

EXECUTIVE

Monday, 27 November 2017
6.00 pm
Committee Room 1, City Hall

Membership: Councillors Ric Metcalfe (Chair), Donald Nannestad (Vice-Chair), Rosanne Kirk, Neil Murray, Fay Smith and Peter West

Officers attending: Rob Baxter, Angela Andrews, Democratic Services, Kate Ellis, Bob Ledger, Simon Walters and Carolyn Wheeler

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MINUTES AND EXTRACTS

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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.

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

In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, notice is hereby given of items which will be considered in private, for which either 28 days' notice has been given or approval has been granted by the appropriate person specified in the Regulations. For further details please visit our website at <http://www.lincoln.gov.uk> or contact Democratic Services at City Hall, Beaumont Fee, Lincoln.

The following items are being considered in private as they are likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations have been received in relation to the proposal to consider these items in private.

SECTION B

CORPORATE MANAGEMENT & CUSTOMER SERVICES

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Present: Councillor Ric Metcalfe (*in the Chair*),
Councillor Donald Nannestad, Councillor Rosanne Kirk,
Councillor Neil Murray, Councillor Fay Smith and
Councillor Peter West

Apologies for Absence: None.

65. Confirmation of Minutes - 25 September 2017

RESOLVED that the minutes of the meeting held on 25 September 2017 be confirmed.

66. Declarations of Interest

Councillor Donald Nannestad declared a Disclosable Pecuniary Interest in minute number 67 as the report made reference to allotments and he currently leased an allotment from the City Council. A dispensation had been granted to all members who had a Disclosable Pecuniary Interest for any license to occupy land in the area of the authority for a month or longer and the nature of the business specifically related to the consideration of the Council's Medium Term Financial Strategy as a whole. Councillor Nannestad therefore remained in the meeting during consideration of the item.

67. Setting the 2018/19 Budget and Medium Term Financial Strategy 2018/19 – 2022/23

Purpose of Report

To inform the Executive of the likely challenges ahead in preparing for the 2018/19 and future years budget, to set out the parameters within which the Council would prepare these budgets and to confirm the Council's approach to development of the budget and Medium Term Financial Strategy.

Decision

The Executive:

- (a) Noted the significant financial challenges that the Council faced.
- (b) Noted the projected budget parameters for 2018/19 and future years and noted the planning assumptions as set out in Appendix A to the report.
- (c) Noted the budget, strategic and service planning preparation programme as set out in Appendix B to the report.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report set out an update on the current economic climate, together with an overview of public sector and local government finance since the Autumn Statement in 2016. Included in the report was information relating to the Chancellor's 2017 Budget announced in March 2017, specifically in relation to the following topics:

- business rates appeals;
- 100% business rates retention;
- Lincolnshire pilot for 100% business rates retention;
- general fund implications;
- capital programme implications;
- housing revenue account implications.

The preparation of the budget and Medium Term Financial Strategy was based on assumptions for a number of key variables such as business rates, government grants, council tax levels, inflation rates and interest rates. These assumptions were revised on a continual basis in light of the most recent intelligence available. It was noted, therefore, that these would be subject to change as the development of the budget progressed. The changes to some of these assumptions created both unavoidable budget pressures as well as the opportunity to realise savings. At this stage, the impact on the general fund was outlined in the table at paragraph 5.6 of the report and in more detail at Appendix A to the report.

In respect of savings targets, the Towards Financial Sustainability Programme was and continued to be the vital element in ensuring that the Council maintained a sustainable financial position and delivered the required reductions in the net budget. The Programme had been re-aligned into three key strands to achieve savings which were:

- commercialisation – optimisation of usage and commercial returns of the City's property and land portfolio;
- asset rationalisation – generation of new income streams and commercial trading opportunities;
- shared services/savings – ensure the provision of professional, high performing services.

Progress, as at September 2017, in delivering the target savings from the Towards Financial Sustainability Programme was set out in the table at paragraph 5.12 of the report. It was noted that the delivery of the current strategy and programme would leave the Council in a reasonable position to achieve the current savings targets for 2017/18. It was still necessary, however, to retain the overall emphasis on delivering the savings targets in order to achieve the current or potential stretched targets.

Further information was set out in the report regarding the housing revenue account, the capital strategy and consultation undertaken as part of the authority's council tax setting process.

68. Equality, Diversity and Human Rights Policy Review

Purpose of Report

To consider the Council's Equality, Diversity and Human Rights Policy for approval.

Decision

That the proposed changes to the Equality, Diversity and Human Rights Policy be approved and that the next review be undertaken in September 2019.

Alternative Options Considered and Rejected

None.

Reason for Decision

A light touch review of the Equality, Diversity and Human Rights Policy was undertaken in 2014 to check the document remained fit for purpose and accurately reflected responsibilities within the Council. A further review took place in 2016 and the current review ensured that the document aligned with the Council's Vision 2020 and updated responsibilities in line with recent changes in the Council.

The Equality and Diversity Group had considered and supported the proposed amendments to the Policy at the September meeting of the group.

69. Lincoln City Profile 2016/17

Purpose of Report

To provide the Executive with an opportunity to consider the Lincoln City Profile for 2016/17, which was the updated version of the previous years' profile encompassing a breadth of information and focussing on key demographic and socioeconomic characteristics of, and challenges to, the city of Lincoln.

Decision

The Executive noted the findings of the Lincoln City Profile 2016/17 and approved it for publication, subject to the correction of typographical errors.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Lincoln City Profile acted as an evidence base behind the continued development and implementation of the City of Lincoln Council's Vision 2020 strategic priorities. A copy of the profile document was appended to the report.

The Leader of the Council said that this document demonstrated the authority sought to ensure that its policies and strategies were evidence based. It also made clear that the Council's current strategic priorities as part of its Vision 2020

were well-founded. He added that the document included matters which did not necessarily fall under the responsibility of the City Council, but assisted with the authority's community leadership role by influencing other strategic partners to address some of the issues highlighted.

It was suggested that the document should be sent to key strategic partners in order that it was publicised as widely as possible. The Chief Executive agreed to co-ordinate this.

The Leader of the Council, on behalf of the Executive, extended his thanks to the Council's Policy Team for the excellent piece of work.

70. Developers - Charges for bins

Purpose of Report

To consider an option under which the Council could seek cost recovery by implementing a charge for the cost of wheeled bin provision to new developments.

Decision

That the Executive:

- (a) Adopts the proposal to charge developers for wheeled bin provision, as set out in paragraph 5 of the report and outlined below.
- (b) That Community Services be included as a standard consultee for waste management issues within the Council's planning processes.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Council currently provided waste services by way of a tailored service and considered the needs of the property and practicalities of collection before deciding the type of receptacle for the waste. When a new property was built or redeveloped the Council should have input into what waste system was appropriate in order that it could provide suitable waste disposal facilities. A burden was being placed on the Council's existing bin purchase budget, which routinely overspent, and this proposal sought to address this by introducing a charge to developers of new or redeveloped properties where a new waste bin system was required.

The proposal included recovery of the cost of the bins and, additionally, small charges to cover delivery and administration so that the full costs of the provision were genuinely covered. Based on the existing cost burdens on the service, the following was proposed as a reasonable table of charges, regardless of whether they were black or brown bins:

- 140 litre - £22 per bin;
- 240 litre - £26 per bin;
- communal 660/1100 litre - £149 per bin.

It was proposed that delivery would be charged at £10 per bin, with administration being added at 10% of the total charge.

A brief assessment of charging by some other authorities was appended to the report.

71. Review of the Housing Appeal Panel Procedures

Purpose of Report

To consider proposed changes to the Housing Appeals Panel procedure.

Decision

That the proposed changes to the Housing Appeals Panel procedure be supported and recommended to Council for approval.

Alternative Options Considered and Rejected

None.

Reason for Decision

Recently it had become apparent that a number of procedural changes needed to be addressed within the Housing Appeals Panel procedure both to update them in view of the legal framework but also to provide a clear understanding of roles for members and officers.

The key changes proposed to be made to the Housing Appeals Panel procedure included the following:

- a reflection of legislative changes to:
 - review decisions to seek possession of dwelling-houses on absolute grounds for anti-social behaviour as required by Section 85A of the Housing Act 1985;
 - review decisions to seek possession of dwelling-houses following a Demoted Tenancy under Section 85A of the Housing Act 1985.
- a general update to the procedure's wording to better reflect the Housing Appeals Panel's remit;
- amendments to further formalise how the Housing Appeals Panel meetings would be conducted;
- the creation of Section 13 which set out a clear role for the Chair and allowed the Panel to take more of an active role within proceedings;
- standardisation of Housing Officer recommendations and Housing Appeals Panel decisions, whilst still allowing the Panel to exercise its discretion.

The revised procedure document was appended to the report.

72. Community Infrastructure Levy (CIL)

Purpose of Report

To advise the Executive on the current programme in respect of progressing Community Infrastructure Levy adoption by the City of Lincoln Council.

Decision

The Executive recommended:

- (a) That the Council approves the modifications as set out in the City of Lincoln Council Community Infrastructure Levy Examination Report to the Draft Charging Schedule, as set out in Appendix 1 to the report.
- (b) That the Council incorporates those modifications into the City of Lincoln Council's Community Infrastructure Levy Charging Schedule.
- (c) That the Council adopts the amended City of Lincoln Council Community Infrastructure Levy Charging Schedule, as set out in Appendix 2 to the report.
- (d) That the Council approves the supporting policies, as set out in Appendix 3 to the report.
- (e) That the Council implements the Community Infrastructure Levy Charging Schedule on a date as soon as practicable on or after 1 January 2018.
- (f) That the Council incorporates this additional function within its Constitution.

Alternative Options Considered and Rejected

An option to not adopt the Community Infrastructure Levy had been considered through the Central Lincolnshire Strategic Group. A recommendation to not proceed with this option was agreed on the basis that it would significantly weaken the ability to support the infrastructure needs resulting from the planned growth in Central Lincolnshire, particularly in respect of delivery of the Eastern Bypass and Secondary School provision.

Reason for Decision

Following the examination hearing into the City of Lincoln Council's Community Infrastructure Levy Draft Charging Schedule, which took place on 3 March 2017, the examiner produced a report on 24 May 2017 which concluded that, subject to the recommended modifications, the Council's draft Community Infrastructure Levy Charging Schedule would provide an appropriate basis for the collection of the Levy in the area.

Five modifications had been recommended for inclusion in the Draft Charging Schedule, as follows:

- provision of additional inset maps at a larger scale showing the location of the sustainable urban extensions;
- amendment of the rate for new residential development in Zone 1 to £25 per square metre;
- amendment of the rate for new residential development in Zone 2 to £20 per square metre;
- amendment of the description of Zone 2 to read 'Developments at Western Growth Corridor and North East Quadrant sustainable urban extensions';
- addition of a column for apartments and deleting the text 'Applicable to whole district' from the header'.

In addition, the recommended revised Community Infrastructure charging rates for residential development were as follows:

- Zone 1: Lincoln Strategy Area - £25 per square metre
Zone 2: SUE's (WGC & NEQ) - £20 per square metre

The recommended revised charging rates for convenience retail was £40 per square metre.

Subject to these modifications, it was noted that the Council would be able to demonstrate that it had sufficient, appropriate evidence to support the Schedule. The Schedule would strike an appropriate balance between the desirability of funding necessary infrastructure whilst ensuring that it did not put at risk the viability of development in the area, as set out in the Central Lincolnshire Local Plan.

The Council was seeking to implement the Charging Schedule alongside North Kesteven District Council and West Lindsey District Council in January 2018.

The Council's Policy Scrutiny Committee and Planning Committee had considered this report at their meetings on 10 October 2017 and 11 October 2017, respectively. The draft minutes of those meetings were appended to the report.

The Leader of the Council emphasised that this was an important funding source to support the necessary infrastructure associated with new development.

73. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was 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.

These items were considered in private as they were likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposal to consider these items in private.

74. Write-Outs/Irrecoverable Non Domestic Rates/Sundry Debts and Overpayment of Housing Benefit

Purpose of Report

To seek Executive approval to write out debts deemed irrecoverable in relation to non-domestic rates, sundry debts and overpayment of housing benefit.

Decision

That the write outs as set out in Appendices A, B and C to the report be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

Debts that were deemed to be irrecoverable were written out in accordance with the Council's write out policy. Authority was required from the Executive where the total outstanding amount on any individual account was over £5,000.

Appendices A, B and C included details of debts deemed as irrecoverable in respect of non-domestic rates, sundry debts and housing benefit.

It was noted that extensive work was undertaken, with every opportunity to recover debt explored, prior to reaching this stage of the process. Reference was made to instances of repeat offending both in terms of individuals and establishments and whether any further civil action could be undertaken. It was agreed that this issue would be considered further by the team, but that the cost of pursuing further action compared to the outstanding debt must also be taken into account.

75. Property Re-Structure

Purpose of Report

To seek Executive approval for a re-structure of the Council's Property Services team.

Decision

That the proposed re-structure of the Council's Property Services team be approved.

Alternative Options Considered and Rejected

As part of the consultation process an alternative option had been identified which did not include a specific post as part of the re-structure. This was deemed as not being financially beneficial.

Reason for Decision

The primary objective of the Property Services review was to identify means by which the Towards Financial Sustainability Programme savings target of £43,040 could be met. The review also brought the current structure up to date to meet the needs of the service and increased workload as a number of posts had changed significantly over the last few years, with honorariums being in place to reflect that. Specifically, increased workloads had occurred in the following areas:

- property rationalisation;
- new build housing;
- managed workspace and business support;
- health and safety - managing the responsible officer network and general building compliance.

The current structure was outlined in Appendix A to the report, with the revised structure set out in Appendix B. It was noted that the proposed re-structure did not comprise of any redundancies.

76. Lincoln Transport Hub

Purpose of Report

To provide information on the operating parameters and associated operating budgets for both the Lincoln Central Bus Station and the Lincoln Central Multi-Storey Car Park.

Decision

That the report be noted and the forecast budget be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The model used was based on previous decisions to operate the facilities under the principles of operating as an Ensuring Council, the approach adopted by the Council as its overriding ethos last year. It took into account the known or quoted costs, or best estimates based on informed advice, for both the Multi-Storey Car Park and Central Bus Station.

In respect of the Central Bus Station, a 'departure charge' for bus companies was still subject to negotiation. This was a charge levied against each bus departing from the bus station. Other considerations impacting the operating parameters and operating budgets included:

- opening hours;
- toilet availability;
- staffing;
- staffed reception and information desk;
- electricity, repairs, maintenance and running expenses.

The provision of the new Multi-Storey Car Park added considerably to the availability of parking in Lincoln. The car park would be open on a 24/7 basis which required staff support accordingly.

An overview of the estimated net operating costs on a year by year basis until 2021/22 was set out at paragraph 7.1.1 of the report. It was noted, however, that this represented a worst case scenario and the final operating costs would be influenced by the rate of the departure charge, which had not yet been agreed.

77. Update to the New Building Housing Strategy

Purpose of Report

To provide the Executive with a general progress update on the New Build Housing Strategy, including a buy back option of new affordable housing.

Decision

That the recommendations set out in paragraphs 8.1, 8.2 and 8.3 of the report be approved.

Alternative Options Considered and Rejected

Alternative options were considered in relation to two specific sites. Further details of these were outlined in paragraph 7.1 of the report.

Reason for Decision

Details relating to specific sites and a methodology for purchasing completed properties were included in the report.

Paragraph 3.5 of the report set out the criteria that the structure of the buy-back option between both parties must satisfy.

The Leader of the Council, on behalf of the Executive, extended his congratulations to the Director of Housing and his team in respect of this work.

78. Sale of Property

Purpose of Report

To approve the sale of a property.

Decision

That the sale of the property referred to in the report on the open market be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

It was considered that, with vacant possession, the Council would receive the full market value of the property.

79. Western Growth Corridor

Purpose of Report

To update the Executive on the delivery of the Western Growth Corridor and seek approval to increase the budget for the project.

Decision

That the recommendation contained within the report be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The progress of the Western Growth Corridor project had been reported to an all member workshop on 11 May 2017 and included key items listed at paragraph 2.2 of the report.

Over the summer a number of very significant issues had emerged which culminated in the need to change the Council's approach to the project and delay the submission of the planning application. They had also exposed the Council to increased costs and risks. The report therefore provided an update of the following aspects of the Western Growth Corridor project:

- significant issues in relation to:
 - the landowner agreements;
 - transport assessments.
- consequential impacts on:
 - finance and funding;
 - the planning application;
 - delivery timescales and the project plan;
 - overall risks.

The Leader of the Council acknowledged the current circumstances of the project, but was of the view that the required additional investment should be made in order that the scheme could progress. The Western Growth Corridor represented a significant contribution to the growth of housing and jobs in the city and he queried whether any further support from the Government would be available.

The Director of Major Developments reported that a bid into the Homes and Communities Agency Accelerated Construction programme had progressed to a further phase of the assessment process. It was unclear at this stage, if granted, whether the funding would be in the form of a grant or loan but the bid had been submitted on the basis of funding for infrastructure.

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SUBJECT: PROCUREMENT POLICIES

DIRECTORATE: CHIEF EXECUTIVE

REPORT AUTHOR: HEATHER CARMICHAEL, CLIENT PROCUREMENT OFFICER

1. Purpose of Report

- 1.1 To update members on the changes to the Authority's own internal Procurement Policies following an internal review of the current provision.

2. Executive Summary

- 2.1 Following the decision to withdraw from Procurement Lincolnshire, the shared service there is a need to ensure that the Council has in place a robust procurement service.

3. Background

- 3.1 In light of the withdrawal from the shared service, the Council is committed to adopting a robust procurement strategy moving forward. A comprehensive review has been undertaken by the Client Procurement Officer and the City Solicitor to ensure that the service and its underpinning policies/strategies meets the needs of both the Council and those who we wish to do business with. And is a forward thinking, pro-active approach to procurement.

These policies will ensure that the service operates at a strategic level focussing on those activities which will deliver efficiencies and improve the way that services are delivered. It is also the aim that these policies will assist and support those external bodies contracting and/or wishing to contract with the Council.

4. Main Body of Report

- 4.1 There is now, more than ever, a need to achieve savings and efficiencies as well as cultivating long term sustainable procurement practices. In order to deliver this, it is critical that local authorities have in place the relevant policies and strategies that enable this to happen.
- 4.2 This review has taken account of best practice by others involved in public sector procurement as well as feedback from suppliers who have or are looking to engage with the Council in the future. It must however be acknowledged that there are some limitations as to what the Council can and can't change due to the legal constraints of Public Contract Regulations.

- 4.3 To this end, the Client Procurement Officer and the City Solicitor have developed the following policies and strategies which, when adopted by the council will enable all parties to have a clear and transparent understanding of what is required of them.
- 4.4 The four policies will be in addition to the more operation policy document, Contract Procedure Rules which details the processes Officers are required to follow:
- Procurement Protocol (Appendix A)
 - Delivering Social Value Through Procurement (Appendix B)
 - How To Do Business With City of Lincoln Council (Appendix C)
 - Local Purchasing Strategy (Appendix D)
- 4.5 **Procurement Protocol** – this document sets out the Council’s commitment to equality of opportunity for all those who wish to do business with it. It accepts that a one size fits all approach to procurement is not productive ; identifies the perceived barriers whilst balancing this with legislative requirements ; makes a commitment to working with various organisations prior to as well as during (as much as it is allowed) the procurement process and looks at the potential to offer support, training and advice to suppliers. The council is proposing the following mission statement:
- “to ensure procurement opportunities with the City of Lincoln Council are fair, straightforward and accessible to all”
- 4.6 **Delivering Social Value Through Procurement** – this document sets out the important role Social Value can play in enabling sustainable development through the Council’s procurement activity. The policy identifies a number of key topics with social, economic and environmental impacts and details specific policy commitments. However this is an evolving area where suppliers and officers alike are still developing best practice and therefore the policy will continue to be informed by best practice. The Council is proposing the following as the Social Value position for the Council:
- “a process by which benefits can be made that will improve the quality of life & life chances of City of Lincoln residents and enhance our Civic pride in the City”
- 4.7 **How To Do Business with City of Lincoln Council** – this document has been developed to provide a step by step guide to suppliers looking to working with the Council. It is envisaged that it will:
- Outline the rules and regulations that the Council must follow in procuring goods, services and works
 - Detail how to bid and outline what information will be required
 - Provide contact details of those who can provide support and guidance
 - Provide information as to where contract opportunities can be found
- 4.8 **Local Purchasing Strategy** – this is a refreshed version of the strategy which has been in place for a number of years. It details the Council’s preference to procure locally produced goods or services over those which come from further afield. Unfortunately it has to be acknowledged that this is substantially limited due to Public Contract Regulations 2015 which take account of EU Directives. These do

not allow for procurement awards to be made on geographical location or allow favouritism to be shown to “local businesses” as this can be seen as being discriminatory. However there are opportunities for below OJEU threshold activities for “local businesses” to be supported without contravening the regulations. The Council has adopted the following as its definition of a “local supplier”

“those suppliers whose trading premises are located within Lincolnshire and/or a 20 mile radius of the county of Lincolnshire’s boundary”

Attached at appendix A, is the detailed category work programme and the suggested officers who can best input into the engagement process.

- 4.9 Whilst reference is made throughout all current procurement policies, including those within this report, to the EU, it is not yet known, given the uncertainty of Brexit negotiations, what the potential impact will be on procurement in the future. However as the EU legislation in the main has been reflected within UK law by way of Public Contract Regulations 2015 it is not anticipated that any changes will be seen within the next 5 years.

5. STRATEGIC PRIORITIES

- 5.1 Let’s Drive Economic Growth – depending on the type of contract being procured there could be the option to include the development of Apprenticeship schemes and also local jobs
- 5.2 Let’s Reduce Inequality - depending on the type of contract being procured there maybe scope to include training for local residents as well payment of the Living Wage. In addition the adoption of a Social Value policy is a Vision 20:20 project under this theme group
- 5.3 Let’s Deliver Quality Housing – as part of the Social Value policy it may be possible to engage with successful contractors to help improve the living accommodation of our residents
- 5.4 Let’s Enhance Our Remarkable Place – as part of the Social Value policy it may be possible to encourage contractors to undertake improvement works within local communities

6. Organisational

- 6.1 Legal Implications including Procurement Rules

Any procurement activity would be undertaken following the relevant procurement guidance.

- 6.2 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required).

The development of the individual policies within this report will not result in an impact. However when undertaking procurement equality matters will need to be considered and a review and subsequent EA will be undertaken where deemed appropriate.

7. Recommendation

- 7.1 That the proposed Procurement Policies be recommended to Full Council for approval and inclusion within the Council's Constitution.

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? 5

List of Background Papers: None

Lead Officer: Heather Carmichael, Client Procurement Officer
Telephone (01522) 873309

PROCUREMENT PROTOCOL

June 2017



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Mission Statement

“to ensure procurement opportunities with the City of Lincoln Council are fair, straightforward and accessible to all”

Introduction

The Council is committed to equality of opportunity for all those who wish to do business with us, from micro businesses to multi- national companies.

The Council realises that a one size fits all procurement policy is not a productive way forward both for external suppliers and the Council. The Council has therefore developed this policy and the actions that lie underneath it, to ensure that the procurement process it has, whilst complying with due process, is as straightforward as possible and assists contractors and partners to work with the Council to achieve the most advantageous outcomes.

What are the current barriers?

It is acknowledged that there is a perception faced by all public authorities that the procurement process within local authority’s is too bureaucratic, time consuming and weighted against smaller companies.

It is true that procurement must follow due process. The process is dictated by law, through the Public Contracts Regulations 2015 and internal contract procedure rules.

However the Council realises that there are ways that we can assist those bidding for work with the Council and to support and guide them through the process. This policy sets out how the Council will adapt and improve the procurement process so that potential partners can more readily work with the Council.

Appendix one – Social Value Policy

Appendix two – Executive summary contract procedure rules

Appendix three – Glossary of terms



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The Procurement Process

The first discussion that a supplier has with the Council should not be when bidding for work. The Council intends to put into place a series of actions which support potential suppliers through the whole procurement process. These actions will include support/assistance in understanding the process and mechanisms involved. They are not overly complex and by providing bespoke support we will help breakdown perceptions that they are.

This will be addressed in the following ways:

1 Prior to the bid

1.1 Work with LEPS, federation of small businesses, developer forums.

- We will take a pro-active approach in engaging with local businesses groups re: procurement issues on an on-going basis. We will not only raise awareness of public sector procurement opportunities but will also identify the most effective ways of completing documentation and highlight that we will support businesses, as much as we are able to throughout the process.
- We will make SME's aware that consortia bids will be accepted, where appropriate, that this is an option to them for larger contracts and how to go about completing documentation in these circumstances.
- We will develop a procurement page on our web site. This will include, faq's, glossary of terms; latest OJEU figures; uploaded standard documents and policies so suppliers can become familiar with them and have easy access to them at any time. We will also ensure that standard terms and conditions are available on our web site so that there are no surprises in our documents.
- We will undertake a review of how the Council puts together the award criteria for contracts, such as the price/quality mix.
- We will examine whether there is too much emphasis on wordy quality assessments, and whether these can be streamlined in any way.
- We will host procurement networking events and workshops at least bi-annually. This will ensure that we are as pro-active as possible in engaging with the local supply chain and the relevant market place.
- We have drawn up a Social Value Policy (attached as Appendix two) and this will be supplied with every tender.



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- We will review framework agreements that we currently use and promote these to local suppliers in order to help them bid to be part of those and if not as the main contractor then as a 2nd/3rd tier supplier.
- We will continue to develop relationships with the existing framework providers and encourage them to bring networking events to Lincoln, to explain to our local suppliers the advantages of being on a framework.
- We will look to set up our own frameworks in order to speed up the delivery of projects
- We will signpost local suppliers to the local supply portal where they can register to become 2nd/3rd tier suppliers.
- The Council will use this local supply portal as an opportunity to advertise sub-contracting opportunities within our larger (potentially over OJEU) contracts.
- In addition to this we will also include a provision within the specification about the use of the site by the successful contractor to engage with sub-contractors.
- We will continually review our documentation and assess whether, these can be simplified.
- Where appropriate within our tender documentation we will incorporate an executive summary with a full technical specification held within an Appendix rather than the main document.

2 Pre-engagement

- As relationships have developed with SME's we will advise them of contract opportunities. We will be more pro-active in that we will meet with suppliers face to face, if requested, in answering questions about the specification or documentation completion.
- We will also look at structured pre market engagement to ensure that we are asking for the right things within our specifications and to ensure that suppliers understand what we are asking for and are looking for from them.
- We will make it clear that advice and guidance is available to all suppliers throughout the procurement process, and relevant contact details will be given to enable this.
- Wherever possible we will have a single stage submission tender, dependent on the market place i.e. a high volume of tender returns could result in delay of the contract award.



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- Where we are procuring developable land packages, we will look at whether the land agreements can be packaged into lots which would still see the delivery of the project/scheme to the desired outcome.
- We will hold ‘meet the supplier days’ (if appropriate and proportionate to the tender exercise) where we ask/advertise our requirements in respect of developing the above agreements, and then evaluating all the interested party’s proposals to see which deliver the best overall outcome rather than looking at deals in isolation

3 Bidding

- We will be more flexible when assessing the financial standing of a supplier especially when there is no financial risk to the authority.
- When undertaking a RFQ exercise in respect of Goods & Services (not Works), we will assess whether the financial standing assessment can be removed completely from the document and do this as part of the shortlisting of the contract.
- We will offer a number of hours of free support to suppliers prior to the commencement of the procurement exercise.
- We will, where legislation and also capacity allows, offer support and training to businesses to upskill them in the completion of documents



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DELIVERING SOCIAL VALUE THROUGH PROCUREMENT

June 2017



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1. Introduction

- 1.1 The Council recognises the important role it can play in enabling sustainable development through its procurement activity. In 2015-16 we spent in the region of £28m via procurement and it is anticipated that this will increase in 2016-17 due to major projects like the Transport Hub, Boultham Park and Western Growth Corridor. Through our approach to social value, we will integrate economic, environmental and social sustainability into our procurement process.
- 1.2 This policy identifies a number of key topics with social, economic and environmental impacts and details specific policy commitments. However it should be noted that there is no “one size fits all” in achieving social value. It is an evolving area where suppliers and officers alike are still developing best practice. Therefore this policy should be viewed as a living document and as such will continue to be informed by best practice both at a local and national level.

2. Defining Social Value

- 2.1 The Public Services (Social Value) Act 2012, which came into force on 31st January 2013, requires all public bodies in England and Wales, for the first time to legally consider how the services they commission and procure might improve the economic, social and environmental well-being of their area.
- 2.2 Recent developments in the modernisation of EU Public Contract Regulations , which have been embedded in UK law, also means that the place of social value in commissioning and procurement has become even clearer.
- 2.3 Social Value requires officers to consider where added value and benefit, in relation to economic, environmental and social aspects, can be delivered to the City, over and above those which are already done so as part of the requirements detailed within the specification.

Historically, this consideration was in the main only given to the short term or in isolation, however it is now a requirement to consider the longer term costs and sustainability in conjunction with how the inclusion of additional social value outcomes can potentially reduce the burdens/pressures in other areas.

For example:

A grounds maintenance service is let and delivered by an organisation who actively works within the local community providing training to the long term unemployed with a view to them entering gainful employment. Social value outcomes are achieved as a result of those gaining expertise which will enable them to gain employment. Therefore the procurement of this contractor to provide the standard provision has also resulted in a positive effect on other strategic priorities.



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- 2.4 The Council will as part of its adoption of this policy adopt the definition of Social Value as set out by the Sustainable Procurement Taskforce. The definition is as follows:

A process whereby organisations meet their needs for goods, services and works and utilities in such a way that achieves value for money on a whole life basis in terms of generating benefits not only to the authority but also to society and the economy whilst minimising the damage to the environment.

- 2.5 More specifically the following has been defined as the Social Value position for the Council:

“A process by which benefits can be made that will improve the quality of life & life chances of City of Lincoln residents and enhance our Civic pride in the City”

- 2.6 At the present time the only legal requirement is in respect of goods and services contract that have a value above OJEU thresholds (currently £164,176). However it is the Council’s aim that consideration will be given in respect of all procurement exercises; therefore this will be applicable to works contracts as well contracts with a value below the OJEU threshold.

3. Main Aims of the Policy

- 3.1 The Council has developed a set of outcomes/principles that will enable it to consider the economic, social and environmental well-being of the City and its residents when commissioning/procuring its contracts. These outcomes/principles are based on the vision, values and priorities contained within the Vision 20:20 strategy.
- 3.2 These principles will be embedded within its procurement activities to ensure that only Value for Money products and services are selected and that in all cases a balanced consideration of social, ethical, environmental and economic impacts are undertaken throughout the procurement process. In addition to this it is also imperative that these principles are applied in a proportionate manner and are also tailored to reflect the works, services or goods being procured.
- 3.3 The policy is also there to ensure that Council employees, contractors and suppliers are aware of the commitment to long term social, ethical, environmental and economic sustainability. We will need to protect and enhance the environment and create better lives, well-being and opportunities for the people of Lincoln through our procurement process.



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4.0 Policy Context

- 4.1 The City of Lincoln Council Vision 20:20 Strategy sets the overarching strategic framework for this policy.

The strategy recognises that despite the recession Lincoln has continued to develop and grow.

It is envisaged that this Social Value policy, in conjunction with the Vision 20:20 strategy and the social value activities that they will both generate, will form a key element in the delivery of the Council's overall vision, Together, Lets deliver Lincoln's ambitious future.

5.0 Objectives

- 5.1 The Vision 20:20 strategy has four key principles and this policy has tried to ensure that these are provided for.

- Let's Drive Economic Growth
- Let's Reduce Inequality
- Let's Deliver Quality Housing
- Let's Enhance Our Remarkable Place

- 5.2 The objectives of this policy are reflective of the above and also the definition as detailed within paragraph 2.4. Below are the key objectives:

- Promote employment and economic sustainability – tackle unemployment and facilitate the development of skills
- Improve the living standards of local residents – encourage the payment of the living wage ; ensure that residents have access to all entitlements ; encourage suppliers to engage with the local supply chain both in respect of goods and labour
- Promote equality and fairness - engage with the most vulnerable within the community and tackle those wards which are most deprived
- Promote and improve environmental sustainability – reduce wastage ; use sustainable sources for materials ; reduce energy consumption



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6. Policy Focus

6.1.1 This section deals with the key focuses, reflecting the objectives in paragraph 5.2. The focuses are as follows:

- Minimise carbon dioxide and other greenhouse gas emissions
- Take into account the need to reduce traffic emissions as well as reducing the negative impacts of transportation when purchasing goods and services
- Consider the environmental performance of all suppliers
- Maximise the use of recycled products and products made from reclaimed materials
- Consider fair trade or equivalent as well ethically sourced/produced goods and services
- Ensuring all contracts (where proportionate and relevant) contain sustainability/social value references within the specifications
- Maximising employment and economic gain opportunities for the “local” suppliers
- Engaging with and raising awareness of stakeholders, both internally and externally
- Maximise the use of local goods, produce and services
- Support SME’s and local businesses
- Consider equality, diversity and employee well being
- Support Third Sector and Social Enterprise
- Use of Sustainable Materials
- Waste Reduction

6.1.2 Minimise carbon dioxide and other greenhouse gas emissions

- Encourage suppliers to measure both theirs and their supply chain carbon footprint and where possible look to reduce this
- Build a requirement into specifications, where relevant and appropriate, for emission reduction

6.1.3 Take into account the need to reduce traffic emissions as well as reducing the negative impacts of transportation when purchasing goods and services

- Encourage suppliers to measure and review in order where possible to reduce this
- Build a requirement into specifications in respect of this, where relevant and appropriate

6.1.4 Consider the environmental performance of all suppliers

- Encourage suppliers to monitor all aspects of their business relating to environmental performance and to look for ways to reduce this moving forward

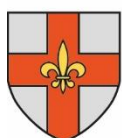


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- 6.1.5 Maximise the use of recycled products and products made from reclaimed materials
- Encourage suppliers to build this into their contract delivery and to pass this through their supply chain
 - Build a requirement into specifications in respect of this , where relevant and appropriate
- 6.1.6 Consider Fairtrade or equivalent as well ethically sourced/produced goods and services
- Encourage suppliers to build this into their contract delivery and to actively promote through their supply chain
 - Build a requirement into specifications in respect of this , where relevant and appropriate
- 6.1.7 Ensuring all contracts (where proportionate and relevant) contain sustainability/social value references within the specifications
- Engage with service users and internal stakeholders when procuring major contracts to clearly define, design and establish methods to meet their needs in a sustainable/social value approach
 - Encourage suppliers to support locally beneficial projects in the communities in which they operate as part of the contract delivery
 -
- 6.1.8 Maximising employment and economic gain opportunities for the “local” suppliers
- Encourage suppliers to support employment opportunities for people from disadvantaged categories i.e. NEET’s, long term unemployed, people with physical or learning disabilities, ex-offenders, ex armed forces
 - Evaluate potential suppliers capacity to deliver targeted recruitment and training
 - Support suppliers in identifying relevant sources of support to assist in meeting the training and employment needs of target groups
- 6.1.9 Engaging with and raising awareness of stakeholders, both internally and externally
- Undertake training awareness sessions with the local business community
 - Encourage suppliers to communicate with their supply chain the importance of social value and sustainable procurement



6.1.10 Maximise the use of local goods, produce and services

- Recognise the importance of sourcing local goods and produce, where appropriate
- When procuring major contracts build in a requirement, where appropriate, for local primary producers to be included within the supply chain

6.1.11 Support SME's and local businesses

- Ensure that the procurement process is as accessible as possible to all
- Build into specifications, where appropriate and relevant, support of the local economy and supply chain
- Work with local suppliers and SME's to help identify local supply chain and sub-contracting opportunities
- Incorporate within this element the Local Purchasing Strategy

6.1.12 Consider equality, diversity and employee well being

- Ensure that the Council's commitment to Equality and Diversity is communicated to suppliers
- Encourage suppliers to be aware of and tackle, where possible equality issues within the sectors they operate in
- Make accessibility in the workplace a requirement, where appropriate, within the specification
- Encourage suppliers to recognise the benefits of workforce volunteering within the community they live and work in
- Encourage suppliers to consider how they can look after the health and well-being of their workforce

6.1.13 Support Third Sector and Social Enterprise

- Encourage suppliers to take steps to make supply chain opportunities accessible to relevant third sector and social enterprise organisations
- Provide regular engagement and information sessions to ensure local third sector and social enterprise understand the procurement process and where appropriate take account of their feedback
- Consider where relevant and appropriate alternative bidding models such as consortium and partnerships

6.1.14 Use of Sustainable Materials

- Ensure that where appropriate all timber and paper products are recycled or sourced from sustainable forests
- Encourage suppliers to be reactive to changes in scarce products/materials and seek alternatives where appropriate



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6.1.15 Waste Reduction

- Encourage suppliers to reduce waste at land-fills etc and promote re-use, recycling at all levels of the supply chain
- Build into specifications, where appropriate and relevant, waste reduction aspirations

6.2 As referenced in 6.1.11, the Local Purchasing Strategy has now been in place for a number of years. However for ease of reference please see below the definition of “local” as previously adopted by this Council

“a supplier is defined as one whose trading premises are located within Lincolnshire and/or a 20 mile radius of the county of Lincolnshire’s boundary”

For clarification a “trading premise” is where the supplier has a branch/base/office within the locality

7. Evaluating Our Approach

7.1 The impact of this policy will be reviewed on an annual basis to show how we are delivering on our objectives.

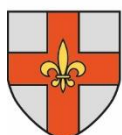
7.1 It is the intention of this policy to inform the use of key performance indicators (KPI’s) within contracts moving forward. It will also ensure that full contract management is undertaken in respect of the monitoring of social value elements within a suppliers submission.

7.2 The Client Procurement Officer will report into Performance Scrutiny Committee on an annual basis to detail the benefits that have been delivered as part of this Policy.

8. Working with Potential Suppliers

8.1 It is the Council’s aspiration that deriving from this policy Suppliers will be able to leave a “Lincoln Legacy”. The impact of which will last long after the term of the contract has expired

8.2 A number of examples are shown within Appendix A to this policy and it is hoped that these will help suppliers develop a social value submission which will deliver a legacy which will improve the economic, environmental and social well-being of the residents of Lincoln.



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9. **Developing our Methodology**

- 9.1 As part of the annual report to committee, an annual review will also take place to ensure that the policy is fit for purpose and reflective of case law and best practice.
- 9.2 It is also the intention that as part of his review Officers will develop further out use of varying evaluation methods to help ensure that we continue to successful in deriving positive economic, environmental and social outcomes from procurement in Lincoln.



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Promote employment and economic sustainability

To provide a programme of training and upskilling of the long term unemployed within the City to help residents gain vital experience at no cost to the users

To provide apprenticeships as part of the contract delivery with a view to providing permanent employment once the apprenticeship has been completed

To provide a programme of training and upskilling of various sectors (disabled, ex Armed Forces, NEETS etc) within the City to help residents gain vital experience at no cost to those who attend

To become a Living Wage Foundation employer

To provide training and life skills to local education facilities at no cost

To work with Community Groups and Volunteers providing training and support at no cost, in order to develop life skills

Improve the living standards of local residents

To become a Living Wage Foundation employer

To engage and develop on going relationships with local small and micro businesses

To support employees' in ensuring they have access to all work based entitlements

To support local community groups which help tackle poverty within the City

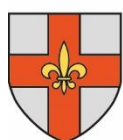
To undertake a community project within the City which will enable green space to be used by residents

Promote equality and fairness

To provide support (both financial and in kind) to local community groups who work with and support residents of the deprived wards

To undertake a programme of free skills workshops to support certain sectors of the community i.e. disabled, young persons, 50-64 year olds

To work with the Council to provide home improvements at no cost to the residents of deprived wards



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Promote and improve environmental sustainability

To commit to reducing the amount of waste produced being directed to land fill

To donate any unwanted materials or potential waste items to local community groups for their use at no cost

To include within the contract the use of sustainable energy resources

To reduce the overall energy consumption in relation to the delivery of the contract

To work with local residents in order to reduce their fuel consumption at no cost



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HOW TO DO BUSINESS WITH THE CITY OF LINCOLN COUNCIL

June 2017



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1. Introduction

- 1.1 The City of Lincoln Council is committed to equality of opportunities for all those who wish to do business with us. It has developed this guide in order to assist those companies who wish to supply/provide goods or services as well as works to the Council. It also helps to support the Council's mission statement, set out below, in respect of procurement and ultimately the adopted Procurement Protocol:

“to ensure procurement opportunities with the City of Lincoln Council are fair, straightforward and accessible to all”

- 1.2 It is envisaged that this guide will provide the following:

- outline the rules and regulations that the council must follow in procuring goods, services and works
- detail how to bid and outlines what information will be required
- provide contact details of those who can provide support and guidance
- provide information as to where contract opportunities can be found

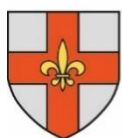
- 1.3 City of Lincoln Council is a district council situated in the rural county of Lincolnshire. It is classed by many as the urban hub of the county. It is divided by uphill and downhill Lincoln and is one of England's most beautiful and vibrant cathedral cities.

With a constantly diversifying population of circa. 88,500, it is a city entirely urban in its nature and has a tightly drawn boundary covering just 13.78 square miles. It is a significant regional centre, with a high number of people who commute to work, shop or visit the City. It has an elected assembly of 33 councillors.

The Council spends on average in the region of £28 million a year on the provision of goods services and works.

- 1.4 The Council's procurement activities enable services to be provided in an efficient, cost-effective and sustainable manner whilst enabling the Council to realise its Vision 20:20 aspirations. Within this, the council pursues four priority themes:

- Let's Drive Economic Growth
- Let's Reduce Inequality
- Let's Deliver Quality Housing
- Let's Enhance Our Remarkable Place



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- 1.5 As there is a high level of competition to work with the Council, there is no guarantee that this guide will enable your company to be successful. However the purpose of this guide is to provide information to enable suppliers to be best placed when submitting a quotation or tender for council opportunities.
- 1.6 Procurement is the process of acquiring goods, works and services from third parties. It includes both the process by which requirements are defined and contracts are awarded, as well as the management of contracts once awarded. Effective procurement seeks to achieve value for money based on a price/quality appraisal rather than the cheapest option.
- 1.7 The Council is committed to:
- Being fair
 - Non-discriminatory
 - Professional
 - Prompt Payer
- 1.8 The Council is also committed to delivering Social Value through its procurement activities and has developed its own Social Value Policy which is reflected in the majority of its procurement activity. This is also supported by the Public Services (Social Value) Act 2012, which makes considering the wider social, environmental and economic impacts of procurement a public duty.

2 Procurement Rules & Regulations

- 2.1 Public procurement is governed by various rules and regulations and these are made at local, national and European level.
- 2.2 The City of Lincoln Council has its own Contract Procedure Rules (CPR's) which all officers involved in procurement must comply with. These form part of the Council's constitution. These are available on the Council's website.

These CPR's work alongside other regulations which the Council must comply with, notably, Public Contract Regulations 2015.

- 2.3 The CPR's underpinning principles are:
- Ensure fairness and transparency when awarding public contracts
 - Comply with all legal requirements
 - Achieve value for money by awarding to the most economically advantageous tender
- 2.4 The CPR's set out the thresholds at which certain processes are to be followed and these have been summarised in paragraphs 2.5 to 2.7.

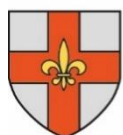


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- 2.5 Contracts with a value of up to £25,000 can be awarded by making a direct approach to a single supplier. Where possible any approach made should be to a local supplier as defined in CPR's. Any approach should be done so using the Council's standard template detailing the full requirements of the provision required. The supplier will be required to detail how it will deliver the requirement as well the cost for doing so. This will then be appraised and if all is satisfactory then a formal contract will be drawn together.
- 2.6 Where the value of the contract is over £25,000 but under the current threshold for OJEU Goods & Services then a minimum of four quotations should be sought. Two of the quotations should be sort from a "local" supplier where possible. Any approach will be undertaken by using the Council's standard template. This will detail all the requirements of the provision as well as how the submissions are to be assessed. The process will be undertaken electronically using the Council's procurement portal. Once formally evaluated then a contract will be issued to the successful bidder. All unsuccessful bidders will receive a full appraisal of their submission in order to provide constructive feedback.
- 2.7 The Local Purchasing Strategy has now been in place for a number of years. However for ease of reference please see below the definition of "local" as previously adopted by this Council
- "a supplier is defined as one whose trading premises are located within Lincolnshire and/or a 20 mile radius of the county of Lincolnshire's boundary"
- For clarification a "trading premise" is where the supplier has a branch/base/office within the locality
- 2.8 Where the contract is in respect of Works and the value is over the OJEU threshold for Goods & Services but under that of the OJEU Works threshold then the process detailed in 2.6 will apply other than a minimum of five quotations should be sort.
- 2.9 The council uses Pro contract/Due North for its procurement portal, www.procontract.due-north.com . It is therefore a requirement for suppliers to be registered on this site in order to participate in any procurement activity with a value over £25,000. In some cases in may also be used for under £25,000 activities.



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- 2.10 Where the value of the procurement activity exceeds the OJEU thresholds then the following principles will apply. However it should be noted that the Council's CPR's also follow the basic principles of the EU Treaty.

The key EU principles are:

- Equal treatment - treat all tenders in the same way without favour or prejudice on the basis of locality or business model
- Transparency – all opportunities should be advertised where appropriate to the size of the contract as well as being open about the selection and award criteria
- Proportionality – requirements are relevant and appropriate to the contract being procured. In addition the complexity of the process should be proportionate to the complexity and value of the proposed contract
- Mutual Recognition – when qualifications/certificates are required these will be accepted on the same basis from other member states as those based in the UK

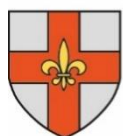
- 2.11 The principles of the Treaty have been embedded into UK law by the Public Contract Regulations 2015. It is a requirement of these regulations for the Council to follow detailed procedures for all procurements above certain financial threshold in respect of “Goods & Services” and also “Works”. Even with “Brexit” it is envisaged that these will remain until at least 2019 and potentially longer given the complexities.

The thresholds are reviewed every two years and the current levels are as follows:

Goods and services - £164,176
Works - £4,104,394

The next review is due 1st January 2018.

- 2.12 For above value procurement activities the Council must comply with the following:
- Advertise in the Official Journal of the European Union (OJEU)
 - Tenders must be invited in accordance with one of the prescribed routes and follow the minimum timescales
 - A contract award notice must be published within OJEU
 - Unsuccessful bidders must be given written feedback detailing the rationale behind why they were not selected



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3. Opportunities

- 3.1 The Council will use an electronic procurement portal for the majority of its procurement activities (where the contract is over £25,000). In order to be able to partake then the supplier must be registered on the system (www.procontract.due-north.com). Therefore we would encourage all those interested in working with the Council to register on this site.

It should be noted that whilst the Council will use an electronic portal for its procurement activity up to the OJEU limit, these opportunities will not be advertised. Only those suppliers selected to provide a quotation will be able to see the documentation

Once registered the system will automatically send you alerts for opportunities which you may be interested in (only in respect of those opportunities over the OJEU threshold). This will be based on the service categories/products which you have listed when registering. However you can also just search current opportunities which we have available.

The portal also details the contract opportunities of various other local authorities within the East Midlands.

4. Tender Routes

- 4.1 The following section will provide a brief summary of the main procurement routes that the City of Lincoln Council will follow.
- 4.2 Restricted Tender (above OJEU) – any organisation can express an interest and complete the Standard Questionnaire (SQ). However only those which are shortlisted by the Council will move to the second stage. This process is used for tenders where the market place is large and/or more complex tenders
- Two stage process
 - Standard Questionnaire (previously known as the PQQ) is used to shortlist a limited number of bidders to go through to the second stage
 - Second stage is where an Invitation to Tender will need to be completed
- 4.3 Open Tender (Above OJEU) – all interested organisations are able to tender. This process is used for less complex tenders and/or where the market place is limited
- Single stage process where all tender documents are issued
 - No shortlisting used



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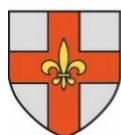
- 4.4 Request for Quotation – where the anticipated contract value is less than that of the relevant OJEU threshold
- For contract values over £25,000 but below OJEU
 - A minimum of four suppliers, of which two must be “local”, will be invited to quote
 - Process will be undertaken electronically through the Council’s procurement portal
 - Assessment of submissions will be made using MEAT – most economically advantageous tender
 - One stage process like that of the Open Tender but simplified to reflect lower value
- 4.5 Direct Approach – where the value of the contract is anticipated to be below £25,000
- Quotation should be undertaken using the Councils simplified template and in some cases maybe through the electronic procurement portal. Where appropriate the approach should be made to a “local” supplier (see para. 2.7)
- 4.6 The Council also has access to a number of framework arrangements via external bodies. A framework is an agreement, involving one or more suppliers. It is similar to an “approved list” but is more legally robust.

Whilst the Council does not at the present time operate any frameworks, it may do so in the future.

The process to procure a framework is via a tender process, often the restricted procedure. The provision can only be in place for a maximum of four years and during that time no new supplier can be added to it.

The Council where possible will try to inform local suppliers of potential framework opportunities when they are advertised, as it can often limit the availability of future opportunities the Council may have if they do not participate in the process.

- 4.7 Public Contract Regulations 2015 also allow for a number of other methods of procurement however as these are rarely used by the council they have not been included within this guide. However if they were to be used in the future then the council is committed to ensuring that relevant training/meet the buyer events.



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5. Overview of Documentation

- 5.1 **Standard Questionnaire (SQ)** – this will be used as part of the restricted process in order to shortlist. It was previously known as the Pre-Qualification Questionnaire (PQQ). It will only be used on procurement exercises where the value is in excess of the relevant OJEU threshold.

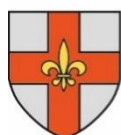
The SQ is split into 3 sections. Section 1 and 2 are standard whereas section 3 is for more contract specific questions to be added in.

It will contain a Business Questionnaire which requests information regarding your organisation. This will include a financial assessment; a health and safety statement; legal grounds for exclusion and a statement on compliance re equalities legislation.

There will also be backward looking technical questions about your organisations previous experience and general competency in delivering the required provision. It should be noted that this can include the taking up of references.

It is imperative that you answer all the questions with as much information as you can (taking into account any word count restrictions) as what is submitted at this stage will form the selection process on which the Council will determine which suppliers are shortlisted for the next stage (Invitation to Tender).

The questions will be assessed by way of a mix of pass/fail criteria and also a weighted percentage. The full selection criteria will be detailed within the documentation.



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- 5.2 Invitation to Tender (ITT) – this is used as the second stage to a restricted tender but the entire process of an open tender. When being used in an open tender it will incorporate both an SQ and ITT.

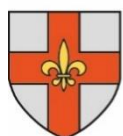
The ITT will include technical questions to assess the suppliers' capacity and capability to deliver the requirements of the contract.

In a restricted procedure these technical questions will be forward looking as it is not permitted to cover the same area previously done so within the SQ. In an open procedure as stated above the ITT will incorporate both an SQ and ITT. This means that they are permitted to cover both backward and forward looking, assessing both your experience and capacity as well as your specific proposals for delivering the contract. It will also include a business questionnaire.

The assessment criteria will be based on both the price and quality of the submission. The detail of these will be clearly defined within the tender documentation.

6. Evaluation of Submissions

- 6.1 All submissions where an evaluation/assessment criteria is detailed within the documentation will be evaluated using this criteria. However it should be noted that this will only be undertaken for those submissions made within the stated timescales and that late bids will not be accepted under any circumstances.
- 6.2 Once evaluated the Council will issue a letter to the bidder informing them as to whether they have been successful or not. If it is an unsuccessful submission then the letter will also include full feedback. This feedback will include the scores allocated to your submission along the scores of the successful bidder. In addition to this an explanation as to why that score was given will be included. It is hoped that this feedback will enable you to review and see where potential improvements could have been made. Whilst not given as standard to the successful bidder this information will be provided if requested.



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7. General Tips

- 7.1 When reviewing the tender documentation please ensure that you raise any queries you may have prior to the deadline for questions. Queries can only be raised through the relevant procurement portal. Contact made via any other means (i.e. by phone or email) will not be answered and you will be asked to use the portal.
- 7.2 The Council will also answer any queries raised through the procurement portal as quickly and efficiently as it can. However once the deadline has passed it will be unable to do so.
- 7.3 It should be noted that any question asked, unless deemed to be of a commercially sensitive nature, will be clarified to all bidders. This is to ensure that we adhering to the principles of the EU Directives - being transparent and showing equal treatment to all through the process. However the identity of who asked the question will remain confidential.
- 7.4 Answer all the questions as fully as you can. However please ensure that you take account of any word limits on questions. If you exceed the limit the Council does not have to take into account anything detailed once the limit has been exceeded.
- 7.5 When responding please ensure that you do so in the required format and that you clearly label your submission(s) so that it is easy to identify the question/section you are answering.
- 7.6 Do not attach any policy documents/additional information which is not asked for within the tender documentation. This information cannot be considered.



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For further information in respect of anything contained within this guide please do not hesitate to contact us:

Email: heather.carmichael@lincoln.gov.uk

Telephone: 01522 873309

Website: www.lincoln.gov.uk



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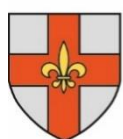
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LOCAL PURCHASING STRATEGY

June 2017



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1. Introduction

- 1.1 The City of Lincoln Council is committed to equality of opportunities for all those who wish to do business with us. However it also has a social responsibility to support local regional businesses and this has been the underlying principle behind the development of this strategy.
- 1.2 Local Purchasing is a preference to procure locally produced goods or services over those which come from further afield. However it has to be acknowledged that this is a difficult concept to apply as the definition of “local” is a very subjective one.
- 1.3 The issue of local purchasing involves a number of complex views with no clear consensus regarding what actually constitutes “local” spend. Some stakeholders see this as being within a town or city boundary, whereas others consider it to be within a county boundary. The commercial reality of local purchasing is that it varies widely dependent on the nature of the goods or services being procured.
- 1.4 There is also a potential for positive action supporting “local” spend to be substantially limited due to Public Contract Regulations 2015 which take account of EU directives. These do not allow procurement awards to be based on geographical location or allow favouritism to be shown to “local” businesses, as this may be seen as being discriminatory. However there are many ways in which local businesses and the local economy can be legitimately supported without contravening the Regulations.



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2 *Definition of “Local”*

2.1 For the purposes of this strategy, local is defined as the following:

“those suppliers whose trading premises are located within Lincolnshire and/or a 20 mile radius of the county of Lincolnshire’s boundary”

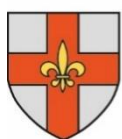
2.2 The Council’s own Contract Procedure Rules (CPR’s) detail the various routes dependent on the value of the contract which officers must follow and when this strategy can be used.

2.3 Contracts with a value of up to £25,000 can be awarded by making a direct approach to a single supplier. Where possible any approach made should be to a local supplier.

2.4 Where the value of the contract is over £25,000 but under the current threshold for OJEU Goods & Services then a minimum of four quotations should be sort. Two of the quotations should be sort from a “local” supplier where possible.

2.5 Where the contract is in respect of Works and the value is over the OJEU threshold for Goods & Services (£164,176) but under that of the OJEU Works threshold (£4,104,394) then the process detailed in 2.6 will apply other than a minimum of five quotations should be sort.

2.6 For above value procurement activities the Council must comply with the following there is no allowance for the use of this strategy. However the use of the Social Value Policy can help maximise local spend.



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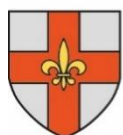


For further information in respect of anything contained within this strategy please do not hesitate to contact us:

Email: heather.carmichael@lincoln.gov.uk

Telephone: 01522 873309

Website: www.lincoln.gov.uk



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Extract of minutes – Policy Scrutiny Committee 10 October 2017

Heather Carmichael, Client Procurement Officer,

- a. presented the Authorities own internal Procurement Policies following an internal review of the current provision.
- b. advised that following the decision to withdraw from Procurement Lincolnshire Shared Service there was a need to ensure that the Council had in place a robust procurement service.
- c. advised that the policies would ensure that the service operated at a strategic level focussing on those activities that would deliver efficiencies and improve the way that services were delivered. They also aimed to assist and support external bodies contracting and/or wishing to contract with the Council.
- d. advised that 4 policies had been produced in addition to the operation policy document, Contract Procedure Rules which detailed the processes Officers were required to follow.
- e. referred to paragraph 4 of the report and summarised the four policies:
 - Procurement Protocol
 - Delivering Social Value through Procurement
 - How to do Business with City of Lincoln Council
 - Local Purchasing Strategy
- f. highlighted the role that social value could play in enabling sustainable development through the Councils procurement activity.
- g. invited members questions and comments.

Question – What examples could you give of social value?

Response – Contractors had delivered social value through their current contract by completing works at St Botolphs Court and Shuttleworth House.

Question – Have you made the companies aware of these policies?

Response – There would be meetings held with Chamber of Commerce and Lincoln BIG to promote the policies, also some 1 to 1 sessions would be held with companies where there may be the possibility to sell them some training. Also the policies would be published to the website.

Comment – The quality and performance of a contractor should be more important than the social value aspect in the tender process.

Response – Social value was one element of the tender process and there was a lot of other criteria that the companies would have to fulfil including price and quality.

The Chair requested that a review of the policies be brought back to committee in 1 years' time.

Heather Carmichael, Client Procurement Officer responded that the data on social value would be included in the review.

RESOLVED that the policies be supported and be referred to Executive for approval.

EXECUTIVE**27 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 Executive 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 30th September) the forecast financial position of the Council for 2017/18 is:

	2017/18		
	Budget £'000	Forecast at Q2 £'000	Variance at Q2 £'000
Revenue Accounts			
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
Capital Programmes			
General Fund Investment Programme	23,676	30,889	0

	2017/18		
	Budget £'000	Forecast at Q2 £'000	Variance at Q2 £'000
Housing Investment Programme	24,340	24,330	0
Capital Receipts			
General Fund	1,197	1,947	0
HRA	2,419	2,419	0
Reserves & Balances			
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
<u>Review/Business Case Approved/Delegated Decision Taken</u>	
Shared Services/Savings/Managing Demand	2,502,063
Commercialisation	738,660
Asset Rationalisation	103,280
Total Savings – Secured	<u>3,344,003</u>
<u>Subject to Review/Business Case</u>	
Shared Services/Savings/Managing Demand	33,310
Commercialisation	0
Asset Rationalisation	64,387
Total Savings - Subject to Review/Business Case	<u>97,697</u>
Overall Savings	<u>3,441,700</u>
MTFS savings target	(3,500,000)
(Under)/ over achievement	(58,300)

- 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:

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

- 3.5 As the forecast outturn for General Fund is showing a forecast underspend of £141,404, Executive are asked in principle to approve, 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:

	Opening Balance	Contributions	Actuals Q2	Forecast Q3-Q4	Forecast Balance
	01/04/17				31/03/18
	£'000	£'000	£'000	£'000	£'000
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:

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

- 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 30th August 2017 (Minute no.50).

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

	MTFS 2017-22 Budget	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
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
Total Active Schemes	17,861	30,295	30,295	0
Schemes On Hold/Contingencies	822	594	594	0
Total Capital Programme	18,684	30,889	30,889	0

- 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
Revised Budget	24,340	15,167	11,951	9,404	11,395

- 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
Total Capital Programme	23,621	24,340	24,340	0

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.

9.0 Risk Implications

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

10. Recommendations

Executive are recommended to:

- 10.1 Note the progress on the financial performance for the period 1st April to 30th September 2017 and the projected outturns for 2017/18.
- 10.2 Assess 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 Approve in principle of the carry forward request detailed at paragraph 3.5
- 10.4 Approve 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

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
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
		11,929	12,214	285
Corporate Expenditure	J	1,589	1,460	(130)
TOTAL SERVICE EXPENDITURE		13,519	13,674	155
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
TOTAL EXPENDITURE		11,138	10,922	(217)
CONTRIBUTION TO/ (FROM) BALANCES		(702)	(561)	141
NET REQUIREMENT		10,436	10,361	(75)
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
TOTAL RESOURCES		10,436	10,361	(75)

General Fund Forecast Variances - Quarter 2

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

Ref		£	Reason for variance
	<u>Additional Spending</u>		
N	TOFS Saving	58,300	Forecast underachievement of target of £3.5m for 2017/18.
G	New Bus Station (ongoing – to be reviewed in MTFS)	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 (ongoing – to be reviewed in MTFS)	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.
	<u>Reduced Income</u>		
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.
	<u>Reduced Spending</u>		
B	City Hall (Solar Panel savings ongoing)	(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 (Ongoing, addressed in revised MTFS)	(27,190)	Savings realised on the re-tender of corporate insurance policies.
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.

Ref		£	Reason for variance
	<u>Additional Income</u>		
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)
Net Cost of Service		(2,545)	(2,146)	399
Loan Charges Interest	L	2,352	2,352	0
Investment/Mortgage Interest	M	(33)	(33)	0
Net Operating Inc/Exp		(226)	173	399
Major Repairs Reserve Adjustment	N	200	0	(200)
Transfers to/from reserves	O	90	(159)	(249)
(Surplus)/Deficit in Year		64	14	(50)
Balances b/f @ 1st April		(1,087)	(1,087)	0
(Increase)/Decrease in Balances		64	14	(50)
Balances c/f @ 31st March		(1,023)	(1,073)	(50)

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
	<u>Reduced Income</u>		
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.
	<u>Reduced Spending</u>		
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 Provison	(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.
	<u>Additional Income</u>		
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

Ref		Reason for variance	
		£	
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 st 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
Total Expenditure	7,292	6,880	(412)
Income	7,292	6,880	412
(Surplus)/Deficit	0	0	0

Housing Repairs Service Variances - Quarter 2

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

	£	Reason for Variance
<u>Reduced Income</u>		
Recharges	411,000	Reduced spend on sub-contractors has subsequently led to a reduced charge to the HRA and General Fund
<u>Reduced Spending</u>		
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 are also being more 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

	Opening Balance 01/04/2017 £'000	Contributions £'000	Actuals Q1-Q2 £'000	Forecast Q3-Q4 £'000	Forecast Balance 31/03/2018 £'000
General Fund					
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
	5,463	596	0	(2,173)	3,887
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
	1,555	89	0	(258)	1,387
Total Earmarked Reserves	7,018	685	0	(2,431)	5,274

CAPITAL RESOURCES – Q2 MONITORING 2017/18

	Opening Balance 01/04/2017 £'000	Contributions £'000	Used in Financing £'000	Forecast Balance 31/03/2018 £'000
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
Total Capital Resources	21,322	17,700	(29,741)	9,281

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EXECUTIVE

27 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 Executive 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 two are as follows:

Risk No.	Risk Rating	Likelihood	Impact
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 The Executive 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

62 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

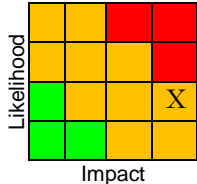
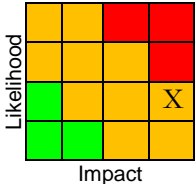
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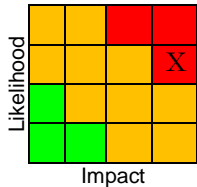
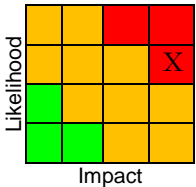
CMT 07/11/17

OWNER: CORPORATE MANAGEMENT TEAM

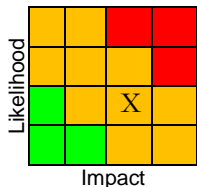
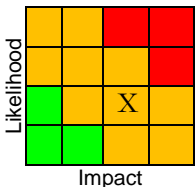
All of the objectives on this Register are linked to the Council's Vision 2020 and four strategic objectives, which are:

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

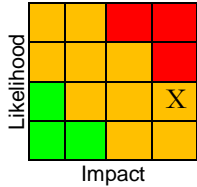
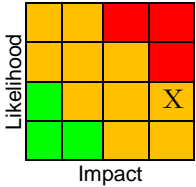
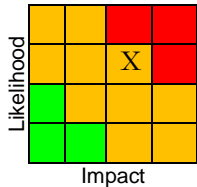
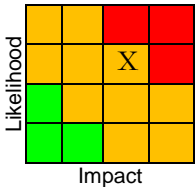
Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc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

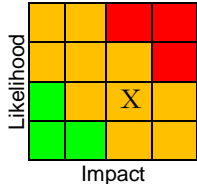
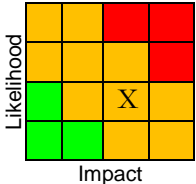
Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> Physical Engine Room designed in Committee Room 4 					
2.	To deliver a sustainable Medium term Financial Strategy	CFO	<u>Creative & Aware</u> Finance & Money	<ul style="list-style-type: none"> 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. MTFS 2017-22 supports Vision 2020 with redirection of resources, approved Feb 2017. Good financial management with <ul style="list-style-type: none"> Quarterly monitoring and reporting to CMT, Exec and Performance Scrutiny Committee (including specific risks) SPIT monitoring of capital programme Savings targets monitored through Towards Financial Sustainability (Risk No 4) Key income budgets monitored monthly by CMT with mitigation plans for areas of target monitored quarterly. Monitoring arrangements firmly established for 	<ul style="list-style-type: none"> Link to TOFS Programme, risk no 4 below. 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 Establishment of the Wholly Owned Housing Company business plan – due to be considered by Executive in December 2017 Assessment of the Autumn Budget Statement – Nov/ Dec Draft MTFS 2018-23 to be prepared – Jan 18 			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"> Budget flexibility to deal with in year changes Submission in October 2017 of a 2018/19 100% Business Rates Pilot with all Lincolnshire Districts together with the County and North Lincolnshire Council. Budget Setting report, including challenges and key assumptions considered by Executive 30/10/17 					
3.	To ensure compliance with statutory duties and appropriate governance arrangements are in place, including: <ul style="list-style-type: none"> Health & Safety Information Management/IT Security ICT Disaster Recovery 	CLT	<u>Creative & Aware</u> Regulatory standing & legal compliance Cautious Business Continuity	<ul style="list-style-type: none"> 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 Internal audit reviews undertaken as part of annual audit plan Health and Safety Development Plan/Work Programme in progress (includes the development of specific action plans e.g Asbestos) Corporate Groups in place which monitor work programmes/ actions for H&S, e.g, Safety Matters Review Group/Champions Information Management 	<ul style="list-style-type: none"> 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 ITBC plan endorsed by CMT (Oct 17), now needs to have operational testing and delivery ITDR plan endorsed by BC meeting (August), and CMT (November) now needs to have 			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"> Info Governance Project Officer post extended to complete action plan – including policy work, staff training. Restructure of Health & Safety Team completed and all roles now recruited to. 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&S to assess progress against plan – Mar 17. Substantial assurance ITDR Plans – Business continuity arrangements for IT including new serves at Hamilton House now in place and endorsed at CMT. 	<p>operational testing and delivery. . Internal Audit completed and actions referred to BC group for consideration</p> <ul style="list-style-type: none"> DR procedure manual has been developed (which is expected to change frequently as we build and refine) All critical service business continuity plans have been revisited in light of new arrangements 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 				
4.	Deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council	CFO	<p><u>Creative & Aware</u></p> <p>Projects & Major Change</p> <p><u>Hungry</u></p> <p>Reputation and Public Confidence</p>	<ul style="list-style-type: none"> TFS Board and Programme Team in place. Established procedures and monitoring arrangements Reporting of achievement against targets included within quarterly financial monitoring/performance monitoring reports to Executive/Performance Scrutiny Committee 	<ul style="list-style-type: none"> Delivery of Phase 4 programme through existing management and monitoring systems – ongoing to complete outstanding projects Commence the delivery of phase 5 of the programme in Nov 17, with a focus 			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"> • Inclusion of ToFS Projects on DMT agendas to ensure focus remains on delivering against timescales. • Annual reporting of progress and forward programme PSC • 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. • Target of £3m for 2016/17 overachieved. • Achievement of TFS targets re-emphasised in Vision 2020 • Savings targets not increased as part of MTFS 2017-22. • Corporate Peer Review recognised that the Council has many positive examples where a commercial approach has been taken. • Development of phase 5 with Service Managers, focussing on commercialisation and possible incentive scheme. 	<p>on the 3 strands:</p> <ul style="list-style-type: none"> – Asset Rationalisation (freeing up necessary resource to focus on this area) – Commercial activities including advertising income – Savings/ shared services /demand management. • Consider further years programmes – dependent on the revised MTFS 2018-23 – Jan 18. 				

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>Creative & Aware</u> Partnerships	<ul style="list-style-type: none"> Information gathering and a watching brief on national and local developments 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. 	<ul style="list-style-type: none"> Information gathering and a watching brief on national and local developments – ongoing. Reviewing a range of policies, statistics and potential scenarios and keeping a watching brief nationally 			Substantial	Improving
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>Creative & Aware</u> People	<ul style="list-style-type: none"> Leadership development delivered to CMT, Assistant Directors and Service Managers New HR Manager in post. Lead roles within HR developed for Health and Wellbeing and Performance. New People Strategy and action plan developed, approved March 2017 New appraisal system implemented – June 2017 Coaching Programme for CMT, Assistant Directors and Service Managers to be delivered – started August 2017 	<ul style="list-style-type: none"> Implementation of People Strategy action plan – annual review. Staff Recognition scheme to be rolled out in Q3 Volunteering programme being put together to support people strategy enhance staff wellbeing and corporate social responsibility– CLT in Nov-Dec 2017 Further coaching programme to be made available for team leaders – TBC CMT to evaluate Coaching programme – Dec/Jan 2018 			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)				
7.	Ensure sufficient levels of resilience and capacity exist in order to deliver key strategic projects within the Council	CX	<u>Creative & Aware</u> Projects & Major Change	<ul style="list-style-type: none"> BCP Plans in place for critical services New Vision 2020 launched, with associated 3 year programme, forming basis of service plans and priorities Strategic Projects reported on a quarterly basis to CMT/Exec/PSC Programme Boards established for key strategic projects. Draft MTFS 2017-22 allocates resources in line with Vision 2020. 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 Regular reporting of other all Strategic Plan schemes Development of skills and abilities of key leaders and staff through Leadership Development Programme New Director of Communities & Environment in place. New position of Major Developments Director established and recruited Restructure of MDD complete with staff resources allocated. 	<ul style="list-style-type: none"> Allocation of further resources of £140k to areas needed further capacity (continued utilisation during 2017/18) Recruitment to two vacant Assistant Directors posts from August 2017 Appointment to new AD- Regeneration in progress – start January 2018 DCE has appointed additional S3 resource to support project delivery DMD – deliberate slowing down of some phase 2 projects to concentrate on key priorities for 17/18 CMT to undertake a review of existing commitments to fit capacity (financial and resource) to project expectations – mid Sept 2017 Service planning 2018/19 to ensure capacity exists before commitments made Further recruitment process to take place to recruit to AD – Strategic Development in new 			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"> Restructure of Housing /Regeneration approved Some temporary additional resource has been provided within Finances CX recruited temporary CFO to bring stability to the service 	year. Interim arrangement to be put in place – Oct/November 2017				

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SUBJECT: STRATEGIC PLAN PROGRESS – Q2 2017-18

DIRECTORATE: CHIEF EXECUTIVES DIRECTORATE

REPORT AUTHOR: ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To provide the Executive 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 30th 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 17th 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 30th October 2017 and were completed by 3rd 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 13th 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 15th 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 14th January 2018.

The temporary bus station will close on 14th 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.

Classification	Value of 106 agreed	Value of 106 triggered	Value of 106 received	Spent/ Commit'd	Balance to be allocated
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
TOTAL	6,346,104	4,809,139	4,803,564	4,376,106	427,458

- 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 31st 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.

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 the Executive 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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EXECUTIVE

27 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 Executive 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">✓ Excellent business rates in year collection rate of 61.13%, 1.05% higher than last year✓ Time taken to process new benefit claims remains above target at 23.24 days✓ Average time to process housing benefit claim changes of circumstances continues to better its 9 day target, at just 7.62 days✓ The number of Housing Benefits / CT support customers awaiting assessment has reduced from 1021 last Q2 to 810 this year✓ There are now just over 63,000 individuals on the electoral register (above the 62500 target)✓ 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✓ Both major and non-major planning applications are still being determined within the government set 2-year rolling targets✓ The number of people requesting PPASB services has dropped from 1049 last Q2 to 818 this Quarter✓ Satisfaction with service at Yarborough Leisure centre has risen to 88% (from 79%)	<ul style="list-style-type: none">❖ The volume of face to face enquiries in customer services remains high – at 12,123❖ Average time taken to answer a call to customer services has risen to 62 seconds from 41 seconds last Q2❖ The level of outstanding revenues customer changes has more than doubled to 624 from 289 in Q2 last year❖ The % of FH&S visits completed to schedule has dropped from 90.1% last quarter to 81.1% in Q2❖ Satisfaction with the way that PPASB complaints were handle was down from 88% to 68% in Q2❖ Satisfaction with the cleanliness of public highways has declined from 84.3% to 73% in Q2❖ The % of households approaching the council considering themselves homeless, where advice intervention resolved the situation has declined further below target to 30.87%❖ 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
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- ✓ The percentage of rent lost through dwelling being vacant has dropped to 1.06%
- ✓ The % of reactive repairs completed within time remains above target at 96.52%

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 terminally ill employees.



of

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.



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.

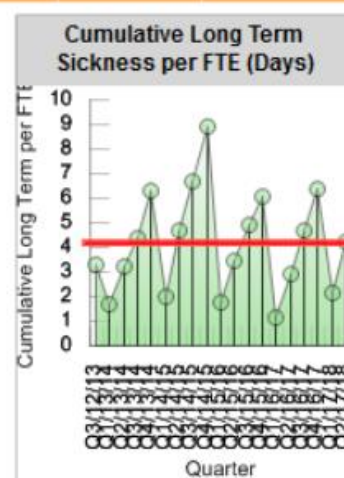
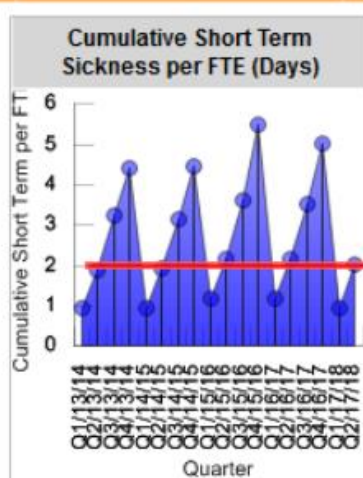
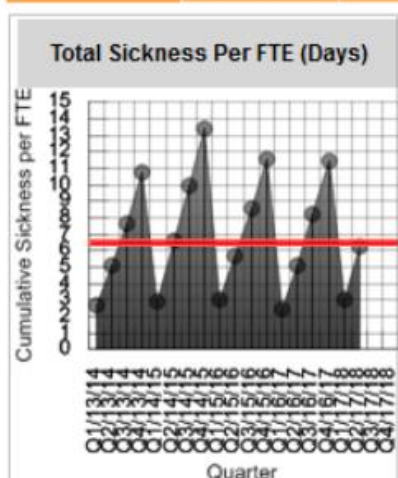
In terms of short term sickness, Q2 alone has decreased when compared to the same period last year. It currently stands at 1.08 days per FTE, which is 0.12 days less than at the same point last year and brings the YTD total to 2.04 days per FTE.

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
TOTAL	1,150.50	2,429.00	3,579.50	564.24	2.04	4.30	6.34



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.

Cumulative sickness to Q2	Short term days lost	Long term days lost	total days lost	Average Number of FTE this Q	Short term days lost per FTE	Long term days lost per FTE	Total days lost per FTE
Apprentice sickness	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%

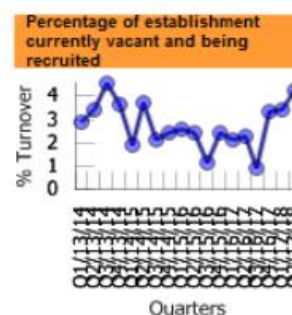
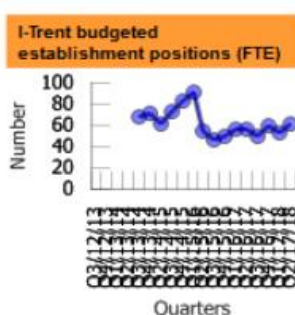
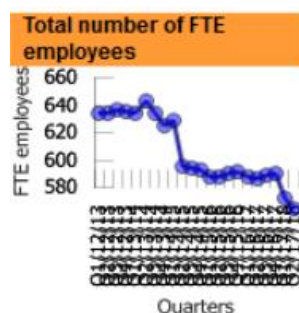
The new appraisal process went live on 1st April 2017. The aim was for all appraisals to be completed during Quarter 1 with a 95% compliance rate, to allow for Maternity leave, long term sick etc. This is so objectives are set in line with Vision 2020 and the Service Plans. Due to this being the first 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
TOTAL	587.00	589.76	590.90	571.40	564.24
Average number of apprentices across the period					18
	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	
TOTALS	171	7.0	2	0	

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. Executive is asked to:

a) Comment on the achievements, issues and any future concerns noted this quarter

b) Relevant portfolio holders to ensure management has a local focus on those highlighted as showing deteriorating performance

Is this a key decision?

No

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules apply?

No

How many appendices does the report contain?

One

List of Background Papers:

None

Lead Officer:

Pat Jukes: Business Manager, Policy Unit Ext 3657

Table of all Q2 Strategic Measures

CX Quarterly measures

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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				

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 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 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.	28.00	25.00	Below 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				

EXECUTIVE**27 NOVEMBER 2017**

**SUBJECT: TREASURY MANAGEMENT AND PRUDENTIAL CODE UPDATE
REPORT – HALF YEAR ENDED 30 SEPTEMBER 2017**

REPORT BY: CHIEF EXECUTIVE

LEAD OFFICER: SARAH HARDY, GROUP ACCOUNTANT

1. Purpose of Report

- 1.1 This report covers the Council's treasury management activity and the actual prudential indicators for the period April 1st to September 30th 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 30th September 2017.

2.1.1 Investment portfolio

The Council held £20.4 million of investments at 30th 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 30th 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 30th 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 30th September 2017. This compares favourably with the target 7 day average LIBID at 30th 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 30th 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 30th 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 30th September 2017. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 1st 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
Total	41,951	55,229	15,573	16,507	12,256	12,451

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
Capital Expenditure						
Total Spend	41,951	55,229	15,573	16,507	12,256	12,451
Financed by:						
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
Net borrowing need for the year	11,269	25,239	96	620	0	0

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.

Indicators 3 & 4	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Original Estimate	2018/19 Revised Estimate	2019/20 Original Estimate	2019/20 Revised Estimate
	£000	£000	£000	£000	£000	£000
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	111,131	101,141	109,072	100,066	107,746
Net movement in CFR	8,622	22,455	(1,160)	(2,059)	(1,075)	(1,325)
Indicator 5	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Original Estimate	2018/19 Revised Estimate	2019/20 Original Estimate	2019/20 Revised Estimate
	£000	£000	£000	£000	£000	£000
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	91,473	85,913	91,032	86,697	90,795	86,459

* 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.

Indicator 6	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
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
Net Borrowing	69,815	74,714	77,790	72,770	78,790	72,817
CFR	102,301	111,131	101,141	109,072	100,066	107,746
Net borrowing is below CFR	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
Authorised limit for external debt*						
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
Total Authorised limit	108,200	116,500	104,000	113,900	102,000	112,500
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
Operational boundary for external debt*						
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
Total Operational Boundary	103,900	112,560	102,300	111,340	100,800	110,105

* 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.

- 5.1.2 **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.
- 5.1.3 **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.
- 5.1.4 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 30th 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 6th 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 30th 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 30th 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 30th 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 30th 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 Executive note the Prudential and Local Indicators and the actual performance against the Treasury Management Strategy 2017/18 for the half-year ended 30th September 2017 and approve the change to the MRP policy at Appendix C.

List of Background Papers:

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

Lead Officer – Sarah Hardy, Group Accountant Tel. 01522 873839,
e-mail sarah.hardy@lincoln.gov.uk

Appendix A

Borrowing Profile at 30th September 2017

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

Investment Profile at 30th September 2017

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

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
Upper limits on interest rate exposures		
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 %
Local indicator limits based on debt only		
Limits on fixed interest rates	100%	100%
Limits on variable interest rates	40%	0%
Local indicator limits based on investments only		
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.

Indicator 15	2017/18 Original %	2017/18 Revised %	2018/19 Original %	2018/19 Revised %	2019/20 Original %	2019/20 Revised %
Maturity Structure of fixed borrowing (Upper Limits)						
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%
Maturity Structure of fixed borrowing (Lower Limits)						
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 30th September 2017 the maturity structure of borrowing during the first half of the year was as follows:

Indicator 15	2017/18 Half year Lower	2017/18 Half year Upper
Maturity Structure of fixed borrowing	%	%
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
Maximum principal sums invested > 1 year	£5m	£1m	£5m	£0m	£5m	£0m

As at 30th 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 th 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 th 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)

	2017/18 Target %	2017/18 Actual – 30th September %	2018/19 Target %	2019/20 Target %
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 1st 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 1st 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

7th 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 ruptures 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 newsflashes 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

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SUBJECT: AMENDMENT OF LINCOLN'S AIR QUALITY MANAGEMENT AREAS

DIRECTORATE: DEPARTMENT OF COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: IAN WICKS (POLLUTION CONTROL OFFICER)

1. Purpose of Report

- 1.1 To seek approval from the Executive Committee to commence consultation on the revision and revocation of the Council's existing Air Quality Management Areas; and
- 1.2 To request that the Executive Committee grants delegated power to the Portfolio Holder for Environmental Services and Public Protection, in consultation with the Assistant Director (Health and Environment), to authorise making subsequent amendment or revocation orders relating to the existing Air Quality Management Areas, subject to any consultation responses.

2. Executive Summary

- 2.1 The City of Lincoln Council currently has two Air Quality Management Areas (AQMA's), which have been declared by the Council due to historical non-compliance with the national air quality objectives for nitrogen dioxide and PM₁₀ (particulate matter smaller than 10 microns), two road traffic related pollutants.
- 2.2 The Council's latest detailed air quality assessment, which was completed in March 2017, confirms that there has been a significant air quality improvement in many areas of the city. As a result, the report concludes that the AQMA for nitrogen dioxide can be reduced in size and the AQMA for the PM₁₀ can be revoked due to these improvements.
- 2.3 Before significantly amending or revoking an AQMA, the Council is obliged to consult with a number of statutory consultees. The Council may also consult with other relevant stakeholders. This report is seeking the approval of the Executive Committee to commence this consultation process.

3. Background

- 3.1 The Environment Act 1995 places a duty on the Council to regularly review air quality within the city against a number of national air quality objectives. The objectives are human health based standards, seeking to protect the most vulnerable in society, i.e. the very young, the elderly and those with pre-existing conditions. Historically, areas closest to the city's busiest roads have been found to have pollution levels above the national objectives for two pollutants – nitrogen dioxide (NO₂) and fine particulates (PM₁₀).

- 3.2 Where exceedances of the objectives are found to be likely, the 1995 Act requires the local authority to declare one or more Air Quality Management Areas covering, as a minimum, all those areas where the objectives are likely to be breached.
- 3.3 The Council has declared two Air Quality Management Areas. The first, relating to NO₂, was declared in 2001 and was subsequently amended in 2014 (*this was a minor amendment that did not require consultation*). A map showing the existing NO₂ AQMA can be seen in Figure 1 of Appendix 1.
- 3.4 The second AQMA was declared for PM₁₀ in 2008. The PM₁₀ AQMA was originally declared as a citywide AQMA due to a study in 2007 suggesting that there may be problems at thirteen road junctions around the city. Rather than declaring thirteen separate AQMAs, it was decided to declare one large AQMA. A subsequent detailed air quality assessment in 2009 showed that there was only one junction (Broadgate/Monks Road/Silver Street/Clasketgate) where an exceedance was likely.
- 3.5 Since the declaration of the AQMAs, the Council's monitoring network has shown that there has been significant improvement in air quality over the last 5 years, which prompted the commissioning of a detailed assessment of pollution levels in the city during 2016/17.
- 3.6 In terms of what has led to the improvement, it is likely to be due to a combination of actions at a local, regional and national level. Local measures are presented in the City Council's latest Annual Status Report 2017 (see <https://www.lincoln.gov.uk/living-in-lincoln/public-land-litter-and-flytipping/air-quality/>). These measures, along with improvements to the vehicle fleet through natural renewal and technological improvements to vehicles, industrial processes and commercial/domestic heating systems, will have had a beneficial impact. One of the biggest influences appears to be a significant reduction in background levels in the last 5 years (an urban background monitoring site located at City Hall has reduced by some 7 to 8 micrograms per meter cubed during this period – this is located at City Hall away from any immediate influences e.g. busy roads).

4. Main Body of Report

- 4.1 The 2017 detailed air quality assessment confirms that air quality has improved along large parts of the local road network, with all areas of the city expected to meet the national objectives for PM₁₀. Also, although some areas are still identified as being above the objectives for NO₂, the size of the area where those exceedances are likely to be seen has significantly reduced meaning that the number of people likely to be exposed to poor air quality has also significantly reduced.
- 4.2 The report therefore recommends that the boundary of the NO₂ AQMA be amended so that it only includes those areas that are likely to either exceed or be within 10% of the national air quality objectives for this pollutant. (See Figure 2 of Appendix 2 for a map showing the minimum extent of the amended NO₂ AQMA.)

- 4.3 Furthermore, with the detailed assessment confirming that all areas of the city are likely to be consistently complying with the PM₁₀ air quality objectives, the report recommends that the PM₁₀ AQMA be revoked in its entirety.
- 4.4 Before any significant amendments or revocations of AQMA's can be made, the Council has to consult with statutory consultees. The consultation may be widened to include other non-statutory consultees who may hold information that could affect the decision to amend or revoke an AQMA.
- 4.5 As a minimum, it is proposed that the following organisations would be consulted:
- Environment Agency (statutory consultee)
 - Defra (statutory consultee)
 - LCC Highways (statutory consultee)
 - West Lindsey DC and North Kesteven DC (statutory consultees)
 - LCC Public Health (non-statutory consultee)
 - PHE (East Midlands) (non-statutory consultee)
 - Planning Policy (non-statutory consultee)
 - Bus Operators (non-statutory consultees)
- 4.6 There is no statutory consultation period defined within the legislation and, as such, it is proposed that the consultation will last for four weeks.
- 4.7 The consultation questions will seek to establish the following:
- a) Are there any proposed developments that are likely to make a significant contribution to PM₁₀ or NO₂ levels within central Lincoln over the next five years, due to additional road traffic or industrial emissions? If yes, what are they and is any data available to be able to quantify those impacts?
 - b) Do you object to the PM₁₀ AQMA being revoked or the boundary of the NO₂ AQMA being amended? If yes, please provide your reasons?
- 4.8 There is no intention to consult the general public at this stage, other than through publishing on the website, as the decision to revoke or amend an AQMA is a technical procedural matter that is unlikely to have any significant direct impact on local residents. (The general public will be consulted on any revision of the Air Quality Action Plan for NO₂, which is one of the projects identified in Vision 2020.)
- 4.9 Whilst the Assistant Director (Health and Environment) is authorised under the Constitution to implement duties under the Environment Act 1995, it is felt appropriate that authority for making any subsequent amendment or revocation orders in relation to the Air Quality Management Areas are delegated to the portfolio holder in consultation with the Assistant Director (Health and Environment), subject to any consultation responses.

5. Strategic Priorities

5.1 Let's enhance our remarkable place

The review and revision of the Council's existing Air Quality Action Plan is a key project detailed under this Vision 2020 priority. The amendment/revocation of the existing AQMAs, to more accurately reflect those areas that are currently affected by poor air quality, will enable the review the Air Quality Action Plan to focus on those parts of the city where improvement measures are most needed.

6. Organisational Impacts

6.1 Finance

The proposal to consult on and to amend/revoke the existing AQMAs should not have any significant cost implications.

6.2 Legal Implications including Procurement Rules

If, after consultation, the Council decides to amend or revoke either of the existing AQMAs, it would need to issue appropriate Orders under Part IV of the Environment Act 1995.

6.3 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required) – None

7. Risk Implications

7.1 (i) Options Explored

None – this is a statutory process.

7.2 (ii) Key risks associated with the preferred approach – There should be no significant risks associated with consulting on proposals to amend or revoke the AQMAs as the process is primarily seeking evidence to establish whether it is appropriate to proceed with any amendment/revocation.

With regards to any resulting amendment/revocation of the AQMAs, a key risk would be that air pollution deteriorates at some point in the future and AQMAs would have to be expanded again or new ones introduced. The fact that any amendment to the current AQMAs would include any areas that are likely to be within 10% of the national air quality objectives provides an allowance for any future fluctuations in pollution concentrations, so reduces the likelihood that future expansion of the AQMA's will occur.

In terms of public perception, the views of the Communication Team have been sought on the possible impact on the Council's reputation, with particular regards to the siting of the Transport Hub within the existing and proposed amended NO₂ AQMA. Taking into account that the amendments are coming about due to improvements in pollution levels, which is good news, and the fact that air quality impacts of the Transport Hub were fully considered and addressed through the planning process, it is not considered that there will be any significant adverse reaction to the proposals that could not be readily managed.

8. Recommendation

- 8.1 That the Executive Committee approves the commencement of consultation on the revision and revocation of the Council's existing Air Quality Management Areas; and
- 8.2 The Executive Committee grants delegated power to the Portfolio Holder for Environmental Services and Public Protection, in consultation with the Assistant Director (Health and Environment), to authorise making subsequent amendment or revocation orders in relation to the existing Air Quality Management Areas, subject to any consultation responses.

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?

One (Appendix 1 – AQMA Maps)

List of Background Papers:

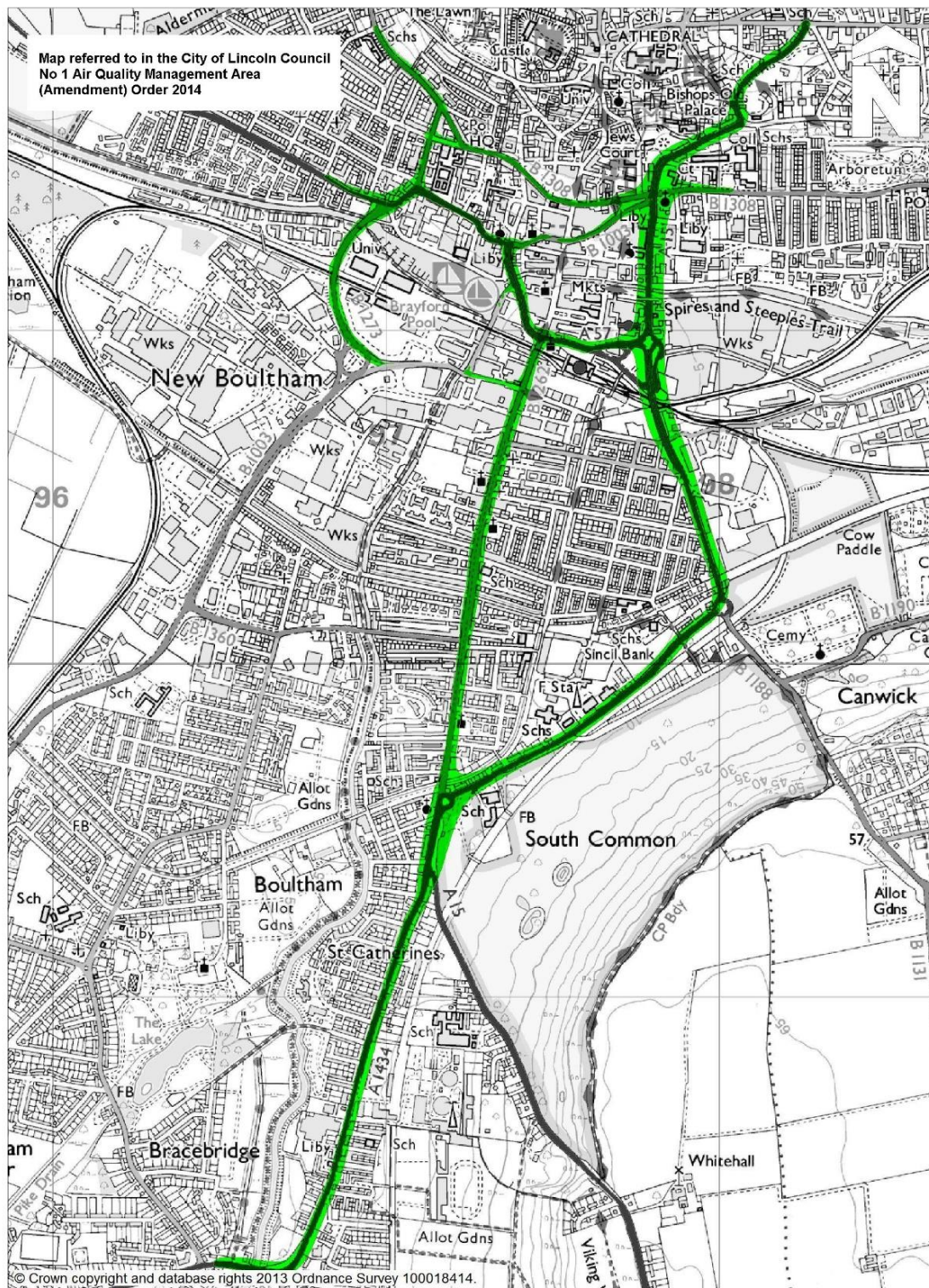
None

Lead Officer:

Ian Wicks, Pollution Control Officer
Telephone (01522) 873794

Appendix 1 – AQMA Maps

Figure 1 - Existing NO₂ AQMA

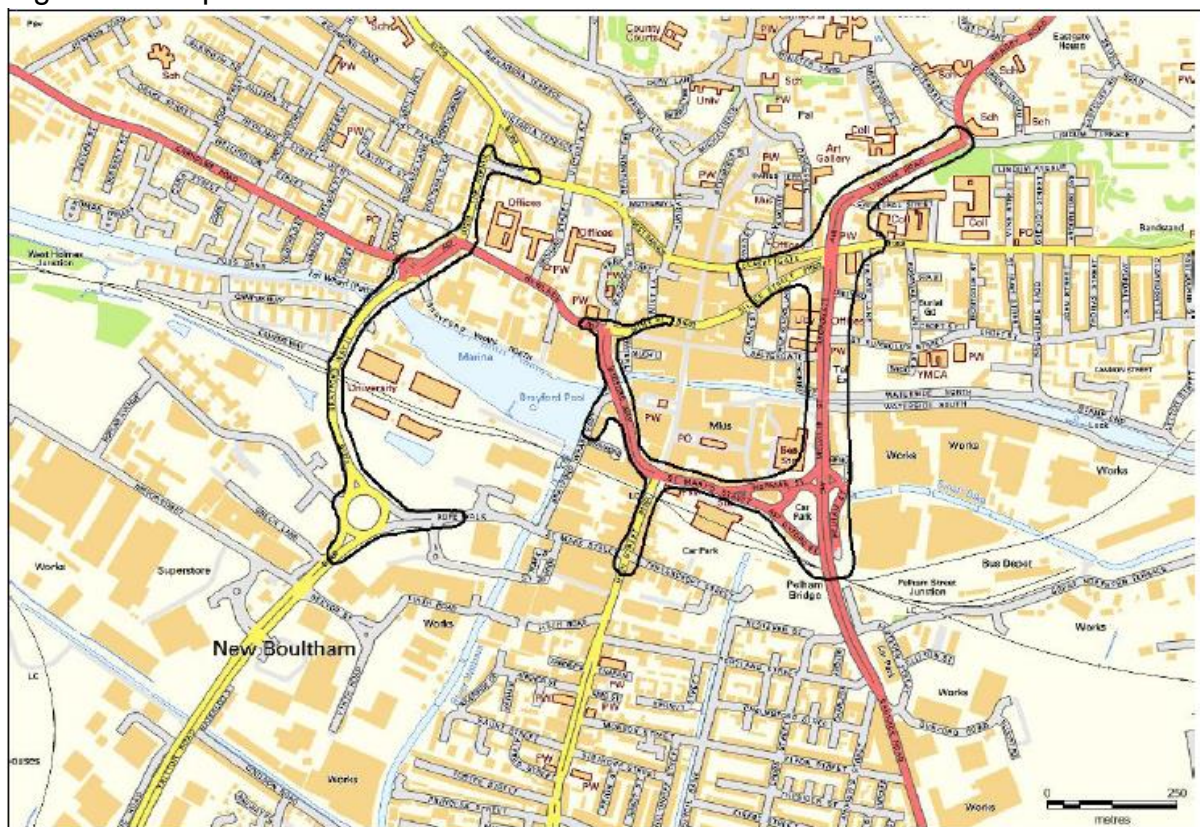


The area marked green is that which has been designated
Air Quality Management Area No.1 (as amended 2014)

Scale: 1:15000 at A4



Figure 2 - Proposed minimum extent of the amended NO₂ AQMA*



* It is likely that the final area will connect the two separate outlined areas (i.e. via Newland, Silver Street, West Parade/Clasketgate)

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**SUBJECT: HOUSING ASSISTANCE POLICY AMENDMENT –
EMERGENCY HOUSING GRANTS SCHEME**

DIRECTORATE: COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: HANNAH CANN – PRIVATE HOUSING TEAM LEADER

1. Purpose of Report

- 1.1 To propose an amendment to the Housing Assistance Policy, suspended in March 2015, to temporarily reintroduce the minor works grant scheme.

2. Executive Summary

- 2.1 All local housing authorities are granted the power to provide “housing assistance”, and directed housing assistance can help achieve corporate aims. Lincoln has a housing assistance policy but this was suspended by Executive in March 2015 for reasons discussed at that time.
- 2.2 The proposal presented in this report is the adoption of an amendment to the policy which would make provision for urgent help. It would mean that City council has not placed itself in a position of having a universal answer of “no” to applications for assistance. The proposal seeks to limit officer involvement with the proposed works and to allow applications to be determined swiftly.

3. Background

- 3.1 Article 3 of *The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002* allows the Council for the purposes of improving living conditions in its area to provide assistance to any person, directly or indirectly, for the purpose of enabling him:
- a) to acquire living accommodation;
 - b) to adapt or improve living accommodation;
 - c) to repair living accommodation;
 - d) to demolish buildings comprising or including living accommodation;
 - e) where buildings comprising or including living accommodation have been demolished, to construct buildings that comprise or include replacement living accommodation.
- 3.2 A council may not exercise these powers unless :
- a) they have adopted a policy for the provision of assistance
 - b) they have given public notice of the adoption of the policy
 - c) they have secured that:
 - i. a copy of the policy is freely available for inspection
 - ii. a summary of the policy is available
 - d) the power is exercised in accordance with the policy.

- 3.3 In June 2007 the Council adopted its current Housing Assistance Policy. Executive at its meeting of 2 March 2015 resolved to suspend the discretionary housing assistance grant scheme in order to focus resources on the control of HMOs.
- 3.4 The Policy Scrutiny Committee at its meeting of 26 March 2015 considered an appraisal of the Housing Assistance programme since its adoption in 2007 and expressed the desire that some form of assistance should continue to be made available.
- 3.5 In October 2015 and October 2016 members agreed to fund emergency works through use of an amended Minor Works Grant, until the end of the relevant financial year only and 4 applications were approved in each of 2015/16 and 2016/17. It is proposed that a similar arrangement is made for this financial year and on a yearly basis by means of an amendment to the existing policy.

4. Main Body of Report

- 4.1 The proposal, which is described in more detail in the appendix to this report, aims:
- a) to target those most in need
 - b) to provide help for the most urgent works
 - c) to make the scheme as accessible as possible
 - d) to make the scheme simple to administer
 - e) to limit the financial burden to the Council
- 4.2 **Persons in Need**
This proposed amendment to the housing assistance policy is limited to helping those people living in owner occupied property that requires urgent remedial work but which they cannot afford, either from cash savings or through a loan. Households living in social housing or privately rented accommodation can expect their landlord to undertake the necessary repairs and the council has enforcement powers to resolve these issues. In determining financial need the proposed amendment will take into account receipt of means tested welfare benefits as well as those households who fall just outside welfare thresholds but are still be unable to fund necessary repairs.
- 4.3 **Help for the Most Urgent Works**
Outcome 4 of the Lincoln Housing Strategy 2017-22 seeks to introduce an emergency housing assistance policy. This proposal makes a temporary provision under this objective to meet the most urgent need over the Winter months. The proposal is not to assist with maintenance, nor with long term improvements to properties, but to help manage the most immediate problems which are giving rise to conditions which directly impact upon health. In the appendix, detail is given as to the types of problems which fall within these criteria.
- 4.4 **Accessible Scheme**
The administration of the grant removes traditional barriers to the delivery of grant aided works:
- a) there will be no prior registration of an enquiry; application forms will be sent on demand,
 - b) there will be no eligibility inspection of the property before the application for grant can be received
 - c) there will be no schedule of eligible work
 - d) one estimate of the proposed works will suffice

Basic controls will make sure that the applications are legitimate and that funds are only paid upon receipt of contractor invoice when work is satisfactorily completed.

4.5 Simple Administration

The council's role will be strictly that of funder and homeowners will be responsible for management of the works. The council will carry out no building survey to determine the works needed.

4.6 Limit to financial burden

It is proposed to limit each award of assistance to £2,000. It would be a straightforward grant and not a loan and in the interests of making the grant accessible and the administration simple there would be no condition requiring repayment of the grant. It is proposed to limit the budget to £10,000 per year which would allow at least 5 grants to be awarded. The actual number will be affected by the cost of the works. It is proposed to exclude eligibility for the first 5 years of home ownership as owners can be expected to have budgeted for necessary works when purchasing their home, except for those owners whose financial circumstances have demonstrably changed since acquiring the property.

5. Strategic Priorities

5.1 Let's reduce inequality

The purpose of the proposal is to enable the Council to consider applications for assistance from those least able to bring about urgent repairs to their homes. It would be available to those in receipt of low income in the owner occupied sector.

5.2 Let's deliver quality housing

The proposal will reduce conditions that are hazardous to health and safety in owner-occupied housing, until a longer term replacement to the suspended Housing Assistance Policy can be developed and funded. The policy can be used to fund repairs to heating systems where vulnerable homeowners are left without central heating.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

In terms of the temporary amendments to the existing scheme it is proposed in paragraph 4.6 to limit the total expenditure to £10,000 per year.

Not all of the types of work identified as eligible under the scheme can be capitalised therefore the scheme will be funded from a combination of both revenue and capital funding. The different types of work are clarified in appendix A.

The £10,000 annual budget has been identified from within the current revenue budget of the Private Housing team via the 15% admin fee on DFG grants. This budget will be available for as long as the council continues to receive DFG grant contributions from LCC. An ongoing revenue budget of £10,000 will be provided within Private Sector Housing for this policy.

The £10,000 should be seen as a contingency against possible applications and not a target. Demand upon the scheme is to some extent dependent upon how severe the winter will be. Consideration also has to be given to the draw on both

types of funding and the possible depletion of one before the other. In order to mitigate the impact, particularly on the capital programme regular monitoring will be undertaken. In 2015/2016 when a similar scheme was approved, the Council approved 4 applications with a total cost of £7560, and in 2016/17 the total approved for four grants was £4735.20.

6.2 Legal Implications including Procurement Rules

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 provides the Council with the power to provide assistance however, in order for the assistance to be exercised the Council must adopt a policy to exercise this power. As the total value of any single grant will be £2000 or less and the potential total contract value will be no greater than £10,000 and as such procurement rules allow for a direct approach to a suitable contractor. Where possible, local contractors will be used who are selected by the grant applicant on a case by case basis.

6.3 Human Resources

The scheme will be delivered within existing staff resources

6.4 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required) – An Equality Impact Assessment is attached. There are positive impacts for age, disability and human rights, and no negative impacts for any protected characteristic.

6.5 Significant Community Impact

6.6 Corporate Health and Safety implications

7. Risk Implications

7.1 (i) Options Explored

To lift the suspension of the policy. The current policy was adopted in 2007 and no longer fully reflects the corporate priorities. The staffing resources currently available to the Council would prevent the effective delivery of the assistance.

To lift the suspension of part of the policy. The current policy made generous provision for grant aid and required a high officer input to deliver the service. To make Decent Homes Grants universally available may expose the Council to a high financial burden. The staffing resources currently available to the Council would prevent the effective delivery of the assistance

To make no financial provision for assistance. Section 3 Housing Act 2004 places a statutory duty on local housing authorities to keep the housing conditions in their area under review with a view to identifying any action that may need to be taken by them under various powers including Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. To make no provision under the Order and to have a policy of “no assistance” could expose the Council to a challenge of not having fully considered its statutory duty.

7.2 (ii) Key risks associated with the preferred approach

That no or very little claim will be made against the budget and that the funds might more usefully have been applied elsewhere.

That with very little officer involvement in each case value for money will not be achieved. This risk is limited by the amount of grant available in any one case.

That a house in very poor condition will require substantially more than the maximum amount of grant under this minor works scheme. It will be for the owner to consider whether a more appropriate long term solution is available.

Financial risks are considered in section 6.1

8. Recommendation

- 8.1 That the proposed amendment to the Housing Assistance Policy described in Appendix one to this report be adopted, and that housing assistance be made available under the terms of the amendment and under no other part of the policy.
- 8.2 That the term of the policy amendment extend to 31 March 2018, and then from 1 October to 31 March annually thereafter subject to available funds in future years, and that any grant applications approved in the time up to and including that date be paid on completion of the works.

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?

One – Housing Assistance Policy Amendment

List of Background Papers:

None

Lead Officer:

Hannah Cann, Private Housing Team Leader
Telephone (01522) 873873

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Appendix one

City of Lincoln

Amendment to the Housing Assistance Policy

Preamble

The current Housing Assistance Policy (the Policy) was adopted by the Council on 25 June 2007, amended on 10 March 2008 and again on the 31 March 2008. On 2 March 2015 it was suspended with no further new enquiries to be considered. The Council cannot fetter its discretion to consider applications for assistance and the arrangements below provide a framework which will allow the Council to consider any individual applications. The scope of the Policy amendment is to provide assistance for urgent cases only, it has no ambitions to improve the stock condition as a whole, and the City's role for each application is limited to that of a funder only. Where relevant this amendment makes reference to the Policy and its paragraph numbers.

Assistance. General.

The form of assistance to be made available is a Minor Works Grant, as described in paragraphs 7.27 to 7.37 of the Policy but with amendments as described below.

The following circumstances already apply to a Minor Works Grant:

1. Only one estimate of the cost of the works is required where the estimate less is less than £2,000 (para 10.8(b)).
2. No requirement is made for the written consent of all joint owners (para 10.8 (d)) as a condition of grant approval.
3. The applicant is not required to enter into a deed agreement with the Council (para 10.8(g)).
4. There are no grant conditions concerning future occupation and repayment (para. 10.20)
5. If the owner disposes of the property after the completion of the works there is no obligation to repay the grant (paras 10.53 and 10.67).

Eligibility. Financial need.

In considering an application for Minor Works Grant the Council will take into account the financial circumstances of the applicant. Where the Council decides to approve an application for a Minor Works Grant then it will pay for the full cost of the eligible works up to a maximum of £2,000 (except for houseboats and caravans where the limit is £750) in the following circumstances:

1. The applicant is in receipt of one or more of the following welfare benefits:
 - a. Income related employment and support allowance
 - b. Income support
 - c. Guarantee pension credit

- d. Income based job seekers allowance
 - e. Council tax support
 - f. Disability living allowance
 - g. War disablement pension
 - h. Industrial injuries disablement pension
 - i. Working tax credit if the annual income used in the calculation is less than £16,010
 - j. Child tax credit if the annual income used in the calculation is less than £16,010
 - k. Universal credit.
2. The applicant is not in receipt of one or more of the benefits described above but has a gross income from employment, and from income other than employment e.g. occupational and state retirement pensions, which is less than £16,010, and has total cash savings of less than £6,000 (i.e. consistent with the Disabled Facilities Grant test of resources threshold).

The applicant's income and savings will include those of the applicant's husband, wife or partner.

Eligibility. Ownership.

The applicant shall have an "owner's interest" in the dwelling subject to the application, unless they are a lifelong tenant (see "definitions" within the Policy and para. 7.27)

No application will be considered where the applicant has lived in and owned the dwelling for a period of less than 5 years from the day of the application. However, where the applicant's circumstances have changed since acquiring the dwelling then the Council may decide to set aside the 5 year requirement in cases of hardship.

The application

The Council will provide application forms on request and there is no requirement to have previously registered for an interest in assistance. This is a variation from the requirement of para. 10.5.

The works to which the application relates should be described in an estimate provided by a contractor who has been engaged by the grant applicant. There is no requirement for the works to be described and specified by the local authority. This is a variation from para. 10.6(1).

The applicant's proposal should be clearly described in the contractor's estimate. If it is not clearly described this will not prevent registration of the application but the application may not be approved if the proposal is incomplete or ambiguous. Estimates will only be acceptable if provided by legitimate business concerns and in all cases a business address and contact details should be shown.

Works eligible for assistance

Works eligible for assistance will be at the discretion of the council. As a general condition the works should help remedy defects or deficiencies which have a direct impact upon health. The purpose of the works will be to secure an immediate remedy and not necessarily for reducing long term maintenance costs. The table below provides examples to help illustrate what works can be deemed to be eligible and which cannot.

Table of eligible and non-eligible works to help illustrate the scope of the grant

Eligible for assistance – REVENUE grant		Eligible for assistance – CAPITAL grant	
Isolation and making safe of dangerous wiring	Repair of broken boiler to provide space heating or hot water supply, or both	Replacement of broken immersion heater where no other means of heating water	Replacement of broken and obsolete boiler
Replacement of wiring to serve essential appliances or lighting or both only	Making safe of dangerous masonry	Replacement of wiring to serve essential appliances or lighting or both only (Re-wire only)	Replacement of collapse ceiling
Repair of a door which is unable to be secured against entry.	Repair of a window which is unable to be secured against entry.	Replacement and improvement of a door which is unable to be secured against entry.	Replacement and improvement of a window which is unable to be secured against entry.
Repair to leaking roof	Repair of collapse ceiling	Any building regulation fee in respect of the capital works	A project management fee of no more than £200 where a legitimate project manager has been engaged
Leaking rain water good causing spillage onto a footpath, or causing dampness or both	Leaking soil pipes and waste pipes		

Any building regulation fee in respect of the works	A project management fee of no more than £200 where a legitimate project manager has been engaged		
Not eligible for assistance			
Works to remedy rising dampness	Rot to doors and windows unless rendering the building attribute unusable	Re-pointing of external walls	Garden walls, outhouses, lean-tos, and temporary structures than to take down where dangerous.
"Fogged" double glazing	Defective rendering	Radiators unless leaking	

Approval of the grant application

After receipt and registration of the application the Council will inspect the property to determine that the proposed works are necessary and appropriate. The inspection of the property will be limited to the proposed works and will not be to determine deficiencies for the purposes of the Housing Health and Safety Rating System

The Council may approve the application for grant:

1. if the applicant is the owner of the house or a lifelong tenant, and
2. the proposed works are necessary, appropriate and fall within the scope of the policy amendment, and
3. the estimate is acceptable

The maximum amount of grant is £2,000, however the estimate may be in excess of that figure (this is a variation to para 10.8 (b) of the Policy)

Payment of the grant

The Council will make one payment only on satisfactory completion of the works.

"Satisfactory completion of the works" will be receipt of a claim by the applicant stating that the purpose of the grant application has been achieved, receipt of the contractor's invoice, receipt of any necessary test certificate, building regulation approval if appropriate, and a determination by the council that the works described in the estimate have been undertaken.

It will be for the applicant to be satisfied that the contractor is competent, and that they have adequate public liability insurance. The council will not be involved in the specification or design of the works nor any aspect of supervision.

Limit to the number and frequency of grant applications

Where an application for Minor Works Grant has been submitted no other application for grant will be accepted unless:

1. The earlier application has not been approved and has been withdrawn by the applicant, or
2. The earlier application has been approved, the work has not been completed within the specified time and the grant application is void, or
3. The earlier application has been approved, the works have been completed and the claim paid.

Where an applicant makes more than one application for grant in respect of the same dwelling then it will not be accepted unless the period between the completion of the previous grant and the application for the succeeding grant is at least 9 months.

No more than 2 applications will be accepted from the same applicant in respect of one address in any 5 year period.

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Equality with Human Rights Analysis Toolkit



The Equality Act 2010 and Human Rights Act 1998 require us to consider the impact of our policies and practices in respect of equality and human rights.

We should consider potential impact before any decisions are made or policies or practices are implemented. This analysis toolkit provides the template to ensure you consider all aspects and have a written record that you have done this.

If you need any guidance or assistance completing your Equality and Human Rights Analysis contact:

Heather Grover, Principal Policy Officer on (87)3326; email: heather.grover@lincoln.gov.uk . Alternatively contact Legal Services on (87)3840

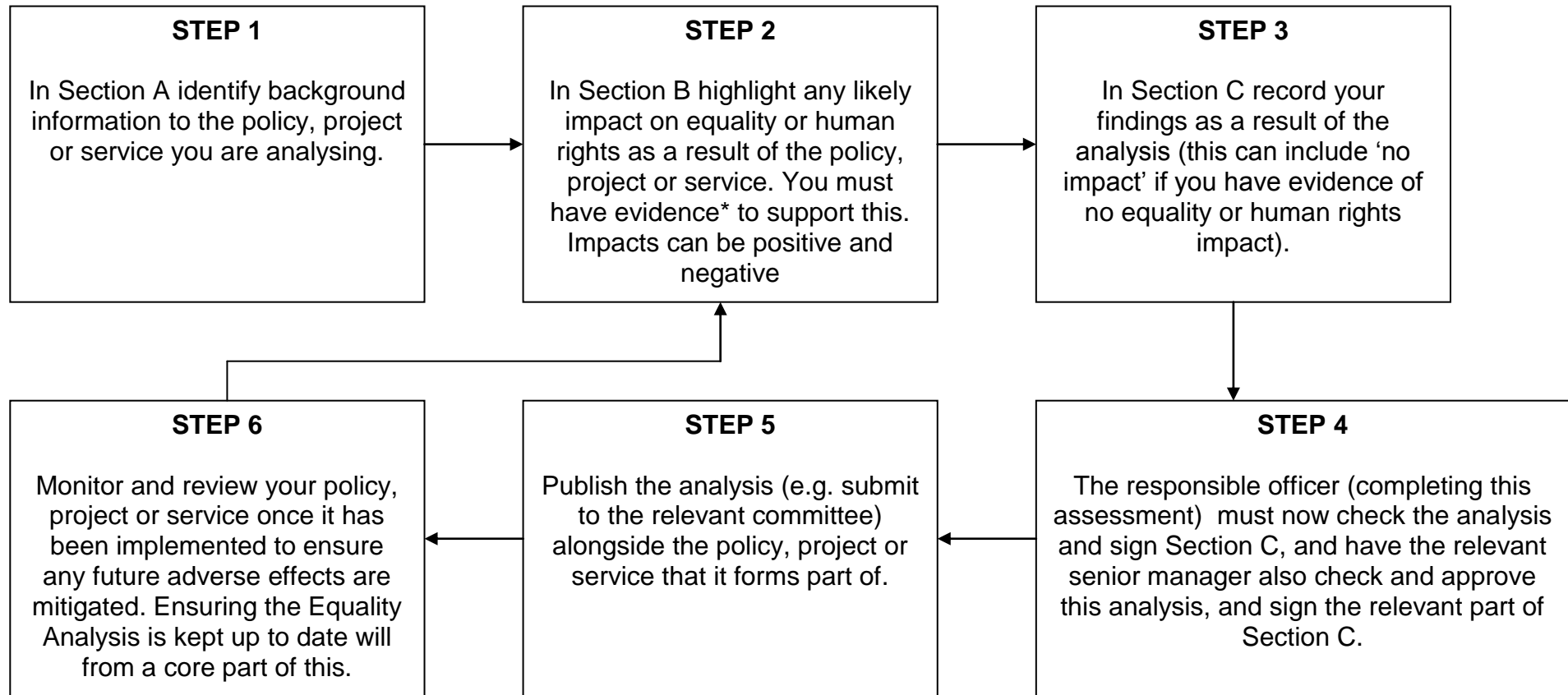
A diagram of the process you should follow is on page 2, and glossary and guidance to help you complete the toolkit can be found on pages 6-9.

Even after your policy, project or service has been implemented; it is recommended that analysis is undertaken every three years, and that this analysis is updated at any significant points in between. The purpose of any update is that the actual effects will only be known after the implementation of your policy, project or service. Additionally, area demographics could change, leading to different needs, alternative provision can become available, or new options to reduce an adverse effect could become apparent.

Useful questions to consider when completing this toolkit

1. What is the current situation?
2. What are the drivers for change?
3. What difference will the proposal make?
4. What are the assumptions about the benefits?
5. How are you testing your assumptions about the benefits?
6. What are the assumptions about any adverse impacts?
7. How are you testing your assumptions about adverse impacts?
8. Who are the stakeholders and how will they be affected?
9. How are you assessing the risks and minimising the adverse impacts?
10. What changes will the Council need to make as a result of introducing this policy / project / service / change?
11. How will you undertake evaluation once the changes have been implemented?

STEP BY STEP GUIDE TO EQUALITY ANALYSIS



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

SECTION A

Name of policy / project / service	Amendment to the Housing Assistance Policy – Re-introduction of Minor Works Grants
Background and aims of policy / project / service at outset	All local housing authorities are granted the power to provide “housing assistance”, and directed housing assistance can help achieve corporate aims. Lincoln’s current Housing Assistance Policy was adopted by the Council on 25 June 2007, amended on 10 March 2008 and again on the 31 March 2008. On 2 March 2015 it was suspended. The proposed policy amendment will allow the Council to consider applications for assistance for urgent works to privately owned homes, up to £2000, over the colder months ending on 31 March each year. It would mean that the council has not placed itself in a position of having a universal answer of “no” to applications for assistance. The minor works grant has been previously reintroduced temporarily in the winter of 2015/16 and 2016/17.
Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis	Hannah Cann Private Housing Team Leader
Key people involved <i>i.e. decision-makers, staff implementing it</i>	Private Housing Team

SECTION B

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

	Is the likely effect positive or negative? (please tick all that apply)			Please describe the effect and evidence that supports this?*	Is action possible to mitigate adverse impacts?	Details of action planned including dates, or why action is not possible
	Positive	Negative	None			
Age	Y			The provision of grant aid for owner occupiers may positively impact older persons due to the age demographic of persons owning their home, without excluding younger persons and families. Of the 11 Minor Works Grants completed in 2015/16 and 2016/17, 73% of grant applicants were over 50 years old and 45% were over 60.	Yes/No/NA	
Disability including carers (see Glossary)	Y			There is no criterion for the Minor Works Grant relating to disability or health needs, and the grant provision does not replace the need for regular maintenance which a person with physical or mental disability may find difficult. However, the grant safeguards the health of private homeowners and reduces accident risk by funding essential works, it has a straightforward application process, and will not negatively impact disabled persons.	Yes/No/NA	
Gender re-assignment			Y	The provision of grant aid is gender neutral	Yes/No/NA	
Pregnancy and maternity			Y	The criteria for grant aid are based on property condition and income and there is no impact on pregnancy or maternity. There is a positive impact on low income families by funding emergency repairs that they could not	Yes/No/NA	

				otherwise afford.		
Race			Y	The provision of grant aid is equal for all racial groups. The application forms are not complex for someone who does not have English as a first language and assistance can be given in completing the application.	Yes/No/NA	
Religion or belief			Y	There is no particular effect on any religious or belief group.	Yes/No/NA	
Sex			Y	The provision of grant aid is equal for people regardless of sex.	Yes/No/NA	
Sexual orientation			Y	There is no effect on persons of different sexual orientations and this is not considered in the application for grant aid.	Yes/No/NA	
Marriage/civil partnership 167			Y	The means test is simple based on household income and the provision of grant aid does not significantly affect any person based on their marital status.	Yes/No/NA	
Human Rights (see page 8)	Y			Respect for your private and family life, home and correspondence – the grant covers minor essential works that are generally not invasive, and helps people on low incomes to stay in their own homes.	Yes/No/NA	

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

Did any information gaps exist?	Y/N/NA	If so what were they and what will you do to fill these?
Age range of persons likely to benefit from Minor Works Grant	Y	Check paper files for age range of previous Minor Works Grants customers. Cross reference existing data sources for age demographic of owner occupiers in Lincoln

SECTION C

Decision Point - Outcome of Assessment so far:

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

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

Conclusion of Equality Analysis (describe objective justification for continuing)	
--	--

When and how will you review and measure the impact after implementation?	
---	--

Checked and approved by responsible officer(s) (Sign and Print Name)		Date	
Checked and approved by Assistant Director (Sign and Print Name)		Date	

When completed, please send to policy@lincoln.gov.uk and include in Committee Reports which are to be sent to the relevant officer in Democratic Services

The Equality and Human Rights Commission guidance to the Public Sector Equality Duty is available via: www.equalityhumanrights.com/new-public-sector-equality-duty-guidance/

City of Lincoln Council Equality and Human Rights Analysis Toolkit: Glossary of Terms

Adult at Risk - an adult at risk is a person aged 18 years or over who is or may be in need of community care services by reason of mental health, age or illness, and who is or may be unable to take care of themselves, or protect themselves against significant harm or exploitation.

Adverse Impact. Identified where the Council's operations has a less favourable effect on one or more groups covered by the Equality Act 2010 than it has on other groups (or a section of a group)

Carer - see also disability by association. A carer is a person who is unpaid and looks after or supports someone else who needs help with their day-to-day life, because of their age, long-term illness, disability, mental health problems, substance misuse

Disability by association. Non disabled people are also protected from discrimination by association to a disabled person. This might be a friend, partner, colleague or relative. This applies to carers who have a caring responsibility to a disabled person.

Differential Impact. Identified where a policy or practice affects a given group or groups in a different way to other groups. Unlike adverse impact, differential impact can be positive or negative.

Disability. It is defined under the Equality Act 2010 as 'having a physical or mental impairment which has a substantial and adverse long term effect on a person's ability to carry out normal day to day activities'.

Physical impairment is a condition affecting the body, perhaps through sight or hearing loss, a mobility difficulty or a health condition.

Mental impairment is a condition affecting 'mental functioning', for example a learning disability or mental health condition such as manic depression

Diversity. Diversity is about respecting and valuing the differences between people. It is also recognising and understanding the mix of people and communities who use services and their different needs.

Discrimination. Discrimination has been defined as 'the unequal treatment of individuals or groups based on less because of a protected characteristic – see protected characteristic. This includes discrimination by association, perception, direct and indirect discrimination.

Example of discrimination: An employer does not offer a training opportunity to an older member of staff because they assume that they would not be interested, and the opportunity is given to a younger worker

Equality. The right of different groups of people to have a similar social position and receive the same treatment:

Equality Analysis. This is a detailed and systematic analysis of how a policy, practice, procedure or service potentially or actually has differential impact on people of different Protected Characteristics

Equality Objectives. There are specific strategic objectives in the area of equalities and should set out what services are seeking to achieve in each area of service in terms of Equality.

Equality of Opportunity. Equality of opportunity or equality opportunities may be defined as ensuring that everyone is entitled to freedom from discrimination. There are two main types of equality encompassed in equal opportunities:

1. Equality of treatment is concerned with treating everyone the same. Thus, in an organisational context it recognises that institutional discrimination may exist in the form of unfair procedures and practices that favour those with some personal attributes, over others without them. The task of equal opportunities is therefore concerned with the elimination of these barriers.
2. Equality of outcome focuses on policies that either have an equal impact on different groups or intend the same outcomes for different groups.

Evidence. Information or data that shows proof of the impact or non impact - evidence may include consultations, documented discussions, complaints, surveys, usage data, and customer and employee feedback.

Foster good relations. This is explicitly linked to tackling prejudice and promoting understanding.

General Equality Duty. The public sector equality duty on a public authority when carrying out its functions to have 'due regard' to the need to eliminate unlawful discrimination and harassment, foster good relations and advance equality of opportunity.

Gender reassignment. The process of changing or transitioning from one gender to another – for example male to trans-female or female.

Harassment. This is unwanted behaviour that has the purpose or effect of violating a person's dignity or creates a degrading, humiliating, hostile, intimidating or offensive environment.

Human Rights – Human rights are the basic rights and freedoms that belong to every person in the world - **see below**

Marriage and Civil Partnership. Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters. Single people are not protected. Discrimination on grounds of marriage or civil partnership is prohibited under the Act. The prohibition applies only in relation to employment and not the provision of goods and services.

Pregnancy and Maternity. Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Protected Characteristics. These are the grounds upon which discrimination is unlawful. The characteristics are:

- | | | |
|-----------------------|--|----------------------------------|
| • Age | • Race | • Marriage and civil partnership |
| • Disability | • Religion and belief (including lack of belief) | • Pregnancy and maternity |
| • Gender reassignment | • Sex/gender | • Sexual orientation |

Public functions. These are any act or activity undertaken by a public authority in relation to delivery of a public service or carrying out duties or functions of a public nature e.g. the provision of policing and prison services, healthcare, including residential care of the elderly, government policy making or local authority services.

Race. This refers to the protected characteristic of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Religion or belief. Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Section 11 of the Children Act. This duty is a duty under the Children Act 2004 that requires all agencies with responsibilities towards children to discharge their functions with regard to the need to safeguard and promote the welfare of children. They must also ensure that any body providing services on their behalf must do the same. The purpose of this duty is that agencies give appropriate priority to safeguarding children and share concerns at an early stage to encourage preventative action.

Sex. It refers to whether a person is a man or a woman (of any age).

Sexual Orientation. A person's sexual attraction is towards their own sex; the opposite sex; or to both sexes: *Lesbian, Gay or Bisexual*

Victimisation. Victimisation takes place where one person treats another less favourably because he or she has exercised their legal rights in line with the Equality Act 2010 or helped someone else to do so.

Vulnerable Adult. A Vulnerable Adult is defined as someone over 16 who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of him/herself or unable to protect him/herself against significant harm or exploitation'

Human Rights

Human rights are the basic rights and freedoms that belong to every person in the world. They help you to flourish and fulfill your potential through:

- being safe and protected from harm
- being treated fairly and with dignity
- living the life you choose
- taking an active part in your community and wider society.

The Human Rights Act 1998 (also known as the Act or the HRA) came into force in the United Kingdom in October 2000. It is composed of a series of sections that have the effect of codifying the protections in the European Convention on Human Rights into UK law.

The Act sets out the fundamental rights and freedoms that individuals in the UK have access to. They include:

- Right to life
- Freedom from torture and inhuman or degrading treatment
- Right to liberty and security
- Freedom from slavery and forced labour
- Right to a fair trial
- No punishment without law
- Respect for your private and family life, home and correspondence
- Freedom of thought, belief and religion
- Freedom of expression
- Freedom of assembly and association
- Right to marry and start a family
- Protection from discrimination in respect of these these rights and freedoms
- Right to peaceful enjoyment of your property
- Right to education
- Right to participate in free elections

Many every day decisions taken in the workplace have no human rights implications. However, by understanding human rights properly you are more likely to know when human rights are relevant and when they are not. This should help you make decisions more confidently, and ensure that your decisions are sound and fair.

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SUBJECT: BROWNFIELD LAND REGISTER

DIRECTORATE: DEPARTMENT OF COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: TOBY FORBES TURNER, PRINCIPAL PLANNING POLICY OFFICER

1. Purpose of Report

- 1.1
- To provide Executive with an overview of the new requirements of the Town and Country Planning (Brownfield Land Register) Regulations 2017
 - To set out how the Planning Team within DCE will implement the Brownfield Land Register
 - To advise Executive that the Council amends the Constitution to include decision making associated with its forthcoming Brownfield Land Register.

2. Executive Summary

- 2.1 On 16th April 2017 the Government's Town and Country Planning (Brownfield Land Register) Regulations 2017 came into force which introduced a requirement on Local Planning Authorities to publish and maintain a Brownfield Land Register (BLR). Brownfield land refers to land which has previously been developed and is or has been occupied by a permanent structure. The Government's definition of previously developed land is set out in the glossary at Annex 2 of the National Planning Policy Framework (NPPF).
- 2.2 There is a legal requirement for all Local Authorities to comply with the deadline for publication of the register by 31st December 2017. DCLG have published a prescribed format that all local authorities must use to publish their data.

3. Background

- 3.1 The purpose of the BLR is to provide up-to-date, publicly available and consistent information on sites that local authorities consider to be appropriate for residential development having regard to the criteria set out in the aforementioned Regulations. According to DCLG, *"This will provide certainty to developers and communities, encourage investment in local areas, bring forward derelict and underused land for new homes and ultimately speed up the development process"*
- 3.2 Part 1 of the BLR which is mandatory, includes details of all sites within the District which are categorised as previously developed land irrespective of planning status and meet the following criteria:
- The land must be at least 0.25ha and have capacity to accommodate at least 5 dwellings
 - The land must be 'suitable' for residential development

- The land must be 'available' for residential development
 - Housing development on the land must be 'achievable'
- 3.3 The terms 'suitable', 'available' and 'achievable' are defined in Regulation 4 of the Brownfield Land Register Regulations. In summary, the terms mean 'suitable' in that there is an existing site allocation, planning permission or permission in principle, or the Council considers that the land would otherwise be suitable for residential development; 'available' in that the landowner has expressed an intention to sell or develop the land or the Council considers it could otherwise be made available; and 'achievable' in that new housing development could realistically be achieved on the land within 15 years. It is for Local Planning Authorities to determine which sites they feel meet these criteria and therefore suitable to be placed on Part 1 of the Register.
- 3.4 There is a legal requirement for all Local Authorities to comply with the deadline for publication of Part 1 of the register by 31st December 2017. DCLG have published a prescribed format that all local authorities must use to publish their data. There also is a requirement to review the Register annually.
- 3.5 Part 2 of the BLR is effectively a subset of Part 1 which allows LPA's to select sites that it considers to be appropriate to grant permission in principle (PiP) for housing led development. This is an additional tool that the Government has created and the Council must carefully considered whether it is beneficial to use it, and if so where. The inclusion of sites on Part 2 of the register is at the Council's discretion and requires a clear, transparent and consistent approach.
- 3.6 The new regulations stipulate very precisely what matters can be taken into account when granting Permission in Principle, and which matters cannot. Crucially, unlike normal planning applications it would usually fall to the Council, and not the developer, to undertake any technical surveys necessary to confirm that a site is suitable and developable. This would have significant resource and financial implications for the authority if the non-statutory Part 2 of the register was pursued at this time.
- 3.7 All sites that are entered into Part 2 of the Register by the LPA are automatically granted 'permission in principle' which cannot be revoked and normally retains that permission for 5 years. Sites can be included in Part 1 which are not in Part 2.
- 3.8 A 'permission in principle' is similar to an outline planning permission, although it is not itself a planning consent. There is a mandatory statutory consultation process the same as planning applications, mandatory publicity requirements including the display of site notice, entry onto the Council's Planning register and a 42 day public consultation period when a Part 2 list is first drafted (and then 21 days at future annual reviews). The Council will take into account matters raised during the consultation to determine whether or not it should be entered into Part 2 of the register.
- 3.9 A 'permission in principle' does not amount to a full planning permission and therefore development cannot commence without additional information being submitted to and approved by the Council. The additional information is known as a 'technical details consent' and is similar to an application for reserved matters.

- 3.10 A 'Permission in Principle' plus a Technical Details Consent equals a full planning permission to build. A 'permission in principle' is valid for a period of five years. Once a site is built out it is removed from the register. After the Council has published its Brownfield land register it is required to review it annually.

4. Implementation of Part 1 of the Brownfield Land Register

- 4.1 The mandatory part of the register (Part 1) must be published by 31st December 2017. The task is currently being carried out by the Principal Planning Policy Officer with support from the DM Team Leader and Planning Manager.
- 4.2 The task comprised of a review of sites that have previously been identified through the Strategic Housing and Economic Land Availability Assessment (SHELAA) which formed part of the evidence base in support of the recently adopted Central Lincolnshire Local Plan. A review of other suitable sites has also been undertaken which meet the Brownfield Land definition criteria.
- 4.3 Following this assessment, 15 sites are proposed to be put forward as sites to be included in Part 1 of the Brownfield Land Register. All these sites are either:
- Allocated housing sites in the Local Plan
 - Allocated regeneration/opportunity area sites in the Local Plan where housing is suitable
 - Sites with an extant planning permission for housing
 - Sites without planning permission but were submitted by landowners as part of the SHELAA for consideration for housing
- 4.4 DCLG have confirmed that the intention is for Brownfield Registers to complement existing information, rather than seek to add significant additional burdens on local authorities. As such, and going forward as part of the annual review of the Brownfield Land Register, a call for sites could be combined with the annual update of the SHELAA. This will ensure that efforts are not duplicated and should make the process straightforward for any landowners wishing to submit a site.
- 4.5 **Implementation of Part 2 of the Brownfield Land Register**
- 4.6 At this point in time no sites are to be put onto Part 2 of the Register. This is due to the focus being on to prepare Part 1 of the Register in order to meet our Legal Requirements plus the considerable time and resources that will need to be spent in order to place sites onto Part 2. This work equates to essentially preparing a site for submission of a planning application with the work an applicant would normally do, instead being carried out by the Local Planning Authority.
- 4.7 As part of the annual review of the Brownfield Land Register further consideration work will be given to Part 2 of the Register in 2018. Planning Committee are best placed to provide the formal Governance of the preparation of the Brownfield Land Register due to the close parallels with the granting of planning permissions. A report on the Register was presented to Planning Committee at their meeting on 8th November 2017.

Amendment to the Constitution

- 4.9 As the Regulations are new legislation, the Council's Constitution requires updating to permit their implementation. A formal decision is therefore required by the Council in respect of where in the Constitution these decision powers should be placed. As the Regulations are intended to deliver outcomes equivalent to the granting of planning permissions, it is proposed that the decisions referring to the Brownfield Land Register should be added to the scheme of delegation to The Planning Committee under Article 3 of the Constitution.
- 4.10 The consultation process required by Part 2 of the Register is very similar to that required by an application for planning permission. It is also therefore proposed that decisions relating to entry of land in Part 2 of the Register be added to the scheme of delegation to The Planning Committee under Article 3 of the Constitution, and be subject of the same 'call-in' procedures applied to applications for planning permission.

5. Strategic Priorities

5.1 Let's drive economic growth

The intention of the Brownfield Land Register is to encourage investment in local areas, bring forward derelict and underused land for new homes and ultimately speed up the development process.

5.2 Let's deliver quality housing

It is intended that the production of Brownfield Land Registers will identify and bring forward sites for housing.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

None at this stage as work relating to Part 1 of the Brownfield Land Register will be delivered from within the Planning Team. However if the Council wishes to pursue Part 2 then significant extra resources in the form of officer time will need to be made available.

6.2 Legal Implications including Procurement Rules

It is a legal requirement for the Council to collate and publish a Brownfield Land Register by 31 December 2017. This report is intended to ensure that the Council complies with these requirements.

6.3 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required)

A full EIA is not required for this report.

7. Risk Implications

7.1 (i) Options Explored

Do not prepare a Brownfield Land Register.

7.2 (ii) Key risks associated with the preferred approach

The Council would be in breach of the legal requirements contained within the 2017 Brownfield Land Register Regulations.

8. Recommendation

8.1 That Executive note this report on the new requirements of the Town and Country Planning (Brownfield Land Register) Regulations 2017.

8.2 That Executive note how the Planning Team within DCE will implement the Brownfield Land Register.

8.3 That Executive recommend that the Council amends the Constitution to include decision making associated with its forthcoming Brownfield Land Register.

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:

Toby Forbes Turner, Principal Planning Policy Officer
Telephone (01522) 873804

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SUBJECT:	EXCLUSION OF THE PRESS & PUBLIC
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	CAROLYN WHEATER, MONITORING OFFICER

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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