

## PERFORMANCE SCRUTINY COMMITTEE

**Thursday, 23 November  
2017**

**6.00 pm**

**Committee Room 1, City Hall**

Membership: Councillors Gary Hewson (Chair), Tony Speakman (Vice-Chair), Thomas Dyer, Paul Gowen, Ronald Hills, Helena Mair, Liz Maxwell, Pat Vaughan and Lorraine Woolley

Substitute member(s): Councillors Naomi Tweddle

Officers attending: Rob Baxter, Simon Colburn, Democratic Services, Matthew Hillman, Pat Jukes, Bob Ledger, Claire Moses, Karen Talbot, Martin Walmsley and Simon Walters

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## A G E N D A

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1. Confirmation of Minutes - 5 October 2017	<b>3 - 10</b>
2. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
3. Portfolio Holder under Scrutiny	<b>11 - 12</b>
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13. Exclusion of Press and Public	157 - 158

You are asked to resolve that the press and public be excluded from the meeting during the consideration of the following item(s) because it is likely that if members of the press or public were present, there would be disclosure of 'exempt information'

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## SECTION B

14. Christmas Market Outturn Report 2017	159 - 166
[Exempt Para(s) 7]	

**Present:** Councillor Gary Hewson (*in the Chair*),  
Councillor Tony Speakman, Councillor Paul Gowen,  
Councillor Ronald Hills, Councillor Helena Mair and  
Councillor Liz Maxwell

**Apologies for Absence:** Councillor Thomas Dyer, Councillor Pat Vaughan and  
Councillor Loraine Woolley

**Also in Attendance:** Councillor N Murray, Portfolio Holder for Planning Policy  
and Economic Regeneration

**32. Confirmation of Minutes - 17 August 2017**

RESOLVED that the minutes of the meeting held on 17 August 2017 be confirmed.

**32. To Receive Minutes of Housing Scrutiny Sub Committee -14 August 2017**

RESOLVED that the minutes of Housing Scrutiny Committee held on 14 August 2017 be received.

**33. Declarations of Interest**

Councillor Helena Mair declared a Disclosable Pecuniary Interest with regard to the agenda item titled 'Report by Councillor Neil Murray, Portfolio Holder for Planning Policy and Economic Regeneration'.

Reason: Her husband worked as a local architect and was involved in the Transport Hub/Central Market refurbishment. In the event that any discussion on these matters took place during the course of the meeting she would withdraw from the room at that stage.

She left the room during the discussion on the Transport Hub Project.

Councillor Helena Mair declared a Disclosable Pecuniary Interest with regard to the agenda item titled 'Bus Station Costs'.

Reason: Her husband worked as a local architect and was involved in the Transport Hub/Central Market refurbishment. In the event that any discussion on these matters took place during the course of the meeting she would withdraw from the room at that stage.

She left the room during the entire discussion of this item.

**34. Portfolio Performance Overview: Planning Policy and Economic Regeneration**

Pat Jukes, Business Manager, Corporate Policy:

a. presented a portfolio performance overview of Planning Policy and Economic Regeneration covering the following main areas:

- Measures from the IMD dashboard.

- A deeper contextual look at relevant growth measures and information from the Lincoln City Profile.
- Performance measures covered in the basket of key strategic measures.
- Benchmarking information from LGInform.

- b. advised that this approach was being used with the purpose of bringing out key contextual indicators about issues in the city overall related to the portfolio holder under scrutiny.

The Chair highlighted that the report contained a great deal of information for members to be able to judge how the city was performing.

RESOLVED that the content of the portfolio performance overview of Planning Policy and Economic Regeneration be noted.

**35. Report by Councillor Neil Murray, Portfolio Holder for Planning Policy and Economic Regeneration**

*(Councillor Mair left the room during the discussion of this item in relation to the Transport Hub Project, having declared a disclosable pecuniary interest in the matter to be debated.)*

The Portfolio Holder for Planning Policy and Economic Regeneration, Councillor Murray:

- a. presented his report regarding activity and achievements within his portfolio, covering the following main areas:
- Transport Hub
  - Western Growth Corridor
  - Parking
  - Regeneration in Park Ward
  - Residents' Parking
  - Christmas Market
  - Heritage
- b. thanked officers for their assistance with his portfolio.

Members made comments to the Portfolio Holder for Planning Policy and Economic Regeneration on various aspects of his report in relation to:

**The Transport Hub**

- Why was it better to delay the opening of the new bus station and to focus on the opening of the new car park? This was a busy time of year with the Christmas Market and Christmas shopping period coming up.

**Officer Response:** There were operational reasons why it was better to delay the opening of the bus station in favour of the car park first. At the busiest time of the year for the city starting with the Christmas Market it allowed more time to ease people into the use of the new bus station.

**Portfolio Response:** The temporary bus station had its difficulties when it first opened. Its replacement would offer a much better visitor experience for members of the public.

- The need to provide publicity on the City of Lincoln Council within the confines of the new bus station to promote Vision 2020, to encourage members of the public to register to vote etc.

Officer Response: New advertising screens would be on display within the new bus station offering saleable publicity space to local businesses as well as information on key council activities. The entrance to the bus station would be staffed as an information desk. A tour of the new bus station would be arranged for members prior to its launch.

- What would be the width of each parking space within the new car park?

Officer Response: The width of each car parking bay at 2.5 metres was larger than normal and fast becoming our new standard.

Councillor Murray, Portfolio Holder, thanked city council car parking staff for their support and patience during the construction work at the Transport Hub project.

### Western Growth Corridor

- Members expressed surprise regarding further delays in progressing the Western Growth Corridor Scheme following the recent consultation period.

Portfolio Holder Response: There was no surprise. The Highways Authority as statutory consultee had requested further testing of different models to fit in with their own transport structure. This piece of work was necessary in order to progress the scheme to planning application stage. The County Council as a statutory consultee and a major bidder for funding was perfectly within its rights to ask for further information at any time which could only be answered by people technically qualified to do so.

Officer Response: The Strategic Director for Major Developments would send a letter to those people who had responded to the public consultation to explain the reason for the delay.

- It was suggested that the council had gone out to public consultation prematurely?

Portfolio Holder Response: The Council had listened to the consultation responses, the main objective being to adopt the correct model, hence why more work was being carried out to make sure of the right outcome.

- Had the scheme been project managed to account for any potential further risks to push the project off track?

Portfolio Holder Response: This was a massive and incredibly complex project. There would always be risks. The planning process should never be taken lightly. The consultation responses had been taken on board, hence the delay; following a period of 'model running' a formal planning application would hopefully be submitted in 2018.

Officer Response: Due to the huge size of the project there would always be steps taken forward and backward, officers had tried to identify as many risks as possible.

## Tourism

- It appeared that visitor numbers in the city were falling contrary to information coming from local sources. How far was this due to lack of car parking spaces?

Portfolio Holder Response: He believed the drop in visitor numbers was down to massive events such as the poppies exhibition in the last two years having boosted visitor numbers which had now tailed off.

## Regeneration

- It was great to see the City of Lincoln Council starting to regenerate the Sincil Bank area. Residents parking would be a very challenging issue for local people to take on board. It was important to explain the plans for the area in detail in the local community.

Officer Response: There was indeed a need to free up space to carry out improvements which involved residents parking.

- Members offered support to the Portfolio Holder's comments in relation to the excellent work done by heritage staff. The review of conservation areas was welcomed. So much information came out of the Historic Environment Advisory Panel which could help inform Planning Committee.

Portfolio Holder Response: Consultants were looking at the review of conservation areas which would be reported through to Planning Committee.

RESOLVED that the content of the report by the Portfolio Holder for Planning Policy and Economic Regeneration be noted.

## **36. Vision 2020 - Reduce Inequality Progress Report**

Angela Andrews, Chief Executive and Town Clerk:

- a. tabled the document 'Vision 2020-Aspirations to Reduce Inequality'
- b. provided Performance Scrutiny Committee with an update on progress towards the 'Reduce Inequality' strategic priority contained in Vision 2020, covering both those projects being progressed in year one, alongside the 'day to day' service activities that happened across the council that were vital to the delivery of this priority
- c. described the background to Vision 2020 published in January 2017 containing four strategic priorities (Reduce Inequality; Economic Growth; Quality Housing; and Remarkable Place), which involved the establishment of four Vision Groups to manage and monitor Vision 2020 along with an important strand of work focusing on High Performing Services as detailed at paragraph 3 of the report
- d. referred to the project statement attached at Appendix A to her report which captured the day-to-day work by the council integral to delivering this strategic and the Project Monitoring Table attached at Appendix B

which provided an overview of the year one projects for this strategic priority

- e. highlighted a set of emerging performance indicators to monitor the outcomes of these projects once completed, as detailed at Appendix C, emphasising that as more projects came to an end more performance data would be added to the table to ensure the full range of indicators could be considered by Performance Scrutiny Committee in future progress reports
- f. requested members' consideration on the content of the report.

Members raised the following questions:

- What could the Council do to assist those benefit claimants moving over to Universal Credit who were having to wait six weeks for their first payment?
- Officer Response: This was a central government policy. Support mechanisms were in place working with the Department of Work and Pensions (DWP) including training facilities. However, this was not an easy task as payments were made in arrears.
- Would the council be chasing tenants who couldn't pay rent due to this situation?
- Officer Response: Policy decisions although not yet taken would be discussed to alleviate problems for tenants in difficulty. There was capacity within the DWP to make payments directly to the landlord in cases involving vulnerable tenants. It could not be underestimated how challenging the transition to Universal Credit would be and the additional resources required to assist this transition.

The Chair highlighted the huge impact Universal Credit would have on the Council, noting that it would be interesting to see how council income was affected.

The Chief Executive and Town Clerk agreed that overpayments carried forward would be affected by Universal Credit as tenants would be struggling financially. She highlighted that the City of Lincoln Council was well prepared for these challenges compared to other districts.

Members praised the City of Lincoln Council's lead in securing funding to tackle rough sleepers and gave thanks to the Welfare Team for all their hard work

Members asked what had been the take up on Sheffield Money before the scheme fell through?

The Chief Executive and Town Clerk advised that roughly 170 people had applied for the scheme, with rates better than loan sharks A viable alternative was being sought.

RESOLVED that progress on the Reduce Inequality Vision Group be noted.

### **37. Scrutiny Annual Report 2016/17**

Ali Hewson, Democratic Services Officer:

- a. presented the Scrutiny Annual Report for 2016/17 for comments, prior to being referred to Full Council for approval
- b. advised that the Scrutiny Annual Report as detailed at Appendix 1 of her report summarised the work of the scrutiny committees for the full year and highlighted the key achievements made under scrutiny in 2016/17
- c. reported that once the Annual Report has been approved, it would be published on the Council's website and circulated to interested persons or groups as appropriate.

RESOLVED that the Scrutiny Annual Report for 2016/17, subject to a minor typographical amendment be referred to Full Council for approval.

### **38. Lincoln City Profile 2016/17**

Pat Jukes, Business Manager, Corporate Policy:

- a. presented the Lincoln City Profile (2016/2017), the updated version of the previous year's profile, which encompassed a breadth of factual information, and focused on key demographic, socioeconomic characteristics and challenges to Lincoln
- b. reported that the Lincoln City Profile acted as the evidence base behind the continued development and implementation of City of Lincoln Council's Vision 2020 strategic priorities and provided information to help the council to target resources where they were needed most, including work with or influencing partners to take further action on areas not directly within our remit
- c. highlighted a number of key opportunities for the city as detailed at paragraphs 3.1 – 3.9 of the report
- d. reported on a number of key challenges as detailed at paragraphs 3.10 – 3.14 of the report
- e. referred to Appendix A of her report which contained full details of the Lincoln City Profile 2016/2017, in the form of a collection of themed factsheets.

Members highlighted a lack of reference within the report to mini/micro businesses.

Pat Jukes, Business Manager, Corporate Policy agreed to incorporate figures on micro and mini businesses into the report.

Members queried whether the data provided was based on the old ward boundaries?

Pat Jukes, Business Manager, Corporate Policy advised that the current data from 2016 was only available in the old ward boundary format and once produced in the new ward format this would be reflected within the figures accordingly.

RESOLVED that the contents of the report be noted for information.



**39. Work Programme for 2017/18**

The Democratic Services Officer:

- a. presented the draft work programme for 2017/18 as detailed at Appendix A to her report
- b. advised that the work programme for Performance Scrutiny Committee was put forward annually for approval by Council; then regularly updated throughout the year in consultation with Performance Scrutiny Committee and its chair
- c. reported that items had been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information could be reported to the committee; the work programme also included the list of Portfolio Holders under scrutiny
- d. requested any relevant comments or changes to the proposed work programme for 2017/18.

RESOLVED that the work programme 2017/18 as detailed at Appendix A to the report be noted, subject to the following revision:

- The Homelessness review be deferred to the meeting to be held on 25 January 2018.

**40. Exclusion of Press and Public**

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

**41. Bus Station Costs**

*(Councillor Mair left the room for the remainder of the meeting, having declared a disclosable pecuniary interest in the matter to be discussed.)*

Steve Bird, Assistant Director, Communities and Street Scene:

- a. presented information on the operating parameters and operating budgets for both the Lincoln Central Bus Station and the Lincoln Central Market Multi Storey Car Park
- b. outlined the background and operating plans in relation to the proposed project model as detailed within the officer's report
- c. invited comments from members of Performance Scrutiny Committee.

Members considered, discussed, and commented upon the contents of the report.

RESOLVED that the content of the report be noted.

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## Portfolio Holder Responsibilities

### **Corporate Management and Customer Services**

1. Corporate Issues (Corporate Policy/Strategic Plan/ Financial Strategy/ Establishment Policy)
2. Community Strategy
3. Specific Major Projects
4. Local Strategic Partnership
5. Corporate Communications and media relations
6. Overall financial position of the Council
7. Human Resources
8. Improvements in the culture of the Council
9. Emergency planning;
10. Corporate Support Services Operational Work;
11. Asset Management;
12. Trade union relations
13. Democracy related services
14. Risk management and governance
15. Regional government
16. Performance Management
17. Corporate reviews
18. Annual report
19. Procurement;
20. Performance IT systems/ E- Government
21. Overall Corporate Performance Issues
22. Audit focus
23. Customer Services
24. Contact Centre
25. Customer Care (except customer services)
26. Corporate complaints handling
27. Benefit Advice and take up campaigns
28. Benefits processing

### **29. Housing Benefits and Revenues**

30. Equality and Diversity for the Council as employer and service provider

### **Housing**

1. Homelessness Prevention
2. Housing Repairs & Maintenance and Investment;
3. Tenants (including rent collection) / participation;
4. Estate Management
5. Housing Stock Options;
6. Housing Investment/ Decent Homes;
7. Lettings/ Allocations
8. Private sector housing enforcement, grants and improvements;
9. Housing enabling role with respect to registered social landlords;
10. Delivery of property related goods and services for Council's;
11. Supporting People

### **Recreational Services and Health**

1. Parks and Recreation (including playgrounds and pavilions);
2. Public open space;
3. Leisure/Sports and facilities
4. Health and wellbeing
5. Cultural activities (including the Cultural Quarter)

### **Planning Policy and Economic Regeneration**

1. Regional, Sub-Regional and Local Planning Policies and Strategies
2. Planning (excluding roles undertaken by Planning Committee)
3. Heritage (linked with Heritage Champion)
4. Local Development Framework
5. Design Champion
6. City Centre Master Plan
7. City Growth Strategy
8. Economic Development
9. Inward Investment
10. Business Support
11. Commercial Development
12. Building Control
13. Transport including car parks etc
14. Contaminated Land
15. Tourism development services and marketing

### **Social Inclusion and Community Cohesion**

1. Neighbourhood Management
2. Community Cohesion
3. Social Inclusion
4. Asylum Seekers
5. Adult Learning
6. Domestic Violence
7. Young People
8. Older People
9. Safeguarding children

10. Vulnerable adults

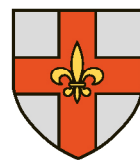
11. Community Centres

### **Environmental Services and Public Protection**

1. Fleet Management;
2. Environmental Contracts, including refuse, cleansing, highways and open space maintenance;
3. Recycling
4. Climate change
5. LA21
6. Air Pollution
7. Cemeteries/crematorium
8. Public Toilets
9. Crime and disorder reduction especially alcohol related crime
10. Anti social behaviour and noise nuisance
11. Community safety/safer streets agendas including CCTV and Rangers
12. Street scene liaison
13. Licensing
14. Public Protection such as:
  - (1) Environmental Health
  - (2) Food Safety
  - (3) External health and safety



Let's reduce  
inequality



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COUNCIL

# Portfolio Performance Overview: Social Inclusion and Community Cohesion

Pat Jukes

Business Manager, Policy Unit

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# Social Inclusion and community cohesion

This presentation will cover:

- Lincoln population data
- Ethnicity in Lincoln
- Educational attainment data
- National Insurance Number Registration figures
- Languages requested
- Dashboard measures
- Key Points Raised



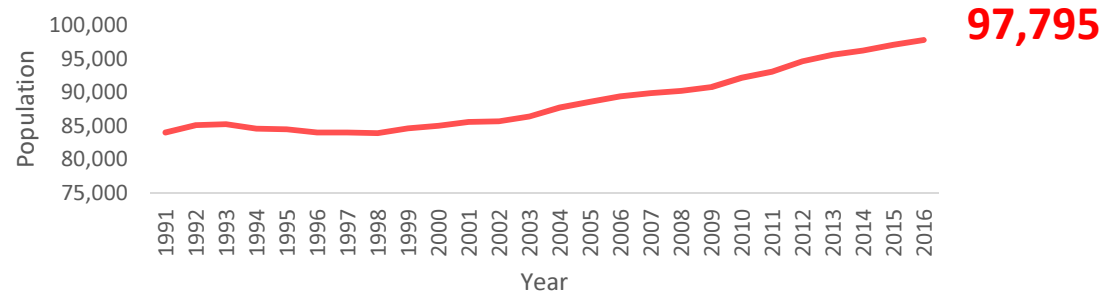
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# Total estimated population of Lincoln

The population estimates for Lincoln from 1991 to 2016



There was an estimated **48,313** males in Lincoln in 2016.

This was an increase of **478** when compared to 2015.



There was an estimated **49,482** females in Lincoln in 2016.

This was an increase of **252** when compared to 2015.



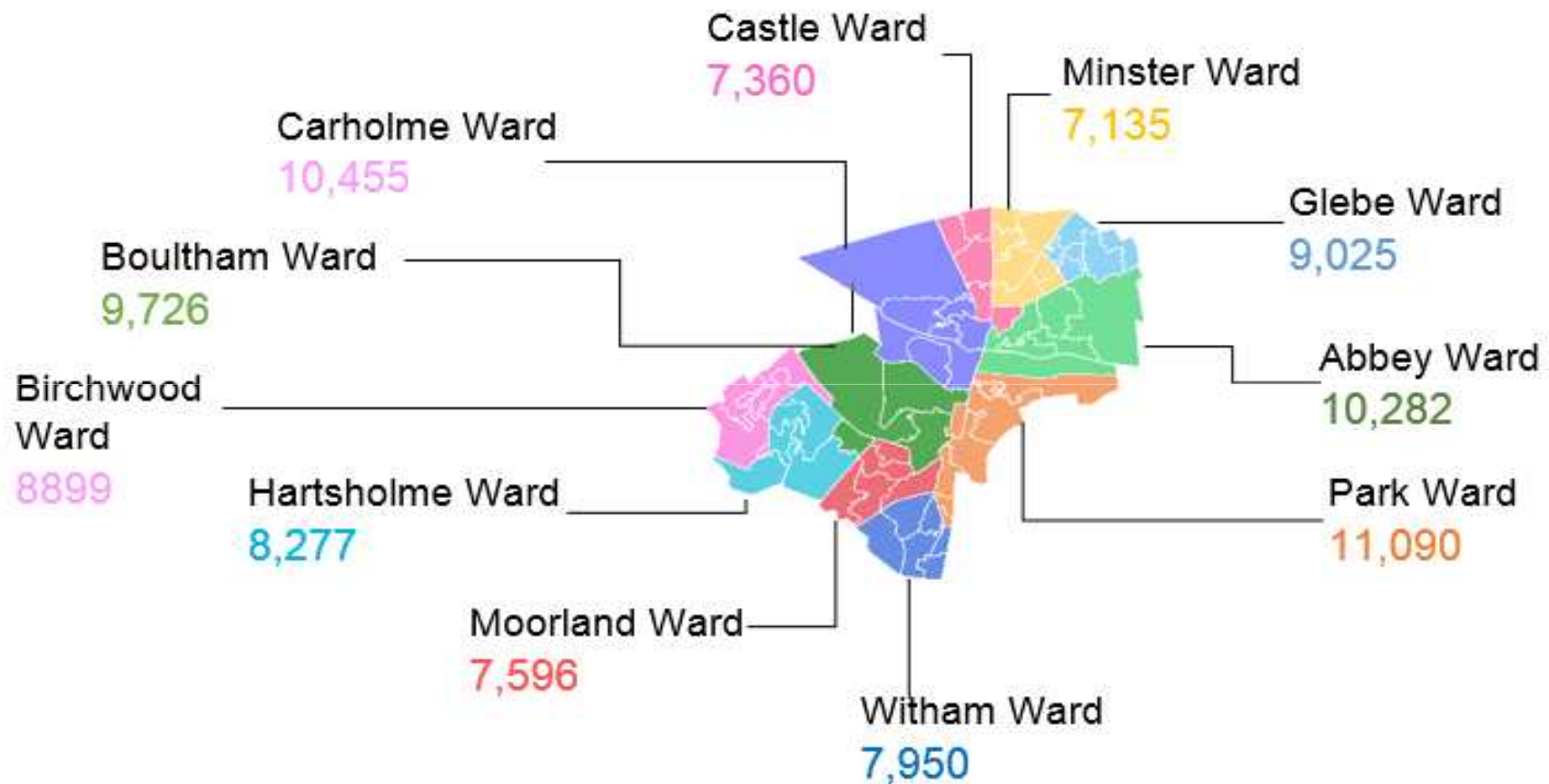
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Source ONS (Nomis) 2017

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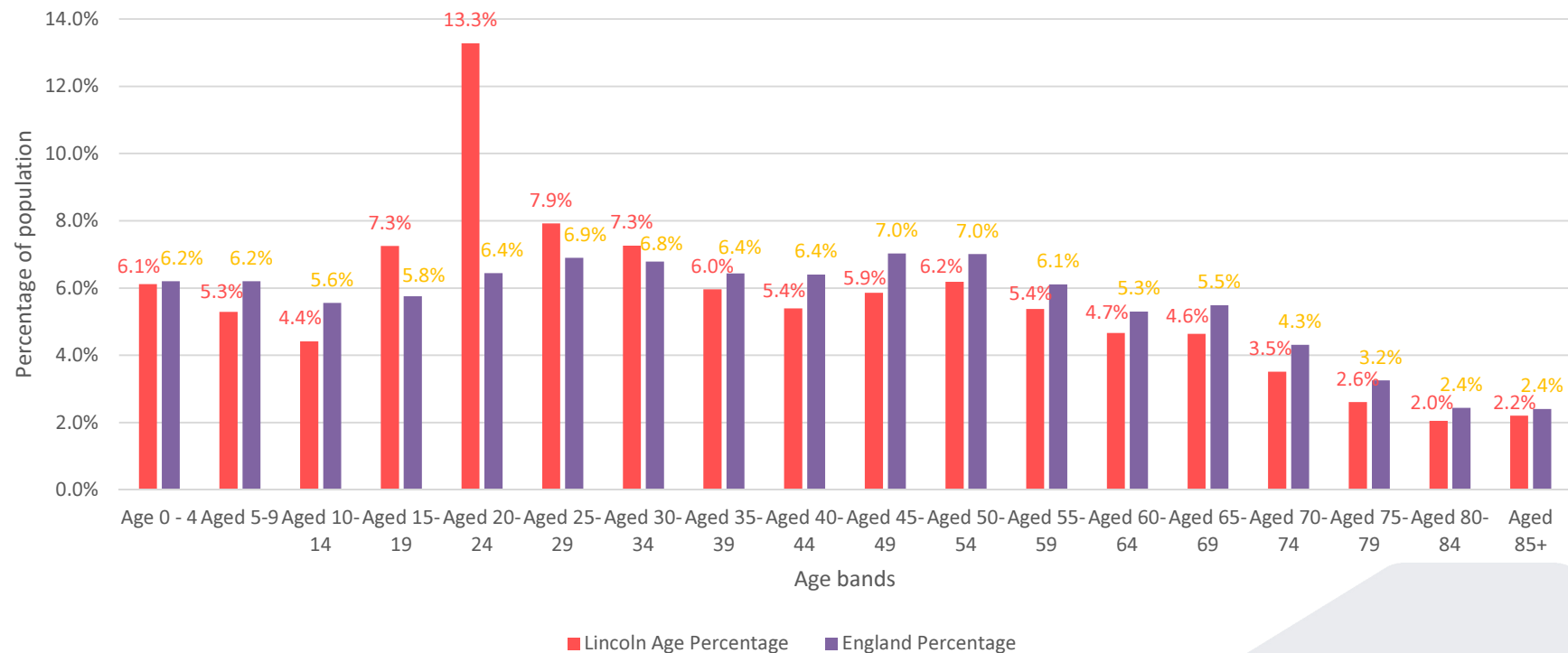
# Population by ward – ONS mid 2016 estimates





# Population of Lincoln by age compared to England

The age breakdown of Lincoln's and England's population from the mid 2016 population estimates



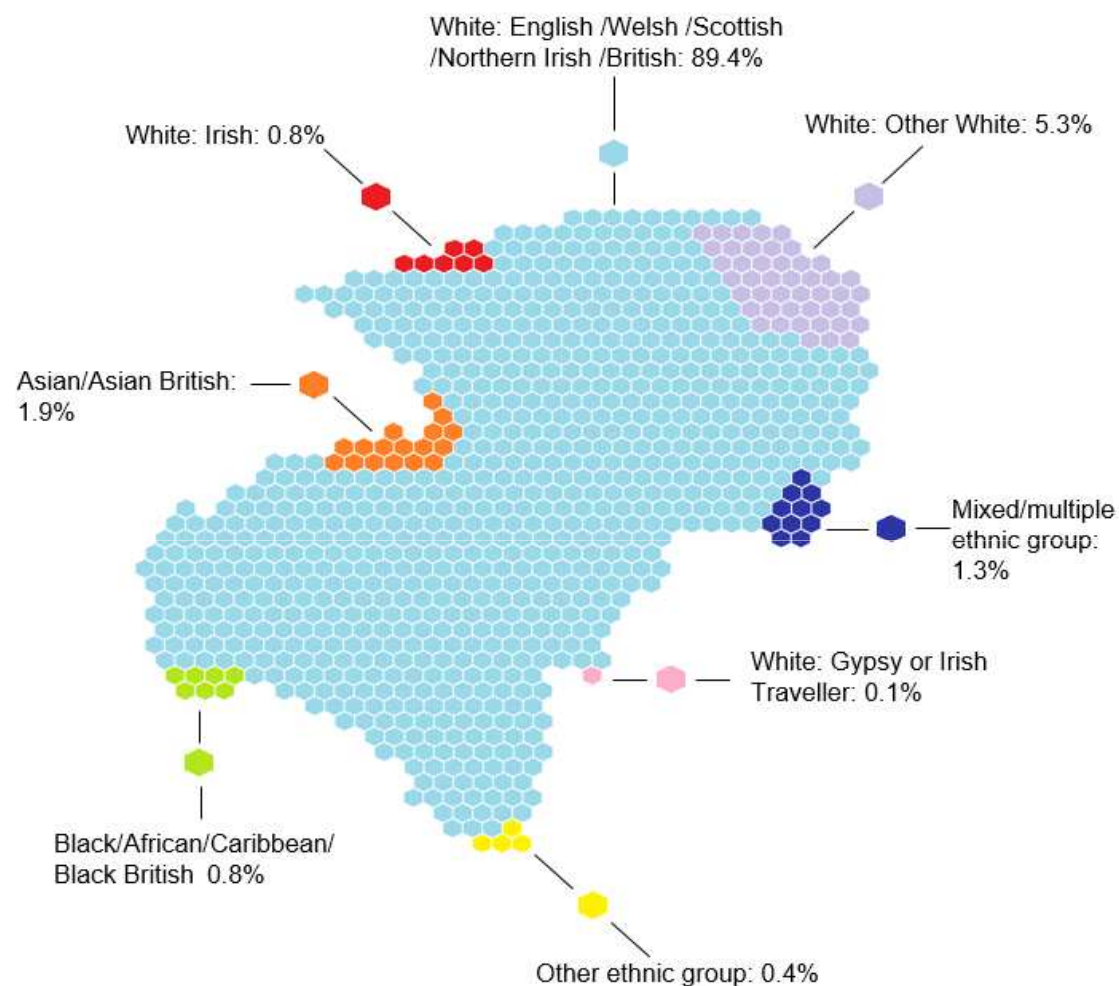
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Source ONS (Nomis) 2017

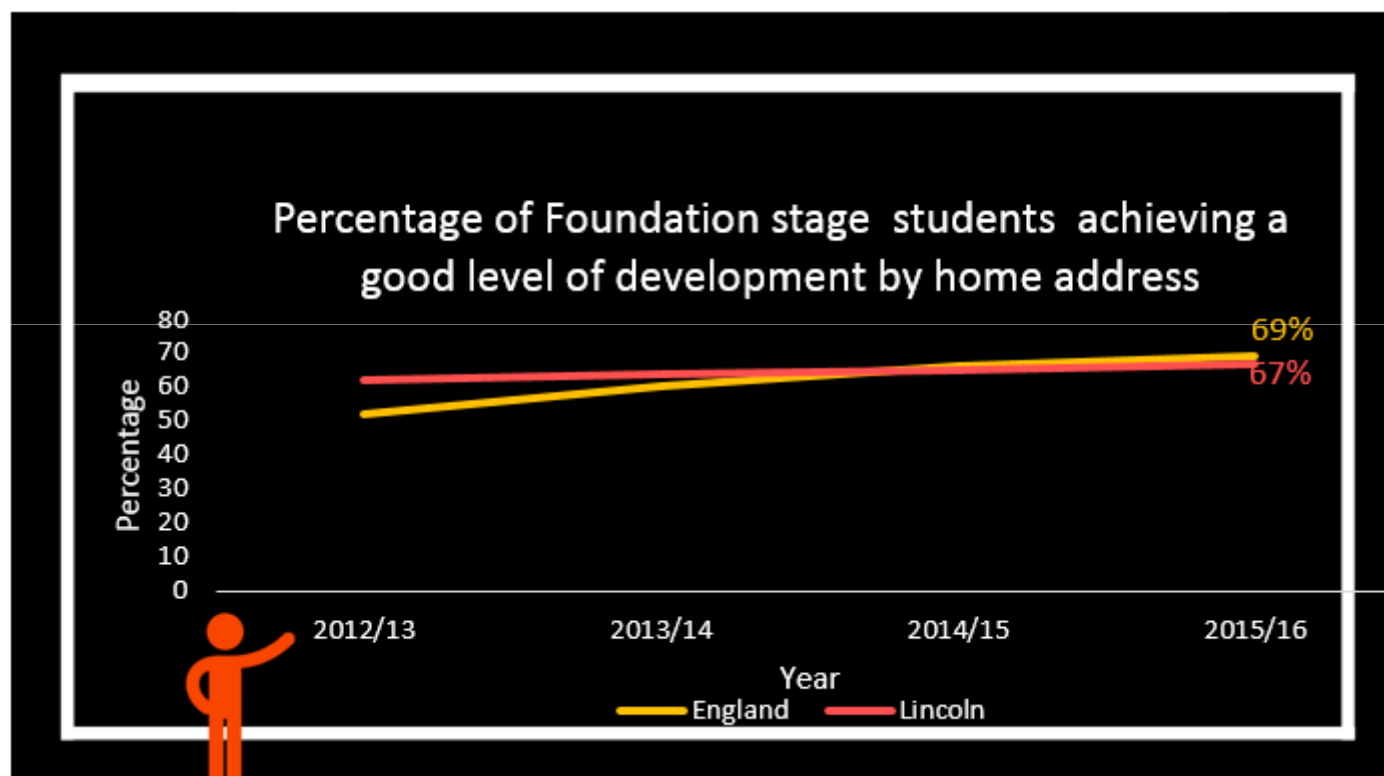
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# Ethnicity in Lincoln – updated 2017 estimate



# Foundation attainment: young people

The percentage of Foundation Stage students in Lincoln who achieved a good level of development increased from 66% in 2014/15 to 67% in 2015/16.



# The Number of National Insurance registrations to adult overseas nationals entering Lincoln from 2002/3 – 2016/17

NiNo Registrations To Adult Overseas Nationals  
Entering Lincoln Between 2002/3 - 2016/17

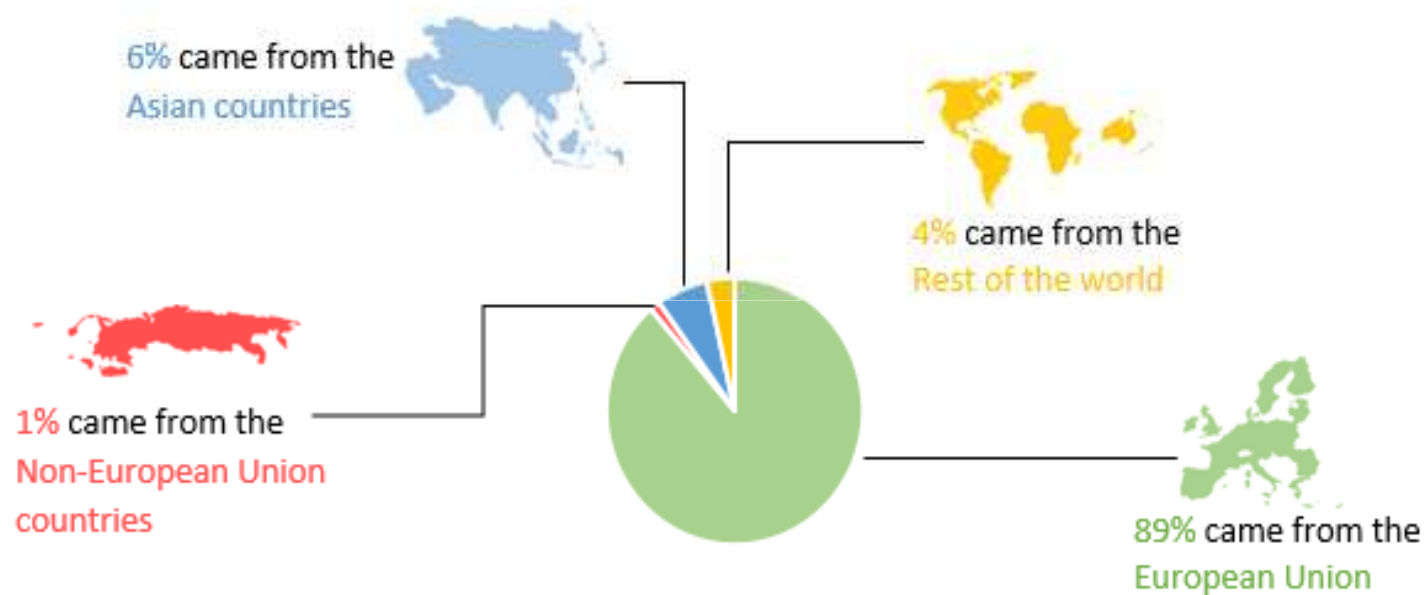


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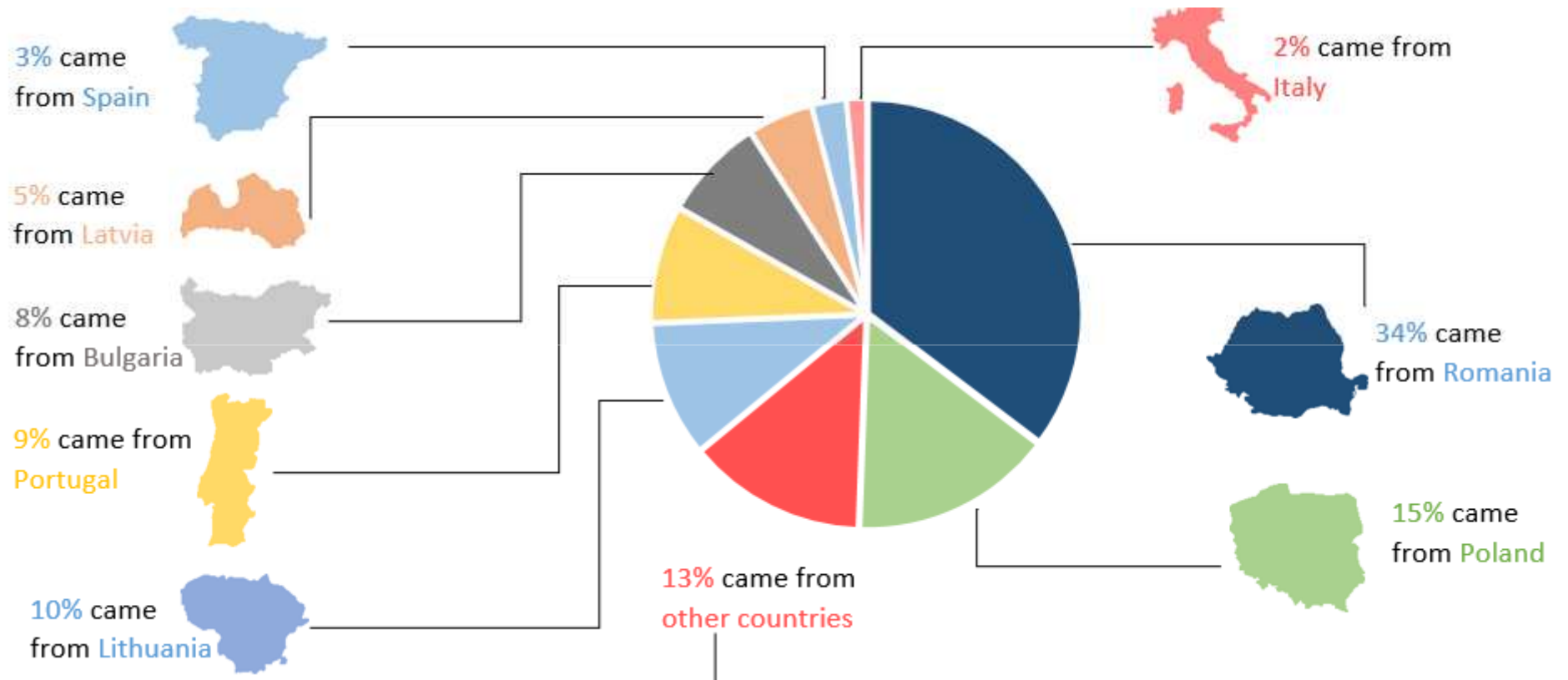


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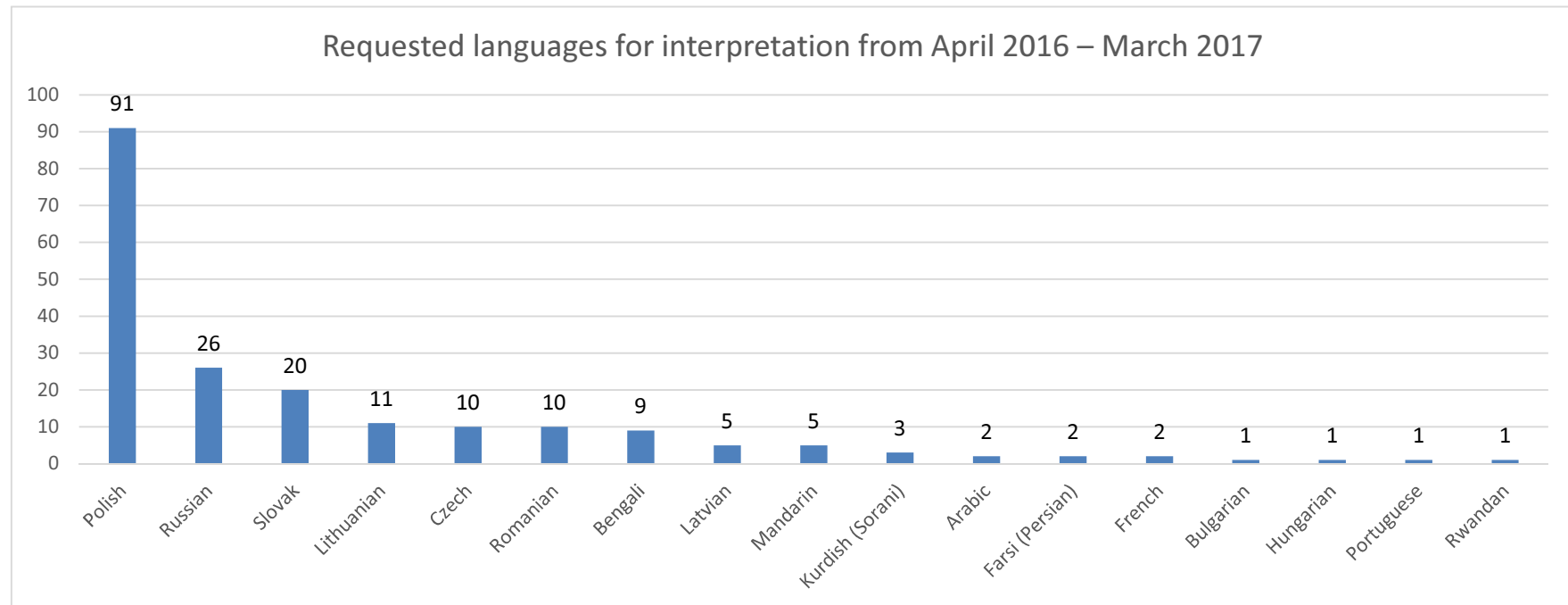
# World area of origin for NiNo registrations of adult overseas nationals entering Lincoln in 2016/17



# European Country of origin



# Requested languages for interpretation from April 2016 – March 2017



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# Local IMD dashboard – PH measures

	Status Colours	Symbols	High/Low is good	CoLC Impact
	Improving compared to the previous year	# Data not available	↑ High is good	Full: CoLC can fully impact this
	No change compared to the previous year		↓ Low is good	Mod: CoLC can moderately impact this
	Deteriorating compared to the previous year		↑ Not relevant	Min: CoLC has minimum impact
	Volumetric Measure			Non: CoLC cannot impact on this

Ref	Measure	Unit	High / Low is good	Lincoln Last Year	Lincoln This year	Status	East Midland this year	England this year	PF holder	CoLC impact
5.11	% of households in fuel poverty	%	↓	11.9	11.6		9.7	#	RK	Mod
6.5	Number of school children eligible for Free School Meals	Num	↓	2327	2308		#	#	RK	Non
6.9	Proportion of children in low-income families aged 0-19	%	↓	22.2	22.9		15.5	19.9	RK	Mod
6.10	% of residents who have no qualifications	%	↓	10.7	7.5		7.5	7.8	RM/RK	Mod
6.11	% of residents who have NVQ level 1	%	↓	14.7	15.5		12.6	11.3	RM/RK	Mod



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# Key points raised

- The estimated population of Lincoln has increased from **97,065** in 2015 to **97,795** in 2016 data, with 50.6% males and 49.4% females
- Lincoln has a higher young working age population (15 – 34 years) at 35.8% compared to England at 25.9%
- Lincoln has a lower percentage of older population (14.9%) than England (17.8%)
- 67% of Foundation Stage students achieved a good level of development, closing the gap on the England average by 1% to just 2%
- The number of NiNo registrations in Lincoln has increased just slightly from **1,514** in 2015/16 to **1,592** in 2016/17
- **89%** of migrant workers registering in Lincoln continued to come from European Union countries
- The most requested language for council services from April 2016 to March 2017 was Polish (**91 requests**)
- There has been a big drop (3.1%) in the number of Lincoln residents who have no qualifications at all



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## **PERFORMANCE SCRUTINY COMMITTEE – 23<sup>rd</sup> NOVEMBER 2017**

### **REPORT TO PERFORMANCE SCRUTINY COMMITTEE 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.

To help measure progress across my portfolio, I am pleased to be able to report on a number of performance measures which have been provided in appendix A.

I have also provided a list of the Vision 2020 projects which fall under my portfolio in appendix B for information.

## **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 will be 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 we will be closing the Neighbourhood Working offices in both Moorland and St Giles. The Moorland office is effectively closed already and the St Giles office will close 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 currently in the process of arranging introductory meetings 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 21<sup>st</sup> November each year. The 2016 event was the fourth year this day had been celebrated in Lincoln. It total 35 organisations supported the event, encouraging their employees and service users to say hello to those they wouldn't normally. Myself, the Mayor and Deputy Mayor attended various events around the city to say hello and find out about the groups taking part.

Preparations are currently underway for World Hello Day 2017. Fifteen events have been confirmed so far to celebrate World Hello Day this year. These events are hosted by a number of organisations across the city. The council has been working closely with these organisations to ensure their individual event is a success. Some of the key events planned for this year include:

- Communication Across Culture Conference - University of Lincoln
- Web Walk starting from different areas of the city – Access Lincolnshire
- Big Coffee Morning at Queen's Park Community Hub – Development Plus

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 21<sup>st</sup> April 2017 until 1<sup>st</sup> 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 31<sup>st</sup> 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.

- The 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 18<sup>th</sup> September, and the second at Bishop Grosseteste University on 19<sup>th</sup> 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 19<sup>th</sup> 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 16<sup>th</sup> and 20<sup>th</sup> 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 15<sup>th</sup> 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, preparations are currently underway for World Hello Day 2017 on 21<sup>st</sup> November 2017, which is the main community cohesion event in the city. This will be the fifth year we have celebrated this event.
- 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 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.
- The mayor's charity for 2017/18 is supporting local food banks. This has provided the opportunity to promote collections and other fundraising opportunities at City Hall.
- 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.

## **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 early 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 undertaken 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 30<sup>th</sup> 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 4<sup>th</sup> 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.

## **Appendix A - Performance Measures**

Data below relates to the period November to October 2015/16 & 2016/17.

### *Neighbourhood Working*

<b>Title</b>	<b>Nov 15 to Oct 16</b>	<b>Nov 16 to Oct 17</b>
Neighbourhood areas	8	8
Neighbourhood boards	8	8
Neighbourhood plans	7 + 1 in progress	8

### *Community Cohesion*

<b>Title</b>	<b>Nov 15 to Oct 16</b>	<b>Nov 16 to Oct 17</b>
Articles features in print	45	53
Radio articles	10	8
Television articles	2	1
Statements issued (*condolences for terror attacks)	5 (*2)	2 (*2)
Facebook views of live videos	1351	1,054
Community based stories on Facebook (COLC & City of Welcome)	27	31
Number of likes to the City of Welcome Facebook page	-	417
Audience reached through Twitter	12,000	13,200
Community cohesion articles in 'Your Lincoln'	13	15
ESOL language courses supported by City of Lincoln Council	3	4
World Hello Day Events	23 (WHD 16)	13 (WHD 17)
Number of Hate Crime incidents reported to COLC	0	0

### *Adult Learning*

<b>Title</b>	<b>Nov 15 to Oct 16</b>	<b>Nov 16 to Oct 17</b>
Number of people signed up to the "Assisting low income households - 600 places available at Lincoln College" programme to support people into work and/or training (Cumulative Data)	202	300
The number of people moved into employment as a result of the above (Cumulative Data)	40	70

### *Young People*

<b>Title</b>	<b>Nov 15 to Oct 16</b>	<b>Nov 16 to Oct 17</b>
The Network – number of young people using the service (cumulative)	-	187
% of individuals progressing into employment, education and training following support from The Network	-	60% (112)

### *Safeguarding Children & Vulnerable Adults*

<b>Title</b>	<b>Nov 15 to Oct 16</b>	<b>Nov 16 to Oct 17</b>
% of 'Level 1' staff who have attended the Safeguarding training (Children & Adults)*	4	0
Number of referrals made by COLC staff	15	3
Number of referrals made by COLC staff	25	9

*\*Training is undertaken every five years*

### *Community Centres*

<b>Title</b>	<b>Nov 15 to Oct 16</b>	<b>Nov 16 to Oct 17</b>
Number of people using our community centres	94,414	88,463

### *Anti-poverty*

<b>Title</b>	<b>Nov 15 to Oct 16</b>	<b>Nov 16 to Oct 17</b>
Companies accredited with Lincoln Living Wage campaign	28	26
Employees in Lincoln working for Lincoln Living Wage accredited organisations	1,964	2,039
Employees receiving pay rises as result of Lincoln Living Wage campaign	194	220
Lincolnshire Energy Switch campaigns	3	3
Number of household registrations for Lincolnshire Energy Switch in Lincoln	456	495
Council properties where good quality flooring has been left for new tenant	15	28

## **Appendix B**

### ***Vision 2020 project allocations: Social Inclusion and Community Cohesion***

<b>Strategic Priority: Let's reduce inequality</b>	
<b>Aspiration</b>	<b>Project name</b>
Let's help people succeed	Work with training providers, businesses and partners to increase opportunities for local people to access training and employment
Let's provide help to the most vulnerable in our city	Providing a central hub of support for young people through The Network
	Deliver an annual anti-poverty conference / workshop
	Promote bulk energy switching to lower energy bills for residents
	Promote access to a range of financial products
Let's help people feel safe and welcome in their communities	Work closely with partners to promote Lincoln as a 'City of Welcome'
	Continue to promote initiatives aimed at integrating communities
	Assist the Islamic Association with community work whilst the Mosque is built



**PERFORMANCE SCRUTINY COMMITTEE**

**23 NOVEMBER 2017**

**SUBJECT: Q2 2017-2018 OPERATIONAL PERFORMANCE REPORT**

**DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK**

**REPORT AUTHOR: PAT JUKES, BUSINESS MANAGER - POLICY UNIT**

**1. Purpose of Report**

- 1.1 To present to PSC a summary of the operational performance position for quarter 2 of the financial year 2017/18 (from July 2017 to September 2017).
- 1.2 Regular monitoring of the Council's operational performance is a key component of the Local Performance Management Framework. This report covers key service performance measures identified by Members and CMT as of strategic importance.
- 1.3 The report is in the following format:
  - Executive Summary – highlighting key points of note
  - Background – recent changes to the report
  - Operational performance overview – issues and successes
  - Detailed tables of data of the agreed measures (**APPENDIX A**)

**2. Executive Summary**

- 2.1 The report includes four corporate measures:
  - Sickness – split by long and short term
  - Corporate complaints including Ombudsman rulings
  - Employee FTE headcount, vacancies & turnover.
  - Staff appraisals completed

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

**Appendix A** details all measures by individual directorate grouping – with annual and quarterly measures split separately

## 2.2 Key headlines from performance results:

Q2 has seen some exceptional performance results – mixed with a few not so positive ones. It is worth noting that of the 21 targets measured this quarter, only 6 are below target – and ten are above target

<ul style="list-style-type: none"><li>✓ Excellent business rates in year collection rate of 61.13%, 1.05% higher than last year</li><li>✓ Time taken to process new benefit claims remains above target at 23.24 days</li><li>✓ Average time to process housing benefit claim changes of circumstances continues to better its 9 day target, at just 7.62 days</li><li>✓ The number of Housing Benefits / CT support customers awaiting assessment has reduced from 1021 last Q2 to 810 this year</li><li>✓ There are now just over 63,000 individuals on the electoral register (above the 62500 target)</li><li>✓ The end to end time to determine a planning application has dropped from 63.49 days last quarter to just 54.32 days this quarter</li><li>✓ Both major and non-major planning applications are still being determined within the government set 2-year rolling targets</li><li>✓ The number of people requesting PPASB services has dropped from 1049 last Q2 to 818 this Quarter</li><li>✓ Satisfaction with service at Yarborough Leisure centre has risen to 88% (from 79%)</li><li>✓ The percentage of rent lost through dwelling being vacant has dropped to 1.06%</li><li>✓ The % of reactive repairs completed within time remains above target at 96.52%</li></ul>	<ul style="list-style-type: none"><li>❖ The volume of face to face enquiries in customer services remains high – at 12,123</li><li>❖ Average time taken to answer a call to customer services has risen to 62 seconds from 41 seconds last Q2</li><li>❖ The level of outstanding revenues customer changes has more than doubled to 624 from 289 in Q2 last year</li><li>❖ The % of FH&amp;S visits completed to schedule has dropped from 90.1% last quarter to 81.1% in Q2</li><li>❖ Satisfaction with the way that PPASB complaints were handle was down from 88% to 68% in Q2</li><li>❖ Satisfaction with the cleanliness of public highways has declined from 84.3% to 73% in Q2</li><li>❖ The % of households approaching the council considering themselves homeless, where advice intervention resolved the situation has declined further below target to 30.87%</li><li>❖ The average time taken for re-lets although improving at 29.95 days, did not meet the lower target of 28 days. However both Sep and Oct have met target, so we should improve in Q3</li></ul>
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## 2.3 Key headlines from the corporate measures:

2.4 The overall year to date (YTD) sickness data as at 30.09.2017 is **6.34 days** per FTE (Excl. apprentices). This is 1.24 days more per FTE compared to the same point last year. This sits outside of the target for Q2 of between 4.to 5.5 days. CMT has instigated a new project on the High Performing Services programme to look at the causes and possible actions needed.

2.5 The average cumulative time across all directorates to respond to formal complaints was 7 days,

which is 1 day more than last year's Q2 outturn, but still extremely fast.

- 2.6 The reported overall Q2 vacancy level stands at 63.3 FTE, an increase on that reported in Q1 (54.16 FTE). Of these 20.8 vacancies are being actively recruited to. Ongoing work continues with Directorates and Human Resources to validate vacancy levels.






### 3. Background

- 3.1 2011 marked the end of reporting performance against a set of indicators prescribed by national government. From that point the onus was placed on local authorities to select appropriate sets of performance indicators to report locally. The requirement to be externally audited each year remains in place and re-affirms the necessity to have a performance framework covering all service areas to meet the 'Transparency Agenda' and also to demonstrate value for money.
- 3.2 The Information Management and Performance System (IMPS) has been used to collate performance measurement for all services since 2010. In 2013 agreement was reached between the Corporate Management Team and Performance Scrutiny Committee on a set of measures that are now defined as the key operational performance measures to be monitored and scrutinised. Data for the remaining measures is still captured and available in the IMPS system for Officer, Portfolio Holder and Committee use.
- 3.3 During the 2015/16 financial year, it was agreed to trial adding targets to a small number of measures commencing in 2016/17. This means that for these measures it has been possible to track how they are performing against a defined target as well as review their performance trend. However, this does mean that each of these measures will have two statuses – and they may not always be the same. E.g. a measure could be improving greatly on the performance last quarter, but still be outside of the acceptable targets bands. Reporting will consider both aspects, highlighting the most important angle.

### 4. Main Body of Report





#### 4.1 Key areas of note this quarter









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

				
The figure is improving (high is good)	The figure is improving (low is good)	The figure is worsening (low is good)	The figure is worsening (high is good)	The figure is maintaining

The report will predominantly report on improving and declining performance

#### 4.2 Key performance areas in Chief Executive's

- The average time taken to answer a call to Customer Services in Q2 was 62 seconds, worse than the lower target of 50. 
- 6,059 users logged into the self-service system, "MyInfo" this quarter 
- The volume of face to face visits to customer services remained high in Q2 at 12,123 
- There were just 18 new starters on the apprenticeship scheme in Q2, compared to 30 in the same period last year 

- 100% apprentices completed on time and have moved into education, employment or training 
- The Business Rates collection rate for Lincoln stands at 61.13% which is above its agreed target for Q2 
- The level of outstanding changes in the revenues team has increased from 289 in Q2 last year to 624 this year 
- The average time to process new housing benefit claims stands at 23.24 days, which is better than its target of 24 days. 
- The average time to process housing benefit claim changes of circumstances stands at 7.62 days. This is better than the agreed target of 9 days. 
- There were 810 Housing Benefits / Council Tax support customers awaiting assessment at the end of Q2, a reduction on 1021 last year 
- Quality checks on benefits claims show that 91% are correct – which is the same as in Q1 and better than the 90% target set 
- We now have 63,096 individuals registered on the electoral register and are just undertaking the annual canvas to increase registrations further 

#### 4.3 Customer Services

In Q2 we have seen continued growth in face to face enquiries as expected – mainly due to higher than normal level of travel concession replacements being sought, which we expect to continue until the end of the year. At the same time we have handled around 2300 more travel concession renewal telephone calls than we did in Q2 last year.

We have seen a further increase on the time taken to answer calls to customer services, part of this is the increased numbers of calls, but in addition, in July a change was introduced into the repairs system which has had the effect of temporarily increasing the length of our repair calls by nearly 30 seconds a call. This has clearly affected the average waiting time for all customers. However current figures show that this initial increase in time taken is gradually improving

It is pleasing to report that the number of users who logged into the self-service system MyInfo increased from 5,246 in Q2 last year to 6,059 this year. We have continued to actively push e-billing wherever possible.

#### 4.4 Revenues Administration

The Revenues team has continued to perform well in terms of collection rates in Q2 - the collection rate for Council Tax increased from 53.03% in Q2 last year to 53.17% this year, which remains within the target set. This 0.14% increase is equivalent to an additional £55,284. It is also worth noting that the total net receipt has increased in 2017/18 by £1,091,489.

The collection rate for Business Rates has also increased by even more – rising from 60.08% in Q2 last year to 61.13% this year. This 1.05% increase is equivalent to an additional £462,944 collected.

However, the numbers of outstanding customer changes has increased from 289 at this time last year to 624 in Q2 this year which is some 121 case higher than in Q1 this year. This follows a peak in August when there were 724 cases outstanding, so we can see there has been an

improvement in the latter month of the quarter. Plans are in place to remedy this and staff have been tasked with reducing this during Q3.

#### 4.5 Housing Benefit Administration

The Housing Benefits team has continued to see an outstanding start to the year. They are currently processing new claims in 23.24 days and change of circumstances in 7.62 days – both of which are above target. Meanwhile the team has also reduced the number of people awaiting assessment (compared to Q2 last year) to 810 of which 166 customers have not yet had their first contact from a Benefits Officer. For the remaining 644 customers, Benefits Officers have made contact with them and are awaiting information from the customer










This has not detracted from quality – which still stands at 91% for the quarter, above the set target of 90%. Check types implemented are changed throughout the quarter depending on errors identified and new legislation / changes

In terms of volume so far this year, there has been a total of 3731 new Housing Benefits/ Council Tax Support benefit claims - an increase of 460 when compared to the same period in the previous year. When viewed separately, there has been an increase in both the number of new Council Tax Support benefit claims and the number of housing benefit claims compared to last year. (see table below)



##### The number of new Housing Benefits and Council Tax Support claims

	Q2 2016/17	Q2 2017/18
Housing Benefits	610	773
Council Tax Support benefit	1092	1145

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

- % of waste recycled or composted has risen by 1% to 39.9% this quarter 
- The number of users of our recreation centres has dropped from 217k in Q2 last year to 209k this year 
- There were just 818 requests for PPASB service in Q2 – down on the 1049 last year 
- 97.8% of premises were fully or broadly compliant with FH&S standards 
- 81.1% of Food H&S controls that should have been completed, are done, a drop of 9% on the same quarter last year 
- There were just 120 live planning applications still open at the end of Q1 
- 94.3% of non-major planning applications were determined within the government target measured on a 2 year rolling basis 
- 98.18% of major planning applications were determined within the government target measured on a 2 year rolling basis 
- The end to end time to determine a planning application has dropped from 

63.49 days last quarter to just 54.32 days this quarter

- Satisfaction with the way PPASB complaints were handled was down from 88% to 68% this quarter 
- Satisfaction that public land and public highways are kept clear of litter and refuse has dropped from 84.3% to 73% 

#### 4.7 Waste and recycling

As per normal process, this lagged data actually relates to quarter 1 2017/18

The percentage of waste recycled or composted has increased slightly from 38.9% this quarter last year to 39.9% this quarter, and this remains within the normal tolerance. Recycling makes up 19.41% of the total waste stream, with composting making up 20.47%. Overall this is a 1% improvement on the same period last year.

This topic continues to be a subject of debate at Lincolnshire Waste Partnership, and the Lincolnshire Waste Officers' Group (who support the partnership), and who will be suggesting some changes to the way waste services are both promoted and enforced over the next few months. The City council is developing a stronger waste enforcement policy currently, and the county communications officers are looking at better ways of promoting recycling.

#### 4.8 Development Management

Q2 has remained relatively busy for the planning teams with 246 applications submitted this quarter, a decrease of 32 when compared to the previous quarter, but the highest Q2 level since we started collecting this measure. The team has improved the average time taken to determine planning applications from 63.49 days last quarter to 54.32 days this quarter – a significant decrease of 9.17 days, predominantly achieved due to the return of Maternity Leavers.

There were 120 live planning applications still open (incomplete) for this quarter, which is a reduction of 41 on the previous quarter.

The percentage of both Major and Non-Major Planning Applications determined within the government targets have increased and are performing above their agreed targets, with Non-Major applications improving from 90.29% to 94.3% in Q2, and Major applications improving from 96.36% to 98.18% in Q2.

The percentage of planning applications approved has increased from 93% to 95% this quarter. This is typical within Lincoln planning practice due to our approach to Development Management. It also reflects the fact that fewer applications have been submitted without pre-application advice.

#### 4.9 Public Protection and Antisocial Behaviour

The number of service requests for Public Protection and ASB has dropped by 160 from quarter 1 this year to 818 in Q2, despite multiagency publicity and activity around Fresher's Week this quarter, when you could have realistically expected an increase. The levels of service requests have plateaued at between 900 – 1000 since the initial drive to inform the public on how to report incidents, this would suggest that incidents of ASB have actually started to decrease. Anecdotal evidence from community forums such as Carholme Forum has been that incidents have definitely decreased.

Customer satisfaction return rates are very low at the moment. For example, throughout September 65 satisfaction surveys were sent out and only 9 returned. Of the 9 returned 3 were dissatisfied, over the quarter this has given rise to a low satisfaction rate of 68% which is below

the lower target of 85%. As a result of this, we are now telephoning customers to try and improve the return rate. Results from this shows that all customers that have been surveyed have been satisfied. If we were to make the assumption that those who do not return satisfactions surveys are probably satisfied this would give a satisfaction rate of above 90%. We will continue to call customers to ensure a true picture of the service satisfaction rates are maintained.

#### 4.10 Food Health & Safety (FHS) Enforcement

The level of premises fully or broadly compliant with the FH&S inspection remains very high at 97.8% - which is above the 97% target

In terms of the percentage of inspections that should have been done – this has deteriorated somewhat to 81.1% from last quarter's high of 90.1%. This has predominantly been caused by a 50% reduction in full time staff resources during this quarter on top of the removal of the agency staff that we had last quarter - this has impacted on the number of inspections that have been achieved. In addition to this, we are at the point in the year when some resource has to be released to prepare for the Christmas Market, which has enhanced the impact. However, as always, the team have prioritised those premises considered to be high risk, including tackling outstanding evening economy outlets.

A watchful brief needs to be kept on this measure for the next quarter and mitigation is already being considered to improve the out turn.

#### 4.11 Sports and Leisure

The total number of users of our Health & Recreation facilities per quarter has dropped by almost 8000 when looking at the equivalent period last year. However this overall figure hides the changes within each of the categories and the reasons for those changes

The main drop is in the usage at Birchwood Leisure Centre which is due to the closure of the sports hall this quarter to allow for the extensive £1.5m investment in the redevelopment of the centre, which is ongoing currently.

This has been offset to some degree by the increased usage of the Yarborough Leisure Centre which is steadily increasing its customer base.

In summary – the raw data shows that when compared to Q2 last year:

- Community centres 18,444 (Down 1042)
- Yarborough Leisure Centre 176,421 (Up 4,176)
- Birchwood Leisure Centre 14,349 (down 11,068)
- Outdoor pitch bookings 70 (Up 9)



Satisfaction levels for YLC have shown a strong improvement back to 88% - which is the highest it has ever been. It is anticipated that once all of the work programme has been completed for Birchwood LC – this will also show similar levels of improvement.

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

- 30.87% of households approaching the council considering themselves homeless had their situation resolved by the team, but this is significantly below the lower target of 56%
- The average re-let time for all dwellings out-turned at 29.95 days, which is below the lower target of 28 days





- The percentage of rent lost through dwellings being vacant has dropped to 1.06% 
- 96.52%% of reactive repairs were completed within target time above the target of 95% 

#### 4.13 Rent Collection and arrears

At the end of Q2 the Housing team had collected 98.21% of housing rent due, this includes arrears and credits brought forward. This is a 0.67% decrease on Q1 results, but a quite normal drop for this time of the year – in fact the rate stands at 0.68% higher than in Q2 last year.

This does of course mean that tenant arrears have risen from 2.41% to 2.59% this quarter. However, this has been the case in most Q2 results in recent years and we expect them to improve through the rest of the year, as in the past.

To address this we have instigated a rent text messaging campaign scheduled for the first week November which will run for around 4 weeks. We will also be sending rent letters to tenants in arrears in the first week of December requesting tenant to clear their balances. These campaigns along with our 2 rent free weeks in December will go long way to increasing our rent collection and thus reducing outstanding arrears.

#### 4.14 Homelessness

The number of homeless applications processed by the team this quarter compared to Q2 last year is very similar - moving from 129 last year to 127 in the same quarter this year

Homelessness prevention performance continues to be closely monitored. The % of households approaching the council considering themselves homeless or under threat of homelessness, where advice intervention resolved their situation stands at 30.87% and is below target at quarter 2. The way in which we record and report on our homelessness prevention figures is to be reviewed as we need to take every step to ensure all preventions are accurately recorded, this remains a work in progress. We also continue to work closely with other homelessness support agencies within the City

There is good news in that the number of people on the housing list has reduced from 1974 last Q2 to 1681 this quarter.

#### 4.15 Housing

The average re-let time for all council dwellings has decreased from 31.54 days in Q1 to 29.95 days this quarter. This means that we have seen a correlating improvement in rent lost - dropping from 1.15% in Q1 to 1.06% this quarter.

Although the results for the second quarter are still not achieving target the performance has been improving and within the months of September and October it was actually within target. There have been changes made to the management of the team, additional resources working temporarily within the team and the Void Support Team is now fully staffed so it is expected that performance shall continue to remain within target.

It is also worth noting that the percentage of reactive repairs completed on time remains very high at 96.25%, and whilst this is a slight drop on Q1 it is still above the 95% target.



#### 4.16 OTHER ACHIEVEMENTS DURING THIS QUARTER

##### 4.17 New play equipment for Queen's Park play area (South Park Avenue)

Children from St Peter at Gowt's School were on hand to put the new facility through its paces during its official opening in September 2017, and seemed to really enjoy playing on it!

The equipment was put into place with help from a Section 106 Agreement from the development at St Catherine's, by Allbright Homes.



The money that was released by the agreement needed to be spent in the St Catherine's/South Park area before November 2017, and new play equipment at Queen's Park fits in with the council's Vision 2020 priority – Let's enhance our remarkable place.

##### 4.18 Tenancy Services achieves accreditation for their Anti-Social Behaviour service.

In September the Council's Tenancy Services Team celebrated news that it had achieved accreditation for its Anti-Social Behaviour service. The accreditation assessment was done by HouseMark who carried out a thorough inspection of the service in July 2017



The Lincoln team's success confirms that it is providing a high quality service to its tenants, by quickly responding to resolve complaints, such as noise nuisance and ASB caused by drug misuse on our estates.

To achieve the accreditation, the Council had to show it is meeting seven "commitments" – including providing strong leadership and taking swift action to protect communities, when it comes to tackling ASB issues.

##### 4.19 Our 'Vision 2020' progresses well

It has been nine months since the launch of Vision 2020, and a lot of work has taken place.

The four Vision Groups (Reduce Inequality; Economic Growth; Remarkable Place; Quality Housing) along with the High Performing Services Board are set up and progress against achieving Vision 2020 is being reviewed monthly.



Staff can see a visual representation of project progress in Committee Room 4, where all current projects are shown with their progress to date (pictured)

#### 4.20 Council signs up to the “Dying to work” charter

City of Lincoln Council has pledged its support to the Dying to Work Campaign by signing a charter that will protect the rights of terminally ill employees.



Leader of the Council, Councillor Ric Metcalfe signed the charter in August along with representatives from GMB, Unite, TUC and Unison. This means that anyone who is diagnosed with a terminal ill disease whilst working for City of Lincoln Council will be able to continue working without being subjected to any additional stress or worry, and their position at work will be protected should they wish to continue working and are able to do so.

#### 4.21 Further funding secured to tackle ‘Rogue Landlords’

The Council’s mission to tackle rogue landlords received a huge boost in July after we secured £440,000 funding from the Controlling Migration Fund. The grant will allow the council to continue its crackdown on sub-standard rented accommodation, and to target landlords that cut corners whilst putting their tenants at risk.



Let's deliver  
quality  
housing

Issues that arise from poor quality rented accommodation can be bad for a tenant’s health, or worse put their lives at risk. Surveys carried out by City of Lincoln Council have highlighted problems with damp, excessive condensation and even exposed or faulty electrics.

The council recognises that rogue landlords are the minority, and that they can give other landlords a bad name. This is why the council launched the Trusted Landlord Scheme in March this year, to create a benchmark of acceptable standards in rented properties and to encourage many of the city’s excellent landlords to seek our stamp of approval.

#### 4.22 CORPORATE MEASURES

##### 4.23 Sickness Indicators – Q2 cumulative (Year to date)

The overall year to date (YTD) sickness data as at the end of September is **6.34 days** per FTE (Excl. apprentices). This is 1.24 days more per FTE compared to the same point last year. This sits outside of the target for Q2 of between 4.to 5.5 days.

During Q2, the long term sickness (i.e. sickness over 14 days) per FTE stood at 2.12 days. This is 0.41 days more than at the same point last year and brings the cumulative total to 4.3 days YTD.

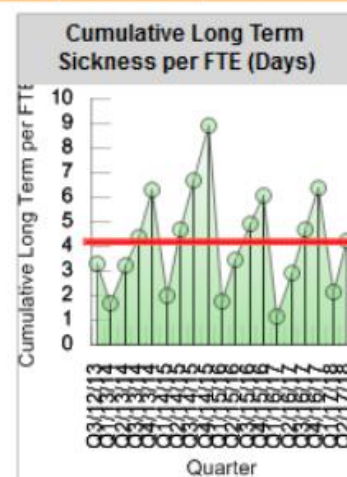
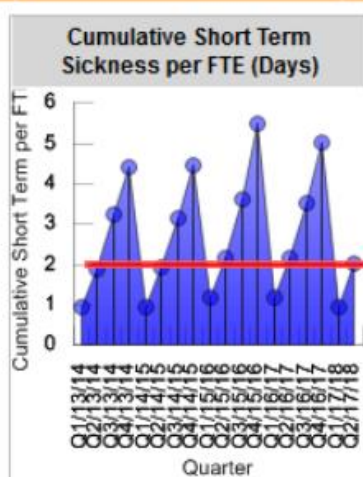
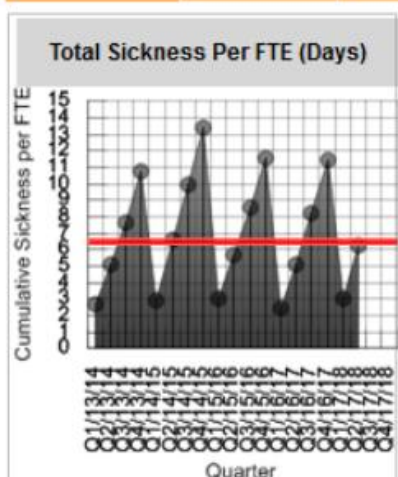
In terms of short term sickness, Q2 alone has decreased when compared to the same period last year. It currently stands at 1.08 days per FTE, which is 0.12 days less than at the same point last year and brings the YTD total to 2.04 days per FTE.

In Q2 there were a total of 1197 long term days lost, and the main cause of the long term sickness was Personal Stress/Depression with 226 days lost. The total number of short term days lost by Q2 amounted to 607 days and the main cause of short term absence was Sickness and Diarrhoea with 120 days lost.

Since the last quarter both the Sickness and Stress Policies have been updated to ensure our managers have the appropriate support and processes in place to effectively manage any sickness and/or stress issues. The HR team will also be rolling out Sickness and Stress Management Training to our managers during the next quarter.

The council has also recently conducted an audit on the sickness absence processes and procedures. The audit evaluated that our procedures were adequate, appropriate and operating sufficiently. In addition the audit highlighted some additional recommendations which could improve the overall policy/ procedures, and the HR team are now in the process of implementing these recommendations.

	Short Term Sickness	Long Term Sickness	Total Sickness	No. of FTE Employees	Short Term Per FTE	Long Term Per FTE	Total Sickness per FTE
CX (exc.appr's)	392.00	542.00	934.00	211.85	1.85	2.56	4.41
DCE	254.00	517.00	771.00	140.67	1.81	3.67	5.48
DMD	1.00	0.00	1.00	7.81	0.13	0.00	0.13
DHR	503.50	1,370.00	1,873.50	203.91	2.47	6.72	9.19
<b>TOTAL</b>	<b>1,150.50</b>	<b>2,429.00</b>	<b>3,579.50</b>	<b>564.24</b>	<b>2.04</b>	<b>4.30</b>	<b>6.34</b>



#### 4.24 Apprentices sickness – Q2 cumulative

As at the end of September (Q1 and Q2) in total the apprentices have lost 43 days due to short term sickness, which is 5 days less than at the same point last year. In addition the apprentices have lost 16 days due to long term sickness, which is 16 day more than at the same point last year. In total this equates to an average 3.2 days sickness per FTE which is 1.19 days more than at the same point last year. We believe this is actually a reflection of a tightening of reporting procedures over the last three quarters, but is worth noting that it is still well below that of contracted staff.

<b>Cumulative sickness to Q2</b>	<b>Short term days lost</b>	<b>Long term days lost</b>	<b>total days lost</b>	<b>Average Number of FTE this Q</b>	<b>Short term days lost per FTE</b>	<b>Long term days lost per FTE</b>	<b>Total days lost per FTE</b>
Apprentice sickness	43	16	59	18	2.3	0.8	3.2

#### 4.25 Appraisal Monitoring – Q2

Whilst appraisals for 2016/17 were conducted on an annual rolling basis, we have now changed to a new system where managers are asked to conduct all appraisals in the first quarter.

Directorate	% of staff who have had an appraisal Q2
CX	84%
DCE	86%
DHR	88%
DMD	100%
Total	86%

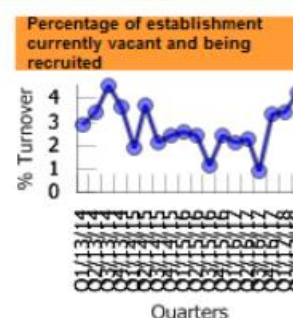
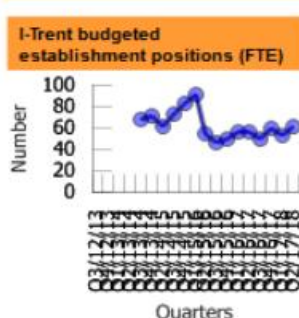
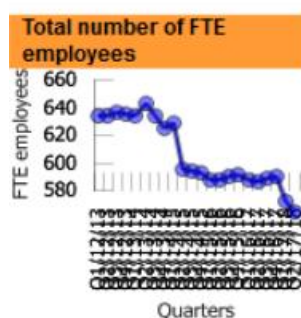
The new appraisal process went live on 1<sup>st</sup> April 2017. The aim was for all appraisals to be completed during Quarter 1 with a 95% compliance rate, to allow for Maternity leave, long term sick etc. This is so objectives are set in line with Vision 2020 and the Service Plans. Due to this being the first year of the new process which includes entry into i-trent software, there was an informal extension to the deadline until end July 2017, hence the inclusion in this report.

The current figure showing as complete (in i-trent) is 86%, but we believe there are still a number of appraisals which have been completed, but not updated in the system.

HR will carry out a dip sample of 20% of the appraisals to check the quality of content and to ensure consistency with feedback being provided to Managers where necessary.

#### 4.26 Employees (FTE, vacancies and turnover) for Q2

Number of FTE employees (exc. App.s)	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
CX - Number of FTE employees	198.50	197.96	210.50	216.20	211.85
DCE - Number of FTE employees	149.00	148.32	146.18	142.67	140.67
DHR - Number of FTE employees	239.50	243.48	227.41	205.22	203.91
DMD - Number of FTE employees		6.81		7.31	7.81
<b>TOTAL</b>	<b>587.00</b>	<b>589.76</b>	<b>590.90</b>	<b>571.40</b>	<b>564.24</b>
<b>Average number of apprentices across the period</b>					<b>18</b>
	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
I-Trent budgeted establishment positions (FTE)			61.30	54.16	63.30
Active vacancies which are being recruited (FTE)	20.66	6.21	26.90	22.00	20.80
	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
Percentage of staff turnover	2.29%	0.91%	3.35%	3.43%	4.24%



The total number of FTE employees (excl. apprentices) has decreased the end of Q2 from 571.4 (in Q1) to 564.24 FTE employees. In terms of the level of vacancies at Q2 - the I-Trent budgeted establishment unfilled positions (FTE) stands at 63.3 FTE. This figure has slightly increased from that reported at Q1 (54.16). However it should be noted that we are actively recruiting to 20.8 FTE positions. The percentage of staff turnover at the end of Q2 was 4.24%. In comparison to the previous quarter, this has increased slightly from 3.43%.

The table below provides a breakdown of vacancies by directorate identifying I Trent budgeted unfilled FTE and those which are being actively recruited to.

Directorate	I Trent budgeted unfilled FTE	FTE actively recruiting to
CX	19.78	3.5
DCE	17.13	8.3
DHR	26.41	9
DMD	0	0

#### 4.27 Corporate Complaints – Q2 cumulative



	Number of Formal Complaints Received (YTD)	Average time to respond to Formal complaints (Days) (YTD)	LGO complaints decided (YTD)	Number of Ombudsman decisions upheld (YTD)	LHO complaints decided (YTD)
CX	30	9.0	0	0	
DCE	37	6.5	1	0	
DHR	97	7.2	1	0	0
DMD	7	0.0	0	0	
<b>TOTALS</b>	<b>171</b>	<b>7.0</b>	<b>2</b>	<b>0</b>	

The cumulative number of formal complaints received by Q2 was 171 which is a decrease of 5 when compared to the same period last year. The cumulative average time across all directorates to respond to formal complaints was 7 days, which is 1 day more than 2016/17, but remains below the former target of 15 days.

There were no LGO complaints decided this quarter, which means the YTD total remains at two. No complaints have been upheld yet this year.

## 5. Strategic Priorities

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

## 6. Organisational Impacts

- 6.1 Finance (including whole life costs where applicable) - there are no direct financial implications as a result of this report. Further details on the Council's financial position can be found in the financial performance quarterly report elsewhere on the agenda.
- 6.2 Legal Implications including Procurement Rules – There are no direct legal implications
- 6.3 Equality, Diversity & Human Rights - There are no direct equality implications from this report

## 7. Risk Implications

- 7.1 (i) Options Explored – not applicable
- 7.2 (ii) Key risks associated with the preferred approach – not applicable

**8. Members are asked to:**

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

**Is this a key decision?**

No

**Do the exempt information**

No

**categories apply?**

**Does Rule 15 of the Scrutiny**

No

**Procedure Rules apply?**

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

One

**List of Background Papers:**

None

**Lead Officer:**

Pat Jukes: Business Manager, Policy Unit Ext 3657

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Table of all Q2 Strategic Measures

CX Quarterly measures

Lean Area	Measure	Unit	Cumulative or Quarterly	Trend - Quarterly or Seasonal	Q2/16/17	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Status	Q2/17/18 (Row Comment)	Under Performing	Target	Last Target Status
Work Based Learning	WBL 5 - Number of apprentices completing on time	Number	Cumulative	Seasonal	92%	94%	100%	100%	100%	Maintaining	25/25 apprentices within quarter 2 achieved on time			
Work Based Learning	WBL 6 - Number of new starters on apprenticeships	Number	Cumulative	Seasonal	30	14	9	6	18	Deteriorating	18 new starts in Q2			
Work Based Learning	WBL 7 - Number of apprentices moving into Education, Employment or Training	Number	Cumulative	seasonal	92%	83%	100%	100%	100%	Maintaining	Within quarter 2 100% of apprentices on programme moved in EET	90%	100%	At Target
Work Based Learning	WBL 8 - Number of early leavers	Number	Cumulative	Seasonal	3	1	5	4	1	Maintaining	We have had one early leaver within quarter 2 due to personal health.			
Work Based Learning	WBL 9 - Employers / supervisors rating the WBL team as good or very good	%	Quarterly	Seasonal	100%	100%	100%	100%	100%	Maintaining	100% of employers rated the WBL team as good or very good in quarter 2			
Democratic Services	DEM 8 - The number of individuals registered on the electoral register	Num		Quarterly			62,552	66,841	63,096	Maintaining	The Council is in the process of undertaking the annual canvas.	60,000	62,500	Above Target
Customer Services	CS 4 - Number of face to face enquiries	Number	Quarterly	Seasonal	9,475	8,977	12,768	12,886	12,123	Deteriorating	Similar to previous quarter, we are still dealing with a high demand for travel concession renewals which we expect to continue until the end of the year			
Customer Services	CS 5 - Number of telephone enquiries answered	Number	Quarterly	Seasonal	33,400	31,232	36,019	38,188	36,317	Maintaining	Slightly less than last quarter but more than the previous quarter 2. There is a higher demand on travel concessions, calls are up 100% due to renewal calls from 2270 last year to 4564 for this year.			
Customer Services	CS 6 - Number of users logged into the self-service system MyInfo this quarter	Number	Quarterly	Seasonal	5,246	5,256	6,980	6,516	6,059	Improving				
Customer Services	CS 8 - Average time taken to answer a call to customer services	Seconds	Quarterly	Seasonal	41	44	28	57	62	Deteriorating	This has increased again, we have had a change in the repairs system with short notice, and this has increased the call length of our repair calls by nearly 30 seconds a call which has had the effect of longer waits for other customers from July onwards.	50	40	Below Target
Human Resources	HU 4 - Number of grievances	Number	Quarterly	Quarterly	2	1	1	0	1	Maintaining				
Human Resources	HU 5 - Number of disciplinary sanctions	Number	Quarterly	Quarterly	3	4	7	0	4	Maintaining	Note that as from 2017/18 we are monitoring only those cases that lead to a sanction			
Accountancy	ACC 8 - Average return on investment portfolio	Number	Cumulative	Seasonal	0.59%	0.62%	0.62%	0.31%	0.31%	Maintaining	Rates continue to be low with reductions seen recently in previously higher returning investments.			
Accountancy	ACC 9 - Average interest rate on external borrowing	%	Cumulative	Seasonal	4.23%	4.07%	4.07%	4.07%	4.07%	Maintaining				
Revenues Administration	REV 4 - Council Tax - in year collection rate for Lincoln	%	Cumulative	Seasonal	53.03%	79.72%	97.09%	27.00%	53.17%	Maintaining	0.014% above 2016/17 = £55,284 The total net receipt has also increased from 16/17 by £1,091,489	52.39%	53.19%	On Target
Revenues Administration	REV 5 - Business Rates - in year collection rate for Lincoln	%	Cumulative	Seasonal	60.08%	85.28%	99.43%	35.83%	61.13%	Improving	Above 2016/17 by 1.05% = £462,944	57.81%	58.69%	Above Target
Lean Area	Measure	Unit	Cumulative or Quarterly	Trend - Quarterly or Seasonal	Q2/16/17	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Status	Q2/17/18 (Row Comment)	Under Performing	Target	Last Target Status

Revenues Administration	REV 6 - Level of outstanding customer changes in the Revenues team	Number	Quarterly	Seasonal	289	228	296	503	624	Deteriorating	Although the figure has increased since the end of Q1 - it has decreased during the quarter (it was 724 at 31 August 2017). Staff have been tasked with reducing this during Q3			
Housing Benefit Administration	BE 4 - Average (YTD) days to process new housing benefit claims from date received	Days	Cumulative	Quarterly	30.01	31.41	29.44	23.06	23.24	Maintaining		26.00	24.00	Above Target
Housing Benefit Administration	BE 5 - Average (YTD) days to process housing benefit claim changes of circumstances from date received	Days	Cumulative	Seasonal	10.79	10.30	4.49	5.38	7.62	Improving		11.00	9.00	Above Target
Housing Benefit Administration	BE 6 - Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Cumulative	Seasonal	1,021	468	646	577	810	Improving	Of the 810, only 166 of these customers are awaiting a first contact from a Benefits Officer. For the remaining 644 customers, Benefits Officers have made contact with them and are awaiting information from the customer			
Housing Benefit Administration	BE 7 - Percentage of risk-based quality checks made where Benefit entitlement is correct	%	Cumulative	Quarterly	100%	88%	91%	91%	91%	Maintaining	Accuracy remains at a consistent level - check types are changing throughout the quarter depending on errors identified and new legislation / changes	85%	90%	Above Target
Housing Benefit Administration	BE 8 - The number of new benefit claims year to date (Housing Benefits / Council Tax Support)	Number	Cumulative	Seasonal	3,279	5,212	7,138	1,813	3,731	Maintaining	HB 1476 CTR 2255			

Service Area	Measure	Unit	Cumulative or Quarterly	Trend - Quarterly or Seasonal	Q2/16/17	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Status	Q2/17/18 (Row Comment)	Under Performing	Target	Target Status
CCTV	CCTV 6 - Total number of incidents handled by CCTV operators	Number	Quarterly	Quarterly	3,615	3,314	3,130	3,452	3,519	Maintaining				
Recreation Services	RES 17 - Total number of users of our Health & Recreation facilities per quarter	Number	Quarterly	Seasonal	217,209	200,660	226,582	228,684	209,284	Deteriorating	Community centres 18,444 Yarborough Leisure Centre 176,421 Birchwood Leisure Centre 14,349 Outdoor pitch bookings 70  The drop in usage at Birchwood leisure centre is due to the closure of the sports hall to allow for the redevelopment of the centre.			
Waste & Recycling	WM 5 - Percentage of waste recycled or composted	%	Quarterly	Seasonal	38.90%	40.66%	34.19%	30.90%	39.9%	Maintaining	This data relates to quarter 1. Recycling = 19.41% of the total waste stream. Composting = 20.47%. Overall this is a 1% improvement on the same period last year.	35.00%	45.00%	On Target
Parking Services	PS 6 - Overall percentage utilisation of all car parks (P8)	%	Quarterly	Seasonal	72.00%	74.00%	65.00%	69.00%	68.00%	Maintaining		60.00%	75.00%	On Target
Parking Services	PS 7 - Number of off street charged parking spaces	Number	Quarterly	Seasonal	2,121	2,241	2,241	2,241	2,241	Maintaining				
Allotments	AM 8 - Percentage occupancy of allotment plots	%	Quarterly	Seasonal	86.60%	86.50%	82.30%	82.20%	87%	Maintaining	As at end of September 2017			
Public Protection and Anti-Social Behaviour Team	AB 4 - Number of service requests for Public Protection and ASB	Number	Quarterly	Seasonal	1,049	895	1,001	978	818	Improving	Figures have dropped from the last quarter despite multiagency publicity around Freshers' Week. This would suggest that the public are aware of how to report and that incidents of ASB have decreased. Anecdotal evidence from community forums such as Carholme has been that incidents have decreased.			
Public Protection and Anti-Social Behaviour Team	AB 5 - Satisfaction of complainants relating to how the complaint was handled	%	Cumulative	Quarterly	81.25%	90.90%	86.80%	88.00%	68.00%	Deteriorating	Customer satisfaction return rates are very low at the moment. Throughout September 65 satisfaction surveys were sent out and only 9 returned. Of the 9 returned 3 were dissatisfied. This has given a low satisfaction rate. As a result we are now telephoning customers. From this all that have been surveyed have been satisfied. If we were to make the assumption that those who do not return satisfactions surveys are satisfied this would give a satisfaction rate of above 90%. We will continue to call customers to ensure a true picture of the service satisfaction rates are maintained.	85.00%	87.50%	Below Target
Food and Health & Safety Enforcement	FHS 4 - Percentage of premises fully or broadly compliant with Food Health & Safety inspection	%	Quarterly	Quarterly	95.9%	95.6%	95.8%	96.7%	97.8%	Maintaining	Number of premises remains fairly static and the level of compliance has improved.	95.0%	97.0%	Above Target
Food and Health & Safety Enforcement	FHS 5 - Average time from actual date of inspection to achieving compliance	Days	Quarterly	Quarterly	13.30	9.00	9.50	9.00	9.90	Maintaining	This is within the normal performance for this measure			
Food and Health & Safety Enforcement	FHS 6 - Percentage of official controls that should have been completed and have been in that time period (cumulative data)	%	Quarterly	Quarterly	80.00%	81.00%	88.70%	90.10%	81.10%	Deteriorating	There have been a reduction in staff resources during this quarter and this has impacted on the number of inspections that have been achieved. During the previous quarter agency staff were being funded which has since ceased. A watchful brief needs to be kept on this measure for the next quarter and mitigation is already being considered to improve the out turn.	75.00%	97.00%	On Target

Service Area	Measure	Unit	Cumulative or Quarterly	Trend - Quarterly or Seasonal	Q2/16/17	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Status	Q2/17/18 (Row Comment)	Under Performing	Target	Last Target Status
Development Management (Planning)	DM 13 - Number of live planning applications open	Number	Quarterly	Quarterly	132	110	110	161	120	Improving				
Development Management (Planning)	DM 16 - Percentage of applications approved	%	Quarterly	Quarterly	96%	97%	88%	93%	95%	Maintaining		85%	97%	On Target
Development Management (Planning)	DM 20 - Number of planning appeals allowed	Number	Quarterly	Quarterly	0	2	0	0	2	Maintaining				
Development Management (Planning)	DM 21 - Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	%	Quarterly	Quarterly	78.50%	82.80%	88.25%	90.29%	94.30%	Maintaining		60.00%	70.00%	Above Target
Development Management (Planning)	DM 22 - Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	%	Quarterly	Quarterly	83.67%	88.46%	91.38%	96.36%	98.18%	Maintaining		50.00%	60.00%	Above Target
Development Management (Planning)	DM 8 - Number of applications in the quarter	Number	Quarterly	Quarterly	233	200	298	278	246	Maintaining				
Development Management (Planning)	DM 11 - End to end time to determine a planning application (Days)	Days	Quarterly	Quarterly	64.91	63.77	64.25	63.49	54.32	Improving				

DCE Annual measures

Service Area	Measure	Unit	2015/2016	2016/2017	2017/2018	RAG Status	2017/2018 (Row Comment)	Under Performing	Target	Last Target Status
Street Cleansing	SC 8 - % satisfaction that public land and public highways are kept clear of litter and refuse	%	82.80%	84.33%	73.00%	Deteriorating				
Sport & Leisure	SP10 - The standard of service provided by Yarborough Leisure Centre (as per citizens panel)	%	84.44%	79.00%	88.00%	Improving				

DHR

Quarterly measures

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q2/16/17	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Status	Commentary	Under Performing	Target	Last Target Status
Housing Investment	HI 4 - Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	Cumulative	Low is good	Seasonal	0.36%	0.18%	0.04%	0.00%	0.00%	Maintaining				
Housing Investment	HI 6 - Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	Number	Quarterly	Low is good	Seasonal	1	1	3	3	4	Maintaining				
Housing Investment	HI 7 - Percentage of dwellings with a valid gas safety certificate	%	Cumulative	High is good	Quarterly	100.00%	99.98%	99.96%	99.95%	99.95%	Maintaining				
Control Centre	CC 5 - Percentage of calls answered within 60 seconds	%	Quarterly	High is good	Quarterly	98.36%	98.25%	98.30%	98.48%	98.37%	Maintaining				
Rent Collection	RC 3 - Rent collected as a proportion of rent owed	%	Cumulative	High is good	Quarterly	97.53%	99.49%	99.25%	98.88%	98.21%	Maintaining	Rent collection is below target for the year. We have rent text messaging campaign scheduled for the first week November which will run for around 4 weeks. We will also be sending rent letters to tenants in arrears in the first week of December requesting tenant to clear their balances. These campaigns along with our 2 rent free weeks in December will go long way to increasing our rent collection and thus reducing outstanding arrears.	98%	100%	On target
Rent Collection	RC 4 - Current tenant arrears as a percentage of the annual rent debit	%	Cumulative	Low is good	Quarterly	2.96%	2.15%	2.20%	2.41%	2.59%	Maintaining	The percentage of rent arrears currently stands at 2.59% which is just achieving the target of 2.6% but is following the same trend as last year so it is expected that the target will be achieved by year end.	2.6%	2.15%	On target
Housing Solutions	HS 3 - The number of people currently on the housing waiting list	Number	Cumulative	Low is good	Quarterly	1,974	1,853	1,716	1,751	1,681	Maintaining				
Housing Solutions	HS 4 - The number of Homelessness applications progressed within the Housing team	Number	Cumulative	Low is good	Seasonal	129	164	216	53	127	Maintaining				
Housing Solutions	HS 7 - % of households approaching the council considering themselves homeless or under threat of homelessness, where advice intervention resolved the situation.	Number	Cumulative	High is good	Seasonal	46.37%	49.62%	46.57%	37.31%	30.87%	Deteriorating	Homelessness prevention performance continues to be closely monitored. The % of households approaching the council considering themselves homeless or under threat of homelessness, where advice intervention resolved their situation is below target at quarter 2. The way in which we record and report on our homelessness prevention figures is to be reviewed as we need to take every step to ensure all preventions are accurately recorded. We also continue to work closely with other homelessness support agencies within the City	56.00%	65.00%	Below Target
Housing Voids	HV 7 - Percentage of rent lost through dwelling being vacant	%	Cumulative	Low is good	Quarterly	0.83%	0.80%	0.84%	1.15%	1.06%	Improving				
Housing Voids	HV 9 - Average re-let time calendar days for all dwellings (including major works)	Days	Cumulative	Low is good	Monthly	24.22	23.02	23.31	31.54	29.95	Maintaining	Although the performance for the second quarter is not achieving target the performance has been improving and the performance for the months of September and October were both	28.00	25.00	Below Target

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q2/16/17	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Status	Commentary	Under Performing	Target	Last Target Status
												within target. There have been changes made to the management of the team, additional resources working temporarily within the team and the Void Support Team is now fully staffed so it is expected that performance shall continue to remain within target.			
Housing Maintenance	HM 3 - Percentage of reactive repairs completed within target time	%	Cumulative	High is good	Quarterly	97.10%	97.08%	97.36%	97.16%	96.52%	Maintaining		92.00%	95.00%	Above Target
Housing Maintenance	HM 4 - Percentage of repairs fixed first time	%	Cumulative	High is good	Quarterly	82.20%	84.30%	86.12%	86.94%	88.01%	Maintaining				
Housing Maintenance	HM 5 - Appointments kept as a percentage of appointments made	%	Cumulative	High is good	Quarterly	94.14%	95.04%	95.66%	96.52%	96.25%	Maintaining				

**PERFORMANCE SCRUTINY COMMITTEE****23 NOVEMBER 2017**

**SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING**

**REPORT BY: CORPORATE MANAGEMENT TEAM**

**REPORT AUTHOR: ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER**

**1. Purpose of Report**

1.1 To present to the Performance Scrutiny Committee the second quarter's performance (up to 30th September) on the Council's:

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

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

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

**2. Executive Summary**

2.1 As at the end of the second quarter (up to 30<sup>th</sup> September) the forecast financial position of the Council for 2017/18 is:

	<b>2017/18</b>		
	<b>Budget £'000</b>	<b>Forecast at Q2 £'000</b>	<b>Variance at Q2 £'000</b>
<b>Revenue Accounts</b>			
General Fund –Contribution to/(from) balances	(702)	(561)	141
Housing Revenue Account (HRA) (Surplus)/Deficit in year	64	14	(50)
Housing Repairs Service	0	0	0
<b>Capital Programmes</b>			
General Fund Investment Programme	23,676	30,889	0
Housing Investment Programme	24,340	24,330	0
<b>Capital Receipts</b>			



	2017/18		
	Budget £'000	Forecast at Q2 £'000	Variance at Q2 £'000
General Fund	1,197	1,947	0
HRA	2,419	2,419	0
<b>Reserves &amp; Balances</b>			
General Fund Balances	1,609	1,750	141
HRA Balances	1,023	1,073	50
HRS Balances	88	88	0
General Fund Earmarked Reserves	4,153	3,887	(266)
HRA Earmarked Reserves	1,695	1,387	(308)

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

### 3. General Fund Revenue Account

- 3.1 For 2017/18 the Council's net General Fund revenue budget was set at £10,435,620, including a planned contribution from balances of £702,440 (resulting in an estimated level of general balances at the year-end of £1,609,364).

- 3.2 The General Fund Summary is currently projecting a forecast under spend of £141,404 (appendix A provides a forecast General Fund Summary). This forecast variance is the result of a number of forecast year-end variations in income and expenditure against the approved budget. Full details of the main variances are provided in appendix B while the key variances are summarised below:

- ToFS savings target under-achievement £58,300
- Interest Payable – Reduced Expenditure £(74,390)
- Bus Station – Increased Expenditure £40,000
- City Hall Car Park – Increased Expenditure £110,830
- Lincoln Properties – Increased Income £(49,820)
- City Hall – Reduced Expenditure £(92,320)

- 3.3 **Towards Financial Sustainability Programme** - The savings target included in the MTFs for 2017/18 is £3,500,000. Progress against this target, based on quarter 2 performance shows that secured and confident projections total £3,441,700. This results in a current forecast under achievement of the target in 2017/18 of £58,300. In respect of this outstanding target work is currently



underway through the ToFS Programme Board to accelerate existing projects in the programme and to develop further new projects. A summary of the current position is shown in the table below.

	£ General Fund
<b><u>Review/Business Case Approved/Delegated Decision Taken</u></b>	
Shared Services/Savings/Managing Demand	2,502,063
Commercialisation	738,660
Asset Rationalisation	103,280
<b>Total Savings – Secured</b>	<b><u>3,344,003</u></b>
<b><u>Subject to Review/Business Case</u></b>	
Shared Services/Savings/Managing Demand	33,310
Commercialisation	0
Asset Rationalisation	64,387
<b>Total Savings - Subject to Review/Business Case</b>	<b><u>97,697</u></b>
<b>Overall Savings</b>	<b><u>3,441,700</u></b>
<b>MTFS savings target</b>	<b>(3,500,000)</b>
<b>(Under)/ over achievement</b>	<b>(58,300)</b>

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

	<b><u>Budget Q2 £'000</u></b>	<b><u>Actual Q2 £'000</u></b>	<b><u>Variance £'000</u></b>	<b><u>Forecast Variance Q2 £'000</u></b>
Car Parks	(2,009)	(2,047)	(38)	28
Development Management	(216)	(151)	65	83
Building Regulations	(110)	(98)	12	0
<b>Total</b>	<b>(2,335)</b>	<b>(2,296)</b>	<b>39</b>	<b>111</b>

- 3.5 As the forecast outturn for General Fund is showing a forecast underspend of £141,404, Performance Scrutiny Committee, are asked to note in principle, subject to outturn, a carry forward request of £8,000 for the 'Charter Project' at the Guildhall. This amount is being spent on restoring the historic charters at the Guildhall to enable them to be displayed to the public. The work however may

cross into 2018/19 and therefore if it is not complete by the end of the financial year this money will be needed in 2018/19.

- 3.6 The forecast outturn for the General Fund therefore would be £133,404. At this stage in the financial year, forecast outturns are difficult to predict and often subject to volatility, e.g. the receipt of one significant planning application during the year would negate the forecast underachievement of planning income.

#### **4. Housing Revenue Account**

- 4.1 For 2017/18 the Council's Housing Revenue Account (HRA) net revenue budget was set as a deficit of £64,170, resulting in an estimated level of general balances at the year-end of £1,023,099.
- 4.2 The HRA is currently projecting an in-year underspend of £50,051, which would increase General Balances to £1,073,150 at the end of 2017/18 (appendix C provides a forecast HRA Summary). The assessed prudent minimum balance for the HRA is currently £1,000,000.
- 4.3 The components of this underspend are detailed in Appendix D and a summary of the key variances are provided below:
- Vacancy Savings – reduced expenditure £(123,000)
  - Reduced requirement for in year DRF - £(200,000)
  - Rents - reduced income £213,000
  - Repairs – amendment of accounting policies on capital spend £(838,000)
  - Depreciation – Revaluation of Housing Stock £1,211,000
- 4.4 The billing process for repairs from HRS has not fully concluded. As a result the forecast for HRA repairs is to budget. This position will be closely monitored through the remainder of the year as billing is updated and a better understanding gained of the HRA repairs position. An updated position will be provided at quarter 3.

#### **5. Housing Repairs Service**

- 5.1 For 2017/18 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2 At quarter 2 HRS are forecasting a break-even position in 2017/18 (appendix E provides a forecast HRS Summary), with full details of the main variances provided in appendix F. It should however be noted that this prediction of break-even has been made on the basis that the billing process for the 2nd quarter has not yet fully concluded.

#### **6. Earmarked Reserves**

- 6.1 The details of all the earmarked reserves and their forecast balance as at 31st March 2018 are attached in Appendix G. In summary:

	<b>Opening Balance</b>	<b>Contributions</b>	<b>Actuals Q2</b>	<b>Forecast Q3-Q4</b>	<b>Forecast Balance</b>
	<b>01/04/17</b>				<b>31/03/18</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	5,463	596		(2,173)	3,887
HRA	1,555	89		(258)	1,387
Capital Resources	21,322	18,700	(30,741)	9,281	18,700

## 7. Capital Programme

### 7.1 General Investment Programme

- 7.2 The last quarterly report approved a General Fund Investment Programme for 2017/18 of £23,675,983. Movements in the programme since have increased overall planned expenditure in 2017/18 to £30,889,090. A summary of the changes is shown below:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revised Budget following Q1 Report	23,676	406	305	305	305
Budget changes for Executive approval at Q2	7,213	934	195	195	195
<b>Revised Budget</b>	<b>30,889</b>	<b>1,340</b>	<b>500</b>	<b>500</b>	<b>500</b>

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

The following budget reprofiles were approved by the Chief Finance Officer during the second quarter:-

- Compulsory Purchase Orders –£155,833 reprofiled into 2018/19
- Skate Park –£183,021 reprofiled into 2018/19
- Transformation of Birchwood Leisure Centre –£300,000 reprofiled into 2018/19

In addition to this Greetwell Place Refurbishment (£4,739) and Yarborough Leisure Centre Capital Improvements (£5,487) had small increases in their budgets identified towards the end of the projects.

- 7.4 Changes that require Executive approval for the second quarter are:

- **Disabled Facilities Grants** – The City Councils allocation through the Better Care Fund has now been confirmed by Lincolnshire County Council

therefore the 2017/18 budget is to be increased by £179,222 as a result of the funding received.

- **Non-Disabled Facilities Grants** – Additional funding of £30,000 has been generated towards delivery of the residual elements of the old scheme. This has been added to the 2017/18 budget and is funded through Direct Revenue Financing.

7.5 New projects agreed at the Strategic Plan Implementation Team (SPIT) are then subject to Executive Approval. The following projects have been initially agreed by SPIT or the Chief Finance Officer during the second quarter. These are presented to the Executive for approval for inclusion within the Council's capital programme:-

- **Allotment Capital Improvements** – This project is to enhance 17 existing allotment sites and to establish up to two new allotment sites in the Birchwood area of the city. The budget for this scheme is £750,000 (£650,000 in 2017/18 and £100,000 in 2018/19) and funded through capital receipts generated from the sale of the former allotment site at Ermine.
- **Crematorium Lighting** – This project is to improve the lighting in the newly created car parking area. The budget for this scheme is £40,000 in 2017/18 and funded through Direct Revenue Financing.

The following project has been agreed by SPIT or Chief Finance Officer during the second quarter and has previously been approved at Executive.

- **Purchase of New Car Parks** – This project is to purchase Brayford Street Car Park and St Rumbold Street Car Park. Approved by Executive on 30<sup>th</sup> August 2017 (Minute no.50).

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

	<b>MTFS 2017-22 Budget</b>	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Active Programme</b>				
Communities & Environment	1,625	4,086	4,086	0
Chief Executives Department	400	7,882	7,882	0
"Mega Projects"	15,837	18,327	18,327	0
<b>Total Active Schemes</b>	<b>17,861</b>	<b>30,295</b>	<b>30,295</b>	<b>0</b>
Schemes On Hold/Contingencies	822	594	594	0
<b>Total Capital</b>	<b>18,684</b>	<b>30,889</b>	<b>30,889</b>	<b>0</b>

<b>Programme</b>				
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- 7.7 The overall spending on the General Fund Investment Programme for the second quarter is £17,443,157, which is 56.47% of the agreed programme and 57.58% of the active programme.

## 7.8 Housing Investment Programme

- 7.9 The last quarterly report approved a Housing Investment Programme for 2017/18 of £24,340,053. There have been no amendments to the programme during the second quarter. A summary of the programme is shown below:

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 report	24,340	15,167	11,951	9,404	11,395
Budget changes approved by Executive	0	0	0	0	0
Budget changes for Executive approval at Q2	0	0	0	0	0
<b>Revised Budget</b>	<b>24,340</b>	<b>15,167</b>	<b>11,951</b>	<b>9,404</b>	<b>11,395</b>

- 7.10 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive. There were no changes approved by the Chief Finance Officer for the second quarter.
- 7.11 New projects agreed at SPIT are then subject to Executive Approval. There are no new projects to be presented to the Executive for the second quarter.
- 7.12 The table below provides a summary of the projected outturn position:

	MTFS 2017-22 Budget	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	6,381	6,686	6,686	0
Health and Safety	708	813	813	0
Contingent Major Repairs/ Works	448	609	609	0
New Build Programme	11,242	11,248	11,248	0
Land Acquisition Fund	4,040	4,040	4,040	0
Other Schemes	693	752	752	0
Computer Fund	109	193	193	0

<b>Total Capital Programme</b>	<b>23,621</b>	<b>24,340</b>	<b>24,340</b>	<b>0</b>
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- 7.13 Expenditure against HIP budget at the end of the second quarter was £3,100,255 which is 12.7% of the approved programme. A further £253k has been spent as at the end of October 2017.

Although this would appear to be low at this stage of the financial year, the following points should be taken into consideration:-

- The budget includes £11.3m for the 2017/18 New Build Programme. Discussions are currently on-going with third parties to determine the potential purchase of new build properties and other new build developments commencing during the current financial year and the outcome of this will inform a detailed review of the New Build Programme resulting in re-profiling of budget into 2018/19.
- The budget includes £4.04m for Land Acquisitions. A non-allocated fund of £1.5m is budgeted and a further £1.75m is budgeted for the potential purchase of land off Queen Elizabeth Road. Ermine School was purchased during the second quarter for £769k and re sold for £700k.
- The budget includes a contingency budget of £0.6m, which has not yet been committed.

## **8. Resource Implications**

- 8.1 The financial implications are contained throughout the report.
- 8.2 There are no legal implications arising from this report.
- 8.3 There are no equality and diversity implications as a direct result of this report.

## **9.0 Risk Implications**

- 9.1 A full financial risk assessment is included in the Medium Term Financial Strategy 2017-22.

## **10. Recommendations**

Members are recommended to:

- 10.1 Note the progress on the financial performance for the period 1<sup>st</sup> April to 30<sup>th</sup> September 2017 and the projected outturns for 2017/18.
- 10.2 Note the underlying impact of the pressures and underspends identified in paragraphs 3.2 (and appendix B), 4.3 (and appendix D), and 5.2 (and appendix F)
- 10.3 Note, in principle, the carry forward request detailed at paragraph 3.5

10.4 Note the changes to the General Investment Programme as detailed in paragraphs 7.5.

**Key Decision** No

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

**Do the Exempt Information Categories Apply** No

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

**Does the report contain Appendices?** Yes

**List of Background Papers:** Medium Term Financial Strategy 2017-22  
Minutes of Strategic Plan Implementation Team.

**Lead Officer:** Robert Baxter, Interim Chief Finance Officer  
Telephone 873361

**GENERAL FUND SUMMARY - AS AT 30 SEPTEMBER 2017**

<b>Service Area</b>	<b>Ref</b>	<b>Revised Budget £'000</b>	<b>Projected Outturn £'000</b>	<b>Variance £'000</b>
Strategic Development	A	1,867	1,856	(11)
Chief Finance Officer (S. 151)	B	981	852	(130)
City Solicitor	C	1,378	1,327	(51)
Housing	D	472	485	13
Growth & Regeneration	E	132	158	26
Director of Major Developments	F	409	837	428
Communities and Street Scene	G	3,140	3,234	94
Health & Environmental Services	H	2,640	2,519	(121)
Planning	I	910	946	37
		<b>11,929</b>	<b>12,214</b>	<b>285</b>
Corporate Expenditure	J	1,589	1,460	(130)
<b>TOTAL SERVICE EXPENDITURE</b>		<b>13,519</b>	<b>13,674</b>	<b>155</b>
Capital Accounting Adjustment	K	3,887	3,916	29
Specific Grants	L	(5,252)	(5,252)	0
Contingencies	M	179	293	113
Savings Targets	N	(218)	(159)	58
Earmarked Reserves	O	(1,004)	(1,577)	(573)
Insurance Reserve	P	27	27	0
<b>TOTAL EXPENDITURE</b>		<b>11,138</b>	<b>10,922</b>	<b>(217)</b>
<b>CONTRIBUTION TO/ (FROM) BALANCES</b>		<b>(702)</b>	<b>(561)</b>	<b>141</b>
<b>NET REQUIREMENT</b>		<b>10,436</b>	<b>10,361</b>	<b>(75)</b>
Retained Business Rates Income	Q	17,083	17,083	0
Tariff	R	(12,397)	(12,397)	0
Section 31 grant	S	0	85	85
Levy	T	(184)	(344)	(160)
Collection Fund surplus/ (deficit)	U	(1,191)	(1,191)	0
Revenue Support Grant	V	981	981	0
Council Tax	W	6,145	6,145	0
<b>TOTAL RESOURCES</b>		<b>10,436</b>	<b>10,361</b>	<b>(75)</b>



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

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

<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
	<b><u>Additional Spending</u></b>		
N	TOFS Saving	58,300	Forecast underachievement of target of £3.5m for 2017/18.
G	New Bus Station <i>(ongoing – to be reviewed in MTFS)</i>	40,000	Revenue costs of running the new bus station not previously identified. Work is ongoing to establish the additional cost of operating the new bus station and Executive approved the worst case scenario forecast budget on 30 October. This will continue to be refined as part of the MTFS 2018/23.
G	City Hall Car Park NNDR <i>(ongoing – to be reviewed in MTFS)</i>	110,830	Due to a revaluation of the City Hall Pay and Display car park by the valuation office rates payable have increased. In addition this has been backdated to 2015.
	<b><u>Reduced Income</u></b>		
B	Interest Receivable	37,430	Due to prolonged low interest rates and the use of internal cash balances in lieu of borrowing for major projects, investments returns are down against the budget.
I	Development Management	83,000	The Western Growth Corridor planning application is unlikely to be received in 2017/18 and therefore a reduction in income is projected.
	<b><u>Reduced Spending</u></b>		
B	City Hall <i>(Solar Panel savings ongoing)</i>	(92,320)	Savings as a result of the installation of Solar Panels on City Hall. In addition revised Business Rates invoices have now been issued for the last two financial years (15/16 and 16/17) and this has led to a one off refund payable in 17/18.
B	Insurance Premiums <i>(Ongoing, addressed in revised MTFS)</i>	(27,190)	Savings realised on the re-tender of corporate insurance policies.

## Appendix B

Ref		£	Reason for variance
K	Interest Payable	(74,390)	Due to no borrowing being taken in the first six months of the year. In lieu of borrowing internal cash balances have been used to fund major expenditure made in the year so far (see interest receivable line above). The 17/18 borrowing requirement will be reviewed further during Q3.
	<b><u>Additional Income</u></b>		
B	Lincoln Properties	(49,820)	Overachievement of income due to rent reviews and also lower void rates than budgeted.

## HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 SEPTEMBER 2017

	Ref	Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(28,328)	(28,115)	213
Charges for Services & Facilities	B	(378)	(383)	(5)
Contribs towards Expenditure	C	(43)	(60)	(17)
Repairs & Maintenance	D	8,475	7,637	(838)
Supervision & Management:	E	6,354	6,231	(123)
Rents, Rates and Other Premises	F	34	76	42
Increase in Bad Debt Provisions	G	287	187	(100)
Insurance Claims Contingency	H	240	240	0
Contingencies	I	(45)	0	45
Depreciation	J	10,818	12,029	1,211
Debt Management Expenses	K	42	12	(30)
<b>Net Cost of Service</b>		<b>(2,545)</b>	<b>(2,146)</b>	<b>399</b>
Loan Charges Interest	L	2,352	2,352	0
Investment/Mortgage Interest	M	(33)	(33)	0
<b>Net Operating Inc/Exp</b>		<b>(226)</b>	<b>173</b>	<b>399</b>
Major Repairs Reserve Adjustment	N	200	0	(200)
Transfers to/from reserves	O	90	(159)	(249)
<b>(Surplus)/Deficit in Year</b>		<b>64</b>	<b>14</b>	<b>(50)</b>
<b>Balances b/f @ 1st April</b>		<b>(1,087)</b>	<b>(1,087)</b>	<b>0</b>
(Increase)/Decrease in Balances		64	14	(50)
<b>Balances c/f @ 31st March</b>		<b>(1,023)</b>	<b>(1,073)</b>	<b>(50)</b>

### **Housing Revenue Account Variances - Quarter 2**

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

Ref		£	Reason for variance
	<b><u>Reduced Income</u></b>		
A	Rental Income	213,000	Right to Buy sales in 2016-17 were higher than budgeted therefore the amount of rental income due in 2017/18 is less than budgeted. Currently Voids Higher than budgeted.
	<b><u>Reduced Spending</u></b>		
E	Supervision & Management	(102,000)	Supervision & Management Vacancies – currently under review. Vacancy Savings contingency (£33k) met in quarter one.
D	Repairs & Maintenance	(838,000)	Amendment to accounting policies regarding capitalised spend.
N	Major Repairs Reserve Adjustment	(200,000)	Direct Revenue Financing (DRF) not required due to other resources being available to fund the HIP.
E	Supervision & Management	(54,000)	Capitalisation of Employee Costs in relation to the New Build programme.
G	Bad Debt Provision	(100,000)	Reduction of the debt provision from 1% of revenue to 0.6% following a review of the year end position at 31 March 2017.
	<b><u>Additional Income</u></b>		
A	Rental Income	(23,000)	Hamilton House Rental Income Contribution not budgeted.
C	Court Fee Income	(17,000)	Court Fee income expected to be higher than budget at Q2.
O	Transfers to/from Reserves	(98,000)	Release from the repairs account reserve at Q2.

### **Increased Spending**

<b>Ref</b>			<b>Reason for variance</b>
		<b>£</b>	
F	Rents, Rates and Other Premises	45,000	Council Tax on voids backdated charges from 2016-17.
J	Depreciation	1,211,000	Revaluation at 1 <sup>st</sup> April of housing stock has resulted in an uplift in value thus increasing the depreciation charge and resources available to fund the HIP.

## HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 SEPTEMBER 2017

	Forecast Outturn		
	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	2,475	2,410	(65)
Premises	41	41	0
Transport	456	446	(10)
Materials	1,303	1,250	(53)
Sub-Contractors	2,185	1,900	(285)
Supplies & Services	115	116	1
Central Support Charges	717	717	0
Capital Charges	0	0	0
<b>Total Expenditure</b>	<b>7,292</b>	<b>6,880</b>	<b>(412)</b>
Income	7,292	6,880	412
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Housing Repairs Service Variances - Quarter 2**

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

	<b>£</b>	<b>Reason for Variance</b>
<b><u>Reduced Income</u></b>		
Recharges	411,000	Reduced spend on sub-contractors has subsequently led to a reduced charge to the HRA and General Fund
<b><u>Reduced Spending</u></b>		
Employees	(65,000)	There have been a number of Operative vacancies, these are expected to be filled in the coming months. There was also a £10k underspend on Overtime
Transport	(10,000)	Underspends on Fuel.
Materials	(53,000)	Products prices are constantly reviewed and re-negotiated dependant on usage and market conditions. HRS contracts team continue to be pro-active in dictating to the supplier what they feel is a fair price compared to the quoted items.
Sub-Contractors	(285,000)	HRS had suffered with severe staff shortages over the last 3 years which meant an increase in the reliance of Sub Contractors. Although there have been issues over staff absences in the first quarter, there continues to be less reliance on external companies.

**EARMARKED RESERVES – Q2 MONITORING 2017/18**

	<b>Opening Balance 01/04/2017 £'000</b>	<b>Contributions £'000</b>	<b>Actuals Q1-Q2 £'000</b>	<b>Forecast Q3-Q4 £'000</b>	<b>Forecast Balance 31/03/2018 £'000</b>
<b>General Fund</b>					
Strategic Projects - Revenue	1,371	0	0	(875)	496
Costs					
Business Rates Volatility	710	0	0	(246)	464
Growth Strategy Delivery	423	0	0	(423)	0
Grants & Contributions	363	109	0	(52)	420
Mercury Abatement	347	91	0	(60)	378
Budget Carry Forwards	341	8	0	(181)	167
Unused DRF	276	0	0	0	276
IT Reserve	221	100	0	(39)	282
Backdated rent review	220	0	0	0	220
Invest to Save (GF)	194	246	0	0	441
Revenues & Benefits shared service	134	0	0	(21)	113
Transport Hub Risk Mitigation	124	0	0	(124)	0
Funding for Strategic Priorities	121	0	0	(93)	28
Tree Risk Assessment	96	20	0	(13)	103
Asset Improvement	90	0	0	0	90
Private Sector Stock Condition Survey	51	12	0	0	63
MA Reserve	51	0	0	0	51
Mayoral car	47	0	0	(7)	41
Organisational Development	47	0	0	(39)	8
Property Searches	36	0	0	0	36
Managed Workspace	35	0	0	0	35
County Wide Broadband Initiative	34	0	0	0	34
Christmas Market	25	0	0	0	25
Electric Van replacement	18	4	0	0	22
Christmas Decorations	17	0	0	0	17
Air Quality Initiatives	17	6	0	0	22
Section 106 interest	14	0	0	0	14
Boston Audit Contract	14	0	0	0	14
Commons Parking	14	0	0	0	14
Tank Memorial	10	0	0	0	10
Yarborough Leisure Centre	2	0	0	0	2
Greetwell Place	1	0	0	0	1
	<b>5,463</b>	<b>596</b>	<b>0</b>	<b>(2,173)</b>	<b>3,887</b>
HRA Repairs Account	611	0	0	(98)	512
Capital Fees Equalisation Reserve	241	86	0	0	327
HRA Strategic Priority Reserve	240	0	0	0	240
Invest to Save (HRA)	164	0	0	0	164
Western Growth Corridor	150	0	0	(150)	0
De Wint Court Reserve	73	0	0	0	73
HRA Survey Works	54	3	0	(9)	48
Stock Retention Strategy	22	0	0	0	22
	<b>1,555</b>	<b>89</b>	<b>0</b>	<b>(258)</b>	<b>1,387</b>
<b>Total Earmarked Reserves</b>	<b>7,018</b>	<b>685</b>	<b>0</b>	<b>(2,431)</b>	<b>5,274</b>



**CAPITAL RESOURCES – Q2 MONITORING 2017/18**

	<b>Opening Balance 01/04/2017 £'000</b>	<b>Contributions £'000</b>	<b>Used in Financing £'000</b>	<b>Forecast Balance 31/03/2018 £'000</b>
Capital Grants	398	2,983	(3,060)	321
Capital Receipts	3,039	1,947	(2,339)	2,647
Capital Receipts (HRA)	6,359	819	(5,732)	1,446
Major Repairs Reserve	10,680	11,951	(18,340)	4,291
Section 106	846	0	(270)	576
<b>Total Capital Resources</b>	<b>21,322</b>	<b>17,700</b>	<b>(29,741)</b>	<b>9,281</b>



**SUBJECT: STRATEGIC PLAN PROGRESS – Q2 2017-18**

**DIRECTORATE: CHIEF EXECUTIVES AND TOWN CLERK**

**REPORT AUTHOR: ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER**

## **1. Purpose of Report**

- 1.1 To provide members with a progress report on strategic projects monitored by SPIT, against their milestones for the second quarter of 2017/18.

## **2. Programme Summary**

- 2.1 SPIT is currently monitoring **19** strategic projects.
- 2.2 **10** projects are currently on track in terms of their physical and financial milestones and risk profiles.

Of these **6** projects have been completed and are currently awaiting a Post Implementation Review to be submitted and signed off by SPIT.

- 2.3 There are no projects off track in terms of all three of the areas of monitoring: physical progress, financial position or risk analysis.
- 2.4 There are **2** projects currently off track in either one or two of the areas of monitoring above and beyond just a missing PIR.
- CCTV Upgrade – Works schedule, Staff Training, and contracts milestones have missed deadlines but work is drawing to an end.
  - Compulsory Acquisition - 13 Albany Terrace – 5 missed milestones, primarily relating to the legal aspects

It has been concluded that there are no projects of sufficient concern to bring to CMT's attention.

## **3. New Projects Approved by SPIT**

- 3.1 **3** new projects were reviewed and recommended to the Executive for approval by SPIT in the second quarter.

### **Crematorium Car Park Lighting Improvements**

The purpose of the project is to improve the lighting in the newly created car parking area.

The Crematorium has recently had a number of improvements made to the setting and this included a newly created car parking area. Following the operation of the car park it has become apparent that the existing lighting is

insufficient to cover the new area. As well as this being a health and safety concern there is also a customer satisfaction/perception to resolve this issue especially as sufficient lighting is necessary during the winter evenings.

Failing to address the issue could have a financial impact on the service with the last service in the evening not being available for booking due to the poor lighting. Whilst services could be booked earlier in the day there is also a risk that some customers will choose to go elsewhere.

This scheme is funded through Direct Revenue Financing.

### **Allotment Capital Improvements**

The purpose of this project is to enhance 17 existing allotment sites and to establish up to two new allotment sites in the Birchwood area of the city.

The Allotment Strategy identified that allotment sites in the City have become in need of investment and increasingly more difficult to manage and maintain. This project will make significant improvements to on-site drainage, water ways, site security and other improvements aimed at increasing the pleasure of allotments gardening for tenants.

The strategy also identified the lack of allotment sites in the south west quadrant of the city. The establishment of up to two new sites in the Birchwood area will stimulate greater interest in allotment gardening and ensure that residents of this area of the city have access to their own allotment gardens. This part of the project will be undertaken in conjunction with the Birchwood BIG Local.

This scheme is funded through capital receipts.

### **Purchase of New Surface Car Parks**

The purpose of the project is to purchase Brayford Street Car Park and St Rumbold Street Car Park.

An opportunity arose to purchase two surface car parks within the city as part of the Councils Asset Rationalisation Strategy.

This scheme is funded through Prudential Borrowing.

This scheme was agreed by the Executive on 30<sup>th</sup> August 2017 (minute no.50).

## **4. Completed Projects and those awaiting PIR's**

4.1 Where it is felt appropriate and beneficial for continuous improvement at the conclusion of a project SPIT will receive a completion report and post implementation review (PIR). Once they are received and have been reviewed by SPIT a project is considered to be complete.

## **4.2 Strategic Projects awaiting completion of a PIR**

There are six projects which have completed their defined actions and just now

await the completion of a PIR

- Car Park Safety - Broadgate Car Park improvements
- New Build Scheme – Birchwood Bungalows, 20 new build affordable units
- Phase 2 Proposed alterations – City Hall improvements
- Replace CMS Depot Master – (Servitor project) updated software

The following projects have submitted an initial PIR, but additional data was requested, so they will be finalised in the next quarter

- DR and back up
- Bereavement Services improvements to facilities

4.3 There were no projects signed off as completed during the second quarter.

## **5. Mega Project Update – Western Growth Corridor**

5.1 The public consultation on the proposed masterplan ends on 15 November 2017, after which the feedback will be fully considered alongside the results of the updated highway traffic modelling work (utilising the County Council's latest model that became available on 06 November 2017), which are due in December 2017.

The key concern from the consultation to date has been the traffic impact so it is important to use the best available information to inform the development proposals and to ensure that the most suitable solution is incorporated into the Masterplan.

There will therefore be a delay to the submission of the planning application whilst this further work is undertaken. The feedback from the consultation and the traffic modelling will then be translated into an updated version of the masterplan, at which point further public consultation (including the workshops that had to be deferred from September 2017) will take place before the masterplan is finalised ready for submission of the planning application.

Dates for the public consultation events will be announced in early 2018.

## **5.2 Mega Project Update – Transport HUB**

MSCP – The MSCP is progressing well. Works to the MSCP have been accelerated to enable the Council to open 4 floors of the car park on 17<sup>th</sup> November 2017 in time for the Christmas Lights Switch on. This will release approximately 650 car parking spaces for shoppers which will attract much needed shoppers back into the city centre for the festive shopping period. Local businesses, who have suffered a significant reduction in footfall during the construction works over the last year have reacted positively to this news.

The works to the station forecourt are now all complete and the forecourt has been handed back to Network Rail and is open to the public. There are some further minor works to be carried out to the Network Rail car park which should be complete by early December 2017.

The works to the highway is also proceeding well with the resurfacing and white lining of St Mary's Street now complete. Resurfacing and white lining works have taken place on Oxford Street, commencing on the 30<sup>th</sup> October 2017 and were completed by 3<sup>rd</sup> November 2017. The resurfacing and white lining of the new link road (connecting traffic leaving the new MSCP/bus station heading north and south) will be completed w/c 13<sup>th</sup> November 2017.

Bus Station – Glazing/curtain walling to concourse is ongoing, ceilings, floor finishes and joinery works continuing. Concourse flooring is due to go in early November 2017. The works are due to be practically completed and the bus station handed over to the Council by 15<sup>th</sup> December 2017 to allow the Council to carry out their fit out work/testing of equipment etc with a view to the new bus station to be open to the public on 14<sup>th</sup> January 2018.

The temporary bus station will close on 14<sup>th</sup> January 2018 and the site will then be reinstated to car parking which will take approximately 4 weeks.

Travelodge have now commenced their site set up works and are due to commence construction works in December 2017.

All works to the Transport Hub should be completed by February/March 2018.

## 6 Section 106 Group

- 6.1 The Section 106 Group operates as a sub group of SPIT. The group is responsible for the monitoring of the Council's Section 106 agreements and to ensure that monies received are used for the correct purpose and spent by the critical expenditure date.

<b>Classification</b>	<b>Value of 106 agreed</b>	<b>Value of 106 triggered</b>	<b>Value of 106 received</b>	<b>Spent/ Commit'd</b>	<b>Balance to be allocated</b>
Playing Fields	1,196,396	988,885	988,885	930,122	58,763
Play Area	953,001	835,872	835,872	467,177	368,695
Open Spaces & Adoption	214,412	135,719	135,719	135,719	0
Highways/ Footpath Improvement	1,680,796	1,412,572	1,406,997	1,406,997	0
Sculpture & Public Arts	10,000	10,000	10,000	10,000	0
Education	1,028,009	537,560	537,560	537,560	0
Affordable Housing	1,144,458	870,000	870,000	870,000	0
Other	119,032	18,531	18,531	18,531	0
<b>TOTAL</b>	<b>6,346,104</b>	<b>4,809,139</b>	<b>4,803,564</b>	<b>4,376,106</b>	<b>427,458</b>

- 6.2 The administration and monitoring of section 106 funding is undertaken by a cross directorate officer working group. All proposals for use of section 106 funds are reviewed by this working group prior to recommendations being made to SPIT and the Executive. The group review all spending proposals against the criteria

within the relevant legal agreement. The full value of all section 106 agreements is unlikely to be realised as not all will come forward for development. In these instances the planning permission will expire after three years if it is not implemented and the section 106 agreement will be removed from the agreed list.

- 6.3 To improve communications around the spending of section 106 agreements all future reports will identify why a particular project has been chosen to be funded by section 106. The choice is based on key Council Strategies, the City Centre Master Plan or the Local Plan, all of which have been subject to member review and/or approval.

## **7. Annual ongoing projects**

### **7.1 Disabled Facilities Grants**

During the second quarter 9 Disabled Facilities Grants were completed and this compares to 6 completions for the same period in 2016/17. There were 50 other referrals (9 of which have gone through the pilot scheme) within the system which compares to 58 referrals for the same period last year. Of the 50 referrals, 44 had been assessed and had a total DFG value of £225,731. The remaining 6 referrals had not yet been assessed but applying the mean DFG payment for 2016/17 this gave an estimated value of £40,722. Taken together the 50 cases had an estimated value of £266,453.

A pilot scheme is in operation whereby the council makes an initial eligibility assessment of a social services recommendation and then sends the proposal direct to a contractor. The contractor undertakes both the design and the works. This will be assessed to see if it brings about a quicker delivery time for the customer, and if it creates any increased risk to the council e.g. exposure to greater costs. There were 9 pilot active pilot cases in the second quarter.

### **Delivering decent homes in the private sector**

It was Council policy to make decent homes grants available to those most in need. The policy was suspended on 2 March 2015 and completions and payments have steadily reduced as previously registered cases have progressed through the system. At the start of the quarter there were five Decent Homes Grants approved and at the end of the quarter this had reduced to four with a total approved amount of £65,798. These are all “on site”, (i.e. building work is being undertaken), and interim payments of £51,473 have been made, leaving a commitment of £14,325 at the end of the second quarter.

At the start of the second quarter, one property had been approved for a Minor Works Grant. This grant had been introduced as an emergency measure during 2015/16 and extended in 2016/17. No further applications for Minor Works Grants could be accepted after 31<sup>st</sup> March 2017, however this one case is still to be completed with an approved value of £967.

### **Housing Revenue Account (HRA Business Plan)**

Following the achievement of the “Decent Homes Standard” set by the Government, the HRA Business Plan commits to maintaining the standard whilst incorporating the requirements of the Lincoln Property Standard into the investment profile.

During the second quarter

- 1,170 properties received improvement works
- 76 tenants refused proposed improvement works

## **8 Strategic Priorities**

- 8.1 Let's drive economic growth – As this is a summary monitoring report it has no direct effect on Strategic Priorities, however decisions made will have effects through individual projects
- 8.2 Let's reduce inequality – As this is a summary monitoring report it has no direct effect on Strategic Priorities, however decisions made will have effects through individual projects
- 8.3 Let's deliver quality housing – As this is a summary monitoring report it has no direct effect on Strategic Priorities, however decisions made will have effects through individual projects
- 8.4 Let's enhance our remarkable place – As this is a summary monitoring report it has no direct effect on Strategic Priorities, however decisions made will have effects through individual projects

## **9. Organisational Impacts**

### **9.1 Finance**

There are no financial implications arising as a direct result of this report. However members are asked to refer to the Financial Performance Report, which appears elsewhere on this agenda, for details of performance against budgets.

### **9.2 Legal Implications including Procurement Rules**

There are no legal implications arising as a direct result of this report.

### **9.3 Land, property and accommodation**

There are no land, property and accommodation implications arising as a direct result of this report.

### **9.4 Human Resources**

There are no human resources implications arising as a direct result of this report.

### **9.5 Equality, Diversity & Human Rights**

There are no equality, diversity and human rights implications arising as a direct result of this report.

## **10. Risk Implications**

- 10.1 The risk implications are covered in the main body of this report where they exist.



## **11. Recommendation**

11.1 That members note the progress in delivery of strategic projects.

**Is this a key decision?** No

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

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

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

**List of Background Papers:** None

**Lead Officer:** Robert Baxter, Interim Chief Finance Officer  
Telephone (01522) 873361

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## PERFORMANCE AND SCRUTINY COMMITTEE

23 NOVEMBER 2017

<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT AND PRUDENTIAL CODE UPDATE REPORT – HALF YEAR ENDED 30 SEPTEMBER 2017</b>
<b>REPORT BY:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>SARAH HARDY, GROUP ACCOUNTANT</b>

**1. Purpose of Report**

- 1.1 This report covers the Council's treasury management activity and the actual prudential indicators for the period April 1<sup>st</sup> to September 30<sup>th</sup> 2017. This is in accordance with the requirements of the Prudential Code.

**2. Executive Summary**

- 2.1 Treasury Management position and performance results for the 6 months ended 30<sup>th</sup> September 2017.

**2.1.1 Investment portfolio**

The Council held £20.4 million of investments at 30<sup>th</sup> September 2017. The investment profile is shown in Appendix A.

Of this investment portfolio 95% was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments.

*Liquidity* – The Council seeks to maintain liquid short-term deposits of at least £3 million available with a week's notice. The weighted average life (WAL) of investments for the year was expected to be 0.19 years (69 days). At 30<sup>th</sup> September 2017 the Council held liquid short term deposits of £10.4 million and the WAL of the investment portfolio was 0.23 years (83 days). The increase in the WAL of the investment portfolio is due to a larger proportion of the portfolio being placed in longer term investments.

*Security* - The Council's maximum security risk benchmark for the portfolio as at 30<sup>th</sup> September 2017 is 0.007%, which equates to a potential loss of £0.0014m on an investment portfolio of £20.4m. This is slightly lower than the budgeted maximum risk of 0.008% in the Treasury Management Strategy (i.e. a potential loss of £0.002m). It represents a very low risk investment portfolio.

*Yield* – The Council achieved an average return of 0.31% on its investment portfolio for the 6 months ended 30<sup>th</sup> September 2017. This compares favourably with the target 7 day average LIBID at 30<sup>th</sup> September of 0.11% but it is significantly lower than the budgeted yield of 0.45% for 2017/18 in the MTFS 2017-22. The budgeted yield assumed an increase in the bank base rate. Since August 2016 the Bank of England base rate has remained at 0.25%, which has had an impact on investment rates.

### **2.1.2 External borrowing**

At 30<sup>th</sup> September 2017 the Council held £75.354 million of external borrowing, of which 100% were fixed rate loans (Appendix A).

For the 6 months ended 30<sup>th</sup> September 2017, the Council achieved an average rate of 4.15% on its external borrowing. This is slightly lower than the budgeted rate set in the MTFS 2017-22; there has been no change to external borrowing during the first 6 months of the year.

## **3. Background**

- 3.1 The prudential system for capital expenditure is now well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 30<sup>th</sup> September 2017. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 1<sup>st</sup> March 2017.
- 3.2 This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.
- 3.3 This report highlights the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporates any new or revised schemes previously reported to Members. Changes required to the residual prudential indicators and other related treasury management issues are also included.

## **4. Prudential Indicators**

- 4.1 This part of the report is structured to provide an update on:
  - The Council's capital expenditure plans;
  - How these plans are being financed;
  - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
  - Compliance with the limits in place for borrowing.

## 4.2 Capital Expenditure

The table below summarises the changes to the capital programme that have been agreed by the Strategic Plan Implementation Team and approved by or subject to Executive approval since Council approved the original budget in March 2017.

Capital Expenditure	2017/18 Original Estimate £000	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2018/19 Revised Estimate £000	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
General Fund	18,330	30,889	406	1,340	305	500
HRA	23,621	24,340	15,167	15,167	11,951	11,951
<b>Total</b>	<b>41,951</b>	<b>55,229</b>	<b>15,573</b>	<b>16,507</b>	<b>12,256</b>	<b>12,451</b>

There has been a significant increase in the estimates for the General Fund. This is largely due to the approval of the Lincoln Transport Hub scheme and the purchase of investment properties. Approval has also been given to refurbish Birchwood Leisure Centre. There have also been 2016/17 year-end re-profiles into 2017/18 for various schemes totalling £3.192m.

## 4.3 Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above) and the expected financing arrangements for this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council in the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt.

Indicators 1 & 2	2017/18 Original Estimate £000	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2018/19 Revised Estimate £000	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
<b>Capital Expenditure</b>						
<b>Total Spend</b>	<b>41,951</b>	<b>55,229</b>	<b>15,573</b>	<b>16,507</b>	<b>12,256</b>	<b>12,451</b>
<b>Financed by:</b>						
Capital receipts	7,567	8,071	2,724	2,824	1,572	1,572
Capital grants & contributions	5,500	3,060	115	425	105	300
Major Repairs Reserve (Depreciation)	14,489	18,340	12,638	12,638	10,579	10,579
Revenue	3,126	519	0	0	0	0
<b>Net borrowing need for the year</b>	<b>11,269</b>	<b>25,239</b>	<b>96</b>	<b>620</b>	<b>0</b>	<b>0</b>

The principal changes in the financing, from the original estimates approved in March 2017, are as a result of the purchase of investment properties and the re-profiling of expenditure from 2016/17.

Appendix C to this report is a revised MRP policy which has been amended to reflect a change in practice relating to MRP provided for land purchases where the

full cost of investments of this type are recovered upon the sale of the asset and the CFR reduced by the resulting capital receipt.

#### 4.4 The Capital Financing Requirement and External Debt

The table below shows the Council's Capital Financing Requirement (CFR), which is the Council's underlying need to borrow for a capital purpose. It also shows the expected debt position over the period.

<b>Indicators 3 &amp; 4</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Original Estimate</b>	<b>2018/19 Revised Estimate</b>	<b>2019/20 Original Estimate</b>	<b>2019/20 Revised Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund	43,798	52,628	42,638	50,569	41,563	49,244
HRA	58,503	58,503	58,503	58,503	58,503	58,503
Total CFR	102,301	<b>111,131</b>	101,141	<b>109,072</b>	100,066	<b>107,746</b>
<b>Net movement in CFR</b>	<b>8,622</b>	<b>22,455</b>	<b>(1,160)</b>	<b>(2,059)</b>	<b>(1,075)</b>	<b>(1,325)</b>
<b>Indicator 5</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Original Estimate</b>	<b>2018/19 Revised Estimate</b>	<b>2019/20 Original Estimate</b>	<b>2019/20 Revised Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	90,915	85,354	90,690	86,354	90,690	86,354
Other long term liabilities *	559	559	342	343	105	105
Total Debt 31 March	<b>91,473</b>	<b>85,913</b>	<b>91,032</b>	<b>86,697</b>	<b>90,795</b>	<b>86,459</b>

\* Other long term liabilities includes Finance leases

The Council is currently under-borrowed against the CFR, as, whilst the Council has adequate cash balances, it is more advantageous to continue to employ internal resources until cash flow forecasts indicates the need for additional borrowing. PWLB borrowing rates are currently forecast to rise over the next year, but as investment rates are still very low, there is a cost of carry for external borrowing. The borrowing requirement for the Transport Hub, the purchase of Broadgate car park and further investment properties are being considered by officers working with the Council's treasury management advisors (Capita) to develop the borrowing strategy for these specific schemes, alongside the general outstanding borrowing requirement to determine the preferred borrowing options and the extent to which internal borrowing can and should be continued. It is anticipated that borrowing will need to be taken in 2017/18 (£10m) and in 2018/19 (£1m) - further borrowing will be dependent upon any additional capital programme requirements not anticipated at this point.

The HRA borrowing requirement has been considered independently from that of the General Fund and whilst, at some point it may be advantageous for the HRA to take advantage of low borrowing rates rather than employ internal balances this borrowing has been deferred as rates are forecast to remain low and the 30 year HRA Business Plan does not currently anticipate borrowing.

#### 4.5 Limits to Borrowing Activity

The first key control over the Council's borrowing activity is a prudential indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need, which will be adhered to if this proves prudent.

<b>Indicator 6</b>	<b>2017/18 Original Estimate £000</b>	<b>2017/18 Revised Estimate £000</b>	<b>2018/19 Original Estimate £000</b>	<b>2018/19 Revised Estimate £000</b>	<b>2019/20 Original Estimate £000</b>	<b>2019/20 Revised Estimate £000</b>
Gross Borrowing	90,915	85,354	90,690	86,354	90,690	86,354
Investments	21,100	10,640	12,900	13,584	11,900	13,537
<b>Net Borrowing</b>	<b>69,815</b>	<b>74,714</b>	<b>77,790</b>	<b>72,770</b>	<b>78,790</b>	<b>72,817</b>
CFR	102,301	<b>111,131</b>	101,141	<b>109,072</b>	100,066	<b>107,746</b>
<b>Net borrowing is below CFR</b>	32,486	36,417	23,351	36,302	21,276	34,929

The Chief Finance Officer reports that no difficulties are envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

A breakdown of the loans and investments profile is provided in Appendix A.

A further two prudential indicators control the overall level of borrowing. These are:

1. **The Authorised Limit** – This represents the limit beyond which borrowing is prohibited, and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.
2. **The Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. CIPFA anticipate that this should act as an indicator to ensure the authorised limit is not breached.

Indicator 7	2017/18 Original Limit £000	2017/18 Revised Estimate £000	2018/19 Original Limit £000	2018/19 Revised Estimate £000	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
<b>Authorised limit for external debt*</b>						
Borrowing	106,400	114,500	102,700	112,500	101,200	111,500
Other long term liabilities**	1,800	2,000	1,300	1,400	800	1,000
<b>Total Authorised limit</b>	<b>108,200</b>	<b>116,500</b>	<b>104,000</b>	<b>113,900</b>	<b>102,000</b>	<b>112,500</b>
Indicator 8	2017/18 Original Limit £000	2017/18 Revised Estimate £000	2018/19 Original Limit £000	2018/19 Revised Estimate £000	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
<b>Operational boundary for external debt*</b>						
Borrowing	102,300	112,000	101,200	111,000	100,100	110,000
Other long term liabilities**	1,600	560	1,100	340	700	105
<b>Total Operational Boundary</b>	<b>103,900</b>	<b>112,560</b>	<b>102,300</b>	<b>111,340</b>	<b>100,800</b>	<b>110,105</b>

\* The highest level of external debt during the first half of 2017/18 was £75.354m.

\*\* Other long term liabilities include Finance leases.

There have been significant revisions to the capital programme since the Medium Term Financial Strategy was set in March 2017 (summarised in para's 4.2 and 4.4) which have impacted on authority's capital financing requirement and as a result, to the figures calculated for the operational boundary for borrowing. The revised limits for the Operational Limit take into account the additional borrowing that may be taken for the Lincoln Transport Hub and Broadgate Car Park and purchases of investment properties based on current profiles and also allow for previous use of internal borrowing to be replaced by external borrowing should the Chief Finance Officer decide that it is appropriate and prudent to do so.

#### Other Prudential Indicators

- 4.6 Appendix B details the updated position on the remaining prudential indicators and the local indicators.

## **5. Treasury Management Strategy 2017/18 to 2019/20 Update**

### **5.1 Economic Update**

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. **The following paragraphs and the table in paragraph 5.1.6 give Capita's views on economic prospects and interest rates.**

- 5.1.1 **UK** - UK GDP growth rates in 2016, were surprising, however growth in 2017 has been disappointingly weak with quarters 1 and 2 both at +0.3% indicating growth is the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation (CPI is expected to peak at around 3% in 2017) caused by the devaluation of sterling following the referendum vote for Brexit in



June 2016 impacting on consumer spending. Unemployment stands at 4.3% which is the lowest level since 1975 however improvements in productivity are weak and wage inflation is low. Indications are that the Bank of England could increase the base rate at the November meeting of the Monetary Policy Committee. Should this be the case further slow but steady increases are predicted and will depend upon future growth, inflation levels driven by consumer spending and confidence and export performance.

- 5.1.4 **USA** -The American economy had a slow start in 2017 with growth in quarter 1 at 1.2%. Quarter 2 showed a rebound in growth at 3.1%. The Fed has begun increasing interest rates with three increases since December 2016 and a further rise in 2017 is expected lifting the central rate to 1.25-1.5%. It is expected that the Fed will begin to unwind its \$4.5trillion of bonds and mortgage backed securities.
- 5.1.5 **Eurozone** - The ECB's massive €1.1 trillion stimulus package and cutting of its deposit facility rate to -0.4% began boosting economic growth with GDP growth in 2016 with growth in quarter 1 2017 at 0.5% and quarter 2 rising by 0.6%. Inflation is lower than the target of 2% which indicates it is unlikely that rates will increase in the Eurozone until 2019.
- 5.1.6 Current medium term interest rate forecasts (not anticipating an increase in BoE rates in November) are shown below:

	Bank Rate	LIBID	PWLB Rates		
		3 month	5 year	25 year	50 year
Dec 2017	0.25%	0.25%	1.5%	2.9%	2.7%
Mar 2018	0.25%	0.25%	1.6%	2.9%	2.7%
Jun 2018	0.25%	0.25%	1.7%	3.0%	2.8%
Dec 2018	0.25%	0.25%	1.8%	3.1%	2.9%
Jun 2019	0.50%	0.50%	1.9%	3.2%	3.0%

## 5.2 Borrowing activity

- 5.2.1 The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
- 5.2.2 Long-term fixed interest rates are currently low but expected to rise over the three-year treasury management planning period. The Chief Finance Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. The approved funding of the current capital programme does require borrowing to be taken during 2017/18 and 2018/19. In addition to this there has been internal borrowing (i.e. using cash balances), to fund previous years' capital expenditure, which may need to be replaced at some point in the future with external borrowing. The current key challenge is anticipating the optimum point at which any future borrowing should be taken. Any future borrowing will increase cash holding at a time when counterparty risk remains high and investment returns are low. In this scenario, borrowing is likely to be postponed until cash flow need is more apparent. *\*Since 30<sup>th</sup> September the Bank of England has increased the base rate of borrowing and attached at Appendix D is the most recent interest rate forecast received from the council's advisors (who, from 6<sup>th</sup> November 2017, are*

called *Link Asset Services*).

- 5.2.3 Opportunities for debt restructuring will be continually monitored. Action will be taken when the Chief Finance Officer feels it is most advantageous.

### 5.3 Investment Strategy 2017/18 to 2019/20

- 5.3.1 The objectives of the Council's investment strategy are the safeguarding of the repayment of the principal and interest of its investments on time first, and ensuring adequate liquidity second – the investment return being a third objective. Following on from the economic background above, the current investment climate is one of over-riding risk consideration i.e. that of counterparty security risk. As a result of these underlying concerns, officers continue to implement an operational investment strategy, which tightens the controls already in place in the approved investment strategy.

- 5.3.2 The Council held £20.4 million of investments at 30<sup>th</sup> September 2017 and the investment profile is shown in Appendix A.

### 5.4 Risk Benchmarking

The Investment Strategy for 2017/18 includes the following benchmarks for liquidity and security. Yield benchmarks are contained within section 6.

- 5.4.1 *Liquidity* – The Council has no formal overdraft facility and seeks to maintain liquid short-term deposits of at least £3 million available with a weeks notice.

The weighted average life (WAL) of investments for the year was expected to be 0.19 years (69 days). At 30<sup>th</sup> September 2017 the Council held liquid short term deposits of £10.4 million and the WAL of the investment portfolio was 0.23 years (83 days). The increase in the WAL of the investment portfolio is due to some of the investments over 1 year in duration with local authorities maturing and being replaced with shorter term investments to service internal borrowing requirements in a lower return environment.

The Chief Finance Officer can report that liquidity arrangements were adequate during the year to date

- 5.4.2 *Security* – The Council's maximum security risk benchmark for the portfolio as at 30<sup>th</sup> September 2017 0.007%, which equates to a potential loss of £0.0014m on an investment portfolio of £20.4m. This is slightly lower than the budgeted maximum risk of 0.008% in the Treasury Management Strategy (i.e. a potential loss of £0.002m). It represents a very low risk investment portfolio which carries a very much lower level of risk than Capita's model portfolio and other local authorities within our benchmarking group.

The target set within the 2016/17 Strategy is that a minimum of 25% of the portfolio must be held in low risk specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this overall benchmark during the year to date. At 30<sup>th</sup> September 2017, 95% of the investment portfolio was held in low risk specified investments.

## **6. Strategic Priorities**

- 6.1 Develop a fit for purpose Council –Through its Treasury Management Strategy the Council seeks to reduce the amount of interest it pays on its external borrowing and maximise the interest it achieves on its investments.

## **7. Organisational Impacts**

- 7.1 Finance – The financial implications are covered in the main body of the report.

## **8. Recommendations**

- 8.1 It is recommended that Performance and Scrutiny Committee note the Prudential and Local Indicators and the actual performance against the Treasury Management Strategy 2017/18 for the half-year ended 30<sup>th</sup> September 2017 and note the change to the MRP policy at Appendix C.

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

Treasury Management Strategy 2017/18 (Approved by Council 1<sup>st</sup> March 2017)

Lead Officer – Sarah Hardy, Group Accountant Tel. 01522 873839,  
e-mail [sarah.hardy@lincoln.gov.uk](mailto:sarah.hardy@lincoln.gov.uk)

## Appendix A

### Borrowing Profile at 30<sup>th</sup> September 2017

	<b>Long term borrowing</b>	
	<b>Fixed rate</b>	<b>Variable rate</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>PWLB loans</b>	58,793	0
<b>Other Market loans</b>	16,000	0
<b>3% stock</b>	561	0
<b>TOTAL</b>	<b>75,354</b>	<b>0</b>

### Investment Profile at 30<sup>th</sup> September 2017

	<b>Total Principal invested</b>	<b>Short term</b>		<b>Long term</b>	
		<b>Fixed rate</b>	<b>Variable rate</b>	<b>Fixed rate</b>	<b>Variable rate</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>UK Banks &amp; Building societies (including Call accounts)</b>	<b>9,000</b>	9,000	0	0	0
<b>Local Authorities</b>	<b>1,000</b>	0	0	1,000	0
<b>UK Money Market Funds</b>	<b>10,400</b>	0	10,400	0	0
<b>TOTAL</b>	<b>20,400</b>	<b>9,000</b>	<b>10,400</b>	<b>1,000</b>	<b>0</b>

### Updated Position on the Remaining Prudential and Local Indicators

#### Affordability Prudential Indicators

##### **Actual and estimates of the ratio of financing costs to net revenue stream**

– This indicator identifies the trend in the cost of capital (borrowing costs net of interest and investment income) against the net revenue stream.

Table 5. Ratio of Financing Costs to Net Revenue Stream

Indicators 9 & 10	2017/18 Original Estimate %	2017/18 Revised Estimate %	2018/19 Original Estimate %	2018/19 Revised Estimate %	2019/20 Original Estimate %	2019/20 Revised Estimate %
General Fund	28%	18.0%	22.7%	19.4%	20.6%	20.2%
HRA	44.8%	46.2%	45.4%	44.9%	45.5%	44.9%

The General Fund ratio has decreased in 2017/18 and is expected to increase in 2018/19 and 2019/20 as a result of the additional interest and MRP payments on the borrowing that is taken to finance the Lincoln Transport Hub scheme, the purchase of Broadgate Car Park and investment properties. The HRA ratios have increased in 2017/18 and are expected to remain fairly constant year on year. The increase is due to a higher level of depreciation being charged to the HRA, which is a financing cost to this area.

Table 6. Estimate of the incremental impact of capital investment decisions on Council Tax

Indicator 11	2017/18 Original Estimate £	2017/18 Revised Estimate £	2018/19 Original Estimate £	2018/19 Revised Estimate £	2019/20 Original Estimate £	2019/20 Revised Estimate £
Impact on Tax Base	£0.62	-£1.41	£6.24	£10.09	£15.75	£10.35

The 2017/18 figures are lower than anticipated due to lower than expected borrowing in 2016/17 and the increases in 2018/19 reflect additional borrowing required to fund additions to the GIP.

Indicator 12	2017/18 Original Estimate £	2017/18 Revised Estimate £	2018/19 Original Estimate £	2018/19 Revised Estimate £	2019/20 Original Estimate £	2019/20 Revised Estimate £
Weekly Housing Rent	+£0.05	£0.00	-£0.19	£0.00	£0.00	£0.00

The figures reflect that no additional borrowing is anticipated within the HIP.

## Treasury Management Prudential Indicators

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

There are four further indicators:

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

**Upper Limits On Fixed Rate Exposure** – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

These indicators are complemented by four local indicators:

- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

During the first half of the year the highest and lowest exposure to fixed and variable rates were as follows:

Indicators 13 & 14	2017/18 Limit (Upper) £million	2017/18 Max Q1 & Q2 £million
<b>Upper limits on interest rate exposures</b>		
Upper limits on fixed interest rates	87.6	70.3
Upper limits on variable interest rates	37.2	30.1

	2017/18 Limit %	2017/18 Max Q1 & Q2 %
<b>Local indicator limits based on debt only</b>		
Limits on fixed interest rates	100%	100%
Limits on variable interest rates	40%	0%
<b>Local indicator limits based on investments only</b>		
Limits on fixed interest rates	100%	41%
Limits on variable interest rates	75%	59%

**Maturity Structures Of Borrowing** – These gross limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing.

<b>Indicator 15</b>	<b>2017/18 Original %</b>	<b>2017/18 Revised %</b>	<b>2018/19 Original %</b>	<b>2018/19 Revised %</b>	<b>2019/20 Original %</b>	<b>2019/20 Revised %</b>
<b>Maturity Structure of fixed borrowing (Upper Limits)</b>						
Under 12 months	40%	40%	40%	40%	40%	40%
12 months to 2 years	40%	40%	40%	40%	40%	40%
2 years to 5 years	60%	60%	60%	60%	60%	60%
5 years to 10 years	80%	80%	80%	80%	80%	80%
10 years and above	100%	100%	100%	100%	100%	100%
<b>Maturity Structure of fixed borrowing (Lower Limits)</b>						
Under 12 months	0%	0%	0%	0%	0%	0%
12 months to 2 years	0%	0%	0%	0%	0%	0%
2 years to 5 years	0%	0%	0%	0%	0%	0%
5 years to 10 years	0%	0%	0%	0%	0%	0%
10 years and above*	10%	10%	10%	10%	10%	10%

As at 30<sup>th</sup> September 2017 the maturity structure of borrowing during the first half of the year was as follows:

<b>Indicator 15</b>	<b>2017/18 Half year Lower</b>	<b>2017/18 Half year Upper</b>
<b>Maturity Structure of fixed borrowing</b>	<b>%</b>	<b>%</b>
Under 12 months	1	1
12 months to 2 years	0	0
2 years to 5 years	6	6
5 years to 10 years	8	8
10 years and above	85	85

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

Indicator 16	2017/18 Original Estimate £m	2017/18 Revised Estimate £m	2018/19 Original Estimate £m	2018/19 Revised Estimate £m	2019/20 Original Estimate £m	2019/20 Revised Estimate £m
<b>Maximum principal sums invested &gt; 1 year</b>	£5m	£1m	£5m	£0m	£5m	£0m

As at 30<sup>th</sup> September 2017, principal funds invested over 1 year at the inception of the investment were £1m.

### Local Prudential Indicators

In addition to the statutory and local indicators listed above the Director of Resources has set four additional local indicators aimed to add value and assist in the understanding of the main indicators. These are:

#### 1. Debt – Borrowing rate achieved against average 7 day LIBOR

	2017/18 Target %	2017/18 Actual – 30 <sup>th</sup> September %	2018/19 Target %	2019/20 Target %
Debt – borrowing rate achieved (i.e. temporary borrowing of loans less than 1 year)	Less than 7 day LIBOR	No loans taken	Less than 7 day LIBOR	Less than 7 day LIBOR

#### 2. Investments – Investment rate achieved against the average 7 day LIBID

	2017/18 Target %	2017/18 Actual – 30 <sup>th</sup> September %	2018/19 Target %	2019/20 Target %
Interest rate achieved	Greater than 7 day LIBID	Achieved 0.31% compared to 0.11% LIBID (+0.20%)	Greater than 7 day LIBID	Greater than 7 day LIBID

The interest rate achieved on investments compares favourably to the 7 day LIBID due to the use of fixed term, fixed rate investments, plus the greater use of semi-fixed rate call accounts and money market funds which pay a premium over the LIBID rate.

#### 3. Average rate of interest paid on the Council's debt during the year (this will evaluate performance in managing the debt portfolio to release revenue savings)



	<b>2017/18 Target %</b>	<b>2017/18 Actual – 30<sup>th</sup> September %</b>	<b>2018/19 Target %</b>	<b>2019/20 Target %</b>
Average rate of interest on Council debt	Less than 4.75	4.15	Less than 4.75	Less than 4.75

4. The amount of interest on debt as a percentage of gross revenue expenditure. The results against this indicator will be reported at the year-end.

## **Minimum Revenue Provision (MRP) Policy**

- 1.0 The Council is required to pay off an element of the accumulated General Fund borrowing each year through a revenue charge (the Minimum Revenue Provision), and is also allowed to undertake additional voluntary payments (VRP).
- 1.1 CLG Regulations have been issued which require full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided so long as there is a prudent provision.
- 1.2 Members are recommended to approve the following MRP Statement:

For capital expenditure incurred:

(A) Before 1<sup>st</sup> April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

**Existing practice** - MRP will follow the existing practice outline in former DCLG Regulations, but on a 2% straight-line basis, i.e. provision for the full repayment of debt over 50 years;

(B) From 1<sup>st</sup> April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be:

**Asset Life Method** – MRP will be based on the estimated life of the assets on either a straight line or annuity basis (as deemed most appropriate for capital expenditure being financed through borrowing). Asset life is deemed to begin once the asset becomes operational. MRP will commence from the financial year following the one in which the asset becomes operational.

MRP in respect of unsupported borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset life method as recommended by the statutory guidance.

(C) The Council will set aside £750k of capital receipts to the Capital Adjustment Account instead of applying these receipts to new expenditure in order to reduce the total debt liability (this will be £150k per annum over the period 2017/18 to 2021/22). The Council will reduce the MRP provision for the year by the same amount.

(D) Expenditure in respect of the Local Authority Mortgage Scheme will not be subject to a minimum revenue provision as this is a temporary arrangement and the funds will be returned in full.

(E) Expenditure in respect of land purchases will increase the Capital Financing Requirement (CFR) by the borrowing required to fund the purchase which will be repaid by the future sale of the asset. Once the asset is sold and the funds are realised they will be classed as a capital receipt and will be off-set against the

CFR which will reduce accordingly. As the funds will be returned in full there is no need to set aside prudent provision to repay the debt liability so no MRP will be applied in respect of this type of purchase.

Updated Interest Rate Forecast

# Updated Interest Rate Forecast

7<sup>th</sup> November 2017



## Monetary Policy Committee (MPC) meeting 2 November 2017

Our previous interest rate forecasts, updated on 9 August, contained this paragraph: -

Our forecasts assume that there is no cancellation of the emergency cut in Bank Rate in August 2016 from 0.50% to 0.25% and a stop to the Quantitative Easing (QE) programme in the shorter-term. There is a potential risk, and there has probably been some increase in this risk, that the MPC could muster a majority to simply reverse both and then pause for a further period before reaching a time when there is a progression to a sustained trend of gentle increases in Bank Rate. Our forecasts for both Bank Rate and PwLB rates would then need revision if both were to occur.

Last week we saw two major developments: -

1. After the MPC painted themselves into a corner with their words following their previous meeting on 14 September, it was a virtual certainty that Bank Rate would go up by 0.25% this time around. The MPC duly delivered on those words by a vote of 7-2 to remove the post EU referendum emergency monetary stimulus implemented in August 2016 by reversing the cut in Bank Rate at that time from 0.5% to 0.25%, (with no change in QE this time). In view of the robust rate of growth in the second half of 2016 which confounded the Bank's August 2016 forecasts for a sharp slowdown, many commentators subsequently held the view that that emergency action was unnecessary. On the face of it, to now increase Bank Rate when economic growth in 2017 in quarters 1 and 2 was so disappointingly weak, (0.2% and 0.3% respectively), can appear to be perverse.
2. The MPC also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

The markets viewed this result as being more dovish than they had expected and sterling duly responded by falling 0.8% against the dollar and euro on the day. As this was the first increase in Bank Rate for a decade, the MPC was right to avoid alarming consumers and financial markets, and to be very reassuring about the pace of future increases.

The quarterly Inflation Report itself, was notably downbeat about economic growth based on a view that the trend rate of growth for the economy has now fallen from 2.2% to only 1.5%, (whereas in the decade before the financial crash it grew at 2.9% p.a.). One of the main focuses for this was a view that productivity growth would remain very weak at about only 1% p.a. This does not augur well for increases in wage rates. This, in turn, is likely to feed through into weak domestically generated, (i.e. excluding the one off post referendum imported inflation through the fall in the value of sterling), price pressures underpinning CPI inflation. Overall, the Inflation Report was little changed from the August report and again forecast that inflation would be barely above the 2% target at the three year time horizon; it is also expected to peak very soon at 3.2%, (September was 3.0%), before falling thereafter as the devaluation effect gradually falls out of the 12 month statistics. As for forecasts for GDP growth, these also barely changed with growth falling from 1.7% to 1.6% for 2017 and being unchanged for 2018 (1.6%) and 2019 (1.8%). The MPC was also quite concerned about the situation over Brexit as there has been little significant agreement so far in terms of moving towards giving UK firms some confidence of what sort of trade terms the UK is likely to have with the EU from 2019. They felt that this uncertainty was holding back investment. The MPC's forecasts are predicated on an assumption that households and companies base their decisions on a smooth adjustment to a new trading relationship with the EU.

It has to be said that overall, this is really a quite pessimistic outlook for the UK economy. For some commentators, raising Bank Rate with such a weak outlook, did not sit easily together. However, the MPC's main justification for taking action now to raise Bank Rate was that because unemployment was at the lowest rate for 42 years at only 4.3%, there was little spare capacity left in the economy, especially when increases in productivity were expected to be so weak and taking account of Brexit caused expected falls in net immigration. They also noted that consumer confidence has remained resilient and the global economy was growing strongly which would help UK exports. In addition, financial conditions were highly accommodative through the current level of monetary policy.

Accordingly, despite this weak outlook for GDP growth, they needed to take action now to ward off the potential for inflationary pressures to start building up.

### **Link Asset Services forecasts**

The MPC made some obvious comments around the fact that the UK is going through a period of heightened uncertainty due, particularly, to the unknowns around how the Brexit negotiations will proceed and the likely effect on households and companies. They will adjust their responses according to how these turn out and in the light of how the economy progresses over the next two to three years. We would agree with these qualifications. Obviously, if the negotiations are very difficult and end up being disappointing, this could put in jeopardy even two Bank Rate increases over the next three years.

We can only forecast given the current situation and have to flag up that there is a wide spread of potential outcomes during this forecast period. There is, therefore, a likelihood of heightened volatility as events actually unfold. We would, however, refer clients back to our previous newsflash on 18 September which explained how the strong causal link in western economies between falling unemployment and rising inflation, appears to be broken. This has led some commentators to raise the question as to whether we are now moving into a new paradigm of low unemployment at the same time as low inflation, where central bank policy targets of focusing primarily on inflation are beginning to be called into fundamental question. The example of Japan, which has struggled for some two decades to get inflation up to 2% despite massive repeated rounds of QE, is just one example. What will actually happen to wage inflation, therefore, remains a key issue. If wage inflation continues to remain very subdued over the next two to three years, this will act as a significant headwind to the MPC justifying further increases in Bank Rate due to inflationary threats building up. However, it has in the past 'looked through' e.g. one off increases in inflation which it saw as a temporary occurrence; the MPC could, therefore, be flexible in implementing its mandate of focusing primarily on inflation. Alternatively, they could justify increases in Bank Rate as being primarily due to the need to simply remove monetary policy stimulus as this has caused massive distortions in the economy with asset prices e.g. share prices and house prices have been the main beneficiaries while savers have been the major losers through low interest rates.

Our own forecasts are cautious and in line with this subdued path for increases in Bank Rate; we do not currently see inflation posing a significant threat over the next three years. We have 0.25% increases in November 2018 to 0.75%, 1.0% in November 2019 and 1.25% in August 2020. This is much in line with market expectations. Our central assumption is that the UK will make progress with concluding a satisfactory outcome over the Brexit negotiations with the EU by March 2019, although the UK finance sector is likely to be an area of particular concern and difficulty.

### **LINK ASSET SERVICES' FORWARD VIEW**

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring relatively more "risky" assets i.e. equities, or the "safe haven" of government bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. A world economic recovery will likely see investors switching from the safe haven of bonds to equities.

We have pointed out consistently that the Fed. Rate is likely to go up more quickly and more strongly than Bank Rate in the UK. While there is normally a high degree of correlation between the two yields, we would expect to see a growing decoupling of yields between the two i.e. we would expect US yields to go up faster than UK yields. We will need to monitor this area closely and any resulting effect on PWLB rates.

- The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

- The balance of risks to increases in Bank Rate and shorter term PWLB rates are probably to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively.
- Our forecasts are predicated on an assumption that there is no break-up of the Eurozone or EU, (apart from the departure of the UK), within our forecasting time period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea, which have a major impact on international trade and world GDP growth.

We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newflashes of just how unpredictable PWLB rates and bond yields are at present. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- The result of the October 2017 Austrian general election is likely to result in a strongly anti-immigrant coalition government. In addition, the new Czech prime minister is expected to be Andrej Babis who is strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.



	NOW	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
3 month LIBID	0.40	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.70	0.90	0.90	1.00	1.20	1.20	1.20
6 month LIBID	0.45	0.50	0.50	0.50	0.60	0.80	0.80	0.80	0.90	1.00	1.00	1.10	1.30	1.30	1.40
12 month LIBID	0.65	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.10	1.30	1.30	1.40	1.50	1.50	1.60
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	2.30
10 yr PWLB	2.10	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70	2.80	2.90	2.90	3.00
25 yr PWLB	2.70	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40	3.40

BANK RATE	now	previously
Q4 2017	0.50%	0.25%
Q1 2018	0.50%	0.25%
Q1 2019	0.75%	0.25%
Q1 2020	1.00%	0.75%
Q1 2021	1.25%	N/A

Our target borrowing rates and the current PWLB (certainty) borrowing rates are set out below.

PWLB debt	Current borrowing rate as at 7.11.17	Target borrowing rate now (Q4 2017)	Target borrowing rate previous (Q4 2017)
5 year	1.51%	1.50%	1.50%
10 year	2.07%	2.10%	2.20%
25 year	2.70%	2.80%	2.90%
50 year	2.39%	2.50%	2.70%

**Borrowing advice:** although yields have risen from their low points, yields are still around historic lows and borrowing should be considered if appropriate to your strategy. We still see value in the 40yr to 50yr range at present but that view would be negated if Bank Rate does not climb to at least 2.5% over the coming years. Accordingly, clients will need to review and assess their risk appetite in terms of any underlying borrowing requirement they may have, and also project forward their position in respect of cash backed resources.

Any new borrowing should also take into account the continuing cost of carry, the difference between investment earnings and borrowing rates, especially as our forecasts indicate that Bank Rate may rise to only 1.25% by March 2021.

Our suggested budgeted investment earnings rates for investments up to about three months' duration in each financial year for the next seven years are as follows: -

Average earnings in each year	Now	Previously
2017/18	0.40%	0.25%
2018/19	0.60%	0.25%
2019/20	0.90%	0.50%
2020/21	1.25%	0.75%
2021/22	1.50%	1.00%
2022/23	1.75%	1.50%
2023/24	2.00%	1.75%
Later years	2.75%	2.75%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is expected to remain unchanged. Negative, (or positive), developments could significantly impact safe-haven flows of investor money into UK, US and German bonds and produce shorter term movements away from our central forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

We will be updating our TMSS template reports to include these updated interest rate forecasts and commentary.

**Interest Rate Strategy Group**  
**0207 204 7624**

[www.linkassetservices.com](http://www.linkassetservices.com)

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**PERFORMANCE SCRUTINY COMMITTEE**

**23 NOVEMBER 2017**

**SUBJECT: STRATEGIC RISK REGISTER - QUARTERLY REVIEW**  
**REPORT BY: CHIEF EXECUTIVE AND TOWN CLERK**  
**LEAD OFFICER: ROB BAXTER, CHIEF FINANCE OFFICER**

**1. Purpose of Report**

- 1.1 To provide members with a status report of the revised Strategic Risk Register as at the end of the second quarter 2017-18.

**2. Executive Summary**

- 2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to Members in August 2017 and contained seven strategic risks.
- 2.2 Since reporting in August 2017, the Strategic Risk Register has been reviewed and updated. There have been some movement in the Risk Register detailed further in the main body.
- 2.3 The updated Register is attached at Appendix A, this contains seven strategic risks.

**3. Movements in the Strategic Risk Register**

- 3.1 A number of further control actions have now been progressed or completed and the key movements are outlined as follows:
- No 1) **Engaging with strategic partners, staff and stakeholders to deliver the Vision 2020** – Full monitoring arrangements and extensive internal and external communication exercises continue, including new virtual and actual 'Engine rooms' for the Council Vision 2020 programme. Focus continues to develop the High Performing Services aspect of the Vision. A range of themed conferences with stakeholders and staff are currently being prepared to be scheduled in the new year.
  - No 2) **To deliver a sustainable Medium Term Financial Strategy** – Work is progressing on the draft MTFS 2018-23 on the basis of the most recent assumptions, forecasts and Autumn Statement for a more sustainable financial position for the Council in the medium term with self-sufficiency being achieved in 2021/22. Work is currently continuing in relation to the implications of the move to 100% Business Rates Devolution.
  - No 3) **To ensure compliance with statutory duties and appropriate governance arrangements are in place** – A disaster recovery facility

and procedure has now been developed to ensure appropriate back up of data at another location. This plan has been endorsed by CMT and testing of this plan to be scheduled shortly. It is acknowledged that whilst there is a lot of progress ongoing in most areas, a revision of procedures for management of non-operational buildings is to be undertaken together with the allocation of an appropriate RO. A working group being set up to undertake this.

- No 4) **Deliver the Towards Financial Sustainability Programme savings targets** – The programme has only a small shortfall forecast against the £3.5m target for 2017/18. As part of High Performing Services, work is underway to develop a range of further options to achieve the remaining savings targets by 2020. Focusing on three strands – Asset Rationalisation, Commercialisation and Savings/Shared Services / Demand Management, work has commenced on developing a 3 year programme and on exploring opportunities to incentivise services for their commercial initiatives.
- No 5) **Develop an appropriate response to changing Local Government Structures** – An internal group continues to meet to provide a watching brief on national and local developments.
- No 6) **Meet the emerging changes required in the Council's culture, behaviour and skills** to support the delivery of the council's Vision 2020 and the transformational journey to a "performance culture" – Leadership development training has now been delivered in full to the Corporate Management Team, Assistant Directors and Service Managers and a new coaching programme is due to commence in August 2017. The new People Strategy and action plan are now being rolled out with a series of projects including staff recognition scheme, volunteering programme being put together and further coaching to be made available for team leaders following evaluation of the Leadership coaching which ends in December 2017. The People strategy will be reviewed annually to test its effectiveness.
- No 7) **Ensure sufficient levels of resilience and capacity to deliver key priorities** – A number of restructures have taken place across all directorates to ensure that the right resource is in the right place. There remains a senior position unfilled however recruitment is to commence again in January. Interim measures are being implemented asap. CMT continue to review existing commitments and timescales and feed the outcome into the service planning process due to start in the autumn.

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

- Risk 3 has been increased slightly from Amber: possible/major to Amber: probable/major.

Control actions continue to be implemented and risks managed accordingly.

- 3.3 The assessed level of the seven strategic risks as at quarter one are as follows:

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

- 3.4 A revised Strategic Risk Register is attached at Appendix A.

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

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

- 4.1 Let's drive economic growth – This report identifies and monitors strategic risks which could affect any of the strategic priorities, dependent on their nature
- 4.2 Let's reduce inequality – This report identifies and monitors strategic risks which could affect any of the strategic priorities, dependent on their nature
- 4.3 Let's deliver quality housing – This report identifies and monitors strategic risks which could affect any of the strategic priorities, dependent on their nature
- 4.4 Let's enhance our remarkable place – This report identifies and monitors strategic risks which could affect any of the strategic priorities, dependent on their nature

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

- 5.1 Finance – There are no direct financial implications arising as a result of this report. The Council's Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme.
- 5.2 Legal Implications including Procurement Rules – The Council is required under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance of a Strategic Risk Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.

#### **6. Risk Implications**

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

governance arrangements.

## **7. Recommendations**

- 7.1 Members are asked to note the Strategic Risk Register as at the end of the second quarter 2017/18.

[  
**Key Decision** No

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

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

**How many appendices  
does the report contain?** Strategic Risk Register – Appendix A

**List of Background  
Papers:** N/A

**Lead Officer:** Angela Andrews  
Chief Executive and Town Clerk

## STRATEGIC RISK REGISTER

Likelihood	A Almost Certain				
	B Probable			6. 3.	2.
	C Possible			4. 7.	1. 5.
	D Hardly Ever				
		4 Negligible	3 Minor	2 Major	1 Critical
		Impact			

**RISK REGISTER: STRATEGIC RISKS – AS AT Q2 end: 30 September 2017**

**VERSION: 1**

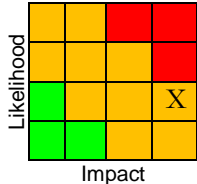
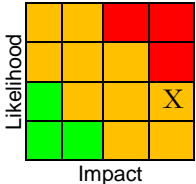
**REVIEWED:**

**CMT 07/11/17**

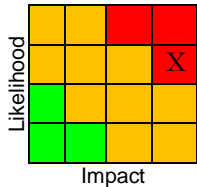
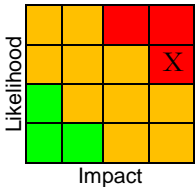
**OWNER: CORPORATE MANAGEMENT TEAM**

All of the objectives on this Register are linked to the Council's Vision 2020 and four strategic objectives, which are:

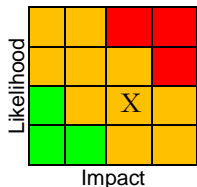
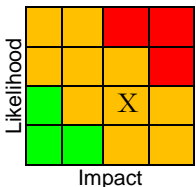
- Let's drive economic growth
- Let's reduce inequality
- Let's deliver quality housing
- Let's enhance our remarkable place

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
1.	Engaging with the Council's strategic partners, council staff and stakeholders to deliver against the Council's Vision 2020.	CX	<b><u>Creative &amp; Aware</u></b>  Projects & Major Change  Partnerships	<ul style="list-style-type: none"> <li>New Vision 2020 including 4 new strategic priorities launched internally</li> <li>Vision developed following extensive consultation with, businesses, partners and community groups.</li> <li>Strong focus internally on 4 very clear strategic priorities within the Vision 2020</li> <li>Resources in MTFS directed towards strategic projects</li> <li>Dedicated officer support to ensure delivery of the 3-year programme, 'keeping the Vision alive'</li> <li>Communications plan and stakeholder mapping done</li> <li>Review of internal delivery groups to ensure focus on delivery of projects</li> <li>First 4 x Vision Group meetings took place w/c 2.5.17 and continue</li> <li>All Vision 2020 related internal comms now being clearly flagged as being Vision 2020 projects</li> <li>Comms log' now being kept, to keep abreast of all Vision 2020 comms activity – both internal and external</li> <li>External launch of Vision including engagement with the GLLEP, Chamber of Commerce etc. –Feb 2017</li> <li>Promotion of the Vision through hoarding displays</li> <li>Online 'Engine Room' launched 22.6.17,</li> </ul>	<ul style="list-style-type: none"> <li>High Performing Services arrangements scoped (July 2017) – inaugural meeting held 1.8.17. Still early days for this group</li> <li><b>Annual report drafted with a focus on achievements towards Vision 2020 – to be sent to stakeholders by CX/Leader – Nov 2017</b></li> <li><b>Determination of the range of conferences for the next year to support the vision i.e Lincoln's Vision 2020 Conference</b></li> <li><b>Sponsorship of Lincolnshire Construction and Property Awards</b></li> <li><b>Vision 2020 staff roadshows to be scheduled in January 2018.</b></li> </ul>			Substantial	Improving



Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> <li>Physical Engine Room designed in Committee Room 4</li> </ul>					
2.	To deliver a sustainable Medium term Financial Strategy	CFO	<b><u>Creative &amp; Aware</u></b>  Finance & Money	<ul style="list-style-type: none"> <li>Draft 5 Year MTFS approved for scrutiny and consultation – based on Local Government Finance Settlement, revised HRA Business Plan, BrExit assumptions and BR Revaluation, delivering a sustainable budget in the medium term and includes identification of key risks and controls/actions in place.</li> <li>MTFS 2017-22 supports Vision 2020 with redirection of resources, approved Feb 2017.</li> <li>Good financial management with               <ul style="list-style-type: none"> <li>Quarterly monitoring and reporting to CMT, Exec and Performance Scrutiny Committee (including specific risks)</li> <li>SPIT monitoring of capital programme</li> <li>Savings targets monitored through Towards Financial Sustainability (Risk No 4)</li> <li>Key income budgets monitored monthly by CMT with mitigation plans for areas of target monitored quarterly.</li> <li>Monitoring arrangements firmly established for</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Link to TOFS Programme, risk no 4 below.</li> <li>Continued assessment of changes in business rates – to 100% BR devolution – currently on hold pending receipt of further intelligence from Central Government on plans for how LA's will be financed in the future</li> <li>Establishment of the Wholly Owned Housing Company business plan – due to be considered by Executive in December 2017</li> <li>Assessment of the Autumn Budget Statement – Nov/ Dec</li> <li>Draft MTFS 2018-23 to be prepared – Jan 18</li> </ul>			Full	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				business rates, including the Lincolnshire Pool <ul style="list-style-type: none"> <li>Budget flexibility to deal with in year changes</li> <li>Submission in October 2017 of a 2018/19 100% Business Rates Pilot with all Lincolnshire Districts together with the County and North Lincolnshire Council.</li> <li>Budget Setting report, including challenges and key assumptions considered by Executive 30/10/17</li> </ul>					
3.	To ensure compliance with statutory duties and appropriate governance arrangements are in place, including: <ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Information Management/IT Security</li> <li>ICT Disaster Recovery</li> </ul>	CLT	<u><b>Creative &amp; Aware</b></u>  Regulatory standing & legal compliance  <b>Cautious</b>  Business Continuity	<ul style="list-style-type: none"> <li>Annual Governance Statement reviewed on an annual basis with plan/milestones developed for all significant issues, delivery of which is monitored quarterly through the Assistant Directors Team/Audit Committee</li> <li>Internal audit reviews undertaken as part of annual audit plan</li> <li>Health and Safety Development Plan/Work Programme in progress (includes the development of specific action plans e.g Asbestos)</li> <li>Corporate Groups in place which monitor work programmes/ actions for H&amp;S, e.g, Safety Matters Review Group/Champions</li> <li>Information Management</li> </ul>	<ul style="list-style-type: none"> <li>Continued progression of actions in Information Governance Strategy (specific timescales in the plan, only 2 red issues remain. One key element is training programme for officers to be with only a few teams left to be trained, this will be completed by August 2017</li> <li>ITBC plan endorsed by CMT (Oct 17), now needs to have operational testing and delivery</li> <li>ITDR plan endorsed by BC meeting (August), and CMT (November) now needs to have</li> </ul>			Substantial	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<p>Strategy and Action Plan approved in November 2015 – good progress made with a range of policies having been approved.</p> <ul style="list-style-type: none"> <li>Info Governance Project Officer post extended to complete action plan – including policy work, staff training.</li> <li>Restructure of Health &amp; Safety Team completed and all roles now recruited to.</li> <li>Positive progression of actions in Health and Safety Development Plan (specific timescales in plan, majority of areas complete). Internal Audit carried out a review of CH&amp;S to assess progress against plan – Mar 17. Substantial assurance</li> <li>ITDR Plans – Business continuity arrangements for IT including new serves at Hamilton House now in place and endorsed at CMT.</li> </ul>	<p>operational testing and delivery. . Internal Audit completed and actions referred to BC group for consideration</p> <ul style="list-style-type: none"> <li>DR procedure manual has been developed ( which is expected to change frequently as we build and refine)</li> <li>All critical service business continuity plans have been revisited in light of new arrangements</li> <li>A Revision of procedures for management of non –operational buildings is to be undertaken together with the allocation of an appropriate RO . A working group being set up to undertake this</li> </ul>				
4.	Deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council	CFO	<p><b><u>Creative &amp; Aware</u></b></p> <p>Projects &amp; Major Change</p> <p><b><u>Hungry</u></b></p> <p>Reputation and Public Confidence</p>	<ul style="list-style-type: none"> <li>TFS Board and Programme Team in place.</li> <li>Established procedures and monitoring arrangements</li> <li>Reporting of achievement against targets included within quarterly financial monitoring/performance monitoring reports to Executive/Performance Scrutiny Committee</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of Phase 4 programme through existing management and monitoring systems – ongoing to complete outstanding projects</li> <li>Commence the delivery of phase 5 of the programme in Nov 17, with a focus</li> </ul>			Full	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> <li>• Inclusion of ToFS Projects on DMT agendas to ensure focus remains on delivering against timescales.</li> <li>• Annual reporting of progress and forward programme PSC</li> <li>• Development of detailed options to deliver additional savings targets for 16/17 and 17/18 complete - programme of reviews in place and monitored monthly through Board and Team.</li> <li>• Target of £3m for 2016/17 overachieved.</li> <li>• Achievement of TFS targets re-emphasised in Vision 2020</li> <li>• Savings targets not increased as part of MTFS 2017-22.</li> <li>• Corporate Peer Review recognised that the Council has many positive examples where a commercial approach has been taken.</li> <li>• Development of phase 5 with Service Managers, focussing on commercialisation and possible incentive scheme.</li> </ul>	<p>on the 3 strands:</p> <ul style="list-style-type: none"> <li>– Asset Rationalisation (freeing up necessary resource to focus on this area)</li> <li>– Commercial activities including advertising income</li> <li>– Savings/ shared services /demand management.</li> <li>• Consider further years programmes – dependent on the revised MTFS 2018-23 – Jan 18.</li> </ul>				

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
5.	Develop an appropriate strategic response to the changing structures in Local Government	CX	<u><b>Creative &amp; Aware</b></u>  Partnerships	<ul style="list-style-type: none"> <li>Information gathering and a watching brief on national and local developments</li> <li><b>Formation of RLG Group (Reshaping Local Government) has been formed and meets regularly to review local and national developments, which continue to be monitored regularly. This includes the proposed business rate retention consultation, and any proposals for fairer funding arrangements.</b></li> </ul>	<ul style="list-style-type: none"> <li>Information gathering and a watching brief on national and local developments – ongoing.</li> <li>Reviewing a range of policies, statistics and potential scenarios and keeping a watching brief nationally</li> </ul>	 Likelihood Impact	 Likelihood Impact	<b>Substantial</b>	<b>Improving</b>
6.	Meet the emerging changes required in the Council's culture, behavior and skills to support the delivery of the council's Vision 2020 and the transformational journey to a "performance culture".	CS	<u><b>Creative &amp; Aware</b></u>  People	<ul style="list-style-type: none"> <li>Leadership development delivered to CMT, Assistant Directors and Service Managers</li> <li>New HR Manager in post.</li> <li>Lead roles within HR developed for Health and Wellbeing and Performance.</li> <li>New People Strategy and action plan developed, approved March 2017</li> <li>New appraisal system implemented – June 2017</li> <li>Coaching Programme for CMT, Assistant Directors and Service Managers to be delivered – started August 2017</li> </ul>	<ul style="list-style-type: none"> <li><b>Implementation of People Strategy action plan – annual review.</b></li> <li><b>Staff Recognition scheme to be rolled out in Q3</b></li> <li><b>Volunteering programme being put together to support people strategy enhance staff wellbeing and corporate social responsibility– CLT in Nov-Dec 2017</b></li> <li><b>Further coaching programme to be made available for team leaders – TBC</b></li> <li><b>CMT to evaluate Coaching programme – Dec/Jan 2018</b></li> </ul>	 Likelihood Impact	 Likelihood Impact	Substantial	<b>Improving</b>

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
7.	Ensure sufficient levels of resilience and capacity exist in order to deliver key strategic projects within the Council	CX	<b><u>Creative &amp; Aware</u></b>  Projects & Major Change	<ul style="list-style-type: none"> <li>BCP Plans in place for critical services</li> <li>New Vision 2020 launched, with associated 3 year programme, forming basis of service plans and priorities</li> <li>Strategic Projects reported on a quarterly basis to CMT/Exec/PSC</li> <li>Programme Boards established for key strategic projects.</li> <li>Draft MTFS 2017-22 allocates resources in line with Vision 2020.</li> <li>Lincoln Project Management model in place including allocation of Project Managers, Sponsors, appropriate project management records and Identification of critical tasks within specific project plans</li> <li>Regular reporting of other all Strategic Plan schemes</li> <li>Development of skills and abilities of key leaders and staff through Leadership Development Programme</li> <li>New Director of Communities &amp; Environment in place.</li> <li>New position of Major Developments Director established and recruited</li> <li>Restructure of MDD complete with staff resources allocated.</li> </ul>	<ul style="list-style-type: none"> <li>Allocation of further resources of £140k to areas needed further capacity (continued utilisation during 2017/18)</li> <li>Recruitment to two vacant Assistant Directors posts from August 2017</li> <li>Appointment to new AD- Regeneration in progress – start January 2018</li> <li>DCE has appointed additional S3 resource to support project delivery</li> <li>DMD – deliberate slowing down of some phase 2 projects to concentrate on key priorities for 17/18</li> <li>CMT to undertake a review of existing commitments to fit capacity (financial and resource) to project expectations – mid Sept 2017</li> <li>Service planning 2018/19 to ensure capacity exists before commitments made</li> <li>Further recruitment process to take place to recruit to AD – Strategic Development in new</li> </ul>			Substantial	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> <li>Restructure of Housing /Regeneration approved</li> <li>Some temporary additional resource has been provided within Finances</li> <li>CX recruited temporary CFO to bring stability to the service</li> </ul>	year. Interim arrangement to be put in place – Oct/November 2017				

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**SUBJECT:               HOUSING BENEFIT OVERPAYMENTS**

**DIRECTORATE:       CHIEF EXECUTIVE AND TOWN CLERK**

**REPORT AUTHOR:   CLAIRE MOSES, REVENUES AND BENEFITS MANAGER  
                          (SHARED SERVICE)**

**1.     Purpose of Report**

- 1.1    To provide Performance Scrutiny Committee with an update on the recovery of Housing Benefit overpayments, as agreed by this committee on 17 August 2017.

**2.     Executive Summary**

- 2.1    This report sets out how officers intend tackling the outstanding Housing Benefit (HB) overpayments debts.
- 2.2    Appendix 1 to this report show the outstanding HB overpayments by status. A verbal explanation of this appendix will be given at the meeting of this committee, on 23 November 2017.

**3.     Background**

- 3.1    Housing Benefit overpayments can occur for a variety of reasons;
- Customers not promptly notifying of a change of circumstances affecting their entitlement to HB;
  - Delays in re-assessment of HB once a change has been reported to the Benefits Officer;
  - Fraudulently-claimed HB;
  - Error made in assessment of HB by the local authority; and
  - Error made by the Department for Work and Pensions (DWP) and Her Majesty Revenues & Customers (HMRC) in one of the benefit or incomes used in the assessment of Housing Benefit entitlement.
- 3.2    Due to the nature of the relatively large amounts of HB being paid over an extended period, individual overpayments can be sizeable and for some debts, these take many years to recover at standard weekly rate deductions from ongoing HB entitlement and DWP benefits.
- 3.3    In February 2012, a joint Recovery Team was formed as part of the shared service staffing restructure. The team is responsible for the recovery of outstanding HB overpayments – as set out in paragraph 5 of this report.

**4.     Value and Extent**

- 4.1    Currently, the value of outstanding overpayments for City of Lincoln is £4,121,223. The recovery of overpayments can be at different stages and these are usually broken

down into two areas – Live HB claim or Sundry Debtor.

Appendix 1 to this report shows the current recovery status of HB overpayments for City of Lincoln. It provides a breakdown of the number and value of overpayments for both council and private tenants. Officers have used a number of reports to obtain the figures within this appendix, however, it has been noted that there is minor duplication of some figures – this is being investigated and an updated table will be provided at the meeting of this committee.

- 4.2 To provide context in relation to these figures, the table below shows the value of overpayments raised so far in 2017/18 and how this equates, in percentage, to the total value of HB paid out to (as at the mid-year estimate for 2017/18): -

Authority	Total Overpayment value	Total HB estimated to be paid	%
City of Lincoln	£864,369	£31,190,713	2.77%

- 4.3 The Benefits Service is required to look at each claim on its merits, and where the overpayment has been caused by the claimant failing to report a change in their circumstances, they are notified of the overpaid amount and advise that the amount is required to be repaid.

Overpayments caused by claimant error will always be recoverable unless there are very exceptional circumstances, for example, terminal illness or severe medical condition of the customer.

If an overpayment is caused by a landlord or DWP error, the debt is recovered directly from them.

If the overpayment has been caused by the Benefits Service making an error, the overpayment will also be recoverable providing the authority are satisfied that it was reasonable to assume that the customer would have been aware from calculation notices that there was an error.

- 4.4 It is important that each overpayment is classified and a record of it is maintained so the correct rate of subsidy can be claimed and informed decisions can be made on recoverability.
- 4.5 The subsidy arrangements also act, at least in part, as an incentive for Local Authorities (LAs) to classify and recover overpayments correctly. In most cases when overpayments are recoverable a LA may keep both the amount they recover and the subsidy. For example, a claimant is overpaid £200.00 and this is claimant error – this attracts 40% subsidy – as a result, the maximum amount the LA is allowed to keep is £280.00 (£200 from the original overpayment and £80 from the 40% subsidy).
- 4.6 Classifying an overpayment is essential to the overpayment process and should be correctly carried out at the outset when an overpayment is identified. Each overpayment type will also have its own subsidy rate as shown below (2017/18 rate):-
- Eligible overpayments
    - Claimant error – 40% subsidy rate
    - Claimant Fraud – 40% subsidy rate

- Local Authority (LA) error
  - If lower than the lower threshold set by DWP – 100%
    - City of Lincoln = £148,096
  - If greater than the lower threshold but does not exceed upper threshold set by DWP – 40%
    - City of Lincoln = £166,068
  - If exceeds upper threshold – 0%
- DWP error
  - Department error – 100%
- Technical error (benefit created in advance of entitlement) – 0%

To provide context, for 2016/17, the table below shows the maximum amount City of Lincoln could keep if overpayments raised were recovered in full: -

Total paid during 2016/17 (£)	HB out	Overpayment error type	Value of error (£)	Subsidy Rate %	Additional Subsidy (£)
£32,947,300		Claimant error + Fraud	£846,507	40%	£338,603
		LA error	£129,988	100%	£129,988
		DWP error	£4,528	100%	£4,528
		Technical error	£10,945	0%	£0
		<b>Total errors</b>	<b>£991,968</b>		<b>£473,119</b>

- 4.7 The information in the tables above show, if overpayments are recovered in full, City of Lincoln would benefit from a maximum additional income in subsidy of £473,119.

## 5. Current roles and responsibilities

- 5.1 Overpayments can be costly to recover and money lost through reduced subsidy and the costs of recovery overpayments comes from the LAs overall budget. Therefore, it is important to ensure that in addition to preventing overpayments occurring, every effort is made to recover them.
- 5.2 As part of their duties, Benefit Assessment staff are responsible for analysing new information received and declared changes in claimants' circumstances, and actioning any resulting amendments to entitlement. Where an amendment gives rise to an overpayment, staff will also be responsible for determining, in accordance with specific rules and guidance, the classification of the overpayment (for correct subsidy rate), whether the overpayment is actually recoverable and if so, the appropriate mechanism for recovery.

During 2016/17 the Housing Benefit Section actioned 23,927 change in circumstances for City of Lincoln customers.

The above figures do not include changes received during March as the majority are rent increase and new financial year uprating's which are unlikely to create an overpayment – a total of 14,426.

- 5.3 The Benefits Officers undertake specific actions with regards to the recovery of the overpayment – with the most effective being: -
- **From arrears of HB that become payable:** If the customer has a payment of Housing Benefit arrears at the time an overpayment is created, the arrears, or underpayment, can be used to reduce or offset the overpayment.
  - **Deduction from ongoing Housing Benefit:** If a HB claim is in payment, the Benefits Officer will set recovery from ongoing HB entitlement – this will result in the customer receiving a reduced rate of HB until the overpayment has been recovered in full. As claims for HB move over to Universal Credit (UC) (only those within the scope of UC), this recovery function will no longer be available as there will no longer be a live HB claim in payment. As a result of this, the overpayment will be classed as a sundry debt and recovery from ongoing Universal Credit award would need to be sought. Currently, the recovery of Housing Benefit overpayments from ongoing UC is 16<sup>th</sup> on the debt recovery list (with debts such as rent arrears, Council Tax, Water, gas, electric and preceding this).
  - **Transferring to the rent account:** Where the customer is a Council tenant.
- 5.4 The current rules which prescribe the maximum permitted rate of recovery where deductions are to be made from a claimants on-going HB came into effect in October 2000 and are uprated each April. There are two maximum permitted rates of deduction depending on whether or not the overpayment has arisen as a result of fraud. Where the claimant has been found guilty of fraud, the maximum deduction is £18.50 per week. In any other case, the permitted maximum deduction is £11.10 per week. These are revised / uprated by the Department for Work and Pension each year.
- 5.5 A separate overpayment recovery team will deal with debt negotiation, payment monitoring and the more specialised recovery procedures as detailed below: -
- Deduction via the Department for Work & Pensions (DWP) from another state benefit
  - Deduction from on-going Benefit via other authorities where the customer is currently claiming
  - Debit against the Rent Account (Council Property, Rent Rebate) normally only in cases where the claimant has requested, or there is a credit on the rent account
  - Debit against Council Tax Account (Council Tax Support only)
  - Deduction from Landlord direct payments
  - Invoice to claimant or invoice to landlord (direct payment only)
  - Attachment of earnings - with leave of a Court Order
- 5.6 Both teams will aim to ensure that customers are receiving all assistance / benefits they are entitled to, so refer cases to the Welfare Team / Citizens Advice wherever appropriate.
6. **Review of HB overpayments during 2017**

- 6.1 During the last nine months, a Recovery Officer has been tasked with undertaking a review of City of Lincoln overpayments, not at sundry debt stage and currently set with a deduction from ongoing Housing Benefit – a total of 1,006 cases. The officer has worked on average 1.5 days per week and in this time has reviewed 782 cases.
- 6.2 The officer was issued with guidance which is included in Appendix 2 of this report. The guidance provided minimum weekly recovery values – for all overpayments types, with an increased value for overpayments classified as ‘Fraud’.
- 6.3 The table below shows the outcome of this work, and the reduction of outstanding overpayments by £102,130: -

**City of Lincoln:**

	Number of customers with an outstanding overpayment	Outstanding overpayment not at Debtors
December 2016	1,006	£920,737
October 2017	816	£818,607
<b>Reduction</b>	<b>190</b>	<b>£102,130</b>

- 6.4 It is clear, that having an officer working on the outstanding list has made a significant reduction on the outstanding overpayments. In reviewing the work undertaken so far, Officers are confident more can be done – which is detailed in paragraph 7.1 of this report.

## **7. Action plan – 2017/18**

- 7.1 The following actions will be undertaken during quarter 3 and 4 of 2017/18: -
1. The recovery officer will continue to review the remaining City of Lincoln cases during November and December 2017;
  2. A review of recovery rates will begin – as the overpayments guide (Appendix 1) requires a 12 month review of the deductions which have been set. It is important to keep these under review and customers can contact the team and ask them to be changed (if they have had a change in their income / HB award);
  3. Once the second review of the overpayments has been completed, these will then be reviewed every 2 months - to ensure deductions are not being reduced unnecessarily and recovery of the overpayment is on track;
  4. During Quarter 3, there will be a detailed analysis of cases at sundry debtor.

## **8 Action plan – 2018/19**

- 8.1 A report will be presented to the Revenues and Benefits Joint Committee on 27 February 2018, analysing the outcome of the work undertaken above, along with a

timetable of work for 2018/19 which is likely to include : -

- a) At this stage, Officers do feel that in order for this project to be successful and to effectively reduce outstanding overpayment levels, the resource requirement would need to be increased to at least 1 FTE. The role would be obtained from the current Benefits establishment and would lead and actively monitor outstanding balances, ensuring the correct rate of recovery is applied, making and reviewing arrangements, ensuring write off's are actioned quickly, ensuring overpayments are sent to debtor quickly and efficiently.
- b) Ensure ongoing reviews of outstanding and new overpayments are undertaken every 2 months to maximise the available recovery rate and ensure proactive recovery is being undertaken. This will be particularly important for overpayments created by Right Benefit Initiative (RBI) – whilst processing RBI ensures a reduction in fraud and error within the system, there is a significant impact to the number of overpayments raised and the required recovery of these. Since July 2017, a total of 355 overpayments have been created for City of Lincoln. This has resulted in an increase of overpayment levels of £140,122. It is important that both Council's continue with the RBI work – the information is provided directly from HMRC and allows for Housing Benefit claims to be updated automatically without the need to contact the customer and wait for them to provide the information. Although the overpayments created are significant, in undertaking this work, once changes have been made, the customers claim is accurate
- c) Officers will undertake a review of all overpayments with an outstanding value above £1,000. This will then be put into a table to show the value of the overpayment, weekly recovery rate and the balance by 2020 (undertaken for working and pension age). In doing this, the information will be used for future decision making with regards to potential write offs of 'uncollectable' overpayments.
- d) A separate action plan will be devised for overpayments at sundry debt stage.

## **9. Strategic Priorities**

- 9.1 City of Lincoln Vision 2020 - Let's Reduce Inequality". To look to protect the poorest people. The Benefits Service plays a key role in reducing poverty and disadvantage by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section are also mindful of the strategic priorities when engaging with business ratepayers as they recover the business rate. Digital Inclusion, Channel Shift, Financial Inclusion and Partnership Working are all key priorities for the shared service.

## **10. Organisational Impacts**

- 10.1 Finance: There would be a positive financial implication arising from this report in relation to the reduction in outstanding Housing Benefits overpayments.

- 10.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.
- 10.3 Land, property and accommodation: There are no direct implications arising from this report.
- 10.4 Human Resources: There are no direct implications arising from this report.
- 10.5 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required) – There are no direct Equality, Diversity or Human Rights implications arising from this report.
- 10.6 Significant Community Impact: There is no change in policy / strategy or the way the service is being delivered.
- 10.7 Corporate Health and Safety implications: There are no corporate Health and Safety implications.

## **11. Risk Implications**

- 11.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

## **12. Recommendation**

- 12.1 Members are asked to note this report.

**Is this a key decision?** ~~Yes~~/No

**Do the exempt information categories apply?** ~~Yes~~/No

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

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

Appendix 1: Outstanding HB overpayments by status  
Appendix 2: Overpayment recovery guidance

**List of Background Papers:** None

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

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APPENDIX 1 – City of Lincoln Performance and Resources Scrutiny Committee - 23  
November 2017 – Housing Benefit Overpayments – Breakdown of current statuses of  
outstanding Housing Benefit overpayments

<u>City of Lincoln</u>	Council Tenant	Council Tenant	Private Tenant	Private Tenant
	Numbers	Amount £	Numbers	Amount £
Invoice	172	214,467	320	549,861
Reminder	47	45,388	86	101,139
Final	813	416,134	1,900	1,266,167
Attachment Of Benefit	21	20,274	39	39,017
Court Costs	0	0	6	9,071
NFA – Further enquiries to be made	9	2,490	61	64,377
Query	2	945	2	5,490
Stacked	40	27,865	84	106,132
Write Out	1	10,818	0	0
Write Out Bankruptcy	4	8,481	11	14,008
Write Out Deceased	5	6,272	2	10,159
Write Out No Further Action	1	5,753	1	12
Totals	1,115	758,887	2,512	2,165,433
Deducted from ongoing benefit		1,193,197		

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## **Overpayment Schedule Recovery Guidance 2017-18**

The aim of the guidance is to assist officers when making decisions on the amount an overpayment schedule recovery should be reduced to.

**Please ensure the customer has completed an income and expenditure form before making a decision.**

The following amounts can be agreed:

<b>If the customer has no shortfall between income and expenditure or if the excess income is less than £10.00</b>	<b>Minimum weekly schedule recovery is: £3.70</b>
<b>If the customer has an excess income of between £10.00 and £20.00</b>	<b>Minimum weekly schedule recovery is: £7.40</b>
<b>If the customer has an excess income of over £20.00</b>	<b>Minimum weekly schedule recovery is: £11.10</b>

The following amounts can be agreed for overpayments created as a result of fraud:

<b>If the customer has no shortfall between income and expenditure or if the excess income is less than £10.00</b>	<b>Minimum weekly schedule recovery is: £7.40</b>
<b>If the customer has an excess income of between £10.00 and £20.00</b>	<b>Minimum weekly schedule recovery is: £11.10</b>
<b>If the customer has an excess income of over £20.00</b>	<b>Minimum weekly schedule recovery is: £18.50</b>

**Please ensure that you consider where the customer has excess income, that it is sustainable and would be reasonable to live off for any length of time.**

**Please ensure you are taking any earned income disregards into consideration when setting schedule recovery amounts.**

**Any arrangements should be reviewed in 12 month time.**

**SUBJECT: BUDGET REVIEW PROCESS 2018/19**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER**

## **1. Purpose of Report**

- 1.1 To present to Members the process for the scrutiny of the proposed budget and Council Tax for the 2018/19 financial year and the Medium Term Financial Strategy 2018-2023.

## **2. Background**

- 2.1 The Council's Medium Term Financial Strategy (MTFS) sets out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's Strategic Priorities.
- 2.2 The Council's scrutiny function has an important role to play in providing a challenge during the development of the MTFS questioning the assumptions behind the budget and examining the principles and planning process that underlie its development.
- 2.3 The scrutiny of the budget should be as inclusive as possible and members should have sufficient background and understanding of the issues affecting the budget so it is important that there are opportunities for all members to be involved in the development of the budget and MTFS so that they fully understand the financial position of the Council. It is also important that there is an effective scrutiny in place of the proposed budget in order to support the Executive in reaching the right decisions with regard to finances.
- 2.4 In previous years the Council has tried different processes to ensure a robust scrutiny of the budget. Having reflected on the different approaches it is felt that the process adopted in recent years, which operated a hybrid of all member awareness sessions along with separate review process involving members of the scrutiny and audit committees, is the most effective approach.

## **3. Proposed Process for 2018/19**

- 3.1 It is proposed that the scrutiny of the budget is undertaken in two separate stages; firstly all members will be invited to a briefing session which will;
- assist them to gain a greater understanding of the financial environment in which the Council is currently operating;
  - provide the opportunity to ensure that they are up to date with the latest changes in local government finance, and;
  - understand the impacts that these conditions have had on the financial

position of the Council, the issues that it faces and how the Council is responding to these.

This briefing session will afford all members the opportunity to gain a greater understanding and awareness of the Council's financial position, thus aiding further scrutiny of the budget and in the case of the opposition party if desired the preparation of an alternative budget.

- 3.2 Secondly, a more traditional scrutiny process will be undertaken to review in more detail the MTFS and the robustness of the proposed budget options and Council Tax for the 2018/19 financial year. This will be undertaken in a committee format as the Budget Review Group with the appropriate governance arrangements in place.
- 3.3 The main objective of the Group will be to examine the principles and planning process that underlie the proposed budget and Council Tax to be recommended by the Executive for the 2018/19 financial year. In general the Group's aim will be to establish that at each stage the budget;
- is clear, focused, achievable, realistic and based on sound financial practices;
  - has clear linkages with corporate and other plans that form the Policy Framework to establish that they are identifiable and designed to improve services in the Council's strategic priority areas
- 3.4 It is proposed that the following governance arrangements shall be in place for the Group;
- The Group will be made up of 9 non-Executive Members with a 7:2 proportionality share
  - The Group will be a sub group of the Performance Scrutiny Committee, although Members do not have to be Members of this committee.
  - The chair of the Group will be the Chair of the Performance Scrutiny Committee
  - The Group will be the main mechanism by which the Executive will formally consult scrutiny on the consideration of their budget proposals.
  - The meetings will be held in public and will be administered by Democratic Services.
  - Specific Portfolio Holders and Directors (or Assistant Directors) will be invited to attend the meetings of the group or be requested to provide written responses if so required.
  - Advice will be provided to the Group members by officers from the Council's Financial Services Team.

- The Chair of the Group shall be required to provide a report to the next full Performance Scrutiny Committee summarising the Groups findings and making recommendations to the Executive.

3.5 Party Groups were asked to submit nominations to the group, with the following Members nominated:

Councillor Hewson (Chair)	Councillor (TBC)
Councillor Speakman (Vice Chair)	Councillor (TBC)
Councillor J Kirk	
Councillor Brothwell	
Councillor Bushell	
Councillor Gowan	
Councillor Hanrahan	

3.6 The following timetable is proposed for the process for 2017/18.

Executive – Approve draft budget proposals for 2018/19 and Medium Term Financial Strategy	22 <sup>nd</sup> January 2018
All Member Briefing <ul style="list-style-type: none"> <li>• Current financial climate</li> <li>• Latest developments in local government finance</li> <li>• Impact on the Council and the Council's strategy for responding</li> </ul>	30 <sup>th</sup> January 2018
Budget Review Group – presentation of the MTFS 2018-2023 and the proposed budget and Council Tax for 2018/19.	7 <sup>th</sup> February 2018
Performance Scrutiny Committee – Consider response from Budget Review Group and refer to the Executive	22 <sup>nd</sup> February 2018
Executive – Consider response from the Performance Scrutiny Committee and approve for referral to Council the final budget proposals for 2018/19 and Medium Term Financial Strategy	26 <sup>th</sup> February 2018
Council – Approval of budget proposals and Council Tax for 2018/19 and Medium Term Financial Strategy	27 <sup>th</sup> February 2018

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

- 4.1 The budget process sets the resources in support of the Council's Strategic Priorities and determines the Service Plans for the year ahead. Effective scrutiny of the budget process should support the Executive in reaching the right decisions with regard to finances.

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

- 5.1 Finance – There are no direct financial implications arising as a result of this report.

- 5.2 Legal – There are no direct legal implications arising as a result of this report.

#### **6. Risk Implications**

- 6.1 There are no specific risks associated with this report.

#### **7. Recommendation**

- 7.1 Members are asked to:

- a) Note the objectives and confirm the governance arrangements of the Budget Review Group for 2018/19 as set out in paragraphs 3.3 – 3.4
- b) Note the timetable for the Group as set out in paragraph 3.6
- c) Confirm the nominations for membership of the Group, as set out in paragraph 3.5, including the Chair and Vice Chair.

**Is this a key decision?** No

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

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

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

**List of Background Papers:** None

**Lead Officer:** Robert Baxter, Interim Chief Finance Officer  
Telephone (01522) 873361



**PEFORMANCE SCRUTINY COMMITTEE****23 NOVEMBER 2017**

**SUBJECT: WORK PROGRAMME FOR 2017/18**

**REPORT BY: CHIEF EXECUTIVE AND TOWN CLERK**

**LEAD OFFICER: CLAIRE TURNER, DEMOCRATIC SERVICES OFFICER**

**1. Purpose of Report**

- 1.1 To present members with the Performance Scrutiny Committee work programme for 2017/18 (Appendix A).

**2. Background**

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

**3. Recommendation**

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

**Access to Information:**

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

No

**Key Decision**

No

**Do the Exempt Information Categories Apply**

No

**Call In and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?

No

**Does the report contain Appendices?**

Yes

**If Yes, how many Appendices?**

1

**Lead Officer:**

Claire Turner, Democratic Services Officer  
Telephone 873619

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**15 June 2017 (*Monitoring Overview*)**

Item(s)	Responsible Person(s)	Vision 2020 Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Members	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2017-18 – Update	Democratic Services	Regular Report
Identify subject item for next Thematic Review (HR Corporate Performance Statistics – agreed at meeting held on 16 Feb 2017)	Democratic Services	Regular Report
<b>Monitoring Items</b>		
Financial Performance (Detailed): Outturn 2016/17 Quarter 4	Rob Baxter	Quarterly Report Professional High Performing Services
Performance Monitoring Outturn 2016/17	Pat Jukes	Quarterly Report-Professional High Performing Services
Vision 2020 Performance Reporting Infrastructure	Jay Wilkinson	New Report-Professional High Performing Services
Treasury Management Stewardship and Actual Prudential Indicators Report 2016/17 (Outturn)	Rob Baxter	Six Monthly Report Professional High Performing Services
Strategic Plan Progress Quarter 4 2016-17	Rob Baxter	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report	Rob Baxter	Quarterly Report Professional High Performing Services
Central Lincolnshire Local Plan Annual Report 2016/17	Toby Forbes-Turner	Annual Report Lets Drive Economic Growth

## 13 July 2017 (Thematic Review)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2017-18 – Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Professional High Performing Services
Portfolio Under Scrutiny Session – Corporate Management and Customer Services	Portfolio Holder	Annual Session Professional High Performing Services
Economic Growth Report	Kate Ellis	Regular Report Lets Drive Economic Growth
<b>Thematic Review</b>		
HR Corporate Performance Statistics	Claire Burroughs	Thematic Review Professional High Performing Services
<b>Monitoring Item(s)</b>		
Christmas Market Outturn Report 2016	Simon Colburn	Annual Report Lets Drive Economic Growth

**17 August 2017 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2017-18	Democratic Services	Regular Report
City of Lincoln Council Annual Report 2017	James Wilkinson	Regular Report
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 1	Rob Baxter	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 1	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Projects Implementation: Quarterly Monitoring: Quarter 1	Rob Baxter	Quarterly Report Professional High Performing Services
Quarterly Strategic Risk Register Report-Quarter1	Jaclyn Gibson	Quarterly Report Professional High Performing Services
Revenues and Benefits Shared Service Update'	Claire Moses	Quarterly Report Professional High Performing Services
Income/Arrears Monitoring report	Claire Moses	Annual Report Professional High Performing Services

**5 Oct 2017 (Thematic Reviews)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2017-18 – Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Drive Economic Growth
Portfolio Under Scrutiny Session – (Planning and Regeneration)	Portfolio Holder	Annual Session Lets Drive Economic Growth
Reduce Inequality Report	Angela Andrews	Regular Report Lets Reduce Inequality
<b>Monitoring Items</b>		
Scrutiny Annual Report	Democratic Services	Annual Report Professional High Performing Services
City of Lincoln Profile	Pat Jukes	Annual Report Lets Reduce Inequality
<b>Other Item(s)</b>		
Bus Station Costs	Simon Walters	Requested at Committee–17 Aug 2017 Lets Deliver Quality Housing

**23 November 2017 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Serv	Regular Report Lets Deliver Quality Housing
Work Programme for 2017-18 – Update	Democratic Serv	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Reduce Inequality
Portfolio Under Scrutiny - Social Inclusion & Community Cohesion	Portfolio Holder	Annual Session Lets Reduce Inequality
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 2	Rob Baxter	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 2	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Projects Implementation: Quarterly Monitoring: Quarter 2	Rob Baxter	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 2	Rob Baxter	Quarterly Report Professional High Performing Services
Treasury Management and Prudential Code Update Report – Half Yearly Report	Rob Baxter	Half Yearly Report Professional High Performing Services
Performance Report-CMS	B Ledger/ M Hillman	Annual Report Lets Deliver Quality Housing
<b>Other item(s)</b>		
Budget Theme Group – Nominees-	Jaclyn Gibson	Annual Appointment Professional High Performing Services
Christmas Market Stalls/Budget – Brief pre event report	Simon Colburn	Requested Lets Drive Economic Growth
Action Plan- Housing Benefits Overpayment	Martin Walmsley	Requested 17 Aug 2017 Professional High Performing Services

25 January 2018 (*Thematic Reviews*)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2017-18 - Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Deliver Quality Housing
Portfolio Under Scrutiny Session – Housing	Portfolio Holder	Annual Session Lets Deliver Quality Housing
Quality Housing Report	Bob Ledger	Regular Report Lets Deliver Quality Housing
<b>Thematic Review</b>		
Central Market Review	Kate Ellis	Requested 17 Aug Ctte Lets Drive Economic Growth
Thematic Review Homelessness Deferred from March 2017	A Timmins/B Ledger	Lets Deliver Quality Housing
<b>Monitoring Item(s)</b>		
Christmas Market Outturn 2017- Update	Simon Colburn	Pre Annual Report Lets Drive Economic Growth



**22 February 2018 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2017-18 - Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Lets Enhance Our Remarkable Place
Portfolio Under Scrutiny Session – (Recreational Services and Health )	Portfolio Holder	Annual Session Lets Enhance Our Remarkable Place
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 3	Rob Baxter	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 3	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Projects Implementation: Quarterly Monitoring: Quarter 3	Rob Baxter	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 3	Rob Baxter	Quarterly Report Professional High Performing Services
Feedback from Budget Review Group	Jaclyn Gibson	Annual Report Professional High Performing Services

**29 March 2018 (*Thematic Reviews*)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Draft Work Programme for 2018/19	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Vision 2020 (Mixed)
Portfolio Under Scrutiny Session – Environmental Services and Public Protection	Portfolio Holder	Annual Session Vision 2020 (Mixed)
Remarkable Place Report	Simon Walters	Regular Report Lets Enhance Our Remarkable Place
<b>Other item(s)</b>		
Christmas Market 2017 Outturn Report	Simon Colburn	Annual Report Lets Drive Economic Growth
High Performing Services Annual Update	Angela Andrews	Annual Progress Report Professional High Performing Services

### Portfolio Under Scrutiny Sessions

Date	Portfolio
13 July 2017	Corporate Management and Customer Services
5 October 2017	Planning Policy and Economic Regeneration
23 November 2017	Social Inclusion and Community Cohesion
25 January 2018	Housing
22 February 2018	Recreational Services and Health
29 March 2018	Environmental Services and Public Protection

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<b>SUBJECT:</b>	<b>EXCLUSION OF THE PRESS &amp; PUBLIC</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>CAROLYN WHEATER, MONITORING OFFICER</b>

**1. Purpose of Report**

- 1.1 To advise members that any agenda items following this report are considered to contain exempt or confidential information for the reasons specified on the front page of the agenda for this meeting.

**2. Recommendation**

- 2.1 It is recommended that the press and public be excluded from the meeting at this point as it is likely that if members of the press or public were present there would be disclosure to them of exempt or confidential information.

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