.” The Authority’s Internal Audit function fulfils this role.
- 3.2 Internal Audit operates in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom, published by CIPFA and with Terms of Reference approved by the Council and included with the Audit Committee’s Terms of Reference, again also approved by the Council.
- 3.3 Internal Audit shall review, appraise and provide assurances on (and report to the Audit Committee or Executive if deemed necessary) the following matters;
- i) the soundness, adequacy and application of internal controls;
 - ii) the extent to which the Council’s assets and interests are accounted for and safeguarded from losses of all kinds arising from fraud, other offences, waste, extravagance, inefficient administration, poor value for money or other cause;
 - iii) the suitability and reliability of financial and other management information used within the Council.
- 3.4 In pursuance of their duties Internal Audit shall have the authority under the Accounts and Audit Regulations to;
- i) access/enter at all reasonable times any Council premises or land;
 - ii) have access to all assets, records, documents, minutes. Correspondence and control systems relating to any aspect of the Council;
 - iii) require and receive such information and explanations as are necessary concerning any matter under examination;
 - iv) require any employee of the Council to produce cash, stores, or any other Council property under his/her control;
 - v) request access to records belonging to third parties, such as contractors and partners,
 - vi) have full and free access to all officers, Members and Committees.
- 3.5 Whenever a matter arising out of any audit activity, or otherwise, comes to the attention of Internal Audit and this reveals, or suggests, the possibility of any irregularity, Internal Audit shall consult immediately with the Chief Finance Officer and City Solicitor, to determine the nature of any action to be taken and to effect compliance with these Procedure Rules.
- 3.6 The effectiveness of a continuous Internal Audit shall be reported to the Audit Committee annually and as appropriate the results of audit reviews, which are deemed of interest, in accordance with the CIPFA code of audit practice.

4. FINANCIAL PLANNING

4.1 Medium Term Financial Strategy and Budget Preparation (Revenue and Capital, including the Housing Revenue Account).

4.1.1 The procedure for the preparation of the Medium Term Financial Strategy, revenue estimates and capital programme will be determined each year by the Chief Finance Officer. This procedure will be consistent with any direction given by the Executive which shall fulfil all statutory requirements.

4.1.2 Assistant Directors shall prepare estimates of revenue expenditure and income for all of the Council's services and estimates for the capital programme in accordance with the directions issued by the Chief Finance Officer.

4.1.3 The Chief Finance Officer shall collate the revenue and capital estimates and present them to the Executive together with the Medium Term Financial Strategy as part of the Budget and Policy Framework process. The Medium Term Financial Strategy will provide a five year forward assessment (for the next budget year and the four following years) of the revenue estimates based on present levels of service and efficiency but reflecting also decisions taken on new commitments and the budgetary impact of savings programmes. This plan should highlight total net expenditure (after income for fees and charges) on services and on financing costs, shown separately to make the implications explicit and in accordance with government guidelines.

4.1.4 The Executive shall consider the aggregate effect of these estimates and programmes on the Council's financial resources and, after consultation on proposed amendments, shall submit them to the full Council for approval, on or before the statutory date each year, together with a recommendation for the Council Tax and Housing Rent Levels to be levied for the following year, having determined the supporting resources to be used.

4.2 Reserves and Provisions

4.2.1 The Chief Finance Officer is responsible for making recommendations to Executive and full Council on the adequate level of unallocated General Fund and Housing Revenue Account Reserves and any limitations or conditions on the use of such unallocated reserves. This recommendation will be based upon;

- i) the assessment of the robustness of the budget and adequacy of reserves under Section 25 of the Local Governance Finance Act,
- ii) the projected level of reserves for the year and in the medium terms compared to a risk assessment based on the budget risk register and corporate risk register,
- iii) an on-going assessment of the above.

4.2.2 The Chief Finance Officer is responsible for making recommendations to the Executive and full Council on the adequate level of specific provisions and earmarked reserves. Such recommendations shall include;

- i) a list of the various earmarked reserves and provisions,

- ii) the purposes for which they are held,
- iii) the estimated opening balances for the year, planned additions/withdrawals and estimated closing balances.

4.2.3 Before approving the establishment of a new earmarked reserve or provision the Chief Finance Officer will require Assistant Directors to provide the following;

- i) the purpose of the earmarked reserve or provision,
- ii) the decision making and authorisation process for the use of those provisions and reserves,
- iii) the process and timescale for review of the reserve.

The establishment of new earmarked reserves and provisions shall be brought to the attention of the Executive, by the Chief Finance Officer, not less than four times a year.

4.2.4 Authority to commit expenditure for the specified purposes lies with Assistant Directors in accordance with section 5.1 of these Procedure Rules. Assistant Directors shall only propose the use of earmarked reserves and provisions for the purpose of such reserves or provisions, unless otherwise agreed by the Chief Finance Officer.

5. FINANCIAL MANAGEMENT

5.1 Budgetary Control

- 5.1.1 Assistant Directors will operate the services under their control in accordance with the policies of the Council and the finances made available, and shall be accountable to the Executive for performance.
- 5.1.2 Assistant Directors shall make arrangements to monitor and manage the budgets for which they are accountable and may designate budget holders who are empowered to commit budgets. Designation of budget holders below Service Manager level or Officers on a PO grade or above reporting directly into an Assistant Director or Chief Officer, requires the express consent of the Chief Finance Officer.
- 5.1.3 Budget holders may delegate day to day responsibility for overseeing the budget and managing the service to budget operators but they retain the responsibility for ensuring the proper management of the Council's resources for their service areas and are responsible for economic, efficient and effective use of resources allocated to them. All budget holder and budget operator activities will be in-line with the approved authorised signatory level for the authorisation of orders and invoices on the Council's financial system and variation/compensation events within contracts:

Tier 1	Unlimited £	Chief Officers and Assistant Directors
Tier 2	Up to £50,000	Service Managers and Officers on PO grade or above that report directly into an Assistant Director or Director
Tier 3	Up to £10,000	Team Leaders or Officers below PO grade that report directly into an Assistant Director

- 5.1.4 The Chief Finance Officer shall maintain a list of the extent of authority of each authorising officer to authorise financial transactions. The list of authorising officers will be reviewed by Assistant Directors at least annually. The Chief Finance Officer should be notified of requests for changes in authorisation limits.
- 5.1.5 The Chief Finance Officer shall provide Assistant Directors and budget holders with appropriate financial information, support and advice to enable the revenue budget and capital programme to be monitored effectively.
- 5.1.6 The Chief Finance Officer shall monitor the arrangements made by Assistant Directors for implementing budgetary control and shall ensure an effective system of budgetary control is operated throughout the Council.
- 5.1.7 Assistant Directors shall consult with the Chief Finance Officer prior to submitting any report or statement to the Executive, Committee, Sub-Committee or Panel to ensure that the financial implications for either the revenue budget, capital programme or the overall finances of the Council contain the Chief Finance Officer views.

5.2 Revenue Budget Management

5.2.1 The inclusion of items in approved revenue estimates, as varied by a supplementary estimate or virement approved under these Procedure Rules, constitutes authority to incur expenditure and collect income.

5.2.2 Assistant Directors and budget holders must regularly monitor (at least monthly but more frequently where necessary) actual income and expenditure against that budgeted for all services under their control and ensure that all budget targets are being achieved. As part of such monitoring, Assistant Directors and budget holders must;

- i) project likely future income and expenditure in order to identify immediately any potential over or under spends;
- ii) take corrective action without delay and, if action beyond their authority is required, report to their Assistant Director/Chief Officer immediately;
- iii) inform the Chief Finance Officer whenever there is a likelihood that expenditure will exceed the approved revenue estimate for it, or that income will be less than the amount included in the estimates, as soon as practicable, including any impact on future years.
- iv) inform the Chief Finance Officer whenever there is a likelihood that expenditure will be below the approved revenue estimate for it, or that income will be in excess of the amount included in the estimates, as soon as practicable, including any impact on future years.

5.2.3 Corrective action may take the form of a transfer of budgets between budget heads (virement) or the suspension or deletion of other planned expenditure. Any such suspension or deletion shall require the Assistant Director to obtain the approval of the Executive and/or full Council if it is contrary to the Budget and Policy Framework and shall affect council policy.

5.2.4 The Executive shall be entitled to require corrective action to be taken to deal with either a forecast or known overspending or to accommodate a new demand that is considered important or unavoidable.

5.3 Exceptional Supplementary Budget Estimates

5.3.1 Once all other possibilities for corrective action have been considered the Assistant Director, in conjunction with the Chief Finance Officer, will be required to make a request for a supplementary budget.

5.3.2 Requests for supplementary budgets shall only be made in exceptional circumstances and may only be approved by the Council. A report requesting a supplementary budget must be produced jointly with the Chief Finance Officer and must make particular reference to any future financial implications.

5.4 Transferring Financial Resources Between Revenue Budget Heads in Year (Virement)

5.4.1 Budget provision may be transferred from one budget head to another during the course of the year subject to the following rules;

- i) the proposed expenditure is not contrary to council policy and does not relate to an item which has previously been considered by the Council, and has been rejected;
- ii) no net recurring increase in total expenditure will arise in any subsequent years directly from the virement unless the recurring cost is approved by the Executive;
- iii) the proposed virement does not involve any loan charges, capital expenditure or apportioned central support services charges which the officer concerned has no control over;
- iv) all virements are notified to the Chief Finance Officer within one week of approval; and
- v) fortuitous income (which has not arisen through a positive management decision) cannot be a source of virement.

5.4.2 Where an approved budget is a 'lump sum' budget or reserve intended for allocation during that year, its allocation will not be treated as a virement for reporting purposes, provided that the amount is used in accordance with the purposes for which it was established.

5.4.3 The transfer of a budget is not virement if the budget continues to be used for the same purpose and is only being vired for the purpose of 'general housekeeping'.

5.4.4 The Chief Finance Officer is authorised to make any technical adjustment to budgets that are not contrary to the Policy and Budget Framework.

5.4.5 Virement is permitted between the revenue budget and the capital budget but not from the capital budget to the revenue budget.

5.4.6 Revenue virements may be made within the following criteria;

Within the same budget head;

- i) transfer between subjective within revenue budget heads may be approved by the budget holder, after consultation with their Assistant Director.

Between different budget heads;

- ii) where amount does not exceed £50,000 and the items are to be transferred between different budget heads then the relevant Assistant Director(s) may approve the transfer;
- iii) where the amount is more than £50,000 but not exceeding £75,000 and is to be transferred between different budget heads then the relevant Director(s) may approve the transfer;
- iv) where the amount is more than £75,000 the approval of the Executive is required.

5.4.7 Any virement that will impact upon the budget under the responsibility of another Assistant Director will require the approval of both Assistant Directors or both Chief Officers.

* A budget head is defined as a single line in the approved revenue estimates.

5.5 **Carry Forward of Revenue Budgets from One Year to the Next**

5.5.1 Assistant Directors will be able to request to carry forward any revenue estimate not utilised by the end of the financial year, subject to the following conditions:

- i) proposals for carry forwards will only be considered where there is an overall underspend of the Directorate's cash limited budgets equal or greater than the carry forward amount (for this purpose income budgets for which the Directorate doesn't have full control, e.g. due to market forces) are excluded from the considered cash limit budget;
- ii) carry forwards can only be used to finance one-off types of expenditure;
- iii) proposals will be included for initial approval in the report on financial performance submitted to the Executive for the period to the end of 31st December each year;
- iv) if carry forwards are not identified and reported to the Executive in the report of financial performance for the period to the end of 31st December then they will not be considered, except in circumstances which are beyond the Council's control, e.g. failure of supplier to deliver. In such a case the initial approval of the Chief Finance Officer will be required;
- v) approval of the total value of carry forward proposals will only be given by the Executive once all spending in the financial year has been contained within the overall budget level set for the year and consideration given to the financial risks and priorities of the Council. This will be determined on receipt on the report of financial performance for the period to the end of 31st March each year. The allocation of the total carry forward amount to specific schemes will be determined following completion of the draft financial statements each year.

5.6 **Capital Budget Management**

Capital scheme initiations and approvals

5.6.1 Initial provision is made for capital schemes within the Capital Programme in line with the approved Strategic Plan, Housing Business Plan and Medium Term Financial Strategy.

5.6.2 Inclusion of an initial provision in the Capital Programme provides authorisation to carry out feasibility studies, outline design and application for planning consent (where required) provided the resources have been identified within the approved budget.

5.6.3 Before a capital scheme for which provision is made in the Capital Programme may proceed further i.e. to tender/commitment of expenditure, project documentation must be produced and agreed by the Capital Projects Team, in accordance with the Lincoln Project Management Framework, unless such documentation has been

completed within the last 12 months prior to inclusion in the Capital Programme. If a period of 12 months has elapsed a revised project appraisal will be required to be approved by the Strategic Plan Implementation Team.

5.6.4 Where Assistant Directors wish to propose new capital schemes for inclusion in the capital programme, they must first consult with the Chief Finance Officer who will determine the approach to be taken for approval of the proposal. The proposals will need to be approved by the Executive and be in accordance with the Lincoln Project Management Framework, i.e. require the completion and approval of appropriate project documentation. This must include all applications for schemes to be funded from Government sources, grants or other external funding.

5.6.5 Bids for external funding to support capital expenditure cannot take place until they have been approved by the Chief Finance Officer.

5.6.6 The Chief Finance Officer may approve expenditure where tenders received are less than the allocated scheme budget and the Assistant Director proposes to extend the scope of the work up to the allocated amount. In such circumstances the Chief Finance Officer will consider the overall capital programme and other calls on capital resources.

5.6.8 Capital Scheme Monitoring

5.6.9 Assistant Directors and budget holders shall be responsible the monitoring of all capital schemes under their control and shall, at the earliest opportunity, inform the Chief Finance Officer whenever;

- i) the cost has or is likely to exceed the allocated project budget;
- ii) there has been or is likely to be slippage in estimated payments for the year so that steps may be taken to avoid the loss of time-limited borrowing or capital grant approvals.

5.6.10 If after a scheme has commenced the original total cost has or appears likely to exceed the allocated scheme budget, or where any avoidable variations or discretionary charges are to be incurred, then equivalent savings must be made within the approved capital programmes (virement).

5.6.11 If it is not possible to identify a capital virement the Chief Finance Officer and Assistant Director shall report the scheme, the final cost or estimate thereof and reason for the increased expenditure to the Executive at the earliest opportunity.

5.6.12 Any proposal to amend an approved capital programme by deleting an approved scheme will require the approval of the Executive.

5.7 Transferring Financial Resources within Capital Schemes (Virement)

5.7.1 The Chief Finance Officer in conjunction with Capital Projects Team shall consider the scheme as a whole, the overall agreed capital programmes and other calls on capital resources, when taking correction action in the form of a virement.

- 5.7.2 The Chief Finance Officer shall have authority to approve virements to a capital scheme subject to the virement plus previous virements approved by the Chief Finance Officer being not more than £100,000 or 50% of the total scheme whichever is lower. For ongoing schemes (e.g. disabled facilities grants) the total value of the scheme refers to the annual budget allocation.
- 5.7.3 Such virements shall be reported by the Chief Finance Officer to the Executive, not less than four times a year.
- 5.7.4 Any virement which results in the change to the cost of the scheme exceeding the above financial limits will require the Assistant Director in conjunction with the Chief Finance Officer to prepare a report to obtain the approval of Executive.
- 5.7.5 The Chief Finance Officer shall have authority to approve the rephrasing of capital schemes within the approved capital programme between financial years (subject to the availability of resources) to make the most effective use thereof. Such re-phasing shall be reported by the Chief Finance Officer to the Executive, not less than four times a year. If deemed necessary the Chief Finance Officer in conjunction with the relevant Assistant Director shall prepare a report to the executive to consider proposals.
- 5.7.6 The Chief Finance Officer shall have the authority to approve the inclusion of schemes in the capital programme as required by capital accounting requirements in the Accounting Code of Practice.

5.8 Reporting

- 5.8.1 The Executive shall receive a report, prepared jointly by, the Chief Finance Officer and Officers, commenting on financial performance to date of the revenue budget and capital programmes, not less than four times a year. The Chief Finance Officer shall report to the Executive in between such regular reports should he/she require this to be necessary in the financial circumstances.
- 5.8.2 The Performance Scrutiny Committee shall receive a report, prepared jointly by, the Chief Finance Officer and Chief Officers, commenting on financial performance to date of the revenue budget and capital programmes, not less than four times a year.

5.9 The Capital Programme Board

- 5.9.1 Notwithstanding any of the responsibilities of Assistant Directors and budget holders for budget management within these Procedure Rules, in addition the performance of all capital schemes shall be monitored by the Chief Finance Officer in conjunction with the Capital Programme Board (the Assistant Director Group will fulfil this function).
- 5.9.2 The Capital Programme Board shall consist of the Chief Finance Officer and Assistant Directors representatives from each Directorate. The Capital Programme Board will consider rescheduling / resource shifting / financial programming, i.e. wider programme management, rather than being involved in the detail of individual projects. Only exceptions, where there is a risk of significant impact on financials or deliverables, would be reported to, and considered by, the Capital Programme

Board.

- 5.9.3 Project Briefs will be developed by the Project Manager, and agreed with the Project Sponsor, after consultation with all affected services, and the budget model is agreed with Finance.
- 5.9.4 The Capital Programme Board considers significant change only, with minor change being dealt with by the Project Manager / Project Sponsor. Tolerances of what constitutes significant change to be agreed at the start of the contract.
- 5.9.5 For capital schemes determined, as per the Lincoln Project Management Model, to be 'mega projects' the performance of that scheme can be undertaken through a designated project board rather than through the Capital Programme Board. In such circumstances the Chief Finance Officer, or representative of, will form part of the project board.
- 5.9.6 Performance Scrutiny Committee and Executive will receive a progress report from the Chief Finance Officer on a quarterly basis on the capital schemes monitored by the Capital Programme Board.

6. EXPENDITURE

6.1 Authorisation and Certification

6.1.1 Expenditure should only be incurred if authority to purchase goods or services has been delegated to an employee by an Assistant Director.

6.1.2 A list is maintained by the Chief Finance Officer of the extent of the authority of each authorising officer who can approve orders and authorise invoices for payment.

6.1.3 A list is maintained by the City Solicitor of the extend of the authority of each authorising officer who can:

- i) authorise travel and expense claims;
- ii) authorise petty cash reimbursement claims;
- iii) authorise payroll transactions, including starters and leavers, overtime or bonus payment, notification of sickness, salary adjustments.

6.1.4 Transactions will not be processed unless authorisation has been given.

6.1.5 Agency staff are not permitted to place or approve orders or contractual payments.

6.1.6 Assistant Directors should notify the Chief Finance Officer and City Solicitor immediately of any changes in authorised personnel or requests for changes in authorisation limits. Periodically, the whole list of authorised officers shall be reviewed in its entirety.

6.2 Contracts for Works, Goods and Services

6.2.1 All contracts entered into on behalf of the Council shall be subject to the Contract Procedure Rules (Part 4) of the Constitution.

6.2.2 Payment to contractors on account shall be authorised only on certified documents signed by an authorising officer up to their agreed authorised limited, as per paragraph 5.1.3, showing the total amount of the contract, value of work executed to date, retention money, amount paid to date and the amount now certified.

6.2.3 Subject to the specific contract allowing a variation, every variation, addition to the original specification or compensation event, shall be authorised, in writing, by an authorising officer up to their agreed authorised limit, as per paragraph 5.1.3. Any such variation, addition or event which necessitates an increase in the amount of an accepted tender or estimate which exceeds the budgetary provision will be subject to the scheme of virement as per paragraphs 5.4 and 5.7. No order shall be placed, nor any payment certified, in respect of any such variation or addition until this has been approved by the Executive if required under the scheme of virement.

6.2.4 The final certificate on a contract or accepted estimate shall be issued by the duly authorised officer.

6.2.5 In the case of contracts for works entered into by the Council and supervised and managed by architects or persons other than the Council's own officers, the agreement with the person having control of the work shall provide that he/she submit to the Council for authorisation by a duly authorised officer, all payments on account and valuation certificates, furnishing them with all documents and vouchers relating to prime costs, provisional sums etc. Subject to the rights of other parties to the contract, the final certificate shall not be issued, nor the balance under such contract paid until an authorised officer of the Council has had the opportunity to examine the accounts, vouchers and documents and authorise the final certificate and payment.

6.3 Orders for Works, Goods and Services

6.3.1 Purchase orders shall be made out in the name of the Council and shall be in a form approved by the Chief Finance Officer. Electronic ordering shall be the Council's preferred method of raising orders.

6.3.2 Official purchase orders are required for all work, goods or services to be supplied to the Council except for:

- i) supplies of public utility services;
- ii) contracts for works, goods and services as per paragraph 6.2
- iii) periodical payments (such as rent or rates);
- iv) petty cash purchases; or
- v) such other exceptions as the Chief Finance Officer may approve

If there is any doubt over whether a purchase order is required the Chief Finance Officer will confirm the requirements.

6.3.3 No official order shall be issued unless the rules regarding the obtaining of quotations/tenders in accordance with Contract Procedure Rules, (Part 4) of this Constitution, have been followed.

6.3.5 Verbal orders should only be given in emergencies and must be confirmed immediately by an official order, clearly marked 'Confirmation of an order issued verbally'. Personal credit cards can only be used in exceptional and justifiable circumstances and with prior authorisation of the Chief Finance Officer.

6.3.6 All orders shall specify the nature and quantity of the work, goods or services required, shall include all relevant expenditure (including freight/delivery) and shall specify the relevant contract and agreed or estimated price excluding Value Added Tax.

6.3.7 Each purchase order must be authorised by an authorising officer up to their agreed authorised limit. Before authorising purchase orders (or otherwise committing expenditure) authorising officers should ensure that sufficient budgetary provision is available.

6.3.8 Any purchases undertaken as part of a corporate procurement card scheme shall be in accordance with the instructions issued. Purchase orders are not required for

procurement cards.

- 6.3.9 No financial loan, leasing or hire purchase arrangement (with the exception of land and property) may be entered into without the express permission of the Chief Finance Officer.
- 6.3.10 Under no circumstances may individual employees use the Council's ordering or payments systems for personal use or benefit.
- 6.3.11 Assistant Directors shall ensure that, where construction maintenance works are undertaken, the contractor fulfils necessary Construction Industry Tax Scheme requirements.

6.4 Payment of Accounts

- 6.4.1 The Chief Finance Officer shall be responsible for making safe and efficient arrangements for all payments.
- 6.4.2 The primary method of payment of funds due from the Council is by BACS payment drawn on the Council's bank account by the Chief Finance Officer. In exceptional circumstances other forms of payment e.g. CHAPS/faster-payment/direct debit/standing order may be used with the agreement of the Chief Finance Officer.
- 6.4.3 Each Assistant Director shall be responsible for ensuring that prior to purchase orders for goods and services being confirmed as being goods received (or on occasions invoices being authorised for payment) the examination, verification and certification of the receipt of all goods and services under his/her control is in line with the original purchase order or subsequent amendments. He/she shall satisfy him/herself that robust procedures exist to ensure that;
 - i) the goods, works or services mentioned have been received, examined and approved as to quality and quantity and are in accordance with the order and/or subsequent correspondence;
 - ii) the relevant expenditure has been properly incurred, and is within the relevant budget;
 - iii) appropriate entries have been made in inventories, stores records or stock books as required;
 - iv) the account has not previously been passed for payment and is a proper liability of the Council;

Where the invoice received differs from the official purchase order or amounts certified as received, then they shall ensure that;

- i) the price charged is correct and in accordance with any accepted quotation or contract and that all appropriate allowances, discounts and credits have been deducted, and that the invoice is arithmetically accurate;
- 6.4.3 Statements shall not be paid but should be passed to the Chief Finance Officer for review and reconciliation. Scanned or photocopied documents shall not be passed for payment unless endorsed by the authorising officer stating that the original is not,

and is unlikely to become, available. If this is the case scanned or photocopied documents must be of sufficient quality to be processed.

6.4.4 Each order, goods receipt confirmation and/or invoice shall be authorised by the authorising officer up to their agreed authorised limit.

6.4.5 Assistant Directors must ensure that invoices for payment are dealt with promptly in accordance with any contract conditions, late payment legislation and performance criteria. Priority is to be given to invoices subject to a discount for prompt payment. On confirmation the purchase orders have been goods receipted or if required invoices have been authorised for payment, the invoices will be processed by the Chief Finance Officer for payment without delay.

6.5 Payment for Salaries and Wages

6.5.1 The payment of all salaries, wages, compensation and other emoluments to all employees or former employees of the Council shall be made by the City Solicitor under secure and reliable arrangements approved by the Chief Finance Officer.

6.5.2 Assistant Directors and the City Solicitor will ensure that appointments of all employees are made in accordance with the Procedure Rules of the Council.

6.5.3 Assistant Directors shall notify the City Solicitor as soon as possible, complying with deadlines set down for payroll processing and in the form prescribed by him/her, of all matters affecting the payment of such emoluments, and in particular:-

- i) appointment, resignations, dismissals, suspensions, secondments and transfers;
- ii) absences from duty for sickness or other reason, apart from approved leave (via the appropriate admin team);
- iii) changes in remuneration, other than normal increments and pay awards and agreements of general application; (e.g. honorarium, accelerated increments, regradings etc)
- iv) information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
- v) all employees in receipt of taxable benefits;
- vi) additional work such as overtime.

6.5.4 All time records or other pay documents shall be in the form prescribed by the Chief Executive and approved by the Chief Finance Officer and shall be certified by an authorising officer.

6.5.5 Assistant Directors must ensure that all pay transactions are processed through the payroll system. They must, in particular, seek advice from the City Solicitor on the employment status of potentially self-employed individuals or sub- contractors.

6.5.6 The City Solicitor shall implement all nationally agreed pay and related awards immediately.

6.6 Payments of officer's travel and subsistence

- 6.6.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses in relation to the performance of official duties shall be submitted via the system prescribed by the City Solicitor and approved by the Chief Finance Officer and submitted in accordance with such timescales as he/she may determine.
- 6.6.2 All claims for payment shall be certified by an authorising officer. Such certification shall be taken to mean that the authorising officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.
- 6.6.3 Irrespective of the method of claim or method of payment, all expenses for car allowances, subsistence allowances, travelling and incidental expenses shall be in accordance with the rates and scales set out in the HR Handbook as updated from time to time.

6.7 Payments to Member's or Independent Persons for Travel, Subsistence and Allowances

- 6.7.1 Payments to Members, including co-opted Members of the Council or its committees, or independent persons who are entitled to claim travelling or other allowances, will be made by the City Solicitor upon receipt of the prescribed form duly completed. All claims for a financial year are to be submitted in accordance with the Members' Allowance Scheme.
- 6.7.2 All issues relating to the payment of Members' allowances and including the keeping of records and publication of amounts claimed, shall be in accordance with the Council's Members' Allowance Scheme extant at that time as any relevant legislation.
- 6.7.3 The City Solicitor shall determine which duties of Members should qualify for payment in accordance with the Members' Allowance Scheme. Any other payments will require approval by the Executive.

7. INCOME

7.1 Fees and Charges

- 7.1.1 All fees and charges to be made for Council services shall be reviewed at least annually by the Assistant Directors. Such fees and charges shall be submitted by the Chief Finance Officer to the full Council for approval as part of the Medium Term Financial Strategy.
- 7.1.2 Proposals for new fees and charges should normally be considered as part of the Medium Term Financial Strategy. Where this is not possible then the Assistant Director, in conjunction with the Chief Finance Officer shall submit a report to the Executive for approval of the new fees and charges. Reasonable notice should be given to service users to consult on the fees, before any new charge is implemented, together with clear advice on any discounts or concessions that will be available.
- 7.1.3 Any fees and charges regulated by statute shall be implemented on the due date without requiring approval or consultation with service users.
- 7.1.4 Given the uncertain nature of the economy, the need for price changes later in the year cannot be ruled out in order to respond to operational issues and the changing market, as well as to offer incentives that will encourage greater use of services and therefore increase overall income generated. Possible changes might include the introduction of promotions to stimulate demand as necessary, making offers for limited timescales, linking two services and offering discounts. Such discounts and promotions will need to rest with the service to introduce as part of being market-led and responsive.
- 7.1.5 In such circumstances the relevant Assistant Director has the discretion to amend the set fees and charges by +/- 50% for any individual fee, after consulting with the relevant Portfolio Holder. Such an occurrence shall be reported to the Chief Finance Officer at the earliest opportunity.

7.2 Collection of Income

- 7.2.1 The collection of all money due to the Council shall be under the supervision of the Chief Finance Officer who shall ensure adequate arrangements are maintained for;
- i) the financial organisation and accounting necessary to ensure the proper recording of all sums due to the Council, and;
 - ii) the collection, custody, control, disposal and prompt accounting of all cash in all Directorates and establishments of the Council and any bodies acting on the Council's behalf.
- 7.2.2 Each Assistant Director shall arrange for accounts to be raised promptly in respect of charges for work done or goods or services supplied and for rendering such accounts to the debtors concerned, along with required supporting documentation. Such accounts will be in a form specified by the Chief Finance Officer.
- 7.2.3 Assistant Directors shall promptly notify the Chief Finance Officer of contracts, leases and other agreements and other arrangements entered into which involves

the receipt of money by the Council.

- 7.2.4 The Council does not accept cash except where this is unavoidable and approved by an Assistant Director. Any cash received must be acknowledged by the issue of an official receipt.
- 7.2.5 All official receipt forms, books or similar items shall be in a form approved by the Chief Finance Officer.
- 7.2.6 All official receipt forms, books or similar items shall be ordered, controlled and issued only by the Chief Finance Officer and be in his/her custody, except where he/she may approve otherwise. A register shall be kept of all receipts and issues of such documents and each issue shall be acknowledged by the signature of the recipient.
- 7.2.7 Assistant Directors shall ensure that cash etc collected by an employee shall not be left unsecured in the absence, for any reason, of the employee from the point of collection. Where a collection point is left unattended, all cash must be put in secure conditions.
- 7.2.8 Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving officer.
- 7.2.9 Assistant Directors shall ensure that any shortages of cash collected shall be notified immediately to the Chief Finance Officer and Internal Audit to determine the nature of any action to be taken and to effect compliance with these Procedure Rules.
- 7.2.10 Personal cheques shall not be cashed out of the money held on behalf of the Council.
- 7.2.11 Each employee receiving income shall balance his/her collections at least daily and pay them to the Chief Finance Officer, the bank (either directly or via authorised collectors) or another officer nominated by the Chief Finance Officer in accordance with the instructions specified by the Chief Finance Officer. These payments must be properly coded and any VAT properly accounted for. No deduction may be made from such money save to the extent that the Chief Finance Officer may specifically authorise.
- 7.2.12 The Chief Finance Officer shall arrange for prompt banking of monies received by him/her.
- 7.2.13 Each officer who banks money (either directly or via authorised collectors) shall enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor) or otherwise indicate the origin of the cheque; on the reverse of each cheque, the officer shall enter the name of his/her directorate, office or establishment.
- 7.2.14 As per paragraph 7.2.4 above the Council does not accept cash payments except where this is unavoidable. In those unavoidable instances in accordance with the Council's Anti-Money Laundering policy payment to the Council can be accepted if it is in cash and does not exceed a specified limit (currently £2,000). The receipt of

cash payments over £2,000 requires the prior authorisation of the Chief Executive, City Solicitor or Chief Finance Officer.

- 7.2.15 Electronic payments will be implemented on a service-by-service basis wherever this can be done so efficiently. Whenever possible this will be through a means that is without human intervention in the process such as through the online secure web pages or by automated telephone payments. All monies received through such methods shall be subject to the specific instructions concerned and shall comply with the Payment Card Industry Data Security Standards (PCIDSS). This requirement to comply with PCIDSS extends to any third parties/contractors working on behalf of the Council

7.3 Writing off bad debts

- 7.3.1 The Chief Finance Officer shall generally administer the recovery of all income due to the Council, including taking appropriate proceedings in court. With exception of the delegation to the City Solicitor to settle all legal proceedings in consultation with the relevant instructing officer.

- 7.3.2 The authority to write out debts shall be as follows and exercised only where the debt is deemed uncollectable by virtue of the bankruptcy or liquidation of the debtor, the debt being statute barred or the absence of further remedies being available such as following a committal hearing or a deceased debtor with no estate or where the debt is deemed irrecoverable or uneconomic to pursue:

- i) not more than £5,000 for any one debtor in respect of any one financial year – authorisation required by Chief Finance Officer, City Solicitor or the Head of Shared Revenues and Benefit Service.
- ii) following a report to and the approval of the Executive in respect of debts over £5,000.

- 7.3.3 Where authorisation exists to write out a debt, the Chief Finance Officer may seek to mitigate the loss to the Council by selling the debt or passing it to an agency on a commission basis. Nothing in these Procedure Rules shall preclude the passing of a debt to an agency where either the debtor becomes liable for those costs or there is provision in the budgets or provisions to meet such costs. Nothing in these Procedure Rules shall preclude “technical” write-offs necessary to correct any account raised in error.

- 7.3.4 The authority to reinstate previously written off debts upon receipt of outstanding amounts shall be as follows:

- iii) Reinstatement of debts up to £5,000 - authorisation required by Chief Finance Officer, City Solicitor or the Head of Shared Revenues and Benefit Service.
- i) Reinstatement of debts over £5,000 – authorisation required by the Chief Finance Officer

8. Taxation

- 8.1 The City Solicitor shall be responsible for accounting to the HM Revenue's & Customs for all tax deducted from employees' emoluments under the PAYE arrangements.
- 8.2 The Chief Finance Officer shall be responsible for accounting to the appropriate agency for all other forms of taxation payable to or by the Council and for supplying to such agencies such other information as they may validly require.
- 8.3 The Chief Finance Officer may require from any employee of the Council such information as is necessary for fulfilment of the Council's obligation under this Procedure Rule. Assistant Directors shall be responsible for reporting taxable benefits (e.g. un-badged uniforms), which their staff may have received to the Chief Finance Officer in accordance with the timescales and procedures laid down by him/her.
- 8.4 Any purchase which is taxable under VAT Procedure Rules, whether or not the purchase price includes an element of VAT, shall be paid for only on receipt by the Chief Finance Officer of a suppliers invoice complying with VAT Procedure Rules or a written guarantee that an authenticated VAT receipt will be issued. Under no circumstances will VAT be payable on cheque requisition forms unless authorising officers have sought an authenticated VAT receipt.
- 8.5 Authorised officers accounting for income must ensure that the correct VAT is charged. Liability is determined by the type of organisation being charged and the nature of the service provided.
- 8.6 Assistant Directors should have regard to the provision of the Construction Industry Scheme (CIS) and should ensure that all payments which may incur a liability under this scheme are passed directly to the Chief Finance Officer for payment.

9. Resources and Asset Management

9.1 Banking Arrangements

- 9.1.1 All arrangements concerning banking services, including the opening, closing and operation of the Council's bank accounts shall be made solely upon direction of the Chief Finance Officer.
- 9.1.2 Cheques and other instruments drawn on the Council's banking accounts shall bear the facsimile signature of the Chief Finance Officer or be signed by the Chief Finance Officer or other officer authorised to do so in the bank mandate. The Chief Finance Officer will authorise the inclusion of specific officers on the bank mandate (to be at a minimum of Assistant Director level).
- 9.1.3 All such cheques and instruments shall be ordered only on the authority of authorised signatories and the Chief Finance Officer shall make proper arrangements for their safe custody.
- 9.1.4 The Chief Finance Officer shall authorise the establishment of all standing orders and direct debits.
- 9.1.5 The Chief Finance Officer shall maintain a list of all Council procurement cards issued and their holders. The Chief Finance Officer will authorise the issue of any new cards, the withdrawal of existing cards and provide operating guidance.
- 9.1.6 Card holders shall be personally responsible for the security of cards and for ensuring compliance with guidelines for their use, which shall include the requirement that procurement cards may only be used for Council business and in no circumstances used for personal purposes.

9.2 Investments, Borrowings and Trust Funds

- 9.2.1 The Council has adopted CIPFA's "Code of Practice for Treasury Management in Local Authorities".
- 9.2.2 The Council shall determine a Treasury Management Policy setting out its strategy and procedures for Treasury Management and set the Council's Prudential Indicators. The policy shall be reviewed once a year and completed in accordance with the budget timetable.
- 9.2.3 All money in the Council's possession shall be aggregated for the purposes of Treasury Management and shall be under the control of the Chief Finance Officer.
- 9.2.4 All Executive decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer or through him/her to his/her staff who shall all be required to act in accordance with current statutory requirements, professional guidelines and the Treasury Management Policy extant at the time of the transaction.
- 9.2.5 The Chief Finance Officer shall report to the;
- i) Executive no less than twice in each financial year on the activities of the

Treasury Management operation and on the exercise of Treasury Management powers delegated to him/her. One such report shall comprise an Annual Treasury Management Stewardship and Prudential Indicators Report for presentation by 30 June of the succeeding financial year.

- ii) Performance Scrutiny Committee no less than twice a year on the activities of the Treasury Management operation. Including, as a minimum, a mid-year review and an annual report after its close, in the form prescribed in its Treasury Management Practices.
- iii) Audit Committee on an annual basis on the treasury management strategy before approval by the Executive and full Council.

9.2.5 Responsibility for the implementation and regular monitoring of the Treasury Management policies and practices is delegated to the Performance Scrutiny Committee.

9.2.6 The Audit Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies.

9.2.7 All borrowings, investments and trust funds shall be made in the name of the Council.

9.2.8 The Chief Finance Officer shall act as a registrar of mortgages, stocks, shares and bonds, whilst appropriate arrangements shall be made for other securities.

9.2.9 All trust funds shall, wherever possible, be in the name of the Council and Officers acting as trustees by virtue of their official position shall deposit all securities, etc., relating to the trust with the City Solicitor unless the deed otherwise provides.

9.2.10 The Chief Finance Officer shall arrange, where funds are held on behalf of third parties, for their secure administration and to maintain written records of all transactions.

9.2.11 The Chief Finance Officer shall ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

9.3 Floats and Imprest Accounts

9.3.1 The Chief Finance Officer may establish and provide such imprest accounts and cash float holdings and in such a form as he/she deems appropriate.

9.3.2 The Chief Finance Officer shall maintain a list of all Council imprest accounts and cash float holdings issued and their signatories.

9.3.3 No income received on behalf of the Council may be paid into an imprest account but must be banked or paid to the Council as provided elsewhere in these Procedure Rules.

9.3.4 Payments shall be limited to minor items of expenditure up to a general individual limit of £50 and to such other items as the Chief Finance Officer may approve and shall be supported by a receipted voucher to the extent that the Chief Finance Officer may require. A VAT receipt should be obtained where possible.

- 9.3.5 Each imprest holder shall maintain an approved record of the sum received and disbursements made and shall produce the record and cash for checking on demand by the Chief Finance Officer or his/her representative.
- 9.3.6 Claims for reimbursement are completed by each imprest holder. The vouchers are attached to the claim certified by an authorising officer, and submitted to the Chief Finance Officer at such intervals as the Chief Finance Officer determines.
- 9.3.7 On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest account, an Officer shall account to the relevant Assistant Director for the amount advanced to them

9.4 Unofficial Funds

9.4.1 The Council will not as a general rule supervise the financial administration of unofficial funds and will not in the course of normal business audit them. It accepts no liability whatsoever for any loss however caused. Those operating such funds therefore have an overall responsibility to ensure that proper financial stewardship is observed. This should include ensuring that:-

- i) a Treasurer and an independent auditor are formally appointed;
- ii) proper rules are operated to secure adequate standards;
- iii) adequate records and procedures are maintained;
- iv) regular reports on fund transactions and balances are received and checked against bank statements;
- v) annual statements of income and expenditure and fund balances are prepared and audited.

9.4.2 Those operating or intending to operate such funds are also required to:

- i) notify the Chief Finance Officer of details of the fund as soon as this is set up;
- ii) provide an independent audit certificate for the fund on an annual basis.

9.4.3 The Chief Finance Officer reserves the right to inspect the accounts and records of such funds as necessary.

9.5 Asset Registers and Inventories

9.5.1 The Chief Finance Officer shall maintain an Asset Register, in such a form to record sufficient details to meet the requirements of the Code of Practice on Local Authority Accounting in respect of capital accounting, for all non-current assets with a value in excess of £10,000.

9.5.2 The Chief Finance Officer and the Assistant Director of Housing shall be responsible for ensuring that the Corporate Asset Management Plan and the HRA Asset Management Plan (respectively) under his/her control are up to date and provide the corporate framework for a coordinated approach to asset management within the Council.

- 9.5.3 In particular the Chief Finance Officer:-
- i) will maintain a terrier of all properties owned by the Council recording the holding service, purpose for which held, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and review periods and particulars of tenancies granted;
 - ii) shall hold and regulate access to all title deeds to land and property owned by or mortgaged to the Council and shall hold the Council's seal.
- 9.5.4 Assistant Directors shall be responsible for maintaining an inventory of all items under their control with a replacement value in excess of £250, but including electrical and photographic equipment, that do not form part of the Asset Register modules or subsidiary records. Such inventories shall be in a form determined by the Chief Finance Officer.
- 9.5.5 The Assistant Director of Strategic Development shall be responsible for maintaining a central inventory of computer equipment.
- 9.5.6 Asset records and inventories are to be checked by Assistant Directors annually to ensure;
- i) that new items are entered,
 - ii) that items are present; and
 - iii) any deficiencies are either accounted for or investigated without delay.
- 9.5.7 Each Assistant Director is responsible for maintaining proper security at all times for buildings, furniture, equipment, stocks, stores, cash and other valuable resources or assets under his/her control. All valuable resources must be locked away wherever possible to reduce the risk of theft. Buildings must be kept secure, well maintained and, where appropriate, access must be restricted. He/she shall consult promptly with the Chief Finance Officer in any case where security of cash or assets is thought to be defective or where it is considered that special security and/or safety arrangements may be needed.
- 9.5.8 The Council's vehicles, plant and equipment shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Chief Officer concerned.
- 9.5.9 A loss of any asset of any kind must be reported to the Chief Finance Officer and Internal Audit Manager.
- 9.5.10 Guidance on asset disposal is included within section 9.7.
- 9.6 Stocks and Stores**
- 9.6.1 Each Assistant Director shall be responsible for the custody, control and recording of stores in his/her department. He/she shall keep such records of stocks in a form approved by the Chief Finance Officer.

- 9.6.2 The Chief Finance Officer in conjunction with the Assistant Director concerned shall determine the method to be employed in the valuation of stocks and stores
- 9.6.3 Each Assistant Director shall undertake a regular system of stocktaking, and at least annually, to ensure that:-
- i) deficiencies or surpluses are detected promptly,
 - ii) obsolete and redundant stock is revealed, and
 - iii) year end stocks can be ascertained accurately and promptly.
- 9.6.4 The Chief Finance Officer shall be entitled to receive from each Assistant Director such information as he/she or she requires in relation to stores for the accounting, costing and financial records.
- 9.6.5 The Chief Finance Officer may, after investigation, authorise the writing off of deficiencies and/or obsolete stores where he/she is satisfied as to the cause.
- 9.6.7 Guidance on the disposal of surplus materials, stores or equipment is included within section 9.7.

9.7 Disposal of Items of Inventory, Stocks and Stores

- 9.7.1 The procedures contained in section 9.7 apply to the disposal of surplus goods, equipment, stocks and stores but do not apply to the sale in the ordinary course of business of any article or publication the price of which has been fixed by the Council.
- 9.7.2 Where the actual or estimated value of the goods to be sold is less than £10,000 the relevant Assistant Director may approve the disposal and may decide the procedure to be adopted. The Assistant Director must establish if the goods could be used in the Directorate or elsewhere in the Council and consider whether any of the following methods are considered appropriate:
- i) use of an appropriate selling agent/organisation
 - ii) offered for sale to employees and Members on the basis of the highest bid
 - iii) *use of the Council's Ebay Account (subject to final approval of parameters)*
 - iv) any of the disposal methods as set out in 9.7.4

If the item has no remaining value, its removal from the premises by an appropriately qualified contractor should be arranged.

- 9.7.3 Goods of an actual or estimated value exceeding £10,000 must be disposed of in one of the following ways, as determined most appropriate by the Assistant Director:
- i) by public tender;
 - ii) by public auction; provided that a reserve price has been fixed by the authorised person or body in advance and the consideration obtained is equal to or more than the reserve price;
 - iii) by "trading in" goods at the best price obtainable against the purchase of other goods on behalf of the Council;

- iv) by exchange, where authorised by the Assistant Director, for goods or works, subject to monetary adjustments as appropriate;
- v) by treating with not less than 3 bona fide prospective purchasers;
- vi) by sale to another local or public authority;
- vii) in accordance with a statutory requirement or procedure.
- viii) by sale in accordance with any other procedure approved by the Council or the Executive.

9.7.4 A record must be kept of the method of sale, price obtained, and the name and address of the purchaser. Where competitive prices have been sought, a record must be kept of the offers received and of the names and addresses of the persons making those offers.

9.7.5 The Chief Finance Officer shall be notified of the disposal of all goods and equipment, including stocks and stores. Assistant Directors are responsible for ensuring any inventories and records of stocks and stores they hold are updated to reflect the disposal of goods and equipment.

9.7.6 The receipt of any income from the disposal of goods, equipment, stocks and stores shall be treated as a capital receipt if it is in excess of £10,000, below this threshold it will be treated as revenue income for the relevant service area.

9.8 Acquisition and Disposal of Land and Buildings

9.8.1 Authority for any land and buildings acquisition must be sought through the Executive, with the recommendation of the Strategic Property Manager and in consultation with the Chief Finance Officer.

9.8.2 All acquisitions and interests in land and buildings must be negotiated through the Strategic Property Services Manager:

- i) by private treaty;
- ii) by tender;
- iii) at auction, provided that the maximum price to be paid has been fixed by the Chief Finance Officer in advance and is not exceeded.

9.8.3 All disposals of land and buildings must be authorised by the Executive or a sub-committee authorised by the Executive, on the recommendation of the Strategic Property Manager and in consultation with the Chief Finance Officer

9.8.4 The Strategic Property Manager may enter into a contract for the disposal of any interest in the land and buildings;

- i) by public tender;
- ii) by public auction, provided that a reserve price has been fixed by the authorised person or body in advance and the consideration obtained is equal to or more than the reserve price;
- iii) by exchange, where authorised by the Council or the Executive, for goods, works or land, subject to monetary adjustments as appropriate;
- iv) by treating with one or more prospective purchasers, lessees or licensees

- v) by sale to another local or public authority;
- vi) in accordance with a statutory requirement or procedure;
- vii) by sale in accordance with any other procedure approved by the Council or the Executive.

9.8.5 The City Solicitor will be responsible for the completion of all deeds and legal agreements relating to the acquisition and disposal of any interest in land and buildings, in accordance with the Council's scheme of delegation.

9.9 Procedure For Disposal By Public Tender

9.9.1 Every invitation to tender must be sent out in accordance with the standard tender process as detailed in Contract Procedure Rules.

9.9.2 The Strategic Property Manager may accept the highest tender.

9.9.3 Acceptance of a tender, which is not the highest, may only be authorised by the Executive whose decision and the reasons for it must be recorded in the minutes.

9.10 Insurances

9.10.1 The Chief Finance Officer shall be responsible for deciding whether an insurable risk should be insured, how or at what level it should be insured and for negotiating all insurances of the Council using consultants or directly with insurance companies under arrangements approved by the Council or in establishing/operating an Insurance Reserve or Provision.

9.10.2 The Chief Finance Officer shall annually, or at such other period as he/she may consider necessary, review all insurances and excess levels.

9.10.3 Assistant Directors shall give prompt notification to the Chief Finance Officer of;

- i) all new risks and liabilities which may require specific insurance cover or an alteration to existing insurances;
- ii) all new properties, vehicles or plant that require insurance or an alteration, including revised valuations, to existing insurances;
- iii) all leases of property granted by or to the Council which involve a transfer of insurance cover;
- iv) all new partnership arrangements or changes to existing partnership arrangements that require insurance or an alteration to existing insurances.

9.10.4 All claims and recoveries are to be negotiated by the Council's appointed claim handler. Each Assistant Director must inform the Chief Finance Officer of any incident, e.g. any liability or damage, which could give rise to an insurance claim, immediately the notice of any such incident comes to his/her attention, in accordance with the Council's Incident Reporting Procedure.

9.10.5 Assistant Directors shall consult the Chief Finance Officer and City Solicitor with regard to the terms of any indemnity, which the Council is requested to give. No indemnity is to be given without the written consent of the City Solicitor.

- 9.10.6 Assistant Directors are responsible for ensuring that no employee shall admit liability nor offer any payment of compensation that may prejudice the Council's liability in respect of any future claim.
- 9.10.7 All appropriate employees of the Council shall be included in suitable fidelity guarantee insurance whilst carrying out duties directly connected with their employment as a Council officer undertaking official business of the Council.
- 9.10.8 All of the above shall be done in the context of the Council's Risk Management Policy.

10. EXTERNAL ARRANGEMENTS

10.1 Partnerships

10.1.1 The Chief Finance Officer will ensure that the accounting arrangements adopted in relation to partnerships and joint ventures are subject to financial control procedures that reflect those of the Council, legislative requirements and other professional guidance. Partnerships include;

- i) services provided by private sector and community and voluntary sector partners;
- ii) shared services with other public bodies, including section 75 agreements entered into under the Health Act 2003 or similar arrangements;
- iii) where the Council becomes the accountable body under legislation or the terms of a grant;
- iv) any other partnerships involving a sharing of resources or risk and reward.

10.1.2 Assistant Directors must ensure that partnerships involving the Council are entered into or set up in accordance with the corporate guidance. This includes the responsibility to take appropriate professional advice (including financial, legal and procurement) when entering into partnership arrangements and to ensure that the impact of any such arrangements in terms of risk or financial standing are identified and considered by the Executive and the Council as appropriate. This includes:

- i) governance arrangement for the partnership;
- ii) risk management and risk sharing arrangement;
- iii) performance and financial management/monitoring arrangements;
- iv) financial administration, cash management and accounting arrangements;
- v) pensions risk;
- vi) taxation implications;
- vii) human resources implications;
- viii) the transfer of assets and liabilities;
- ix) insurance arrangements.
- x) ICT implications

10.1.3 Assistant Directors shall also ensure that;

- i) such partnerships do not adversely impact upon services provided by the Council;
- ii) all contracts are properly documented in a form approved by the City Solicitor; and
- iii) all appropriate information is provided to the Chief Finance Officer to enable a note to be entered into the Annual Statement of Accounts.

10.2 External Funding

10.2.1 The Chief Finance Officer must be consulted on and approve all submissions to Central Government and other agencies for funding. Prior to making any submission in relation to external funding, Assistant Directors must ensure that:

- i) an exit strategy is identified to manage the ultimate cessation of the funding stream with no adverse impact on the Council, including any ongoing revenue implications;
- ii) any match funding requirements are given due consideration prior to entering into agreements and that future revenue budgets reflect these requirements; and
- iii) they are able to comply with the terms and conditions of a grant scheme, including auditor certification requirements, before accepting them.

10.2.2 Assistant Directors must seek approval from the Chief Finance Officer before accepting any offer of funding from external bodies.

10.2.3 Assistant Directors are responsible for ensuring that all expenditure to be funded by grant is properly incurred in accordance with the requirements and conditions of the funding body, and is supported by adequate evidence.

10.2.4 Assistant Directors are responsible for ensuring the completion and submission of grant claims. Officers must also ensure that grant claims comply with the requirements and grant conditions of the funding body, are submitted promptly, and supported by adequate evidence.

10.3 Providing Services to Third Parties

10.3.1 No tender or quotation for any contract for the execution of works or provision of services by the Council may be submitted, or any such contract entered into, without first consulting the Chief Finance Officer and the City Solicitor

10.3.2 If either the Chief Finance Officer or City Solicitor object to any proposal to enter into a such a contract, then no authorised person or body other than the Executive may approve the submission of a tender or quotation or enter into such a contract.

10.3.2 All proposals to submit a tender or quotation shall consider;

- i) governance arrangements for the contract;
- ii) risk management and risk sharing arrangements, including the risk of service failure;
- iii) financial administration, cash management and accounting arrangements;
- iv) pensions risk;
- v) taxation implications;
- vi) human resources implications;
- vii) the transfer of assets and liabilities;
- viii) insurance arrangements.

Assistant Directors shall also ensure that;

- i) the contract is not subsidised by the Council;
- ii) the service has the appropriate expertise to undertake the contract;
- iii) such contracts do not adversely impact upon services provided for the Council;
- iv) all contracts are properly documented in a form approved by the City

- Solicitor; and
- v) all appropriate information is provided to the Chief Finance Officer to enable a note to be entered into the Annual Statement of Accounts.

11. LOCAL AUTHORITY COMPANIES

- 11.1 Where consideration is being given to the establishment of a local authority company or involvement in other companies the relevant Chief Officer must consult the Chief Finance Officer and the City Solicitor on all aspects of the proposal, at the earliest possible time, prior to seeking approval from the Executive.
- 11.2 The relevant Chief Officer, in consultation with the Chief Finance Officer and City Solicitor is responsible for:
- i) preparing a detailed business case and business plan for the establishment of any trading organisation in accordance with relevant legislation and following best practice. The business plan must include full financial projections for the profit and loss account, balance sheet, cash flow statement. The business case must address the full financial implications and risks to the Council of establishing a trading company;
 - ii) ensuring that proposals for trading activities are not ultra vires and have Executive approval before the company is established or any contract with a third-party to establish a trading company is entered in to;
 - iii) ensuring that they have acquired the necessary expertise to establish the trading company and that its establishment does not adversely impact on the services provided for the Council;
 - iv) determining the appropriate form of company that should be established and that as appropriate, the articles of association of the trading company and any shareholders' agreement ensure that the Council can exert the appropriate degree of control over the trading company as shareholder;
 - v) ensuring that the trading company is not subsidised by the Council and that all services, officer time and other support provided to the company is charged to the company in accordance with the CIPFA Service Reporting Code of Practice;
 - vi) any contract drawn up between the trading company and the Council addresses risks to the Council;
 - vii) seeking and acting upon appropriate financial, legal and taxation advice in establishing a trading company.

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Part 2 Articles of the constitution

ARTICLE 4 - The Full Council

4.1 Meanings

- (a) Policy Framework The policy framework means the following plans and strategies together with any further plans and strategies which the Council expressly resolves should form part of the policy framework:
- Council Strategic Plan and delivery plan
 - Strategic Plan Annual Report
 - Lincoln Growth Strategy
 - Crime and Disorder Reduction Strategy
 - Licensing Authority Policy Statement
 - Local Development Framework
 - ICT/Transformation Strategy
 - Workforce Development Strategy
 - Equality Objectives
- (b) Financial Framework The Financial Framework means the following plans and strategies:-
- Medium Term Financial Strategy
 - Capital Strategy
 - Asset Management Plan
 - Treasury Management Strategy

The setting of the budget includes the allocation of financial resources to different services, projects, and contingency funds, calculating the council tax base, setting the council tax, **setting the housing rent levels** and decisions relating to the control of the Council's borrowing requirements, the control of its capital expenditure, and the setting of virement limits.

Part 3 responsibilities for functions

19	To write off irrecoverable amounts below £5000 in respect of outstanding Council Tax, Business Rates, the Business Improvement District Levy, Sundry Debtors, Housing Benefit Overpayments , Current Rent and Former Tenants Arrears for any of the following reasons:- <ol style="list-style-type: none">a) bankruptcy, liquidation or insolvencyb) whereabouts of the debtor unknownc) the debtor has deceased and there are no funds available to pay the outstanding debtd) debts are out of timee) small balances which are uneconomic to collect
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25 To dispose of land provided that:

- (a) The relevant land has been declared surplus to the Council's requirements **by the Executive or a sub committee thereof**
- (b) the disposal is certified by a Fellow or Associate of the R.I.C.S. as being for the best consideration
- (c) the disposal is carried out in accordance with the requirements of t Procedure Rules

33	To negotiate terms to take a lease or licence or to acquire the freehold of land or premises where a service need has been identified and budgetary provision made.	Strategic Property Manager
34	To negotiate terms to acquire the freehold of land or premises where Executive approval has been sought.	Strategic Property Manager

1.15 to approve fees and charges for any service item for which no and charge has been fixed by the Council

SUBJECT: COUNCIL TAX BASE 2018/19

DIRECTORATE: CHIEF EXECUTIVE

**LEAD OFFICER: CLAIRE MOSES, REVENUES AND BENEFITS MANAGER
(SHARED SERVICE)**

1. Purpose of Report

- 1.1 The purpose of this report is to seek Members' recommendation of the Council Tax Base for the financial year 2018/19.

2. Executive Summary

- 2.1 This report sets out the calculation of the Council Tax Base for the following financial year.

3. Background

- 3.1 The Local Government Finance Act 1992 and Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) require the Council to formally set its Tax Base as the first stage of the Council Tax setting process.

4. Special Items

- 4.1 Before setting the Council Tax Base, the issue of any special items relating to a part of the Council's area must be considered. If there are any items of expenditure that relate to one part of the local authority area, then that expenditure can be levied on those residents in that area and not on others.
- 4.2 There are no items of special expenditure.

5. Council Tax Base

- 5.1 Certain assumptions have to be made in order to determine the number of dwellings within the Authority's area, and these are set out in Appendix A.
- 5.2 The calculation of the Council Tax base, detailed in Appendix B, shows the number of Band D equivalent chargeable dwellings as being 23,943. This is based on the Regulations in paragraph 3.1 above and assumes that 98.75% of the Council Tax due for 2018/19 will be collected.
- 5.3 The Council Tax base number of Band D equivalent chargeable dwellings for 2018/19 has been calculated as 28,367– less 4,424 deduction calculated for the localised Council Tax Support scheme – resulting in a proposed Council Tax base for 2018/19 of 23,943.

6. Organisational Impacts

- 6.1 Finance: The Council must confirm its Council Tax Base as a pre-requisite to setting the Council Tax charge for 2018/19.
- 6.2 Legal Implications: The Local Government Finance Act 1992 and Statutory Instrument No 1992/612 – Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) set out the requirement for the Council to confirm and formally approve its Council Tax Base and notify it to its precepting bodies. The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 provide for Councils to make technical changes to certain discounts from April 2013.
- 6.3 Equality and Diversity: There are no specific equality and diversity impacts as a direct result of this report.

7. Recommendations

- 7.1 Council is recommended to:
- a) Note that there are no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area;
 - b) Approve the Chief Finance Officers' calculation of the Council Tax Base for the financial year commencing 1 April 2018 and ending 31 March 2019, as set out in Appendix B of this report;
 - c) Approve, in accordance with the Chief Finance Officers' calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2018/19 financial year is 23,943.

Key Decision No

Do the Exempt Information Categories Apply No

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

Does the report contain Appendices? Yes

If Yes, how many Appendices? Two

List of Background Papers: None

Lead Officer: Claire Moses, Revenues and Benefits Manager (Shared Service), Telephone (01522) 873764

APPENDIX A: Executive 8th January 2018

Assumptions made in the Calculation of the Council Tax Base (See APPENDIX B)

Number of Dwellings:	The number of dwellings on the Council's database as at 30 November 2017
Exempt properties:	These are laid down by Regulations and are properties exempt from Council Tax, e.g. student occupied property. The total in each of the exemption categories has been calculated as at 30 November 2017 and it has been assumed that the exemption will remain throughout 2018/19.
Disabled relief:	These are properties that are occupied by disabled persons and may be placed in a lower valuation band if they fulfil the criteria laid down by the Regulations. The number of these properties has been calculated at 30 November 2017 and it has been assumed that the relief will remain throughout 2018/19.
Discounts on relevant Day – i.e. 25%, 50%, 10% + 50% levy:	These are laid down by Regulations, in addition to technical changes introduced from April 2013, and are properties subject to a percentage discount from the Council Tax, i.e. second homes, single person households or empty properties. The total in each of the discount categories has been calculated as at 30 November 2017 and it has been assumed that the discount will remain throughout 2018/19.
Net additions expected In year:	This is an estimate of the number of dwellings known to be currently under construction plus the anticipated number to be constructed throughout 2018/19. Account is taken where dwellings will not come into a charge until part way through the year. Adjustments to discounts and exemptions and appeals are also taken into account
Collection Rate:	It is assumed that 98.75% of the Council Tax due for 2018/19 will be collected.
Council Tax Support:	These are estimates of the amount of Council Tax Support to be granted in 2018/19 (localised replacement scheme for Council Tax Benefit from April 2013).

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APPENDIX B: City of Lincoln - 2018/19 Council Tax Base Estimate as at 30 November 2017										
Valuation Bands	A-	A	B	C	D	E	F	G	H	TOTAL
1 Properties	0.00	27437.00	8776.00	4853.00	2508.00	1229.00	395.00	136.00	45.00	45379.00
2 Exempt properties	0.00	-2161.00	-628.00	-230.00	-99.00	-247.00	-6.00	-6.00	-23.00	-3400.00
3 Disabled Band Reductions	69.00	-7.00	-9.00	-29.00	-8.00	-9.00	-1.00	6.00	-12.00	0.00
4 Adjusted Chargable Dwellings	69.00	25269.00	8139.00	4594.00	2401.00	973.00	388.00	136.00	10.00	41979.00
5 25% Discounts (SPD and disregards)	-3.75	-2980.25	-635.75	-312.25	-132.00	-44.50	-17.50	-3.75	0.00	-4129.75
6 25% Discounts (less than 2 years)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 50% Discounts (empty properties)	-0.50	-58.50	-8.00	-4.50	-7.00	-1.50	-3.00	-7.50	-2.50	-93.00
8 10% Discounts (second homes)	0.00	-19.70	-8.40	-3.70	-1.90	-1.00	-0.40	-0.30	0.00	-35.40
8A 0% Discounts (second homes)		-4.36	-1.06	-0.48	-0.24	-0.12	-0.06	-0.02	0.00	-6.34
9 100% Discounts	0.00	-218.00	-41.00	-18.00	-12.00	-3.00	0.00	0.00	0.00	-292.00
10 50% levy	0.00	41.50	6.00	3.50	4.50	0.00	0.00	0.50	0.00	56.00
11 Estimated Future Adjustment	0.00	180.00	59.00	32.00	17.00	8.00	3.00	1.00	0.00	300.00
12 Adjusted Dwellings	64.75	22209.69	7509.79	4290.57	2269.36	930.88	370.04	125.93	7.50	37778.51
13 Ratio to Band D	5/9th	6/9th	7/9th	8/9th	9/9th	11/9th	13/9th	15/9th	18/9th	
14 Band D Equivalent	35.97	14806.46	5840.95	3813.84	2269.36	1137.74	534.50	209.88	15.00	28663.71
15 Less Estimated non-collection (1.25%)	-0.45	-185.08	-73.01	-47.67	-28.37	-14.22	-6.68	-2.62	-0.19	-358.30
16 Crown Properties	0.00	37.00	11.84	6.54	3.38	1.66	0.53	0.18	0.06	61.20
17 Adjusted to Band D Equivalent	35.52	14658.38	5779.77	3772.71	2244.38	1125.18	528.35	207.44	14.87	28366.61
18 CTR (Working Age)	-6.67	-2563.97	-185.40	-47.70	-26.59	-4.46	-1.11	0.00	0.00	-2835.90
19 CTR (Pensioner Age)	-2.35	-1197.18	-242.74	-110.76	-26.02	-7.16	-1.53	0.00	0.00	-1587.74
20 Council Tax Base	26.50	10897.23	5351.63	3614.25	2191.77	1113.56	525.71	207.44	14.87	23942.97

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COUNCIL**23 JANUARY 2018**

SUBJECT: LOCALISED COUNCIL TAX SUPPORT – 2018/19

DIRECTORATE: CHIEF EXECUTIVE

**LEAD OFFICER: CLAIRE MOSES, REVENUES AND BENEFITS MANAGER
(SHARED SERVICE)**

1. Purpose of Report

- 1.1 For Council to review consultation responses, consider and approve City of Lincoln Councils' proposed Localised Council Tax Support Scheme (CTS) for 2018/19.
- 1.2 For Council to approve the recommendation to increase the Exceptional Hardship fund for 2018/19 from £10,000 to £20,000.

2. Background

- 2.1 The Council Tax Benefit system was abolished on 31st March 2013 and replaced by the Council Tax Support Scheme. This scheme can be determined locally by the Billing Authority having had due consultation with precepting authorities, key stakeholders and residents. As at 31 December 2017, there are 8,895 residents claiming Council Tax Support in the Lincoln District. 3,171 are pensioners who are protected under the legislation and receive Council Tax Support as prescribed by the Government (broadly similar to the level of the former nationally-regulated Council Tax Benefit scheme). It is the 5,724 working age claimants where a local scheme can be determined which can change the level of support provided
- 2.2 The Council must consider whether to revise or replace its Council Tax Support scheme each financial year. As such it is necessary for Council to consider whether the scheme requires reviewing for the 2018/19 financial year.
- 2.3 At the same time as introducing the Council Tax Support Scheme the Government also introduced a range of technical changes to the system of discounts and exemptions relating to Council Tax giving local authorities the ability to raise additional revenue dependent on whether they adopted the discounts and exemptions and to what level.
- 2.4 The current Council Tax Support scheme and Technical Amendments adopted for City of Lincoln are as follows: -

Council Tax Support

- Backdating restricted to 1 month;
- Restricted Council Tax to Band B;
- Inclusion of temporary absence from home rule (4 weeks);

- Maximum capital allowance of £10,000; and
- Minimum CTS award of up to £2 per week

Technical Amendments

- Any property empty (unoccupied and unfurnished) for less than two months will be granted 50% discount each month;
- If a property is empty (unoccupied and unfurnished) after two months, a full charge applies;
- If a property remains empty (unoccupied and unfurnished) for more than two years, an additional levy of 50% will be charged – making the total charge 150% (this is from the date the property first became empty);
- Occupation of a property for less than six weeks is not counted as a break in the empty period;
- The discount on furnished properties which are no-one's sole of main residence (second home) is 0%.

3 2017/18 Council Tax Support Scheme

- 3.1 The financial year 2017/18 is the fifth year of operating the Council Tax Support scheme with City of Lincoln's criteria. Last year was the first year City of Lincoln changed their scheme, as set out above.
- 3.2 When considering the scheme for 2018/19, it is important to take into account the impact the 2017/18 scheme changes have had on residents. Officers advise that some residents have been adversely affected by the changes, with some impacts being more than expected when modelling was undertaken. This is due to other factors which were unknown to the council at the time of modelling. Provision of a higher amount Exceptional Hardship Fund (EHP) would have helped to mitigate these issues.
- 3.3 As a result of such cases, the Exceptional Hardship fund has been spent within Quarter 1. The 2017/18 Council Tax Support scheme was approved by Council on 10 January 2017, along with an Exceptional Hardship Scheme with a budget of £10,000 for the year 2017/18. As a result of successful EHP applications received, the full £10,000 had been allocated. In order to continue to provide support to customers during 2017/18, Officers are able to consider applications using payments under Section 13A Local Government Finance Act 2012. This is not a funded award, but reduces the liability of customers.

Exceptional Hardship Payments (EHP) assist persons who have applied for Council Tax Support and who are facing 'exceptional hardship' – it is similar to the Discretionary Housing Payment scheme for Housing Benefit shortfalls. EHP provides a further financial contribution where an applicant is in receipt of Council Tax Support but the level of support being paid by the Council does not meet their full Council Tax liability.

- 3.4 The Council is required to provide financial assistance to the most vulnerable residents, who have been disproportionately affected by the changes made in 2017 to the Council Tax Support Scheme. Since April 2013, the Council agreed to introduce an Exceptional Hardship scheme each year, in order to provide a safety net for customers, in receipt of Council Tax Support who were experiencing difficulty paying their council tax.
- 3.5 As part of the consultation process, City of Lincoln has proposed to increase the EHP from £10,000 to £20,000 for 2018/19. If the scheme for 2018/19 takes into consideration the impact on vulnerable customers, any increase in costs will be shared between City of Lincoln and major preceptors as this is funded through the collection fund.

4. Reviewing the Council Tax Support scheme

- 4.1 The financial year 2017/18 is the first year of operating the Council Tax Support scheme where changes have been made to the scheme (other than changes relating to amendments in, for example, Housing Benefit legislation, upratings etc). Prior to this, for four years, City of Lincoln's criteria was aligned to the former Council Tax Benefit scheme, so working age claimants did not have their level of support reduced.
- 4.2 The proposed CTS scheme must go through certain steps to comply with the provisions stated in the Local Government Finance Act 2012 before it can be adopted by this Council as a Billing Authority:-

Before making a scheme, the authority must (in the following order):-

- (a) consult any major precepting authority which has power to issue a precept to it,*
 - (b) publish a draft scheme in such manner as it thinks fit, and*
 - (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme*
- 4.3 Throughout 2017/18, claimant caseload has continued to reduce. It is expected to reduce due to national work incentives being rolled out through the Jobcentre Plus, implementation of Full Service Universal Credit in March 2018 and as economic recovery picks up and employment/incomes increase.

Caseload has decreased from 9,194 in April 2017 to 8,895 at 31 December 2017.

In terms of future caseload the Office of Budget Responsibility (OBR) had previously forecasted that claimant numbers would continue to reduce until 2017 but were then likely to plateau out and that the reduction in numbers would not be as significant as experienced during the period of the last Parliament. The anticipation of this reduction was based on national work incentives being rolled out through the Jobcentre Plus, continued implementation of Universal Credit and the recovery of the economy and impact on income levels. In addition there a number of initiatives and reviews being undertaken across the whole caseload which is reducing/removing entitlement (this includes Fraud and Error work,

National real time data from HMRC, earnings, and self-employed reviews) which contribute to a reduction in caseload. Since the OBR forecasts were made the EU Referendum has taken place with the resulting level of uncertainty around the impact on the economy. This has the potential to impact on the claimant caseload although it is unlikely to do so in the initial years.

Officers have factored in a 2% caseload decrease, in the modelling.

4.4 The table below show the caseload changes from 1 April 2013

Table 1:

	Total Caseload	Pension Caseload	Working Age caseload
Apr-13	11018	4077	6941
Jul-13	10947	4036	6911
Oct-13	10829	3996	6833
Jan-14	10765	3935	6830
Apr-14	10603	3889	6714
Jul-14	10378	3827	6551
Oct-14	10171	3781	6390
Jan-15	10124	3724	6400
Apr-15	10108	3679	6429
Jul-15	10048	3644	6404
Apr-16	9581	3463	6118
Jul-16	9500	3417	6083
Apr-17	9194	3275	5919
Jun-17	9160	3243	5917
Oct-17	8964	3189	5775
Nov-17	8923	3177	5746
Dec-17	8895	3171	5724

4.5 The current cost of the 2017/18 scheme is £7,418,927 (as at 31 December 2017) compared to the budgeted cost of £7,471,020. This is a decrease of £52,093 – with City of Lincoln’s share being £8,335. Whilst caseload has decreased, in modelling the 2017/18 scheme, a Council Tax increase of 0% was modelled.

5. Scheme options for 2018-19

5.1 Every Billing Authority must consider whether it will revise its Council Tax Support scheme by 31st January every year and allow for a period of consultation with its major preceptors and other stakeholders before it is approved by full Council as required by the Local Government Finance Act 2012. A CTS scheme cannot be changed mid-financial year.

5.2 As a billing Authority the Council could decide not to amend core elements of the current scheme and continue with the scheme as set out in paragraph 2.4 above. However the Council could, in light of current financial circumstances, propose a number of changes to both the core scheme and the technical adjustments.

5.3 In August 2017, in order to inform the proposed changes for the consultation process, various scenarios were modelled taking into account a number of different changes to the current scheme, such as current Council Tax and caseload levels, and an increase in Council Tax and decrease in caseload. These scenarios have since been remodeled based on the caseload as at 20 December 2017.

5.4 The options that have been modelled are as follows. These are set out in **Appendix 1**, giving an indication of the potential cost and savings to City of Lincoln, and major preceptors. Along with the potential value for non-collection (based on 2016/17 outturn) and number of claimants affected by the change: -

- Option 1: No change to the current scheme
- Option 2: Current scheme with protection for vulnerable customers (pensioners are already protected) – these include where a member of the household is: -
 - In receipt of War Pension or War Widows Pension;
 - In receipt of a Disability Premium (inclusive of enhanced and severe disability premiums);
 - A child and qualifies for a disabled child premium;
 - In receipt of a qualification for disabled earnings disregard;
 - In receipt of a qualification for a carer premium / underlying entitlement to carers allowance
 - In receipt of Employment Support Allowances (all types)
- Option 3: Protection for vulnerable customers and restrict Young Persons Allowance to 2 dependants in line with child tax credit – an additional allowance is given to any dependant in the household. From 1 May 2016, the Government made a number of changes to benefits and tax credits for people with children, and this was one of those changes. For Council Tax Support, it was for the Local Authority to decide whether the allowance would be restricted;
- Option 4: Protection for vulnerable customers and abolish Family Premium - the family premium is an additional amount which can be added to a households' applicable amount – essentially increasing the amount of Council Tax Support which can be awarded. From 1 May 2016, the Government made a number of changes to benefits and tax credits for people with children, and this was one of those changes. For Council Tax Support, it was for the Local Authority to decide whether the premium would be removed;
- Option 5 and 6: Restrict maximum entitlement to 95% or 90% - meaning all but exempted claimants pay a minimum of 5% or 10% towards Council Tax. Currently there is no restriction and 100% is awarded.

None of these options are mutually exclusive and it is possible to select a number of proposals in order to develop the final scheme.

- 5.5 In developing the modelling for each of the options a number of assumptions have been made, as follows:
- Uprating Freeze for social security benefits, including Housing Benefit for 4 years.
 - 3.9% increase in Council Tax. As the Council and major preceptors are likely to set differing levels of Council Tax increases it creates a variety of modelling scenarios. An increase of 3.9% has therefore been assumed with the comparable budget figure for 2018/19 also assuming a 3.9% increase. The final cost of the scheme will though be increased by the level of Council Tax increases applied.
 - 2% reduction in caseload for 2018/19.
 - Collection Rate of 98.75%. The current Council Tax base is calculated on this collection rate which takes into account in year collection and collection of arrears. For 2018/19 it is proposed that the collection rate, based on current collection, is maintained at 98.75%. Although the proposed changes will require some taxpayers who have not previously paid Council Tax to now be liable for an element of their Council Tax, the number of customers affected and the value of those impacts are not considered to have a significant impact on the overall collection rate. Modelling therefore assumes a collection rate of 98.75%.
- 5.6 As a billing authority the Council could decide not to amend core elements of the current scheme. The current cost of the scheme for 2017/18 is now lower than the predicted cost outlined in the Taxbase calculation which was undertaken in December 2016.
- 5.7 There were significant changes announced within the Welfare Reform and Work Bill 2015/16. A number of these changes were included in the 2017/18 scheme, however, the decision was taken by Members not to protect certain vulnerable customers.
- 5.8 There will be some technical changes that will still need to be applied to ensure that the Council's scheme complies with the Prescribed Scheme Regulations (covering Universal Credit, premiums and discounts).
- 5.9 Technical amendments to the scheme in relation to uprating income, applicable amounts, disregards and allowances will be considered by officers once statutory details have been released by the Secretary of State. There will be no change to the adopted policy in the way CTS is calculated for these areas.
- 5.10 It should be made clear to Council that by making changes to the current scheme then there will be households that do not currently pay Council Tax that will become liable under a new scheme. The collection of such amounts may prove problematic, may increase the work of the Recovery Team and could ultimately prove uneconomic to pursue. **Appendix 1** provides an estimate, where relevant of the level of Council Tax that would be charged where currently no charge is

made.

6. National Council Tax Support Schemes

6.1 In order to provide Council with some context of what the other 326 Councils that administer Council Tax Support in England include as part of their CTS schemes, the following information gives an overview of the schemes in operation: -

- 264 Councils have introduced a 'minimum payment' which requires everyone to pay at least some council tax regardless of income. A minimum payment can be administered in a range of ways. Most local authorities with a minimum payment require all residents to pay a proportion of their council tax, and they are only entitled to Council Tax Support for the remaining share. **In the 6 options modelled for 2018/19, officers have considered this scheme. Under options 5 and 6, a resident must pay 5% or 10% of their council tax liability but can apply for Council Tax Support to help pay for the remaining 95% or 90%.**
- 100 Councils have introduced a band cap which involves limiting the amount of support granted in higher banded properties. The most common band cap applied is D. **City of Lincoln has included a cap at Band B in its scheme since 1 April 2017.**
- 98 Councils have lowered the maximum savings limit (the savings limit over which one is no longer eligible for Support). Most of these have reduced the threshold from £16,000 to £6,000. **City of Lincoln has a maximum savings limit of £10,000 in its scheme from 1 April 2017.**
- 58 Councils have introduced a minimum CTS entitlement. This would result in claimants entitled to less than the 'minimum CTS entitlement' would receive no support. **City of Lincoln has a minimum entitlement of £2 per week in its scheme from 1 April 2017.**
- 25 Councils have not made any changes to the scheme.
- Some Councils have introduced more than one of the above measures.
- Councils have also been able to bring Council Tax Support schemes in line with Housing Benefit and Universal Credit legislation. One of the ways in which this has been achieved is to remove the family premium. The family premium is an additional amount which can be added to a households applicable amount – essentially increasing the amount of Council Tax Support which can be awarded. From 1 May 2016, the Government made a number of changes to benefits and tax credits for people with children, and this was one of those changes. For Council Tax Support, it was for the Local Authority to decide whether the premium would be removed. Officers have modelled for a number of these changes to be taken into consideration for 2018/19.

Further information can be found on the 326 schemes at <http://www.counciltaxsupport.org/schemes/>

7. Key Findings from consultation

7.1 Based on the modelling undertaken in August 2017, the Executive at its meeting on 25 September 2017 agreed to consult on the following changes to the Scheme:

-

- Restriction of young person's allowance to 2 dependent children
- Abolish Family Premium
- Reduce maximum entitlement to either 95% or 90%
- Protection for vulnerable households
- Continuation of the Exceptional Hardship Fund.

7.2 A formal consultation was held from 2 October 2017 to 10 November 2017. Letters were issued to all customers in receipt of Council Tax Support, with a link to the electronic survey which was made available on the Council's website, as well as through direct emails and press releases. A total of 387 surveys were completed (this is in comparison to 99 the previous year).

7.3 Details of the public consultation responses is included as **Appendix 2**, and presented the findings from the consultation. Key results are summarised below:

- 73% of respondents agreed with the principles of the current scheme
- 61% of respondents agreed with the restriction of young person's allowance
- 39% of respondents agreed with the abolition of Family Premium
- 29% of respondents agreed with a reduction to the maximum entitlement
- 86% of respondents agreed to protection for vulnerable households
- 82% of respondents agreed with the continuation of the Exceptional Hardship Fund.

7.4 Additional consultation responses have been received from The Police and Crime Commissioner for Lincolnshire (**Appendix 3**) and Lincolnshire County Council (**Appendix 4**), as the Council's Major preceptors for Council Tax.

7.5 The proposals were also considered by the Policy Scrutiny Committee at its meeting on 10 October 2017. The report was received well by the Committee, however, there were mixed opinions about Members' preferred options. The Committee minutes in relation to this item are included at **Appendix 5**.

8. Significant Policy Impacts

8.1 Strategic Priorities

Let's drive economic growth - Council Tax Support has a key role in Reducing Poverty and disadvantage by ensuring residents in those households who cannot afford to pay their Council Tax receive financial support. The changes to Council

Tax Support form part of the national welfare reform agenda, with the risks of changes to numbers of claimants due to economic change and funding gap costs being passed from central government to local authorities. Central government now has a fixed cost funding arrangement whereas local government must set a scheme in advance of the financial year it applies to but cannot change it should circumstances change unexpectedly or if the assumptions used to decide the scheme are not realised. Central government states that this places responsibility for the local economy such as creating businesses and jobs on local government as part of the localism agenda

Let's reduce inequality - The Authority will be obliged to comply with its general equality duty under the Equality Act 2010. The scheme is being amended in line with statutory requirements and uprating the financial allowances. Early modelling shows the number of customers affected and pay how much (total and average per week). Once a decision has been made regarding the options of modelling, an equality impact assessment will be undertaken.

Council Tax Support awards are notified on Council Tax bills. If the scheme were likely to change, consultation with precepting authorities, stakeholders and residents would be required. Once a decision has been made, notification within Council Tax bills and annual CTS uprating letters would be issued advising claimants of the decision once their award for the new financial year is known.

8.2 Organisational Impacts

Finance (including whole life costs where applicable)

The actual cost of the discount scheme in 2017/18 will not be known for certain until the end of the financial year and will be dependent on the actual caseload in year, as well as the levels of Council Tax set by the City Council and the major precepting authorities. An indicative range of costs based on various scenarios for 2018/19 is set out in **Appendix 1**.

The current cost of the 2017/18 scheme is £7,418,927 (as at 31 December 2017) compared to the budgeted cost of £7,471,020. This is a decrease of £52,093 – with City of Lincoln's share being £8,335. Whilst caseload has decreased, in modelling the 2017/18 scheme, a Council Tax increase of 0% was modelled.

In comparison to the assumptions in the Medium Term Financial Strategy (MTFS) for 2018/19, the overall cost of the scheme is budgeted at £7,565,714. All proposed changes to the 2018/19 scheme, are shown in Appendix 1.

The estimated cost of the scheme, based on current caseload, is taken into consideration when calculating the Council's tax base for the financial year and will impact on the estimated Council Tax yield for the year. Any difference in the actual cost of the discount scheme to that estimated in the tax base calculation will be accounted for within the Collection Fund and will be taken into account when future years surpluses or deficits are declared. A report on the Council's tax base for 2018/19 will appear elsewhere on Council's Committee agenda.

The exceptional hardship fund of £10,000, made available during 2017/18, will

continue to be available into 2018/19 with a requested increase of £10,000 as part of this report – giving a total for 2018/19 of £20,000.

8.3 Legal implications inc Procurement Rules

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, laid before Parliament on 22nd November 2012, set out the regulations for a default scheme and this was adopted by the Council subject to local policy needs in January 2013. The Secretary of State has issued amendment regulations setting out some changes that must be adopted by the Council for pensioners and the Council has also decided in 2013 to keep the schemes allowances and premiums in line with those for Housing Benefit for working age claimants. These are incorporated into amendments to the local scheme for approval by the Council.

The regulations for the City of Lincoln Council scheme proposed to be adopted are to be collated and considered by officers in January 2018.

8.4 Staffing

No change to current staffing arrangements as a result of this policy.

8.5 Equality and Diversity

The Equality Impact Assessment is attached as **Appendix 6** and has been reviewed following the consultation.

9. Risk Implications

- 9.1 The Council bears the risk of the cost of the Council Tax Support scheme should caseload increase causing the cost to increase more than predicted;
- 9.2 The final cost of the scheme could be increased to that modelled if the level of Council Tax increases above 3.9% (level applied in modelling);
- 9.3 Any revisions to the scheme must be approved by 31st January 2018 before the financial year begins;
- 9.4 The scheme cannot be changed mid-year and therefore it is vital the correct scheme is in place.

10. Recommendations

- 10.1 Council is asked to: -
 - 1) Review consultation responses relating to the Localised Council Tax Support Scheme for 2018/19;
 - 2) Consider and approve the proposed City of Lincoln Council Localised Council Tax Support scheme for 2018/19 as below – current (2017/18)

scheme, with;

- Protection for vulnerable households;
- Exceptional Hardship Fund of £20,000 (increase from £10,000).

Key Decision Yes

Do the Exempt Information Categories Apply No

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

Does the report contain Appendices? Yes

If Yes, how many Appendices? 6

Appendix 1: Modelling of options
Appendix 2: Consultation Outcome
Appendix 3: Response from Police and Crime Commissioner
Appendix 4: Response from Lincolnshire County Council
Appendix 5: 10 October 2017 Policy Scrutiny Committee minutes
Appendix 6: Equality Impact Assessment

List of Background Papers: None

Lead Officer: Claire Moses – Telephone 873764

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Council Tax Support Scheme Options for change as at 20 December 2017

The following options have been put forward for consideration. All applicable amounts have been frozen, income with 0% increase, Council Tax with 3.9% increase and 2% caseload decrease.

Option	Estimated Total Spend	Difference to MTFSS Spend of £7,565,715 for 2018/19 (Under) / Over Spend	City of Lincoln (Under) / Over Spend at 16%	Amount expected to be collected using collection figure of 98.75%	No. Customers Affected
1 Current scheme only	£7,599,456	£33,741	£5,398	£5,331	8,756
Current scheme with the following changes					
2 Protection for vulnerable customers	£7,616,759	£51,044	£8,167	£8,065	2522
3 Vulnerable protection – plus; Restriction of Young Persons Allowance to 2 dependants					694
4 Vulnerable protection – plus Removal of family premium	£7,526,093	(£39,622)	(£6,339)	(£6,260)	888
5 *Vulnerable Protection – plus; 95% maximum entitlement	£7,516,129	(£49,586)	(£7,934)	(£7,835)	3043
6 **Vulnerable Protection – plus; 90% maximum entitlement	£7,414,284	(£151,431)	(£24,229)	(£23,926)	3043

It should be noted collection/ recovery action would be undertaken for remaining balances of council tax, so minimal collection issues anticipated – although an increase to the bad debt provision may be required.

*The information below shows the impact the maximum entitlement would have across all council tax bands (based on Council Tax charge for 2017/18):

Band	Full Annual charge	Annual Charge 95% entitlement	Weekly charge 95% entitlement
A	£1,092.18	£54.61	£1.05
B	£1,274.21	£63.71	£1.22
C	£1,456.24	£72.81	£1.40
D	£1,638.27	£81.91	£1.57
E	£2,002.33	£100.12	£1.92
F	£2,366.39	£118.32	£2.27
G	£2,730.45	£136.52	£2.62
H	£3,276.54	£163.83	£3.15

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**The information below shows the impact the maximum entitlement would have across all council tax bands (based on Council Tax charge for 2017/18):

Band	Full Annual charge	Annual Charge 90% entitlement	Weekly charge 90% entitlement
A	£1,092.18	£109.22	£2.10
B	£1,274.21	£127.42	£2.45
C	£1,456.24	£145.62	£2.80
D	£1,638.27	£163.83	£3.15
E	£2,002.33	£200.23	£3.85
F	£2,366.39	£236.64	£4.55
G	£2,730.45	£273.04	£5.25
H	£3,276.54	£327.65	£6.30

****Family Premium**

This is currently £17.45 per week. Therefore if removed, this would be removed from the calculation of CTS.

Appendix 1 – Executive – 8 January 2018 – Council Tax Support Scheme 2018/19

Currently:

Lone Parent under 60 – £73.10

Family Premium – £17.45

1 Child – £66.90

Total 'Applicable Amount' - £157.45 per week

With Family Premium removed:

Lone Parent under 60 – £73.10

1 Child – £66.90

Total 'Applicable Amount' - £140 per week

*Any income over the 'applicable amount' will now mean the customer pays 20p in the pound towards Council Tax.
£17.45 x 0.2 = £3.49 a week more needs to be paid toward Council Tax.*

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Public Consultation Responses for Council Tax Support Scheme 2018/19

City of Lincoln Council has considered how it can fund the Council Tax Support (CTS) scheme from April 2018 and proposes a number of changes to the current scheme.

Before making a scheme, City of Lincoln Council are required to consult with any person we consider are likely to have an interest in the operation of the scheme.

The consultation was undertaken from 2 October 2017 through to 10 November 2017. As a result, there were 387 responses

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Question	Total Responses		
	Yes	No	Don't Know
<p>We have designed our proposed support scheme taking into account the following principles:</p> <ul style="list-style-type: none"> • Protecting the most vulnerable - the disabled, war pensioners, carers; • Reduced support where it is likely that a household has more income coming in or have savings to pay Council Tax • Pension age – protection is statutory under Central Government Legislation <p>Do you agree with these principles?</p>	282	44	61
<p>The Council Tax Support scheme does not currently take into account changes to recent legislation regarding restrictions to Young Persons Allowance. It is proposed for this legislation to be introduced as part of the new scheme. This will mean the Young Persons Allowance will be restricted to two dependants in the household.</p> <p>Young Person's Allowance is an additional allowance of £66.90 for any child under 18. Do you agree?</p>	237	57	93
<p>The Council Tax Support scheme currently includes the family premium within the calculation. It is proposed to remove the family premium.</p>	152	217	18

Appendix 2 – SRG 18 December 2017 - Public Consultation Responses - Council Tax Support Scheme 2018/19

Question	Total Responses		
	Yes	No	Don't Know
The government has made a number of changes to benefits and tax credits for people with children. One of these is to remove the extra amount of £17.45, given to people with children, which is known as the 'family premium'. Do you agree?			
The Council Tax Support scheme currently has a maximum entitlement of up to 100%. It is proposed to reduce this to either 95% or 90%. Do you agree?	112	222	53
Do you think that working age vulnerable households should be protected from any changes to the scheme?	334	42	11
We offer an exceptional hardship scheme to help those affected by these proposals to top up entitlement if they cannot afford the Council Tax and the scheme cannot help them in their circumstances. The proposed fund for 2018/19 is £20,000 and we propose to continue this in future years.	318	21	48



**Lincolnshire
POLICE & CRIME COMMISSIONER**

SAFER TOGETHER

Deepdale Lane, Nettleham, Lincoln LN2 2LT
Telephone (01522) 947192 Fax (01522) 558739

E-Mail: lincolnshire-pcc@lincs.pnn.police.uk Website: www.lincolnshire-pcc.gov.uk

Date: 3rd October 2017
Our Ref: JF/ch/2017-0790

Robert Baxter
Chief Finance Officer
City of Lincoln Council
City Hall
Beaumont Fee
LINCOLN
LN1 1DD

By Email: Robert.baxter@lincoln.gov.uk

Dear Robert

Re: Local Council Tax Support Scheme

Thank you for your letter of 2nd October 2017 in which you seek the Police and Crime Commissioner's view on your Local Council Tax Support Scheme for 2018/19.

The Police and Crime Commissioner has no desire to make additional service reductions or propose additional increases in his council tax to fund potential shortfalls arising from Local Council Tax Support Schemes. As a result, the Police and Crime Commissioner supports proposals for Council Tax Support Schemes which eliminate, or at least minimise, the consequent funding reductions. In addition, the Commissioner supports proposals to increase income through the discretions for Council Tax exemptions.

Thank you for giving us the opportunity to comment.

Yours sincerely

Julie Flint

Julie Flint
Chief Finance Officer

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Appendix 4: SRG 18 December 2017– Lincolnshire County Council consultation response

Dear Rob,

Thank you for the e-mail and letter of 2nd October on this subject. The opportunity to comment on the proposals is most welcome. Please treat this e-mail as the formal response from the County Council.

The County Council has historically felt that the City Council could have taken action to reduce the cost of the scheme to more closely align with the funding reduction imposed by Government when local schemes came into being. Such measures were, of course, introduced by all other Districts in the county area. However, the County respects the right of the City Council to set its own scheme in the light of its own priorities and welcomed the changes to the scheme for the current year that resulted in modest cost reductions. In a similar vein the County Council would support Option 4 for implementation next year as outlined in the report to the Executive on 25th September.

It is noted that demand for the scheme has fallen steadily over the last few years reducing the total cost albeit that reduction is now being offset by council tax rises for which it is noted the County Council is primarily responsible.

I trust this response is of some assistance.

Yours sincerely,

David C Forbes
County Finance Officer
Finance & Public Protection Directorate
County Offices
Newland
LINCOLN LN1 1YG

Tel: (01522) 553642

Fax: (01522) 541651

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21. Localised Council Tax Support scheme for 2018/19

Martin Walmsley, Head of Shared Revenues and Benefits

- a. presented the proposed scheme for Local Council Tax Support for the financial year 2018/19 as part of the formal consultation period.
- b. gave the background to the scheme as detailed at paragraph 2 of the report and advised that the Council must consider whether to revise or replace its Council Tax Support Scheme each financial year.
- c. referred to paragraph 4.2 of the report and advised that the current cost of the scheme was £7,650,549 this was an increase of £179,539 of which the Council's share was £28,725.
- d. detailed the options that had been modelled at Appendix 1 of the report and advised that it gave an indication of the potential savings to the Council and the major preceptors.
- e. advised that on 25 September 2017 the Executive made the decision to consult on all of the scenarios modelled as detailed in paragraph 4.6 of the report.
- f. advised on the ongoing consultation and updated that 257 online responses and 2 hard copy responses had been received to date.
- g. asked for committee's consideration and comments on the options as part of the formal consultation process.

Question – Referred to option 3 and 4 and asked if the restriction of Young Persons Allowance to 2 dependants would affect families that were already in receipt of the benefit?

Response – Yes it would.

Comment – Do not agree with taking benefit away from children.

Comment – Referred to options 5 and 6 and commented that they would cost more to the Council in the longer term as arrears would build up and some would have to be written off.

Comment – Option 5 would be the fairest as it affected less individuals.

Comment – Not everyone had a computer to submit an online consultation response.

Response – Anyone who wished to submit a hard copy consultation could contact the office and would be sent a form.

Following the discussion members expressed their individual preferred option as follows:

Councillor Vaughan – Option 2
 Councillor Maxwell – Option 5
 Councillor Toofany – Option 2
 Councillor Loffhagen – Option 2
 Councillor Weaver – Option 3

APPENDIX 5: SRG 18 December 2017 – Council Tax Support 2018/19

Councillor Hills – Option 5
Councillor J Kirk – Option 1

RESOLVED that the above comments be submitted as part of the formal consultation process on the proposed Council Tax Support Scheme for 2018/19.

Equality with Human Rights Analysis Toolkit



SECTION A

Name of policy / project / service	Council Tax Support Scheme 2018-19
Background and aims of policy / project / service at outset	<p>In January 2017, the meeting of Full Council approved City of Lincoln Councils Council Tax Support Scheme (CTS) for 2017/18. The scheme was changed for all working age customers as follows: -</p> <ul style="list-style-type: none"> • Capital Limit of £10,000; and • Entitlement cap of no less than £2 per week; and • Property banding capped at Band B; and • Backdating restricted to 1 month; and • Temporary absence from home to be introduced in line with Housing Benefit. <p>The following changes were also made to Council Tax technical changes affecting all residents: -</p> <ul style="list-style-type: none"> • Second home discount reduced to 0% (previously 10%); and • Empty and unfurnished amended to 50% for 2 months (previously 100% for 1 month). <p>The Council must review and reapprove its Council Tax Support scheme each year as part of its budget setting process, and make any necessary changes for 1 April 2018</p> <p>It is recognised that the combined effects of the wider welfare reform package on the residents of the District requires a robust and detailed Equality Impact Assessment.</p> <p>The current document contains data derived from the current Council Tax Support caseload.</p> <p>Following publication of the draft scheme, formal consultation commenced on 2 October 2017 and ended on 10 November 2017, utilising a combination of the council’s consultation portal, press releases and social media directing the public to the on-line consultation documents. Letters were also issued to all customers in receipt of Council Tax Support.</p>

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	<p>The level of changes to the current scheme have been modelled and individuals / groups impacted by the selection of changes is shown below: -</p> <ul style="list-style-type: none"> • Retain current scheme – 8,923 CTS customers affected • Protection for vulnerable – 2,522 customers affected • Restriction of young person’s allowance to 2 dependents – 694 customers affected • Removal of family premium – 888 customers affected • 95% maximum entitlement – 3,043 customers affected • 90% maximum entitlement – 3,043 customers affected <p>Each of these were considered in relation to how the changes might differently and / or adversely affect people with protected characteristics.</p> <p>The Equality Assessment provided support in approach to the consultation on the proposed scheme. Details of the responses to the consultation are presented in the Localised Council Tax Support 2018/19 report pack which will be presented to Strategic Review Group on 18 December 2017, and is shown in Appendix 2</p>
<p>Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis</p>	<p>Claire Moses – Revenues and Benefits Manager (Shared Service)</p>
<p>Key people involved <i>i.e. decision-makers, staff implementing it</i></p>	<p>Decision Makers – City of Lincoln Members, and Executive Staff implementing any changes</p>

SECTION B

This is to be completed and reviewed as policy / project / service development progresses

	Is the likely effect positive or negative? (please tick all that apply)			Please describe the effect and evidence that supports this?*	Is action possible to mitigate adverse impacts?	Details of action planned including dates, or why action is not possible
	Positive	Negative	None			
Age	Y	Y		<p>Pensioners are a protected group for the purposes of council tax support scheme so will not be financially affected, therefore the reduction in benefit will be borne by the remainder of those in receipt of Council Tax Support (those of working age who are not carers, war widows/ war disablement pensioners and the sick and disabled).</p> <p>There could be a risk people of working age who will bear all the financial impact of the changes, may resent the fact that pensioners are exempt.</p> <p>The following changes to the scheme were consulted on: -</p> <ul style="list-style-type: none"> • Vulnerable customers are protected – this is a positive change – 2,522 customers are expected to be affected by this change • Young Persons allowance restricted to 2 dependent children – 894 customers are expected to be affected by this change and will see a reduction in CTS award. • Removal of family premium – 888 customers are expected to be affected by this change with an average 	Yes	<p>Action dependant on outcome of consultation.</p> <p>With effect from 1 April 2018</p>

110				<p>increase to their annual Council Tax bill of £590 and will see a reduction in CTS award.</p> <ul style="list-style-type: none"> • Reduce maximum entitlement to 95% - 3,043 customers are expected to be affected by this change and will see a reduction in CTS award. • Reduce maximum entitlement to 90% - 3,043 customers are expected to be affected by this change and will see a reduction in CTS award. <p>Due to the current economic climate, it is more difficult for younger people to access employment providing further financial difficulties. Council Tax Support will only be available to those young people who are liable to pay Council Tax and this only applies to householders over 18 years of age. If the young person is living in their parent or other householder's home they will not be liable to pay Council Tax so will not be affected by this Support scheme unless they are a non-dependent in the householder's home because the non-dependant deductions are being increased across all age groups and based on the level of income they receive. The personal allowances for under-25's is lower than for those over the age of 25 years. This means that they could get less.</p>		
	Disability including carers (see Glossary)	Y			The proposal to protected vulnerable groups will include those with a disability.	NA

<p>111</p>				<p>The Department for Work and Pensions state that disabled people remain far less likely to be in employment, therefore the proposals do not impact on this group to the extent that they are regarded as a vulnerable group. The scheme protects disabled persons from the proposed changes except for the general uprating of all allowances and premiums.</p> <p>To qualify as ‘disabled’ the person must</p> <ul style="list-style-type: none"> • Qualify for a disability, enhanced disability or severe disability premium for the claimant or partner, or • Qualify for disability or enhanced disability premium for a dependent, or • Qualify for a disability earnings disregard, or • Receive a disability related council tax reduction. • Be in receipt of Employment and Support Allowance (Work Related or Support Group component 		
<p>Gender re-assignment</p>			<p>Y</p>	<p>There is no evidence at this stage of an impact</p>	<p>NA</p>	<p>With effect from 1 April 2018</p>
<p>Pregnancy and maternity</p>			<p>Y</p>	<p>This does not have any effect on the decisions made under this policy.</p>	<p>NA</p>	<p>With effect from 1 April 2018</p>
<p>Race</p>			<p>Y</p>	<p>Persons from abroad are excluded from provision by statute but race or ethnicity itself does not have any effect on the application of the scheme.</p>	<p>NA</p>	<p>With effect from 1 April 2018</p>

Appendix 6 – Executive 8 January 2018 – Council Tax Support Scheme 2018/19 Equality Impact Assessment

				Scheme rules do not take into account race or ethnicity. Council Tax Support is proposed to be reduced for all working age customers.		
Religion or belief			Y	There is no evidence at this stage of an impact	NA	With effect from 1 April 2018
Sex			Y	There is no evidence at this stage of an impact	NA	With effect from 1 April 2018
Sexual orientation			Y	This does not have any effect on the decisions made under this policy.	NA	With effect from 1 April 2018
Marriage/civil partnership			Y	This does not have any effect on the decisions made under this policy.	NA	With effect from 1 April 2018
Human Rights (see page 8)			Y	This does not have any effect on the decisions made under this policy.	NA	With effect from 1 April 2018

- Evidence could include information from consultations; voluntary group feedback; satisfaction and usage data (i.e. complaints, surveys, and service data); and reviews of previous strategies

Did any information gaps exist?	Y/N/NA	If so what were they and what will you do to fill these?

SECTION C

Decision Point - Outcome of Assessment so far:

Based on the information in section B, what is the decision of the responsible officer (please select one option below):

✓ **No equality or human right Impact** (your analysis shows there is no impact) - sign assessment below

Tick here
[]


Appendix 6 – Executive 8 January 2018 – Council Tax Support Scheme 2018/19 Equality Impact Assessment

- ✓ **No major change required** (your analysis shows no potential for unlawful discrimination, harassment)- sign assessment below []
- ✓ **Adverse Impact but continue** (record objective justification for continuing despite the impact)-complete sections below [x]
- ✓ **Adjust the policy** (Change the proposal to mitigate potential effect) -progress below only AFTER changes made []
- ✓ **Put Policy on hold** (seek advice from the Policy Unit as adverse effects can't be justified or mitigated) -STOP progress []

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Conclusion of Equality Analysis (describe objective justification for continuing)	<p>Council Tax has to be paid by all those liable to pay it but some people will have limited means to do this because of their low income or they have higher living costs due to illnesses, disabilities or family or personal circumstances.</p> <p>Council Tax is required to raise month to fund Council Services but a certain amount of money is directed to those who cannot afford to pay the Council Tax to reduce the financial burden on those households because they need it or because society considers that financial support is beneficial to help certain categories of people in certain situations.</p> <p>The aim of the proposed changes is to save some scheme expenditure in light of further reductions to local government finance.</p>
--	--

When and how will you review and measure the impact after implementation?	<p>The policy and CTS is the responsibility of City of Lincoln Council. It is approved by the Executive Board and then full Council. It will be administered by the Council's Shared Revenues and Benefits Service.</p> <p>The Council will analyse its current caseload and produce figures showing the main groups of working age claimants getting Council Tax Support now and likely to be affected by changes to the current scheme. Extracts of the data will allow monitoring of the main types of people affected by the policy can take place as required</p>
---	--

Checked and approved by responsible officer(s) (Sign and Print Name)	 Claire Moses	Date	15/12/2017
Checked and approved by Assistant		Date	15/12/2017

Director (Sign and Print Name)	Martin Walmsley		
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SUBJECT:	PAY POLICY STATEMENT 2018-19
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
LEAD OFFICER:	CLAIRE BURROUGHS, HUMAN RESOURCES AND WORK BASED LEARNING MANAGER

1. Purpose of Report

- 1.1 To request that Council approve the attached Pay Policy Statement, drafted in compliance of section 38 (1) of the Localism Act 2011.

2. Executive Summary

- 2.1 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year. This must be approved by Council by the end of March.

3. Background

- 3.1 The Government requires local authorities to produce pay policy statements which articulate an authority's own policies towards a range of issues relating to pay of its workforce, particularly its senior staff and its lowest paid employees.

The Government also considers that decisions on pay policies should be taken by elected members, as those directly accountable to local communities. The Act therefore requires the pay policy statement and any amendments to be considered by a meeting of full Council and cannot be delegated to any committee.

4. Main Body of Report

- 4.1 In order to comply with the Act the pay policy statement must include the Council's policy on:

- The level and elements of remuneration for chief officers
- The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
- The relationship between the remuneration of chief officers and other officers
- Specific aspects of chief officers' remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in/ enhancements of pension entitlements, and termination payments.

The Pay Policy Statement must be:-

- approved formally at full Council by the end of March each year but can be amended at any time during the year
- published on the Council's website
- complied with when the council sets its terms and conditions for chief officers

The City of Lincoln Pay Policy Statement is attached at **Appendix A**.

5. STRATEGIC PRIORITIES

5.1 Let's reduce inequality

By producing the pay policy statement the Council ensures, in relation to any remuneration that it is being transparent and accountable.

6. Organisational Impacts

6.1 Finance

As identified in this report.

7. Recommendation

7.1 That the Pay Policy Statement be forwarded to Council with a recommendation to approve.

Key Decision No

Key Decision Reference No.

Do the Exempt Information Categories Apply No

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

Does the report contain Appendices? Yes - One

List of Background Papers:

Lead Officer: Claire Burroughs - HR and WBL Manager 01522 873856

City of Lincoln Council Pay Policy Statement 2018/19

1. Introduction

The City of Lincoln Council recognises the need to manage scarce public resources while balancing the need for remuneration at all levels to be adequate to secure and retain high quality employees who are dedicated to public service.

It is important that the City of Lincoln Council is able to determine its own senior pay structures in order to address local priorities and compete in the local labour market.

It is recognised that senior management roles in local government are complex and diverse functions which operate in a political environment where national and local pressures may conflict. The City Council's ability to attract and retain high calibre leaders capable of delivering a complex agenda during times of financial pressure is crucial especially when the numbers of senior management roles are reducing.

2. Legislation

Section 38 (1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The Act provides details on matters that must be included in the policy and guidance from DCLG, JNC for Chief Officers of Local Authorities and ALACE have been used in preparing this statement.

The Pay Policy Statement must be:

- approved formally at full Council by the end of March each year but can be amended at any time during the year
- published on the Council's website
- complied with when the Council sets its terms and conditions for Chief Officers

3. Context

The Council, like all other local authorities, continues to face unprecedented and uncertain times as it copes with the challenge of delivering public services with a much lower level of financial resources than previously.

The Council continues to do all that it can to minimise the effects arising from annually reduced resources on the public and those employed by the Council, and will prioritise those services that are needed the most.

It has taken sensible steps to comprehensively review the services it delivers, and the way that it delivers them, so that its limited resources are used to maximum effect, and it will continue to build on its record of delivering new and better ways of doing things.

4. Scope

In order to comply with the Act the pay policy will include the Council's policy on:

- The level and elements of remuneration for Chief Officers
- The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
- The relationship between the remuneration of Chief Officers and other officers
- Specific aspects of Chief Officers' remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

5. Senior Pay

In this Policy the senior pay group covers the top five tiers of the organisation. These are the Chief Executive, Directors, Strategic Directors, Assistant Directors and Heads of Service.

The Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities and the Joint Negotiating Committee (JNC) for Chief Executives adopted a modified version of the HAY job evaluation scheme for authorities to use to facilitate a review of senior posts.

In 2003 the Employers Organisation was engaged by the City Council to evaluate senior management posts using the HAY Job Evaluation Scheme. This exercise was repeated in 2005.

In early 2016 a restructure of the Council took place which saw the introduction of two Statutory Officer posts and they, together with the Assistant Directors, were given a wider remit in terms of strategic service delivery. As a result of the restructure, a further salary evaluation was undertaken in 2015 and the following salary ranges were agreed.

Chief Executive	-	£102,360	-	£115,608
Directors	-	£78,150	-	£91,221
Statutory Officers	-	£66,537	-	£71,634
Assistant Directors	-	£57,900	-	£63,849
Heads of Service	-	£50,982	-	£56,931

The percentage differentials between grades is between 76 and 79% of the Chief Executives bandings for Directors, 62 and 65% Chief Executives bandings for Statutory Officers, 70 to 74% Directors bandings for Assistant Directors and 62 to 65% Directors for Heads of Service.

Since this date salary increases will be in line with the negotiated settlements as agreed by the JNC for Chief Officers and Chief Executives.

5.1 Current Salary Levels for Chief Officers

Chief Executive annual salary bands

CX01 £102360
CX02 £106143
CX03 £109923
CX04 £113712
CX05 £115608

Directors' annual salary bands (76 to 79% of Chief Executives pay bandings)

CD01 £78150
CD02 £82008
CD03 £85866
CD04 £89727
CD05 £91221

Statutory Officers annual bands (62 to 65% of Chief Executives pay bandings)

SO01 £66537
SO02 £67812
SO03 £69084
SO04 £70359
SO05 £71634

Assistant Directors annual bands (70 to 74% of Directors pay bandings)

C001 £57900
C002 £59388
C003 £60873
C004 £62367
C005 £63849

Heads of Service annual bands (62 to 65% of Directors pay bandings)

HO01 £50982
HO02 £52464
HO03 £53949
HO04 £55443
HO05 £56931

Any national pay award, once agreed, would be applied.

The bands are in place to recognise and reward long service and loyalty, and also to allow some discretion in terms of starting salaries based on:

- Salary levels in a previous role
- Qualifications, skills and knowledge which are desirable within the role but if already held by the individual would diminish the need for training and development.

5.2 Allowances and benefits for the Chief Executive and Chief Officers

There are no other additional elements of remuneration in respect of overtime, bank holiday working, stand-by payments, enhanced payments for evening or weekend working paid to senior staff, as they are expected to undertake duties outside their contractual hours and working patterns without additional payment. In line with this we do not operate an 'earn back' scheme and do not consider this would be appropriate at this time.

5.3 Severance of Chief Officers contracts.

There is no severance package for Chief officers, outside of those relating to entitlements under the JNC Terms and Conditions, the policies of City of Lincoln Council and the Local Government Regulations which relate to all employees on termination or dismissal.

5.4 Publication of information relating to Chief Officer Pay

Rates of pay are published in accordance with the Localism Act.

5.5 Additional Fees

The Chief Executive is the Returning Officer for the City of Lincoln Council. The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983, although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. The Returning Officer is responsible for:

- the nomination process for candidates and political parties;
- provision and notification of polling stations;
- appointment of presiding officers and polling clerks;
- appropriate administration and security of polling stations;
- preparation of all ballot papers;
- the actual Count and Declaration of Results;
- issue, receipt and counting of postal ballot papers;
- all candidates' election expenses return

There were 3 elections in 2017, Lincolnshire County Council in which the Chief Executive received £264 per electoral division, £3482.00 as Returning Officer for the Parliamentary Election and £264.00 for the Carholme By-Election.

6. Pay Structure

6.1 The pay structure for employees who are covered by the National Joint Council for local Government Services (Green Book) are calculated using the Greater London Provincial Council Job Evaluation Scheme. Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. Employees can move up a spinal column point within their grade after each year of service until the highest spinal column point is reached.

6.2 The Salaries for employees covered by the Joint Negotiating Committee for Local authority Craft and Associated Employees (Red Book) are within the Craft Development scheme which was agreed under the terms of a local agreement in 2006. Employees under the Craft Development Scheme are paid according to their skills and ability linked to their specific craft.

6.3 Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. A pay rise of 1% was agreed with effect from April 2017 (with the exception of chief officer related grades).

6.4 The Council does not have a policy that would allow any employee to minimise tax payments.

7. Living Wage

The Council became an accredited member of the Living Wage Foundation in October 2013.

The Council will be implementing the latest living wage increase of £8.75 in April 2018.

8. Relationship between pay rates

The lowest paid employee within the council is on a scale S1B.

The highest graded post is that of Chief Executive.

Therefore the ratio between the Chief Executives pay and the lowest paid employees is 7:1. This is considered to be acceptable at this time.

9. Pension contributions

All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table.

Local Government Pension Scheme – contribution bands with effect from the 1 April 2017.

Band	Salary Range	Contribution Rate
1	£0 - £13700	5.5%
2	£13701 - £21400	5.8%
3	£21401 - £34700	6.5%
4	£34701 - £43900	6.8%
5	£43901 - £61300	8.5%
6	£61301 - £86800	9.9%
7	£86801 - £102200	10.5%
8	£102201 - £153300	11.4%
9	More than £153301	12.5%

Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded, and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.

10. Travel

Essential car user allowance has been removed from all employees except where it is provided as a reasonable adjustment in relation to disability. Mileage is paid at the prevailing HMRC rate for all employees

11. Professional fees

Professional fees are only paid to practising solicitors who require membership in order that they can lawfully act as a Solicitor.

12. Market Supplements

No market supplements are paid.

13. Discretionary Payments

The Council has approved Change Management Policy which includes an Early Retirement and Redundancy policy and this will be applied equally to all members of staff. The Council has a flexible retirement policy.

14. Decision Making

Decisions on remuneration are made by Executive.

15. Disclosure

This Pay Policy Statement will be published on the Council's Website. In addition, details of employees paid above £50,000 are disclosed.

16. Review

This Pay Policy will be reviewed annually in line with the Localism Act and any guidance issued by the DCLG.

January 2018

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