

EXECUTIVE

Monday, 26 February 2018

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

A G E N D A

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MINUTES AND EXTRACTS

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| 1. Confirmation of Minutes - 22 January 2018 | 5 - 8 |
| 2. Declarations of Interest | |

Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.

PLANNING POLICY AND ECONOMIC REGENERATION

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| 3. Application by the Brayford Trust for Landlord Consent for the Erection of a Restaurant | 9 - 16 |
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The Appendix to this report contains exempt information as defined in Schedule 12A of the Local Government Act 1972 and is not for publication. The public and press may therefore be excluded for part of this item during consideration of the Appendix.

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| (a) Exclusion of Press and Public | 17 - 18 |
|-----------------------------------|---------|

You are asked to resolve that the press and public be excluded from the meeting during the consideration of the following item 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.

SECTION B

- (b) Appendix A - Application by the Brayford Trust for Landlord Consent for the Erection of a Restaurant **19 - 26**

[Exempt Para(s) 3]

4. SECTION A CONTINUED

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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 item 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.

Part of item 3 (as above) and item 23 below will be 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

PLANNING POLICY AND ECONOMIC REGENERATION

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

Apologies for Absence: Councillor Pete West

113. Confirmation of Minutes - 8 January 2018

RESOLVED that the minutes of the meeting held on 8 January 2018 be confirmed.

114. Declarations of Interest

Councillor Donald Nannestad declared a Disclosable Pecuniary Interest in minute number 115 as 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.

115. Draft Medium Term Financial Strategy

Purpose of Report

To provide the Executive with an opportunity to consider the draft Medium Term Financial Strategy for the period 2018-2023 and the draft budget and council tax proposal for 2018/19 for consultation and scrutiny.

Decision

- (1) That the Executive agrees the draft Medium Term Financial Strategy 2018-2023 and the draft Capital Strategy 2018-2023, for consultation and scrutiny, including the following specific elements:
- a proposed council tax increase of 2.95% for 2018/19;
 - a proposed housing rent decrease of 1% for 2018/19;
 - the Council being a member of the Lincolnshire Business Rates Pilot for 100% Business Rates Retention in 2018/19;
 - the draft general fund revenue forecast 2018/19-2022/23 as shown in Appendix 1 of the report and the main basis on which this budget had been calculated;
 - the draft general investment programme 2018/19-2022/23 as shown in Appendix 2 of the report and the main basis on which the programme had been calculated;
 - the draft housing revenue account forecast 2018/19-2022/23 as shown in Appendix 3 of the report;
 - the draft housing investment programme 2018/19-2022-23 as shown in Appendix 4 of the report and the main basis on which the programme had been calculated.

- (2) That approval of the final business rates base for the financial year commencing 1 April 2018 and ending 31 March 2019 and submission of the base (via NNDR1 return) to the Department for Communities and Local Government by 31 January 2018 be delegated to the Chief Finance Officer.

Alternative Options Considered and Rejected

None.

Reason for Decision

Prior to submission of the Medium Term Financial Strategy 2018-2023 and the budget and council tax proposal for 2018/19 to Full Council on 27 February 2018, the initial draft as appended to the report would be subject to public consultation and member scrutiny via the Budget Review Group.

The report provided an overview of the general fund, which included updates on the following:

- provisional finance settlement 2018/19;
- council tax;
- spending plans;
- the Council's Towards Financial Sustainability Programme;
- robustness and adequacy of the budget and reserves.

An overview of the housing revenue account was also set out in the report and provided updates on the following:

- repairs and maintenance;
- financing the capital programme;
- housing rents;
- robustness and adequacy of the budget and reserves.

The report also provided updates on the general investment programme and the housing investment programme.

116. Collection Fund Surplus or Deficit - Business Rates

Purpose of Report

To report the estimated balance for the business rates element of the collection fund and the surplus or deficit to be declared for 2017/18.

Decision

That the action of the Chief Finance Officer in declaring a business rate surplus of £1,080,490 for 2017/18 subject to the confirmation of the business rates base by 31 January 2018.

Alternative Options Considered and Rejected

None.

Reason for Decision

Prior to the setting of the council tax for 2018/19 the Council was required to estimate whether there was to be a surplus or deficit on both the council tax and business rates elements of the collection fund for the current financial year.

At the meeting of the Executive on 8 January 2018 the Council declared a surplus on council tax of £188,270 for the financial year 2017/18. The Executive noted that the Council would declare a surplus on the business rates collection fund of £1,080,490 for 2017/18, subject to the confirmation of business rates by 31 January 2018.

It was noted that any amendments to the declared deficit would be notified to the relevant preceptors and be included in the final Medium Term Financial Strategy 2018-23 scheduled to be presented to the Executive on 26 February 2018.

117. Discretionary Rate Relief Policy

Purpose of Report

To provide the Executive with an opportunity to consider a new Discretionary Rate Relief Policy to take effect on 1 April 2018.

Decision

That the new Discretionary Rate Relief Policy be approved, to take effect on 1 April 2018.

Alternative Options Considered and Rejected

None.

Reason for Decision

This item was considered by the Executive at its meeting on 8 January 2018 prior to consideration by the Policy Scrutiny Committee on 16 January 2018.

An extract from the draft minutes of the Policy Scrutiny Committee meeting held on 16 January 2018 had been circulated, where the Committee outlined its support for the new Policy.

The current Policy had not been reviewed since September 2003, meaning that it took no account of subsequent changes in legislation. It was noted that approval of a new Discretionary Rate Relief Policy did not impact on the Discretionary Rate Relief the Council was required to implement this year following the Spring 2017 budget. The award of any future funded reliefs announced by the Government had been provided for in the new Policy.

A copy of the proposed Discretionary Rate Relief Policy was appended to the report. The new Policy did not include any proposal to change the criteria used by officers when awarding discretionary relief. Consequently, organisations would not face an increase or decrease in the percentage of relief awarded should the Policy be adopted.

118. Pay Policy Statement 2018-19

Purpose of Report

To provide the Executive with an opportunity to consider the Pay Policy Statement prior to consideration by Council on 23 January 2018.

Decision

That Council be recommended to approve the Pay Policy Statement.

Alternative Options Considered and Rejected

None.

Reason for Decision

Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year. In order to comply with the Act the Pay Policy Statement must include the Council's policy on:

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

A copy of the Pay Policy Statement was appended to the report.

SUBJECT:	APPLICATION BY THE BRAYFORD TRUST FOR LANDLORD CONSENT FOR ERECTION OF A RESTAURANT
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	CITY SOLICITOR/CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To seek Executive's approval to refuse an application by the Brayford Trust for Landlord's consent to sublet a part of the Pool for the erection of a restaurant ("the Platform").
- 1.2 To approve the granting of a loan to the Brayford Trust on the terms set out in the report, to enable the Trust to have the necessary finances be able to carry out relevant works under the lease.

2. Executive Summary

- 2.1 The Brayford Pool ("the Pool") is subject to a lease dated the 13th January 2010 made between the Council and the Brayford Trust ("the Trust") for a term of 125 years.
- 2.2 In September 2016 the Trust applied for planning permission for a restaurant use adjacent to the Viewing Platform ("the Platform") Planning Officers recommended approval of the development, which was subsequently overturned by members of the planning committee and the application was refused.
- 2.3 The Trust appealed against the decision and on the 2nd October 2017 the committee decision was overturned by the Secretary of State and planning permission was granted.
- 2.4 The Trust have now made an application to the Council as Landlord to give consent to sublet a part of the Brayford Pool for the erection of a two storey building as a restaurant.
- 2.5 Consent is required by the Council as Landlord for any development of the Pool, in addition to any necessary planning and building regulation approval.

3. Main Body of the Report

- 3.1 In January 2010 the Trust entered into a revised lease with the Council for a term of 125 years, and a Management Agreement for the Pool (for five years) which required the Trust to produce a five year business plan for the Council's approval and to account to the Council for the delivery of such.

The trust has made considerable improvements to the Pool since that revised lease was entered into.

3.2 The Brayford Trust is both a company and a charity, it receives no external funding and must therefore raise funds itself in order to carry out the obligations under the lease. Councillors Metcalfe and Murray are the City Council's representatives on the Trust and Councillor Metcalfe is the Chair.

3.3 The lease sets out a number of obligations for the Trust such as:

- To manage the Pool in accordance with the Trust's charitable objectives
- To keep it open and available for recreational use by the public
- To provide moorings
- To keep the Pool in good condition
- To keep it free for rubbish and litter and free from weeds
- To maintain, and where necessary, to shore up and pile the natural banks
- To use reasonable endeavours to ensure a sufficient depth of water for navigation by dredging the Pool

3.4 In October 2014 the Executive resolved to approve the Trust's five year business plan. The report noted that officers had assessed the financial information contained in the plan and concluded that the Trust would be able to continue to operate the Pool at a modest level for the next five years. It was further noted that it would be necessary for the Council and other partners "to help the Trust through activities such as sourcing alternative funding in order to deliver further improvements."

3.5 In relation to moving forward, the Trust has advised that the urgent priority in the short term is the implementation of Phase 3 of the moorings development. The Trust has stated that when the current business plan was agreed no problems with implementing phase 3 were anticipated, however they now say that this was optimistic. Silt and weeds have accumulated faster than anticipated with the result that there is insufficient depth of water in parts of the moorings, such that some vacant moorings cannot be re-let. The Trust state that this problem will only get worse, particularly if high water levels are experienced. The result of this will mean loss of moorings and therefore loss of income. The trust have concluded that it is imperative that this work must be carried out before the 2018 boating season.

3.6 The Trust has also informed the Council that there are other works also requiring urgent attention these being continued silting and the deterioration of the South Bank.

4. Resources Available to the Trust and Financial Proposals

4.1 As indicated above, the Trust receives no external funding source to carry out these works and must therefore try to raise the necessary finance itself.

4.2 Specific details of how the Trust are considering financing these works are set out in Appendix 1 to this report. Appendix 1 contains exempt information as defined in Schedule 12 A of the Local Government Act 1972 and is therefore not for publication.

5. Planning Background

- 5.1 In September 2016 the Trust applied for planning permission for the erection of a two story building for the purpose of A3 (food and drink) and refurbishment works to the Viewing Platform. The restaurant would be attached to the existing public viewing platform.
- 5.2 Planning Offices recommended approval for the development, this recommendation was overturned by the planning committee and the application was refused. Planning Committee refused the application on the grounds that this was contrary to local plan policy 46, that by virtue of the siting of the development it failed to adequately preserve the Pool as a protected open water feature; and that it would create a feeling of enclosure and prevent unrestricted views of the Pool.
- 5.3 The Trust appealed this decision, and permission for the development was granted on appeal by the Secretary of State on the 2nd October 2017. The Inspector's view was that it would not unduly harm the open nature of the pool or materially restrict views and would not lead to a sense of enclosure.

6. Application under the Lease

- 6.1 The Trust has now applied to the Council as Landlord for permission to sub-let part of the Pool to enable the Platform development. Under the lease with the Trust it provides that the Trust shall not "develop...the Property or any part thereof without the Council's prior written approval (such approval not to be unreasonably withheld or delayed) in addition to any approvals and requirements for Town and Country Planning and Building regulations....."
- 6.2 The Trust also makes the application under the lease, so far as relevant to the proposed development, that the Trust shall not "underlet ...the whole or any part of the property ...other than way of sub-lettings or occupational licences.." this is subject to conditions, including a condition that no sub-letting shall be for a contractual period to be in excess of 15 years.
- 6.3 The Trust's proposed sub-lease for the Platform development would be for the remainder of the main lease term being 115 years

7. Property Services

- 7.1 Initial views of the Strategic Property Services Manager on the Trust's application is that as Landlord, the Council would wish to keep the open appearance of Brayford Pool in line with the recently adopted public realm strategy and in accordance with the lease terms to Brayford Trust.
- 7.2 It is also important than any permitted sub-lettings continue to be on a rental basis rather than a premium/peppercorn arrangement so as to ensure that an income stream is available should management of the Pool return to the Council in the future. Any proposal by Brayford Trust to convert the rental income into a premium payment would result in a reduction of the value of the Council's interest and is therefore unacceptable.

- 7.3 It is considered that there are reasonable grounds to refuse the application as Landlord for the grounds outlined in paragraph 7.2. When considering the duty of reasonableness, the Council can take into account its own interests to determine what is reasonable, the interest here being the financial impact should the Pool return to the Council.

8. Financial Information

- 8.1 As indicated in Appendix one (exempt under Schedule 12A LGA 1972), the Trust have set out as part of their application, what their current financial position is. This is to give further evidence that without the injection of cash from the proposed Platform development, they would have no resources to carry out their required works under the lease, most notably the dredging works.
- 8.2 The Chief Finance Officer has undertaken a financial assessment on the Trust's finances which indicates that since the Business Plan was approved by Executive in 2014 that the net profit, for the years covered by the annual accounts, has increased as follows –

	2014/15	2015/16	2016/17
	£'000	£'000	£'000
Profit/ (loss) as per Business Case	(19)	(5)	11
Profit as per published accounts	46	76	73
Net profit increase	65	81	62

This would indicate that the Trust would have sufficient resources to be able to finance a loan from the Council to fund phase 3 of the development.

9. Meeting with the Trust

- 9.1 On the 4th of January officers met with relevant representatives of the Trust in order for officers to get an absolute understanding of the Trust's financial position and the clear position that the only reason that the Trust was pursuing the Platform development was to source the necessary finances to carry out the required obligations under the Trust.
- 9.2 There was also a very initial discussion as to the feasibility of the Council loaning the funds, as indicated in paragraph 9.1 to the Trust in order that they could carry out their lease obligations on what is essentially a Council asset. In addition offering an annual grant to the Trust of approximately £25,000, which the trust have advised would be the annual rental income from the Platform development.
- 9.3 Officers view is that if, as the Trust indicate, the only driver for the Platform development is to fund the urgent works required under the lease, then a loan from the Council would be an entirely reasonable way forward. This gives the Trust the much needed funds to carry out the works and continues to protect the Pool as an open waterway as far as possible.

10. Strategic Priorities

10.1 Let's Drive Economic Growth

The Brayford Trust managing the Pool on behalf of the Council is a clear example in achieving economic growth for the City. The Trust have a proven track record since 2010 of carrying out works to the Pool which have significantly improved the area.

- 10.2 It is acknowledged that in order to continue with this economic growth and for the Trust to carry out its charitable objectives for the Pool and leasehold obligations, that funding in some form is required.

11. Organisational Impacts

11.1 Finance (including whole life costs where applicable)

The Council would be able to undertake a loan from PWLB under prudential borrowing at an interest rate of around 2.9% per annum (subject to change).

As outlined in the rest of the report, the Trust have been clear that this additional income is required to enable them to carry out the required dredging works under the lease. Should Executive agree to offer a loan to the Trust then this should be linked to an agreed forward programme of dredging works.

In 2010 before this lease with the trust was signed, the Council had allocated a budget to the Trust of £29,000 to provide support to the Trust. This reduced to £1000 in 2010/11 and once the new lease was entered into the budget was removed. It is proposed to reinstate this budget of up to £25,000 the details of which to be delegated to the Chief Finance Officer.

12. Legal Implications including Procurement Rules

- 12.1 The leasehold requirements of the Trust's obligations are as outlined in report. As indicated, the Trust must seek approval from the Council to carry out any development and to sub-let any part of the Pool.
- 12.2 The lease states that such approval of the above is "not to be unreasonably withheld or delayed". If the Council refused the application under the lease, the Council would have to prove not that we were correct or the decision was justified, only that it was reasonable in the circumstances. In making this decision the Council would be entitled to take its own circumstances into account (for example allowing a premium rather than a rent to be paid by IIL would eventually mean the Council taking the asset back without an income stream.)
- 12.3 The lease states that if there is any difference or dispute between the Council and the Trust, this shall be referred to an independent expert agreed between the parties, failing such agreement it will be referred to an independent expert appointed by the President of the Law Society.
- 12.4 If the Trust consider that the Council has been unreasonable in the refusal to grant consent for the development or the assignment, then they may seek to

recover damages from the Council.

12.5 In relation to any proposed loan, the Council has power to borrow under section 1 of the Local Government Act 2003. The Council also has general power to borrow and make loans under the General Power of competence in section 1 of the Localism Act 2011.

12.6 Any state aid implications would fall into the General Block exemptions, or be exempt as local aid.

In effect however, the monies that the Council would be loaning are to go towards the Council's own asset.

13. Risk Implications

13.1 The Trust have clearly stated that the proposal to sub-let part of the Pool for the Platform development is financially driven.
The Trust are clear that if they don't get this necessary funding they will be unable to carry out their obligations under the lease, most notably the dredging.

13.2 If this situation were to come to fruition this would see the Council in the position of having to enforce the terms of the lease, or the Trust disbanding. This would inevitably mean the Brayford Pool coming back into the direct control of the Council and the Council thereby assuming all the responsibilities of its upkeep.

13.3 With regards the Platform development itself, the Council is fully aware of the strength of feeling this application has created through the planning process and subsequently through the land owner side and any decision may be subject to an application that the decision be judicially reviewed on the grounds that the decision is not reasonable.

14. Recommendation

14.1 That Executive refuse the application by the Brayford Trust under the lease to develop and sub-let that part of the Brayford for the Platform development.

14.2 That Executive approve the granting of a loan to the Trust, the terms of which are delegated to the Chief Finance Officer and to link with an agreed dredging programme.

Is this a key decision?

Yes

Do the exempt information categories apply?

Yes
Appendix A

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

List of Background Papers:

None

Lead Officer:

Carolyn Wheater City Solicitor
Telephone (01522) 873323

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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 Appendix A following this report is 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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EXECUTIVE**26 FEBRUARY 2018****SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING****REPORT BY: CHIEF FINANCE OFFICER****LEAD OFFICER: ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER****1. Purpose of Report**

- 1.1 To present to the Executive the third quarter's performance (up to 31st December) 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 third quarter (up to 31st December) the forecast financial position of the Council for 2017/18 is:

	2017/18		
	Budget £'000	Forecast at Q3 £'000	Variance at Q3 £'000
Revenue Accounts			
General Fund –Contribution to/(from) balances	(702)	(244)	458
Housing Revenue Account (HRA) (Surplus)/Deficit in year	64	(148)	(212)
Housing Repairs Service	0	(101)	(101)
Capital Programmes			
General Fund Investment Programme	23,676	31,419	0
Housing Investment Programme	24,340	15,204	0

	2017/18		
	Budget £'000	Forecast at Q3 £'000	Variance at Q3 £'000
Capital Receipts			
General Fund	1,197	1,689	0
HRA	2,419	1,519	0
Reserves & Balances			
General Fund Balances	1,609	2,067	458
HRA Balances	1,023	1,235	212
HRS Balances	88	88	0
General Fund Earmarked Reserves	4,153	3,389	(764)
HRA Earmarked Reserves	1,695	1,485	(210)

- 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 £457,856 (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:
- Interest Payable – Reduced Expenditure £(79,650)
 - Christmas Market – Increased Expenditure £79,880
 - City Hall Car Park – Increased Expenditure £110,830
 - Lincoln Properties – Increased Income £(56,000)
 - City Hall – Reduced Expenditure £(132,440)
 - New Homes Bonus Contingency – Reduced Expenditure £(102,640)
- 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 3 performance shows that secured and confident projections total £3,530,390. This results in a current forecast over achievement of the target in 2017/18 of £30,390. 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	289,667
Total Savings – Secured	<u>3,530,390</u>
<u>Subject to Review/Business Case</u>	
Shared Services/Savings/Managing Demand	0
Commercialisation	0
Asset Rationalisation	0
Total Savings - Subject to Review/Business Case	<u>0</u>
Overall Savings	<u><u>3,530,390</u></u>
MTFS savings target	(3,500,000)
(Under)/ over achievement	30,390

- 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 Q3 £'000</u>	<u>Actual Q3 £'000</u>	<u>Variance £'000</u>	<u>Forecast Variance Q3 £'000</u>
Car Parks	(3,004)	(3,084)	(80)	100
Development Management	(325)	(323)	2	43
Building Regulations	(165)	(129)	36	55
Total	(3,494)	(3,536)	(42)	198

- 3.5 The Executive should be aware that the forecast outturn for the General Fund of a £457,856 underspend does not take account requested carry forwards. Assistant Directors have requested a number of items to be transferred to an earmarked reserve and spent in future years. These requests total £125,110, which if approved would reduce the forecast outturn to £332,746 underspend. At this stage the Corporate Management Team are not presenting any carry forward requests to

the Executive for approval. Following confirmation of the final outturn position the Corporate Management Team will undertake a review of all carry forwards requests alongside a review of the resources available to support the delivery of the Council's Vision 2020 programme. These will be presented to the Executive for approval as part of the Financial Outturn report in June 2018.

- 3.6 In addition to the carry forward requests above, there has been significant New Burdens Grants received in the Revenues and Benefits Shared Service during the year. Many of these are to cover work already being undertaken by the shared service and therefore it is proposed to transfer £50,000 to the Revenues and Benefits shared service reserve to cover anticipated future reductions to the DWP administration grant the Authority receives.
- 3.7 With the increasing focus on the commercialisation agenda it is proposed that a further £100,000 is transferred into the Invest to Save Reserve for Directorates to bid against for monies to assist in marketing services in order to protect and grow the Council's key income generating areas.
- 3.8 The forecast outturn for the General Fund therefore would be £182,746 if all carry forwards and both earmarked reserve requests were to be agreed.
- 3.9 It is proposed, subject to outturn, that if this underspend is realised then it should be used to offset any potential volatility in income from the Council's main income streams in future years.

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 £211,970, which would increase General Balances to £1,235,030 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 £(76,000)
 - HRS trading surplus £(101,070)
- 4.4 In addition there are variances on individual lines (specifically depreciation and repairs and maintenance) which have a net nil impact overall. These are related to changes in the financing of the capital programme in year. The budgets for 2018/19 onwards have been re-aligned within the MTFS 2018-23 and therefore these will not show as variances in the future.

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 3 HRS are forecasting a surplus of £101,070 in 2017/18 (appendix E provides a forecast HRS Summary), with full details of the main variances provided in appendix F.

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 Q1- Q3	Forecast Q4	Forecast Balance
	01/04/17				31/03/18
	£'000	£'000	£'000	£'000	£'000
General Fund	5,463	1,311	0	(3,385)	3,389
HRA	1,555	89		(159)	1,485
Capital Resources	21,322	18,281	0	(21,894)	17,709

7. Capital Programme

7.1 General Investment Programme

- 7.2 The last quarterly report approved a General Fund Investment Programme for 2017/18 of £30,889,090. Movements in the programme since have increased overall planned expenditure in 2017/18 to £31,418,986. 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 Q2 Report	30,889	1,340	500	500	500
Budget changes for Executive approval at Q3	530	12,869	0	0	0
Revised Budget	31,419	14,209	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 budget reprofiles approved by the Chief Finance Officer during the third quarter are detailed at Appendix I under the heading of "Approved by Chief Finance Officer".

7.4 Changes that require Executive approval for the third quarter (further details in Appendix I) are:

- **CCTV** – additional budget of £85,000 allocated to the scheme in 2017/18, funded through £75,000 reallocation of capital contingency and £10,000 from the Invest to Save reserve.
- **Allotments** – additional budget of £250,000 allocated to the scheme in 2018/19 funded through capital receipts.
- **Disabled Facilities Grants** – additional funding of £66,612 allocated in 2017/18 from DCLG and £252,126 of Better Care Funding reallocated to revenue.

7.5 New projects agreed at the Strategic Plan Implementation Team (SPIT) are then subject to Executive Approval.

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

- **Land and Property Acquisition** – This project relates to the acquisition of Land and Property within the city. Approved by Executive on 8th January 2018 (Minute no.112).

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	3,822	3,822	0
Chief Executives Department	400	9,223	9,223	0
"Mega Projects"	15,837	18,327	18,327	0
Total Active Schemes	17,861	31,372	31,372	0
Schemes On Hold/Contingencies	822	47	47	0
Total Capital Programme	18,684	31,419	31,419	0

7.7 The overall spending on the General Fund Investment Programme for the third quarter is £23,444,276, which is 74.62% of the agreed programme and 74.73% of the active programme. This is detailed further at Appendix J.

7.8 Housing Investment Programme

- 7.9 The last quarterly report approved a Housing Investment Programme for 2017/18 of £24,340,053. Movements in the programme since have decreased overall planned expenditure in 2017/18 to £15,204,221. 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 Q2 report	24,340	15,167	11,951	9,404	11,395
Budget changes for Executive approval at Q3	(9,136)	10,638	2,578	1,982	1,243
Revised Budget	15,204	25,805	14,529	11,386	12,638

- 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 third quarter.

The changes requiring approval from the Executive are detailed in Appendix K and summarised below:

- Movements back to available resources column
- The movements within the financial year column
- Various reprofiles to and from future financial years column

- 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 third 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	5,700	5,700	0
Health and Safety	708	449	449	0
Contingent Major Repairs/ Works	448	105	105	0
New Build Programme	11,242	5,261	5,261	0
Land Acquisition Fund	4,040	2,520	2,520	0
Other Schemes	693	976	976	0
Computer Fund	109	193	193	0
Total Capital Programme	23,621	15,204	15,204	0

7.13 Expenditure against HIP budget at the end of the third quarter was £5,750,087 which is 37.82% of the approved programme. A further £845k has been spent as at the end of January 2018. The expenditure is detailed further at Appendix L.

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 £5.26m for the 2017/18 New Build Programme. Works have commenced on the Monks Road development (expected completion during 2018/19) and 12 properties at Blankney Crescent are due to be handed over during February 2018.
- The budget includes £2.51m for Land Acquisitions. £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.

8. Resource Implications

8.1 The financial implications are contained throughout the report.

8.2 There are no legal implications arising from this report.

8.3 There are no equality and diversity implications as a direct result of this report.

9.0 Risk Implications

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

10. Recommendations

The Executive are recommended to:

- 10.1 Note the progress on the financial performance for the period 1st April to 31st December 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 the proposed contribution of £50,000 to the Revenues and Benefits Shared Service Reserve detailed in paragraph 3.6.
- 10.4 Approve the proposed contribution of £100,000 to the Invest to Save Reserve for Marketing Services across the authority detailed in paragraph 3.7.
- 10.5 Approve the changes to the General Investment Programme as detailed in paragraphs 7.5.

Key Decision	No
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Key Decision Reference No.	N/A
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Do the Exempt Information Categories Apply	No
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Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
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Does the report contain Appendices?	Yes
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List of Background Papers:	Medium Term Financial Strategy 2017-22 Minutes of Strategic Plan Implementation Team.
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Lead Officer:	Robert Baxter, Interim Chief Finance Officer Telephone 873361
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GENERAL FUND SUMMARY - AS AT 31 DECEMBER 2017

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	1,766	1,770	4
Chief Finance Officer (S. 151)	B	622	382	(240)
City Solicitor	C	1,368	1,278	(90)
Housing	D	748	633	(115)
Director of Major Developments	E	1,090	1,087	(3)
Communities and Street Scene	F	2,406	2,562	156
Health & Environmental Services	G	2,087	2,011	(76)
Planning	H	910	951	42
		10,997	10,675	(322)
Corporate Expenditure	I	1,472	1,490	19
TOTAL SERVICE EXPENDITURE		12,468	12,165	(303)
Capital Accounting Adjustment	J	1,922	1,874	(49)
Specific Grants	K	(1,647)	(1,647)	0
Contingencies	L	226	122	(104)
Savings Targets	M	30	0	(30)
Earmarked Reserves	N	(1,889)	(1,936)	(46)
Insurance Reserve	O	27	27	0
TOTAL EXPENDITURE		11,138	10,605	(533)
CONTRIBUTION TO/ (FROM) BALANCES		(702)	(245)	458
NET REQUIREMENT		10,436	10,361	(75)
Retained Business Rates Income	P	17,084	17,084	0
Tariff	Q	(12,397)	(12,397)	0
Section 31 grant	R	0	85	85
Levy	S	(184)	(344)	(160)
Collection Fund surplus/ (deficit)	T	(1,191)	(1,191)	0
Revenue Support Grant	U	981	981	0
Council Tax	V	6,145	6,145	0
TOTAL RESOURCES		10,436	10,361	(75)

Please note the above is now shown on an Expenditure Funding Analysis (EFA) basis. This means all charges which are reversed out under statute are now **not** shown in the above figures. Examples of this are depreciation and capital grants. This means the above only includes items which are a call on the general fund balance.

General Fund Forecast Variances - Quarter 3

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>		
G	Christmas Market	79,880	Forecast outturn shows impact on Sunday closure of the Market
F	New Bus Station (ongoing – to be reviewed in MTFS)	31,300	Revenue costs of running the new bus station not previously identified. The additional cost of operating the new bus station has been included within the MTFS 2018/23.
F	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>		
F	Car Parking Income	100,000	Projected shortfall of income on the new Lincoln Central Car Park.
B	Council Tax Court Cost Income	78,020	Projected court cost income will be significantly less than budgeted, the budget for which has been adjusted in the MTFS going forward.
	<u>Reduced Spending</u>		
B	City Hall (Solar Panel savings ongoing)	(132,440)	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)	(29,840)	Savings realised on the re-tender of corporate insurance policies.
J	Interest Payable	(79,650)	Due to no borrowing being taken until quarter four there is an underspend on interest payable. In lieu of borrowing internal cash balances have been used to fund major expenditure made in the year so far.
F	Car Parking Expenditure	(96,000)	This comprises of underspends on Overtime, Utilities, R&M and other supplies & services budgets.

Appendix B

Ref		£	Reason for variance
L	New Homes Bonus Contingency	(102,640)	Forecast underspend on contingency funded through unallocated new homes bonus funding
B	Lincoln Properties	(56,000)	Overachievement of income due to rent reviews and also lower void rates than budgeted.
G	Crematorium Income	(80,000)	Increased demand for the service over and above the budgeted amount
M	TOFS Overachievement (one-off)	(30,390)	Overachievement of the £3.5m savings target in 2017/18.

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 31 DECEMBER 2017

	Ref	Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(28,136)	(28,094)	42
Charges for Services & Facilities	B	(378)	(381)	(2)
Contribs towards Expenditure	C	(43)	(70)	(27)
Repairs & Maintenance	D	7,498	8,260	762
Supervision & Management:	E	6,364	6,288	(76)
Rents, Rates and Other Premises	F	41	99	58
Increase in Bad Debt Provisions	G	187	287	100
Insurance Claims Contingency	H	240	240	0
Contingencies	I	7	0	(7)
Depreciation	J	12,112	10,852	(1,260)
Debt Management Expenses	K	12	12	0
HRS Trading Deficit/(Surplus)	L	0	(101)	(101)
Net Cost of Service		(2,096)	(2,606)	(511)
Loan Charges Interest	M	2,352	2,352	0
Investment/Mortgage Interest	N	(33)	(33)	0
Net Operating Inc/Exp		223	(288)	(511)
Major Repairs Reserve Adjustment	O	0	200	200
Transfers to/from reserves	P	(159)	(60)	98
(Surplus)/Deficit in Year		64	(148)	(212)
Balances b/f @ 1st April		(1,087)	(1,087)	0
(Increase)/Decrease in Balances		64	(148)	(212)
Balances c/f @ 31st March		(1,023)	(1,235)	(212)

Housing Revenue Account Variances - Quarter 3

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	42,000	Currently Voids Higher than budgeted on dwellings and garages.
	<u>Reduced Spending</u>		
E	Supervision & Management	(76,000)	Supervision & Management Vacancies – currently under review. Vacancy Savings contingency (£33k) met in quarter one.
J	Depreciation	(1,260,000)	Revaluation of housing stock re-visited resulting in lower depreciation.
	<u>Additional Income</u>		
A	Rental Income	(23,000)	Hamilton House Rental Income Contribution not budgeted.
C	Court Fee Income	(27,000)	Court Fee income expected to be higher than budget at Q3.
L	HRS Trading Surplus	(101,070)	Forecast surplus on the HRS Trading Account re-patriated into the HRA.
	<u>Increased Spending</u>		
F	Rents, Rates and Other Premises	58,000	Council Tax on voids backdated charges from 2016-17.
D	Repairs & Maintenance	762,000	Amendment to capitalised spend reversion as no longer required re the depreciation adjustment.
O	Major Repairs Reserve Adjustment.	200,000	Revenue Resources available to fund the HIP
G	Bad Debt Provision	100,000	Provision set to 1% of income which it is anticipated will cover a potential increase in bad debts in the future relating to the rollout of Universal Credit.
P	Transfers to/(from) Reserves	98,000	Contribution from the Repairs account no longer needed.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 31 DECEMBER 2017

	Forecast Outturn		
	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	2,475	2,404	(71)
Premises	39	42	3
Transport	451	456	5
Materials	1,303	1,178	(125)
Sub-Contractors	2,185	1,668	(517)
Supplies & Services	115	143	28
Central Support Charges	713	713	0
Capital Charges	0	0	0
Total Expenditure	7,281	6,604	(677)
Income	7,281	6,705	576
(Surplus)/Deficit	0	(101)	(101)

Housing Repairs Service Variances - Quarter 3

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	576,000	Reduced spend on sub-contractors and materials costs has subsequently led to a reduced charge to the HRA.
<u>Reduced Spending</u>		
Employees	(71,000)	There have been a number of Operative vacancies, these are expected to be filled in the coming months. There was also an £11k underspend on Overtime
Materials	(125,000)	Product 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	(517,000)	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 three quarters, there continues to be less reliance on external companies.
<u>Increased Spending</u>		
Supplies & Services	29,000	Increase in Equipment Purchases (New Tool Kits) and consultants Fees.

EARMARKED RESERVES – Q3 MONITORING 2017/18

	Opening Balance 01/04/2017 £'000	Contributions £'000	Actuals Q1-Q3 £'000	Forecast Q4 £'000	Forecast Balance 31/03/2018 £'000
General Fund					
Strategic Projects - Revenue					
Costs	1,371	0	0	(875)	496
Business Rates Volatility	710	450	0	(696)	464
Growth Strategy Delivery	423	0	0	(423)	0
Grants & Contributions	363	109	0	(44)	428
Mercury Abatement	347	91	0	(60)	378
Budget Carry Forwards	341	30	0	(237)	134
Unused DRF	276	207	0	(483)	1
IT Reserve	221	100	0	(158)	163
Backdated rent review	220	0	0	0	220
Invest to Save (GF)	194	275	0	(55)	415
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	(18)	98
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	0	47
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	(34)	0
Christmas Market	25	0	0	(25)	0
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	6	0	0	20
Tank Memorial	10	0	0	0	10
Yarborough Leisure Centre	2	0	0	0	2
Greetwell Place	1	0	0	(1)	0
	5,463	1,311	0	(3,385)	3,389
HRA Repairs Account	611	0	0	0	611
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	(159)	1,485
Total Earmarked Reserves	7,018	1,400	0	(3,544)	4,874

CAPITAL RESOURCES – Q3 MONITORING 2017/18

	Opening Balance 01/04/2017 £'000	Contributions £'000	Used in Financing £'000	Forecast Balance 31/03/2018 £'000
Capital Grants	398	3,044	(3,284)	158
Capital Receipts	3,039	1,689	(3,839)	889
Capital Receipts (HRA)	6,359	1,519	(544)	7,334
Major Repairs Reserve	10,680	12,209	(13,957)	8,752
Section 106	846	0	(270)	576
Total Capital Resources	21,322	18,281	(21,894)	17,709

General Investment Programme – Summary of Financial Changes

Project Name	2017/18	2018/19	2019/20	2020/21	2021/12	Comments
	£	£	£	£	£	
Budget as at Q2	30,889,090	1,340,081	500,000	500,000	500,000	
Budget for approval	31,418,986	14,208,836	500,000	500,000	500,000	
Total Changes for Q3	529,896	12,868,755	0	0	0	
Approved by Chief Finance Officer:						
Hartsholme Flood Alleviation	7,934	(7,934)	0	0	0	Re-profile from 2018/19.
New Telephony	(140,512)	140,512	0	0	0	Re-profile to 2018/19.
Purchase of Car Parks	17,415	0	0	0	0	Additional professional fees incurred.
CPO – 83 Albany Terrace	(83,700)	83,700	0	0	0	Re-profile to 2018/19.
BLC Transformation	22,000	(22,000)	0	0	0	Re-profile from 2018/19.
Non-Disabled Facilities Grants	5,000	0	0	0	0	Additional funding in 2017/18 from DRF
Non-Disabled Facilities Grants	(23,132)	23,132	0	0	0	Re-profile to 2018/19
Capital Contingency	(46,380)	46,380	0	0	0	Re-profile to 2018/19
Housing Renewal Area	(367,000)	367,000	0	0	0	Re-profile to 2018/19
Disabled Facilities Grants	(150,000)	150,000	0	0	0	Re-profile to 2018/19
Heat Mitigation Terrace	(257,965)	257,965	0	0	0	Re-profile to 2018/19
To Be Approved by the Executive						
Land and Property Acquisition	1,721,750	11,580,000	0	0	0	New scheme for acquisition of land and property within the city. Approved at Executive 08/01/18 Min.112
CCTV Upgrade	85,000	0	0	0	0	Additional funding required to deliver the
Capital Contingency	(75,000)	0	0	0	0	scheme. Reallocated from Capital Contingency and £10k from Invest to Save.
Allotments	0	250,000	0	0	0	Additional budget allocated from Capital Receipts
Disabled Facilities Grants	(185,514)	0	0	0	0	Additional funding received from DCLG. (£66,612) and £252,126 reallocation of Better Care Fund to revenue.

Appendix I

Project Name	2017/18	2018/19	2019/20	2020/21	2021/12	Comments
	£	£	£	£	£	
Total Changes	529,896	12,868,755	0	0	0	

General Investment Programme – Summary of Expenditure as at 31st December 2017

	MTFS 2017/18	2017/18 Revised Budget	2017/18 Actual Q1-Q3	2017/18 Variance	Spend
	£	£	£	£	%
CX – Chief Finance Officer					
The Terrace	0	0	(2,712)	2,712	0.00%
Terrace Heat Mitigation	200,000	2,350	2,350	0	100.00%
Greetwell Place Refurbishment	0	4,739	5,120	(381)	108.03%
Planned Capitalised Works	200,000	500,637	169,832	330,805	33.92%
Land and Property Acquisition	0	1,721,750	0	1,721,750	0.00%
Purchase of Car Parks	0	6,965,415	6,965,415	0	100.00%
DCE – Communities & Environment					
Skate Park	183,021	0	0	0	0.00%
CPO (13 Albany Terrace)	83,700	0	0	0	0.00%
Non-Disabled Facilities Grants	0	70,000	66,572	3,428	95.10%
Disabled Facilities Grants	286,768	375,000	232,039	142,961	61.88%
Yarborough LC Capital Works	0	5,487	5,487	0	100.00%
Birchwood LC Transformation	0	1,522,000	730,156	791,844	47.98%
Bereavement Services Lighting	0	40,000	0	40,000	0.00%
DCE – Community Services					
Flood Alleviation – Hartsholme	0	7,934	7,934	0	0.00%
Boultham Park Masterplan	480,967	836,713	309,233	527,480	36.96%
CCTV Upgrade	235,803	314,706	230,255	84,451	73.17%
Allotments Improvement Programme	0	650,000	10,223	639,777	1.57%
CX – Corporate Policy					
New Telephony System	0	24,000	24,000	0	100.00%
Disaster Recovery & Back Up	0	4,083	0	4,083	0.00%
“Mega Projects”					
Lincoln Transport HUB	15,836,950	18,326,627	14,688,372	3,638,255	80.15%
Schemes Under Review					
Housing Renewal Area	414,545	47,545	0	47,545	0.00%
Compulsory Purchase Orders	155,833	0	0	0	0.00%
Non-Disabled Facilities Grants	90,000	0	0	0	0.00%
Capital Contingencies	162,015	0	0	0	0.00%
Total Programme	18,329,602	31,418,986	23,444,276	7,974,710	74.62%

Housing Investment Programme – Summary of Financial Changes

Project Name	Approved Budget Q2	Budget to be Approved	Budget Increase/ (Reduction)	Movements (To)/from Available Resources	Movements Within Financial Year	Reprofile (To)/from Future Years	Notes
	£	£	£	£	£	£	
Decent Homes							
Bathrooms & WC's	378,005	128,815	(249,190)	0	(100,000)	(149,1900)	2018/19
Central Heating Upgrades	642,060	752,060	110,000	0	110,000	0	
Heating Replacements	319,597	319,597	0	0	0	0	
Thermal Comfort Works	303,534	117,557	(185,977)	0	0	(185,977)	2018/19
Kitchen Improvements	694,445	204,445	(490,000)	0	(200,000)	(290,000)	2020/21
Re-wiring	89,034	24,543	(64,491)	0	(64,491)	0	
Re-roofing	403,071	201,817	(201,254)	0	0	(201,254)	2020/21
Windows Replacement	822,905	550,215	(272,690)	0	0	(272,690)	2020/21
Structural Defects	54,621	54,621	0	0	0	0	
Wall Structure Repairs	6,577	6,577	0	0	0	0	
Door Replacement	669,150	371,731	(297,419)	0	(170,000)	(127,419)	2018/19
Decoration Allowance	12,109	12,109	0	0	0	0	
CO Detector Installations	132,559	132,599	0	0	0	0	
New Services	53,898	64,028	10,130	0	10,130	0	
St Botolphs Court alterations	77,766	67,636	(10,130)	0	(10,130)	0	
Void Capitalised Works	109,242	1,426,890	1,317,648	399,164	918,484	0	
Landscaping and Boundaries	335,963	258,545	(77,418)	0	0	(77,418)	2018/19
Lincoln Standard							
Over Bath Showers	1,181,974	999,876	(182,098)	0	(110,000)	(72,098)	2018/19
Safety Flooring Supported Housing	99,517	6,101	(93,416)	0	0	(93,416)	2019/20
Health and Safety							
Asbestos Removal	375,349	200,439	(175,000)	0	(175,000)	0	
Asbestos Surveys	149,950	199,950	50,000	0	50,000	0	
Door Entry Systems	45,795	25,795	(20,000)	0	0	(20,000)	2018/19
Stair Structures	23,133	23,133	0	0	0	0	
Plastering (HHSRS)	218,484	0	(218,484)	0	(218,484)	0	

Appendix K

Project Name	Approved Budget Q2	Budget to be Approved	Budget Increase/ (Reduction)	Movements (To)/from Available Resources	Movements Within Financial Year	Reprofile (To)/from Future Years	Notes
	£	£	£	£	£	£	
New Build Programme							
New Build Programme	3,570,000	0	(3,570,000)	0	(700,000)	(2,870,000)	2018/19
Waterloo Housing Partnership	4,085,000	1,186,320	(2,898,680)	0	0	(2,898,680)	2018/19
Westleigh Homes Partnership	3,287,750	2,770,183	(517,567)	0	0	(517,567)	2018/19
Waterloo Housing Lytton Street	0	700,000	700,000	0	700,000	0	
De Wint Court Alterations	299,545	299,545	0	0	0	0	
Potential New Build Sites	305,360	305,360	0	0	0	0	
Land Acquisition							
Land Acquisitions Fund	1,520,213	0	(1,520,213)	0	0	(1,520,213)	2018/19
Ermine School	769,450	769,500	0	0	0	0	
Queen Elizabeth Road	1,750,000	1,750,000	0	0	0	0	
Other							
Environmental New Works	54,621	54,621	0	0	0	0	
84 Uffington Avenue	32,423	52,423	20,000	0	20,000	0	
12 Webster Close	50,000	10,000	(40,000)	0	0	(40,000)	2018/19
18 Garfield Close	21,000	10,000	(11,000)	0	24,000	(35,000)	2018/19
Communal Hardstanding Areas	412,087	412,087	0	0	0	0	
Communal Electrics	76,469	435,960	359,491	0	359,491	0	
Garages	54,086	0	(54,086)	0	0	(54,086)	2018/19
Shops/Buildings	28,354	0	(28,354)	0	0	(28,354)	2019/20
Fire Alarms	1,036	1,036	0	0	0	0	
Communal TV Aerials	21,634	0	(21,634)	0	0	(21,634)	2018/19
HSS Computer Fund	193,113	193,113	0	0	0	0	
Contingency Reserve	609,174	105,174	(504,000)	0	(444,000)	(60,000)	2018/19 (2 Gunby Ave)
Total Programme	24,340,053	15,204,221	(9,135,832)	399,164	0	(9,534,996)	

Housing Investment Programme – Summary of Expenditure as at 31st December 2017

	MTFS 2017/18	2017/18 Revised Budget	2017/18 Actual Q1-Q3	2017/18 Variance	Spend
	£	£	£	£	%
Decent Homes					
Bathrooms & WC's	388,689	128,815	118,116	10,699	91.69%
Central Heating Upgrades	646,455	752,060	369,408	382,652	49.12%
Heating Replacements	255,000	319,597	126,884	192,713	39.70%
Thermal Comfort Works	308,484	117,557	22,107	95,450	18.81%
Kitchen Improvements	665,538	204,445	169,113	35,332	82.72%
Re-wiring	89,034	24,543	12,511	12,032	50.98%
Re-roofing	627,428	201,817	167,623	34,194	83.06%
Windows Replacement	600,000	550,215	436,142	114,073	79.27%
Structural Defects	54,621	54,621	0	54,621	0.00%
Wall Structure Repairs	7,461	6,577	0	6,577	0.00%
Door Replacement	635,649	371,731	113,566	258,165	30.55%
Decoration Allowance	13,109	12,109	6,997	5,112	57.78%
CO Detector Installations	132,128	132,599	84,870	47,729	64.01%
New Services	54,621	64,028	0	64,028	0.00%
St Botolphs Court alterations	0	67,636	82,240	(14,604)	121.59%
Void Capitalised Works	109,242	1,426,890	589,871	837,019	41.34%
Landscaping and Boundaries	335,963	258,545	127,583	130,962	49.35%
Lincoln Standard					
Over Bath Showers	1,137,401	999,876	526,846	473,030	52.69%
Safety Flooring Supported Housing	70,251	6,101	0	6,101	0.00%
Health and Safety					
Asbestos Removal	273,105	200,439	54,677	145,762	27.28%
Asbestos Surveys	152,939	199,950	133,165	66,785	66.60%
Door Entry Systems	40,780	25,795	6,208	19,587	24.07%
Stair Structures	22,710	23,133	0	23,133	0.00%
Plastering (HHSRS)	218,484	0	0	0	0.00%
New Build Programme					
New Build Programme	3,570,000	0	0	0	0.00%
Waterloo Housing Partnership	4,085,000	1,186,320	0	1,186,320	0.00%
Westleigh Homes Partnership	3,543,750	2,770,183	922,976	1,847,207	33.32%
Waterloo Housing Lytton Street	0	700,000	0	700,000	0.00%
De Wint Court Alterations	250,000	299,545	3,108	296,437	1.04%
Potential New Build Sites	42,830	305,360	180,727	124,633	59.18%
Land Acquisition					
Land Acquisitions Fund	1,520,600	0	0	0	0.00%
Ermine School	769,450	769,500	769,500	0	100.00%
Queen Elizabeth Road	1,750,000	1,750,000	55,000	1,695,000	3.14%
Other					
Environmental New Works	54,621	54,621	0	54,621	0.00%
84 Uffington Avenue	32,094	52,423	50,414	2,009	96.17%
12 Webster Close	50,000	10,000	3,015	6,985	30.15%
18 Garfield Close	21,000	10,000	2,160	7,840	21.60%
Communal Hardstanding Areas	400,403	412,087	217,316	194,771	52.74%
Communal Electrics	76,469	435,960	316,072	119,888	72.50%

Appendix L

	MTFS 2017/18	2017/18 Revised Budget	2017/18 Actual Q1-Q3	2017/18 Variance	Spend
	£	£	£	£	%
Garages	27,311	0	0	0	0.00%
Shops/Buildings	19,882	0	0	0	0.00%
Fire Alarms	0	1,036	0	1,036	0.00%
Communal TV Aerials	10,924	0	0	0	0.00%
HSS Computer Fund	109,242	193,113	81,872	111,241	42.40%
Contingency Reserve	448,471	105,174	0	105,174	0.00%
Total Programme	23,621,139	15,204,221	5,750,087	9,454,314	37.82%

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EXECUTIVE

26 FEBRUARY 2018

SUBJECT: STRATEGIC RISK REGISTER - QUARTERLY REVIEW

REPORT BY: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: ANGELA ANDREWS, CHIEF EXECUTIVE

1. Purpose of Report

- 1.1 To provide Members with a status report of the revised Strategic Risk Register as at the end of the third 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 Executive in November 2017 and contained seven strategic risks.
- 2.2 Since reporting to Executive in November 2017, the Strategic Risk Register has been reviewed and updated by the relevant Assistant Directors. This review has identified that there have been some positive movement in the Risk Register.
- 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 and stakeholders to deliver against the Vision 2020. Annual report drafted with a focus on achievements towards Vision 2020 – which has been shared with stakeholders. Organisation of a range of conferences for the next year to support the vision e.g Lincoln's Vision 2020 Conference and sponsorship of Lincolnshire Construction and Property Awards and Developers Forum alongside organisation of Vision 2020 staff roadshows to be scheduled in January 2018. Further work is ongoing to align portfolios with Vision 2020. A revision of internal and external communication methods to be undertaken Feb-March 2018.

No 2) To deliver a sustainable Medium term Financial Strategy - Continued assessment of changes in business rates – to 75% with draft MTFS 2018-23 prepared and subject to consultation and scrutiny in Jan - Feb 18.

No 3) To ensure compliance with statutory duties and appropriate governance

arrangements are in place - ITBC and ITDR plans have been endorsed by CMT and being progressed alongside a draft DR manual being developed. All critical service business continuity plans have been revisited in light of new arrangements. Continued progression of ongoing actions in Information Governance Strategy with Data Protection e-learning package for all staff which will be carried out every 2 years. Rollout of face to face training staff on the implications of GDPR to be undertaken in January 2018 with Information Management policies to be updated to reflect GDPR by May 18.

- 3.2 The above movement in control actions has not resulted in a change to the assessed levels of likelihood and impact of risks identified on the risk however control actions continue to be implemented and risks managed accordingly:

Risk No.	Risk Rating	Likelihood	Impact
1, 2 & 5	Red/High	Probable	Critical
6	Amber/Medium	Probable	Major
3, 4 & 7	Amber/Medium	Possible	Major

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

4. Strategic Priorities

- 4.1 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.

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 Executive are asked to note and comment on the Strategic Risk Register as at the end of the third quarter 17-18.

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

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STRATEGIC RISK REGISTER

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

RISK REGISTER: STRATEGIC RISKS – AS AT Q3 end: 31 December 2017

VERSION: 1

REVIEWED:

CMT 07/11/17

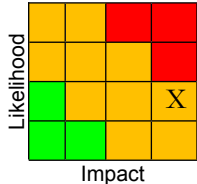
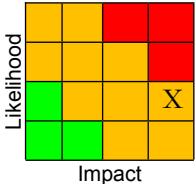
Risk owners 06.02.18

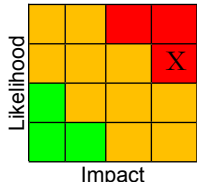
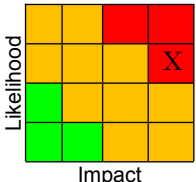
CMT 08/02/18

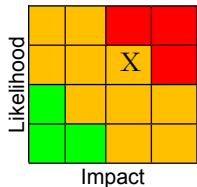
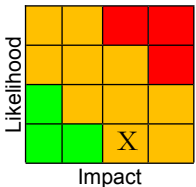
OWNER: CORPORATE MANAGEMENT TEAM

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

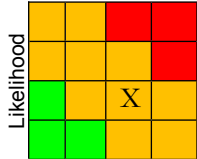
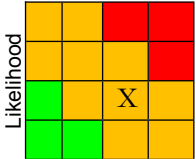
- Let's drive economic growth
- Let's reduce inequality
- Let's deliver quality housing
- Let's enhance our remarkable place

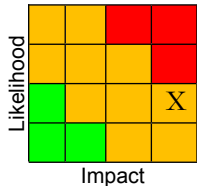
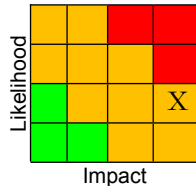
Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc 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 Determination of the range of conferences for the next year to support the vision i.e Lincoln's Vision 2020 Conference in March 2018 Sponsorship of Lincolnshire Construction and Property Awards in February 2018 Alignment of Vision 2020 with Portfolios Vision 2020 staff roadshows to be undertaken in January 2018. Revision of internal and external communication methods to be undertaken Feb-March 2018 			Substantial	Improving

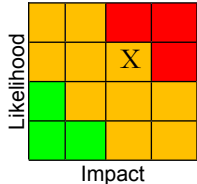
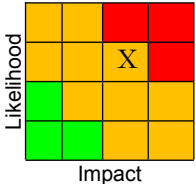
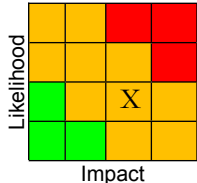
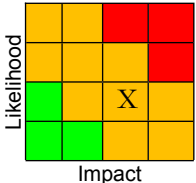
Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> Physical Engine Room designed in Committee Room 4 Annual Report with a focus on achievements towards Vision 2020 – to be sent to stakeholders by CX/Leader – Nov 2017 					
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, delivering a sustainable budget in the medium term and includes identification of key risks and controls/actions in place. MTFS 2018-23 continues to support Vision 2020 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 	<ul style="list-style-type: none"> Link to TOFS Programme, risk no 4 below. Continued assessment of changes in business rates – to 75% BR Draft MTFS 2018-23 prepared and subject to consultation and scrutiny – Jan - Feb 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)				
				firmly established for business rates, including the Lincolnshire Pool <ul style="list-style-type: none"> Budget flexibility to deal with in year changes Council has been successful in its bid to be a 100% Business Rates Pilot for 2018/19 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 Establishment of the Wholly Owned Housing Company business plan –approved by Executive in December 2017 					
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 	<ul style="list-style-type: none"> Continued progression of ongoing actions in Information Governance Strategy. Data Protection e-learning package for all staff at 70% completion and increasing. To be re-presented every 2 years Information Management policies to be updated to reflect GDPR by May 18. DPO to be appointed before May 18. 			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>which monitor work programmes/ actions for H&S, e.g, Safety Matters Review Group/Champions</p> <ul style="list-style-type: none"> Information Management Strategy and Action Plan approved in November 2015. Key elements being training programme for teams now completed and Information Asset Audit conducted. Information Asset Register created and updated Retention schedules. Info Governance Project Officer post extended to complete action plan – including policy work, staff training. Formation of GDPR working group and Action Plan, being overseen by IG Group and Audit Committee 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. 	<ul style="list-style-type: none"> Continued progression of ongoing actions in Information Governance Strategy. Data Protection e-learning package for all staff at 70% completion and increasing. To be re-presented every 2 years Information Management policies to be updated to reflect GDPR by May 18. DPO to be appointed before May 18. Continued progression of GDPR Action Plan and Training Needs Plan. GDPR included in Vision 2020 project plan. Waiting outcome of HSE inspection 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 operational testing and delivery. . Internal Audit 				

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>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 BC group has now considered issues and allocated responsibilities, which will be reviewed again in March 18 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	CFO	<u>Creative & Aware</u> Projects & Major Change <u>Hungry</u>	<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 	<ul style="list-style-type: none"> Delivery of Phase 4 programme through existing management and monitoring systems – ongoing to complete outstanding projects 			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)				
	resilience of the Council		Reputation and Public Confidence	<p>monitoring/performance monitoring reports to Executive/Performance Scrutiny Committee</p> <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 Programme of reviews in place and monitored monthly through Board and Team. Development of phase 5 with Service Managers, focussing on commercialisation and possible incentive scheme. Target of £3.5m for 2017/18 overachieved. Savings targets increased as part of MTFS 2018-23. 	<ul style="list-style-type: none"> Commence the delivery of phase 5 of the programme in Nov 17, with a focus on the 3 strands: <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. Further years programmes to be considered – to achieve increase in targets as per the revised MTFS 2018-23 				
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

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)				
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	Static
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. 	<ul style="list-style-type: none"> Allocation of further resources of £140k to areas needed further capacity (continued utilisation during 2017/18) DMD – deliberate slowing down of some phase 2 projects to concentrate on key priorities for 17/18 Service planning 2018/19 to ensure capacity exists before commitments 			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"> 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. Restructure of Housing /Regeneration approved Some temporary additional resource has been provided within Finance CX recruited temporary CFO to bring stability to the service CMT to undertake a review of existing commitments to fit capacity (financial and resource) to project Recruitment to two vacant Assistant Directors posts within DHR DCE has appointed additional S3 resource to 	<ul style="list-style-type: none"> made Recruitment process undertaken to recruit to AD – Strategic Development – start date 8 January 2018 Further recruitment within DHR to both Assistant Director Roles Dec- Feb 2018 Priority setting to commence by CMT Jan-Feb 2018 Draft Service plans to be completed early March 2018 				

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)				
				support project delivery					

SUBJECT: STRATEGIC PLAN PROGRESS – QUARTERLY REVIEW

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 the strategic projects, against their milestones for the third quarter of 2017/18.

2. Programme Summary

- 2.1 There are currently **20** strategic projects being monitored.
- 2.2 **18** projects are currently on track in terms of their physical and financial milestones and risk profiles.

Of these **8** projects have been completed and are currently awaiting a Post Implementation Review to be submitted and signed off.

- 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

- 3.1 **1** new project was reviewed and recommended to the Executive for approval in the third quarter.
Land and Buildings Acquisition

This project is an outcome of the Asset Rationalisation report presented to the Executive on 8th January 2018.

The project is to purchase a piece of land and building under construction within the city that is expected to generate surplus revenue income for the Council.

This scheme was reported to Executive on 8th January 2018 (minute no.112).

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 a completion report and post implementation review (PIR) will be produced. Once they are received and reviewed a project is considered to be complete.

4.2 Strategic Projects awaiting completion of a PIR

There are eight 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
- St Botolphs Court – Modernisation project at Sheltered Housing Complex
- New Surface Car Parks – Purchase of two new surface car parks in the city

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 third quarter.

5. Mega Project Update – Western Growth Corridor

- 5.1 The public consultation on the proposed masterplan ended on 15 November 2017 and this feedback is being fully considered alongside the results of the updated highway traffic modelling work which we received at the beginning of January 2018.

The key concern from the consultation has been the traffic impact so it is important to ensure that the most suitable transport and movement strategy is identified and incorporated into the Masterplan. Once this has been agreed in principle with the statutory organisations an updated version of the masterplan will be produced.

At this point, a revised project plan (including a timetable for delivery, cost plan and a schedule of proposed Member briefings and public consultation/workshops) will be prepared for consideration by the Executive (expected to be in early Summer 2018).

5.2 Mega Project Update – Transport HUB

Multi Storey Car Park

The first phase of the car park (Ground Floor to Level 3) opened to the public during November and December 2017, offering 639 car parking spaces including:

- 39 disabled spaces on the ground and first floor
- 12 Electric Vehicles charging points on the ground floor
- 2 taxi drop off points at the ground floor level
- Extra-large parking bays (2.5 x 5 metres) to enable easy parking and clearly marked circulation
- Space counting at each level
- CCTV and fully manned car park

Level 4 of the car park will be open in February 2018 offering a further 178 spaces with the final (top) level being opened by April 2018.

The works to create the new access into Network Rail's car park and a reconfigured and paved station forecourt are now complete and open to the public and operating well.

Bus Station

The new bus station opened to the public on 28th January 2018 and is operating well.

Some of the facilities the new bus station will offer include:

- 14 bus bays
- A fully enclosed glazed concourse which is well lit during the day and the night-time. The lighting system is designed to adjust automatically so that when it starts to become dark the lighting levels will increase and dim when the bus station is closed.
- A dedicated bus apron separating passengers from buses to protect their safety
- Automatic doors into the bus station concourse as well to each bus bay which operate when buses arrive and leave the bus station apron (the doors have a sensor to open and close automatically to allow passengers to board and alight the bus when the bus sets down and leaves the bus stand)
- State of the art, real-time passenger information system displaying bus and train travel information on monitors above each bus bay as well as on totems along the station concourse
- Seating to each bus stand
- A reception desk manned through the day
- Café facility
- WC's including disabled and changing places facilities (with a shower, bench and hoist) The first changing places facility in the City
- Clear internal signage designed in association with the Dementia Alliance Society
- A handrail design for visually impaired users which allows people to navigate themselves through the bus station concourse and identify their required bus stand

- The drivers mess room, cash rooms, WC's etc are located in the east wing and are kept separate from the main passenger entrance

The temporary bus station closed on 28th January 2018 and works are now underway to reinstate the area to public car parking, the car park should be operational by the end of February/early March 2018.

There are some works to the highway to be finalised, which could not be completed until the bus station opened and these works should be complete by the end of February 2018.

6 Section 106 Group

- 6.1 The Section 106 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	939,210	49,675
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	1,412,572	1,412,572	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	4,809,139	4,390,769	418,370

- 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 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 third quarter 15 Disabled Facilities Grants were completed and this compares to 24 completions for the same period in 2016/17. There were 46 other referrals (6 of which have gone through the pilot scheme without cancellations) within the system which compares to 53 referrals for the same period last year. Of the 46 referrals, 34 had been assessed and had a total DFG value of £167,382. The remaining 12 referrals had not yet been assessed but applying the mean DFG payment for 2016/17 this gave an estimated value of £81,444. Taken together the 46 cases had an estimated value of £248,826.

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 4 pilot completions and 2 active pilot cases in the third 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 2nd 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 four Decent Homes Grants approved and at the end of the quarter this had reduced to one with a total approved amount of £30,000. This is “on site”, (i.e. building work is being undertaken), and interim payments of £26,336 have been made, leaving a commitment of £3,664 at the end of the third quarter.

At the start of the third quarter, four properties had been approved for a Minor Works Grant. This grant had been introduced as an emergency measure during 2015/16 and extended in 2017/18. One of these four is an application we received in 2016/17, however the applicant had 12 months to complete the work. This work was completed in this quarter and therefore we have paid £534 for this scheme.

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.

By the end of the third quarter 1,811 instances of improvement works (kitchens, bathrooms, rewires, doors etc) had taken place. In the same period 302 instances of improvement works had been refused by tenants.

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 CMT are asked to refer to the Financial Performance Report, which appears elsewhere on this agenda, for details of performance against budgets.

9.2 Legal Implications including Procurement Rules

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

9.3 Land, property and accommodation

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

9.4 Human Resources

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

9.5 Equality, Diversity & Human Rights

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

10. Risk Implications

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

11. Recommendation

- 11.1 That the Executive note the progress in delivery of the 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

26 FEBRUARY 2018

SUBJECT:	QUARTERLY 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 3 of the financial year 2017/18 (from October 2017 to December 2018).
- 1.2 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
 - **Appendix A** details all measures by individual directorate grouping – with annual and quarterly measures split separately

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.

2.2 Key headlines from performance results:

Q3 has seen some exceptional performance results - in Revenues and Benefits, Planning and Rent Collection in particular – mixed with just a few not so positive results. A summary is found below:

<ul style="list-style-type: none">✓ The number of users logged into the self-service system 'MyInfo' this quarter has increased to 6,409, from 5,256 last year✓ The in-year collection rate for Lincoln council tax is just above its target of 79.76% at 79.77%✓ The in-year collection rate for Lincoln business rates is above its target of 84.82% at 86.43%✓ The number of outstanding customer changes in the revenues team is at its lowest ever level of just 80✓ The average time to process new housing benefit claims is above target at 23.73 days✓ The average time to process housing benefit change of circumstances is above target at 7.93 days✓ The percentage of quality checks made where Benefit entitlement is correct has remained above the target of 90%, at 91%✓ The number of service requests for PPASB has reduced to 612, from 895 in Q3 last year (V)✓ The satisfaction of how ASB complaints were handled has improved to 89% and is above target✓ The percentage of premises compliant with Food Health & Safety inspections has risen since Q2 and is above its target of 97% at 98.1%✓ The number of live planning applications still incomplete has decreased from 120 in Q2, to just 97 at the end of Q3✓ The percentage of both Major and Non-Major Planning Applications determined within the government targets (measured on a 2 year rolling basis) have increased again and are both significantly above their respective targets✓ Current tenant arrears stand at 2.22%, a drop from 2.59% last quarter and now within target✓ The percentage of reactive repairs completed within target time has increased to 96.98%, higher than the target of 95%.	<ul style="list-style-type: none">❖ The number of face to face enquiries in customer services has increased by 1,411 to 10,388 compared to last Q3 (V)❖ The average time for FH&S inspections to achieving compliance has deteriorated from 9.9 days in Q2 to 13.25 days this quarter❖ The percentage of FH&S official controls that should have been completed is just below its lower target of 85%, at 84.50%❖ The number of Homelessness applications progressed within the Housing team increased from 164 at Q3 last year, to 183 at Q3 this year – however this remains on trend over time
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NOTE: Some measures throughout this report are considered 'volumetric' measures e.g. The number of claims They are needed to set the context of performance, but cannot be changed by the performance of the team – these are marked as 'V'

2.3 Key headlines from the corporate measures:

- 2.4 The overall year to date (YTD) sickness data as at the end of December is 9.84 days per FTE (Excl. apprentices). This is 1.57 days more per FTE compared to the same point last year.

- 2.5 The cumulative average time across all directorates to respond to formal complaints was 6.5 days, which is a decrease of 0.2 days than the same point in 2016/17, and still remains below the former target of 15 days.
- 2.6 The reported overall Q3 vacancy level stands at 56.2 FTE, a considerable decrease on that reported in Q2 (63.3 FTE). Of these 25.5 vacancies are being actively recruited to.






3. Background

- 3.1 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.

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

- Once again, all apprentices on the programme have moved into education, employment or further training 
- The average time taken to answer a call to Customer Services in Q3 was 49 seconds, better than the lower target of 50. 
- 6,409 users logged into the self-service system, "MyInfo" this quarter 
- The volume of face to face visits to customer services remained high in Q3 at 10,388 (V) 
- The Council Tax collection rate for Lincoln stands at 79.77% which is just above the agreed target 
- The Business Rates collection rate for Lincoln stands at 86.43% which is above its agreed target for Q3 
- The level of outstanding changes in the revenues team has decreased from 228 in Q3 last year to just 80 in Q3 this year 
- The average time to process new housing benefit claims stands at 23.73 days, which is better than its target of 24 days. 
- The average time to process housing benefit changes of circumstances stands at 7.93 days. This is better than the agreed target of 9 days. 
- Quality checks on benefits claims show that 91% are correct – above the 90% target 

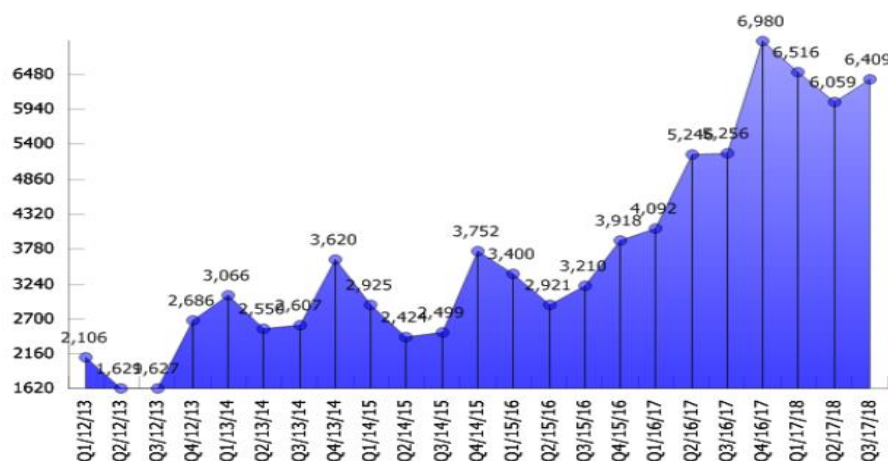
4.3 Customer Services

All this year we have been reporting increased levels of face to face enquiries due to the work we undertook for the County on the renewal of all bus passes in 2017. So as expected in Q3, we still had a large amount of face to face enquiries (10,388) which is an increase of 1411 in comparison to last quarter 3. This demand is forecast to reduce in quarter 4 as the vast majority of the passes will have been processed by then.

Despite this increased workload and a consistently high level of telephone calls, the customer service team has still managed to answer calls within their target time, taking an average of 49 seconds to respond.

It is pleasing to report that the number of users who logged into the self-service system MyInfo increased again from 5,256 in Q3 last year to 6,409 this year. We have continued to actively push e-billing wherever possible. The chart below shows visually how successful this has been, particularly over the last year

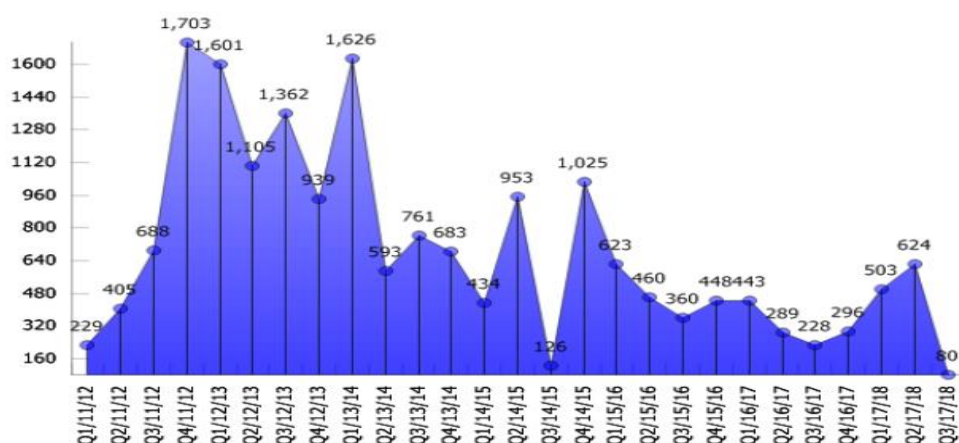
Number of users logged into Myinfo by Q3



4.4 Revenues Administration

The lowest ever level of outstanding customer changes was reported at just 80 in Q3, compared to 228 in the same quarter last year. This is a significant improvement, which is primarily due to the introduction of interactive on-line self-service application forms (see 4.3 above) as well as refined working practices.

Level of outstanding customer changes in the Revenues team



The in-year collection rate for Lincoln Council Tax and Business Rates are both above their targets, achieving 79.77% and 86.43% respectively. Council Tax was just a little above Q3 last year (0.05%), but that equates to an extra £19,633 collected; whilst Business Rates was 1.15% higher than in Q3 last year – a significant £505,144 extra collected.

4.5 Housing Benefit Administration











The number of new benefit claims to date has increased somewhat from 5,212 in Q3 last year to 5,513 in Q3 this year. Most of this increase is coming from Council Tax support benefit claims which have increased by 233 (7.5%) since the same time last year, which is believed to be due to growth within the city. (see table below)

The number of new Housing Benefits and Council Tax Support claims

	Q3 2016/17	Q3 2017/18
Housing Benefits	2122	2190
Council Tax Support benefit	3090	3323

The percentage of risk based quality checks made where Benefit entitlement is correct has also remained above the target of 90%, at 91%. Compared to Q3's figure of 88% last year, it has increased by 3%. This figure has remained at a consistent level throughout the year, despite increasing to a significantly higher level of focused checking this quarter, covering errors that have been identified over the last year.

4.6 Key performance areas in Directorate for Communities and Environment

- 38.23% of waste collection reported this quarter was recycled or composted 
- There are now 2880 off street charged parking spaces owned by CoLC 
- There were just 612 requests for PPASB service in Q3 – down on the 895 last year 
- Satisfaction with the way PPASB complaints were handled has taken a big jump from 68% to 89% this quarter 
- 98.1% of premises were fully or broadly compliant with FH&S standard 
- The average time to achieve FH&S compliance has dropped from 9.9 days to 13.25 days this quarter 
- 84.50% of Food H&S controls that should have been completed are done, an increase of 3.40% on the same quarter last year, but is still just under target 
- There were just 97 live planning applications still open at the end of Q3 
- 95% of non-major planning applications were determined within the government target measured on a 2 year rolling basis 
- 98.28% of major planning applications were determined within the government target measured on a 2 year rolling basis 

4.7 Parking Services

The number of off street parking spaces operated by CoLC (2880) has increased by 639 spaces this quarter, due to the opening of the first three floors of the brand new Lincoln Central Car Park. This compares to the previous figure of 2,241. The final number of parking spaces the council operates in the city will be available in Q4.

4.8 Development Management

Q3 saw significant increases in workload, with a total of 552 applications submitted this quarter, however, most of this was an influx of Article 4 related applications for flexible HMO/dwelling uses, also with requests for Certificates of Lawful Use for the same properties, mainly from a single applicant ahead of the new fee chargeable from January 13th 2018. However, as this was a (one off) very high level of much quicker work than 'normal', we have treated this work as outliers and have reported on standard workload alone. This means that we actually saw 264 standard planning applications, which this quarter were dealt with in an average 58.04 days – meaning both measures came in as 'maintaining'

Despite receiving this high number of HMO/Certificates of Lawful Use applications, the team has been able to reduce the outstanding workload figures from 120 in Q2 to just 97 this quarter, a very commendable outcome which resulted in an 'improved' status.

The percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis has increased again since last quarter, and is above its target of 70% at 95%. In addition, the percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis has increased since last quarter now sitting at 98.28%, much higher than its target of 60%.

Finally this additional workload was completed against a background where 95% of planning applications were accepted and just a single planning appeal was allowed, emphasising that our approach of helping to get the applications right first time is working for the city.

4.9 Public Protection and Antisocial Behaviour

The number of service requests for Public Protection and ASB has dropped again by a further 206 from the last quarter, and by 283 since the same point last year. It is common to see a reduction in cases in quarter 3, however this year the figures are particularly low. This is due to a large reduction in fly tipping cases being notified, as well as lower ASB cases this time of year.

Customer satisfaction return rates have seen a big increase. Where only 68% were satisfied last quarter, 89% were satisfied this quarter. Following the poor return rates encountered last quarter, customer satisfaction surveys are now being measured via telephone surveys, completed by Customer Services. This is giving a greater sample size and as they are being completed by officers not involved with the cases, respondents also have a neutral person collecting the data.

4.10 Food Health & Safety (FHS) Enforcement







Although there were two red statuses showing, the resources within the service are being actively managed to ensure that we have the best possible outcome against the planned inspection programme by the end of quarter 4.

The average time from actual date of inspection to achieving compliance has deteriorated from 9.90 days last quarter, to 13.25 at the end of Q3. An increase in this measure is not unusual and can be linked directly to the staff resources available. During this quarter, there was a reduction in resource by 1FTE. The Christmas Market and the busy Christmas period has also impacted on the time taken to revisit businesses.

The Food Health and Safety Team has achieved its best percentage of premises fully or broadly compliant with Food Health & Safety inspection, sitting above its target of 97% at a figure of 98.1%. This is an improving trend over the last five quarters of monitoring. The total number of registered food businesses is 1005. Just 19 businesses are considered to be non-compliant of which 7 of those are new businesses. This is a considerable improvement and demonstrates the commitment of the service to direct resources to those businesses that are the greater risk to public health.

The percentage of official controls that should have been completed and have been in that time period is very slightly below its lower target of 85%, sitting at 84.50%. There are 60 inspections outstanding. There are no high risk red inspections overdue, 12 are amber risk of which 7 are new businesses and 2 are evening economy the remainder are lower risk greens.

4.11 **Key performance areas in Directorate for Housing and Regeneration**

- 99.27% of rent owed was collected, which is back within target 
- The Q3 tenant arrears have significantly decreased compared to Q2 and now stand at 2.22% - within target boundaries 
- The number of homelessness applications progressed has increased from 164 last Q3, to 183 this year 
- 27.48% of households approaching the council considering themselves homeless had their situation resolved by the team, this is still significantly below the lower target of 56%. 
- The average re-let time for all dwellings out-turned at 27.16 days, which is now within target boundaries. 
- 96.98% of reactive repairs were completed within their target time, which is above the target of 95%. 

4.12 **Rent Collection and arrears**

The current tenant arrears as a percentage of the annual rent debit has been reduced this quarter to 2.22%, down from 2.59% in the last quarter. During the Christmas period, there were two rent free weeks in which the team still collected rent which has helped reduced the arrears and bring the figure closer to target of 2.15%.

As a result we have seen the level of rent collection rise to 99.27% which is also back within target boundaries.

4.13 **Homelessness**

The year to date number of homelessness applications being progressed within the Housing Solutions team has increased from 164 in Q3 last year, to 183 in Q3 this year - 56 of which were in Quarter 3. Comparisons externally have shown that this is in line with the National average and not a Lincoln phenomenon.

Homelessness presentations over the last 5 years have seen relatively similar trends with the exception of 2014/15. The current financial year is at present in line to outturn within the expected trend for this measure.

It is important to note that Homelessness overall is measured through a basket of four indicators:

- Time taken to process applications – which at 20+ days normally, we are well within the National guideline of 33 days
- Average time spent in Bed and Breakfast – currently averaging 3.55 weeks which is under the 4 weeks target
- Average time spent in temporary accommodation – currently averaging 9.58 weeks which is under the 12 weeks target
- Percentage of households that have approached us, helped – consultation with other LA's has indicated that we should re-set this as a numerical target not a % as we are currently excluding many cases that we support with swift solutions that do not require a full formal case opening, but only measuring the latter. We are currently showing 24.58% supported, which is lower than target – but does exclude these swift cases.

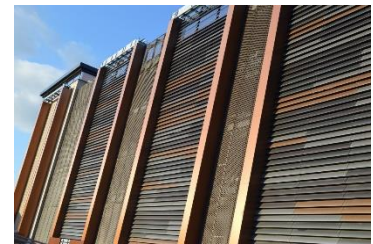
Preparations are underway to meet the new Homelessness Reduction Act that is coming in force from April 2018 which will require a review of the measures.

It is also worth noting that whilst the number of people on the waiting list is at an all-time low, due to resource issues in that area there is a bottleneck of applications waiting to be processed which could mean this level rises a little next quarter once these are dealt with.

5. OTHER ACHIEVEMENTS DURING THIS QUARTER

5.1 Lincoln Central hits the mark!

Lincoln's newest car park has already won its first accolade – the prestigious Park Mark Award for safe car parking, putting it in the top 25 per cent safest car parks in the UK.



To achieve the award, the car park underwent a series of rigorous tests by specially trained police assessors. Car parks are assessed on several factors such as location, personal safety, lighting, absence of graffiti, ability to find a space easily and more.

The Lincolnshire Police Crime Prevention Design Advisor said: "The standards that have been set and achieved by City of Lincoln Council in this new development are really impressive and set the benchmark in terms of standards that are very high, so it has been very easy to make this award. "It is an exemplary multi-storey car park and will be a safe, secure and convenient location to park your vehicle and located right in the centre of Lincoln"

5.2 Quiet Nights in the West End

At the last meeting of the Carholme Community Forum, representatives from a range of local groups and organisations heard reports of a big reduction in night time noise in the West End of Lincoln. Night time noise, both within individual houses and on the streets as revelers walk into the City Centre or return home, has been the major concern of local people for a number of years.

The Chair of the Carholme Community Forum said 'I want to pay tribute to the work of the many agencies involved and to the responsible young people in the West End who have brought about this much needed improvement'

A spokesperson for the West End Residents Association commented 'The residents of the West End have been very appreciative of the efforts of the Police, Council, Students Union and the

University in working to reduce noise and anti-social behaviour and we hope that this will continue in the coming years'

City of Lincoln Council has been a key member player in initially bringing together the right partners and has in the past run campaigns such as the 'Shush' campaign and more lately 'Proud to be Lincoln'.

5.3 Council Claws RSPCA Award

Recent changes to the animal policy have led to the City of Lincoln Council being awarded a Bronze in the Animal Activity Licensing Footprint run by the RSPCA.



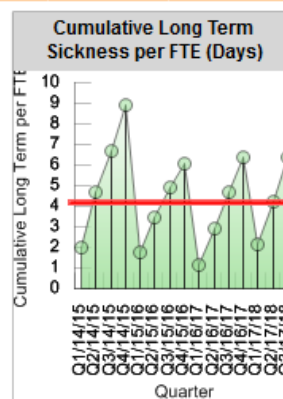
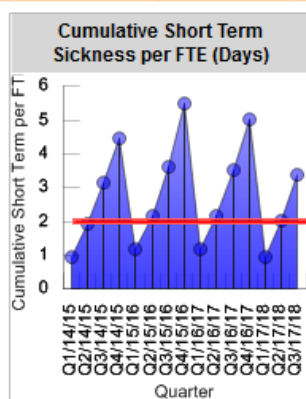
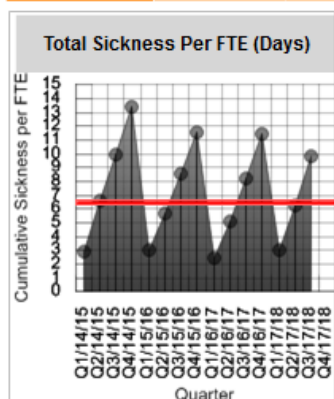
The RSPCA recognises the importance of good practice and procedure being developed by local authorities when licensing animal establishments. The licensing of establishments is essential to animal welfare; from service delivery and dealing with complaints to conditions made as part of the licence issued.

6. CORPORATE MEASURES

6.1 Sickness Indicators – Q3 cumulative (Year to date)

The overall year to date (YTD) sickness data as at the end of December is 9.84 days per FTE (Excl. apprentices). This is 1.57 days more per FTE compared to the same point last year. In Q3 alone, we saw sickness levels of 3.49 days per FTE.

	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.app'r's)	654.00	830.00	1,484.00	209.46	3.10	3.94	7.04
DCE	440.00	792.50	1,232.50	139.18	3.15	5.65	8.80
DMD	7.00	0.00	7.00	7.81	0.90	0.00	0.90
DHR	797.00	2,017.00	2,814.00	204.18	3.91	9.89	13.80
TOTAL	1,899.00	3,626.00	5,535.50	560.63	3.38	6.46	9.84



Q3 (only) data

During Q3, the long term sickness (i.e. sickness over 14 days) per FTE stood at 2.16 days. This is 0.05 days more than at the same point last year and brings the cumulative total to 6.46 days YTD.

In terms of short term sickness the Q3 figure stood at 1.34 days. This is 0.16 days fewer than at the same point last year and brings the cumulative total to 3.38 days YTD.

In Q3 there were a total of 1210.5 long term days lost, and the main cause of the long term sickness was Personal Stress/Depression with 291 days lost. The total number of short term days lost by Q3 amounted to 748.5 days and the main cause of short term absence was Cold with 119 days lost.

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 by the end of the year.

6.2 Apprentices sickness – Q3 cumulative

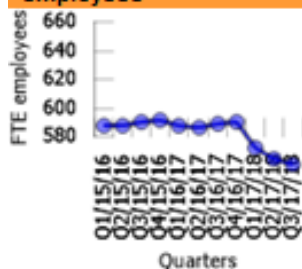
During Q3, the apprentices lost 29 days due to short term sickness, which equates to 1.41 days per FTE. The cumulative YTD totals are shown in the table below:

<u>Cumulative</u> sickness to Q3	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	72	16	88	20.5	3.71	0.8	4.51

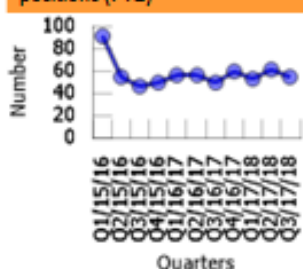
6.3 Employees (FTE, vacancies and turnover) for Q3

Number of FTE employees (exc.	Q3 2016/17	Q4 2016/17	Q1 2016/17	Q2 2017/18	Q3 2017/18
CX - Number of FTE employees	197.96	210.50	216.20	211.85	209.46
DCE - Number of FTE employees	148.32	146.18	142.67	140.67	139.18
DHR - Number of FTE employees	243.48	227.41	205.22	203.91	204.18
DMD - Number of FTE employees		0.00	7.31	7.81	7.81
TOTAL	589.76	590.90	571.40	564.24	560.63
Average number of apprentices across the period					20.50
	Q3 2016/17	Q4 2016/17	Q1 2016/17	Q2 2017/18	Q3 2017/18
I-Trent budgeted establishment positions (FTE)			54.16	63.30	56.20
Active vacancies which are being recruited (FTE)	6.21	26.90	22.00	20.80	25.50
	Q3 2016/17	Q4 2016/17	Q1 2016/17	Q2 2017/18	Q3 2017/18
Percentage of staff turnover	0.91%	3.35%	3.43%	4.24%	2.35%

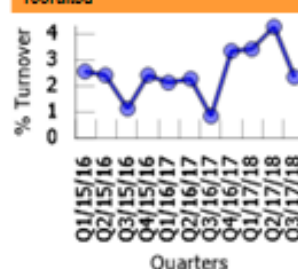
Total number of FTE employees



I-Trent budgeted establishment positions (FTE)



Percentage of establishment currently vacant and being recruited



The total number of FTE employees (excl. apprentices) at the end of Q3 was 560.63 FTE employees. In terms of the level of vacancies at Q3 - budgeted establishment unfilled positions (FTE) stands at 56.2FTE. This figure has slightly decreased from that reported at Q2 (63.3). However it should be noted that we are actively recruiting to 25.5 FTE positions. The percentage of staff turnover at the end of Q3 was 2.35%. In comparison to the previous quarter, this has decreased from 4.24%.

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	17	9.5
DCE	13.5	4
DHR	25.7	12
DMD	0	0

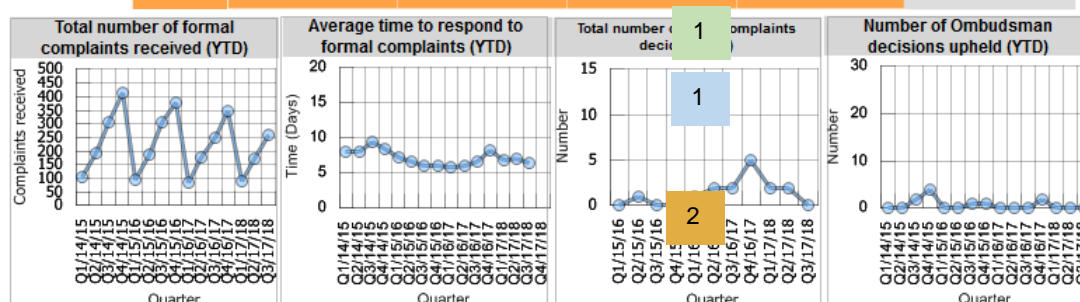
6.4 Corporate Complaints – Q3 cumulative

The cumulative number of formal complaints received by Q3 was 260 which is an increase of 10 when compared to the same period last year. The cumulative average time across all directorates to respond to formal complaints was 6.5 days, which is a decrease of 0.2 days than the same point in 2016/17, and 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.

Complaints

	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	40	8.4	0	0	
DCE	56	6.0	0	0	
DHR	152	6.0	0	0	0
DMD	12	8.3	0	0	
TOTALS	260	6.5	0	0	



7. Strategic Priorities

- 7.1 Let's drive economic growth; Let's reduce inequality; Let's deliver quality housing; 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.

8. Organisational Impacts

- 8.1 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.
- 8.2 Legal Implications including Procurement Rules – There are no direct legal implications
- 8.3 Equality, Diversity & Human Rights - There are no direct equality implications from this report

9. Risk Implications

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

10. 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 areas 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

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Table of all Q3 Strategic Measures

APPENDIX A

CX Quarterly Measures

Lean Area	Measure	Unit	Cumulative or Quarterly	Trend - Quarterly or Seasonal	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Status	Q3/17/18 (Row Comment)	Under Performing	Target	Last Target Status
Work Based Learning	WBL 5 - Number of apprentices completing on time	Number	Cumulative	Seasonal	94%	100%	100%	100%	100%	Maintaining	17/17 apprentices within quarter 3 achieved their framework on time			
Work Based Learning	WBL 6 - Number of new starters on apprenticeships	Number	Cumulative	Seasonal	14	9	6	18	17	Maintaining	17 new starts within quarter 3			
Work Based Learning	WBL 7 - Number of apprentices moving into Education, Employment or Training	Number	Cumulative	Seasonal	83%	100%	100%	100%	100%	Maintaining	Within quarter 3 100% of apprentices on programme moved into EET	90%	100%	At Target
Work Based Learning	WBL 8 - Number of early leavers	Number	Cumulative	Seasonal	1	5	4	1	0	Maintaining	We have had no early leavers within quarter 3			
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 3			
Democratic Services	DEM 8 - The number of individuals registered on the electoral register	Number		Quarterly		62,552	66,841	63,096	61,635	Maintaining	Annual canvas completed and new register published on 1 December 2017.	60,000	62,500	On Target
Customer Services	CS 4 - Number of face to face enquiries	Number	Quarterly	Seasonal	8,977	12,768	12,886	12,123	10,388	Deteriorating	Higher than previous quarter 3, this is due to the continuing high demand for travel concessions, this demand is forecast to reduce in quarter 4			
Customer Services	CS 5 - Number of telephone enquiries answered	Number	Quarterly	Seasonal	31,232	36,019	38,188	36,317	32,102	Maintaining	Very similar demand to previous quarter 3			
Customer Services	CS 6 - Number of users logged into the self-service system MyInfo this quarter	Number	Quarterly	Seasonal	5,256	6,980	6,516	6,059	6,409	Improving				
Customer Services	CS 8 - Average time taken to answer a call to customer services	Seconds	Quarterly	Seasonal	44	28	57	62	49	Maintaining		50	40	On Target
Human Resources	HU 4 - Number of grievances	Number	Quarterly	Quarterly	1	1	0	1	1	Maintaining				
Human Resources	HU 5 - Number of disciplinary sanctions	Number	Quarterly	Quarterly	4	7	0	4	2	Maintaining				
Accountancy	ACC 8 - Average return on investment portfolio	Number	Cumulative	Seasonal	0.62%	0.62%	0.31%	0.31%	0.53%	Maintaining	Interest rates have increased following a change in the Bank of England base rate.			
Accountancy	ACC 9 - Average interest rate on external borrowing	%	Cumulative	Seasonal	4.07%	4.07%	4.07%	4.07%	4.07%	Maintaining				
Revenues Administration	REV 4 - Council Tax - in year collection rate for Lincoln	%	Cumulative	Seasonal	79.72%	97.09%	27.00%	53.17%	79.77%	Maintaining	0.05% above 2016/17 = £19,633 The total net receipt has also increased from 16/17 by £1,091,489	78.56%	79.76%	Above Target
Revenues Administration	REV 5 - Business Rates - in year collection rate for Lincoln	%	Cumulative	Seasonal	85.28%	99.43%	35.83%	61.13%	86.43%	Maintaining	1.15% above 16/17 - £504,144	83.55%	84.82%	Above Target
Revenues Administration	REV 6 - Level of outstanding customer changes in the Revenues team	Number	Quarterly	Seasonal	228	296	503	624	80	Improving	This is the lowest ever level of outstanding Revenues customers			
Housing Benefit Administration	BE 4 - Average (YTD) days to process new housing benefit claims from date received	Days	Cumulative	Quarterly	31.41	29.44	23.06	23.24	23.73	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	10.30	4.49	5.38	7.62	7.93	Maintaining		11.00	9.00	Above Target
Housing Benefit Administration	BE 6 - Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Cumulative	Seasonal	468	646	577	810	632	Maintaining	Of the 632, only 76 of these customers are awaiting a first contact from a Benefits Officer. For the remaining 556 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	88%	91%	91%	91%	91%	Maintaining	Accuracy has remained at a consistent level, with an increased amount of checking due to errors that have been identified over the last year.	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	5,212	7,138	1,813	3,731	5513	Maintaining	2190 Housing Benefits and 3323 Council Tax Rebates			

DCE Quarterly Measures

Service Area	Measure	Unit	Cumulative or Quarterly	Trend - Quarterly or Seasonal	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Status	Q3/17/18 (Row Comment)	Under Perf	Target	Last Target Status
CCTV	CCTV 6 - Total number of incidents handled by CCTV operators	Number	Quarterly	Quarterly	3,314	3,130	3,452	3,519	3,374	Maintaining	A monitored indicator to reflect workload, not efficiency or effectiveness of the service.			
Recreation Services	RES 17 - Total number of users of our Health & Recreation facilities per quarter	Number	Quarterly	Seasonal	200,660	226,582	228,684	209,284		Not set	Due to one member of staff being on long terms sick and another having been seconded to specific project work, the resource needed to collate this date will not be available until February. The data will be updated then.			
Waste & Recycling	WM 5 - Percentage of waste recycled or composted	%	Quarterly	Seasonal	40.66%	34.19%	30.90%	39.90%	38.23%	Maintaining	This figure relates to data from quarter 2. 20.38% of waste was composted, and 17.85% of waste was recycled, equating to 38.23% of waste being composted or recycled.	35.00%	45.00%	On Target
Parking Services	PS 6 - Overall percentage utilisation of all car parks (P8)	%	Quarterly	Seasonal	74.00%	65.00%	69.00%	68.00%	70.00%	Maintaining	Figure up slightly due to Christmas shoppers - however not as much as expected. This may be due to customers transferring to Lincoln Central car park in December, which has not been added within this quarter as only December's figures are available which would have skewed the quarterly figure. Lincoln Central will be added to Q4.	60.00%	75.00%	On Target
Parking Services	PS 7 - Number of off street charged parking spaces	Number	Quarterly	Seasonal	2,241	2,241	2,241	2,241	2,880	Improving	This includes an additional 639 spaces currently open at Lincoln Central. Note that we won't see a true picture of the % utilisation to this number of spaces until Q4			
Allotments	AM 8 - Percentage occupancy of allotment plots	%	Quarterly	Seasonal	86.50%	82.30%	82.20%	82.87%	82.50%	Maintaining	As at the end of December 2017, 891 plots of a total 1080 plots were let, equating to 82.5%. Of the 1023 lettable plots, 891 occupied plots equates to 87.1%.			
Public Protection and Anti-Social Behaviour Team	AB 4 - Number of service requests for Public Protection and ASB	Number	Quarterly	Seasonal	895	1,001	978	818	612	Improving	It is common to see a reduction in cases in quarter 3 however this year the figures are particularly low. This is due to a large reduction in fly tipping cases being received as well as lower ASB cases this time of year.			
Public Protection and Anti-Social Behaviour Team	AB 5 - Satisfaction of complainants relating to how the complaint was handled	%	Cumulative	Quarterly	90.90%	86.80%	88.00%	68.00%	89.00%	Improving	Customer satisfaction is now being completed via phone survey completed by Customer Services. This is giving a greater sample size and is being completed by officers not involved with the case. The figures will be closely monitored.	85.00%	87.50%	Above Target
Food and Health & Safety Enforcement	FHS 4 - Percentage of premises fully or broadly compliant with Food Health & Safety inspection	%	Quarterly	Quarterly	95.6%	95.8%	96.7%	97.8%	98.1%	Maintaining	This is an improving trend over the last 5 quarters of monitoring. The total number of registered food businesses is 1005. 19 businesses are considered to be non-compliant of which 7 of those are new businesses. This is a considerable improvement and demonstrates the commitment of the service to direct resources to those businesses that are the greater risk to public health.	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	9.00	9.50	9.00	9.90	13.25	Deteriorating	An increase in this measure is not unusual. It can be linked to the staff resources available, during this quarter there was a reduction in resource by 1FTE. The Christmas Market and the Christmas period would also have impacted on the time taken to revisit businesses.			
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	81.00%	88.70%	90.10%	81.10%	84.50%	Maintaining	There are 60 inspections outstanding. There are no high risk red inspections overdue, 12 amber risk of which 7 are new businesses and 2 are evening economy the remainder are lower risk greens. The resources within the service are being actively managed to ensure that we have the best possible outcome against the planned inspection programme at the end of quarter 4.	85.00%	97.00%	Below target
Development Management (Planning)	DM 11 - End to end time to determine a planning application (Days)	Days	Quarterly	Quarterly	63.77	64.25	63.49	54.32	58.04	Maintaining	A high number of Certificate of Lawful Use applications, which are quicker to deal with than standard planning applications were received from a single applicant, however as this was a one off outlier, we have excluded them from the standard figures			
Development Management (Planning)	DM 13 - Number of live planning applications open	Number	Quarterly	Quarterly	110	110	161	120	97	Improving	Despite receiving a high number of Certificates of Lawful Use applications, the team has been able to reduce the outstanding workload figures from 120 in Q2 to just 97			
Development Management (Planning)	DM 16 - Percentage of applications approved	%	Quarterly	Quarterly	97%	88%	93%	95%	95%	Maintaining		85%	97%	On Target
Development Management (Planning)	DM 20 - Number of planning appeals allowed	Number	Quarterly	Quarterly	2	0	0	2	1	Maintaining	There were 5 planning appeals determined of which 4 were upheld. Of the 4 upheld, 3 were officer recommendations overturned at Planning Committee.			
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	82.80%	88.25%	90.29%	94.30%	95.00%	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	88.46%	91.38%	96.36%	98.18%	98.28%	Maintaining		50.00%	60.00%	Above Target
Development Management (Planning)	DM 8 - Number of applications in the quarter	Number	Quarterly	Quarterly	200	298	278	246	264	Maintaining	Q3 saw an influx of Article 4 related applications for flexible HMO/dwelling uses and also for the Certificate of Lawful Use, mainly from a single applicant ahead of the new fee, chargeable from January 13th 2018. However, as this was a significant number - and also much quicker work than 'normal', we have treated this work as outliers and have reported on standard workload			

DHR Quarterly Measures

Service Area	Type	Measure	Unit	Cumulative or Quarterly	Trend - Quarterly or Seasonal	Q3/16/17	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Status	Commentary	Under Performing	Target	Last Target Status
Housing Investment	Performance	HI 4 - Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	Cumulative	Seasonal	0.18%	0.04%	0.00%	0.00%	0.00%	Maintaining				
Housing Investment	Performance	HI 6 - Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	Number	Quarterly	Seasonal	1	3	3	4	4	Maintaining				
Housing Investment	Performance	HI 7 - Percentage of dwellings with a valid gas safety certificate	%	Cumulative	Quarterly	99.98%	99.96%	99.95%	99.95%	99.85%	Maintaining				
Control Centre	Performance	CC 5 - Percentage of calls answered within 60 seconds	%	Quarterly	Quarterly	98.25%	98.30%	98.48%	98.37%	98.36%	Maintaining				
Rent Collection	Performance	RC 3 - Rent collected as a proportion of rent owed	%	Cumulative	Quarterly	99.49%	99.25%	98.88%	98.21%	99.27%	Maintaining		98.50%	100.00%	On Target
Rent Collection	Performance	RC 4 - Current tenant arrears as a percentage of the annual rent debit	%	Cumulative	Quarterly	2.15%	2.20%	2.41%	2.59%	2.22%	Improving	Arrears have significantly reduced this month. During the Christmas period we had our two rent free weeks in which we still collected rent which has helped reduced the arrears and bring us closer to target.	2.40%	2.15%	On Target
Housing Solutions	Performance	HS 3 - The number of people currently on the housing waiting list	Number	Cumulative	Quarterly	1,853	1,716	1,751	1,681	1,653	Maintaining				
Housing Solutions	Performance	HS 4 - The number of Homelessness applications progressed within the Housing team	Number	Cumulative	Seasonal	164	216	53	127	183	Deteriorating	The figure is following a similar trend to the previous years, and that of National trends. At the end of December we received in total 183 homelessness applications, 56 of which, were from Quarter 3 alone.			
Housing Solutions	Performance	HS 7 - % of households approaching the council considering themselves homeless or under threat of homelessness, where advice intervention resolved the situation.	Number	Cumulative	Seasonal	49.62%	46.57%	37.31%	26.62%	27.48%	Deteriorating	Research was undertaken by the Quality & Performance Team to investigate how other local authorities record their homelessness prevention figures. The majority of responses received highlighted that a number of local authorities monitor their prevention figures by number of preventions only, rather than as a percentage. This Performance Indicator will be reviewed from April. A new Choice Based Lettings system will also be introduced from April 2018 which will improve the way homelessness prevention information is accurately recorded and reported	56.00%	65.00%	Below Target
Housing Voids	Performance	HV 7 - Percentage of rent lost through dwelling being vacant	%	Cumulative	Quarterly	0.80%	0.84%	1.15%	1.06%	1.03%	Maintaining				
Housing Voids	Performance	HV 9 - Average re-let time calendar days for all dwellings (including major works)	Days	Cumulative	Monthly	23.02	23.31	31.54	30.00	27.16	Maintaining		28.00	25.00	On Target
Housing Maintenance	Performance	HM 3 - Percentage of reactive repairs completed within target time	%	Cumulative	Quarterly	97.08%	97.36%	97.16%	96.52%	96.98%	Maintaining		92.00%	95.00%	Above Target
Housing Maintenance	Performance	HM 4 - Percentage of repairs fixed first time	%	Cumulative	Quarterly	84.30%	86.12%	86.94%	88.01%	88.91%	Maintaining				
Housing Maintenance	Performance	HM 5 - Appointments kept as a percentage of appointments made	%	Cumulative	Quarterly	95.04%	95.66%	96.52%	96.25%	95.71%	Maintaining				

SUBJECT: LIVING WAGE INCREASE NOVEMBER 2017

DIRECTORATE: CHIEF EXECUTIVE

REPORT AUTHOR: CAROLYN WHEATER, CITY SOLICITOR

1. Purpose of Report

- 1.1 To recommend to Executive the proposed increase to the living wage announced by the Living Wage Foundation in November 2017.

2. Executive Summary

- 2.1 The Council became an accredited member of the Living Wage Foundation in October 2013. Since then the Council has implemented the annual living wage increases as an uplift in salary for affected staff. In November 2017 it was announced that the living wage would increase from £8.45 an hour to £8.75 an hour, representing a 3.43% increase.

3. Background

- 3.1 The Council is committed to maintaining its Living Wage accreditation and in order to do so the Council has six months to implement the living wage following an increase.

4. Main Body of Report

- 4.1 The aim of implementing the living wage is to ensure that no employees are paid below the living wage hourly rate. The table below sets out the current national pay scales, the uplift applied to implement the living wage in 2017 and the uplift required to implement the living wage in 2018.

Since achieving accreditation, the council has taken an active role externally to encourage Lincoln businesses to also pay the living wage.

In April 2016 the government introduced a higher minimum wage rate for all staff over 25 years of age, so by law all employers must pay at least £7.20 per hour. This calculation is through a percentage of median earnings currently at 55%. The calculation for the living wage is made through the cost of living, based on a basket of household goods and services.

As can be seen from the table below, by implementing the increase of the living wage by 30 pence per hour means that scales 1b, 1c, 2 and the bottom point of scale 3 will be paid the same rate.

Grade	Spinal column point	National Scales 1.1.2017	1.4.2017 including Living Wage 2016	Hourly rate	% Diff from national scale	1.1.2018 including Living Wage 2017	Hourly rate	% Diff from national scale
S1b	6	£15,033	£16,302	£8.45	8%	£16,881	£8.75	12%
S1b	7	£15,147	£16,302	£8.45	8%	£16,881	£8.75	11%
S1b/c	8	£15,270	£16,302	£8.45	7%	£16,881	£8.75	11%
S1c	9	£15,411	£16,302	£8.45	6%	£16,881	£8.75	10%
S2	11	£15,876	£16,302	£8.45	3%	£16,881	£8.75	6%
S2	12	£16,194	£16,302	£8.45	1%	£16,881	£8.75	4%
S2	13	£16,557	£16,557	£8.58	-	£16,881	£8.75	2%
S3	14	£16,866	£16,866	£8.74	-	£16,881	£8.75	0%

- 4.2 The HR and Trade Union working group met early December and discussed the increase together with the implications for those staff affected. It was also noted at this meeting that should the pay negotiation proposals for 2018 become agreed this would impact on the number of employees in receipt of the living wage. Preliminary work based on the proposed offer suggests that this could reduce the number of those affected to approximately 32 members of staff.
- 4.3 A final pay offer covering the period 1 April 2018 to 31 March 2020 has been made following national pay negotiations detailed below.

1 April 2018 Spine Points 6 – 19

Higher increases on the lower pay points have been offered in order to continue to close the significant gap with the Living Wage. This part of the offer would result in a new bottom rate of £8.50 per hour on SCP6.

Spine Point 20 and above

A flat-rate increase of 2.0%.

1 April 2019

A revised pay spine has been offered to be introduced from 1st April 2019. The new pay spine has not been pegged to the Living Wage rate and allows for some 'headroom'. Therefore the offer is for a bottom rate of £9.00 per hour.

In order to deal with the compacting of differentials at the lower end of the spine it has been proposed that the existing bottom twelve pay points are 'paired off' into six new pay points.

5. Strategic Priorities

5.1 Let's drive economic growth

Provision of the living wage to employees supplies them with a higher disposable income which is likely to be spent locally.

5.2 Let's reduce inequality

Provision of the living wage protects the poorest people in Lincoln by providing a wage which is considered to be at a level to provide a living, in contrast to the minimum wage.

6. **Organisational Impacts**

6.1 Finance

Current Position

In 2018/19 the cost of implementing the living wage will be £27,323 of which £20,398 is General Fund and £6,925 is HRA. The cost of implementing this is already provided for with the General Fund and HRA budgets.

Pay Offer Position

Should the pay offer be accepted the cost of implementing the living wage to the 32 employees (indicative) is £14,910 in total, £11,490 General Fund and £3,420 HRA.

6.3 Equality, Diversity & Human Rights

There are currently 83 employees who would receive an increase in line with the living wage. The breakdown of these is 39 males and 44 females.

7. **Recommendation**

7.1 To recommend to Executive implementation of the latest living wage uplift during April 2018.

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? N/A

Lead Officer:

Carolyn Wheeler, City Solicitor
Telephone (01522) 873323

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EXECUTIVE**26 FEBRUARY 2018**

SUBJECT: COUNCIL TAX 2018/2019

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 In light of the report on the Medium Term Financial Strategy, which appears elsewhere on this agenda, this report will set out the City Council's council tax requirement and, together with the requirements of the County Council and the Police & Crime Commissioner Lincolnshire, will allow Members to make a formal recommendation to Council for the overall levels of Council Tax for 2018/19.

2. City Council Requirement 2018/19

- 2.1 The net General Fund Budget requirement as set out in the Medium Term Financial Strategy report totals £14,276,460 which includes a contribution to balances of £288,360.
- 2.2 For 2018/19 a Council Tax increase of 2.95% has been applied.
- 2.3 The Council Tax requirement for 2018/19 is £6,393,490
- 2.4 By reference to the Band D level, the 2018/19 Council Tax would rise by £7.65 to £267.03 per annum. The range of Council Taxes will be:

Band	2017/18 Council Tax £	2018/19 Council Tax £
A	172.92	178.02
B	201.74	207.69
C	230.56	237.36
D	259.38	267.03
E	317.02	326.37
F	374.66	385.71
G	432.30	445.05
H	518.76	534.06

3. Requirements of the Police & Crime Commissioner and the County Council

- 3.1 The County Council agreed their 2018/19 Council Tax requirements on the 23rd February 2018 and the Police & Crime Commissioner Lincolnshire agreed its increase on the 15th February. The County Council have agreed to a 4.95% increase, whereas the Police & Crime Commissioner have agreed an increase of 5.83%.

At Band D Council Tax level these are as follows: -

	£
Police & Crime Commissioner	217.44
Lincolnshire County Council	1,231.47

4. Total Council Tax 2018/19

- 4.1 The council tax requirements for all the authorities for 2018/19 is summarised as follows:

	£	% share
City of Lincoln Council	267.03	15.6%
Police & Crime Commissioner Lincolnshire	217.44	12.7%
Lincolnshire County Council	1,231.47	71.7%
Total Band D Charge	1,715.94	100%

This represents an overall increase of 4.74% for 18/19.

5. Organisational Impacts

- 5.1 Local authorities must decide, prior to the 11th March, each year how much they are going to raise from Council Tax.
- 5.2 The Local Government Finance Act 1992 sets out the legislative powers for each billing authority to levy and collect Council Tax which shall be payable in respect of dwellings situated in its area.

6. Formal Council Tax Recommendation 2018/19

- 6.1 The Executive is requested to recommend to Council:

1. Acceptance of the 8th January 2018 Executive Committee recommendation that the Council Tax Base for 2018/19, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, to be 23,943.
2. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

- a) £106,585,210 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- b) £100,191,720 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

- c) £6,393,490 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act).
- d) £267.03 being the amount at 2(c) above (Item R), all divided by Item T (1 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- f) £267.03 being the amount at 2c) above less the amount at 2e) above, all divided by the amount at 1 above, calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

g) **City of Lincoln Council**

A	B	C	D
£178.02	£207.69	£237.36	£267.03
E	F	G	H
£326.37	£385.71	£445.05	£534.06

being the amounts given by multiplying the amount at 2f) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular band divided by the number which in proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken for the year in respect of categories of dwellings listed in different bands.

3. That it be noted that for the year 2018/19 Lincolnshire County Council have stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Lincolnshire County Council

A	B	C	D
£820.98	£957.81	£1,094.64	£1,231.47
E	F	G	H
£1,505.13	£1,778.79	£2,052.45	£2,462.94

4. That it be noted that for the year 2018/19 Police & Crime Commissioner Lincolnshire have stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Police & Crime Commissioner Lincolnshire

A	B	C	D
£144.96	£169.12	£193.28	£217.44
E	F	G	H
£265.76	£314.08	£362.40	£434.88

5. That having calculated the aggregate in each case of the amounts at 2g, 3 and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following as the amounts of Council Tax for the year 2018/19 in accordance with the dwelling bandings shown below:

Total Council Tax Charge 2018/19

A	B	C	D
£1,143.96	£1,334.62	£1,525.28	£1,715.94
E	F	G	H
£2,097.26	£2,478.58	£2,859.90	£3,431.88

Key Decision Yes

Do the Exempt Information Categories Apply No

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

Does the report contain Appendices? No

If Yes, how many Appendices? N/A

List of Background Papers: None.

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

EXECUTIVE

26 FEBRUARY 2018

SUBJECT:	MEDIUM TERM FINANCIAL STRATEGY 2018 - 2023
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	ROBERT BAXTER, INTERIM CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To recommend to the Executive the Medium Term Financial Strategy for the period 2018-2023 and the budget for 2018/19, for referral to Council.

2. Executive Summary

- 2.1 The Council approved the Medium Term Financial Strategy (MTFS) 2017-2022 in March 2017. This was based upon the financial context in which the Council was operating in at that time and upon a number of key assumptions which were volatile and subject to significant change. Based upon these assumptions the MTFS highlighted a requirement to deliver a challenging savings target of £4m by 2018/19.
- 2.2 The context in which this new strategy is set reflects the changing economic environment arising as a result of the outcome of the EU Referendum and the subsequent impacts this has had on Government policy and its fiscal strategy. Alongside this the Government remains committed to its devolution revolution with a fundamental shift in the mechanisms for funding local government.
- 2.3 The MTFS has now been updated to reflect these latest developments in the financial and policy context in which the Council operates along with further changes in resources, cost pressures and efficiencies. Based on this the requirement to deliver a savings target, has been increased by £0.250m from 2020/21 to £4.25m pa thereafter.
- 2.4 The Council has already made considerable progress towards its target savings and has delivered a track record of strong financial discipline. Planning ahead, securing savings in advance, re-investing in more efficient ways of working and adopting a more commercial approach whilst making careful use of reserves to meet funding gaps is an approach that has served the Council well.
- 2.5 This successful financial planning has enabled the protection of core services for the people of Lincoln while at the same time allowing for resources to be redirected in support of its strategic priorities and Vision 2020.
- 2.6 The MTFS must therefore continue with the managed, comprehensive approach that has served it well in the past in order to deliver a budget and forward projection that is sustainable over the medium to longer term and supports the aspirations of its Vision 2020.

- 2.7 Prior to submission of the MTFS 2018-2023 to Council on 27 February, the budget and council tax proposal has been subject to public consultation and member scrutiny.

3. Background

- 3.1 The MTFS sets out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's Vision 2020 and strategic priorities.
- 3.2 The MTFS integrates revenue allocations, savings targets and capital investment and provides the budget for the next financial year and indicative budgets for the remaining period covered by the strategy.
- 3.3 The MTFS seeks to achieve a number of specific objectives;
- Ensure the Council maintains a sound and sustainable financial base, delivering a balanced budget over the life of the MTFS,
 - Maximise income levels, including growing the Council Tax and Business Rates tax base, whilst ensuring that Council Tax rate increases are kept at an acceptable level;
 - Continue to manage down the Council's recurrent cost base, in line with reductions in overall resources by ensuring the provision of efficient, effective and economic services which demonstrate value for money.
 - Ensure the Council maintains robust, but not excessive, levels of reserves and balances to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes;
 - Ensure the Council's limited resources are directed towards its Vision 2020 and strategic priorities, redirecting where necessary to allow for improvement and investment;
- 3.4 In recent years the budget setting process has been characterised by the most significant cuts to grant funding for local authorities in a generation, which has taken place against the backdrop of one of the biggest fiscal consolidations of the post-war period. In response to these reductions the Council has undergone a significant review of its services which has led to a reduction in its annual expenditure of £7.5m, between 2008 and 2017.
- 3.5 Despite the reductions in funding incurred to date the Spending Review 2015, Autumn Statement 2016 and subsequent Local Government Finance Settlements have confirmed that funding reductions for local government will continue until at least 2019/20 with a reduction in the national Settlement Funding Assessment over this period of £6.6bn, equivalent to 32%. The multi-year Settlement heralded a new era for the funding of Local Government with the phasing out of the Revenue Support Grant (RSG) in 2019/20, paving the way for the devolution of business rates under a revised Business Rates Retention (BRR) scheme.

- 3.6 The current BRR Scheme was designed to provide incentives for local growth and create financial opportunities, however at the same time it has also transferred a significant amount of financial risk and uncertainty to local authorities. This creates a greater degree of uncertainty over the budget planning parameters for the Council than has been experienced previously. The volatility of this BRR scheme and the profound impacts that this can have on the Council's financial position have become ever more apparent over the last few years.
- 3.7 As part of the Local Government Finance Settlement the Secretary of State announced that local business rates retention would move from 50% to 75% in 2020/21, not the 100% as previously announced.
- 3.8 This level of risk and uncertainty is set to continue and increase further in the future as the Council moves towards this new era of greater self-sufficiency with the reduction of RSG and a reliance on local taxes and income streams to maintain its financial position. This new methodology for funding local government is inextricably linked to the performance of the national and local economy. Given the experience to date of the current BRR scheme, a move to 75% devolution of the business rates will no doubt bring further financial challenges.
- 3.9 Therefore In order to ensure that the Council maintains a robust and sustainable financial position and is able to respond to the impact of volatile external events and increased financial risks that it faces, the MTFS needs to remain flexible, the council's reserves resilient and the sound track record of delivering savings and generating new income streams needs to be sustained, whilst ensuring that resources are directed towards its strategic priorities.

4. The General Fund

- 4.1 The Council's spending requirement, after capital charges and contributions to/from reserves are taken into account, for 2018/19 amounts to £14.276m which is £3.841m (36.8%) higher than the current year's budget. The provisional forecast spending requirements for the remaining four years of the MTFS are, £11.761m for 2019/20, £11.443m for 2020/21, £11.901m for 2021/22 and £12.376m for 2022/23.
- 4.2 The following paragraphs outline the key elements and assumptions on which the General Fund Revenue estimates have been prepared.

Local Government Finance Settlement

- 4.3 The Local Government Finance Settlement for 2017/18 represents the sixth year in which the BRR scheme is the principle form of local government funding, other than council tax income. The Council still continues to receive an element of Revenue Support Grant to top up business rate income, but this is set to dramatically reduce over the period to 2019/20 with the introduction of 75% BRR set to come into effect from 2020/21.
- 4.4 The Settlement forms the third year of a four year fixed settlement that was offered to local authorities in 2016/17. The offer of a fixed settlement for some, not all, elements of government funding was made on the basis that any council that wished

to take up the offer would be required to have an efficiency plan in place in order to do so. Nationally 97% of Council's accepted this offer, the Council being one of them.

- 4.5 Lincoln applied to be a pilot for 100% BRR in 2018/19, as the Lincolnshire Business Rates Pool, and has been confirmed as one of the ten successful applications, in addition to the London Boroughs previously announced as part of the Autumn Budget 2017. The key points from the pilot governance arrangements are set out below:
- Revenue Support Grant (RSG) is rolled into the Baseline Funding level (the amount of funding received if business rates are collected at the target level).
 - The Council will receive 60% of business rates, with 40% going to Lincolnshire County Council (LCC). (under 50% retention the funding splits were 50% central government, 40% Lincoln City Council, 10% LCC)
 - Providing there are sufficient resources no authority shall receive less than if it was operating under the current 50% scheme.
 - In the highly unlikely event that the pilot makes an overall net loss, or the pilot has outstanding liabilities, this will be pro rata'd across all authorities, taking into account resource levels, had the pilot not been in operation.
- 4.6 The calculation of income to be received through the BRR systems is therefore critical in determining the amount of resources that the Council will have available to fund local services. The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2018/19 based on the principles of the 100% Business Rates Retention Pilot. Based on this assessment and after allowing for the allocation to the County Council, the Council estimates that it will retain £7.421m of the £43m of business rates generated within the City.
- 4.7 The additional resource set to be achieved from being in the pilot in 2018/19 is circa £1.5m. An element of this additional resource will be set aside to fund the forecast reduction in business rates when the BRR system is reset in 2020/21, with the balance going towards economic regeneration – as per the Lincolnshire Business Rates Pilot Business Case.
- 4.8 Forecast business rates in the MTFS 2018-23 are based on the most recent available estimates of Lincoln's business rates base.
- 4.9 The RSG element of the Settlement confirms the allocations previously announced as part of the multi-year settlement. This shows a dramatic reduction in the level of grant received, with a reduction of 99.1% over the period from £2.585m in 2015/16 to £0.022m in 2019/20. Beyond 2019/20 it is assumed that there will be no further RSG payable by the Government and that the principles forms of funding will be from local taxes.

4.10 The Settlement also provided grant allocations for the New Homes Bonus (NHB), for 2018/19 the Council will receive £1.006m a significant allocation in relation to its over funding streams. Following a consultation on NHB launched in December 2014 the Government announced as part of the Local Government Finance Settlement its response to the consultation, the key points being:

- To reduce the number of years for which payments are made from six to five for both existing and future payments in 2017/18 and to four years from 2018/19.
- The introduction of a national baseline of 0.4% for 2017/18 below which allocations will not be made.
- Potential to withhold NHB from 2018/19 for those local authorities that are not planning effectively, making positive decisions on planning applications and delivering housing growth.

The implications of the revised NHB scheme have an unfavourable impact on district councils, particularly those with low taxbases and have seen the Council's forecast allocations significantly reduce, with an anticipated reduction in future grant levels to £0.617m by 2022/23.

Council Tax

4.11 The Localism Act 2011 introduced a power for residents to approve or veto excessive council tax increases. This means that any local authority setting an excessive increase as set by the Secretary of State would trigger a referendum of all registered electors in their area. The Government have stated, at the time of announcing the Settlement that councils have the ability to increase their core Council Tax requirement by an additional 1% in 2018/19 and 2019/20, this is in addition to the current 2% allowable before triggering a referendum – bringing the core principle in line with inflation at 3%.

4.12 In view of this and taking into consideration the Council's need to protect its financial position from further decline and maximise its local income streams, the MTFS for consideration proposes a 2.95% rise in Council Tax for 2018/19 and 2019/20, and then 1.9% in each of the subsequent three years. An increase of 2.95% in 2018/19 equates to an additional 10p per week for a Band A property and 15p per week for a Band D property (80% of properties fall within Band A and B).

Spending Plans

4.13 The MTFS is central to identifying the Council's financial capacity to deliver its vision and strategic priorities. The Council's Vision 2020 was supported by a three year programme containing a range of projects that will meet each of the strategic priorities. In the absence of any new Government funding and in the context of the savings targets underpinning the MTFS, the resources to finance these projects were made available by allowing the redirection of resources to the priority areas as well as seeking external financial support through grants and contributions.

4.14 The following other key assumptions have been used in formulating the draft General Fund revenue estimates for 2018/19 – 2022/23 as follows:

- Increases in the Business Rate Taxbase of 1.0% p.a. in 2018/19 and 2019/20 and 2% p.a. from 2020/21.
- Increases in the Council Taxbase of 1.25% pa.
- Council tax increases of 2.95% p.a. for 2018/19 and 2019/20 and then 1.9% thereafter.
- New Homes Bonus income of £1.006m in 2018/19, £0.867m in 2019/20, £0.789m in 2020/21, £0.538m in 2021/22 and £0.617m in 2022/23.
- Non-Statutory fees and charges overall yield assumed at 3% pa.
- An increase in employer pension contribution rates capped at 1% pa for the entirety of the MTFS.
- A provision for pay awards of 2% pa.
- A provision for inflation of 3.2% pa for contractual commitments (RPI based) for the entirety of the MTFS.
- A provision for 2.2% pa for general inflationary increases (CPI based) for 2018/19 and then 2% thereafter.
- Average interest rates on investments have been assumed at 0.52% in 2018/19, 0.61% in 2019/20, 0.76% in 2020/21, 0.90% in 2021/22 and 0.93% in 2022/23.
- Staff turnover targets of 1% pa

Towards Financial Sustainability

4.15 The Council have already taken a proactive response to the reduction in resources it has faced and has in recent years undergone a significant number of fundamental reviews of its services leading to a reduction in its annual expenditure in excess of £7.5m, a significant amount in comparison to its net expenditure budget. Despite this success, the Council must continue to reduce its levels of expenditure or identify additional resources if it is to achieve the current savings targets assumed in the MTFS and to remain sustainable.

4.16 The Towards Financial Sustainability (TFS) programme is and continues to be the vital element in ensuring that the Council maintains a sustainable financial position and delivers the required reductions in the net budget. In order to refocus and maintain momentum the TFS programme has been re-aligned and there are now three agreed strands to achieve savings. These are:

- 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

As part of developing the MTFS 2018-23, due to changes in key assumptions it has been necessary to increase the savings targets by £250k pa from 2020/21, to ensure that balances remain at the prudent minimum of between £1.5m-£2m. In addition to

allow for a smoother transition from the 2017/18 target of £3.5m, the 2018/19 and 2019/20 years of the programme have been re-phased to £3.850m and £4.150m (previously both years were £4m).

Based on the delivery of the current TFS Programme savings secured to date the Council is in a position to over achieve the level of savings required in 2017/18. However beyond 2017/18 the programme does not deliver the size of savings required leaving a gap of £0.102m in 2018/19. The overall emphasis on delivering the savings targets must therefore remain strong to achieve the savings targets from 2018/19 and beyond and provide financial capacity to respond to the financial risks the Council faces.

Robustness and Adequacy of the Budget and Reserves – General Fund

- 4.17 In presenting the budget to the Council, the Executive must take account of the advice of the Council's Chief Finance Officer in relation to the robustness and adequacy of the budget and reserves.
- 4.18 The level of earmarked reserves is shown in Appendix 6, which shows the estimated closing balances at the end of each of the next five financial years. These reserves will only be used for the specific purposes for which they were set up. Having reviewed these earmarked reserves the Chief Finance Officer has concluded that they are adequate to fund the planned expenditure identified by the Council.
- 4.19 As a result of the increased level of financial risk faced by the Council and the threat this poses to the Council's financial position the prudent minimum level of general reserves remains at an increased level. Based on an assessment of the estimated exposure, likelihood and possible mitigation of the financial risks that the Council faces it is deemed prudent to hold general reserves around £1.5m-£2m. Over the MTFS general reserves are maintained in line with this prudent minimum and show an estimated balance of £1.521m by the end of 2022/23.

5. The Housing Revenue Account

- 5.1 The Council's Housing Revenue Account Business Plan 2016-2046 was approved in February 2016 following a fundamental review of resources, investment requirements and priorities. The Business Plan reflects the impact of government policy changes (including annual rent reductions), the results of stock condition surveys and financial assumptions at the time. This MTFS 2018-23 is based on the approved Business Plan, updated for revised financial assumptions reflecting current market conditions and expectations, subsequent government policy changes, updated development and investment profiles and other emerging service factors.
- 5.2 **Repairs and maintenance**
Repairs and maintenance is an essential part of the asset management of the Council's housing stock. Significant improvements have been made in the efficiency of the Housing Repairs Services (HRS), costs continue to be driven down through procurement activity and there is continued capital investment in existing and new housing stock.

5.3 **Financing the capital programme**

Under HRA self-financing the primary source of funding for capital investment in the Council's housing stock is from the revenue account through asset depreciation charges. Based on the current Housing Investment Programme (HIP), the need for £60.1m of revenue support is anticipated over the MTFS period.

5.4 In November 2016 (effective from 2016/17) the DCLG revised the valuation adjustment factor for social housing in the East Midlands (from 34% to 42%). This has increased the value of the housing stock in the Council's Balance Sheet and as a result the annual depreciation charge has increased. Within the HRA depreciation charges are allocated directly into the capital programme, whereas revenue contributions are additional contributions to the capital programme at the discretion of the Council to reflect the investment and funding needs of the capital programme.

5.5 The result of the change in the discount adjustment factor has been to reduce flexibility with the HRA to adjust planned DRF contributions to reflect the demands of both the capital and revenue programme. It, therefore has become increasingly imperative that there is robust budget management of the HRA and opportunities to achieve efficiencies and maintain/maximise income streams are actively pursued. This will be critical if the Council wishes to release resources in the revised business plan to undertake further investment to facilitate the delivery of new housing provision in the City, whilst ensuring that the HRA has the flexibility to be able to respond to any in year budget pressures that may arise.

5.6 **Housing Rents**

The HRA Business Plan 2016-2046 incorporates the government's requirement for a 1% p.a. rent reduction between 2018/19 and 2019/20 (including the long term impact of the reduction in the base) and assumes that from 2020/21 rents will revert back to the previous Guidance on Rents for Social Housing and increase by CPI+1%. The MTFS 2018-23 has been prepared on this basis. The MTFS 2018-23 also allows for rentals for supported accommodation to reduce by 1% p.a. to 2019/20 and revert back to CPI+1 from 2020/21 in-line with dwelling rents.

5.7 Rental income levels within the MTFS 2018-23 are based on a rephasing of the delivery profile for the new build programme to reflect the planned agreements with housing associations (enabling access to HCA grants) for the delivery of additional HRA properties. Although this has resulted in a shortfall in budgeted rents in 2017/18, this is recouped over the later years in the MTFS as rental units are delivered. In addition rental income at affordable rents (compared to social rents) has been included within the HRA in-line with the anticipated housing association delivery, resulting in additional income over the existing MTFS period.

5.8 Rental income budgets in current MTFS 2017-22 are based on an estimate of 35 Right to Buy (RTB) sales per year. However, experience in 2017/18 and expectations for subsequent years has increased the estimate of RTB's to 50 per year. The MTFS 2018-23 is based on 50 RTB's per year which has reduced rental income budgets by £546k over the existing MTFS period.

5.9 In line with guidance, housing rents for 2018/19 are based on 1% reduction, this will result in a reduction of an average weekly rent for all accommodation from £69.13 in

2017/18 to £68.44 per week for 2018/19 equating to an average decrease of £0.69 per property per week. Any rents on properties that are currently below “formula rent” are able to increase these to the formula level before applying the 1% reduction.

5.10 The following other key assumptions have been used in formulating the HRA estimates for 2018/19 – 2022/23 as follows:

- Assumptions for price inflation, interest rates, pay awards, vacancy savings and employer pension contributions are as per the General Fund
- Housing Rents decreases of 1% pa until 2019/20, followed by an increase of CPI + 1% in 2020/21 onwards.
- Average Garage Rents increase of 3% pa, bringing the average rent to £7.80 per week in 2018/19
- Housing voids assumed at 1.0% pa.

Robustness and Adequacy of the Budget and Reserves – HRA

5.11 In presenting the budget to the Council, the Executive must take account of the advice of the Council’s Chief Finance Officer in relation to the robustness and adequacy of the budget and reserves.

5.12 The level of earmarked reserves is shown in Appendix 6, which shows the estimated closing balances at the end of each of the next five financial years. These reserves will only be used for the specific purposes for which they were set up. The Chief Finance Officer has reviewed the level and purpose of the reserves as part of the budget setting process and has concluded that these are adequate to fund the planned expenditure identified by the Council.

5.13 The prudent level of general reserves on the Housing Revenue Account is considered to be £1m - £1.5m. Over the MTFS they are maintained in line with this prudent minimum and show an estimated balance of £1.176 at the end of 2022/23.

6. The General Investment Programme

6.1 The General Investment Programme (GIP) for the period 2018/19 – 2022/23 is included within the MTFS at Appendix 2. The total allocated capital programme over the next five years is £16.2m of which £14.2m is estimated to be spent in 2018/19.

6.2 The GIP includes the delivery of key capital schemes identified to support the delivery of Vision 2020, schemes identified as required investment in order to deliver revenue savings as part of the Towards Financial Sustainability Programme, schemes resulting from joint working with partners, schemes and ongoing capital schemes, particularly the investment required in the property portfolio.

6.3 In addition to the approved schemes which form the GIP there are a number of key strategic schemes which have not yet been formally approved due to the stage of their development, i.e. the scheme is currently still at the design stage, or is still subject to final funding agreements etc. and as such do either not appear in the current GIP or are included but not at the full scheme costs. These schemes include the Western Growth Corridor and Housing Company. Each scheme will be submitted separately for approval and inclusion in the GIP once the relevant stage in

their development has been reached.

7. The Housing Investment Programme

- 7.1 The Housing Investment Programme (HIP) for the period 2018/19 – 2022/23 is included within the MTFS at Appendix 4. The total allocated capital programme over the next five years is £76.7m of which £25.8m is estimated to be spent in 2018/19.
- 7.2 The 5 years HIP is based on the HRA 30 year business plan, updated to reflect revised spending and funding profiles of approved schemes as detailed schemes are developed. The key elements of the HIP include maintenance of Decent Homes and implementation of the Lincoln Standard, essential health and safety requirements and delivery of the council house new build programme (including a land acquisition fund). The new build programme has been updated to reflect the anticipated agreements with housing associations to deliver new homes in the HRA.
- 7.3 Future spending plans for the HIP are expected to include capital investment in major redevelopment at De Wint Court and the Western Growth Corridor development, however these are not included in the MTFS at this stage.
- 7.4 As set out in paragraph 5.3 above the primary sources of financing for the HIP is from depreciation, with financing of £59.5m over the 5-year period. In addition further resources are available from capital receipts (including Right-to-Buy receipts) and direct revenue financing (DRF). There is currently no additional borrowing required within the HIP.

8. Consultation and Scrutiny

- 8.1 Budget consultation has been undertaken online which consisted of the draft MTFS, proposed budget and council tax recommendation being publicised on the Council's website together with the opportunity for the public to comment.
- 8.2 In terms of member budget scrutiny an all member workshop was undertaken during January 2018 to ensure that as large a number of members as possible had the opportunity to fully understand the financial position of the Council. This was followed in February by a Budget Review Group who focused on the detail of the draft MTFS, proposed budget and Council Tax recommendation.
- 8.3 The minutes of the Budget Review Group are attached at Appendix B, there were no specific recommendations made by the Group.
- 8.4 It should be noted that the consultation and scrutiny undertaken did not take into consideration any specific proposals that are part of the Council's Towards Financial Sustainability Programme. As part of the development of these specific schemes the appropriate consultation will be undertaken with those customers, employees, trade unions, voluntary organisations', local businesses and partners who are likely to be impacted upon by the proposals. As any individual proposals are presented to the Executive/Council for decision they will include the outcomes of the specific consultation exercises and appropriate scrutiny committee considerations.

9. Strategic Priorities

- 9.1 The MTFS underpins this policy and financial planning framework and set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's Vision 2020 and strategic priorities.

10. Organisational Impacts

- 10.1 Finance - There are no direct financial implications arising from the approval of the MTFS 2018-2023. The strategy provides information on the Council's spending, income and key financial challenges.
- 10.2 Legal Implications including Procurement Rules - Local authorities must decide, prior to the 11th March, each year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:
- making prudent allowance in the estimates for services; and
 - ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
- 10.3 Local government legislation requires an authority's Chief Finance Officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions.
- 10.4 Land, property and accommodation - Specific implications for the deployment and management of the Council's assets are included within the Capital Strategy and Asset Management Plan which support the achievement of the objectives of the MTFS.

11. Equality Implications

- 11.1 This report provides a summary of the financial planning activities across the Council. As a consequence of the approval of the MTFS and budget for 2018/19 there may be an impact on certain council services which will be subject to review. Planning work undertaken to develop the Towards Financial Sustainability Programme and strands and investment in the Vision 2020 and strategic priorities, set out above, involves taking an overview of the potential cumulative impact. This is further expanded and built upon as the specific reviews and projects are developed and so detailed equalities implications will be assessed at the individual service level.

12. Risk Implications

- 12.1 The Council has a very proactive approach to managing risk and there are effective arrangements for financial control already in place. That said, there is always a risk that the Council will become liable for expenditure that it has not budgeted for or face a reduction in resource available, the impact of which must be mitigated by holding reserves. Due to the significant change in core funding mechanisms for local authorities the level of volatility and risk to which the Council is exposed has increased significantly, the MTFS therefore needs to remain flexible and the council's reserves resilient.
- 12.2 The financial risks, Appendix 5 of the MTFS, have been identified and an assessment of the estimated exposure, likelihood and possible mitigation has been made in the context of the Council's overall approach to risk management and internal financial controls. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

13. Recommendation

- 13.1 That the Executive considers the Chief Finance Officer's statement on the robustness of the budget and the adequacy of reserves as detailed in paragraphs 4.17 – 4.19 and 5.11 – 5.13 of this report.
- 13.2 That the Executive recommend to Council for approval:
- The Medium Term Financial Strategy 2018-2023, and;
 - The Capital Strategy 2018-2023

Including the following specific elements:

- A council tax Increase of 2.95% for 2018/19.
- A housing rent decrease of 1% for 2018/19.
- The Council is member of the Lincolnshire Business Rates Pilot for 100% Business Rates Retention in 2018/19
- The General Fund Revenue Forecast 2018/19-2022/23 as shown in Appendix 1 and the main basis on which this budget has been calculated (as set out in paragraph 4).
- The General Investment Programme 2018/19-2022/23 as shown in Appendix 2, and the main basis on which the programme has been calculated (as set out in paragraph 6).
- The Housing Revenue Account Forecast 2018/19-2022/23 as shown in Appendix 3 and the main basis on which this budget has been calculated (as set out in paragraph 5).

- The Housing Investment Programme 2018/19-2022/23 as shown in Appendix 4, and the main basis on which the programme has been calculated (as set out in paragraph 7).

Is this a Key Decision? No – Subject to Full Council approval

Do the Exempt Information Categories Apply? No

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

How many appendices does the report contain? Two

List of Background Papers: Medium Term Financial Strategy 2017-22 – Executive 27th February 2017
Setting the 2018/19 Budget and Medium Term Financial Strategy 2018-23 – Executive 30th October 2017

Lead Officer: Robert Baxter
Interim Chief Finance Officer
Telephone: 01522 873361

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Medium Term Financial Strategy

2018/19 - 2022/23



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Foreword

Welcome to this latest version of the City Council's Medium Term Financial Strategy covering the period 2018-2023.

This Strategy sets out how the Council will use its financial resources to underpin its Vision 2020 and the strategic priorities that it holds for the City. It is the Council's commitment to use the financial resources it employs over the coming years to make a positive difference to the city and its residents.

Since 2010 the Council, alongside the majority of other local authorities, has experienced unprecedented financial challenges in various forms and have had to adapt to;

- The impact of severe, unprecedented, central government funding reductions, the distribution of which has not been uniform across the different types of authority with some being significantly more affected than others, this Council being one of those suffering a greater proportionate loss.
- The local impacts of the economic crisis affecting jobs, housing and business growth, which has in turn created pressure on the generation of local income streams.
- The national impacts of the economic crisis on the financial markets and subsequent low returns on investments.
- The local impacts of the economic crisis creating a rising demand, and increased cost pressures, for council services from customers who rely on the safety net provided by local government.
- The impact of the vote to leave the EU and the consequent impact on the economic and political landscapes.

During this same period the basis on which local government is funded has undergone radical reform, heralding a new era where local government is funded from local taxes with limited reliance on Central Government. This new methodology for funding local government is inextricably linked to the performance of the local economy via Business Rates, New Homes Bonus funding arrangements, Council Tax and Local Council Tax Reduction schemes and Housing Revenue Account Self-Financing.

Each change to the funding mechanisms brings new elements of uncertainty and volatility, with further fundamental and radical changes through the devolution of Business Rates and further responsibilities as a consequence, set to come from 2020. It does however present opportunities for local authorities with the freedom from and removal of reliance on Central Government and a key stake in the financial prosperity of its local economy.

In response to this environment the Council has delivered a track record of strong financial discipline. Planning ahead, securing savings in advance, re-investing in more efficient ways of working, adopting a more commercial approach, prioritising

resources for economic development measures, whilst making careful use of reserves to meet funding gaps and mitigate risks, is an approach that has served the Council well.

In the years since the onset of austerity measures and profound funding reductions, the Council has delivered savings in excess of £7.5m, a significant reduction in comparison to the overall net expenditure budget, with further savings of £0.102m to be delivered to achieve its current target, by 2018/19. That is not to say though that the Council will not continue to have to navigate a difficult financial path in the forthcoming years in order to deliver a sustainable financial position. In the environment in which it operates, financial planning is becoming increasingly complex, requiring multiple variables to be balanced in an environment of rising uncertainty. The MTFS will be kept under constant review and will need to adapt in response to new risks and opportunities.

The Council's successful financial management to date has enabled the protection of core services for the people of Lincoln while at the same time allowing the redirection of resources to the priority areas in the Council's Vision 2020.

This vision is supported by a three year programme of activity, resourced through the MTFS, that seeks to not only deal with the most pressing issues in the city, but also how the Council will work, with others, to embrace and maximise Lincoln's economy through schemes such as, the Transport Hub and New Council House Building Programme.

This investment in growth and the local economy alongside the Council's financial sustainability programme, forms the foundations of the Council's approach to financial planning over the medium term, seeking to enhance its financial resilience and to continue to focus its resources towards achieving its aspirations in its Vision 2020.

Robert Baxter, CPFA
Interim Chief Finance Officer

Section 1 – Introduction

The purpose of the MTFS is to set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. The Council has four clear strategic priorities and in order to achieve those priorities the Council must have a clear and robust financial strategy which focuses on the long term financial sustainability of the organisation

The MTFS draws on a review of the local economic landscape, and the impacts of the wider national economic and political landscape. It looks ahead over the coming five financial years to identify the resource likely to be required by the Council to finance its priorities and meet the financial consequences of the demand for council services. It also looks ahead to determine the resources likely to be available to the Council over the same period. This plays a critical role in ensuring that the Council "lives within its means" in developing its key plans and strategies, and enables decisions to be made about its finances ensuring it maintains a sustainable budget.

The MTFS integrates revenue allocations, savings targets, reserves and capital investment and provides indicative budgets and future Council Tax and Housing Rent levels for the period covered by the plan. This approach has been in place for a number of years now and is an essential part of the budget setting process.

Although the Strategy is set against a medium-term time frame, to fit with the Council's corporate planning framework, in principle it will exist for longer as it provides the overall direction and parameters for financial management at the Council.

Inevitably the Council's plans will need to evolve and develop in response to new financial opportunities and risks and new policy directions during the period of the Strategy and the dynamic nature of local government funding. Therefore, the Strategy will be reviewed on a regular basis and at least annually.

The MTFS is underpinned by a sound finance system, coupled with a solid internal control framework, sufficiently flexible to allow the organisation to respond to changing demands over time and opportunities that arise.

Objectives

The MTFS seeks to achieve a number of specific objectives;

- Ensure the Council maintains a sound and sustainable financial base, delivering a balanced budget over the life of the MTFS,
- Maximise income levels, including growing the Council Tax and Business Rates tax base, whilst ensuring that Council Tax rate increases are kept an acceptable level;
- Continue to manage down the Council's recurrent cost base, in line with reductions in overall resources by ensuring the provision of efficient, effective and economic services which demonstrate value for money.

- Ensure the Council maintains robust, but not excessive, levels of reserves and balances to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes;
- Ensure the Council's limited resources are directed towards its Vision 2020 and strategic priorities, redirecting where necessary to allow for improvement and investment;

Policy and Financial Planning Framework

The Council's Strategic Plan (Vision 2020) is the thread that links the Council's integrated policy and financial planning framework. It is underpinned by the MTFS, which aims to ensure that all financial resources are directed towards delivery of the Vision 2020, and flows through to the Council's other key plans and strategies, service planning and individual staff performance appraisals. This ensures that the Council's vision and strategic priorities drive the activity and allocation of resources of the Council.

The Vision 2020 promotes a clear view of the Council's strategic focus and in particular its key priorities. These priorities are a commitment by the Council to use the resources it employs over the coming years to make a positive difference to the city and its residents.

The Council's new Vision 2020 was launched in early 2017 and sets out the Council's vision for the future of the city, new strategic priorities and core values. This three year programme seeks to not only deal with the most pressing issues in the city, but also details how the Council will work, with others, to further grow Lincoln's economy.

Section 2 – Context

In order to set the framework for the Council's approach to policy and financial planning it is important to understand the overall national policy context, and economic conditions as well as the policy and delivery priorities for the Council over the MTFS period.

Economic Climate

Forecast UK growth is set to slow to 1.5% in 2017 and 1.4% in 2018. This reflects slower consumer spending growth, offset by some rise in UK exports and public investment. But risks to growth are weighted to the downside due to Brexit.

Looking beyond Brexit, the key challenge for the government is to boost UK productivity growth, which has been the second slowest in the G7 on average since 2010. This will require increased public and private investment in housing, transport infrastructure, skills and innovation, as well as measures to support growth across all regions of the UK.

The latest Consumer Price Index (CPI) forecasts are that it is likely to reduce from 3% in December 2017 to 1.8% in 2018 and then remain at 2% 2019 onwards, back in line with the Government's target rate of 2%.

Retail Price Index (RPI) stood at 4.1% in December 2017. This is set to reduce to 3.1% in 2018 and remain around that level thereafter.

On the 2 November 2017 the Monetary Policy Committee (MPC) voted to remove the post EU referendum emergency monetary stimulus implemented in August 2016 by reversing the cut in the Bank Rate at that time from 0.5% to 0.25%. The MPC gave forward guidance that they expected to increase the Bank Rate only twice more in the next three years to reach 1.0% by 2020. This relaxed rate of increase is in line with previous statements that the Bank Rate would only go up very gradually and to a limited extent.

National Priorities

Since 2010 the key driver for government policy has been securing the recovery of the economy through the deficit reduction programme, primarily focussing on public spending control. As a result of the reductions made during the 2010 Spending Review period, the Spending Review 2015 saw the focus shift towards rebuilding the economy, with an expected return to a national surplus by 2020, with a healthy economy that had started to pay down its debt. Key to this was the continuation of the deficit reduction programme with significant reductions in public sector expenditure required.

Autumn Budget 2017

The Chancellor of the Exchequer presented his first Autumn budget, in the new annual tax policy cycle, to the House of Commons on the 22 November 2017.

The announcements relevant to local government are summarised below.

Business Rates

The Government announced a number of changes to business rates. The main changes are:

- From April 2018, CPI will be used to uprate the multiplier for business rates, rather than RPI, bringing forward the change already announced from April 2020;
- The business rates valuation cycle will switch from five years to three years following the next revaluation. This should mean that, following the planned 2022 revaluation, the next will be 2025;
- There will be a one year extension to the £1,000 discount to business rates bills for pubs with a rateable value of less than £100,000 in 2018/19.

Council Tax

The Chancellor announced that, from April 2018, local authorities will be given the power to increase the council tax empty homes premium from 50% to 100%.

Housing

The Government announced that it wishes to increase the numbers of new homes built to 300,000 per annum by the middle of the 2020s. A wide breadth of measures were announced to support this objective including:

- Housing Investment: the government will provide £1.1bn for a new Land Assembly Fund; a further £2.7bn to the competitively allocated Housing Infrastructure Fund (HIF) and a further £630m through the Northern Powerhouse Investment Fund (NPIF) to accelerate the building of homes on small, stalled sites, by funding on-site infrastructure and land remediation.
- Housing Revenue Account: the government announced that it will lift HRA borrowing caps for councils in areas of high affordability pressure, enabling more council homes to be built. Local authorities will be invited to bid for increases in their caps from 2019/20, up to a total of £1bn by the end of 2021/22. The government will monitor how authorities respond to the opportunity and consider whether any further action is needed.
- Community Infrastructure Levy (CIL): DCLG will launch a consultation with detailed proposals on reforms to the CIL.

Whilst there were no further reductions for departmental resource plans announced, the continuation of significant reductions in public sector expenditure remains. Local government will still experience deeper cuts than the rest of the public sector, through until 2019/20, at the same time as preparing itself for the implementation of radical changes to its funding mechanisms.

Local Government Funding

A key theme within the Spending Review 2015 was the Government's commitment to a devolution revolution, transforming local government by enabling it to be self-sufficient by the end of the Parliament and paving the way for 100% business rate retention, giving local authorities the power to cut business rates to boost growth and empowering elected city-wide mayors.

This is a radical change to the funding mechanisms of local government and heralds a new era where local government is funded from local taxes with limited reliance on Central Government. This new methodology for funding local government is inextricably linked to the performance of the local economy via Business Rates, New Homes Bonus funding arrangements and Local Council Tax Reduction schemes.

The scale of reductions in guaranteed, central funding has required local authorities to focus on more local self-sufficiency through other forms of local income generation, such as;

- Maximisation of Council Tax rate increases, within prescribed referendum limits.
- Maximisation of fees and charges increases.
- Widening the scope of fees and charges by introducing charges for services not previously charged for.
- Increasing trading activities to generate surpluses for reinvestment, including the establishment of trading companies
- Look at ways of entering the market, commercialising existing services and seeking opportunities to 'sell' goods and services externally.
- Economic development measures to increase funding through tax collected, e.g Council Tax and Business Rates with the additional benefit of NHB.

Business Rates

Before the 2017 election, the Local Government Finance Bill 2016 was prepared with the aim of introducing primary legislation to enact the move from the 50% business rates retention (BRR) scheme to 100% BRR. However the Bill was not included in the Queen's speech following the election so will not become an Act. As such, any move to 100% BRR scheme would not currently happen under primary legislation changes, but there is the possibility of introducing some of the previously planned changes through secondary legislation.

There are currently five authorities piloting 100% BRR in 2017/18, all of which have been introduced without change to primary legislation. The government invited further authorities to apply to pilot 100% BRR in 2018/19, this will be for one year only, to test aspects of what a final 100% BRR scheme may look like that are not currently being tested in the existing pilots. This suggested that government was still intent on introducing a 100% BRR scheme, and the 2018/19 pilot prospectus does state that "the

current pilots, and a new wave in 2018/19, will help explore options, with local government, for the design of future local government finance reforms”

However as part of the Local Government Finance Settlement, the Secretary of State announced that local business rates retention would move from 50% to 75% in 2020/21, not the 100% as previously announced.

Lincoln applied to be a pilot for 100% BRR in 2018/19, as the Lincolnshire Business Rates Pool, and has been confirmed as one of the ten successful applications, in addition to the London Boroughs previously announced as part of the Autumn Budget 2017.

Whilst the initial offer for the new pilot areas was for one year only, it remains to be seen if pilot status will be allowed to continue for 2019/20. Although a change back to 50% would potentially mean that we would move from 50% in 2017/18, to 100% in 2018/19, back to 50% in 2019/20 and then to 75% in 2020/21. Therefore, allowing us to remain at 100% for 2019/20, whilst having a cost attached for DCLG/HMT (in terms of government losing a share of any growth), would seem a more sensible/stable approach.

The Secretary of State also confirmed that a reset of the business rates retention system will also take place in 2020/21. This will see NNDR baselines adjusted to better reflect how much local authorities are actually collecting in business rates (currently based on amounts collected 2010/11 – 2011/12)

The Government has established a steering group and a number of working groups, chaired jointly by DCLG and the LGA, to develop reforms with the view of implementing these in 2020-21 alongside greater business rates retention.

Local Priorities

Lincoln is a cathedral city, and is one of the oldest cities in Britain, with a population of around 97,800 (0.8% increase on the previous year). Lincoln is one of seven Districts in Lincolnshire and, being an urban area located within a predominantly rural county, faces both unique challenges and opportunities.

Although the population of Lincoln is around 97,800, the city actually serves a significantly higher ‘Greater Lincoln’ population of approximately 195,200 (the economic zone around Lincoln where residents have close links with the city either through work, education, shopping or recreational use). Almost twice as many people visit the city during the daytime as live here, boosting the local economy but also putting immense pressure on local services and infrastructure.

In the last ten years Lincoln has seen a significant increase in the number of people who live here at 9.4%, with a larger proportionate increase than England as a whole. Lincoln has also had a bigger increase proportionately than many cities and towns in England that are considered characteristically similar.

There continues to be an increase in the number of residents aged 20-29, influenced by the expanding universities. There are well over 15,000 students at the University of Lincoln and Bishop Grosseteste University. Lincoln has a higher than average

proportion of its population aged in their 20's. This age group accounts for 21% of the city's total population, compared to only 13% nationally.

Like many places, Lincoln is made up of areas of relative affluence, and relative deprivation. The Indices of Multiple Deprivation tells us that 10 areas of the city (from a total of 57) are amongst the 10% most deprived nationally. This is an increase from 7 areas in 2010 and 5 areas in 2007. Within these 10 areas of Lincoln there are an estimated 16,000 residents (16.5% of the total population of Lincoln)

In terms of the economy, the city faces a number of challenges. One of these is Lincoln's child poverty rate which is above the county, regional, and national rate. Fuel poverty rates are above the regional and national average.

Overall, approximately 15% of council tax payers receive Housing Benefit and/or Council Tax support. Only around 0.4% of properties fall within council tax bands G and H, and 79% fall within the lowest bands A or B, currently paying £3.93 or less per week. This low Council Tax base has a significant limiting impact on the Council's ability to raise revenue via the Council Tax and creates a higher dependency on other sources of income.

Both male and female life expectancies are in line with national averages with male life expectancy decreasing a little to 77.6 years while female life expectancy reduced slightly to 82 years. Early deaths due to heart disease and cancer had been reducing but rates have seen an increase and Lincoln still ranks high amongst our nearest neighbours.

There are approximately 44,600 households in the city – the City Council is landlord to approximately 7,700 of these, with more than one thousand more belonging to Registered Social Landlords. Despite the fact that housing is generally more affordable in Lincoln than elsewhere, there is still substantial demand for social housing of different types.

These factors place significant demands on key services and resource allocation and are a key driver in the development of the Council's vision for the future of the city and its strategic priorities.

In 2016 an extensive exercise to develop a new strategic plan was undertaken, now branded as Vision 2020. This three year programme is the product of work both internally and externally, with working groups, surveys and focus groups with the public, and through consultation with partners, business and other organisations with a stake in the city. The development of the Vision 2020 has been informed by evidence from the Lincoln City Profile and the Poverty Profile to ensure that the Council's visions and aspirations for the City are not just for the next three years, but look ahead for up to 30 years.

The accumulation of this work saw the launch at the beginning of 2017 of the Council's Vision 2020 setting out the new, overarching vision for 2020 and beyond, strategic priorities and the Council's core values.

The Council's new vision for 2020 is;

"Together, let's deliver Lincoln's ambitious future"

Underpinning this vision are four strategic priorities, each with a number of supporting aspirations. The aspirations are in turn supported by groups of projects that will be delivered throughout the three year programme. Not all the aspirations will be progressed at the same speed or even at the same time. Instead, they provide a holistic overview of where effort needs to be placed over time. The aspirations are shown below:

- Let's drive economic growth
 - Let's build a strong, viable and prosperous future for Lincoln
 - Let's attract investment
 - Let's help businesses prosper
 - Let's create a culture of innovation
 - Let's make things happen
- Let's reduce inequality
 - Let's ensure the best quality of life for people living in Lincoln
 - Let's help people succeed
 - Let's help people feel safe and welcome in their communities
 - Let's provide help to the most vulnerable in our city
 - Let's empower people
- Let's deliver quality housing
 - Let's provide housing which meets the varied needs of our residents
 - Let's improve housing conditions for all
 - Let's work together to help the homeless in Lincoln
 - Let's help people have a sense of belonging
 - Let's build thriving communities
- Let's enhance our remarkable place
 - Let's provide interesting, exciting and vibrant places to enjoy
 - Let's preserve the unique character of our city
 - Let's deliver a rich and varied cultural experience
 - Let's show the world what Lincoln has to offer
 - Let's cherish and enhance our natural environment

These four strategic priorities will be supported by a strand called 'professional, high performing service delivery', which is supported by the following programmes of work:

- Creating a skilled and adaptable workforce
- Ensuring efficient, high quality services
- Providing high performing services
- Delivering the Towards Financial Sustainability programme

Additionally a new set of core values have been developed which sum up the Council's culture, and what can be expected from its services and policies. They

should also be present in the way its officers and member deal with others, its residents, and its partners. The core values are:

- Let's be approachable
- Let's be innovative
- Let's be trusted to deliver

Section 3 – Revenue (General Fund)

Spending Plans

The MTFS is central to identifying the Council's financial capacity to deliver its vision and strategic priorities, this requires a balance to be struck between the need to support the delivery of the vision with the need to maintain a sustainable financial position. Striking the correct balance between these two requirements becomes ever more difficult in the challenging financial context in which the Council operates. This is compounded by steep Government funding reductions and a new methodology for funding local authorities which is fraught with uncertainty and volatility.

The Council's Vision 2020 is supported by a three year programme containing a range of projects that will meet each of the new strategic priorities. In the absence of any new Government funding and in the context of the savings targets underpinning the MTFS, the resources to finance these projects and have been made possible by allowing the redirection of resources to the priority areas as well as seeking external financial support in the form of grants and contributions.

Full details of the projects supporting the strategic priorities are including within the Vision 2020.

Spending Pressures

A high level review of the financial pressures facing the Council over the planning period of the MTFS has been undertaken. This information has been drawn from experience in previous years, the advice of Directors and Assistant Directors, the current economic climate and other local and national issues that are likely to influence the financial outcomes.

Inflation – Pay and Prices

The budget estimate for 2018/19 includes a pay increase in line with the two year pay award which was put forward to unions in December 2017 which is for 2% per year for 2018/19 and 2019/20 with higher rises for staff on the lowest pay scales. With regards to increases after 2019/20 it is assumed a 2% rise will apply in 2020/21 – 2022/23.

Automatic inflationary increases of budgets are not provided for all goods and services, instead individual inflation rates have been applied for specific items of expenditure, all remaining areas of expenditure are maintained at the previous year's levels, which is in effect a real terms reduction in spending power. The following rates of inflation have been assumed over the period of the MTFS

	2018/19	2019/20	2020/21	2021/22	2022/23
	% per year	% per year	% per year	% per year	% per year
Pay	2.0%	2.0%	2.0%	2.0%	2.0%
General	2.2%	2.0%	2.0%	2.0%	2.0%
Contractual Commitments	3.2%	3.2%	3.2%	3.2%	3.2%
Non domestic rate	2.2%	2.0%	2.0%	2.0%	2.0%

These rates have been based on the Bank of England's target rate of inflation of 2% and a forecast of RPI, at the time of revising the MTFs assumptions, of 3.2% for 2018/19 onwards. A number of the Council's contractual commitments are linked to the RPI at a defined date in the year, primarily December and March; any movement in RPI by these dates will result in an inflationary pressure for the Council. Every 0.5% increase in RPI will equate to approximately an additional £24k pa, this will have a cumulative impact.

Employer's Pension Fund Contributions

The latest triennial revaluation of the Council's Pension Fund took place at 31 March 2016, and the results identified that there has been a slight improvement in the funding position since the last actuarial review from a 67% funding level to 70%.

Since the previous valuation of the fund at 31 March 2013 a number of events have taken place which have had an effect on the estimated cost of the fund, key impacts are as follows –

Assets - the performance of the funds' investments has been more than the expected return over the three year period to 31 March 2016. This has had a positive effect on the past service position of the fund.

Liabilities – the decrease of the gilt yield has served to increase the value of the funds liabilities having a negative effect on the fund.

Pre retirement experience – a decrease in early leavers and an increase in ill health retirements has had a negative effect on the fund whilst salary increases which were less than expected have had a positive effect on the valuation of the fund.

Post retirement experience – a decrease in pension increases has had a positive effect on the valuation of the fund, however this has been partially offset by an increase in pensioner longevity.

Having assessed the events that have affected the fund since the previous valuation, the actuary has formulated an approach to the 2016 valuation which incorporates this information into its long term assumptions for the fund.

Although the overall funding position has improved slightly, the employer contribution rates are still required to increase in order to improve the funding position further. For employers such as local authorities the Actuary, because of the guaranteed nature of their funding, is able to recommend a stabilisation overlay mechanism whereby the employer's current contribution rate is capped at an

affordable level. Without out this in place the Council would be facing significantly higher contribution rates in order to increase the funding position.

This stabilisation approach has allowed the annual increase in the contribution rate to be capped at 1% p.a. over the period 2017/18 to 2019/20.

A further actuarial review will take place in April 2019, which will inform the employer contributions from 2020/21 onwards.

Net Interest Receipts

Net interest receipts incorporate the cost of financing the capital programme (via internal and external borrowing) and interest paid and earned on revenue balances during the year.

Historically investment income, which is heavily dependent on how the Council uses its reserves and the prevailing interest rates, was an important source of income for supporting the Council's service expenditure. However, as a result of the ongoing economic difficulties in both the domestic market and the Eurozone, the Council has seen a significant reduction in the interest rates offered on new investments. The prevailing risk in the financial markets has reduced the credit ratings of many institutions so there are also fewer counterparties available for investment purposes, and investments are being kept short and liquid to reduce the overall risk of the investment portfolio. The total interest income received has been falling since 2008 and the average interest rate achieved is barely above base rate.

Interest rates are forecast to remain at low levels until late 2018 and then the expectation is for a very slow recovery in the money markets. This is reflected in investment income forecasts in the MTFS.

Borrowing costs incurred on any short-term borrowings are minimal as they are only undertaken to bridge temporary cash flow shortfalls. The Council's portfolio of long-term borrowings currently includes 2 loans that are due to be repaid during the coming five financial years. The council has one short term loan which matures in 2018. All other loans mature after 2022/23 and are fixed rate loans. Six of these loans have lender options to vary their terms at six monthly intervals.

The sensitivity of the General Fund to changes in interest rates is linked more markedly to investments rather than to the portfolio of borrowing as all borrowing is at fixed interest rates. As an indication, a change in interest rates of +/- 0.5% would have an estimated combined impact of approximately £28k on the General Fund and £30k on the HRA in 2018/19.

Average interest rates on investments assumed within the MTFS are as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
	%	%	%	%	%
Interest Rate	0.52%	0.61%	0.76%	0.90%	0.93%

Based on the current forecasts for interest payable on new borrowing (averaging around 2.7%) and receivable on investments (averaging around 0.5%), and the

estimated level of balances available for investment, it is currently anticipated that new borrowing will be taken to fund the borrowing requirement for the General Fund Investment Programme over the 5 year strategy. Internal balances will be used to fund the existing borrowing requirement where it remains financially advantageous to do so, reducing the amount of interest that would have been payable on new debt, partially offset by a reduction in interest receivable (due to reduced balances available for investments).

Repairs and Maintenance

The Council's Asset Management Plan identifies the need for significant investment to ensure that its assets are properly maintained and safe for use. Additional resources have been allocated in previous Strategic Plans/MTFS and although these have tackled the most urgent issues arising in those years there still remains a considerable amount of work to be undertaken in the medium to longer term and this does place an increased pressure on responsive day to day repairs and maintenance budgets.

A structured approach to corporate property maintenance is being taken with the prioritisation of the urgent, essential and desirable works and consideration of the overall resources available. Alongside this the Council is undertaking a review programme of all assets which has the potential to dispose/transfer assets with significant repair liabilities.

Resources

Revenue Support Grant/National Non-Domestic Rates

The Local Government Finance Settlement for 2018/19 sets out the distribution of centrally allocated resources for local authorities and provides authorities with a combination of grant allocations and their baseline figures within the BRR scheme. The Settlement forms the third year of a four year fixed settlement that was offered to local authorities in 2016/17. This offer was made on the basis that any council that wished to take up the offer would be required to have an efficiency plan in place in order to do so. Nationally 97% of Council's accepted this offer.

Although the third year of the Settlement period has confirmed the RSG allocations that were previously announced there were still changes in the overall settlement and level of local government resources that were announced. These related to the increase in the referendum limit to 3% on Council Tax (2018/19 and 2019/20), NNDR Revaluation and assumptions around future, locally generated income.

Core Spending Power

The Core Spending Power calculation includes:

- Settlement Funding Assessment (comprising NNDR Baseline funding level and Revenue Support Grant)
- Estimated Council Tax income,
- Improved Better Care Fund,
- New Homes Bonus,

- Transitional Grant
- Adult Social Care Support Grant
- Rural Services Delivery Grant.

The table below shows the national changes to Core Spending Power between 2015/16 and 2019/20 (the Settlement period). Overall, spending power will increase by £0.9bn from £44.7bn to £45.6bn, an overall increase for the period 2015/16 to 2019/20 of 2.1%, effectively a cash freeze settlement for local government. However within this, the Settlement Funding Assessment (SFA) will reduce by £6.6bn (32%) and NHB by £0.3bn (25%), which is largely offset by the governments estimate of council tax increasing by £6bn (27.3%).

When the Settlement was announced in 2015 the overall change in core spending Power over the 4 year period was forecasted to be a reduction of 0.4%. This has improved to an increase of 2.1% due to inflation being higher than forecast and the consequent increase in NNDR income and more optimistic assumptions used around council taxbase and rate.

	2015/16	2016/17	2017/18	2018/19	2019/20
	£bn	£bn	£bn	£bn	£bn
Settlement Funding Assessment	21.415	18.767	16.807	15.849	14.773
Council Tax	22.036	23.247	24.666	26.600	28.047
Improved Better Care Fund	0	0	1.115	1.499	1.837
New Homes Bonus	1.200	1.485	1.252	0.948	0.900
Transition Grant	0	0.150	0.150	0	0
Rural Services Delivery Grant	0.016	0.081	0.065	0.081	0.065
Adult Social Care Support Grant	0	0	241	150	0
Core Spending Power	44.666	43.729	44.296	45.127	45.623
Change %		-2.1%	1.3%	1.9%	1.1%
Cumulative change %		-2.1%	-0.8%	1.0%	2.1%

Although the national level of Core Spending Power is forecast to increase by 2.1% the variation between individual authorities and types of authority is significant. Shire Districts, including Lincoln have experienced the worst reductions in core spending power, with the average reduction being 11.7%, due to changes in the distribution of RSG (as set further out below) and due to the top slicing of NHB to redirect towards social care pressures. Lincoln's position is as set out in the table below, this shows a total change in core spending power of 16.7% over the four year period to 2019/20.

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
SFA	6.0	5.188	4.543	4.197	3.773
Council Tax;	5.6	5.916	6.145	6.447	6.764
Other grants	2.1	2.285	1.708	1.090	0.980

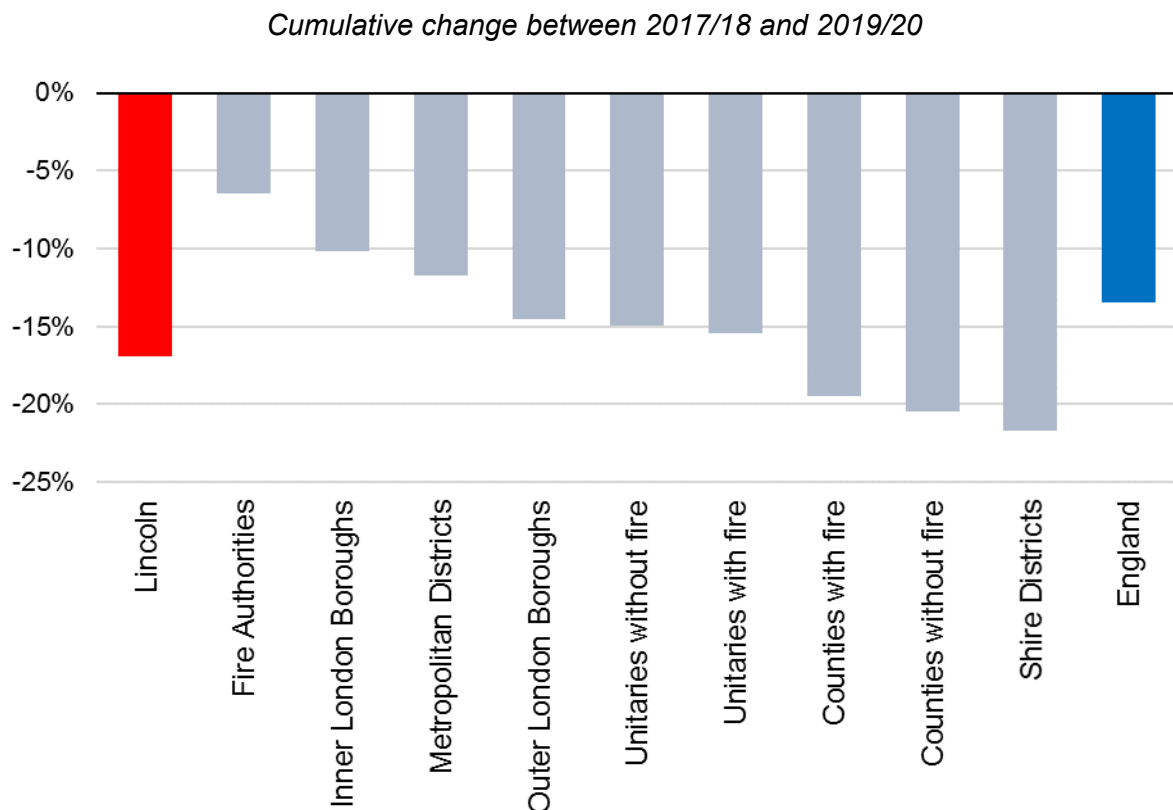
Core Spending Power	13.8	13.389	12.396	11.734	11.517
Change over the period (£m)					-2.3
Change over the period (%)					-16.7%

Settlement Funding Assessment

The variation in the spread of funding reductions is as a result of new funding distribution methodology for RSG that was introduced in 2016/17. Previously changes to RSG had been carried out by comparing the current year's RSG allocation to the previous year. The new approach now takes into account two different aspects;

- individual authorities' council tax raising ability – those authorities with a greater proportion of their core funding coming from Council Tax receive less RSG,
- the type of services provided - this favoured upper tier authorities, with significantly larger funding reductions for district councils.

As the graph below shows the cumulative change in SFA for Shire Districts has been the worst affected, as compared to other authority types (note this graph only covers the remaining three years of the settlement period).



As set out above the SFA comprises of NNDR Baseline funding level and Revenue Support Grant. For the Council this is broken down as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
RSG	2.585	1.698	0.981	0.000*	0.022
Baseline BR Funding Level	3.463	3.491	3.562	4.197	3.750
SFA	6.048	5.188	4.543	4.197	3.772
Change over the period (£m)					-2.276
Change over the period (%)					-37.6%

* added to Baseline BR Funding level as part of 100% business rates pilot in 2018/19

Revenue Support Grant

In terms of the Council's RSG element of the SFA, the figures announced in the Finance Settlement confirm those announced in 2015, with a reduction of 99.1% over the period from £2.585m in 2015/16 to £0.022m in 2019/20, as shown in the table below.

	2015/16 adjusted £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
RSG	2.585	1.698	0.981	0.528*	0.022
Change %		-34.3%	-42.2%	-46.2%	-95.8%
Cumulative change %		-34.3%	-62.1%	-79.6%	-99.1%

* added to Baseline BR Funding level as part of 100% business rates pilot in 2018/19 but shown here for comparison purposes.

The MTFs will be based on these levels of RSG. Beyond the settlement period, i.e. 2020/21 it will assume that there will be no further RSG payable by the Government.

Business Rates Retention

Lincoln successfully applied to be a pilot for 100% Business Rates Retention in 2018/19, as the Lincolnshire Business Rates Pool.

The key points from the pilot governance arrangements are set out below:

- Revenue Support Grant (RSG) is rolled into the Baseline Funding level (the amount of funding received if business rates are collected at the target level).
- The Council will receive 60% of business rates, with 40% going to Lincolnshire County Council (LCC). (under 50% retention the funding splits were 50% central government, 40% Lincoln City Council, 10% LCC)
- Providing there are sufficient resources no authority shall receive less than if it was operating under the current 50% scheme.

- In the highly unlikely event that the pilot makes an overall net loss, or the pilot has outstanding liabilities, this will be pro rata'd across all authorities, taking into account resource levels, had the pilot not been in operation.

Whilst the initial offer for the pilot is for one year only, it remains to be seen whether pilot status will be allowed to continue for 2019/20. Although a change back to 50% would potentially mean that we would move from 50% in 2017/18, to 100% in 2018/19, back to 50% in 2019/20 and then 75% in 2020/21. Therefore allowing us to remain at 100% for 2019/20, whilst having a cost attached for DCLG/ HMT (in terms of losing a share of any growth), would seem a more sensible/ stable approach. However for the purposes of the MTFS it has been assumed that the pilot will be in place for 2018/19 only.

The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2018/19 and based on the principles of the 100% Business Rates Retention Pilot its estimate of the level of NDR to be retained is set out in the table below. Forecasts over the remaining period of the MTFS have also been made taking into consideration estimated growth in the local economy. These future year forecasts assume that the current system of 50% retention of business rates remains in place for 2019/20. Beyond this it is assumed that 75% retention will be in place, as per the announcement in the Local Government Finance Settlement. An adjustment has been made from 2020/21 onwards to remove the gains that are currently received from pooling as this element of the scheme will cease to exist in a 75% retained system.

Income Forecast	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Forecast retained NDR					
Income	7,421	5,059	4,537	4,760	4,993

The level of outstanding unsettled appeals lodged with the Valuation office continues to create a high level of uncertainty. The Collection Fund is required to fully provide for the expected result of all appeals. The current assessment is that the Collection Fund will be required to set aside an additional £1.3m in 2018/19 to top up the current provision. There is no definitive date as to when the Valuation Office will have settled all outstanding appeals. This backlog in the appeals process creates uncertainty for the Council as well as tying up resources in provisions which ultimately may not be required. In addition to the backdated element of these appeals there is also an ongoing impact due to the reduction in the business rates base, which ultimately reduces the level of income to be retained in the future by the Council, an estimate of this impact has been assumed in the BRR forecasts set out above.

Beyond 2017/18 the Council has estimated that growth in its annual level of NDR collected will be 1% pa in 2018/19 and 2019/20, increasing to 2% pa from 2020/21 onwards.

The Secretary of State confirmed in the Local Government Finance Settlement that a reset of the BRR system will take place in 2020/21. This will see NNDR baselines adjusted to better reflect how much local authorities are actually collecting in business rates. It is still uncertain how DCLG will determine the new baselines i.e. what data and which years are chosen and how much growth since 2013/14 is taken (full versus a partial reset).

For the Council this could potentially mean that all the growth built up since 2013/14 is taken away at the reset. The impact of this would see a reduction in forecast retained NDR income of circa £1.3m pa from 2020/21. Because of the uncertainties around whether it will be a full or partial reset, the MTFS has been prepared on the basis that the Council will retain 25% of growth on reset and it is assumed that a further 10% growth will be generated on the revised baseline from 2020/21 onwards.

The additional resource set to be achieved from being in the pilot in 2018/19 is circa £1.5m. An element of this additional resource will be set aside to fund the forecast reduction in business rates when the BRR system is reset in 2020/21, with the balance going towards economic regeneration – as per the Lincolnshire Business Rates Pilot Business Case.

As set out in the National Priorities section above, there are a number of key and dramatic changes to Business Rates due in the forthcoming years, including, the devolution of business rates. This will have the potential to significantly affect the level of business rates retained by the Council, whilst assumptions have been made in the MTFS regarding the potential impacts the actual impact remains a high risk to the future sustainability of the MTFS.

Council Tax

The Localism Act 2011 introduced a power for residents to approve or veto excessive council tax increases. This means that any local authority setting an excessive increase as set by the Secretary of State would trigger a referendum of all registered electors in their area. The Government have stated, at the time of announcing the Settlement that councils have the ability to increase their core Council Tax requirement by an additional 1% in 2018/19 and 2019/20, this is in addition to the current 2% allowable before triggering a referendum – bringing the core principle in line with inflation at 3%.

In light of the financial position of the Council and mindful of the increased referendum thresholds to be applied for 2018/19 and 2019/20, the MTFS assumes the following indicative council tax increases and subsequent overall yields:

	2018/19	2019/20	2020/21	2021/22	2022/23
% Increase	2.95%	2.95%	1.90%	1.90%	1.89%
Council Tax Base	23,943	24,297	24,655	25,018	25,385
Council Tax Yield	£6.393m	£6.679m	£6.907m	£7.141m	£7.383m
Band D	£267.03	£274.91	£280.13	£285.44	£290.84
Band D £ Increase	£7.65	£7.88	£5.22	£5.31	£5.40

For 2018/19 the Council Tax amount for a Band D property (excluding County Council and Police Authority precepts) is £267.03, a 2.95%/£7.65 increase from 2017/18.

Following implementation of the localised council tax support scheme in April 2013 (which changed support from being a benefit to a council tax discount) the council tax base is now directly affected by the number of council tax support claimants. The more council tax support that is awarded the more the taxbase is reduced, therefore limiting the ability to raise council tax. The MTFS has been prepared on a reduction to the tax base of 4,424 relating to the council tax support scheme in 2018/19 and assumes reductions in working age claimants in 2019/20 of 4% with a stable claimant count beyond that point. The council tax base in the table above reflects the reduction for the council tax support scheme.

Specific Grants

In addition to the Revenue Support Grant further categories of specific grant are available to authorities and are allocated according to mechanisms separate from RSG. Although these are specific grants they are not ring fenced for a specific purpose, this provides the Council the flexibility to consider how to best use the resources available to it.

The most significant of these specific grants for the Council is the New Homes Bonus which rewards local authorities based on the levels of new homes being built, particularly affordable homes, and empty properties returned into use. This grant is top sliced from the overall national level of funding for local government which has creates a direct incentive, alongside the Business Rates Retention system, for local authorities to promote growth and development or else risk a reduction in resources.

Following a consultation on NHB launched in December 2014 the Government announced as part of the Local Government Finance Settlement it's response to the consultation, the key points being:

- To reduce the number of years for which payments are made from six to five for both existing and future payments in 2017/18 and to four years from 2018/19.
- The introduction of a national baseline of 0.4% for 2017/18 below which allocations will not be made.
- Potential to withhold NHB from 2018/19 for those local authorities that are not planning effectively, making positive decisions on planning applications and delivering housing growth.

The outcomes of this consultation confirm a significant reduction in the overall level of NHB with a redirection of resources towards adult social care pressures.

The grant allocation for NHB in 2018/19 has been announced as £1.006m. Using assumptions around future housing growth the estimated grant allocations from 2019/20 onwards are shown in the table below.

The table below also sets out the other specific grants that the council forecasts to receive.

Grant Name	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
New Homes Bonus	1,006	867	789	538	617
Housing Benefit & Council Tax Benefit Administration (provisional)	536	536	536	536	536
Housing Benefits New Burdens	28	29	29	29	29
TOTAL	1,570	1,432	1,354	1,103	1,182

Provision for Debt Repayment (MRP)

MRP is a statutory charge to the Council's revenue account to make provision for the repayment of the outstanding capital debt liabilities. The Council is required by law to set aside an amount for this provision which it considers to be prudent. Statutory Guidance which accompanies the Regulations provides options for the calculation of MRP and gives Council's significant discretion in determining the level of MRP. The Guidance states that 'the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant'.

Fees and Charges

The fees and charges levied by the Council are an important source of income and the MTFS assumes that the Council will raise over £10.8m from fees and charges in 2018/19.

The mean average overall increase in the non-statutory fees and charges is 3.4%, however this includes some fees that have been increased by higher and lower percentages.

Bridging the Gap

The Council has a successful track record in delivering savings and has to date, since the onset of austerity measures in 2008, delivered £7.5m of annual revenue savings. The Council's approach has centred on planning ahead, securing savings in advance, re-investing in more efficient ways of working and adopting a more commercial approach whilst making careful use of reserves to meet funding gaps, it's an approach that has served the Council well. Although inevitably there has had to be some withdrawal of services the Council has tried to keep this to a minimum and has sought to protect its core services that matter most.

As part of developing the MTFS 2018-23, due to changes in key assumptions it has been necessary to increase the savings targets by £250k pa from 2020/21, to ensure that balances remain at the prudent minimum of between £1.5m-£2m. In addition to allow for a smoother transition from the 2017/18 target of £3.5m, the 2018/19 and 2019/20 years of the programme have been re-phased to £3.850m and £4.150m (previously both years were £4m).

Despite this success the Council must continue to reduce its levels of expenditure or identify additional resources if it is to achieve the revised savings targets assumed in the MTFS and to remain sustainable.

The Towards Financial Sustainability (TFS) programme is and continues to be the vital element in ensuring that the Council maintains a sustainable financial position and delivers the required reductions in the net budget. In order to refocus and maintain momentum the TFS programme has been re-aligned and there are now three agreed strands to achieve savings. These are:

- 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

Alongside this programme the Council continues to seek ways to maximise its tax bases through economic development measures which enhance the economic prosperity of the City, such as the significant investment in the Lincoln Transport Hub and its new Council House Building Programme. Although not directly contributing towards the TFS savings targets these measures allow future assumptions of growth in the Council's resources to be factored into the revenue forecasts.

This new approach by the council focuses its efforts on sustainability for the future.

Progress, at February 2018, in delivering the target savings from the current TFS programme is set out in the table below:

	2018/19 £'000	2019/20 £,000	2020/21 £'000	2021/22 £'000	2022/23 £'000
MTFS savings target *	3,850	4,150	4,250	4,250	4,250
Secured	(3,748)	(3,945)	(3,980)	(3,999)	(4,006)
Savings still required in MTFS	102	205	270	251	244
Still subject to approval or review/Business Case	(15)	(15)	(14)	(14)	(14)
Savings still to be identified	87	190	256	237	230

* Savings target as per MTFS 2013-18, prior to this targets of £4m had already been achieved.

The delivery of the current strategy and programme will leave the Council in a position to over achieve the current savings targets for 2017/18. Nevertheless the overall emphasis on delivering the revised savings targets must remain strong to achieve the targets from 2018/19 and beyond.

Revenue Forecast

Based on the preceding financial objectives, underlying principles, national and local priorities, savings targets, spending pressures and resources assumptions, Appendix 1 provides a summary five-year General Fund revenue budget for the Council.

Risks to the Revenue Budget

The Council has adopted a corporate approach to risk management, and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact that could yield additional resources, but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Fluctuations in the Business Rates Taxbase
- Future changes to the retained Business Rates system
- Future levels of Central Government funding.
- Delivery of challenging savings targets
- Impact of current economic climate on both demand for services and income streams
- Changes to other key external funding sources,
- Changes to other key assumptions within the MTFS
- Financial and budget management issues

Appendix 5 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 4 – General Fund Investment Programme

The Council's approach to determining and funding its investment programmes is set out in the Capital Strategy, Appendix 7, which explains the Council's financial framework for capital investment in support of its strategic priorities. The General Fund Investment Programme (GIP) covers all aspects of capital expenditure within the Council, with the exception of the Council's housing stock, and includes external capital investment that assists in achievement of the Council's Strategic Priorities.

Capital Spending Plans

The capital spending plans for the next five years include the delivery of key capital schemes identified to support the delivery of Vision 2020, schemes identified as requiring investment in order to deliver revenue savings as part of the Towards Financial Sustainability Programme, schemes resulting from joint working with partners, and ongoing capital schemes, particularly the investment required in the property portfolio.

In addition to the approved schemes which form the GIP there are a number of key strategic schemes which have not yet been formally approved due to the stage of their development, i.e. the scheme is currently still at the design stage, or is still subject to final funding agreements etc. and as such do not appear in the current GIP. These schemes include the Western Growth Corridor and the Wholly Owned Housing Company. Each scheme will be submitted separately for approval and inclusion in the GIP once the relevant stage in their development has been reached.

The GIP 2018/19 – 2022/23 is included in Appendix 2.

The revenue implications of all capital schemes, including the corresponding reduction in investment income as a result of the application of capital resources, additional revenue running costs of any new assets and the cost of any prudential borrowing have been taken account of and included within the MTFS.

Spending Pressures

The Council's corporate property portfolio comprises over 116 operational properties and 80 investment properties with a combined asset value of £66.5 million.

The Council's current Asset Management Plan identifies the need for significant investment to ensure that its assets are properly maintained and safe for use. Additional resources have been allocated in previous Strategic Plans/MTFS, including works to income earning assets such as multi story car parks and City Hall. Although these have tackled the most urgent issues arising in those years there still remains a considerable legacy of outstanding investment required in the council's assets.

Allocation of the annual planned capitalised works budget (£200k p.a.) to specific assets will be determined by the structured approach being undertaken and will also be influenced by the outcomes of the review programme of all assets as part of the Towards Financial Sustainability Programme. Outcomes of this review being the

potential disposal/transfer of specific assets which may in turn relieve the Council on the ongoing repair liability.

Resources

The resources necessary to fund the Council's GIP are fully identified in the GIP Summary 2018-23 (Appendix 2).

The GIP has traditionally been predominantly reliant on the generation of capital receipts to fund the investment required to deliver the programme. In the long term, this is not sustainable and other sources of funding are regularly sought to fund capital expenditure.

As a result of government funding cuts, fewer external grants and contributions are available and those that are, are usually designated for specific schemes. Whilst the additional resources that external funding brings are clearly beneficial to local people, there is the danger that schemes funded may not be the Council's highest priorities and the Council must consider carefully whether it has the capacity, within its reduced resources, available to support such schemes. Additionally, following government funding cuts and the continued impact of the current economic climate, the increased pressure on the Council's revenue budget will result in a reduced ability to contribute significant amounts of revenue to support directly financed capital expenditure.

The MTFS and Capital Strategy must continue to both identify the priorities for external funding sources and actively pursue other funding solutions, such as prudential borrowing, and minimise the need for asset disposal and revenue contributions.

Capital Receipts

As part of the Towards Financial Sustainability Programme the Council is continuing to undertake a review of all of its land and property assets aimed at achieving the following:-

- a reduction in revenue costs,
- increased rental income,
- capital receipts,
- reduced repairs liabilities
- use of the assets for the Council's growth plans.

The GIP relies on capital receipts in the earlier years of the MTFS to fund part of the ongoing programme. The Council continues to take a number of mitigating actions to address the challenge of meeting targets for generation of capital receipts. These include;

- The MTFS 2018-23 has utilised £600k of available capital receipts to reduce the capital financing requirement in the GIP between 2018/19 and 2021/22.
- The capital receipts targets are reviewed annually to assess whether it is more cost effective to replace them with prudential borrowing (either in total or

on a temporary basis in lieu of receipts). It may be beneficial to replace capital receipt targets with borrowing if annual borrowing costs are less than rental income lost on asset sales.

- Any capital receipts realised over the MTFS above capital receipt targets will be considered for use under the following options:-
 1. reduction in level of assumed prudential borrowing
 2. investment in existing assets
 3. investment in new income generating assets
 4. reduction of future years capital receipts targets
 5. use for other strategic priorities
 6. used for income generating investments

Prudential Borrowing

The basic principle of the Prudential System is that local authorities are free to invest so long as their capital spending plans are affordable, prudent and sustainable. The Council will need to meet the whole of the capital financing costs associated with any level of extra borrowing through its revenue account. For every £1m of prudential borrowing undertaken by the Council for investment in long life assets, the annual revenue consequence arising is c£55k.

The MTFS includes an unsupported prudential borrowing requirement of £13.816m over the period 2018/19-2022/23.

The use of prudential borrowing will be as a funding mechanism for some key projects (following a full financial assessment) and may be used as a short-term measure to fund capital expenditure prior to a capital receipt being received, or to replace capital receipts funding (although likely at reduced levels) over the longer term. In such cases, the revenue costs of borrowing will be met from the contingency for the loss of income on asset sales or from savings within the General Fund. The cost effectiveness of prudential borrowing as an alternative to capital receipts is closely monitored.

Further details about the Council's borrowing requirements and the Prudential Indicators can be found in the Council's Treasury Management Strategy.

Capital Grants

The Council receives a number of external capital grants from a variety of sources which are either secured via a bidding process or are automatically allocated through government departments for specific purposes. Generally those capital schemes that are funded by these sources can only be progressed subject to the funding being secured.

Over the 5 year planning period of the MTFS £1.72m is expected to be received from external capital grants, which is largely for Disabled Facilities Grants (DFGs) (£1.5m) and the remainder (£0.22m) is for the Boutham Park restoration project, Telephony system and a skate park.

Projected Capital Resources

Resources to fund the General Investment Programme 2018/19-2022/23 are estimated to be approximately £16.209m, as follows:

	£'000
Capital Grants	1,870
Capital Receipts	350
Direct Revenue Financing	173
Prudential borrowing	13,816
TOTAL	16,209

General Fund Investment Programme Forecast

Based on the spending requirements and resource assumptions, Appendix 2 provides a summary five-year GIP for the Council.

Risks to the General Investment Programme

The Council has adopted a corporate approach to risk management and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Achievement of capital receipts targets
- Loss of anticipated external resources
- Increased project costs
- Unplanned emergency maintenance to Council's corporate properties

Appendix 5 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 5 – Housing Revenue Account (HRA)

The Housing Revenue Account shows all expenditure and income relating to the Council's responsibilities as landlord of dwellings and associated property. It is a 'ring-fenced' account within the Council's General Fund.

Housing Revenue Account Business Planning

HRA Self-financing was implemented from 1 April 2012 following a one-off settlement to the Treasury, in order to 'buy out' of the old subsidy system. The new system incentivised landlords to manage their assets well and yield efficiency savings. It was anticipated that there would be greater certainty about future income as councils were no longer subject to annual funding decisions by Central Government, enabling them to develop long-term plans, and to retain income for reinvestment. Council landlords were to have greater flexibility to manage their stock in the way that best suits local need with more opportunity for tenants to have a real say in setting priorities looking to the longer term.

Self-financing, however, also significantly increased risks from Central Government to local authorities, meaning that the Council:

- now bears the responsibility for the long term security and viability of council housing in Lincoln.
- has to fund all activity related to council housing, from the income generated from rents, through to long term business planning.
- is more exposed to changes in interest rates, high inflation and the financial impact of falling stock numbers
- still needs to factor in the impact of changes in government policy e.g. the impacts of the welfare reform on income recovery.

This places a greater emphasis on the need for long-term planning for the management, maintenance and investment in the housing service and housing stock.

The financial risks from self-financing were further increased by the Government in its Summer 2015 Budget when they significantly reduced the freedoms and flexibilities offered by the HRA self-financing system (while still retaining the same level of risks). A change in social rent policy removed the rent setting decision making away from local authorities with a 1% p.a. reduction in rents required over the next 4 years. This brought both significant costs to the HRA through loss of budgeted income and reduced the opportunities for investment and improvement for housing tenants.

The HRA Business Plan

A key element of the self-financing regime is for the Council to construct a 30 year Business Plan for the HRA. The Council's latest Housing Revenue Account Business Plan 2016-2046, was approved in February 2016 following a fundamental review of resources, investment requirements and priorities. The Business Plan

reflects the impact of government policy changes, the results of stock condition surveys and financial assumptions at the time. The Business plan sets out:

- the long term plans for the Council's housing stock
- the finances to deliver plans
- how the Council will manage the income from its stock, demand for housing and stock condition
- identifies resources for building new council dwellings.

Spending Plans

Spending plans included within the MTFS support the delivery of the Councils' strategic priorities and Vision 2020.

Spending Pressures

A high level review of the financial pressures facing the Council over the period of the MTFS has been undertaken. This information has been drawn from experience in previous years, the advice of Directors and Assistant Directors, the current economic climate and other local and national issues that are likely to influence the financial outcomes. The HRA faces a number of spending pressures, in line with the General Fund, primarily being pay and price inflation and additional pension costs, as well as a number of others specific to its service delivery.

Repairs and Maintenance

Repairs and maintenance is an essential part of the asset management of the Council's housing stock. Historically the repairs account has been under pressure to resource the required level of expenditure which, when benchmarked against other local authorities, has shown the cost of the Council's responsive repairs service to be relatively high.

Significant improvements have been made in the efficiency of the Housing Repairs Services (HRS), costs continue to be driven down through procurement activity and there is continued capital investment in existing and new housing stock. The combined impact of these is expected to be a reduction in the costs of repairs over the MTFS period.

Funding the Capital Programme

Under the HRA self-financing system the primary source of funding for capital investment in the Council's housing stock will be from the revenue account through asset depreciation charges and direct revenue financing (DRF), via the Major Repairs Reserve.

In the absence of supported borrowing allocations from the Government, the imposition of a debt cap and the limited availability of external funding, there is a reliance on the HRA to support the capital programme to the value of £60.1m over the 5-year MTFS period.

The HRA Business Plan identified significant capital investment in the housing stock and in the council house new build programme. Over the 5-year MTFS period this equates to £20.6m towards new builds, £40.2m investment in existing stock and a £1.5m land acquisition fund.

In November 2016 the DCLG announced a revision to the existing use-social housing discount adjustment factor for the East Midlands from 34% to 42%. As a direct result the value of the housing stock in the Council's Balance Sheet has increased and as a result the annual depreciation charge has increased. Within the HRA depreciation charges are allocated directly into the capital programme through the Major Repairs Reserve, whereas DRF contributions are additional contributions to the capital programme at the discretion of the Council to reflect the investment and funding needs of the capital programme. The result of the change in the discount adjustment factor has been to reduce flexibility within the HRA to adjust planned DRF contributions to reflect the demands of both the capital and revenue programme.

Revenue contributions to the capital programme currently assumed in the MTFS of £53.6m are the result of depreciation charges on council dwellings.

Interest payable

Upon rescheduling current borrowing it is anticipated that interest payable will decrease as rates available are more favourable than at the point that current borrowing was undertaken. This has been built into the MTFS.

Resources

Rents

The MTFS 2018/19 - 2022/23 incorporates the government's requirement for a 1% p.a. rent reduction between 2016/17 and 2019/20 (including the long term impact of the reduction in the base) and assumes that from 2020/21 rents will revert back to the previous Guidance on Rents for Social Housing and increase by CPI+1%. The MTFS 2018-23 has been prepared on this basis.

Rental income levels within the MTFS 2018-23 are based on a rephasing of the delivery profile for the new build programme to reflect the planned agreements with housing associations (enabling access to HCA grants) for the delivery of additional HRA properties. Although this has resulted in a shortfall in budgeted rents in 2017/18, this is recouped over the later years in the MTFS as rental units are delivered. In addition rental income at affordable rents (compared to social rents) has been included within the HRA in-line with the anticipated housing association delivery, resulting in additional income over the existing MTFS period.

Rental income budgets in current MTFS 2017-22 are based on an estimate of 35 Right to Buy (RTB) sales per year. However, experience in 2017/18 and expectations for subsequent years have increased the estimate of RTB's to 50 per year. The MTFS 2018-23 is based on 50 RTB's per year which has reduced rental income budgets by £546k over the existing MTFs period.

The Council proposes to set the rents for 2018/19 in line with the requirement to reduce rents by 1% for general purpose accommodation and also reduce sheltered accommodation by 1%. The average 52 week rent will be £68.81 per week for general purpose accommodation and £69.97 per week for sheltered accommodation. The table below shows the impact that the changes will have on tenants (general purpose accommodation).

	Impact on Tenancies	
	No.	%
Rent decrease between £0.01 and £0.59	467	6.1
Rent decrease between £0.60 and £0.69	3692	48.23
Rent decrease between £0.70 and £0.79	2706	35.35
Rent decrease between £0.80 and £0.99	789	10.31
Rent decrease is equal or greater than £1.00	1	0.01
TOTAL – as of 15 January 2018	7655	100%

Interest receivable

The HRA receives investment interest on the balances it holds (HRA balances are made up of General Balances, earmarked reserves and the Major Repairs Reserve). The MTFS 2018-23 includes interest income into the HRA based on the level of HRA balances assumed in the MTFS 2018-23.

Releasing Resources

The HRA Business plan 2016-46 identifies revenue resources to be released to support priority capital investment in council house new build, the Lincoln Standard and a land acquisition fund. At the current time there are no proposals for any further release of resources however, the Council will continue to seek to drive out inefficiencies in its operating costs and look to sustain/maximise its income streams. The strategy that the Council will continue to pursue will concentrate on the following key strands:

- Generation of new income streams and commercial opportunities, whilst ensuring that fair and appropriate charging regimes for services are implemented.
- Driving greater value from procurement and commissioning activity.
- Redesigning and modernising services to improve customer experience, maximise efficiencies and continue to make the business fit for purpose.

Housing Revenue Account Forecast

Appendix 3 provides a summary five-year Housing Revenue Account for the Council.

Risks to the Housing Revenue Account Budget

The Council has adopted a corporate approach to risk management and financial risk management which is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact that could yield additional resources, but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Risk of further government announcements limiting the flexibilities and freedoms offered by the HRA Self -Financing regime (including imposition of a levy for the sale high value voids)
- Changes to key assumptions within the MTFS e.g. inflation, interest rates etc.
- Efficient delivery of housing repairs
- Ability to release further revenue resources for investment and improvements
- The impacts of the Welfare Reform Act
- Financial and budget management issues
- Delivery of the Housing Association deals and receipt of anticipated additional income streams.

Appendix 5 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 6 - Housing Investment Programme

The Housing Investment Programme (HIP) covers all aspects of capital expenditure relating to the Council's landlord function. The Council's approach to determining and funding its investment programmes is set out in the Capital Strategy, Appendix 7, which explains the Council's financial framework for capital investment in support of its strategic priorities. The Capital Strategy for the HIP reflects the self-financing housing regime and details the 5 year capital programme.

Capital Spending Plans

The 5-year HIP has been drawn up to ensure that the Council meets its legal obligations as a landlord. The Council has already invested significant resources over recent years to achieve the Decent Homes Standard and now seeks to maintain an enhanced Lincoln Standard.

The 5-year housing programme comprises the following main areas of work:

- Maintenance of the Decent Homes and the Lincoln Standard
- Health & Safety Requirements – covers the work to meet statutory requirements, which are outside the Lincoln Programme, and includes communal lighting, asbestos removal and plastering
- New Build Programme remaining elements of the programme to deliver 458 new council dwellings within the HRA
- Land acquisition fund - land acquisition fund of which part is anticipated to be sold to partners to enhance the overall new build delivery numbers

The current HIP does not include capital investment in major redevelopment in Western Growth Corridor. City of Lincoln Council own a significant proportion of the land within the development area. The HRA will likely need to identify a level of resource within the HIP to support any potential development costs.

Resources

The resources necessary to fund the Council's HIP are provided by the following:

Major Repairs Reserve

The Major Repairs Reserve (MRR) is the main source of capital funding and the mechanism by which timing differences between resources becoming available and being applied are managed. The MRR may be used to fund capital expenditure and to repay existing debt. Depreciation is a real charge on the HRA and is paid into the MRR from the Housing Revenue Account to fund capital expenditure. The total support to the capital programme over the 5-year MTFS period through depreciation is £53.6m.

Revenue Contributions

The MTFS 18/19-22/23 includes £365k of direct revenue contributions over the five year period.

Capital Receipts

Housing capital receipts fall within the Governments pooling regime. Under these arrangements capital receipts from Right-to-Buy (RTB) sales are pooled until a pre-set limit for government share of the income generated has been achieved. Non-RTB sales primarily are excluded from the pooling arrangement and are now retained in full by the Council for use as the Council sees fit. Once the target for the government share of the RTB receipts has been reached, the Council may retain 100% of the receipts from any additional Right-to-Buy sales. These are subject to a formal retention agreement between the Council and the DCLG and must be used for replacement of the council housing sold, within an agreed timeframe.

The proceeds of dwelling sales under the Right-to-Buy scheme provide a regular source of capital receipts with the number of sales increasing in recent years. The MTFS 2017-22 assumes 50 sales per year from 2018/19 to 2022/23. However, this is a difficult area to predict accurately as it is affected by external factors, such as interest rates, property prices and Government initiatives aimed at further stimulating Right-to-Buy sales.

Prudential Borrowing

The Prudential Code allows the Council to take borrowing if it can demonstrate that such borrowing is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy). However, under the self-financing housing regime, the Government limits the amount of debt that can be supported from the HRA in each local authority. The figure is based on the self-financing valuation, this being the final debt settlement which for the Council is £66m. This restricts the HRA in its ability to maximise the opportunities provided by the Prudential Code.

The Capital Financing Requirement (CFR) is forecast to be £58.5m across the MTFS with no additional borrowing requirement included in the MTFS and no

allowance made for the repayment of existing debt. This gives £7.5m of borrowing headroom to support the capital programme across the MTFS.

Projected Capital Resources

Resources to finance the proposed £76.695m Housing Investment Programme 2018/19 – 2022/23, are currently estimated to be as follows:

	£000
Major Repairs Reserve (depreciation)	59,472
Major Repairs Reserve (DRF)	2,977
Capital Receipts (inc RTBs)	14,246
TOTAL	76,695

Housing Investment Programme Forecast

Based on the spending requirements and resource assumptions, Appendix 4 provides a summary five-year HIP for the Council.

Risks to the Housing Investment Programme

The Council has adopted a corporate approach to risk management and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Generation of sufficient revenue surpluses to resource required investment
- Achievement of capital receipts (including Right to Buy sales) targets, impacted on by the economic climate
- Future building costs
- Interest rate increases impacting on future borrowing costs

Appendix 5 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 7 – Reserves and Balances

The minimum prudent levels of reserves and balances that the Council should maintain are a matter of judgement. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council unless contributions are made from future years' revenue budgets. CIPFA guidance does not set a statutory minimum level but it is up to local authorities themselves, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be.

Some reserves and balances are essential for the prudent management of the Council's financial affairs. These will provide a working balance to cushion the impact of uneven cash flow, a contingency for the impact of unexpected events or emergencies and allow the creation of earmarked reserves to meet known liabilities. The consequences of not keeping a minimum level of reserves can be serious and is therefore one of the considerations taken into account when setting the MTFS.

The Council has a very proactive approach to managing risk and there are effective arrangements for financial control already in place. However, as a result of the changes to the core system of local government funding introduced in April 2013, which saw a move from an absolute funding level to one which is very sensitive to changes in the level of local business rates, the level of volatility and risk to the Council significantly increased to unprecedented levels, and will increase further as the Government implements its commitment to implementing 75% retained business rates by the end of the current parliament. Given the threat that this poses to the Council's financial position, and has already been experienced, and given the forthcoming changes as local government moves to a new era of self-sufficiency, the prudent minimum level of general reserves is now held at a level greater than previously.

The financial risks, in Appendix 5, have been identified and an assessment of the estimated exposure, likelihood and possible mitigation has been made in the context of the Council's overall approach to risk management and internal financial controls. This information has been used to determine the optimum level of reserve holdings needed to meet the requirements of a working balance and contingency. The conclusion of this risk assessment is that it is deemed prudent that General Fund reserves are maintained at around £1.5m - £2m, and that Housing Revenue Account reserves are maintained at around £1m - £1.5m, over the period of the MTFS.

The general reserves at the end of each year for 2018/19 to 2022/23 are summarised in the table below.

	2018/19 £000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
General Fund	1,898	1,972	1,623	1,523	1,521
Housing Revenue Account	1,023	1,049	1,141	1,224	1,176

The overall levels of General Fund and Housing Revenue Account balances in 2022/23 are in line with the prudently assessed minimum level of balances.

Earmarked reserves are sums specifically held to enable funds to be built up to meet known or predicted liabilities. A review of reserves and balances has been undertaken as part of the budget process and a schedule presenting the estimated closing balances at the end of each of the next five financial years is contained within Appendix 6.

The levels of reserves and balances recommended within this strategy are believed to be sufficient to meet all of the Council's obligations and have been based on a detailed risk assessment.

GENERAL FUND BUDGET SUMMARY 2018/19 - 2022/23

	2018/19 Original £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £
Chief Executive & Town Clerk	3,501,240	3,087,740	3,120,230	3,131,530	3,361,920
Communities & Environmental Services	4,267,050	4,031,110	3,970,320	3,887,580	3,941,460
Major Developments	417,910	427,230	437,350	445,190	468,340
Housing & Regeneration	619,870	628,570	633,010	636,210	638,730
Corporate	1,673,410	1,819,850	1,848,610	1,876,620	1,911,540
	10,479,480	9,994,500	10,009,520	9,977,130	10,321,990
Capital Accounting Adjustment	1,857,870	2,403,960	2,562,160	2,423,980	2,577,420
Base Requirement	12,337,350	12,398,460	12,571,680	12,401,110	12,899,410
Specific Grants	(1,005,910)	(867,450)	(789,220)	(538,000)	(617,050)
Contingencies	405,840	354,320	362,160	373,050	371,540
Savings Targets	(102,280)	(205,050)	(269,730)	(250,560)	(244,370)
Transfers to / (from) earmarked reserves	2,224,900	(125,080)	(214,930)	(118,810)	(169,010)
Transfers to / (from) insurance reserve	128,200	131,370	133,070	134,330	136,670
Total Budget	13,988,100	11,686,570	11,793,030	12,001,120	12,377,190
Use of Balances	288,360	74,540	(349,600)	(100,060)	(1,300)
Net Requirement	14,276,460	11,761,110	11,443,430	11,901,060	12,375,890
Business Rates	7,420,960	5,059,320	4,536,820	4,759,990	4,992,920
Business Rates Surplus	432,200	0	0	0	0
Revenue Support Grant	0	22,360	0	0	0
Council Tax	6,393,490	6,679,430	6,906,610	7,141,070	7,382,970
Council Tax Surplus	29,810	0	0	0	0
Total Resources	14,276,460	11,761,110	11,443,430	11,901,060	12,375,890
Balances b/f @ 1st April	1,609,364	1,897,724	1,972,264	1,622,664	1,522,604
Increase/(Decrease) in Balances	288,360	74,540	(349,600)	(100,060)	(1,300)
Balances c/f @ 31st March	1,897,724	1,972,264	1,622,664	1,522,604	1,521,304

GENERAL INVESTMENT PROGRAMME - 2018/19 to 2022/23

	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £
Expenditure Programme					
Chief Executives	12,178,480	200,000	200,000	200,000	200,000
DCE – Communities & Environment	994,720	300,000	300,000	300,000	300,000
DCE – Community Services	443,290	0	0	0	0
Schemes Under Review	592,350	0	0	0	0
Total Programme Expenditure	14,208,840	500,000	500,000	500,000	500,000
Capital Funding					
<i>Contributions from Revenue</i>					
Opening balance	172,740	0	0	0	0
Received in year	0	0	0	0	0
Used in financing	(172,740)	0	0	0	0
Closing balance	0	0	0	0	0
<i>Capital receipts</i>					
Opening balance	738,660	3,793,660	3,643,660	3,493,660	3,343,660
Received in year	3,555,000	0	0	0	0
Used in financing	(350,000)	0	0	0	0
Used to reduce the CFR	(150,000)	(150,000)	(150,000)	(150,000)	0
Closing balance	3,793,660	3,643,660	3,493,660	3,343,660	3,343,660
<i>Grants & contributions</i>					
Opening balance	158,420	8,420	8,420	8,420	8,420
Received in year	520,350	300,000	300,000	300,000	300,000
Used in financing	(670,350)	(300,000)	(300,000)	(300,000)	(300,000)
Closing balance	8,420	8,420	8,420	8,420	8,420
<i>Unsupported borrowing</i>					
Opening balance	0	0	0	0	0
Received in year	13,015,750	200,000	200,000	200,000	200,000
Used in financing	(13,015,750)	(200,000)	(200,000)	(200,000)	(200,000)
Closing balance	0	0	0	0	0
Total Capital Funding	(14,208,840)	(500,000)	(500,000)	(500,000)	(500,000)
Available Resources c/f	3,802,080	3,652,080	3,502,080	3,352,080	3,352,080

HOUSING REVENUE ACCOUNT SUMMARY 2018/19 - 2022/23

	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £
Income					
Gross Rental Income					
- Dwellings rents	(27,117,150)	(27,370,480)	(28,175,620)	(28,839,410)	(29,519,040)
- Non-Dwelling rents	(593,440)	(686,390)	(700,680)	(715,400)	(736,870)
Charges for Services & Facilities	(383,490)	(390,010)	(401,700)	(413,770)	(426,200)
Contributions towards Expenditure	(44,660)	(46,000)	(47,380)	(48,800)	(50,260)
Total Income	(28,138,740)	(28,492,880)	(29,325,380)	(30,017,380)	(30,732,370)
Expenditure					
Repairs Account					
Expenditure	8,297,950	8,759,720	8,957,980	9,107,540	9,358,890
Supervision & Management:	6,517,120	6,699,820	6,775,210	6,850,630	6,940,720
Contingencies	(10,250)	15,220	14,190	13,120	11,720
Rents, Rates and Other Premises	34,330	34,500	34,670	34,840	35,010
Insurance Claims					
Contingency	252,990	265,620	278,890	292,820	298,680
Depreciation of Fixed Assets	10,697,330	10,634,810	10,624,310	10,605,890	10,605,890
Debt Management Expenses	11,920	11,920	11,920	11,920	11,920
Increase in Bad Debt Provisions	289,960	287,760	297,120	304,880	311,880
Total Expenditure	26,091,350	26,709,370	26,994,290	27,221,640	27,574,710
Net cost of service	(2,047,390)	(1,783,510)	(2,331,090)	(2,795,740)	(3,157,660)
Loan Charges Interest	2,351,960	2,351,960	2,332,000	2,310,470	2,310,180
- Investment Interest	(31,240)	(32,100)	(37,590)	(49,240)	(58,940)
(Surplus)/deficit on HRA for the year	273,330	536,350	(36,680)	(534,510)	(906,420)
DRF used for Financing	0	0	0	500,00	1,000,000
Contribs to/(from) Reserves:					
- HRA Strategic growth					
- Insurance Reserve	(252,510)	(515,130)	(28,390)	(42,310)	(48,680)
- PI Survey	3,000	(6,000)	3,000	(6,000)	3,000
- Capital Fees Equalisation	(23,820)	(41,540)	(30,040)	0	0
(Surplus)/deficit in year	0	(26,320)	(92,110)	(82,820)	47,900
Balance b/f at 1 April	(1,023,099)	(1,023,099)	(1,049,419)	(1,141,529)	(1,224,349)
Balance c/f at 31 March	(1,023,099)	(1,049,419)	(1,141,529)	(1,224,349)	(1,176,449)

HOUSING INVESTMENT PROGRAMME (HIP)-2018/19 - 2022/23

	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £
Capital Programme					
Decent Homes	7,486,220	6,083,890	7,021,880	10,041,980	9,545,850
Health & Safety	701,190	677,040	708,520	782,800	843,890
New build programme	13,559,120	5,571,370	1,518,500	0	0
Land Acquisition Fund	1,520,210	0	0	0	0
Lincoln Standard	1,038,700	1,027,070	952,330	842,060	926,270
Other schemes	1,499,270	1,169,870	1,184,950	970,810	1,021,610
Total Programme Expenditure	25,804,710	14,529,240	11,386,180	12,637,650	12,337,620
Capital funding					
Major Repairs Reserve					
Opening balance	8,548,750	0	0	239,820	0
Depreciation received in year	10,710,210	10,710,210	10,710,210	10,710,210	10,710,210
Depreciation used in financing	(16,631,090)	(10,710,210)	(10,486,180)	(10,934,240)	(10,710,210)
DRF received in year	0	0	0	0	365,000
DRF used in financing	(2,612,080)	0	0	0	(365,000)
Closing balance	0	0	224,030	0	0
Capital receipts					
Opening balance	7,334,250	2,523,520	439,910	1,259,940	1,308,140
RTB's received in year	819,230	819,630	820,030	820,030	820,030
Used in financing	(5,661,540)	(2,919,030)	0	(803,410)	(362,410)
Closing balance	2,491,940	392,540	1,212,570	1,229,190	1,686,810
1-4-1 Receipts					
Opening balance	0	0	0	0	0
1-4-1's received in year	900,000	900,000	900,000	900,000	900,000
Used in financing	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Closing balance	0	0	0	0	0
Grants & contributions					
Opening balance	0	0	0	0	0
Grants & contributions received in year	0	0	0	0	0
Used in financing	0	0	0	0	0
Closing balance	0	0	0	0	0
Borrowing					
Opening balance	0	0	0	0	0
Borrowing taken in year	0	0	0	0	0
Used in financing	0	0	0	0	0
Closing balance	0	0	0	0	0
Total Capital funding	(25,804,710)	(14,529,240)	(11,386,180)	(12,637,650)	(12,337,620)
Available resources c/fwd	2,491,940	392,540	1,436,600	1,229,190	1,686,810

BUDGET RISK ASSESSMENT

No.	Budget Item	Risk	2018/19	2019/20	Containment
			Risk score	Risk Score	
1	Business Rates Base	<p>Reduction and/or fluctuations in income against budget variation in:</p> <ul style="list-style-type: none"> – Growth compared to forecasts – Changes in the NNDR base – Changes in rateable values (e.g. appeals, economic downturn, changes in use, 2017 revaluations) – Collection rates – Ongoing impact on the NNDR base of successful appeals – Estimates of appeals provision higher/lower than actually required – Changes nationally to the valuation assessments of certain property/infrastructure (e.g. gas pipelines) – Introduction of 75% retained Business Rates from 2020/21. – Reset of the Business Rates Retention system from 2020/21 	<p>Total Score: 12</p> <p>Likelihood: 3 Impact: 4</p>	<p>Total Score: 12</p> <p>Likelihood: 3 Impact: 4</p>	<ul style="list-style-type: none"> • In year monitoring of the NNDR base, Collection Fund, collection rates, growth assumptions and rateable value appeals. • Produce monthly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • A Business Rate Volatility Reserve is maintained to provide a degree of protection from fluctuations in Business Rate Income • Quarterly monitoring of the Lincs NNDR Pool by Lincs Finance Officers • Independent specialist assessment made of the required level of NNDR appeals provision • Specialist advice sought to assist in budgeting assumptions and assessment of implications of changes to the funding system • Discussions taking place nationally around a national pool for appeals provisions to remove the volatility experienced by individual councils. The Council will closely watch developments.

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
2	Capital Expenditure	<ul style="list-style-type: none"> Slippage in the project Increased project costs Failure of contractor i.e. contractor goes into liquidation Demand for improvement grants Sunk costs of aborted schemes Achieving levels of projected costs in the HRA Business plan 	Total Score: 12 Likelihood: 3 Impact: 4	Total Score: 12 Likelihood: 3 Impact: 4	<ul style="list-style-type: none"> Regular budget monitoring and reporting to Capital Programme Board and Housing Delivery Group Ensure correct project management procedures followed (Lincoln Model) Quarterly budget monitoring and reporting to Performance Scrutiny and the Executive Financial procedure rules are followed, including financially vetting of all contractors Use of collaborative contracts/framework agreements where possible e.g. EMPA Support from Procurement engaged at an early stage Carry out post implementation reviews Ensure risk assessments completed for all significant schemes before commencing Value engineering used to contain project costs

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
3	Income from Fees & Charges/ Rents: <ul style="list-style-type: none"> • Car Parking • Crematorium / Cemeteries • Development Control • Building Control • Land Charges • Control Centre • Lincoln Properties • Industrial Estates 	Reduction in the usage of the service/activity levels in the current economic climate and in response to actions undertaken by competitors. Impact of regeneration and development schemes in the City (e.g. Transport Hub) Increasing reliance on income within the MTFS	Total Score: 12 Likelihood: 4 Impact: 3	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> • Car parking strategy focussing on overall strategy for car parking provision. • Produce regular monitoring statements for major income sources which are reported to Performance Scrutiny and Executive committees quarterly • Identify reasons for any income reductions and take corrective action where possible • Application of Corporate Fees and Charges Policy to ensure correct charging policies are applied and the impacts are assessed • Report quarterly to Corporate Management Team, the Executive and Performance Scrutiny Committee on forecast for key income streams • Ongoing negotiations with developers on mitigation measures against the impacts of developments on the Council's income • Delegated powers to portfolio holder to make responsive changes to fees and charges

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
4	Housing Rents and Property Voids	<p>Government policy changes (e.g. 1% rent reduction, impacting on income projections</p> <p>Delays or non-delivery of the Housing Association deals and associated income at affordable rent levels.</p> <p>More Council House disposals than anticipated and/or slower than anticipated progress on the council house new build programme</p> <p>Void properties exceeding the allowance included in the budget (1% p.a.)</p> <p>CPI inflation less than budgeted rate (from 2020/21)– reducing rental income</p> <p>Impact of welfare reforms on rent collection – covered in risk no. 15</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<p>Total Score: 12</p> <p>Likelihood: 4 Impact: 3</p>	<ul style="list-style-type: none"> Produce regular budget monitoring reports Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee Directorate ongoing monitoring is a performance indicator Monthly monitoring of RPI and CPI index changes Make use of expert forecasts of future RPI and CPI trends and the impact on housing rents 30 year Business Plan to undergo a refresh. Monthly Housing Delivery Group meeting of cross directorate officers monitoring progress of New Build programme and capital & revenue funding

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
5	External Funding of Capital Programme	Loss of anticipated external resource to support the capital programme Including <ul style="list-style-type: none"> Changes to the allocation of grant funding for Disabled Facilities Grants (DFG) from the City Council to County Council, while the City Council retains statutory duty to provide services. 	Total Score: 9 Likelihood: 3 Impact: 3	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> Ensure grant conditions are complied with throughout scheme Seek alternative funding sources Produce regular grant monitoring statements Regular budget monitoring and reporting to Capital Programme Board Ongoing discussions with the County Council to ensure the provision of DFG's meet the Council's funding requirements.
6	Revenue Savings Targets	The required savings targets are not achieved nor required efficiencies delivered	Total Score: 2 Likelihood: 2 Impact: 1	Total Score: 12 Likelihood: 3 Impact: 4	<ul style="list-style-type: none"> The Council's strategy focuses on a three strand approach to realise the required savings in the revenue budgets with the primary focus on maximising income streams, and asset maximisation. Report monthly to Programme Team and Programme Board (CMT) and quarterly to Executive and Performance Scrutiny Committee
7	Loss of income from partners	Key partners end existing agreements with the Council	Total Score: 4 Likelihood: 2 Impact: 2	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> Ongoing discussions and negotiations with key partners by senior officers and members

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
8	Council Tax Base & Council Tax Support Scheme	<p>In year variations to budget not containable within Collection Fund balances</p> <p>Costs to Council increased due to:</p> <ul style="list-style-type: none"> – Actual CT base different to estimate – Collection rates/bad debt provisions – Increase in benefit caseload – Referendum rate of CT increases below budgeted rate 	<p>Total Score: 6</p> <p>Likelihood: 3 Impact: 2</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> • Monthly monitoring of the Collection Fund - collection rates, CT discount caseload, council tax base. • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Produce quarterly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • The proposed 2018/19 and 2019/20 Council Tax is below revised referendum limit of 3%. Future increases are below 2% in years 2020/21 to 2022/23. • Annual increases in Council Tax considered alongside national expected increases

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
9	Demand for services	<p>Impact of Government policy changes to the tax and welfare systems and the implications of unprecedented reductions in public sector expenditure increases the demand for key Council Services (e.g. benefits, housing, homelessness)</p> <p>The increase in property numbers and development of the City Centre results in additional cost pressures within the Services that have not been built into the budget</p> <p>Increasing demands for housing tenant support as other providers withdraw services</p>	<p>Total Score: 6</p> <p>Likelihood: 2 Impact: 3</p>	<p>Total Score: 6</p> <p>Likelihood: 2 Impact: 3</p>	<ul style="list-style-type: none"> • Identification and drawdown of additional funding made available from Government and others to support additional demand • Lean systems approach taken to identify efficiencies in service delivery (e.g. benefits service) • Collaboration and joint working arrangement opportunities identified with local partners to help meet additional service demands • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee
10	HRA Repairs and Maintenance Costs	<p>Assumed reductions in repairs and maintenance costs as a result of continued investment in the Council Housing Stock do not materialise</p> <p>The Housing Repairs Service (HRS) does not continue to modernise and achieve efficiencies</p>	<p>Total Score: 6</p> <p>Likelihood: 2 Impact: 3</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> • Council housing capital investment is carried out • Produce regular budget monitoring reports and HRA revenue and capital budgets reported and monitored together • Report quarterly to Departmental Management Team, Corporate Management Team, Executive and Performance Scrutiny Committee • Results of recent stock condition surveys informing future maintenance requirements

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
11	Repairs & Maintenance on Corporate Properties	Unplanned emergency maintenance is required on the Council's Corporate Properties Impact of works on income and service delivery	Total Score: 9 Likelihood: 3 Impact: 3	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> • Stock condition surveys for all corporate properties have been undertaken – essential being progressed • Comprehensive asset management planning in place (including identifying assets with large repairs and maintenance liabilities for disposal) • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Properties with large maintenance liabilities are reviewed for potential disposal • Major Transport Hub scheme allows for full midlife refurb on newly created assets
12	Sundry Debtors and Housing Benefit Overpayments	The Council's existing Bad Debt provision proves insufficient to meet any increase in the value of debts written off Impact of Welfare Reform Act (see risk no. 15)	Total Score: 9 Likelihood: 3 Impact: 3	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> • Follow established debt recovery and write off procedures • Monitor age debt profile of debts against bad debt provision

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
13	Capital Financing - Long Term Borrowing	Balances unavailable for internal borrowing External borrowing costs above interest rates in MTFS	Total Score: 9 Likelihood: 3 Impact: 3	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> Continue to monitor the cost effectiveness of issuing internal balances instead of taking external borrowing Actively monitor the achievement of the capital receipts target and potential additional borrowing requirement Actively monitor the cost effectiveness of asset disposals compared to Prudential Borrowing Ongoing monitoring of cashflows from Business rates Regular review of current and future predicted borrowing rates to inform timing of borrowing decisions Actively monitoring the cash flow on a daily basis
14	Government Grants (including RSG and New Homes Bonus)	Cash reductions in Government Grant which are in excess of the levels assumed in the MTFS The Council is unable to sustain sufficient levels of growth and future levels of Formula Grant are reduced Amount and timing of receipt of some grants not as assumed in the MTFS	Total Score: 9 Likelihood: 3 Impact: 3	Total Score: 12 Likelihood: 3 Impact: 4	<ul style="list-style-type: none"> Regular review and reporting of new home figures The Council will seek to realise the benefits of the financial incentives available Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee Regular review of grant figures and distribution mechanisms. Lobby through national groups, respond to national consultations Work with Association of Lincolnshire Finance Officers and the Society of District Treasures Work with external funding specialists to identify and assess the impact of proposed funding changes (e.g. New Homes Bonus)

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
15	Universal Credit and Welfare Reforms	Impact of Universal Credit and welfare reforms on rent and council tax collection rates	Total Score: 9 Likelihood: 3 Impact: 3	Total Score: 12 Likelihood: 3 Impact: 4	<ul style="list-style-type: none"> Respond to all Government consultations Fully assess Government policies for financial impacts An allowance for the impact of welfare reform built into collection rates and bad debt provision in the MTFS The impact of the spare room subsidy on rent collection rates is closely monitored and reported to the Housing Service Management Team and quarterly to Corporate Management team, the Executive and Performance Scrutiny Committee
16	Capital Funding	<p>Shortfall in the actual amount of Capital Receipts (i.e. Council House Sales, other HRA assets, GF assets) against the targets set within the HIP & GIP</p> <p>Revenue contributions are not sustainable in the revenue accounts of the HRA or General Fund</p> <p>Increase in borrowing costs (covered in separate risk – see no.13 & no. 20)</p> <p>Reductions in grant funding (covered in separate risk – see no. 5)</p>	Total Score: 3 Likelihood: 2 Impact: 1	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> Undertake regular monitoring of the capital receipts position Regular reports submitted to the Asset Management Group Capital Receipts targets incorporated in the Asset Management Plan & Capital Strategy Property Section fully informed of current targets within the GIP & HIP Asset Review Group monitoring of capital receipts target and evaluation of potential asset sales Review of the most cost effective funding options (e.g. capital receipts compared to prudential borrowing) Monitor and report on the revenue and capital budgets together to ensure both capital and revenue impacts are identified HRA Business plan includes allowance for full funding of capital requirements over 30 years, including revenue contributions. Full refresh of the plan undertaken at least annually.

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
17	Housing Benefits/Subsidy	<p>Increase in payments that do not attract 100% subsidy i.e. overpayments and local authority errors</p> <p>Failure to comply with complex legislative requirements</p> <p>Lack of audit trail to substantiate grant claim</p> <p>Backlog of work</p> <p>Pressures from customer demands and complex enquiries due to welfare changes</p>	<p>Total Score: 3</p> <p>Likelihood: 2 Impact: 1</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> Regular monitoring of claims being processed Undertake staff training and sample accuracy checks Ensure system back ups are carried out and historic information is recoverable Implementation of new systems, processes and structures following Lean Systems Intervention

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
18	General Budget Assumptions	<p>CPI and RPI inflation exceed rates assumed in the budget</p> <p>Actual establishment exceeds 99%</p> <p>Increase in employer pension contribution rates following triennial valuation in 2019</p>	<p>Total Score: 3</p> <p>Likelihood: 2 Impact: 1</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> • Set prudent but realistic projections based on analysis of economic commentators and Bank of England predictions • Monthly monitoring of RPI and CPI index changes • Make use of expert forecasts of future RPI and CPI trends • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Set a prudent but realistic estimate in line with Government announcements • Monitor significant changes in economic indicators • Monitor the pension fund position through discussions with Lincolnshire County Council and Lincolnshire Finance Officers • Report any changes to Members as soon as officers become aware • Pension Fund Stabilisation Approach adopted

Appendix 5

No.	Budget Item	Risk	2018/19	2019/20	Containment
19	Cashflow Management (Investments and short term borrowing)	<p>Available cash flow surpluses less than anticipated and/or interest rates lower than forecast</p> <p>Reduction in cash flow results in deficits and/or rising interest rates</p> <p>Impact of localisation of Business Rate income on cash balances</p>	<p>Total Score: 3</p> <p>Likelihood: 3 Impact: 1</p>	<p>Total Score: 6</p> <p>Likelihood: 3 Impact: 2</p>	<ul style="list-style-type: none"> • Monitor the average interest rate being achieved against the budget target and the level of balances available for investment • Actively monitoring the cash flow on a daily basis • Ongoing monitoring of cashflows from Business rates • Quarterly monitoring of Collection Fund forecast balances • Take account of economic analysts and Bank of England predictions and advice from Treasury Management Consultants • Hold regular Treasury Management meetings • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

GENERAL FUND EARMARKED RESERVES FORECAST 2017/18 to 2022/23

Description	Forecast Balance 31.03.18	Forecast Balance 31.03.19	Forecast Balance 31.03.20	Forecast Balance 31.03.21	Forecast Balance 31.03.22	Forecast Balance 31.03.23
	£	£	£	£	£	£
Business Rates Volatility	538,780	1,456,140	1,401,070	1,284,240	1,098,100	838,790
Strategic Projects - revenue costs	496,120	303,090	303,090	183,090	183,090	183,090
Grants & Contributions	428,300	384,140	339,330	293,870	247,740	200,920
Invest to Save (GF)	419,810	556,850	572,420	587,470	602,920	603,490
Mercury Abatement	377,750	413,560	371,290	317,170	264,890	214,440
Backdated Rent Review	220,000	220,000	220,000	220,000	220,000	220,000
IT Reserve	217,370	265,680	330,460	394,950	459,140	559,140
Tree Risk Assessment	116,420	136,420	156,420	176,420	196,420	216,420
Revenues & Benefits shared service	112,770	67,550	22,330	22,330	22,330	22,330
Carry Forwards	104,100	104,100	104,100	104,100	104,100	104,100
Asset Improvement	89,650	89,650	89,650	89,650	89,650	89,650
Funding for Strategic Priorities	71,110	1,397,960	1,397,960	1,397,960	1,397,960	1,397,960
Private Sector Stock Condition Survey	63,460	75,460	27,460	39,460	51,460	63,460
MA Reserve	51,320	51,320	51,320	51,320	51,320	51,320
Mayoral car	47,100	47,100	47,100	47,100	47,100	47,100
Property Searches	36,450	36,450	36,450	36,450	36,450	36,450
Managed Workspace	35,000	35,000	35,000	35,000	35,000	35,000
County Wide Broadband Initiative	34,000	34,000	34,000	34,000	34,000	34,000
Christmas Market	25,000	25,000	25,000	25,000	25,000	25,000
Electric Van replacement	22,150	26,580	31,010	35,440	39,870	44,300
Air Quality Initiatives	22,040	27,550	33,060	38,570	44,080	49,590
Christmas Decorations	17,240	17,240	17,240	17,240	17,240	17,240
Section 106 interest	13,980	13,980	13,980	13,980	13,980	13,980
Boston Audit Contract	13,800	13,800	13,800	13,800	13,800	13,800
Commons Parking	13,580	13,580	13,580	13,580	13,580	13,580
Tank Memorial	10,000	10,000	10,000	10,000	10,000	10,000
Organisational Development	8,460	8,460	8,460	8,460	8,460	8,460
Yarborough Leisure Centre	1,670	1,670	1,670	1,670	1,670	1,670
Unused DRF	690	690	690	690	690	690
Sinking Fund - MSCP & Bus station midlife refurb	0	0	0	0	44,160	89,210
TOTAL GENERAL FUND	3,608,120	5,833,020	5,707,940	5,493,010	5,374,200	5,205,180

HOUSING REVENUE ACCOUNT EARMARKED RESERVES FORECAST 2018/19 to 2022/23

Description	Forecast Balance 31.03.18	Forecast Balance 31.03.19	Forecast Balance 31.03.20	Forecast Balance 31.03.21	Forecast Balance 31.03.22	Forecast Balance 31.03.23
	£	£	£	£	£	£
Repairs Account	512,060	512,060	512,060	512,060	512,060	512,060
Capital Fees Equalisation Reserve	327,240	303,420	261,880	231,840	231,840	231,840
Strategic Priority Reserve	240,000	240,000	240,000	240,000	240,000	240,000
Invest to Save (HRA)	163,560	163,560	163,560	163,560	163,560	163,560
De Wint Court Reserve	73,480	73,480	73,480	73,480	73,480	73,480
PI Survey	48,220	51,220	45,220	48,220	42,220	45,220
Stock Condition Survey (HRA)	22,340	22,340	22,340	22,340	22,340	22,340
TOTAL HOUSING REVENUE ACCOUNT	1,386,900	1,366,080	1,318,540	1,291,500	1,285,500	1,288,500

Capital Strategy – 2018/19 to 2022/23

Introduction

This Capital Strategy details how the Council deploys and will subsequently manage its capital resources thereby explaining the Council's financial framework for capital investment in support of its strategic priorities and Vision 2020. The strategy sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to the risk and reward and impact on the achievement of priority outcomes. The Capital Strategy links to and supports the Strategic Plan and the Asset Management Plan.

This strategy covers all aspects of the Council's capital expenditure, resourced both directly by the Council and where resources have been attracted through external funding opportunities.

The Council's capital programme consists of two elements:

- The General Investment Programme (GIP) with a budget for 2018-23 of £16.209m
- The Housing Investment Programme (HIP) with a budget for 2018-23 of £76.695m

Details of both are shown in Appendices 2 and 4 of the MTFS respectively

Both are accounted for separately, but the schemes making up the two programmes are subject to the same scrutiny and monitoring arrangements to ensure their effective delivery.

Purpose and Objectives

The overall purpose of the Capital Strategy is to ensure that all capital investment undertaken is in accordance with the Council's strategic priorities and Vision 2020.

This Capital Strategy seeks to achieve a number of specific objectives:

- Ensure that capital expenditure supports a defined priority of the Council
- Ensure that the Capital Programme is realistic, affordable and well managed to avoid project over-runs and expensive claims beyond the budgeted scheme value, demonstrates stewardship, prudence and sustainability
- Rationalise asset holdings using disposal as a source of financing where appropriate and invest appropriately in invest to save schemes
- Ensure that any on-going revenue cost implications are understood and accounted for and wherever possible, capital investment is focussed on areas that yield on-going revenue savings.

Policy and Financial Planning Framework

The Council's capital programme and its subsequent revenue implications form part of the MTFS and as such, is one of a suite of plans and strategies that sit within the Council's Policy and Financial Planning Framework. Linkages with other key strategies and plans are identified below:

Asset Management Plan

The Capital Strategy and the Asset Management Plan run alongside each other and have a number of key linkages. These include capital receipts and asset disposal programmes, maintaining, improving and deploying the Council's buildings to support delivery of services and potential loss of income from asset sales.

The MTFS includes capital receipts targets (capital monies received from the sale of council land and property) for both the General Investment Programme and the Housing Investment Programme, which are then incorporated into the Asset Management Plan. The Property Services Team keeps under review the need for asset disposal and acquisition to meet strategic priorities and this is monitored by the Asset Management Group (a sub-group of the Executive). All proposed property disposals are reported to and agreed by the AMG or the Executive.

Housing Business Plan

Under the self-financing housing system the Business Plan provided the overall vision for the HRA and housing stock over a 30 year period. This includes the continued retention of the housing stock, ensuring it is maintained to the Lincoln Standard, identification of tenants' priorities for regeneration/redevelopment, and investment in new builds. The Housing Investment Programme represents the detailed delivery of the HRA Business Plan over the next 5 years. Further borrowing for investment in the HRA is not anticipated – there is a debt cap of £66.017m imposed following the introduction of the self-financing regime with current levels of borrowing at £58.113m.

Financing the Capital Programmes

The resources necessary to fund the Council's Investment Programmes come from a variety of sources:

- Capital Receipts – from the sale of Council assets
- Use of Council's own resources – depreciation, contributions from revenue and use of reserves
- Capital Grants and Contributions
- Prudential Borrowing – borrowing that is affordable, sustainable and prudent and in accordance with approved limits as detailed in the Treasury Management Strategy

The Council's capital programme is projected for a five-year period and is approved by full Council each year. It is monitored throughout the year by the Capital Programme Board,

the Housing Delivery Group, Performance Scrutiny Committee and the Executive. The Capital Programme Board and the Executive have varying levels of authority to approve changes to the programme during the year. A distinction is made between the General Fund schemes (GIP) and Housing Revenue Account schemes (HIP), although both are subject to the same degree of scrutiny and approval mechanisms.

Capital Prioritisation

In an environment of financial constraints and competing pressures on the Council it is important that the Council adheres to its methodology for prioritising potential projects and schemes. The methodology is based on both corporate and service based priorities. As well as considering capital costs and funding, attention is also focussed on the revenue implications of any capital expenditure to ensure the Council will not inherit a legacy of increased revenue costs. Therefore, only whole life costs are considered when evaluating potential capital projects including the costs of MRP and borrowing costs.

The process for gaining approval for a capital project is as follows. A project brief is submitted to the Programme Board i.e. the Capital Programme Board for evaluation against an agreed set of criteria, including how well the proposal meets the strategic priorities and budget priorities, whether partnership working and external resources are available and the operational feasibility. If outline approval is granted by the Capital Programme Board, the project brief is submitted to the Corporate Management Team (CMT) and then Executive for approval. This is as detailed in the Lincoln Project Management Model, which provides the approved guidance for the initiation, approval and management of all projects.

Knowledge and Skills

The Council's Capital Strategy is reviewed annually and compiled by the Chief Finance Officer, an experienced and qualified accountant. External advice is available from the Council's Treasury Management advisors (Link Asset Services) who offer a range of services in relation to borrowing advice, leasing and capital investment options. Additional specialist tax advice in respect of tax implications for property transactions is available from external suppliers of this service. The council has an in-house legal team and additional specialist legal support is available from external sources.

Conclusion

The Council's Capital Strategy is a 'live' document, which provides a framework for the deployment and management of capital resources across the organisation in accordance with corporate priorities. It is, therefore, the framework for capital investment across the Council. The Strategy will be reviewed annually, to ensure it is kept up to date and is relevant and effective.

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **GUILDHALL (excl LEASE OR TENDER) , CITY HALL & COMMITTEE ADMIN (CX)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
GUILDHALL				
ROOM HIRE:				
Guildhall Room Hire Fee	125.00	130.00	200.00	
CITY HALL				
ROOM HIRE:				
Charities & organisations with Council representation (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	30.00	31.00	32.00	inc VAT
- City Hall (Small Committee rooms, 3 and 4)	20.00	21.00	22.00	inc VAT
Lincs non-profit making organisations (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	50.00	52.00	54.00	inc VAT
- City Hall (Small Committee rooms, 3 and 4)	30.00	31.00	32.00	inc VAT
Other users including Government and Court use (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	120.00	124.00	128.00	inc VAT
- City Hall (Small Committee rooms, 3 and 4)	80.00	83.00	85.50	inc VAT
Supplement for evening use	10%	20%	20%	
Drinks (per delegate per half day)		2.00	2.00	inc VAT
Cancellation Fee			10.00	
COMMITTEE SERVICES				
- Inspecting lists of background papers relating to committee reports	3.00	3.10	3.20	inc VAT
- Supplying a copy of or extract from a document (excluding site plans or planning decision notices) (plus postage)	7.00	7.20	7.40	inc VAT
- Council Summons (per year) (Incl postage & packing)	175.00	180.30	185.60	

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **REPRESENTATION OF PEOPLES ACT (CX)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
ELECTORAL SERVICES				
STATUTORY:				
Public Sales				
- Sale of Electoral Register per 1000 names, or part (plus postage & packing)				
Paper copy				
- initial fee	10.00	10.00	10.00	
- per 1000 names, or part	5.00	5.00	5.00	
Disk				
- initial fee	20.00	20.00	20.00	
- per 1000 names, or part	1.50	1.50	1.50	
Labels				
- per 1000 names, or part (plus stationery)	25.00	25.00	25.00	
- Inspection of Parliamentary Election Candidate's Expenses	1.50	1.50	1.50	
- Copies of Candidate's Expenses (per side)	0.15	0.15	0.15	
NON-STATUTORY:				
- Index to Register of Electors	19.00	19.60	20.20	
- Confirmation of name on Register of Electors	27.00	27.80	28.60	
- Postage & Packing of Register of Electors	20.00	20.60	21.20	
- Hire of Ballot Boxes	8.00	8.20	8.50	inc VAT

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **LICENSING (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
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Please Note on All Licensing Fees and Charges for any Cheques that bounce there will be a £10.00 Charge Incurred

HACKNEY CARRIAGES

- Vehicle Licence/Renewal (one year)	131.00	140.00	133.00
- Plates Deposit (refundable)	13.00	13.00	13.00
- Replacement Plate(s)	16.00	16.00	16.00
- Test Certificate admin fee	11.00	11.00	15.00
- Change of Vehicle/HV/Reg	51.00	52.00	60.00
- Change of Owner (Previously in above)	36.00	36.00	43.00
- Driver Licence (one year)	106.00	128.00	130.00
- Driver Licence (three year)	268.00	267.00	208.00
- Drivers Knowledge Test	28.00	28.00	37.00
- DBS check (enhanced)	44.00	44.00	44.00
- DBS check (standard)	26.00	26.00	26.00
- DVLA Check	6.00	6.00	6.00
- Badge Deposit (refundable)	6.00	6.00	6.00
- Badge Replacement (previously in above)	8.00	8.00	8.00

PRIVATE HIRE

- Vehicle Licence/Renewal (one year)	100.00	102.00	95.00
- Plates Deposit (refundable)	13.00	13.00	13.00
- Replacement Plate(s)	16.00	16.00	16.00
- Test Certificate admin fee	11.00	11.00	15.00
- Change of Vehicle/Operator/HV/Reg	51.00	52.00	60.00
- Change of Owner (Previously in above)	36.00	36.00	43.00
- Driver Licence (one year)	78.00	81.00	79.00
- Driver Licence (three year)	168.00	162.00	157.00
- Drivers Knowledge Test	28.00	28.00	37.00
- DBS check (enhanced)	44.00	44.00	44.00
- DBS check (standard)	26.00	26.00	26.00
- DVLA Check	6.00	6.00	6.00
- Badge Deposit (refundable)	6.00	6.00	6.00
- Badge Replacement (previously in above)	8.00	8.00	8.00
- Operators Licence (five years) 10 Vehicles or More	845.00	828.00	836.00
- Operators Licence (five years) less than 10 Vehicles	311.00	301.00	261.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : LICENSING (DCE)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
LICENCES AND CERTIFICATES			
Riding Establishment	68.00	68.00	75.00
Dangerous Wild Animals	373.00	362.00	390.00
Dangerous Wild Animals Renewal	127.00	126.00	139.00
Animal Boarding Establishment	68.00	68.00	75.00
Breeding of Dogs/Renewal	68.00	68.00	75.00
Horse Registration Fee	49.00	49.00	53.00
Sex Establishment	548.00	548.00	-
Sex Establishment New Licence Application Fee			422.00
Sex Establishment New Licence Issue Fee			160.00
Sex Establishment Renewal	302.00	302.00	-
Sex Establishment Renewal Application Fee			171.00
Sex Establishment Renewal Issue Fee			150.00
Sex Establishment Transfer Applications	305.00	305.00	-
Sex Establishment Transfer Application Fee			294.00
Sex Establishment Transfer Issue Fee			150.00
Sex Establishment Variation	305.00	305.00	315.00

STREET TRADING

Street Trading Consent - Initial Application			
- Initial Administration Fee	266.00	274.00	272.00
- Initial Annual Consent Fee	10.00	20.00	22.00
Renewal Consent Fee			
- Renewable Annual Administration Fee	19.00	19.00	21.00
- Renewable Annual Consent Fee	10.00	20.00	22.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : LICENSING (DCE)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
LICENCES AND CERTIFICATES			
Scrap Metal Dealers & Motor Salvage Operators			
New Application	776.00	822.00	924.00
Site Renewal		687.70	777.00
Additional Site	432.00	432.00	-
Collectors Licence	180.00	180.00	203.00
Variations			
- Add New Site Manager (Existing within LA area)	10.50	10.50	10.50
- Add New Site Manager (Not Existing within LA area)	69.00	69.00	69.00
- Remove Site Manager (Existing within LA area)	10.50	10.50	10.50
- Duplicate Licence	10.50	10.50	10.50
- Change of Trading Name	10.50	10.50	10.50
Remove a Site			
- Refund In Year 1**	263.00	227.20	252.00
- Refund In Year 2**	119.00	101.00	113.00
- In Year 3	10.50	15.00	15.00
Add a Site			
- In Year 1	442.00	442.00	417.00
- In Year 2	299.00	299.00	278.00
- In Year 3	155.00	155.00	140.00
Collectors Licence to Site Licence			
- In Year 1	615.00	619.00	702.00
- In Year 2	507.00	532.00	606.00
- In Year 3	399.00	444.00	509.00
Site Licence to Collectors Licence			
- Refund In Year 1**	255.00	48.60	49.00
- Refund In Year 2**	111.00	78.00	90.00
- In Year 3	10.50	78.00	203.00
Surrender Collectors Licence			
- Refund In Year 1**			85.00
- Refund In Year 2**			43.00
- In Year 3**			-
** This is a Refund			

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
LICENCES AND CERTIFICATES			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £0 - £4,300	100.00	100.00	100.00
- NDRV £4,301 - £33,000	190.00	190.00	190.00
- NDRV £33,001 - £87,000	315.00	315.00	315.00
- NDRV £87,001 - £125,000	450.00	450.00	450.00
- NDRV £125,001 and over	635.00	635.00	635.00
Premises Licence - Annual			
- NDRV £0 - £4,300	70.00	70.00	70.00
- NDRV £4,301 - £33,000	180.00	180.00	180.00
- NDRV £33,001 - £87,000	295.00	295.00	295.00
- NDRV £87,001 - £125,000	320.00	320.00	320.00
- NDRV £125,001 and over	350.00	350.00	350.00
Premises Licence - Variation Fee in Transition			
- NDRV £0 - £4,300	20.00	20.00	20.00
- NDRV £4,301 - £33,000	60.00	60.00	60.00
- NDRV £33,001 - £87,000	80.00	80.00	80.00
- NDRV £87,001 - £125,000	100.00	100.00	100.00
- NDRV £125,001 and over	120.00	120.00	120.00
For premises used exclusively or primarily in the business of selling alcohol for consumption on the premises and within bands D & E - the following multiplier applies - Band D x 2, Band E x 3			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £87,001 - £125,000	900.00	900.00	900.00
- NDRV £125,001 and over	1,905.00	1,905.00	1,905.00
Premises Licence - Annual			
- NDRV £87,001 - £125,000	640.00	640.00	640.00
- NDRV £125,001 and over	1,050.00	1,050.00	1,050.00
Club Premises Certificates -Grant/Variation (Not change of name, alteration of club rules or registered address)			
- NDRV £0 - £4,300	100.00	100.00	100.00
- NDRV £4,301 - £33,000	190.00	190.00	190.00
- NDRV £33,001 - £87,000	315.00	315.00	315.00
- NDRV £87,001 - £125,000	450.00	450.00	450.00
- NDRV £125,001 and over	635.00	635.00	635.00
Club Premises Certificates - Annual			
- NDRV £0 - £4,300	70.00	70.00	70.00
- NDRV £4,301 - £33,000	180.00	180.00	180.00
- NDRV £33,001 - £87,000	295.00	295.00	295.00
- NDRV £87,001 - £125,000	320.00	320.00	320.00
- NDRV £125,001 and over	350.00	350.00	350.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : LICENSING (DCE)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
LICENCES AND CERTIFICATES			
Copy of Licence/Certificate/Notice or Summary on theft or loss of:			
- Premises Licence or Summary	10.50	10.50	10.50
- Club Premises Certificate or Summary	10.50	10.50	10.50
- Personal Licence	10.50	10.50	10.50
- Temporary Events Notice	10.50	10.50	10.50
Change of name or address			
- Holder of Premises Licence	10.50	10.50	10.50
- Personal Licence	10.50	10.50	10.50
Change of name or alteration to club rules	10.50	10.50	10.50
Change of relevant registered address of club	10.50	10.50	10.50
Vary specific individual as premises supervisor	23.00	23.00	23.00
Transfer Premises Licence	23.00	23.00	23.00
Interim Authority Notice	23.00	23.00	23.00
Provisional Statement	315.00	315.00	315.00
Temporary Events Notice	21.00	21.00	21.00
Personal Licences			
- Grant/Renewal	37.00	37.00	37.00
Minor Variation of a Premises Licence/Club Premises Certificate	89.00	89.00	89.00
Notification of Interest			21.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : LICENSING (DCE)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
GAMBLING ACT - PERMIT FEES			
FEC Gaming Machine -			
- Application Fee	300.00	300.00	300.00
- Renewal Fee	300.00	300.00	300.00
Prize Gaming -			
- Application Fee	300.00	300.00	300.00
- Renewal Fee	300.00	300.00	300.00
Alcohol Licences Premises -			
Notification of less than 2 Machines			
- Application Fee	50.00	50.00	50.00
Alcohol Licences Premises -			
More than 2 Machines			
- Application Fee	150.00	150.00	150.00
- Annual Fee	50.00	50.00	50.00
- Transitional Application Fee	100.00	100.00	100.00
Club Gaming Permit -			
- Application Fee	200.00	200.00	200.00
- Annual Fee	50.00	50.00	50.00
- Renewal Fee	200.00	200.00	200.00
- Transitional Application Fee	100.00	100.00	100.00
Club Gaming Machine Permit -			
- Application Fee	200.00	200.00	200.00
- Annual Fee	50.00	50.00	50.00
- Renewal Fee	200.00	200.00	200.00
- Transitional Application Fee	100.00	100.00	100.00
Club Fast-track for Gaming Permit or			
Gaming Machine Permit -			
- Application Fee	100.00	100.00	100.00
- Annual Fee	50.00	50.00	50.00
- Renewal Fee	100.00	100.00	100.00
- Transitional Application Fee			
Small Society Lottery Registration -			
- Application Fee	40.00	40.00	40.00
- Annual Fee	20.00	20.00	20.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
GAMBLING ACT - PERMIT FEES cont.			
FEC Permits -			
- Change of Name	25.00	25.00	25.00
- Copy of Permit	15.00	15.00	15.00
Prize Gaming Permits -			
- Change of Name	25.00	25.00	25.00
- Copy of Permit	15.00	15.00	15.00
Alcohol Licences Premises - Notification of More than 2 Machines -			
- Change of Name	25.00	25.00	25.00
- Copy of permit	15.00	15.00	15.00
- Variation	100.00	100.00	100.00
- Transfer	25.00	25.00	25.00
Club Gaming Permit -			
- Copy of Permit	15.00	15.00	15.00
- Variation	100.00	100.00	100.00
Club Gaming Machine Permit			
- Copy of Permit	15.00	15.00	15.00
- Variation	100.00	100.00	100.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : LICENSING (DCE)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
GAMBLING ACT - APPLICATION FEES			
Classes of Premises Licence -			
Regional Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	8,000.00	8,000.00	8,000.00
- Fee in respect of other premises	15,000.00	15,000.00	15,000.00
- Annual Fee	15,000.00	15,000.00	15,000.00
- Application to vary licence	7,500.00	7,500.00	7,500.00
- Application to transfer a licence	6,500.00	6,500.00	6,500.00
- Application for reinstatement of a licence	6,500.00	6,500.00	6,500.00
- Application for provisional statement	15,000.00	15,000.00	15,000.00
Large Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	5,000.00	5,000.00	5,000.00
- Fee in respect of other premises	10,000.00	10,000.00	10,000.00
- Annual Fee	10,000.00	10,000.00	10,000.00
- Application to vary licence	5,000.00	5,000.00	5,000.00
- Application to transfer a licence	2,150.00	2,150.00	2,150.00
- Application for reinstatement of a licence	2,150.00	2,150.00	2,150.00
- Application for provisional statement	10,000.00	10,000.00	10,000.00
Small Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	3,000.00	3,000.00	3,000.00
- Fee in respect of other premises	8,000.00	8,000.00	8,000.00
- Annual Fee	5,000.00	5,000.00	5,000.00
- Application to vary licence	4,000.00	4,000.00	4,000.00
- Application to transfer a licence	1,800.00	1,800.00	1,800.00
- Application for reinstatement of a licence	1,800.00	1,800.00	1,800.00
- Application for provisional statement	8,000.00	8,000.00	8,000.00
Converted Casino premises licence -			
- Annual Fee	3,000.00	3,000.00	3,000.00
- Application to vary licence	2,000.00	2,000.00	2,000.00
- Application to transfer a licence	1,350.00	1,350.00	1,350.00
- Application for reinstatement of a licence	1,350.00	1,350.00	1,350.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : LICENSING (DCE)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
GAMBLING ACT - APPLICATION FEES			
Bingo Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	1,200.00
- Fee in respect of other premises	3,500.00	3,500.00	3,500.00
- Annual Fee	1,000.00	1,000.00	1,000.00
- Application to vary licence	1,750.00	1,750.00	1,750.00
- Application to transfer a licence	1,200.00	1,200.00	1,200.00
- Application for reinstatement of a licence	1,200.00	1,200.00	1,200.00
- Application for provisional statement	3,500.00	3,500.00	3,500.00
Adult Gaming centre Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	1,200.00
- Fee in respect of other premises	2,000.00	2,000.00	2,000.00
- Annual Fee	1,000.00	1,000.00	1,000.00
- Application to vary licence	1,000.00	1,000.00	1,000.00
- Application to transfer a licence	1,200.00	1,200.00	1,200.00
- Application for reinstatement of a licence	1,200.00	1,200.00	1,200.00
- Application for provisional statement	2,000.00	2,000.00	2,000.00
Betting premises (track) Licence -			
- Application Fee in respect of Provisional statement premises	950.00	950.00	950.00
- Fee in respect of other premises	2,500.00	2,500.00	2,500.00
- Annual Fee	1,000.00	1,000.00	1,000.00
- Application to vary licence	1,250.00	1,250.00	1,250.00
- Application to transfer a licence	950.00	950.00	950.00
- Application for reinstatement of a licence	950.00	950.00	950.00
- Application for provisional statement	2,500.00	2,500.00	2,500.00
Family Entertainment centre premises licence:			
- Application Fee in respect of Provisional statement premises	950.00	950.00	950.00
- Fee in respect of other premises	2,000.00	2,000.00	2,000.00
- Annual Fee	750.00	750.00	750.00
- Application to vary licence	1,000.00	1,000.00	1,000.00
- Application to transfer a licence	950.00	950.00	950.00
- Application for reinstatement of a licence	950.00	950.00	950.00
- Application for provisional statement	2,000.00	2,000.00	2,000.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : LICENSING (DCE)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
GAMBLING ACT - APPLICATION FEES			
Betting premises (other) Licence			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	1,200.00
- Fee in respect of other premises	3,000.00	3,000.00	3,000.00
- Annual Fee	600.00	600.00	600.00
- Application to vary licence	1,500.00	1,500.00	1,500.00
- Application to transfer a licence	1,200.00	1,200.00	1,200.00
- Application for reinstatement of a licence	1,200.00	1,200.00	1,200.00
- Application for provisional statement	3,000.00	3,000.00	3,000.00
Change of Circumstance fee	50.00	50.00	50.00
Copy of Licence Fee	25.00	25.00	25.00

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CEMETERIES (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
INTERMENTS				
Child up to sixteen years	No Charge	No Charge	No Charge	
Person over sixteen years	1,020.00	1,050.00	1,080.00	
Preparation for Exhumation	1,890.00	1,950.00	2,010.00	
Grave Purchase (50 Year Lease)**	990.00	1,020.00	1,050.00	
Grave Purchase (Baby)	250.00	260.00	270.00	
Interments of cremated remains:				
- From Lincoln Crematorium*	65.00	70.00	75.00	
- From Other Crematorium*	95.00	100.00	105.00	
Preparation for Exhumation of Ashes	250.00	260.00	270.00	
Cremation Plot Purchase	250.00	260.00	270.00	
Body Parts/blocks/slides*	61.00	65.00	70.00	
50% Discount for City of Lincoln Residents (Excluding those marked with *)				
**Fee is non-transferable to anyone other than the purchasee/designated person.				
If the intention is to transfer onto a non-city resident then charge will be doubled.				
MONUMENTS, GRAVE STONES, TABLETS & INSCRIPTIONS				
Flat shape				
- upto 4"x7'6"x3'6" (max)	284.00	-	-	inc VAT
Headstone				
- without base, to 2'0" (max)	88.00	-	-	inc VAT
- upto 2'6" high	88.00	-	-	inc VAT
- 2'6" upto 4'0" high (max)	152.00	-	-	inc VAT
Book or scroll				
- upto 2'6" high (max)	88.00	-	-	inc VAT
A vase				
- upto 18" high (max)	48.00	-	-	inc VAT
- with desk or tablet	88.00	-	-	inc VAT
A cross				
- upto 2'6" high	88.00	-	-	inc VAT
- 2'6" upto 4'0" high (max)	152.00	-	-	inc VAT
Kerb Stones				
- enclosing space 9'0"x4'0"	284.00	-	-	inc VAT
Any other monument				
- upto 4'0" high (max)	152.00	-	-	inc VAT
For each inscription on any of above memorials :				
- each 150 letters, or part	48.00	-	-	inc VAT
Monumental Mason Headstone		100.00	105.00	inc VAT
MISCELLANEOUS				
Levelling and re-turfing of graves	45.00	46.00	47.00	inc VAT
Burial records search fee where appropriate	6.00	6.00	6.00	inc VAT

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **LONG LEYS ROAD CEMETERY (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
INTERMENTS			
Child up to sixteen years	No Charge	No Charge	No Charge
Person over sixteen years			
- Resident	660.00	680.00	700.00
- Non-resident	1,320.00	1,360.00	1,400.00
Interments of cremated remains			
- From Lincoln Crematorium *	85.00	90.00	95.00
- From Other Crematorium *	105.00	110.00	115.00
PURCHASE OF GRAVE PLOT			
Grave Purchase (50 Year Lease) **			
- Resident	560.00	580.00	600.00
- Non-resident	1,120.00	1,160.00	1,200.00
Grave Purchase (Baby)			
- Resident	135.00	140.00	145.00
- Non-resident	270.00	280.00	290.00
Cremation Plot Purchase			
- Resident	135.00	140.00	145.00
- Non-resident	270.00	280.00	290.00

50% Discount for City of Lincoln Residents (Excluding those marked with *)

** Fee is non-transferable to anyone other than the purchasee/designated person.

If the intention is to transfer onto a non-city resident then the 50% discount will not apply.

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CREMATORIUM (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
CREMATION FEES				
Body Parts/Slides/Blocks	71.00	73.00	75.00	
Child up to sixteen years	No Charge	No Charge	No Charge	
Person over sixteen years	670.00	690.00	720.00	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Charge for non-city residents :				
Person over sixteen years	670.00	690.00	710.00	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Service Extension (20 min period)	160.00	165.00	170.00	
MEMORIALS AND INSCRIPTIONS				
Book of Remembrance				
2 Lines	75.00	80.00	85.00	inc VAT
5 Lines	105.00	110.00	115.00	inc VAT
8 Lines	135.00	140.00	145.00	inc VAT
Minature Books				
2 Lines	85.00	90.00	95.00	inc VAT
5 Lines	95.00	100.00	105.00	inc VAT
8 lines	110.00	115.00	120.00	inc VAT
Remembrance cards				
2 Lines	50.00	55.00	60.00	inc VAT
5 Lines	60.00	65.00	70.00	inc VAT
8 Lines	75.00	80.00	85.00	inc VAT
Additional lines to existing books and cards per line	15.00	16.00	17.00	inc VAT
MISCELLANEOUS CHARGES				
- Caskets	45.00	48.00	50.00	
- Extract from Register of Cremations	12.00	12.00	12.00	
Memorial Service (when space available)	320.00	330.00	340.00	
DEPOSIT OF ASHES				
- Temporary deposit of ashes per month after one month	12.00	13.00	14.00	
- For burying of ashes in Garden of Remembrance where cremation carried out at other crematorium	80.00	85.00	90.00	inc VAT

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CREMATORIUM (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
MEMORIAL GARDEN				
Wall Tablet (10 year lease)	204.17	210.00	216.67	plus VAT
Bench Tablet (10 year lease)	291.67	300.00	308.33	plus VAT
Kerb Tablet (10 year lease)	316.66	325.00	333.33	plus VAT
Vault Tablet (20 year lease)	716.67	738.00	750.00	plus VAT
Designer images on plaques - from	95.83	100.00	104.17	plus VAT
Ceramic Photo Plaques				
4cm x 3cm	91.67	95.00	100.00	plus VAT
7cm x 5cm	133.33	137.00	141.67	plus VAT

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **BREAVEMENT SERVICES (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
BREAVEMENT SERVICES			
Witnessed burial in the Garden of Remembrance	30.00	30.00	30.00
Direct Cremation Service	550.00	550.00	566.00
Change of fees for a memorial permit to make it a clear price	100.00	100.00	105.00
WESLEY SYSTEM			
Audio recording supplied on CD - 1st Copy	50.00	50.00	52.00
Audio recording supplied on CD - subsequent copies	25.00	25.00	26.00
Video recording supplied on DVD - 1st copy	50.00	50.00	52.00
Video recording supplied on DVD - subsequent copies	25.00	25.00	26.00
VISUAL TRIBUTES			
Visual tribute - 1 photograph	20.00	20.00	22.00
Visual tribute - 2-5 photographs	30.00	30.00	32.00
Visual tribute - 6-10 photographs	40.00	40.00	42.00
Visual tribute - 10+ photographs subsequent per photograph)	2.50	2.50	2.50
Video tribute - up to 2 minutes	30.00	30.00	32.00
Video tribute - over 2 minutes to 5 minutes	40.00	40.00	42.00
DVD containing the tribute - 1st copy	30.00	30.00	32.00
DVD containing the tribute - subsequent copies	25.00	25.00	25.95
Tribute embedded into video of the service	70.00	70.00	72.00
WEBCASTING			
Webcasting of Service	50.00	50.00	52.00
DVD containing webcast	-	-	-

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **OTHER PUBLIC HEALTH, PUBLIC HEALTH INSPECTION & SALVAGE OPERATORS (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
LICENCES, CERTIFICATES AND AUTHORISATIONS			
Food Certificates			
- Condemned food (No charge for single items)	68.00	39.10	40.30
- Consignments for Export	61.00	62.80	64.70
Authorisations *- Prescribed Processes (All subject to notification by DEFRA) :			
- Application Fees			
- Standard	1,579.00	1,579.00	1,579.00
- Additional Fee for Operating without a Permit	1,137.00	1,137.00	1,137.00
- PVRI, SWOB's and Dry Cleaners	148.00	148.00	148.00
- PVR Combined I & II	246.00	246.00	246.00
- VR & other Reduced Fee Activities	346.00	346.00	346.00
- RFA Additional Fee for no Permit	68.00	68.00	68.00
- Mobile Plant **	1,579.00	1,579.00	1,579.00
- for 3rd to 7th Applications	943.00	943.00	943.00
- for 8th & Subsequent Applications	477.00	477.00	477.00
Where an Application for any of the above is for a combined Part B and Waste Application add extra £297 to Amount shown			
- Subsistence charges			
- Standard - Low	739.00	739.00	739.00
- Standard - Med	1,111.00	1,111.00	1,111.00
- Standard - High	1,672.00	1,672.00	1,672.00
- PVRI, SWOB's and Dry Cleaners Low	76.00	76.00	76.00
- PVRI, SWOB's and Dry Cleaners Med	151.00	151.00	151.00
- PVRI, SWOB's and Dry Cleaners High	227.00	227.00	227.00
- PVR I & II Combined Low	108.00	108.00	108.00
- PVR I & II Combined Med	216.00	216.00	216.00
- PVR I & II Combined High	326.00	326.00	326.00
- VRs & other Reduced Fees Low	218.00	218.00	218.00
- VRs & other Reduced Fees Med	349.00	349.00	349.00
- VRs & other Reduced Fees High	524.00	524.00	524.00
- Mobile Plants for 1st & 2nd Permits Low **	618.00	618.00	618.00
- Mobile Plants for 1st & 2nd Permits Med **	989.00	989.00	989.00
- Mobile Plants for 1st & 2nd Permits High **	1,484.00	1,484.00	1,484.00
- For the 3rd to 7th Permits Low	368.00	368.00	368.00
- For the 3rd to 7th Permits Med	590.00	590.00	590.00
- For the 3rd to 7th Permits High	884.00	884.00	884.00
- For the 8th and Susequent Permits Low	189.00	189.00	189.00
- For the 8th and Susequent Permits Med	302.00	302.00	302.00
- For the 8th and Susequent Permits High	453.00	453.00	453.00
- Late Payment Fee	50.00	50.00	50.00
** Not using simplified Permits			
The Additional amounts in brackets must be charged where permit is for combined Part B and Waste Installation.			
Where a Part B Installation is subject to reporting under the E-PRTR Regulation, add £99 extra to the Amounts Shown			

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **OTHER PUBLIC HEALTH, PUBLIC HEALTH INSPECTION & SALVAGE OPERATORS (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
LICENCES, CERTIFICATES AND AUTHORISATIONS			
- Transfer & Surrender			
- Standard Process Transfer	162.00	162.00	162.00
- Standard Process Partial Transfer	476.00	476.00	476.00
- New Operator - Low risk Fee	75.00	75.00	75.00
- Reduced Fee Activities Partial Transfer	45.00	45.00	45.00
- Temporary Transfer for Mobiles			
- First Transfer	51.00	51.00	51.00
- Repeat following Enforcement or Warning	51.00	51.00	51.00
- Substantial Change			
- Standard Process	1,005.00	1,005.00	1,005.00
- Standard Process where result in a new PPC Activity	1,579.00	1,579.00	1,579.00
- Reduced Fee Activities	98.00	98.00	98.00
Pet Shop - Non Reptile Stockists	104.00	107.00	89.20
Pet Shop - Reptile Stockists	292.80	302.00	310.00
Local Government Misc Provisions- Skin Piercers			
- Premises	146.50	150.90	155.40
- Persons	28.10	28.90	29.80
Public Conveniences			
- Castle Hill	0.20	0.20	0.20
- Tentercroft Street	0.20	0.20	0.20
- Westgate	0.20	0.20	0.20

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **PEST CONTROL, DOG WARDEN, PUBLIC HEALTH INSPECTION (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
Dogs :				
- Penalty for Strays *(Set by EPA & charged on 2nd continuing offence.)	25.00	25.00	25.00	
- Housing of Strays (Kennel fee per day) (Cost + Handling Charge)	11.00	11.30	11.60	inc VAT
- Acceptance of, for Destruction	79.00	81.00	81.00	
OTHER				
Provision of Information				
- Photograph (Each additional photo £1.30)	12.40	12.80	13.20	inc VAT
- Documents	11.20	11.50	11.90	inc VAT
- Factual Statement & Report of Investigations	123.80	127.50	131.30	inc VAT
- Food Safety Act Register (25 entries or part)	4.40	4.50	4.60	inc VAT
- Information on Former Use of Land (Charge per hour, or part thereof)	75.30	77.60	79.90	plus VAT
- Provision of Information - Outstanding Notices	37.70	38.80	40.00	
Administration Charge				
- Default Works (incl Intruder Alarm Disconnection)	Cost + 10%	Cost + 10%	Cost + 10%	
Safer Food Better Business Management System	6.00	6.00	6.20	
Safer Food Better Business Daily Diary	4.00	4.00	4.10	
Re-inspection of Food Business			150.00	plus VAT
Clearance of Private Sewers & Drains (charge per visit)	55.20	57.00	58.70	inc VAT
- Graffiti Busting per hour	38.60	39.80	41.00	plus VAT
* Concessions apply to OAP's and persons in receipt of benefit : - Retired persons over 65 years of age or, - individuals over 60, in receipt of state retirement pension or widows pension or, - persons in receipt of a means tested benefit				

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **COMMUNITY SERVICES (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
ENFORCEMENT OFFICER			
Fixed Penalty Notices			
- Littering*	75.00	75.00	75.00
- Dog Fouling	50.00	50.00	50.00
- Breach of Community Protection*	75.00	75.00	75.00
- Breach of a Public Space Protection Order*	75.00	75.00	75.00
- Breach of S46 Notice (Presentation of Waste)*	75.00	75.00	75.00
* Discount of £25 given if paid within 10 days of receiving the fine			
GREEN WASTE			
Green Waste Bin Collection			
- Annual Fee	30.00	33.00	36.00
- Additional Bin	12.00	15.00	15.00
- Delivery Fee	12.00	15.00	15.00
DEVELOPER BIN CHARGES			
Charges per bin			
- 140 Litre Bin		22.00	plus VAT
- 240 Litre Bin		26.00	plus VAT
- Communal Bin (Usually 660l or 1100l)		149.00	plus VAT
- Delivery Charge		10.00	plus VAT
Admin Charge		10% of total charge	

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HOUSING- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

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SERVICE : **HOUSING ADVANCES (DHR), HIMOs, GARAGES & SUPPORTED HOUSING**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
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HOUSING ADVANCES

- Second mortgage enquiry fee	92.70	95.50	98.40	inc VAT
- Transfer of mortgage fee	138.00	142.10	146.40	
- Business rate enquiry fee	30.00	30.90	31.80	
- Council Tax enquiry fee	23.70	24.40	25.10	
- Right to Buy leaseholders repair loan	180.00	185.40	191.00	

HOUSES IN MULTIPLE OCCUPATION

Premises Licence Fee				
- Basic (up to 5 Bedrooms)	459.00	479.00	590.00	
- 6 to 10 Bedrooms	Basic + 10%	Basic + 10%	Basic + 10%	
- 11 to 15 Bedrooms	Basic + 20%	Basic + 20%	Basic + 20%	
- 16 to 20 Bedrooms	Basic + 30%	Basic + 30%	Basic + 30%	
- For every 5, or part thereof, over 20	Additional 10%	Additional 10%	Additional 10%	
Variation to Licence	10% of Basic	10% of Basic	10% of Basic	
Multiple Application Discount	10% of Basic	10% of Basic	10% of Basic	
Trusted Landlord Scheme Discount			10% of Basic	

GARAGES

Garage transfer fees	19.50	20.10	20.70	inc VAT
Garage sites	69.00	71.10	73.20	inc VAT
Garage access fees	69.00	71.10	73.20	inc VAT

SUPPORTED HOUSING

Community Alarms Service	134.00	150.00	150.00	
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HOUSING- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **HOUSING REVENUE ACCOUNT & WORKS CMS (DHR)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
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SHELTERED ACCOMMODATION

Service charges, per rent week (50 weeks) - residents :

- 1 person flat			
Derek Miller Ct	7.75	8.00	8.25
St.Botolphs	7.75	8.00	8.25
- 2 person flat			
Derek Miller Ct	11.10	11.40	11.75
St.Botolphs	11.10	11.40	11.75
- Electricity			
Derek Miller Court (only)	3.90	4.00	-

Service charges, per rent week (50 weeks) - wardens :

- 2 bed accommodation	7.85	9.10	9.40
- 3 bed accommodation			
Lenton Green	10.80	11.10	11.40
Others	10.60	10.90	11.20
Concessionary TV Licences	7.50	7.70	7.90

MISCELLANEOUS

Additional keys for door entry	12.40	12.80	13.20	inc VAT
Building Society enquiry fees	74.00	76.20	78.50	inc VAT

OTHER

Hire of Equipment:				
- Portable Pedestrian Barriers (per barrier-per event (min 5)	7.00	-	-	plus VAT
- Bunting per box	15.00	-	-	inc VAT
Erection of street banners	211.00	-	-	inc VAT

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **ALLOTMENTS (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
ALLOTMENTS				FOR LEASES STARTING IN 2017/18
Standard rent for allotment				
51 to 100 sq yards	28.20	29.10	30.00	
101 to 150 sq yards	29.80	30.70	31.60	
151 to 200 sq yards	31.50	32.50	33.50	
201 to 250 sq yards	33.20	34.20	35.20	
251 to 300 sq yards	34.80	35.80	36.90	
301 to 350 sq tards	36.40	37.50	38.60	
351 to 400 sq yards	38.20	39.40	40.60	
401 to 450 sq yards	39.80	41.00	42.20	
451 to 500 sq yards	41.40	42.60	43.90	
501 to 550 sq yards	43.10	44.40	45.70	
551 to 600 sq yards	44.70	46.00	47.40	
601 to 650 sq yards	46.40	47.80	49.20	
651 to 700 sq yards	48.20	49.70	51.20	
701 to 750 sq yards	49.80	51.30	52.80	
751 to 800 sq yards	51.30	52.80	54.40	
801 to 850 sq yards	53.10	54.70	56.30	
851 to 900 sq yards	54.80	56.40	58.10	
901to 950 sq yards	56.40	58.10	59.80	
951 to 1000 sq yards	58.00	59.70	61.50	
Water supply to allotment				
- minimum charge	18.00	18.50	19.10	
Garage site				
- Rents and access charge	38.20	39.40	40.60	inc. VAT
Discounts				
6 - 10 allotments	10%	10%	10%	
11+ allotments	20%	20%	20%	
Unemployed	50%	50%	50%	
Pensioners	50%	50%	50%	

CONDITIONS

***Concessions apply to OAP's and persons on Benefit**

- Retired persons over 65 years of age or,
- individuals over 60, in receipt of state retirement pension or widows pension or,
- persons in receipt of a means tested benefit

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **HARTSHOLME COUNTRY PARK (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
HARTSHOLME COUNTRY PARK				
- Overnight stay, incl use of showers (per night)				
Standard non-electric price for a pitch in the tent only area (apart from backpack tent).				
- High Season *	16.00	16.50	17.00	inc VAT
- Low Season	14.00	14.50	15.00	inc VAT
Electric included in pitch price for all other pitches				
Four berth caravan, motorhome or tent and car				
- High Season *	19.00	19.00	18.87	inc VAT
- Low Season	16.60	17.00	17.50	inc VAT
Overflow Camping	10.00	10.00	10.00	inc VAT
Camping Pod Single Night	35.00	40.00	40.00	inc VAT
Camping Pod 2 nights or more	30.00	35.00	35.00	inc VAT
Camping Pod Christmas Market	50.00	50.00	50.00	inc VAT
Non-refundable deposit - (included within price)				
Bank Holiday Weekends only				
Single night	10.00	10.00	10.00	inc VAT
Two or more nights	25.00	20.00	25.00	inc VAT
Backpack Tent	10.00	10.00	11.00	inc VAT
Full Awning	3.00	3.00	3.00	inc VAT
Additional Adult	3.00	3.00	3.00	inc VAT
Additional Car parking	3.00	3.00	3.00	inc VAT
- Christmas Market period, per pitch *				
Non-refundable deposit - (included within price)				
Two - four nights	47.00	25.00	30.00	inc VAT
Five nights	85.00	50.00	67.50	inc VAT
With electric hook-up				
Single night Thur/Fri/Sat	30.00	30.00	30.00	inc VAT
Five nights	134.00	135.00	135.00	inc VAT
Single night Wed/Sun	25.50	25.50	25.50	inc VAT
* High Season Period: Includes all Weekends, Bank Holidays, and LCC School Holidays. Deposits required.				
- Ranger Guided Visit				
Per Person	2.50	2.50	2.50	inc VAT
Group of 30	70.00	75.00	80.00	inc VAT
(Including Worksheets & Teaching Room)				
- Meeting Room	7.00	10.00	10.00	inc VAT
- Wild Adventures	3.50	3.50	3.50	inc VAT
(Rangers Club per activity)				
- Wreath Making			15.00	inc VAT
- Willow Weaving			20.00	inc VAT

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **COMMUNITY CENTRES (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
BUD ROBINSON C.C.				
Room Hire (per hour)				
- Main Hall				
Commercial	21.30	21.30	21.90	
Standard	17.10	17.10	17.60	
Supported	8.65	8.65	8.90	
- Large Meeting Room				
Commercial	21.30	21.30	19.30	
Standard	14.30	14.30	14.70	
Supported	8.65	8.65	8.65	
- Small Meeting Room				
Commercial	9.50	9.50	9.80	
Standard	6.00	6.00	6.20	
Supported	3.60	3.60	3.70	
Surcharge after 11pm	100%	100%	100%	
Projector/Screen Hire				
- Per Hour			5.00	
- Per day			25.00	
Service Charge (Caretaker fee)			Cost	plus VAT
Surcharge after 11pm (Caretaker fee)			Cost	plus VAT
Call out recharges			Cost	plus VAT
Additional Cleaning			Cost	plus VAT
Other Charges				
Activities (per hour)				
- Table Tennis, per table	3.60	3.60	3.70	inc VAT
- Carpet Bowls, per carpet	5.05	5.05	5.20	inc VAT
Hire of Equipment				
- Table Tennis Bat (£2 dep)	2.05	2.05	-	
- Carpet Bowls (per hour)	2.05	2.05	-	
£2 deposit				
- Booking Fee**	5.00	5.00	5.20	
- Amendment Fee	3.00	3.00	3.10	
- PRS	Cost + 50%	Cost + 50%	Cost + 50%	
Sale of Equipment	Cost + 35%	Cost + 35%	-	

*Service charge will be levied for all bookings who opt not to key hold

** Not applicable to sports bookings which includes table tennis and bowls

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **COMMUNITY CENTRES (DCE) cont.**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
ALL OTHER CENTRES				
Room Hire (per hour)				
- Main Hall/Weighing Room				
Commercial	17.80	17.80	18.70	
Standard	14.20	14.20	14.90	
Supported	7.10	7.10	7.45	
- Small Meeting Rooms				
Commercial	9.50	9.50	9.80	
Standard	6.00	6.00	6.20	
Supported	3.60	3.60	3.70	
- Large Meeting Rooms				
Commercial	17.80	17.80	18.30	
Standard	11.95	11.95	12.30	
Supported	7.10	7.10	7.30	
Surcharge after 11pm	100%	100%	100%	
Projector/Screen Hire				
- Per Hour			5.00	
- Per day			25.00	
Service Charge (Caretaker fee)			Cost	plus VAT
Surcharge after 11pm (Caretaker fee)			Cost	plus VAT
Call out recharges			Cost	plus VAT
Additional Cleaning			Cost	plus VAT
Other Charges				
Activities (per hour)				
- Badminton per court	8.25	8.25	8.50	inc VAT
- Table Tennis per table	3.60	3.60	3.70	inc VAT
- Carpet Bowls per carpet	5.05	5.05	5.20	inc VAT
Hire of Equipment				
- Racquet (£2 dep)	2.05	2.05	-	
- Table Tennis Bat (£2 dep)	2.05	2.05	-	
- Booking Fee**	5.00	5.00	5.20	
- Amendment Fee	3.00	3.00	3.10	
- PRS	Cost + 50%	Cost + 50%	Cost + 50%	
Sale of Equipment	Cost + 35%	Cost + 35%	-	

*Service charge will be levied for all bookings who opt not to key hold

** Not applicable to sports bookings which includes table tennis and bowls

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **COMMONS & RECREATION GROUNDS**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
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COMMONS (DHR)

- Jockey Room (per function)	51.50	53.10	-
- Assisted Access onto the Commons in connection with a specific event.	47.60	49.00	-
- Impounding of Horses on City Commons	Contract Price + 15%	Contract Price + 15%	plus VAT

RECREATION GROUNDS (DCE)

- Bowls (per person, per hour)				
Adult	2.25	2.30	-	inc VAT
Concession*	1.15	-	-	inc VAT
Additional half hour	50% of Hourly Rate		-	
Matches (per rink used)	9.30	9.60	-	inc VAT
W.Comm/B.Park b.c.	1,668.60	1,718.70	-	inc VAT
Extra usage	141.10	145.30	-	inc VAT
- Cricket, pitch and accommodation				
Weekend match				
Adult teams	31.40	32.30	33.30	inc VAT
Youth teams	18.00	18.50	19.10	inc VAT
Weekday match (evening)				
Adult teams	21.20	21.80	22.50	inc VAT
Youth teams	15.10	15.60	16.10	inc VAT
- Putting (per round)				
Adult	1.60	1.70	-	
- Rounders (Per pitch Per match)	11.00	11.00	Cost	plus VAT
- Tennis Court (per hour)*				
Adult	5.10	5.30	-	
Additional half hour	50% of Hourly Rate		50% of Hourly Rate	

*** Tennis Courts at West Common are free**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **RECREATION GROUNDS (DCE) cont.**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
RECREATION GROUNDS				
- Football (per pitch)				
Per game with attended changing facilities				
Adult teams	49.50	51.00	52.50	inc VAT
Youth teams	24.80	25.50	26.30	inc VAT
Junior Pitches (10-14 Years)	20.40	21.00	21.60	inc VAT
Mini Pitches (up to 10yr olds)	12.50	12.90	13.30	inc VAT
Per game for keyholders or limited changing facilities (Skellingthorpe Rd and King George's Field)				
Adult teams	38.00	39.10	40.30	inc VAT
Youth teams	19.10	19.70	20.30	inc VAT
Junior Pitches (10-14 Years)	15.70	16.20	16.70	inc VAT
Per season (16 Bookings**) with attended changing facilities				
Adult teams	356.40	367.10	378.10	
Youth teams	169.90	175.00	180.25	
Junior Pitches (10-14 Years)	127.30	131.10	135.00	
Mini Pitches (up to 10yr olds)	90.10	92.80	95.60	
Per season (16 Bookings*) with attended changing facilities (Skellingthorpe Rd and King George's Field)				
Adult teams	274.20	282.40	290.90	
Youth teams	130.80	134.70	138.70	
Junior Pitches (10-14 Years)	98.20	101.20	104.20	
Mini Pitches (up to 10yr olds)	59.50	59.50	61.30	
Additional Cleaning			Cost	plus VAT
- Grass training fees with no attendant or changing facilities (per group, per hour)				
Adult teams	10.90	11.20	11.50	inc VAT
Youth teams	6.60	6.80	7.00	inc VAT
- Adults 5-A-Side Area (per hour)				
Football, Netball, Basketball	11.00	11.30	-	inc VAT
Floodlights	3.70	3.80	-	inc VAT
- Youth/Off Peak 5-A-Side Areas (per hour)				
Football, Netball, Basketball	7.60	7.80	-	inc VAT
Floodlights	3.70	3.80	-	inc VAT
- Tennis Equipment				
Tennis Racquet Hire per session	2.10	2.20	-	
Deposit per Raquet	2.20	2.30	-	
Tennis Balls for sale	Cost + 50%	Cost + 50%		

***Assuming Block booking applies (If block booking does not apply VAT will be added)**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019**SERVICE : CREATIVE INDUSTRIES MANAGED WORKSPACE (THE TERRACE)**

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
Conference / Meeting Room				
Tenants (Inc Post Box Holders) - SEE FOOTNOTE BELOW				
Per Hour	15.00	15.00	15.00	excl VAT
Per ½ Day	45.00	45.00	45.00	excl VAT
Per Day	80.00	80.00	80.00	excl VAT
Non Tenants				
Per Hour	30.00	30.00	30.00	excl VAT
Per ½ Day	90.00	90.00	90.00	excl VAT
Per Day	160.00	160.00	160.00	excl VAT
Projector/Lap Top available at additional cost of £5 per hour or £25 per day				
Faxing (Per Page)				
Inward / Outward	0.45	0.45	0.45	excl VAT
Overseas	0.90	0.90	0.90	excl VAT
- Laminating				
A4 (Per Sheet)	1.30	1.30	1.30	excl VAT
A3 (Per Sheet)	2.15	2.15	2.15	excl VAT
Photocopying (Per Sheet)				
A4 Paper	0.08	0.08	0.08	excl VAT
A3 Paper	0.13	0.13	0.13	excl VAT
A4 Paper - Coloured	0.42	0.42	0.42	excl VAT
A3 Paper - Coloured	0.83	0.83	0.83	excl VAT
Bulk Copying (50+)				
Own Paper	0.04	0.04	0.04	excl VAT
Telephone Answering Service				
Monthly Rate	14.50	20.00	20.00	excl VAT
Price is based on a calendar month and is exclusive to VAT.				
- Virtual Mailbox				
Annual	285.00	295.00	295.00	excl VAT
Replacement keys				
Unit Key				
Security Access Key	11.00	11.50	11.50	excl VAT

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PARKING SERVICES - FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CAR PARKS (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
- Lucy Tower Street				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.80	3.00	3.20	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.00	5.50	6.00	inc VAT
Over 4 hours and up to 8am next day	7.50	7.80	8.00	inc VAT
Evening Charge	3.00	3.20	3.50	inc VAT
- City Hall (Season Tickets Prohibited)				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.80	3.00	3.20	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.00	5.50	6.00	inc VAT
Over 4 hours and up to 8am next day	7.50	7.80	8.00	inc VAT
Evening Charge	2.60	2.80	3.00	inc VAT
- Motherby Lane (Season Tickets Prohibited)				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.80	3.00	3.20	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.00	5.50	6.00	inc VAT
Over 4 hours and up to 8am next day	7.50	7.80	8.00	inc VAT
Evening Charge	2.60	2.80	3.00	inc VAT
- Flaxengate				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.80	3.00	3.20	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.00	5.50	6.00	inc VAT
Over 4 hours and up to 8am next day	7.50	7.80	8.00	inc VAT
Evening Charge	2.60	2.80	3.00	inc VAT
- Tentercroft Street				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.80	3.00	3.20	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.00	5.50	6.00	inc VAT
Over 4 hours and up to 8am next day	7.50	7.80	8.00	inc VAT
Lorries/Coaches	8.50	-	-	inc VAT
Evening Charge	2.60	2.80	3.00	inc VAT
- Lincoln Central Car Park				
1 hour		1.60	1.60	inc VAT
2 hours		3.00	3.20	inc VAT
3 hours		4.50	4.50	inc VAT
4 hours		5.50	6.00	inc VAT
Over 4 hours and up to 8am next day		7.80	8.00	inc VAT
Evening Charge		3.20	3.50	inc VAT

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CAR PARKS (DCE) cont.**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
- Castle (Season Tickets Prohibited)				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.60	2.80	2.80	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.50	5.60	5.80	inc VAT
Over 4 hours and up to 8am next day	7.50	8.00	8.50	inc VAT
Evening Charge	2.60	2.60	2.80	inc VAT
- Westgate (Season Tickets Prohibited)				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.60	2.60	2.80	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.50	5.50	5.80	inc VAT
Over 4 hours and up to 8am next day	7.50	7.50	8.50	inc VAT
Evening Charge	2.60	2.60	2.80	inc VAT
- The Lawn Complex				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.60	2.80	2.80	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.50	5.60	5.80	inc VAT
Over 4 hours and up to 8am next day	7.50	8.00	8.50	inc VAT
Evening Charge	2.60	2.60	2.80	inc VAT
- Langworthgate				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.60	2.80	2.80	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
4 hours	5.50	5.60	5.80	inc VAT
Over 4 hours and up to 8am next day	7.50	8.00	8.50	inc VAT
Evening Charge	2.60	2.60	2.80	inc VAT
- St Pauls (Season Tickets Prohibited)				
1 hour	1.60	1.60	1.60	inc VAT
2 hours	2.60	2.80	2.80	inc VAT
3 hours	4.50	4.50	4.50	inc VAT
Evening Charge	2.60	2.60	2.80	inc VAT
- Broadgate				
1 hour	1.00	1.20	1.30	inc VAT
2 hours	2.00	2.20	2.40	inc VAT
3 hours	3.00	3.50	3.60	inc VAT
Over 4 hours and up to 8am next day	4.50	5.00	5.00	inc VAT
Evening Charge	2.50	2.00	2.50	inc VAT
- Chaplin Street				
1 hour	1.00	1.20	1.30	inc VAT
2 hours	2.00	2.20	2.40	inc VAT
3 hours	3.00	3.50	3.60	inc VAT
Over 4 hours and up to 8am next day	4.50	5.00	5.00	inc VAT
Evening Charge	2.50	2.00	2.50	inc VAT
- Rosemary Lane (Season Tickets Prohibited)				
1 hour	1.00	1.20	1.30	inc VAT
2 hours	2.00	2.20	2.40	inc VAT
3 hours	3.00	3.50	3.60	inc VAT
Over 4 hours and up to 8am next day	4.50	5.00	5.00	inc VAT
Evening Charge	2.50	2.00	2.50	inc VAT
- Weekend/Bank Holiday				
(new rates for Saturday / Sunday and Bank Holidays at Broadgate, Rosemary Lane, County Offices, Lincoln College & Waterside North Car Parks)				
Up to 2 Hours	2.20	2.20	2.40	inc VAT
24 hours	3.00	3.00	3.30	inc VAT
Evening Charge	2.50	2.50	2.50	inc VAT

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CAR PARKS (DCE) cont.**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
OTHER				
- Car Park Evening Permit	80.00	85.00	90.00	inc VAT
- 7 Day Scratch Cards	39.00	40.00	41.50	inc VAT
- Evening Scratch Card (All sites)	15.00	15.00	20.00	inc VAT
- Hampton/Hermit Street Compound	125.00	128.80	135.00	inc VAT
- Motorcycle parking where available	2.20	2.20	2.20	inc VAT

Additional Information:

Display of eligible Blue Badges will allow the following extra time:

1 hour paid	1 extra hour	(2 hours parking)
2 hours paid	2 extra hours	(4 hours parking)
3 hours paid	3 extra hours	(6 hours parking)
4 hours paid	All Day	
24 hours paid	To end of day o	

Special Offer Tariffs**SAVVY SHOPPER**

(Applicable to Tentercroft Street Car Park) £2.50 after 3pm for 3 hours parking, plus free evenings to 8am

SCHOOL'S OUT

(Rosemary Lane Only) £2.80 all day during the months of July and August

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CAR PARKS (DCE) cont.**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
OTHER				
- Season Tickets and Excess Charge Notices				
Annual (Valid for Broadgate, Lawn, King/Chaplin St/Langworthgate)				
Monday to Sunday	875.50	901.80	928.90	inc VAT
Monthly (Valid for Broadgate, Lawn, King/Chaplin St, Langworthgate)				
Monday to Sunday	74.00	76.20	78.50	inc VAT
Annual Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	1,112.00	1,145.40	1,179.80	inc VAT
Monthly Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	96.00	98.90	101.90	inc VAT
Lucy Tower St Long Stay Corporate User				
City Council staff (60 max)	806.00	830.20	855.10	inc VAT
County Council staff (40 max)	806.00	830.20	855.10	inc VAT
The Lawn (not inter-changeable with Broadgate etc)				
Monday to Sunday	660.00	679.80	-	inc VAT
Corporate User, 100+ tickets (Monday to Sunday)				
Broadgate, King St/Chaplin St, Langworthgate and City Council staff	660.00	679.80	700.20	inc VAT
Admin Charge on Refunds	15.00	15.00	15.00	inc VAT
Replacement of Lost/Stolen Tkts	10.00	10.00	10.00	inc VAT
- Higher rate PCN contravention	70.00	70.00	70.00	inc VAT
- Higher rate PCN contravention - Discount	35.00	35.00	35.00	inc VAT
- Lower rate PCN contravention	50.00	50.00	50.00	inc VAT
- Lower rate PCN contravention - Discount	25.00	25.00	25.00	inc VAT

Discount only applies if PCN is paid within 14 days

SPECIAL OFFER

Part time staff, special offer via Lincoln BIG/Lincoln College - Bulk Scratch cards at pro rata season ticket rate

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **BUS STATION, RESIDENTS PARKING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
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CITY BUS STATION

- Departure Fees :				
Notified timetable departures				
Departures over 100,000	0.56	0.57	0.74	inc VAT
Departures under 100,000	0.56	0.59	0.74	inc VAT
- Layover Bay Per Bay Per Quarter :	860.00	860.00	981.30	inc VAT

RESIDENTS PARKING SCHEMES

- Private Residents				
1st permit	26.00	26.00	26.00	*
2nd permits	52.00	52.00	52.00	*
3rd permits			60.00	
- Houses in Multiple Occupation (HIMO)				
max. of 3 per dwelling (each)	52.00	52.00	52.00	*
- Residents Parking Concessions #				
permit (each)	No Charge	No Charge	No Charge	
- Business Permits				
max. of 1 per business	52.00	52.00	52.00	*
(only issued to businesses in the residents parking zones with no off-street parking)				
- Daily Visitor Permits				
per 10	17.00	17.00	17.00	*
- Replacement Permits				
Change of vehicle registration	5.00	5.00	5.00	*
Damaged or lost	5.00	5.00	5.00	*
- Emissions Permit				
Low Emissions 1st Permit	13.00	13.00	13.00	
Low Emissions Subsequent Permit	26.00	26.00	26.00	
- Administration Charge on Refunds	5.00	5.00	5.00	

*** There is a £5.00 Admin Charge on Permits that are Issued in Reception and not by Post**

Concessions apply to :

- persons in receipt of income support / pension credit, JSA & ESA
- blue badge holders

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PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **TOWN PLANNING & CONSERVATION (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
Research and Supply of Information/Questions and Answers (per item)	40.00	41.20	42.00	inc VAT
Copies of Approvals, Permissions and associated documents (per item)	-	-	-	inc VAT
Copies of Approvals, Permissions and associated documents (per item and not electronic)				
Microfiche	12.50	12.50	12.50	inc VAT
Standard Copy	4.50	4.50	4.50	plus VAT
Visit to site to check buildings erected in accordance with Permission				
- minimum charge	84.50	87.05	90.00	inc VAT
- or per property	23.70	24.40	25.00	inc VAT
Checking compliance with planning permission and/or legal agreement				
- minimum charge			68.50	inc VAT
- or per property			17.50	inc VAT
Advertisements erected in accordance with Advertisement Consent	43.30	44.60	46.00	inc VAT
Supply of Technical Information/Site visit reports	Cost+25%	Cost+25%	Cost+25%	inc VAT
Photocopies (per A4 sheet)	1.80	1.85	1.90	
Copies of Plans				
A4	1.80	1.85	1.90	
A3	3.50	3.60	3.70	
A2	9.00	9.30	9.60	
A1	9.00	9.30	9.60	
A0	9.00	9.30	9.60	
Document & Advice notes	Cost+25%	Cost+25%	Cost+25%	

Planning App fees are incorporated within a schedule provided by Central Government in accordance with the Town & Country Planning (Fees for Applications & Deemed Applications) (Amendment) Regulations 1993

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **PRE-APPLICATION PLANNING ADVICE (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
Development -				
Householder development including alterations, extensions and outbuildings	75.00	77.30	80.00	inc VAT
Non residential changes of use including siting of caravans for sites under 1ha or buildings of 1,000 sq M or above (gross)	155.00	159.70	165.00	inc VAT
Non residential changes of use including siting of caravans for sites of 1ha or above or buildings of 1,000 sq M or above (gross)	310.00	319.30	329.00	inc VAT
Development of 1-9 Dwellings including changes of use to residential				
- First Dwelling	185.00	190.60	196.00	inc VAT
- Additional Dwelling	125.00	128.80	133.00	inc VAT
Development of 10-49 Dwellings including changes of use to residential				
- Tenth Dwelling	1,236.00	1,273.10	1,310.00	inc VAT
- Additional Dwelling	62.00	63.90	66.00	inc VAT
Development of 50 or more dwellings *	3,710.00	3,821.30	3,936.00	* inc VAT
Non-residential development where no floor space is created	75.00	77.30	80.00	inc VAT
Non-residential development up to 499sq. M floor area, or 0.5 ha site area	155.00	159.70	165.00	inc VAT
Non-residential development between 500sq. M and 999sq. M floor area, or between 0.51 ha and 1.0 ha				
- 500 Sq. M or 0.51 ha	185.00	190.60	196.00	inc VAT
- Additional 100 Sq. M or 0.1 ha	125.00	128.80	133.00	inc VAT
Non-residential development between 1000sq. M and 4,999sq. M floor area, or between 1.1 ha and 2.0 ha				
- 1000 Sq. M or 1.11 ha	805.00	829.20	854.00	inc VAT
- Additional 100 Sq. M or 0.1 ha	62.00	63.90	66.00	inc VAT
Non-residential development of 5,000sq. M or more, or 2.1 ha or more **	3,275.00	3,373.30	3,475.00	** inc VAT

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **PRE-APPLICATION PLANNING ADVICE CONT. (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
Development (cont) -				
- Variation or removal of condition	75.00	77.30	80.00	inc VAT
- Advertisements	75.00	77.30	80.00	inc VAT
- Conservation Area Consent	75.00	77.30	80.00	inc VAT
- Non-householder listed building consent	155.00	159.70	165.00	inc VAT
- Hazardous Substances	155.00	159.70	165.00	inc VAT
- Demolition of buildings			127.20	inc VAT
- Search and Copies of Documents			63.60	inc VAT
<p>* Minimum Fee of £3600 (inc VAT) with additional fee subject to negotiation dependant on complexity of proposal</p> <p>** Minimum Fee of £1650 with additional fee subject to negotiation dependant on complexity of proposal</p>				

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **LAND CHARGES , STREET NAMING AND NUMBERING (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £	
Local Authority Land Charges				
- Standard Search Fees				
LLC1 only	13.00	13.00	16.00	
Con.29R	99.60	99.60	105.00	inc VAT
- Con. 29R individual questions				
Planning - questions 3.1, 3.5, 3.9, 3.10 & 3.11 (p/q)	2.40	2.50	2.70	inc VAT
Environmental Health - question 3.7	4.20	4.30	4.50	inc VAT
Environmental Health - question 3.12	2.40	2.50	2.70	inc VAT
Housing - question 3.7	4.20	4.30	4.50	inc VAT
Building Control - question 1.1	12.00	12.30	12.80	inc VAT
Building Control - question 3.3	3.00	3.10	3.30	inc VAT
Building Control - question 3.7	4.20	4.30	4.50	inc VAT
Building Control - question 3.8	3.00	3.10	3.30	inc VAT
- Part II enquiries	19.20	19.60	20.30	inc VAT
- Solicitors own enquiries	19.20	19.60	20.30	inc VAT
- Extra parcel of land	19.20	19.60	20.30	inc VAT
- Personal Search (Statutory)				
<p>These fees were excluding VAT last year however new guidelines from HMRC have been issued which means VAT must be charged on all except LLC1 fees, therefore the fees above (excluding LLC1 only) will now be subject to VAT at 20%.</p>				
Street Naming and Numbering				
Issue/Change of House Name		10.00	12.00	
- New Build 1-10 Plots/Flats		50.00	-	
- New Build 11-50 Plots/Flats		75.00	-	
- New Build 51-100 Plots/Flats		100.00	-	
- New Build over100 Plots/Flats		150.00	-	
- Application Fee			40.00	
- Per Plot			10.00	

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **CENTRAL MARKET , CORNHILL AND CITY SQUARE**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19 £
CENTRAL MARKET			
Daily Lettings	22.00	22.70	23.40
TEMPORARY MARKETS :			
- Charitable organisations	No Charge	No Charge	No Charge
- Professional traders (per stall)	5.00	10.00	10.30
PROMOTIONS :			
- Advertising on Council Assets	Dependant on Size, Location etc.		Price on Application
MARKET LICENSE CHARGES			
Commercial Food			
-Per Stall		15.00	15.50
- Per Table / Car Boot		7.50	7.70
Commercial Retail Goods			
-Per Stall		10.00	10.30
- Per Table / Car Boot		5.00	5.20
Craft items/home made goods			
-Per Stall		5.00	5.20
- Per Table / Car Boot		2.50	2.60
Second Hand Goods			
-Per Stall		5.00	5.20
- Per Table / Car Boot		2.50	2.60
Charitable/fundraising Markets			
-Per Stall		0.50	0.50
- Per Table / Car Boot		0.25	0.30
School			
-Per Stall		-	-
- Per Table / Car Boot		-	-
Car Boot			
- Per Table / Car Boot		2.00	2.10
Per Stall (up to 8 m ²)			
Per Table/Car boot (up to 2 m ²)			

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019SERVICE : **CHRISTMAS MARKET**

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19
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COACH FEESUp to 15 Seats
All DayUse Park & Ride **Use Park & Ride**

Departure during 16:00 - 18:00

16-30 Seats - Early Bird Advanc	62.00	64.00	65.90
16-30 Seats - Advanced	64.00	66.00	68.00
16-30 Seats - On the day	128.00	132.00	136.00
31-45 Seats - Early Bird Advanc	83.00	85.00	87.60
31-45 Seats - Advanced	86.00	87.00	87.00
31-45 Seats - On the day	170.00	175.00	180.30
45+ Seats - Early Bird Advanc	103.00	106.00	109.20
45+ Seats - Advanced	106.00	109.00	112.30
45+ Seats - On the day	212.00	218.00	224.50

Departure outside of 16:00 - 18:00

16-30 Seats - Early Bird Advanc	47.00	48.00	49.40
16-30 Seats - Advanced	49.00	50.00	51.50
16-30 Seats - On the day	128.00	132.00	136.00
31-45 Seats - Early Bird Advanc	67.00	69.00	71.10
31-45 Seats - Advanced	69.00	71.00	73.10
31-45 Seats - On the day	169.00	175.00	180.30
45+ Seats - Early Bird Advanc	88.00	91.00	93.70
45+ Seats - Advanced	91.00	94.00	96.80
45+ Seats - On the day	212.00	218.00	224.50

Loyalty increased booking discount

There will be a discount of 50% on the first additional coach a customer brings above those they brought to the 2016 event if they are an existing customer and book before **30th November 2017.**

Early Bird Advanced Booking Discount

This is only available if booked before **30th September 2017.**

Advance Booking

Advance bookings would continue to be accepted up until midnight on the 30th November.

Coaches that make a booking from the **30th November** will be charged at the full rate - the same as on the day coaches.

Christmas Market Dates: Thursday 6th - Sunday 9th December 2017.

All dates shown in green are provisional

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019SERVICE : **CHRISTMAS MARKET**

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19
STALL HOLDER INCOME			
Stall Income			
Castle Square	1,510.00	1,664.00	1,713.90
Food Court	-	-	-
Castle Grounds	1,646.00	1,814.00	1,868.40
The Lawn (Outdoor)	1,234.00	1,360.00	1,400.80
Christmas Bazaar	1,302.00	1,434.00	1,477.00
Christmas Pantry	1,302.00	1,434.00	1,477.00
Westgate (Outdoor)	1,234.00	1,360.00	1,400.80
Westgate Marquees	1,302.00	1,434.00	1,477.00
Perfect Presents	1,510.00	1,664.00	1,713.90
Eastgate	-	-	-
Additional Sq Metre	188.00	207.00	213.20
Corner Plot Premium	Plus 25% of Stall Rent		Plus 25%
Backup Storage Spaces Per Sq Metre	78.00	86.00	88.60
Additional Socket Outlets			
13 AMP Socket	78.00	86.00	88.60
16 AMP Socket	78.00	86.00	88.60
32 AMP Socket	117.00	129.00	132.90
Surcharge on Food Traders			
Catering 1	Plus 50% of Stall Fee		Plus 50%
Catering 2	Plus 100% of Stall Fee		Plus 100%
Alcohol Levy Band 1 (Baileys in Hot Chocolate/Charit	300.00	330.00	339.90
Alcohol Levy Band 2 (Hard Alcohol)	600.00	661.00	680.80
Discounts (Only taken off basic stall fee)			
Charity Discount (%)	50%	50%	50%
Non UK Stallholders	200.00	200.00	206.00
Craft/Fairtrade Discount	100.00	100.00	103.00
Local Traders - Within Lincoln E	200.00	200.00	206.00
Local Traders - Within Lincoln St	150.00	150.00	154.50
Stall Holder Vehicle Parking at Designated Areas			
Per Vehicle	127.00	140.00	144.20

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019SERVICE : **CHRISTMAS MARKET**

	PREVIOUS 2016/17 £	CURRENT 2017/18 £	PROPOSED 2018/19
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PARK AND RIDE

Pre Booking Online	12.00	12.00	12.00
None Pre Booked			
Thursday	13.00	13.00	13.00
Friday	13.00	14.00	14.00
Saturday	15.00	15.00	15.00
Sunday	14.00	14.00	14.00
Mini Bus	25.00	25.00	25.00

SOCIAL INCLUSION- FEES AND CHARGES WEF 01/04/2018 - 31/03/2019

SERVICE : **HOUSING BENEFIT (CX)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS	CURRENT	PROPOSED
	2016/17	2017/18	2018/19
	£	£	£

OTHER

- Housing Benefit Landlord Enquiry per year	144.00	149.00	153.50
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Public Document Pack

Budget Review Group (7 February 2018)

Present: Councillor Gary Hewson (Chair), Councillor Tony Speakman (Vice-Chair), Councillor Kathleen Brothwell, Councillor Bob Bushell, Councillor Thomas Dyer, Councillor Ronald Hills, Councillor Jackie Kirk and Councillor Jane Loffhagen (substitute)

Councillor Ric Metcalfe was also in attendance

Apologies for Absence: Councillor Paul Gowen and Councillor Jim Hanrahan

1. Declarations of Interest

No declarations of interest were received.

2. Draft Medium Term Financial Strategy 2018-23

The Council's Chief Finance Officer:

- (a) Presented the main objectives of the Budget Review Group, which were to examine the principles and planning process that underlie the proposed budget 2018/19, council tax and the Medium Term Financial Strategy 2018-23, with the aim of establishing at each stage that the budget:
 - was clear, focused achievable, realistic and based on sound financial practices;
 - had clear linkages with corporate plans that formed the Council's Policy Framework, establishing that they were identifiable and designed to support the Council's Vision 2020.
- (b) Explained the income assumptions associated with the Medium Term Financial Strategy, which were noted as follows:
 - Lincoln would be part of the 100% business rates retention pilot in 2018/19;
 - growth of 1% per annum for 2019/20, increasing to 2% per annum from 2020/21 in business rates, although there would be an overall reduction in resources due to a business rates baseline reset in 2020/21;
 - business rates increases being linked to the Consumer Price Index and uniform business rate;
 - 75% devolution of business rates not yet being factored into the Medium Term Financial Strategy;
 - phasing out of the Revenue Support Grant by 2020/21, in line with grant allocations;
 - New Homes Bonus estimated on the basis of the new scheme, with national baseline growth assuming approximately 300 Band A and Band B new homes per year;

- investment returns being below 1% across the Medium Term Financial Strategy;
 - fees and charges maintaining an average increase of 3.4% in 2018/19, with a 3% increase assumed thereafter.
- (c) Explained the expenditure assumptions associated with the Medium Term Financial Strategy, which were noted as follows:
- 3.2% inflation for contractual commitments, based on the Retail Price Index;
 - 2.2% for general inflation, based on the Consumer Price Index, in 2018/19, and 2% per annum thereafter;
 - no inflation being applied on supplies and services budgets;
 - 2% per annum provision for the staff pay award;
 - A staff turnover assumption of 1% per annum;
 - a capped increase of 1% per annum in 2018/19 to 2019/20 for employer pension contributions.
- (d) Explained the following proposals in relation to council tax:
- the Government had increased the referendum limit to 3% for 2018/19 and 2019/20;
 - the Medium Term Financial Strategy assumed an increase of 2.95% in 2018/19 and 2019/20, with a 1.9% increase thereafter. This was the equivalent of 10p per week for 80% of the city's residents;
 - growth in the council tax base of 1.25% per annum with a 4% reduction in Localised Council Tax Support Scheme caseload in 2019/20.

The following points were raised following questions and answers during the Chief Finance Officer's presentation:

- actual receipt of business rates would continue to take place on a phased basis. The pilot included all of Lincolnshire's District Councils, Lincolnshire County Council and North Lincolnshire Council. The City Council's retention of business rates would therefore be shared with the County Council, with the City Council receiving 60% of the business rates collected in Lincoln and the County Council receiving 40%;
- the devolution of business rates to 100% still required Parliamentary approval but this had not been included in the Queen's speech following the Parliamentary General Election, hence the Secretary of State's announcement in the local government finance settlement of the move to 75% retention, which did not require Parliamentary approval;
- current assumptions in relation to interest rates were based on advice received by the Council's Treasury Management Advisors, taking into account the Council's investments and the current market;

- the expected yield from the asset rationalisation project associated with car parks was 5.5% and would show as property income in the Medium Term Financial Strategy.

The Chief Finance Officer presented answers to a number of questions that had been asked by members in advance of the meeting, as follows:

Question

“Are there any large capital projects (including Western Growth Corridor) which may lead to increased revenue expenditure in 2018/19 and subsequent years?”

Answer

All new capital projects would go through a rigorous review process via the Council’s Strategic Plan Implementation Group to enable them to be added to the capital programme. This review would include a financial assessment which identified both the capital funding but also any revenue implications, both in the interim and ongoing over the life of the new asset. This would be signed off by the Chief Finance Officer prior to Executive approval.

A question was raised as to whether any lessons had been learnt with regard to the new bus station. It was acknowledged that the new bus station was not a like-for-like facility both in terms of its exact site or specification to that of the previous bus station, so should have been considered as a new scheme and have been assessed accordingly.

Further to asking whether the Chief Finance Officer was confident that the Strategic Plan Implementation Group would pick up everything that it needed to, the Chief Finance Officer confirmed that he was confident, unless any assumptions considerably changed.

A further question was asked in relation to significant projects such as the Western Growth Corridor, as it was not clear where expenditure in relation to the scheme appeared in the budget and Medium Term Financial Strategy. The Chief Finance Officer confirmed that this expenditure would be set out in the revenue budget but reminded members that no capital funding had yet been committed to the Western Growth Corridor, which would go through the review process highlighted above at the relevant time should a capital scheme go ahead.

Question

“What is the expected change in revenues from 2017/18 to 2018/19?”

Answer

Changes in retained business rates, revenue support grant and council tax for 2017/18, 2018/19 and the percentage change were outlined in the presentation by the Chief Finance Officer. The total was noted as being £12,814,970 in 2018/19 compared to £11,627,100 in 2017/18.

Question

“Please outline a financial statement of the Council’s dependencies on Lincolnshire County Council for the authority’s functions.”

Answer

- Disabled Facilities Grant of £300,000 via the Better Care Fund;
- concessionary fares administration totalling £63,000;
- Bud Robinson Community Centre via a Surestart Agreement, totalling £24,000;
- Property rentals of £11,000.

Question

“Please outline the total revenue expenditure for the general fund per year, analysed by cost element.”

Answer

The total revenue expenditure for the general fund per year, for the length of the Medium Term Financial Strategy, analysed by employees, premises, transport, supplies and services, support services and capital charges were set out in the presentation by the Chief Finance Officer.

A question was raised as to why there was a significant drop under the service and supplies heading from 2018/19, which totalled £7,399,580, compared to £5,711,550 in 2019/20 and similar amounts for subsequent years. It was noted that reserve entries were included within these figures and the amount of 2018/19 included £1 million for the business rates retention pilot. £600,000 of this would be used as part of the business rates baseline reset in 2020/21, with the remaining £400,000 being retained.

Question

“Please outline the total revenue expenditure for the housing revenue account per year, analysed by cost element”.

Answer

The total revenue expenditure for the housing revenue account per year, for the length of the Medium Term Financial Strategy, analysed by employees, premises, transport, supplies and services, third party payments, transfer payments, support services and capital charges were outlined in the presentation by the Chief Finance Officer.

In questioning the repairs service account and any underspends associated with this as a result of increased efficiencies, clarification was sought as to whether this element was captured within the Medium Term Financial Strategy.

It was noted that the Medium Term Financial Strategy, in respect of the repairs service, was based on the current basis of delivery and that no object reductions had been included, other than those based on the assumptions and inflation levels as highlighted above.

Question

“Please outline the cost of senior management, including Directors and Assistant Directors, as a percentage of total revenue expenditure.”

Answer

This information was provided by the Chief Finance Officer as part of his presentation for each year of the Medium Term Financial Strategy, both in respect of the general fund and the housing revenue account.

Question

“Please outline the full time equivalent establishment numbers by year by Directorate.”

Answer

A full breakdown for each Directorate for each year of the Medium Term Financial Strategy was provided as part of the Chief Finance Officer’s presentation.

A question was raised as to when vacancies would be filled and where funding was being held for vacant posts. It was noted that it was the intention to fill vacant posts, with the majority of vacant posts classed as ‘holding vacancies’ being held pending restructures. The vacancies currently on the establishment were within the Council’s 1% turnover assumption and it was emphasised that there would always be vacancies on the Council’s establishment, with a range of explanations as to why they were there or why they were being held.

Question

“Please outline the vacancy percentage applied in the Medium Term Financial Strategy by year.”

Answer

The vacancy percentage over the length of the Medium Term Financial Strategy for each year was set out in the Chief Finance Officer’s presentation, based on the 1% turnover assumption. He agreed to circulate the actual turnover percentage to all members of the Budget Review Group for the previous year.

Question

“Please explain the basis for showing expenditure without central support services.”

Answer

The Chief Finance Officer circulated a handout from the Chartered Institute of Public Finance and Accountancy which set out frequently asked questions regarding the reporting of corporate expenditure in the Council’s Comprehensive Income and Expenditure Statement. Question two of the handout clarified how ‘internal recharges’ for corporate expenditure should be treated.

The financial monitoring reports, accounts or Medium Term Financial Strategy, as per the Chartered Institute of Public Finance and Accountancy, were not required to include specific costs relating to recharges for indirect costs and associated overheads for central support services such as caretaking services, human resources and legal services, for example. A member expressed his concern about the integrity of the figures in this respect, particularly if wishing to calculate potential savings from a specific service area. It was noted that the Government still required a full breakdown of all expenditure, so the Council’s finance team undertook this as part of the Council’s return to Government. The Chief Finance Officer therefore gave

an assurance that the Council did have a full understanding of all expenditure for all service areas, including central support services, but that this did not appear in the ledger as per the requirements of the Chartered Institute of Public Finance and Accountancy.

The following points were noted as a result of any additional questions:

- the Towards Financial Sustainability Programme had been re-aligned and its three strands were:
 - commercialisation;
 - asset rationalisation;
 - shared services and savings.
- the £153,000 savings target for 2018/19 was expected to be achieved through asset rationalisation, investing in income generating assets and receiving a return for the Council;
- fees and charges for littering and dog fouling had not been increased due to these being statutorily set;
- the business rate retention pilot included a condition that, if the pilot made an overall net loss or had outstanding liabilities, this would be covered by all authorities in the pilot on a pro-rata basis. All modelling undertaken had showed that there would not be a loss and the pilot had a 'no detriment' clause which meant that all members would not receive less than would have been received under 50% retention.

RESOLVED that the draft Medium Term Financial Strategy 2018-23, 2018/19 budget and council tax proposals be noted and that the comments of this Group be referred to the Performance Scrutiny Committee and Executive prior to referral of the final budget proposals to the Council on 27 February 2018.

EXECUTIVE

26 FEBRUARY 2018

SUBJECT:	PRUDENTIAL INDICATORS 2017/18 – 2020/21 AND TREASURY MANAGEMENT STRATEGY 2018/19
DIRECTORATE:	CHIEF EXECUTIVE'S DIRECTORATE
REPORT AUTHOR:	SARAH HARDY, GROUP ACCOUNTANT (TECHNICAL AND EXCHEQUER)

1. Purpose of Report

- 1.1 The purpose of the report is for Executive to review and recommend to Council for approval the adoption of the 15 statutory prudential indicators and 8 local indicators for the period 2017/18 to 2020/21 together with the 2018/19 Treasury Management Strategy alongside the Medium Term Financial Strategy 2018-23, prior to their reporting to Council for final approval.

2. Executive Summary

- 2.1 The table below summarises the key prudential indicators which have been incorporated into the 2018/19 strategy. The projected capital expenditure will determine the capital financing or borrowing requirement, which will in turn determine the actual level of external borrowing taken and hence, cash balances available for investment. The figures are based on the final Medium Term Financial Strategy therefore the figures in this report are different to those presented to Audit Committee as those figures were based on the draft MTFS.

Key Prudential Indicators	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Capital Expenditure*				
• General Fund	31,419	14,209	500	500
• HRA	15,204	25,805	14,529	11,386
• Total	46,623	40,014	15,029	11,886
Capital Financing Requirement				
• Non HRA	53,327	65,464	64,536	62,537
• HRA	58,503	58,503	58,503	58,503
• Total	111,830	123,967	123,039	121,040
Net Borrowing	65,703	85,503	79,103	80,248
External debt (borrowing only)	81,661	100,445	100,208	99,247
Investments**				
• Longer than one year	0	0	0	0
• Under one year	15,400	14,600	21,000	19,000
• Total	15,400	14,600	21,000	19,000

* Based on MTFS 2018-23.

- 2.2 The methodology employed for selecting investment counterparties is a multi-stage formula based creditworthiness methodology provided by the Council's treasury management advisors, Link Asset Services. The aim of the investment strategy is to generate a list of highly creditworthy counterparties, allowing the Council to maintain a diversified portfolio of investments which safeguards the cash balances whilst generating a reasonable rate of return. The Link methodology, which incorporates credit ratings, credit outlooks and watches and overlays credit default swaps as a measure of market risk, fully meets the aim of the strategy.
- 2.3 The Strategy for 2018/19 has been prepared taking into account changes in the Prudential Code and Treasury Management Code.

3. Background

- 3.1 This report covers the operation of the Council's prudential indicators, its treasury function and its likely activities for the forthcoming year. It incorporates four key Council reporting requirements:
- **Prudential and Treasury Indicators** – the reporting of the statutory prudential indicators together with local indicators, in accordance with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice.
 - **Minimum Revenue Provision (MRP) Statement** – the reporting of the MRP policy which sets out how the Council will pay for capital assets through revenue each year (as required by regulation under the Local Government 2003)
 - **Treasury Management Strategy** – which sets out how the Council's treasury activity will support capital decisions, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Authorised Borrowing Limit required by s3 of the Local Government Act 2003 and is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.
 - **Investment Strategy** – this is included within the Treasury Management Strategy and sets out the criteria for choosing investment counterparties and limiting exposure to the risk of loss. It is reported annually (in accordance with Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance).

4. Treasury Management Requirements 2018/19

4.1 The Capital Prudential Indicators 2017/18 – 2020/21

- 4.1.1 The Council's capital expenditure plans are one of the key drivers of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators.

The Prudential Code requires the Council to approve as a minimum the statutory indicators and limits. This report revises the indicators for 2017/18 and details them for 2018/19 to 2020/21. An explanation and calculation of each Prudential Indicator is provided in **Appendix 1** and the key messages summarised in section 4.1.3.

4.1.2 Capital Expenditure and Financing

The Council's capital expenditure plans (as detailed in the MTFS 2018-23) are summarised below. Capital expenditure can be paid for immediately (by resources such as capital receipts, capital grants or revenue resources) but if these resources are insufficient, any residual capital expenditure will form a borrowing need. This can be supported by government grant for the repayment of debt (very limited support available) or can be unsupported (prudential borrowing) where the Council needs to identify the resources to finance and repay debt through its own budget.

Indicators 1&2	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Capital Expenditure				
General Fund	31,419	14,209	500	500
HRA (including New Build)	15,204	25,805	14,529	11,386
Total Expenditure	46,623	40,014	15,029	11,886
Financed by:				
Capital receipts	5,483	6,912	3,819	900
Capital grants & contributions	3,284	670	300	300
Depreciation (HRA only)	12,857	16,631	10,710	10,486
Revenue/Reserve Contributions	361	2,785	0	0
Borrowing need	24,638	13,016	200	200

4.1.3 The Council's Borrowing Need - the Capital Financing Requirement (CFR)

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either capital or revenue resources. It is essentially a measure of the Council's underlying borrowing need. Based on the capital expenditure plans in paragraph 4.1.2 the CFR for 2017/18 to 2020/21 is projected to be:

Indicators 3&4	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Capital Financing Requirement				
General Fund	53,327	65,464	64,536	62,537
HRA	58,503	58,503	58,503	58,503
Total CFR @ 31 March	111,830	123,967	123,039	121,040
Net movement in CFR	23,154	12,137	(929)	(1,998)
Actual debt (borrowing & other liabilities)	81,661	100,445	100,208	99,247

Net borrowing need for the year	24,638	13,016	200	200
Return of LAMS deposit	(1,000)	0	0	0
Minimum Revenue Provision (MRP)	(334)	(1,028)	(1,279)	(1,493)
Repayment of GENF borrowing				(855)
Application of Capital Receipts to reduce CFR	(150)	(150)	(150)	(150)
Movement in CFR	23,154	12,137	(929)	(1,998)

The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility, so the Council is not required to separately borrow for them. The Council has £0.559m of such leases within the CFR in 2017/18 reducing to £0.105m by the end of 2019/20. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing. If following a full financing options appraisal the most cost effective funding method is identified as either borrowing or finance lease then the CFR will be increased to reflect a borrowing requirement for the replacement fleet.

- 4.1.4 **Limits on Borrowing** – In order to ensure that borrowing decisions are based on consideration of affordability, prudence and sustainability and that treasury management decisions are taken in accordance with good professional practice, in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to City of Lincoln Council, the Prudential Code requires that Council's set limits on borrowing activity.

Limiting Borrowing for Capital Purposes - the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future.

Operational Boundary for External Debt – boundary based on the expected maximum external debt during the course of the year

Authorised Limit for External Debt - represents the limit beyond which external debt is prohibited. It represents the level of debt, which while not desired, could be afforded in the short term, but is unsustainable in the long term. This limit needs to be set or revised by full Council.

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). Financial modelling has been carried out for both and the affordability and sustainability of the potential borrowing requirement has been assessed and can be

contained within the MTFS 2018-23. This is reflected in the table below and in the Prudential Indicators 7 and 8 tables in Appendix 1.

Indicator 7	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Authorised limit				
Borrowing	122,000	134,000	133,000	131,000
Other long term liabilities	2,500	1,800	1,300	800
Total Authorised limit	124,500	135,800	134,300	131,800

4.2 Minimum Revenue Provision (MRP) Policy

- 4.2.1 The Council is required to pay off an element of the accumulated General Fund borrowing each year (the CFR) through a revenue charge - the Minimum Revenue Provision (MRP), and is also allowed to undertake additional voluntary payments (VRP). No revenue charge is currently required for the HRA. However, under self-financing, the HRA is now required to charge depreciation on its assets, which has been built into the revenue charges in the HRA 30 year Business Plan.

The Department of Homes, Communities and Local Government have issued statutory guidance on the options available for making prudent provision for the repayment of debt. The Council must have regard to this guidance. The guidance is not prescriptive and makes it clear that councils can follow an alternative approach, provided they still make a prudent provision. The broad aim of a 'prudent provision' is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits to service delivery.

Guidance issued by the Secretary of State requires that before the start of each financial year the Council prepares a statement of its policy on making MRP in respect of the forthcoming financial year and submits it to Full Council for approval. There are no changes proposed to the MRP policy for 2018/19.

The MRP policy statement is set out in **Appendix 2**.

4.3 The Treasury Management Strategy 2018/19

- 4.3.1 Treasury Management is an important part of the overall financial management of the Council's affairs. The treasury management service performs the borrowing and investment activities of the Council and effectively manages the associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Treasury Management Policy and Practices and the annual Treasury Management Strategy provides the operational rules and limits by which day to day treasury management decisions are made.
- 4.3.2 The Treasury Management Strategy for 2018/19 is attached at **Appendix 3**. The strategy outlines expected treasury activity for the coming year and expected prudential indicators relating the treasury management for the next three years. The key principals in the strategy are summarised below.

- **Debt and Investment Projections (Treasury Management Strategy section 2)** – based on the budgeted borrowing requirements, estimated balances and cash flow, year-end debt and investment projections are:

	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
External Debt				
Debt at 31 March (including other long term liabilities)	81,661	100,445	100,208	99,247
Investments				
Total Investments at 31 March	15,400	14,600	21,000	19,000

- **Expected Movement in Interest Rates (Treasury Management Strategy section 3)** - short term interest rates are not expected to rise until 2019/20 and then will rise slowly in future years. Long term rates for external borrowing are not expected to rise until December 2018 and then only marginally. After this they will continue to rise very slowly in future years.
- **Borrowing & Debt Strategy (Treasury Management Strategy section 4)** - The main aims are:
 - To reduce the revenue costs of debt
 - To manage the Council's debt maturity profile
 - To effect funding at the cheapest cost commensurate with future risk.
 - To forecast average future interest rates and borrow accordingly
 - To proactively reschedule debt in order to take advantage of potential savings as interest rates change.
 - To manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing.
- **Investment Strategy (Treasury Management Strategy section 5)** - The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time, then ensuring adequate liquidity, with investment return being the final objective.

The current investment climate continues to present one over-riding risk consideration, that of counterparty security risk. In order to fully consider counterparty risk factors when selecting investment counterparties, the Council employs the multi-stage formula based creditworthiness methodology provided by the Council's treasury management advisors, Link Asset Services. This methodology, developed by Link, uses credit ratings as the core criteria but also incorporates other market information on a mathematical basis. The methodology is continuously reviewed and changes are made in response to changes made by the credit rating agencies. There haven't been any major changes made to the credit rating methodology since last year's change when any reference to the implied levels of sovereign support (which were phased out last year) were taken out. The current methodology is explained in detail in the Council's Investment Strategy 2018/19 in **Section 5 of Appendix 3**.

The aim of the investment strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk (i.e. placing a large proportion of investments with a small number of counterparties). The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use are listed in **Appendix 3** under the specified and non-specified investments categories. Counterparty limits will be as shown in **Appendix 3**. Examples of institutions which currently fall under the various colour coded categories are as follows:

- Blue (part-government owned - 1 year)
- Orange (1 year)
- Green (100 days)
- Yellow (5 years) – Local Authorities.

Sole reliance will not be placed on the use of this external service. In addition, officers will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

The criteria to be used to select investment counterparties are set out in Appendix 3. These include:-

- Maintenance of a counterparty list with approved credit ratings and time and principal limits
- Regular monitoring of counterparties with the help of the Council's treasury management advisors
- Limits on the amounts on non-specified investments (e.g. over 1 year investments)
- Limits on non-UK counterparties

Risk Benchmarking – The revised CIPFA Code and the MHCLG Investment Guidance adopted 2nd March 2010 introduced the consideration and approval of security and liquidity benchmarks. The Investment Strategy for 2018/19 includes the following benchmarks for liquidity and security:-

Liquidity – The Council's bank overdraft limit is nil. The Council will seek to maintain liquid short-term deposits of at least £5,000,000 available with a week's notice. The weighted average life (WAL) of investments is expected to be 0.45years.

Security – the Council's expected security risk benchmark from its budgeted investment strategy is 0.008% historic risk of default when compared to the whole portfolio. This means that the risk amounts to approximately £0.001m on the expected investment portfolio of £14.6 million.

- **Treasury Limits on Activity (Treasury Management Strategy section 6)** – This section includes statutory and local indicators covering treasury management activity. These include limits on fixed and variable interest rate exposure, maturity structure of debt and performance targets for interest

rates on new investments and loans.

- **Breakdown of Investment Categories (Treasury Management Strategy section 7)** – covers authorised posts for treasury management activities

The need to limit the risk to the Council of loss from counterparty failure results in a restricted range of counterparties available for investment.

4.4 Treasury Management Practices

The Council adopted the CIPFA Code of Practice on Treasury Management (which was revised December 2017) on 2nd March 2010. At this time the Treasury Management Policy Statement was also adopted. The Treasury Management Policy and Practices (TMP's) are updated annually to reflect the Treasury Management Strategy approved by Council and to reflect any changes in staffing structures or working practices of the treasury function.

5. Organisational Impacts

5.1 Finance

Financial implications are contained in the main body of the report.

5.2 Legal Implications

The Treasury Management Strategy and Prudential Indicators meet the requirements under legislation and code of practice.

6. Risk Implications

The risk implications are contained within the body of the report.

7. Recommendations

7.1 The Executive are recommended to:

7.2 Recommend for approval by the Council the prudential indicators detailed in section 4.1 and appendix 1 of the report.

7.3 Recommend for approval by the Council the Treasury Management Strategy (including the treasury management prudential indicators and the Investment Strategy) set out section 4.3 and appendix 3 of the report.

Is this a key decision?

Yes

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

3

List of Background Papers:

Medium Term Financial Strategy 2018-23
CIPFA Code of Practice
CIPFA Prudential Code
Treasury Management Practices

Lead Officer:

Sarah Hardy, Group Accountant (Technical and Exchequer)
Telephone (01522) 873839

Prudential Indicators 2017/18 – 2020/21

1.0 Introduction

- 1.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. The Code sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. The Prudential Code operates by the provision of prudential indicators, which highlight particular aspects of the capital expenditure planning. This report revises the indicators for 2017/18 and details them for 2018/19-2020/21. Each indicator either summarises the expected capital activity or introduces limits upon the activity, and reflects the outcomes of the Council's underlying capital appraisal systems.
- 1.2 The Prudential Code requires the Executive and full Council to approve as a minimum the 15 statutory indicators. The Chief Finance Officer has added 8 local indicators that are believed to add value and assist understanding of the main indicators.
- 1.3 The purpose of the indicators is to provide a framework for capital expenditure decision-making. It highlights, through the prudential indicators, the level of capital expenditure, the impact on borrowing and investment levels and the overall controls in place to ensure the activity remains affordable, prudent and sustainable.
- 1.4 Within this overall capital expenditure framework there is a clear impact on the Council's treasury management activity, either through increased borrowing levels or the investment of surplus balances. As a consequence the treasury management strategy for 2018/19 (see Appendix 3) includes the expected treasury management activity, together with the 5 specific Prudential indicators and 8 local indicators, which relate to treasury management.
- 1.5 The 15 statutory prudential indicators can be categorised under the following four headings:
 - Capital Expenditure and External Debt (numbers 1, 2, 3, 4, 5, 7, 8)
 - Prudence (number 6)
 - Affordability (numbers 9,10)
 - Treasury Management limits (numbers 11, 12, 13, 14, 15)
 (The numbers above relate to the reference given to each indicator).
- 1.6 The paragraphs 2 to 4 below detail the 10 statutory indicators under the headings of Capital Expenditure/External Debt, Prudence and Affordability. The remaining 5 statutory and 8 local indicators relating to the treasury management strategy are set out in appendix 3.

2.0 Capital Expenditure Prudential Indicators

- 2.1 The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. This expenditure can be paid for immediately (by

resources such as capital receipts, capital grants etc.), but if resources are insufficient any residual expenditure will form a borrowing need.

2.2 A certain level of capital expenditure may be supported by government grant; any decisions by Council to spend above this level will be unsupported and will need to be paid for from the Council's own resources. This unsupported capital expenditure needs to have regard to:

- Service objectives e.g. strategic planning
- Stewardship of assets e.g. asset management planning
- Value for money
- Prudence and sustainability e.g. implications for external borrowing and whole life costing
- Affordability
- Practicality e.g. achievability of plan

The revenue consequences of capital expenditure, particularly the unsupported expenditure, will need to be paid for from the Council's own resources.

The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been required.

2.3 The key risks to the plans are that some estimates for sources of funding, such as capital receipts, may be subject to change over this timescale. For instance, anticipated asset sales may be postponed due to the impact of the recession on the property market.

2.4 The summary capital expenditure and financing projections are shown in the table below.

Indicators 1&2	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Capital Expenditure				
General Fund	31,419	14,209	500	500
HRA (including New Build)	15,204	25,805	14,529	11,386
Total Expenditure	46,623	40,014	15,029	11,886
Financed by:				
Capital receipts	5,483	6,912	3,819	900
Capital grants & contributions	3,284	670	300	300
Depreciation (HRA only)	12,857	16,631	10,710	10,486
Revenue/Reserve Contributions	361	2,785	0	0
Borrowing need	24,638	13,016	200	200

3.0 External Debt and Prudence Prudential Indicators

- 3.1 **Borrowing Need** - The Council's Capital Financing Requirement (CFR) represents the Council's borrowing need. The CFR is simply the total outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.
- 3.2 The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought on to the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, they are purely accounting adjustments and include a borrowing facility, so the Council is not required to separately borrow for them. The Council has £0.559m of such leases within the CFR in 2017/18 reducing to £0.105m by the end of 2019/20. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing arrangements.
- 3.3 Capital Financing Requirement projections are detailed below:

Indicators 3&4	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Capital Financing Requirement				
General Fund	53,327	65,464	64,536	62,537
HRA	58,503	58,503	58,503	58,503
Total CFR @ 31 March	111,830	123,967	123,039	121,040
Net movement in CFR	23,154	12,137	(929)	(1,998)
Actual debt (borrowing & other liabilities)	81,661	100,445	100,208	99,247
Net borrowing need for the year	24,638	13,016	200	200
Return of LAMS deposit	(1,000)	0	0	0
Minimum Revenue Provision (MRP)	(334)	(729)	(979)	(1,193)
Repayment of GENF borrowing				(855)
Application of Capital Receipts to reduce CFR	(150)	(150)	(150)	(150)
Movement in CFR	23,154	12,137	(929)	(1,998)

* MRP = Minimum Revenue Provision – Statutory requirement to annually fund the repayment of General Fund borrowing.

- 3.4 **Estimates of External Debt** - The expected impact of the capital expenditure decisions on the Council's net debt position is shown below:

Indicator 5	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
External Debt				
Gross Borrowing	81,103	100,103	100,103	99,247
Other Long Term Liabilities*	559	342	105	(0)
Total Debt at 31 March	81,661	100,445	100,208	99,247

*Other Long Term liabilities include finance leases

- 3.5 The expected movement in the CFR over the next three years is dependent on the level of capital borrowing taken during the budget cycle. Such borrowing is the capital expenditure freedom allowed under the Prudential Code i.e. prudential borrowing which allows the freedom to enter into projects such as spend to save schemes, or decisions to allocate additional resources from revenue to capital to enable service enhancements (subject to affordability).
- 3.6 There are two limiting factors on the Council's ability to undertake prudential borrowing:
1. Whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs. Can the Council afford the implications of the capital expenditure?
 2. The Government may use a long stop control to ensure that either the total of all the Councils' plans do not jeopardise national economic policies, or in the event of an assessment by Central Government that local plans are unaffordable at a council, it may implement a specific control to limit its capital expenditure plans. No such control has been implemented during 2017/18.
- 3.7 **Limits to Borrowing Activity** - Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well-defined limits.
- 3.8 For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and next two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

Indicator 6	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Gross Borrowing	81,103	100,103	100,103	99,248
Investments	15,400	14,600	21,000	19,000
Net Borrowing	65,703	85,503	79,103	80,248
CFR	111,830	123,967	123,039	121,040
Net Borrowing is below CFR	46,127	38,464	43,936	40,792

The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.9 A further two key prudential indicators control or anticipate the overall level of borrowing, these are:

- **The Authorised Limit for External Debt** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt, which while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.
- **The Operational Boundary for External Debt** – This indicator is based on the expected maximum external debt during the course of one year; it is not a limit and actual borrowing could vary around the boundary for short times during the year.

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). The limits proposed for the 2018/19 Treasury Management Strategy also allow for the borrowing requirement associated with the Lincoln Transport Hub scheme and the purchase of Broadgate Carpark. The affordability and sustainability of the borrowing requirement for both have been assessed and can be contained within the MTFS 2018-23. The operational and authorised limits for 2018/19 have been set to allow these.

Indicator 7	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Authorised limit				
Borrowing	122,000	134,000	133,000	131,000
Other long term liabilities	2,500	1,800	1,300	800
Total Authorised limit	124,500	135,800	134,300	131,800

Indicator 8	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Operational Boundary				
Borrowing	115,000	126,400	125,900	124,300
Other long term liabilities*	2,000	1,600	1,100	700
Total Operational Boundary	117,000	128,000	127,000	125,000

*Other Long Term liabilities include finance leases

3.10 **Borrowing in advance of need** – The Council has some flexibility to borrow funds this year for use in future years. The Chief Finance Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically

beneficial or meet budgetary constraints. Whilst the Chief Finance Officer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 75% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 36 months in advance of need

3.11 Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

4.0 Affordability Prudential Indicators

4.1 The 8 statutory indicators above cover the overall capital and control of borrowing, but in addition, within this framework, there are further indicators that assess the affordability of the capital investment plans. These indicators provide an indication of the impact of the capital investment plans on the Council's overall finances and these are shown below:

4.2 **Actual and Estimates of the Ratio of Financing Costs to Net Revenue Stream (Indicators 9 & 10)** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget. The General Fund financing costs increase across the MTFS period. This reflects the need to borrow to support the capital programme.

The HRA financing costs decrease very marginally year on year. As there is no planned borrowing to fund the capital programme this has no impact on the financing costs over the four year period.

Neither the General Fund nor the HRA indicators include the effect of replacing some of the finance leases for vehicles replaced in 2015/16 and 2016/17 yet. This may increase the interest charges if finance leasing or borrowing if it is the most cost effective method of financing.

Indicators 9 & 10	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
General Fund	12.6%	13.3%	20.1%	21.8%
HRA	45.3%	44.1%	43.1%	42.5%

4.3 **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator has been discontinued following an update to the code in December 2017.

4.4 **Estimates of the incremental impact of capital investment decisions on Housing Rent Levels** – This indicator has been discontinued following an update to the code in December 2017.

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 MHCLG 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 MHCLG 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 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.

Treasury Management Strategy 2018/19

1.0 Introduction

- 1.1 Treasury Management is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. The 12 prudential indicators in Appendix 1 cover the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992. There are 5 specific statutory treasury management prudential indicators and 8 local indicators.
- 1.2 The treasury management service performs the borrowing and investment activities of the Council and effectively manages the associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management - Revised December 2017). The adoption of the Code is one of the 12 statutory Prudential Indicators. This Council adopted the Code of Practice on Treasury Management on 2nd March 2010. As a result of adopting the Code, the Council also adopted a Treasury Management Policy Statement on 2nd March 2010.
- 1.3 The policy requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming year and includes prudential indicators relating specifically to Treasury Management for the next three years. Further reports are produced; a mid-year monitoring report and a year-end report on actual activity for the year (Annual Treasury Management Stewardship Report). In addition, Treasury Management Practice (TMPs) documents are also maintained by the Chief Finance Officer. The TMPs have been reviewed and updated to reflect any changes in the Treasury Management Strategy and reviewed by Audit Committee.
- 1.4 A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. This strategy covers:
- The Council's debt and investment projections;
 - The expected movement in interest rates;
 - The Council's borrowing strategy;
 - The Council's investment strategy;
 - Treasury Management prudential indicators and limits on activity;
 - Local Treasury issues

2.0 Debt and Investment Projections 2017/18 – 2020/21

- 2.1 The borrowing requirement comprises the expected movement in the Capital Financing Requirement (CFR) and any maturing debt that will need to be re-financed. The table below shows the anticipated effect on the treasury position over the current and next three years based on the current capital programme. The expected maximum debt position during each year represents the Operational Boundary prudential indicator (for borrowing only) and so may be different from the year-end position. It also highlights the expected change in investment balances.

	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
External Debt				
Debt at 1 April	75,353	81,103	100,103	100,103
Expected change in debt	5,750	19,000	0	(855)
Debt at 31 March	81,103	100,103	100,103	99,248
Operational Boundary (debt only)	117,000	128,000	127,000	125,000
Investments				
Total Investments at 31 March	15,400	14,600	21,000	19,000
Investment change	(8,000)	(800)	6,400	(2,000)

Expected borrowing has been profiled to take out loans before current low borrowing interest rates are forecast to rise.

2.2 The related impact of the above movements on the revenue budgets are:

	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Revenue Budgets				
Total interest payable on borrowing	3,140	3,330	3,627	3,551
Related HRA charge	2,352	2,352	2,352	2,332
Net General Fund interest payable	788	978	1,275	1,219
Total investment income	113	77	132	149
Related HRA income share	31	31	32	38
Related to other commitments	19	17	17	17
Net General Fund income	63	29	83	94

3.0 Prospects for Interest Rates

The Council has appointed Link 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 table gives the Link central view and paragraph 3.1 give Link's view on economic prospects.

Annual Average %	Bank Rate	PWLB Rates*		
		5 year	25 year	50 year
March 2018	0.50	1.60	2.90	2.60
March 2019	0.75	1.80	3.10	2.90
March 2020	1.00	2.10	3.40	3.20
March 2021	1.25	2.30	3.60	3.40

* Borrowing Rates

3.1 Economic Growth (Link's view)

UK. After the UK surprised on the upside with strong economic growth in 2016, **growth in 2017 has been disappointingly weak**; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure.

The **Monetary Policy Committee, (MPC), meeting of 14th September 2017** surprised financial markets and forecasters by warning that the Bank Rate would need to rise soon. At the 2nd November meeting the MPC increased the Bank Rate by 0.25% to 0.50% and gave forward guidance that they expected to increase rates only twice more in the next three years to reach 1% by 2020.

The other key factor in forecasts for Bank Rate is **inflation** where the MPC aims for a target for CPI of 2.0%. The Bank of England have indicated that it expects CPI inflation to peak at just under 3% in 2017 before falling back to near its target rate in two years' time.

While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is difficult to be confident about how the next two to three years will actually turn out.

USA. Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.2%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with four increases in all and four increases since December 2016; the latest rise was in December 2017 and lifted the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

EZ. Economic growth in the Eurozone (EZ), has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of Quantitative Easing (QE). However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.1% y/y), 0.7% in quarter 2 (2.4% y/y) and +0.6% in quarter 3 (2.6% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in November inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

Asia. Economic growth in China has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan. GDP growth has been gradually improving during 2017 to reach an annual figure of 2.1% in quarter 3. However, it is still struggling to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

4.0 The Council's Borrowing and Debt Strategy 2018/19

- 4.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high and will be maintained for the borrowing.
- 4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances as follows.
- 4.3 If it was felt that there was a significant risk of a sharp fall in long term rates e.g. due to a marked increase of risks around a relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- 4.4 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still relatively cheap.
- 4.5 The Council's overall core borrowing objectives will remain uniform and follow a similar pattern to previous years as follows:
 - To reduce the revenue costs of debt in line with the targets set for the Chief Finance officer (see local indicators).
 - To manage the Council's debt maturity profile, leaving no one future year with a high level of repayments that might cause problems in re-borrowing.
 - To effect funding at the cheapest cost commensurate with future risk.
 - To forecast average future interest rates and borrow accordingly i.e. short term/variable when rates are 'high', long term/fixed when rates are 'low'.
 - To monitor and review the level of variable rate loans in order to take greater advantage of interest rate movements.
 - To proactively reschedule debt in order to take advantage of potential savings as interest rates change. Each rescheduling exercise will be considered in terms of the effect of premiums and discounts on the General Fund and the Housing Revenue Account.
 - To manage the day-to-day cash flow of the Council in order to, where possible, negate the need for short-term borrowing. However, short-term

borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.

- 4.7 There is unsupported borrowing in the General Fund Investment Programme (GIP) as detailed in the MTFS. The Council expects to take out loans for the General Fund before current low borrowing interest rates are forecast to rise significantly, and it will continue to use internal balances whilst interest rates on investments remain low. Officers are continually evaluating the cost effectiveness of borrowing as opposed to selling capital assets. Proposals are presented to Members when borrowing becomes more cost effective.
- 4.8 There are currently no plans to borrow for the HRA planned new build programme during the next MTFS period, starting in 2018/19. It is planned to fund the programme using alternative sources of funding.
- 4.9 The strategy allows for additional borrowing in line with the expected movement in the Capital Financing Requirement (CFR), should it become necessary for cash flow requirements. The Council will consider PWLB loans, Market loans, the Municipal Bond Agency and other financial institutions, if attractive rates are offered. In addition, should schemes be identified that benefit the Council's strategic aims and be deemed cost effective, i.e. Invest to Save schemes where the income streams more than pay for the borrowing costs, unsupported borrowing will be considered.

5.0 The Council's Investment Strategy 2018/19

- 5.1 The Council's investment strategy's primary objectives are safeguarding the repayment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective.

The intention of the strategy is to provide security of investment and minimisation of risk.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

In line with this aim, the Council will ensure:

- It maintains a policy covering the types of specified and unspecified investments it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security. This is set out in the paragraphs below.
 - **Specified Investments** – these are high security investments (i.e. high credit quality) and high liquidity investments in sterling with a maturity of no more than one year.
 - **Non-specified Investments** – investments that do not fall into the category of Specified Investments, representing a potential greater risk (e.g. over one year).
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's

prudential indicators covering the maximum principal sums invested.

5.2 **Risk benchmarking**

Yield benchmarks are widely used to assess investment performance. Discrete security and liquidity benchmarks are also requirements to Treasury Management reporting, although the application of these is more subjective in nature. Additional background in the approach taken is shown at the end of this appendix.

- 5.3 These benchmarks are simple guides to maximum risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

5.4 **Security**

The Council's expected security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.008% historic risk of default when compared to the whole portfolio.

5.5 **Liquidity**

In respect of this area the Council seeks to maintain:

- Bank overdraft - £nil.
- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.45 years.

5.6 **Yield**

Local measure of yield benchmark employed is:

- Investments – return above the 7 day LIBID rate

5.7 **Investment Counterparty Selection Criteria**

The primary principle governing the Council's investment criteria is the security of its investments although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.

It has sufficient liquidity in its investments. For the purpose it will set out procedures for determining the maximum periods for which funds may be prudently committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

- 5.8 The Chief Finance Officer will maintain a counterparty list in compliance with the criteria set out in the table contained within this appendix and will revise the

criteria and submit them to Council for approval as necessary. These criteria are separate to that which chooses Specified and Non-Specified investments as they provide an overall pool of counterparties considered high quality which the Council may use rather than defining what its investments are.

5.9 Following the Comprehensive Spending Review on the Council's grant funding settlement and the ongoing financial pressures, the identification of savings and income generation are critical to the delivery of the Medium Term Financial Strategy. Treasury Management is an important area for further income generation and therefore, the main theme of the Council's investment strategy must continue to be to maximise interest from investments, after ensuring adequate security and liquidity. The Investment Strategy 2018-19 seeks to achieve this objective by establishing a pool of counterparties available for investment whilst still containing overall risk within acceptable levels.

5.10 The Council uses Link Asset Services' creditworthiness service. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard and Poor's.

In accordance with the guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

As with previous practice, ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the creditworthiness methodology provided by Capita Asset Services. The result is a colour coding system, which shows the varying degrees of suggested creditworthiness.

Alongside the credit ratings other information sources are used and include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process with regard to the suitability of potential investment counterparties.

The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are

used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Yellow	5 years
Purple	2 years
Blue	1 year (only applies to part-government owned UK banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	Not to be used

The Link Asset Services creditworthiness service uses a wider array of information than primary ratings alone and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

- 5.11 Typically, the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The credit ratings specified above are defined as follows:-

F1 (short term rating) – Highest credit quality

A- (long term rating) – High credit quality, denoting a very strong bank

- 5.12 All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of Link's creditworthiness service.

- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's counterparty list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

5.13 **Country and sector considerations**

Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part the country selection will be chosen by the credit rating of the Sovereign state. In addition:

- No more than 50% will be placed with any non-UK country at any time (see below).
- Group limits have been set to ensure that the Council is not exposed to

excessive risk due to concentration of investments within any one institution or group. These are detailed in the Investment Counterparty Limits table contained within this appendix.

Although the strategy sets a limit for investment in non-UK countries at no more than 50%, the Council has been operating a tighter operational strategy in the light of the Eurozone difficulties and has not been investing outside the UK. This operational restriction will continue until the problems in the Eurozone economy have been sufficiently resolved.

- 5.14 In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be used for the control of liquidity as both categories allow for short-term investments. The Chief Finance Officer will strive to keep investments within the Non-specified category to a prudent level (having regard to security and liquidity before yield). To these ends the Council will maintain a maximum of 75% of investments in Non-specified investments.
- 5.15 The use of longer-term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. The investment in longer-term instruments is also limited by the prudential indicator 16 shown in paragraph 6.3, which gives the maximum amount to be invested over 1 year, as well as the limits on the amounts that can be placed with the categories within the non-specified range of investments (see above paragraph 5.14).
- 5.16 Expectations on shorter-term interest rates, on which investment decisions are based, reflect the fact that an increase in the current 0.50% Bank Rate is unlikely until December 2018. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.
- 5.17 There is a clear operational difficulty arising from the ongoing economic conditions. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security
- 5.18 The criteria for choosing counterparties set out above provide a sound approach to investment in the current difficult market circumstances.

5.19 Sensitivity to Interest Rate Movements

The Council's Statement of Accounts is required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 0.5% increase/decrease in the average interest rates for investments for next year. That element of the debt and investment portfolios, which are of a longer term, fixed interest rate nature, will not be affected by interest rate changes. There will be no effect on borrowing costs as all the Council's existing debt is fixed rate and the additional borrowing planned will also be fixed rate and has been included within the budget figures in this report at the forecast rate for 2018/19.

£000	2018/19 Estimated + 0.5%	2018/19 Estimated - 0.5%*
Revenue Budgets		
Investment income	76,869	0
Related HRA Income	30,795	0
Net General Fund/Other Income	46,073	0

*The average interest rates on investment are 0.5% so if interest rates fell by this amount they would be zero which would result in no interest being earned

6.0 Treasury Management Limits on Activity

6.1 There are four further treasury activity limits, which were previously prudential indicators. The purpose of these is to contain the activity of the treasury function within certain limits, thereby managing the risk and reducing the impact of an adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunity to reduce costs. The indicators are:

- **Upper limit on variable rate exposure** – this identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- **Upper limit on fixed rate exposure** – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- **Maturity structures of borrowing** – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing at the same time and are required for upper and lower limits.
- **Total principal sums invested for periods longer than 1 year** – These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

6.2 In addition the Chief Finance Officer has set eight additional local indicators. The aim of these indicators is to increase the understanding of the treasury management indicators.

6.3 The 4 treasury limits above together with the adoption of the Code of Practice indicators are shown below:

Indicator 11	2018/19 Target £m	2019/20 Target £m	2020/21 Target £m
Upper Limit on variable interest rate exposure	40.0	39.3	39

Indicator 12	2018/19 Target £m	2019/20 Target £m	2020/21 Target £m
Upper Limit on fixed interest rate exposure	96.5	93.1	92.7

Indicator 13	2018/19		2019/20		2020/21	
Maturity Structure of fixed borrowing	Lower	Upper	Lower	Upper	Lower	Upper
Under 12 months	0%	40%	0%	40%	0%	40%
12 months to 2 years	0%	40%	0%	40%	0%	40%
2 years to 5 years	0%	60%	0%	60%	0%	60%
5 years to 10 years	0%	80%	0%	80%	0%	80%
10 years and above	10%	100%	10%	100%	10%	100%

Indicator 14	2018/19 £m	2019/20 £m	2020/21 £m
Maximum principal sums invested for longer than 1 year	5	5	5

Indicator 15
CIPFA Code of Practice for Treasury Management in the Public Services (Revised December 2017) adopted by Council on 2nd March 2010.

6.4 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury management function over the year. The Chief Finance Officer has therefore set 8 local indicators, which are believed to add value and assist the understanding of the main prudential indicators. These indicators are:

- Debt – Borrowing rate achieved against average 7 day LIBOR.
- Investments – Investment rate achieved against average 7 day LIBID.
- Average rate of interest paid on the Councils Debt – this will evaluate performance in managing the debt portfolio to release revenue savings.
- Amount of interest on debt as a percentage of gross revenue expenditure.
- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

6.5 The 8 indicators are shown below:

	2018/19 Target	2019/20 Target	2020/21 Target
Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year)	Less than 7 day LIBOR	Less than 7 day LIBOR	Less than 7 day LIBOR

	2018/19 Target	2019/20 Target	2020/21 Target
Investment rate achieved	Greater than 7 day LIBID	Greater than 7 day LIBID	Greater than 7 day LIBID

	2018/19 Target	2019/20 Target	2020/21 Target
Average rate of Interest Paid on Council Debt (%)	4.25%	4.25%	4.25%

	2018/19 Target	2019/20 Target	2020/21 Target
Interest on Debt as a % of Gross Revenue Expenditure	3.5%	3.8%	3.6%

	2018/19 Target	2019/20 Target	2020/21 Target
Upper Limit on fixed interest rate Investments	100%	100%	100%

	2018/19 Target	2019/20 Target	2020/21 Target
Upper Limit on fixed interest rate debt	100%	100%	100%

	2018/19 Target	2019/20 Target	2020/21 Target
Upper Limit on variable interest rate investments	75%	75%	75%

	2018/19 Target	2019/20 Target	2020/21 Target
Upper Limit on variable interest rate debt	40%	40%	40%

6.6 Treasury Management Advisers

The Council uses Link Asset Services as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt rescheduling advice surrounding the existing portfolio;
- Credit ratings/market information service comprising the three main credit rating agencies.

Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

6.7 Member and Officer Training

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers.

This Council has addressed this important issue by:

- Member Training – Our treasury management advisers provided training to the Audit Committee and Budget Review Scrutiny Group prior to the consideration of this year's strategy and review of the Draft MTFS 2018-23. They also provided training to the Performance Scrutiny Committee to support their consideration of the mid-year report. The training needs will be regularly reviewed and updated as necessary in 2018/19.
- Staff Training – training needs for staff engaged in treasury management are addressed through the appraisal process. Training is provided both by the Council's treasury management advisers, other external providers and internally. In addition, the Council encourages staff engaged in treasury to undertake a professional accountancy qualification and ensures that the day-to-day trading is overseen by a professionally qualified accountant following the CIPFA Code of Practice.

7.0 Breakdown of Investment Categories with Maximum Amounts and Periods

The Chief Finance Officer, in accordance with TMP 1 (1) within the Council's Code of Practice, is authorised to invest funds surplus to immediate requirements with the following types of institutions subject to the minimum ratings produced by the three credit rating agencies Fitch, Moody's and Standard & Poor's. The Link Asset Services creditworthiness service is applied to determine a list of suitable counterparties available for investment. The minimum ratings applied by Link Asset Services in compiling their recommended counterparty list are set out in section 5.11 of the investment strategy.

All counterparty ratings are updated on a regular basis on the advice of the Council's Treasury Consultants. Notifications of rating changes are received as they happen.

Investment Counterparty Limits

Institution	Minimum credit criteria/colour band	Maximum limit per group or institution £ million	Maximum maturity period
SPECIFIED INVESTMENTS			
UK Bank ^{*1}	Orange/Blue Red Green	£5 million	1 year 6 months 100 days
Non-UK Banks ^{*1} Sovereign rating AA	Orange Red Green	£5 million	1 year 6 months 100 days
Building Society ^{*2}	Orange Red Green	£5 million	1 year 6 months 100 days
Money Market Fund ^{*3}	Yellow	£5 million	Liquid
UK Government ^{*4}	Yellow	unlimited	6 months
UK Local Authority ^{*4}	Yellow	£2 million	1 year
NON-SPECIFIED INVESTMENTS			
UK Bank ^{*1}	Purple	£5 million	2 years
Non-UK Banks ^{*1} Sovereign rating AA	Purple	£3 million	2 years
Building Society ^{*2}	Purple Yellow	£2 million	2 years 5 years
UK Local Authority ^{*4}	Yellow	£2 million	5 years
Lincoln Credit Union	N/A	£10K	N/A
Council's own bank ^{*5} (operational cash limit in addition to the investment group limit)	N/A	£500K	Overnight

^{*1}Where the term 'Bank' is used, this denotes a UK or European Bank authorised to accept deposits through a bank account incorporated within the UK banking sector. The maximum amount indicated is the 'Group total' and covers the total amount that can be invested when spread over any number of subsidiaries within that group.

^{*2} Where the term Building Society is used, this denotes a UK Building Society.

^{*3} Money market funds are mutual funds that invest in short-term high quality debt instruments. The assets are actively managed within very specific guidelines to offer safety of principal, liquidity and competitive returns. Although money funds are regarded as short-term investments the rating agencies use a classification system based on long-term debt ratings.

^{*4} The UK Government (i.e. HM Treasury and its Executive Agency, the Debt Management Office) and Local Authorities, although not rated as such, are classified as having the equivalent of the highest possible credit rating.

^{*5}This limit covers normal treasury management activities but excludes any deposits received after money market trading has closed. It allows up to £500K of operational cash to be held in the Council's main bank account in addition to the group investment limit for the bank, if the bank is included on the Council's counterparty list.

Approved Investment Instruments

In addition to determining the rating and limits of authorised counterparties TMP 4 “Approved instruments, methods and techniques” within the Council’s Code of Practice requires the Council to define the instruments that the Authority will use in undertaking its Treasury Management activities. In accordance with this, and the investment regime issued as part of the prudential capital finance system, the Instruments that the Chief Finance Officer will consider investing surplus funds in are shown below:

Instruments of Specified Investments *₁

1. Gilt-edged securities issued by the United Kingdom Debt Management Office (UK DMO), an Executive Agency of HM Treasury.
2. Treasury Bills issued by the UK DMO.
3. Deposits with the Debt Management Office Debt Management Account Deposit Facility (DMADF).
4. Deposits with a Local Authority, Parish Council or Community Council.
5. Deposits with Banks and Building Societies (Including opening Business Accounts).
6. Certificates of deposit issued by Banks and Building societies.
7. Pooled investment vehicles (e.g. money market funds)

*₁ To be defined as a Specified Investment the above instruments will have these features common to all:

- Be denominated in Sterling,
- Of not more than 1 year maturity,
- Of longer than 1 year maturity but the Council has the right to be repaid within 12 months,
- For instruments numbered 5 to 7 these must be with institutions of high credit quality.

Instruments of Non-Specified Investments *₂

1. Deposits with Banks, Building Societies and their subsidiaries.
2. The Council’s own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.
3. Certificates of deposit issued by Banks and Building Societies.

*₂ To be defined as a Non-Specified Investment the above instruments will have these features common to all:

- Denominated in Sterling,
- Of more than 1 year maturity,
- Of less than 1 year maturity with an institution that does not meet the basic security requirements under Specified Investments e.g. a deposit with a non-credit rated Bank or Building Society

Security, Liquidity and Yield benchmarking

Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service

A requirement for Treasury Management reporting is the consideration and approval of security and liquidity benchmarks.

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

Yield – These benchmarks are widely used to assess investment performance. Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day LIBID rate

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. Benchmarks for the cash type investments are set out below and these will form the basis of reporting in this area. In other investment categories appropriate benchmarks will be used where available.

Liquidity – This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - nil
- Liquid short term deposits of at least £5m available with a week’s notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – a shorter WAL would generally embody less risk. In this respect the proposed benchmark to be used is:

- WAL benchmark is expected to be 0.45 years.
- Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody’s and Standard and Poor’s). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council’s investment strategy.

The Council’s expected security risk benchmark from its budgeted investment strategy is:

- 0.008% historic risk of default when compared to the whole portfolio which equates to a potential loss of £1,168 on an investment portfolio of £14.6m. In addition that the security benchmark for each individual year is:

	1 year	2 year	3 year	4 year	5 year
Maximum	0.30%	0.30%	0.30%	0.30%	0.30%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported

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SUBJECT: LINCOLN SOCIAL RESPONSIBILITY CHARTER

DIRECTORATE: CHIEF EXECUTIVES

REPORT AUTHOR: HEATHER GROVER – PRINCIPAL POLICY OFFICER

1. Purpose of Report

- 1.1 To present Executive with the proposed Lincoln Social Responsibility Charter.
- 1.2 To gain Executive approval for the proposed Lincoln Social Responsibility Charter.

2. Executive Summary

- 2.1 City of Lincoln Council is looking at a new approach towards recognising and encouraging good employers in the city, through Corporate Social Responsibility.
- 2.2 Following earlier consultation with the Reducing Inequalities Theme Group, the Leader and the Living Wage Forum, it was agreed this new approach should be to develop a social responsibility charter for the city.
- 2.3 The aim of the charter is to encourage organisations in Lincoln to undertake activities which benefit both their employees and also the local community in which they are located.
- 2.4 This report presents the proposed new Lincoln Social Responsibility Charter, examples of socially responsible activities, the signup process and form, what organisations will receive, timescales for implementation, and the setup, launch and ongoing costs for the charter.

3. Background

- 3.1 City of Lincoln Council is looking at a new approach to encouraging and recognising organisations in the city who go above and beyond to support their employees and the local community.
- 3.2 Following consultation with businesses in the city, City of Lincoln Council, with the support of the Lincoln Living Wage Forum, has developed a Lincoln Social Responsibility Charter.
- 3.3 The charter aims to promote Corporate Social Responsibility through recognising those organisations in the city who do more than the statutory minimum to support their employees and the local community.
- 3.4 The Lincoln Living Wage Campaign will continue to be promoted alongside this new charter.

4. Main Body of Report

4.1 Why undertake socially responsible activities?

All organisations, no matter how large or small, or their sector or trade, can undertake some activities which promote them as a good employer. These activities do not need to be costly or time consuming, but together can bring huge benefits to the organisation, the employee and also the local community.

Some of the benefits to an organisation can include:

- Increased staff retention
- Reduced recruitment costs
- More productive workforce
- More attractive to customers
- Increased customer loyalty
- Better brand recognition
- Improved business reputation
- Profits may increase
- Recognition as an ethical employer

Collectively organisations undertaking socially responsible activities can also help to grow the local economy.

4.2 Examples of socially responsible activities

Below lists some examples of socially responsible activities which can benefit employees:

- Living Wage employer (Fair Pay)
- Time off for medical appointments
- Career breaks
- Holiday purchase scheme
- Staff recognition scheme
- Training and development beyond statutory minimum
- Walk/cycle to work incentives
- Stop smoking support

In addition there are a wide number of activities which can be undertaken to benefit the local community. Some of these include:

- Green space sponsorship
- Regular food bank donations
- Apprenticeships
- Training for community groups
- Fundraising
- Use of local services
- Employee volunteering
- Blood & Organ donation
- Dementia friendly accreditation
- Donation of surplus resources
- Support the Lincoln Low Carbon Charter
- Proactive support for community events

It is important to note that the lists above show just a small number of socially responsible activities an organisation can undertake to benefit the employee and the local community. It is likely organisations may already undertake/be planning additional activities in addition to/alongside those listed above.

4.3 The Charter

The charter which organisations will be required to commit to has been provided at Appendix A. This charter will be maintained as a live document and will be updated regularly to reflect new organisations supporting the charter. The charter will be displayed on a new section on the City of Lincoln Council's website. This area of the website will also include a guidance document (Appendix B), which provides more details on the charter, the benefits of signing up, and examples of socially responsible activities which an organisation can undertake to support the employee and the local community, together with an online registration form (Appendix C). It is also proposed to have a copy of the charter in City Hall reception.

Please note, focus to date has been on ensuring the content of the charter is correct. Further work on the branding/design of the charter and supporting documents will be undertaken following the approval process.

4.4 Signing up to the charter

A proposed sign up form has been provided at Appendix C. This draft form has been designed to ensure it collects all the key information required from each organisation. However, further refinement is likely to be required to ensure it is simple and straight forward to complete. This will be undertaken as part of the development of the online version of the form.

Although information on the socially responsible activities each organisation undertakes will not be listed on the website, this information has been requested in the sign up form. This will help the council to develop a central list of socially responsible activities being undertaken in the city, and will provide information which can be used to help both promote the individual organisation and the wider charter. This central list could also be used to develop a wider social responsibility accreditation scheme in the future should this decision be taken.

There will be no costs to an organisation signing up to the charter.

We are proposing small organisations (1-10 employees) should proactively undertake a minimum of three activities (at least one benefitting the employee & one benefitting the local community). Medium sized organisations (11-49) should proactively undertake a minimum of five activities (at least two benefitting the employee & two benefitting the local community). Large organisations (50+ employees) should proactively undertake a minimum of ten activities (at least five benefitting the employee & five benefitting the local community).

Organisations should also demonstrate how they will be developing their social responsibility in the future.

4.5 What will organisations signing up receive?

Organisations signing up to the charter will receive their own personal charter signed by the Mayor of Lincoln. Please see Appendix D for a draft example of the personalised charter. At this stage we are proposing a one year charter, which will be issued for the financial year. Providing a limited timeframe allows us to remove any business from the live website that the Living Wage Forum has deemed as not fulfilling requirements, and whilst they may not take their charter down immediately – it will soon be out of date. Organisations will also receive a logo for use on letterheads, websites and e-mails etc.

In addition, organisations will be promoted via a range of marketing routes – Your Lincoln, online register, press releases, radio interviews, social media, links from other websites and via an interactive map. Consultation has shown that this is of more value to businesses than promotional materials such as free pens etc. Organisations signing up to the charter will also receive invitations to City of Lincoln Council led consultations and Mayoral charity events, again requested through our consultation with businesses.

4.6 Timescales

Below outlines the key timescales for the approval and launch of the charter.

Action	Completion date
Continue to promote the Living Wage	Ongoing throughout 2018
Consult with Lincoln Living Wage Forum on the draft charter	13 th November 2017 to 30 th November 2017
Present draft charter to Brayford Business Forum (other forum meetings were arranged but were subsequently cancelled by the organisers)	14 th November 2017
Consult with a selection of Lincoln businesses	1 st December to 15 th December 2017
Present charter to Reducing Inequality Theme Group	10 th January 2018
Present charter to Policy Scrutiny Committee	16 th January 2018
Gain approval from Corporate Leadership Team	17 th January 2018
Seek approval of charter from Executive	26 th February 2018
Present final charter to Service Managers Forum	22 nd February 2018
Present final charter to Lincoln Living Wage Forum	28 th February 2018
Charter soft launch (Lincoln Growth Conference)	March 2018
Develop branding/design for the charter and supporting documents	March/April 2018
Charter formal launch	May 2018

4.7 Costs

The table below shows the estimated costs to setup/launch the charter, together with the estimated ongoing costs. The charter is expected to be funded from the Corporate Policy Unit's existing social policy budget.

Activity	Cost (Max)
Stationary (S)	£50
Branding/Design (S)	£500
Printing of information posters/flyers (L)	£150
Promotional video production	£1000
Promotion - Roller Banners, Social media (L)	£300
Stationery (O)	£50 per year
Promotion – Social media (O)	£200 per year
Printing of information posters/flyers (O)	£200 per year

Setup - S

Launch – L

Ongoing - O

4.8 City of Lincoln Council and the charter

Following development of the guidance, City of Lincoln Council has undertaken a self-assessment in order to test the process and identify what socially responsible activities it undertakes. City of Lincoln Council has identified there are 24 socially responsible activities it undertakes, of which 14 support the employee and a further 10 support the local community. It should be noted those activities which benefit the community are additional to those which we do as part of the day to day work of the council.

4.9 Review of the charter

In order to ensure ongoing success we will carefully monitor the level and types of organisations signing up to the charter. It is then proposed to review the charter and supporting criteria after the first year of operation.

5. Strategic Priorities

- 5.1 The Lincoln Social Responsibility Charter aims to encourage local organisations to undertake activities which benefit their employees and the local community. In return this will help the organisation to gain recognition as a good employer in the city. This charter feeds directly into helping to support the strategic priority, 'Let's reduce inequality', due to the charter encouraging local organisations to provide better working conditions for residents and provide support within the local community. It also supports other strategic priorities – 'Let's drive economic growth', 'Let's enhance our remarkable place' and to a lesser extent 'Let's deliver quality housing'.

6. Organisational Impacts

- 6.1 Finance – The setup, launch and ongoing costs for the charter are expected to be minimal. These costs have been outlined in section 4.7 above. It is proposed these costs will be covered by the existing Corporate Policy Unit's social policy budget.

- 6.2 Legal Implications including Procurement Rules – There are no legal implications arising in this report.
- 6.3 Land, property and accommodation – N/A
- 6.4 Human Resources – The implementation of a Lincoln Social Responsibility Charter will require support from the Human Resources team to assist in identifying the socially responsible activities the City of Lincoln Council undertakes to support employees and the local community. This support will help to ensure the council is the first Lincoln organisation to formally sign the charter.
- 6.5 Equality, Diversity & Human Rights – The Equality Impact Assessment for this project has been provided at Appendix E.

7. Risk Implications

- 7.1 (i) Options Explored – An alternative to the approach above is for City of Lincoln Council to develop a full social responsibility accreditation scheme, which accredits local organisations based on the number and mix of socially responsible activities the organisation undertakes to benefit the employee and the local community. However, this approach would require a significant amount of resource to setup the scheme and to support this going forward. The costs associated with this approach would also be significantly greater than the charter approach outlined above.
- 7.2 (ii) Key risks associated with the preferred approach

There is a risk that it could prove difficult to get local organisations to sign up to the charter. This would result in the need to undertake additional promotion to help encourage buy in. Some additional costs associated with additional promotion have been factored into the cost table in section 4.7. However, there is a significant number of activities an organisation may already be undertaking or could undertake, which will hopefully encourage sign up. This will help to reduce this risk, especially if organisations can also clearly see signing up to the charter will help to promote their organisation.

The reputational risk to the council should take up be very low is negligible. Should sign up be significantly higher than anticipated there is unlikely to be any significant additional workload.

8. Recommendation

- 8.1 Executive considers and approves the proposed Lincoln Social Responsibility Charter.

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?	Six
List of Background Papers:	None
Lead Officer:	Graham Rose, Corporate Policy Officer Telephone (01522) 873658

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Lincoln Social Responsibility Charter

the recognition of a good employer, supportive of the local community.

We are committed to treating our staff fairly

to ensure we have a reliable, skilled and motivated workforce.

We support our local communities

to enable local charities and community groups to deliver their services, and help to make Lincoln a better place to live and work.

We are collectively committed to:

- Supporting employees to have a healthy work/life balance
- Enhancing the local economy through paying fair wages
- Supporting local charities and community groups to ensure they have the resources needed to succeed
- Developing the knowledge and skills of employees
- Continuing to make Lincoln a remarkable place to live & work
- Encouraging other/new organisations to embrace Social Responsibility
- Monitoring the progress we are making

We, the undersigned, are committed to the objectives laid out in this charter:

- *City of Lincoln Council*
-

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Lincoln Social Responsibility Charter

Guide

Launched:

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Section 4 – Recognising socially responsible organisations	6
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Section 6 – Next steps	6
Section 7 – Further information	7

Section 1 - Background to the charter

City of Lincoln Council is looking at a new approach towards recognising and encouraging good employers in the city, through Corporate Social Responsibility.

Following consultation with the Reducing Inequalities Theme Group, the Leader of the council and the Lincoln Living Wage and Social Responsibility Forum, it was agreed this new approach should be to develop a social responsibility charter for the city.

The aim of the charter is to encourage organisations in Lincoln to undertake activities which benefit both their employees and also the local community in which they are located.

The Lincoln Living Wage Campaign is continuing to be promoted alongside this charter. More information on the Lincoln Living Wage Campaign is available at www.lincolnagainstopoverty.co.uk/livingwage.

Section 2 – Benefits of recognising Social Responsibility

There can be many benefits to organisations undertaking socially responsible activities, as well as the benefits these activities can bring to employees, the community and the local economy.

Below lists some examples of the potential benefits to organisations:

- Increased staff retention
- Reduced recruitment costs
- More productive workforce
- More attractive to customers
- Increased customer loyalty
- Better brand recognition
- Improved business reputation
- Profits may increase
- Recognised as an ethical employer

Section 3 – Socially responsible activities

All organisations, no matter how large or small, sector or trade, will be able to deliver some socially responsible activities. Below lists some examples of socially responsible activities your organisation may be already undertaking or could aim to undertake. These activities will be over and above any statutory minimum requirement. The activities have been split into two groups – those which benefit the employee and those which benefit the local community in City of Lincoln.

It should be noted that this list is just a guide. It is likely there are other socially responsible activities your organisation could be carrying out. If this is the case, please include these when you sign up to the charter (see Section 5 for information on how to sign up). This will not only assist the City of Lincoln Council to promote your organisation and the activities you undertake, but also help to create a central list of socially responsible activities being undertaken in the city.

Examples of socially responsible activities which benefit the employee
<u>Terms and conditions</u> <ul style="list-style-type: none">- Time off for medical appointments- Consideration of flexible working requests beyond the statutory requirement- Holiday purchase scheme- Fair Pay (real Living Wage)- Additional paternity leave (paid and unpaid) in addition to statutory entitlement- Opportunity to take career breaks- Travel to work benefits (for all employees)- Staff recognition scheme- Provision of paid compassionate leave
<u>Opportunities</u> <ul style="list-style-type: none">- Training and development (in addition to statutory training and development)- Employee volunteering (within work time)- Mentoring- Work shadowing
<u>Health</u> <ul style="list-style-type: none">- Occupational health service- Support for mental wellbeing- Health insurance package- Implementation of a no smoking policy which includes external areas- Providing 'stop smoking' support- Promotion of healthy living e.g. walk/cycle to work incentives including travel plans

Examples of socially responsible activities which benefit the local community in City of Lincoln	
<u>Environment</u>	<ul style="list-style-type: none"> - Signing up to the Low Carbon Lincoln Charter - Reducing travel/air miles - Green space sponsorship
<u>Community</u>	<ul style="list-style-type: none"> - Fundraising for local charities (e.g. dress down days/sponsored activities) - Sponsorship of local events/groups (financially) - Participation in World Hello Day - Food Bank collection/donation - Local recruitment - Contribute to a Lincoln Community Chest or other charitable fund
<u>Skills</u>	<ul style="list-style-type: none"> - Work experience placements - Apprenticeships - Places for charities/community groups on workplace training - Sharing on the job skills in an educational setting
<u>Resources</u>	<ul style="list-style-type: none"> - Offer of free meeting space/space for community group/charity meetings - Donation of surplus resources (e.g. furniture & stationery) - Offer of spare car parking for local charities/groups - Use services of local businesses/local products - Promotion and/or use of Fairtrade products
<u>Health</u>	<ul style="list-style-type: none"> - Blood & Organ Donation promotion to employees and service users - Dementia Friendly accreditation - Concessions (e.g. for students, older people, veterans, disabled people and the unemployed)

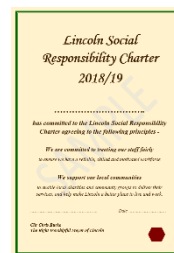
As a guide, it is suggested small organisations (1-10 employees) should proactively undertake a minimum of three activities (at least one benefitting the employee & one benefitting the local community). Medium sized organisations (11-49 employees) should proactively undertake a minimum of five activities (at least two benefitting the employee & two benefitting the local community). Large organisations (50+ employees) should proactively undertake a minimum of ten activities (at least five benefitting the employee & five benefitting the local community).

Organisations should also demonstrate how they will be developing their social responsibility in the future.

Eligible organisations will be those which either have a base in Lincoln or have employees who live within the city boundary.

Section 4 – Recognising socially responsible organisations

Organisations signing up to the charter will receive a personalised version of the charter endorsed by the Mayor of Lincoln, together with a logo for use on letterheads, websites and e-mails etc.



In addition, to help raise awareness of this charter and to encourage more organisations in Lincoln to undertake socially responsible activities, organisations signing up to the Lincoln Social Responsible Charter, and the activities they undertake, will be promoted using the following routes –

- 'Your Lincoln' residents magazine
- Online register (displayed on a City of Lincoln Council managed webpage)
- Press releases
- Radio interviews
- Social media
- Socially responsible organisation map
- Links from other webpages

Organisations are also encouraged to promote the socially responsible activities they undertake to their service users and potential new customers.

Organisations signing up to the charter will receive invitations to City of Lincoln Council led consultations and Mayoral charity events.

Section 5 – Signing up to the charter

If you feel your organisation fully supports the Lincoln Social Responsibility Charter and meets the eligibility criteria, please consider signing up to the charter.

Signing up to the charter only takes a few of minutes and can be completed by visiting www.lincoln.gov.uk/???. (Web link to be inserted when the charter is launched).

Accreditation to the Lincoln Social Responsibility Charter will be valid for the financial year from the date of registration. If you register within two months of a new financial year you will receive accreditation for the coming year.

Section 6 - Next steps

The charter will be evaluated at the end of the first year. This will provide an opportunity to assess its success and look at whether the Lincoln Living Wage and Social Responsibility Forum should consider the creation of a socially responsible accreditation scheme in the longer term. This would award organisations based on the level and type of socially responsible activities they undertake.

The information collected from organisations supporting this charter will help in deciding whether to work towards developing an accreditation scheme.

Section 7 – Further information

For further information on the Lincoln Socially Responsible Charter, please visit www.lincoln.gov.uk/??? (link to be inserted) or use the contact details below.

Corporate Policy Unit
City of Lincoln Council
City Hall
Lincoln
LN1 1DD
E-mail: policy@lincoln.gov.uk
Tel: 01522 873658

The Lincoln Social Responsibility Charter is closely linked to the City of Lincoln Council's Social Value Policy. Please use the following link to view this policy.
[City of Lincoln Council Social Value Policy](#) (link to be inserted when made publically available).

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Lincoln Social Responsibility Charter Registration Form

(Hard copy version of the electronic online form - Further refinement of the form will be undertaken during the development of the online form to ensure it is simple and straight forward to complete).

Organisation	
Name of organisation*	
Address*	
Sector*	
Number of employees*	

Your details	
Name and role of signatory*	
Contact name*	
Telephone Number	
Contact E-mail*	

Socially Responsible Activities

Please provide details of the socially responsible activities your organisation currently undertakes, together with how your organisation aspires to be socially responsible in the future. Examples of socially responsibly activities can be found in Section 3 of the Lincoln Social Responsibility Charter Guide, and should be ongoing and reasonably substantial in nature.

As a guide, it is suggested small organisations (1-10 employees) should undertake a minimum of three activities (at least one benefitting the employee & one benefitting the local community). Medium sized organisations (11-49) should undertake a minimum of five activities (at least two benefitting the employee & two benefitting the local community). Large organisations (50+ employees) should undertake a minimum of ten activities (at least five benefitting the employee & five benefitting the local community).

Organisations should also demonstrate how they will be developing their social responsibility in the future.

Total number of socially responsible activities my organisation already undertakes*	
---	--

Socially responsible activities we are already undertaking which benefit our employees*

E.g. pays real Living Wage, time off for medical appointments, staff recognition scheme

Activity	Comments/frequency activity undertaken within the last year
----------	---

--	--

--	--

Socially responsible activities we are already undertaking which benefit the local community* *E.g. sponsorship for local events and groups, work experience placements*

Activity	Comments/frequency activity undertaken within the last year

--	--

How does your organisation intend to develop your social responsibility in the future?*
e.g. new activities and frequency, implementation of social responsibility action plan

--	--

Social Responsibility Statement

*Please provide a brief statement below on why your organisation is proud to undertake socially responsible activities.**

--

Does your organisation have a social responsibility policy?

☐ Yes
☐ No
 (please tick)

Terms and Conditions and Disclaimer

Terms and Conditions: By signing this Declaration I confirm that I have the authority to sign the aforementioned organisation ("the organisation") up to the Lincoln Social Responsibility Charter, and the Organisation agrees to support all of the principles outlined in the Charter. I agree on behalf of our Organisation that if the Organisation cannot continue to commit to the Charter, our Organisation will notify the City of Lincoln Council as soon as possible, and our Organisation agrees to relinquish use of the Lincoln Social Responsibility brand and/or any reference to the Organisation committing to the Lincoln Social Responsibility Charter (whether in its literature and/or on its website or any other materials in any form). I acknowledge that the Lincoln Living Wage and Social Responsibility Forum reserves the right to refuse award where the Forum has evidence that the employment practices of an organisation do not fit with the ethos of this Charter. I understand there is no right to appeal this decision.

Disclaimer: City of Lincoln Council does not monitor the Organisation's involvement with the Lincoln Social Responsibility Charter, and by signing this Declaration, you are self-certifying your Organisation's commitment to the Charter. If it comes to the council's attention that your Organisation is claiming to be undertaking any activities which cannot be substantiated then your registration will be withdrawn with immediate effect, you will be notified and your Organisation will relinquish use of the Lincoln Social Responsibility brand and/or any reference to the Organisation committing to the Lincoln Social Responsibility Charter, again whether in literature and/or on its website or any other materials in any form. I understand there is no right to appeal this decision. The City of Lincoln Council may contact you to seek feedback on any impacts to your Organisation or staff. However, City of Lincoln Council is not responsible in any way for the Organisation's compliance with the Lincoln Social Responsibility Charter and shall not be liable in respect of any losses, claims, damages or any other liabilities that the Organisation or its employees, agents or other third parties may suffer as a result of the Organisation becoming a signatory to this scheme.

Before signing up to the Lincoln Social Responsibility Charter, please read and acknowledge that you have understood the above Terms and Conditions and Disclaimer.

☐ Yes, I have read and understand the Terms and Conditions and Disclaimer *
(please tick)

Please provide an electronic version of your logo with this registration form.

Submit registration

Please tick here to formally sign your organisation up to the Lincoln Social Responsibility Charter*

☐ (please tick)

Please note, by signing this form you agree to the details (including your statement) above being made publically available on the City of Lincoln Council's website.

*Denotes mandatory field

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Lincoln Social Responsibility Charter 2018/19

.....

*has committed to the Lincoln Social Responsibility
Charter agreeing to the following principles -*

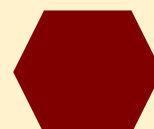
***We are committed to treating our staff fairly**
to ensure we have a reliable, skilled and motivated workforce*

***We support our local communities**
to enable local charities and community groups to deliver their
services, and help make Lincoln a better place to live and work.*

.....

Date

***Cllr Chris Burke**
The Right Worshipful Mayor of Lincoln*



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Equality with Human Rights Analysis Toolkit

SECTION A



Name of policy / project / service	Lincoln Social Responsibility Charter
Background and aims of policy / project / service at outset	City of Lincoln Council is looking at a new approach towards recognising good employers in the city. The aim of the Lincoln Social Responsibility Charter is to encourage organisations in Lincoln to undertake socially responsible activities which benefit both their employees and also the local community in which they are located.
Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis	Heather Grover, Principal Policy Officer
Key people involved <i>i.e. decision-makers, staff implementing it</i>	Graham Rose, Corporate Policy Officer

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	Yes			The proposed charter aims to recognise good employers in the city who undertake socially responsible activities which benefit both their employees and the local community. As a result of these aims, it is expected there will be a positive impact overall on one or more of the protected characteristics.	N/A	
Disability including carers (see Glossary)	Yes				N/A	
Gender re-assignment	Yes				NA	
Pregnancy and maternity	Yes				NA	
Race	Yes				NA	
Religion or belief	Yes				N/A	
Sex	Yes				NA	
Sexual orientation	Yes				NA	
Marriage/civil partnership	Yes				NA	
Human Rights (see page 8)	Yes				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?
	NO	

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

Conclusion of Equality Analysis (describe objective justification for continuing)	There is no negative equality or human right impact. All outcomes are expected to be positive for the organisation, the employee, the local community and the wider local economy.
--	--

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

Checked and approved by responsible officer(s) (Sign and Print Name)	Heather Grover	Date	13 th December 2017
Checked and approved by Assistant Director (Sign and Print Name)		Date	

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36. Lincoln Social Responsibility Charter

Heather Grover, Principal Planning Officer

- a. presented the proposed Lincoln Social Responsibility Charter for consideration prior to Executive approval.
- b. advised that the aim of the charter was to encourage organisations in Lincoln to undertake activities which benefited both their employees and also the local community in which they were located.
- c. gave an overview of the background of the report and advised that following discussion at the Living Wage Forum, the Corporate Policy Unit had been looking at a new approach recognising good employers in the city.
- d. referred to paragraph 4 of the report and highlighted examples of social responsibility activities and explained the benefits to the organisation, employees and the local community.
- e. advised that signatories to the charter would be published on the City of Lincoln Council's website and elsewhere such as a copy in City Hall reception.
- f. referred to the proposed sign up form at appendix B of the report and advised that there would be no cost to an organisation signing up to the charter.
- g. referred to paragraph 4.5 of the report and advised on what the organisations signing up to the charter would receive.
- h. advised on the key timescales for the approval of the charter and highlighted that the formal launch would be in May 2018.
- i. highlighted the estimated costs to set up and launch the charter, together with the estimated ongoing costs as detailed at paragraph 4.7 of the report.
- j. asked for members questions and comments

Question – Members referred to the examples of socially responsible activities within the Terms and Condition of Section 3 of the Social Responsibility Charter and asked if Bereavement Leave could be added?

Response – Yes this could be looked at.

Comment – Expressed concern that the charter would only benefit larger businesses as smaller businesses would not be able to afford to fulfil the criteria that needed to be met.

Response – Referred to page 5 of the Social Responsibility Charter and advised that small organisations should proactively undertake a minimum of 3 activities with at least one benefitting the employee and one benefitting the local community. This compared to large organisations who were required to undertake ten activities.

Comment – Suggested that no criteria be set for small businesses.

Response – There needed to be a balance, the aim was not to make it too easy to sign up otherwise the charter would have no value, or too difficult, resulting in a very small number of signatories. The criteria would be reviewed in 1 years' time.

Question – How would the Charter impact on staff and resources?

Response – Some time would be spent initially developing the form, once the form was set up it could be administered by an apprentice under officer guidance.

Comment – Suggested that veterans could be added as a group to receive concessions and that there was some specific support for carers which could be added to the socially responsible activities examples.

Response – Veterans would be added to the examples for receipt of concessions and the support for carers mentioned would be looked at for adding in.

RESOLVED that

1. the Lincoln Social Responsibility Charter be noted and comments referred to Executive for consideration.
2. the Lincoln Social Responsibility Charter would be reviewed by Policy Scrutiny Committee 18 months from implementation.

SUBJECT:	COUNCIL HOUSE AND GARAGE RENTS 2018/19
DIRECTORATE:	HOUSING AND REGENERATION
REPORT AUTHOR:	FRANCES JELLY – HOUSING BUSINESS SUPPORT MANAGER

1. Purpose of Report

- 1.1 To seek members approval of the revised rents for council housing accommodation in 2018/19. The proposed change is in accordance with national Government direction and continues with a reduction of 1% on all council housing accommodation (inclusive of general needs and supported housing)
- 1.2 To seek members approval for an increase of 3% on Council garage rents for 2018/19 in line with other fees and charges revisions by the Council.

2. Executive Summary

- 2.1 The Welfare Reform and Work Act 2016, determined that all social and affordable rents be reduced by 1% year on year between 2016 to financial year 2019/20. For the City of Lincoln Council this will result in a further reduction of an average weekly net rent (over 52 weeks) from £69.13 in 2017/18 to £68.44 per week for 2018/19, equating to an average loss of income per property of £0.69 per week over 52 weeks.

3. Background

- 3.1 Members will be aware that the financing for council housing was changed in April 2012 – the ‘Self-financing Regime’ was introduced under which local authorities were required to buy themselves out of the national housing subsidy regime in return for the keeping of future rental income at local level. The valuation of the housing stock and the Council’s Housing Revenue Account (HRA) Business Plan was based on rental income rising in line with the Government’s rent convergence policy and rent guidelines in place at that time.
- 3.2 This was then changed by the Government in the 2013 Spending Round, when the Chancellor announced that; *"from 2015-16 social rents will rise by a lower amount than previously expected, CPI plus one per cent each year for ten years."* Shortly after, a letter was sent to housing providers proposing to cut short the policy of converging council and housing association rents. Social landlords whose average rents had not yet reached rent target levels were concerned about the implications given that the change in policy came only 18 months after the ‘buy-out’ payment to Government.
- 3.3 Currently 63.78% of all City of Lincoln council tenants are in receipt of either full or partial housing benefit / Universal Credit and will not gain from lower rent levels.

Cutting rents in the short term will benefit the remaining tenants but as a long-term strategy it won't serve either group i.e. income is needed to maintain the current stock and invest in new housing.

4. Main Body of Report

- 4.1 In July 2015 the Government announced that Social Housing rents would be reduced by 1% a year from 2016 for four years. Although this has a beneficial effect for those individual tenants not in receipt of benefit the policy raises concerns in a number of ways:
- a) The self-financing payment to government in 2012 of £25m was meant to be based on a long-term perspective being taken on each local Housing Revenue Account. The national rent policy has changed twice since 2012.
 - b) The Council's 2012 investment plans were based upon projections of rental income in line with that national policy
 - c) Reducing rents in the long term could mean less, lower investment in current properties and pressure to reduce housing staff numbers
- 4.2 In September 2016, the Secretary of State for Work and Pensions, made a statement in Parliament and announced a proposed new funding model for Supported Housing to pay housing benefit up to Local Housing Allowance rates but with fixed additions which would continue to recognise the higher costs of providing this type of housing. Government has since deferred this policy change for supported housing until 2019/20.
- 4.3 Councils will be able to continue to increase rents on those housing properties that are currently below the 'formula rent' (or convergence amount) on re-letting to new tenants before applying the one percent rent reduction. For the City of Lincoln Council at the date of this report, 851 properties (that are 10 pence or more below target rent) were not at formula rent and thus when these properties become available for re-letting the rent can be increased to the formula amount. For example if, for a specific property, the current rent is £70.00 per week and the formula rent is £72.00 per week, the new tenant would be charged £71.28 rather than £68.44
- 4.4 On 4 October 2017, DCLG announced that "increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020." This return to inflation-linked rent setting has been welcomed within the sector. However it is estimated that the four year rent reduction process will have removed £10.5m funding from the City's current Housing Revenue Account Business plan.
- 4.5 The restriction on house rents contained within the Welfare Reform and Work Act 2016 does not apply to garage rents. It is proposed that garage rents increase by 3% in line with the Authority's general fees and charges increase. At the date of this report we currently have 1,141 garages, and of this number, 223 are currently void which equates to 19.5%.
- 4.6 Work is ongoing to both increase garage lettings and appraise low demand site for their redevelopment potential.

5. Strategic Priorities

5.1 Let's reduce inequality

The Government policy is primarily about reducing the welfare benefits bill but it does help those just above benefit thresholds. Council house rents remain significantly lower than the rent levels in the private rented sector in the City.

5.2 Let's deliver quality housing

Reducing rents reduces resources available to the Council to maintain current homes and build additional homes

6. Organisational Impacts

6.1 Finance

Council housing rents 2018/19

The impact of this change will be a decrease to the current average 52 week rent for all accommodation from £69.13 per week to £68.44 per week – an average decrease of £0.69 per week.

Changes in individual rents will vary according to the level of actual current rent as illustrated in **Appendix 1**.

Council garage rents 2018/19

The Welfare Reform and Work Bill rental decrease does not apply to garages.

An increase in garage rents of 3% is proposed in line with the Authority's Fees and Charges increase. This would bring the charge to £7.61 for 2018/19 (based on a 52 week charge period), an increase of £0.23 per week. Research has shown that the garage rents in Lincoln are mid-range when compared to similar locations in the East Midlands.

7. Risk Implications

7.1 A key element of preparing for self-financing was for the Council to write and implement a 30 year HRA Business Plan. The basis of the Business planning process had originally been predicated on the assumption that the Council would continue to increase rents in line with the Government's amended self-financing determination of CPI + 1%.

The effect of the 1% rent reduction, the reduced income and potential investment in the current and potentially new stock and the impact on the HRA Business plan (2016 – 2046) has been reviewed as part of the Medium Term Financial Strategy (MTFS) 2018-23 which appears elsewhere on the agenda.

8. Recommendation

8.1 Agree the basis of rent calculation for changes to individual Council house rents as set out in paragraph 6 of this report, which represents a decrease in the average 52 week net rent in 2018/19 of 1% (£0.69 p/w) for housing rents. This is in accordance with Government policy

8.2 Increase Council garage rents for 2018/19 in accordance with the proposal in paragraph 6.1 above by 3%.

- 8.3 Refer this report and recommendations to Full Council on 27 February 2018 for approval to ensure that rent notices can be sent to tenants prior to the start of the new financial year and providing them with the requisite 28 day notice period required by law.

The Lincoln Tenants' Panel (LTP) is due to consider this report at their meeting on 21 February 2018. Their comments and observations will be reported verbally during the Executive Committee meeting.

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? 1

List of Background Papers: Guidance on Rents for Social Housing, May 2014,
from Communities and Local Government
Welfare Reform and Work Act 2016

Lead Officer: Frances Jelly
Housing Business Support Manager
Telephone (01522) 873229

APPENDIX 1

IMPACT OF DECREASES ON ALL TENANTS – APRIL 2018
(Based on a 52 week rent year)

	Impact on Tenancies	
	No.	%
Rent decrease between £0.01 and £0.59	467	6.1
Rent decrease between £0.60 and £0.69	3692	48.23
Rent decrease between £0.70 and £0.79	2706	35.35
Rent decrease between £0.80 and £0.99	789	10.31
Rent decrease is equal or greater than £1.00	1	0.01
TOTAL – as of 15 January 2018	7655	100%

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SUBJECT: REQUEST TO ADD A NEW POST ONTO THE COUNCIL'S ESTABLISHMENT – DATA PROTECTION OFFICER

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: MATT SMITH, BUSINESS DEVELOPMENT AND IT MANAGER

1. Purpose of Report

- 1.1 To seek approval for a permanent Data Protection Officer post to be added onto the Council's establishment as part of the Business Development and IT (BDIT) team.

2. Executive Summary

- 2.1 The Executive is requested to approve the addition of a permanent Data Protection Officer post to the Council's establishment as part of its BDIT team.
- 2.2 The costs associated with this post will be met from within the existing service budget.
- 2.3 The content of this report will be shared with Trade Unions at the HR/Trade Union meeting held on 15 February 2018. Any feedback will be reported prior to the committee.

3. Background

- 3.1 A Data Protection Officer post is required for councils in the General Data Protection Regulation (GDPR). This will replace the Data Protection Act 1998 in May 2018. Preparations are underway by the GDPR internal group to prepare for the implementation of this new legislation and part of this is to ensure that the council has the right resources.
- 3.2 Tasks required to be undertaken by the DPO under the GDPR are as follows:-
- Inform and advise the council (and any employees who process personal data) of the obligations under the GDPR and any other EU and national data protection law;
 - Monitor the council's compliance with the GDPR and any other EU and national data protection law
 - Monitor the council's compliance with their own data protection policies including the assignment of responsibilities, awareness training and training of staff involved in processing operations and the related audits;
 - Provide advice on the completion of data protection impact assessments and prior consultation with the supervisory authority; and
 - Cooperate with the supervisory authority (the Information Commissioner's Office – the ICO) and act as the point of contact for the ICO.

- 3.3 Tasks outlined in guidance include:-
Inviting the DPO to participate regularly in meetings of senior and middle management.
- Including the DPO in all decisions which have data protection implications, in particular, providing the DPO with all relevant information to allow him/her to consider the issue and provide adequate advice.
 - Affording due weight to the opinion of the DPO.
 - Immediately contacting a DPO once a data breach or other data protection incident has occurred
- 3.4 By having the post, it will ensure that the council is compliant with the GDPR and will be able to demonstrate that it takes data privacy seriously for individuals and will make it less likely that the council will breach the legal framework and thus avoid fines and reputational damage.

4. Organisational Impacts

4.1 Finance

- 4.1.1 The cost of the additional post over the current MTFS (assuming the post starts 1 April 2018) is as follows:

	2018/19	2019/20	2021/22	2021/22	2022/23
Gross Pay (£)	27,578	29,027	29,607	30,199	30,805
NI (£)	2,105	2,270	2,316	2,362	2,409
Superannuation (£)	4,412	4,644	4,737	4,832	4,928
Total (£)	34,095	35,941	36,660	37,393	38,142

- 4.1.2 The additional post will be funded from within the existing service budgets. In addition, the Information Governance Officer post is a fixed term and therefore will end on 25/04/2018.

4.2 Legal /Equality & Diversity

- 4.2.1 As outlined above and there are no Equality and Diversity implications arising from this report.

5. Risk Implications

- 5.1 (i) Options Explored

None.

- 5.2 (ii) Key risks associated with the preferred approach

None.

6. Recommendation

- 6.1 That a permanent Data Protection Officer post be added to the Council's establishment.

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:

Matt Smith, Business Development and IT Manager
Telephone (01522) 873308

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SUBJECT: HUMAN RESOURCES POLICY UPDATES

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: ALI THACKER, HR AND PAYROLL TEAM LEADER

1. Purpose of Report

- 1.1 To request that Executive approve the proposed revisions to the Disciplinary, Code of Conduct and Dignity at Work Policies, taking into account the comments made by JCC.

2. Executive Summary

- 2.1 The HR team propose to update the Disciplinary, Code of Conduct and Dignity at work Policies. This report outlines the main changes and the comments made at JCC.

3. Background

- 3.1 The HR team are required to continually review and streamline the Council's policies and procedures as and when required.
- 3.2 The HR team have therefore updated the above policies to ensure they are clear, fit for purpose, and legally compliant.

4. Main Body of Report

This section of the report details the main changes which are being proposed.

4.1 Disciplinary Policy

Section 3 - Clarification has been inserted to ensure that it is clear that the policy applies to all employees.

Section 5.3 has been altered to make it clear that disciplinary hearings will not be recorded by HR nor will any other form of recording be allowed.

Sections 5.6 – 5.8 have been inserted to outline what should be considered if an employee is prevented from participating in a disciplinary process due to ill health.

Section 6.2 has been amended to give the presiding officer the option of offering a fast track oral warning without proceeding to a hearing (this is subject to the employee agreeing to this process).

Section 6.4 has been amended to state that there will be no right of appeal against a fast track oral warning (as the employee would have admitted the allegation and accepted the warning previously). Following JCC's comments the policy was amended slightly to allow the employee to take up to a 24 hour adjournment / 'cooling off period' to consider their options.

Section 8.2 has been amended to outline what should be considered before suspending an employee. Following JCC's comments part of this paragraph was removed as it had been interpreted incorrectly.

Sections 9.4 and 9.6 have been amended to outline in exceptional circumstances there may be a need to have a panel of presiding officers and there may be a need to appoint an independent investigating officer from outside the authority.

Section 9.11 has been inserted to ensure it is clear that witnesses and complainants will be entitled to see a copy of their statement however will not be entitled to see a copy of any other aspects of the investigatory report.

Sections 11.7 and 11.13 have been inserted as a potential outcomes of a hearing (no further action and other recommendations).

Sections 11.9 and 11.10 have been amended to state that a verbal warning will spent after 6 months as opposed to 3 months.

Section 12.5 has been amended to outline that an appeal against a decision can result in a lower and/or a higher sanction.

4.2

Dignity at Work Policy

Section 2.1 has been added to outline the specific responsibilities of the authority.

Section 3.2, 3.5, 3.6, and 3.7 have been inserted as types of unacceptable behaviour.

Section 5.2 has been added to ensure that both the 'complainant' and the 'accused' are given an appropriate amount of support during a distressing situation.

Section 5.4 has been amended to incorporate two potential options to deal with a complaint informally.

Section 5.10 has been inserted to outline the potential outcomes following an investigation/hearing.

Section 6.1 has been inserted to outline both the appeal rights of the complainant and alleged harasser. It was also been amended to make it clear that there is no right of appeal on fast track oral warnings.

4.3 **Code Of Conduct**

Section 2 - Clarification has been inserted into to ensure the responsibilities are clear and concise.

Section 8.1 has been amended to reflect the misconduct and gross misconduct examples outlined in the Disciplinary Policy.

Section 12 has been amended to give clarification on what is deemed a political restricted post, and to outline what council activities an employee can participate in.

Section 15 has been amended to take account of changes in data protection legislation.

5. **Strategic Priorities**

The Councils policies support the delivery of Professional High Performing Service to ensure we are in the best possible position to deliver our services.

6. **Organisational Impacts**

6.1 Finance (including whole life costs where applicable)

Not applicable.

6.2 Legal Implications including Procurement Rules

The enclosed policy has been reviewed and updated taking into account legislative requirements.

6.3 Land, property and accommodation

NA

6.4 Human Resources

The joint HR and Trade Union meetings have been used to seek the views of the Trade Unions.

In terms of the Dignity at Work Policy and Code of Conduct, all issues were resolved prior to JCC and all parties are in agreement with the proposed changes associated to these policies.

In terms of the Disciplinary Policy, both during the informal HR and Trade Union discussion and at JCC the unions raised following concerns:

1. *Unions Concern:*

Unions disagreed with the proposed change to section 6.4 as they feel that an employee should always have the right of appeal.

Response:

In this situation a manager/presiding officer would have met with the employee and during which the employee would have admitted the allegations and accepted an oral warning. Based upon this HR believe that it is not appropriate to give an employee the right of appeal as they have admitted the allegations and accepted the sanction offered.

Resolved: At JCC it was agreed that if employees who are offered a fast track oral warning are given the opportunity of a 24 hour adjournment / cooling off period to consider their option. The unions were happy to agree the proposed change. The policy was therefore amended to take account of this.

2. Unions Concern:

Unions previously interpreted Section 8.2 incorrectly, as they felt that the wording implied that an employee who was subject to bullying may be moved or suspended.

Response

Resolved: Following JCC HR agreed to revisit this section, and therefore decided to remove the section which read 'If temporary redeployment is deemed appropriate in cases of harassment or bullying, it will be the directors decision who is moved to a different work location or asked to work from home on a temporary basis.'

3. Unions Concern:

Unions feel that sections 11.9 and 11.10 (oral warnings) should remain on an employee's record 3 months as oppose to 6 months.

Response:

There is no specific legislation on how long warnings should remain on an employee's file, however HR feel that 3 months is a relatively short period of time and therefore extending this to 6 months would ensure that the employees improved conduct is maintain for a substantial period of time.

4. Unions Concern:

Section 12.5 - Unions feel that if an employee appeals against a sanction, there should only be provisions to award a lower sanction and a presiding officer should not be able to award a higher sanction. Unions also feel that this is a threat.

Response:

There is no specific legislation whether an appeal can result in a higher sanction, however in order for a fair appeal to take place a presiding officer should have the provision to award both a higher and a lower sanction. At JCC both Council Members and Trade Unions raised concerns with this proposed change.

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

The attached policy has been reviewed with regard to equality, diversity and human rights considerations.

7. Risk Implications

7.1 (i) Options Explored

NA

7.2 (ii) Key risks associated with the preferred approach

NA

8. Recommendation

8.1 That Executive approve the proposed changes to the policies, based upon this report and the comments made at JCC.

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?

Three

List of Background Papers:

None

Lead Officer:

Ali Thacker , HR and Payroll Team Leader
Telephone (01522) 873801

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Employee Code of Conduct Policy

1 The Purpose of this Code

- 1.1 The public is entitled to expect the highest standard of conduct from all local government employees so they have complete confidence in the Council. This code is to make sure that you understand the standards of behaviour and conduct we expect of you.
- 1.2 This code includes new as well as existing policies and requirements, but it is not exhaustive. It gives examples of the type of conduct we expect but it may depend on particular circumstances so, if you are not sure, ask your manager. The code covers:
- your role
 - the principles of conduct
 - customer care
 - colleagues
 - time keeping and attendance
 - laws, regulations and guidelines
 - disciplinary action
 - outside interests
 - additional employment
 - declaration of interests
 - political considerations
 - confidentiality
 - care of council resources
 - computer security
 - patent and copyright
 - accepting gifts
 - foreign travel
 - promotional sales
 - alcohol and drugs
 - smoking at work
 - whistle blowing
 - dealing with the media
 - equalities.
- 1.3 It is important that you read this code and ask about anything that is not clear. We would not accept ignorance as a defence if the Council decided to take disciplinary action against you for not complying with these standards.

1.4 Your role as a public servant

The Council provides services that the public pay for; they are our main customers so your role as a Council employee is to serve the public in the best way possible.

2 Responsibilities

2.1 Responsibility of Directors/Assistant Directors/Managers

- To follow this code of conduct and to ensure that any breaches of the code are dealt with in accordance with Council policy.
- To make sure new employees are aware of the code of conduct and that it is explained to them during the induction period.
- To ensure that the content and ramifications of the code of conduct is included in staff briefings and to ensure that all team members complete the Council's Code of Conduct E'Learning programme at least once in a 3 year period.
- To give Trade Union representatives the time required to support their Membership.

2.2 Responsibility of HR

- To advise Managers and staff on the application of this Policy as required.
- To regularly review and update this policy as required.

2.3 Employee Responsibility

- This code applies to all council employees and it is each employee's responsibility to be aware of and follow this code.
- All employees must ensure that they complete the Council's Code of Conduct E'Learning programme at least once in a 3 year period.

3 Principles of conduct

3.1 These principles of conduct set out how the Council expects you to behave when doing your job. We have expanded on some of them in later sections.

- **Leading by example** - promote this principle by behaving in a way that gives people complete confidence in the Council.
- **Uphold the law** - you have a responsibility to uphold the law, and to act in line with the trust the Council, and the public it serves, places in you.
- **Constituency** - you have a responsibility to help the Council to act in the interests of the whole community that it serves, as far as possible.
- **Public interest** - you must never use your position to make gains for yourself, family, friends or others. This includes financial benefits, preferential treatment or any other advantage.

- **Honesty, integrity and propriety** - you must not get in a position where your integrity could be questioned by a financial or any other obligation. As well as avoiding actual impropriety, you must be **seen** to avoid it so that your honesty and integrity is beyond question.
- **Gifts and hospitality** – the golden rule is that you should not accept gifts or hospitality. Even with the best of intentions, people could think gifts or hospitality might influence, or be intended to influence, your judgement. The exceptions to this are set out in the attached Gifts and Hospitality Guidance.
- **Objective decisions** – any decision you make in your job must be made solely on merit, including appointing someone, awarding contracts or recommending people for rewards or benefits.
- **Accountability** - you are accountable for your actions and for your part in making decisions, so you must cooperate with whatever scrutiny is appropriate to your post.
- **Openness** - you must be as open as possible about your actions and your part in reaching decisions, and seen to be open so that people are confident there is nothing underhand about your conduct.
- **Confidentiality** - you must make sure that you handle anything confidential, including information about others, in accordance with the law; you must not use it for private purposes.
- **Council resources** - you have a responsibility to make sure that the Council uses its resources prudently and in accordance with the law.
- **Declarations** - you have a legal duty to declare any private interests relating to your employment and to resolve any conflicts that may arise.
- **Relations with colleagues and councillors** - respect councillors and other employees, treating them with mutual respect at all times.

4 Customer care and courtesy

- 4.1 We expect you to be welcoming, helpful, informative and courteous as well as being professional to the public and to our internal and external clients.
- 4.2 You must be presentable and suitably dressed for your particular job, including wearing safety clothing and equipment, if appropriate to your duties, under Health and Safety regulations.
- 4.3 Your own department or section may have its own customer care policy, which you must follow in addition to these corporate standards.
- 4.4 Employees working with children and adults have a responsibility to safeguard and promote the welfare of children and adults during the course of their work.

5 Conduct towards colleagues

- 5.1 You must always act in a polite and friendly manner to colleagues, making sure that your behaviour does not cause offence.
- 5.2 The Council will not tolerate any form of bullying, oppression, sexual harassment, violence or aggression and will use its Disciplinary Policy to support this.

6 Time-keeping and attendance

We expect you to be ready and able to carry out your duties at agreed times, within reason. You must record your time at work accurately, as falsifying records is a disciplinary offence.

7 Complying with written guidelines, laws and regulations

- 7.1 Make sure that you comply with the laws and regulations relevant to your job which you are aware of, or are told about. If in doubt, get advice.
- 7.2 Make sure that you understand the conditions of service under which you are employed. The details are in the HR Policy Handbook. Ask your manager for clarification about anything you are not clear about.
- 7.3 You must also comply with corporate guidance, such as contract procedure rules and financial regulations, as well as any specific departmental guidelines.
- 7.4 You, together with all employees, have a responsibility to contribute to developing new procedures and to respect them when they are in place.
- 7.5 If you are a member of a professional institute or association, you are also obliged to comply with the professional code and standards of practice relating to that organisation.

8 Conduct and disciplinary action

- 8.1 The Council will use its disciplinary process to deal with any conduct that falls below that expected, if serious. Full details of misconduct and gross misconduct are in the Disciplinary Policy and Procedures, but here are some examples...

Misconduct examples could be:

- refusing a reasonable instruction
- unauthorised absence
- abusing the sickness procedure
- failure to report the offer of a bribe or inducement.
- Refusal to carry out reasonable instructions.
- lateness.
- Failure to comply with the sickness absence procedure.
- Failure to perform to standards as set out by City of Lincoln Council.
- Computer misuse or abuse.
- Unauthorised outside employment or self-employment.

Gross misconduct examples could be:

- deliberately falsifying time sheets or other records
- disclosing confidential or exempt information
- gross dereliction of duty
- accepting bribes or inducements.
- Theft of Council's, clients' or employee's property or money
- Housing Benefit or Council Tax fraud or deliberate falsification of timesheets or other records.
- Fighting, intimidation or physical assault.

- Deliberate damage to Council's, clients' or employees' property.
- Conflict of interest/failure to disclose other employment or outside interests which could potentially lead to a conflict of interest arising.
- Deliberate disclosure of privileged and/or confidential information to unauthorised people.
- Falsification of particulars on seeking employment.
- Serious negligence which causes or might cause unacceptable loss, damage or injury.
- Serious disregard of health and safety rules.
- Unauthorised removal of Council's, clients' or employees' property.
- Gross abuse or insubordination.
- Bringing the City of Lincoln Council into serious disrepute.
- Criminal activities.
- Breach of suspension conditions.
- Serious incapability whilst on duty brought on by alcohol or drugs.
- Serious breaches of an individual's human rights.
- Serious computer misuse or abuse.

9 Outside interests

- 9.1 Your life away from work is your own concern but you must not put yourself in a position where your job and your personal interests conflict. This includes behaviour which, because of the nature of your employment, would undermine the Council's confidence or trust in you.
- 9.2 An example would be if you are facing criminal charges, regardless of whether these were incurred on or off duty. You must tell your manager immediately particularly if the charges are in any way relevant to your employment, such as drug offences, crimes of violence, dishonesty or driving offences if your job involves the use of a car or Council vehicle. If you are in any doubt about this, consult your line manager.

10 Additional employment

Employees have a duty to take reasonable care of their own health and safety.

- 10.1 The Council will not stop you taking additional employment as long as it does not affect your duties and responsibilities or conflict with the interests of, or weaken public confidence in the Council.
- 10.2 If you are thinking of taking on additional work, you must get permission from your manager beforehand by completing the online Secondary Employment form on City People and we will maintain a record of approval. This conduct rule applies to any employment, paid or unpaid, for example taking up office in an outside organisation. This would include charities such as local community associations.
- 10.3 If you are paid for work which arises principally as a result of your work-related skills, you must not use assets or information belonging to the Council, without getting prior permission from your Assistant Director.
- 10.4 You must also make sure that any customer realises the private nature of the work you are doing, which is in no way connected to the business of Council.

- 10.5 You must declare any income received to Inland Revenue, but you do not have to inform Payroll as well.

11 Declaring interests, including financial or other interests in contracts

- 11.1 If a conflict of interest, or even a potential conflict, arises during the course of business, you must declare it immediately. Management will then consider whether it is appropriate for you to take any further part in the matter.
- 11.2 An example would be a financial or other interest in a contract being awarded by the Council, and may be a direct or indirect interest. An example of a direct interest would be if you or your partner were involved with the contract. Indirect interests can relate to close family members or friends being involved in contracts.
- 11.3 The responsibility to declare an interest lies with you. If it came to light later, you could be challenged for not disclosing it earlier. You must also consider whether others would consider whether there is a direct or indirect conflict of interest. If you have any concerns about actual or potential conflicts of interest, discuss them with your line manager straight away.
- 11.4 When you do declare an interest, it must be recorded in the register of interests held by the Chief Executive's department.

12 Political considerations

- 12.1 Politically restricted posts fall into two broad categories: specified posts and sensitive posts.

Specified posts:

- the Head of the Paid Service (s4 LGHA)
 - the Statutory Chief Officers and Non- statutory Chief Officers (Corporate Directors)
 - Deputy Chief Officers (Assistant Directors)
 - the Monitoring Officer (s 5 LGHA)
 - officers exercising delegated powers, i.e. persons whose posts are for the time being specified by the authority in a list maintained in accordance with s 100G(2) of the LGA 1972
 - Assistants to political groups
- 12.2 All these post holders are politically restricted without rights of appeal for exemption to the Local Authority's Standards Committee (in England) or to the Independent Adjudicator to Local Authorities in Wales.
- 12.3 **'Sensitive' posts.** A sensitive post is one which meets one or both of the following duties-related criteria:
- giving advice on a regular basis to the Council itself, to any committee or sub-committee of the Council or to any joint committee on which the Council is

represented; or where the Council are operating executive arrangements, to the executive of the Council; to any committee of that executive; or to any executive councillor who is also a member of the authority.

- speaking on behalf of the authority on a regular basis to journalists or broadcasters.

12.4 These employees may not stand for a political post or engage in certain political activities - such as canvassing or speaking publicly. Other employees are not eligible to stand for office as a member of parliament or of the City Council, but may participate in any county, borough or parish council activities.

12.5 As a Council employee you are required to serve the Council, therefore you cannot be accountable to political groups. You should follow the Council's protocol for relationships between members and staff when considering participation in political activity.

13 Confidentiality and use of information

13.1 In your job you will come across confidential information. You must maintain the privacy and confidentiality of such information at all times, unless you are expressly authorised to divulge it, or are required to do so by law.

13.2 You must not supply information about another employee's private affairs to anyone outside the Council without the consent of the employee, nor to anyone within the Council unless that person has authority or responsibility for such information.

13.3 You must not use Council contracts or purchasing arrangements for personal benefit or to benefit any external function or organisation, unless you get written approval from your Assistant Director beforehand.

13.4 You must not divulge any business information, for example charge-out rates, unit costs, work plans, quality assurance documents and so on to any third party or use it other than for the purpose of furthering the interests of the Council.

13.5 You must not disclose the proceedings of any committee meeting unless you are legally required, or have been authorised, to do so. If you are obliged to disclose information, you must make sure that it is accurate.

13.6 If you have any reservations about any request to supply information, refer it immediately to your line manager

14 Caring for and using the Council's resources

14.1 You may not use Council resources, whether tangible assets such as materials, equipment and cash or business information such as trade secrets, other than for Council business.

14.2 All equipment belonging to the Council should be treated with due care and respect. If you wish to use something or make equipment available to someone

else for non-Council business, you must get permission from your manager in advance.

15 Computer security and data protection

- 15.1 The information stored and processed on the Council's information technology systems is of paramount importance to its day-to-day activities. Consequently, it is essential that the data and systems are adequately secured against risks such as operator errors, equipment theft, unauthorised access to or copying of programmes, use of unauthorised software on Council machines - which increases the risk of importing computer viruses - and natural hazards such as fire, flood and power failures.
- 15.2 You must comply with all the Data Protection policy, General Data Protection regulations (which come into force in May 2018), IT Policies and any supplementary guidance which can be found on the intranet in order to ensure that all customer and employee's personal data is protected. You must further comply with the Computer Misuse Act, which seeks to secure computer material against access or modification.
- 15.5 The Council has issued specific guidance on computer security to all employees and you can obtain copies from the IT section of City People.
- 15.6 You must make sure that no unauthorised person gains access to equipment or data that you are responsible for.
- 15.7 You must not disclose your user password to anyone, and should change these regularly.

16 Patent and copyright

16.1 Patents

You must tell your manager about any issue, item or idea capable of being patented under the Patents Act that you develop or discover, on your own or with colleagues, in the course of your duties. Subject to the provision of the Act, anything like this belongs to the Council. It is then the Council's responsibility to decide whether to apply for patent or other protection in law for any such invention.

16.2 Copyright

- 16.2.1 All records, documents and other papers that you compile or acquire in your job relating to the Council's finance and administration are the Council's property together with the copyright.
- 16.2.2 It is your responsibility to be aware of, and not infringe, any third party copyright and take reasonable steps not to allow others to infringe those rights.
- 16.2.3 However, the copyright will belong to you of any academic work you do, such as projects you do as part of a course to further your professional career, including books, contributions to books, articles and conference papers.

17 Accepting gifts and hospitality

- 17.1 You must be very careful about accepting any offer of a gift or hospitality but you can accept items of low intrinsic value, such as diaries and calendars, if used at work.
- 17.2 You can also accept reasonable hospitality, such as a working lunch, but you must record it. You must decline, politely but firmly, anything of greater value or significance - taking care not to give offence by explaining why, as a local government employee, you may not accept. Even when you decline offers, you must record them in the appropriate gifts and hospitality registers. More information can be found in the Gifts and Hospitality guide which is attached to this code.

18 Foreign travel

- 18.1 You must seek approval in advance from committee for all foreign travel on Council business. Once approved, details of all foreign travel must be recorded in the register maintained by the Chief Executive.

19 Promotional sales

- 19.1 You must decline offers from companies of promotional sales and tell your manager, who will then inform the Chief Finance Officer. Improved discounts are the only form of promotion that the Council would normally find acceptable.

20 Alcohol and drugs

- 20.1 Alcohol is not permitted on Council premises, unless specifically approved by your manager.
- 20.2 The Council prohibits the use, possession, distribution or sale of illicit or illegal drugs at work, or when doing Council business and will report any such activity to the Police.
- 20.3 We may use the disciplinary procedures to deal with any unsatisfactory performance, attendance or behaviour caused by excess alcohol consumption or by drugs, depending on circumstances.
- 20.4 We view alcohol and drug dependency problems as medical cases, and managers will provide help, whenever possible.
- 20.5 Support and counselling is available by way of HR to all employees on this and other issues relating to breaches of this Code of Conduct.

21 Smoking at work

- 21.1 Smoking is strictly prohibited on all parts of the Council's premises, and at City Hall and Hamilton House. The Council has adopted a Smoke Free Policy which can be found on City People. The smoke free policy has extended the smoking ban to include entrances or anywhere on its grounds including car parks.

- 21.2 The policy further states that if employees want to smoke this must take place in their own time either before work at lunch time or after work outside of Council premises and their grounds and this includes whilst on site visits.

22 Whistle blowing - reporting criminal offences and poor conduct

- 22.1 You are expected to report any suspected cases of fraud, irregularity or conduct issues to your manager. The Council has developed a separate whistle blowing policy under which you can disclose information. Any information you provide in good faith will not lead to disciplinary action being taken against you but we will treat any malicious reports very seriously.
- 22.2 If you were identified as participating in fraudulent activities disciplinary action may follow.

23 Dealing with the media

- 23.1 You may only talk to the media as a representative of the Council if you have been specifically authorised to do so. We have specially appointed employees to deal with media enquiries as well as preparing and issuing public statements or press releases
- 23.2 If your comments are required, make sure that they are well considered, sensible, well informed, in good faith, in the public interest, without malice and that they enhance the Council's reputation and status.
- 23.3 Trade Union representatives can speak to the media as representatives of their respective unions. However, this will not be as a representative of the Council.

24 Use of Social Media

- 24.1 The Council respects an employee's right to a private life. However, the Council must also ensure that confidentiality and its reputation are protected, and that its Employees are protected.
- 24.2 Employees should be aware that social networking websites are a public forum, particularly if the employee is part of a "network". Employees should not assume that their entries on any website will remain private.
- 24.3 The Council therefore requires employees using social networking websites to:-
- ensure that they do not conduct themselves in a way that is detrimental to the employer;
 - ensure that abuse or defamatory messages are not posted about the Council and/or its employees
 - take care not to allow their interaction on these websites to damage working relationships between members of staff and clients of the Council.
 - You may be entitled to use social media for investigations into individuals however this must be done in accordance with the Regulatory of Investigatory Powers (RIPA) Policy which is on the intranet.

Any employee breaching the above may be subject to disciplinary action.

25. Equality issues

- 25.1 Your behaviour should accord with the spirit and the detail of the Council's Equality and Diversity Policy. We will not tolerate racist, sexist, homophobic and other discriminatory remarks and behaviour. Deliberate discrimination will result in disciplinary action.

26. Review of Policy

- 26.1 This policy will be reviewed at intervals of three years, or earlier at the request of either the management or staff side.

Human Resources Reviews

November 2017

Approving Body & Date

JCC –

Executive –

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Dignity at Work Policy

1 The Purpose of this Policy

- 1.1 **The Council is committed to creating a positive and safe working environment**, and believes that all staff have the right to be treated with dignity, fairness and respect. Employees should also work in an environment free from threat. All forms of bullying and harassment are unacceptable and any such incidents will not be tolerated.
- 1.2 This document is intended to complement the existing Equality, Diversity and Human Rights Policy by setting out the Council's policy on the protection of the dignity of everyone at work.
- 1.3 The Council is under a legal obligation under the Equality Act 2010 to remove the threat of **harassment/ bullying/ or discrimination** in the workplace . **The Council commits to a zero tolerance approach and identifies bullying and harassment as a serious disciplinary offence.** If it is considered that bullying or harassment is taking place, the Council cannot deviate from this duty of care and will be obliged to investigate and take appropriate action (including disciplinary action) against the harasser, if circumstances justify this.
- 1.4 It is the responsibility of all employees to ensure that inappropriate behaviour is prevented or, if it occurs, is dealt with effectively. Employees have a specific duty to set and demonstrate standards of acceptable behaviour and to be vigilant in observing the behaviour of others. They are also responsible for taking steps to prevent inappropriate behaviour, if possible before it gives rise to a formal complaint. Where a complaint is made, both managers and HR should ensure that the procedural guidelines outlined below are followed.
- 1.5 Every effort will be made to maintain an employee's confidentiality under this procedure when they feel they are being bullied or harassed until a decision is made to make an informal or formal complaint. At that stage, any investigation and subsequent proceedings will be confined to those who need to know and information about the outcome of any complaint will be handled sensitively.

2 Responsibilities

2.1 Responsibility of the organisation

- **To ensure that all employees are protected from bullying, harassment and discrimination. To ensure all employees have the right to be treated with dignity and respect at all times.**
- **To adhere to the legal requirement to remove the threat of bullying, harassment and discrimination.**

- To take appropriate action to end any forms of harassment/ bullying/ discrimination as soon as it is identified as harassment/ bullying/ discrimination.

2.2 Responsibility of Assistant Directors/Directors/Managers

- To understand and comply with the policy.
- To ensure employees are aware and comply with this policy.
- To ensure that the workplace is free from harassment/ bullying/ discrimination.
- To respond sensitively and promptly to any issues raised under this policy.
- To ensure that complainants and individuals accused are not subject to any victimisation.

2.3 Responsibility of HR

- To provide support and guidance on the application of this policy.
- To ensure timescales are met and escalate where required.
- To regularly review and update this policy as required.

2.4 Responsibility of the Employees

- To comply with the policy and to ensure that colleagues are treated with dignity at all times.

2.5 Responsibility of the Trade Unions

- To respond sensitively and promptly to any issues raised under this policy.

Eligibility

This policy applies to all council employees and it is each employee's responsibility to be aware of and follow this policy. This is an internal policy and does not deal with incidents of violence or aggression from members of the public.

3 Principles of conduct **Definition of unacceptable behaviour**

- 3.1 It is important to remember that it is for the recipient to define what he/she considers to be unacceptable behaviour and that this must be taken seriously by any other employee/manager with whom it is discussed. Harassment, bullying and/or discrimination can occur on a variety of grounds and may be directed at an individual or a group of individuals.

It may be related to age, sex, race, disability, religion, nationality or any personal characteristic of the individual, and may be persistent or an isolated incident. The

key is that the actions or comments are viewed as demeaning and unacceptable to the recipient.

The following statements describe the types of behaviour, which may be considered unacceptable and which in some cases may be unlawful, in order to provide guidance.

3.2 Harassment

This is behaviour which is unwelcomed, unreasonable and/or offensive. It may be a single act or a series of acts of inappropriate behaviour, actions or conduct.

Examples of harassment are outlined below:

- Offensive or hostile actions, causing discomfort, distress or exclusion.
- Unwanted and unreasonable actions constituting an infringement of the right of the employee.

3.3 Sexual harassment

Sexual harassment is a form of unlawful sex discrimination. Sexual harassment occurs in a variety of situations that share a common element: the inappropriate introduction of sexual activities or comments into the work environment. It frequently involves the abuse of an unequal power relationship and contains an element of coercion.

Sexual harassment is unlawful where a person's rejection of, or submission to, such behaviour may be used as the basis for decisions that affect that person's employment (including access to training, promotion, salary increases, or any other employment decision), or where such behaviour creates an intimidating, hostile, or offensive working environment.

Sexual attention becomes harassment if it is persisted in when either it has been made clear by the recipient that it is unwanted or offensive or when such would be evident to a reasonable person

Examples of sexual harassment include:

- unnecessary and unwelcome physical contact
- suggestive and unwelcome comments or gestures emphasising the sexuality of an individual or group
- speculation / comments about sexual activities
- lewd comments about dress or appearance
- unwelcome request for socio-sexual encounters/favours
- displaying sexually offensive material in the workplace
- criminal acts such as indecent exposure, sexual harassment, malicious phone calls etc

3.4 Racial Harassment

Racial harassment is a form of unlawful racial discrimination. It is an act or series of acts directed towards an individual because of his or her race, colour or ethnic origin.

Differences of attitude or culture and the misinterpretation of social signals can mean that what is perceived as racial harassment by one person may not seem so to another.

The defining features of racial harassment however, are that the behaviour is offensive or intimidating to the recipient and would be regarded as racial harassment by any reasonable person.

Examples of racial harassment include:

- derogatory name-calling, verbal abuse and threats
- offensive insults and racist jokes
- ridicule of an individual for cultural differences
- hostility / exclusion from normal workplace conversations or social events
- unfair allocation of work and responsibilities
- racist graffiti or insignia
- physical assault

3.5 Bullying

Examples of bullying could include:

- Persistent, offensive, abusive, intimidating, malicious or insulting actions.
- Abuse of authority
- Unfair treatment
- Perceived threatening or humiliating actions
- Undermining self-confidence (potentially resulting in stress)

3.6 Discrimination

Discrimination is where an employee's conduct, behaviour or actions are perceived by the recipient to be:

- Unwarranted, illogical and based upon personal prejudice
- Seriously detrimental or damaging to the receiver

Reasons for which employees may be subject to discrimination may be a result of a characteristic which is protected by the Equality Act 2010 these are:

- Age
- Disability
- Gender reassignment
- Marriage and Civil Partnership
- Pregnancy/Maternity
- Race
- Religion or Belief
- Sex
- Sexual Orientation

If an employee is responsible for discriminating against an individual due to the above characteristics they could face criminal prosecution.

3.7 Other forms of inappropriate behaviour

There are other forms of behaviour that can equally cause misery for the recipient. These may include:

- unfounded criticism of the performance of work tasks or deliberately undermining
- Persistent teasing, pranks and practical jokes because of personal characteristics or traits.
- persistent pressure to become involved in anti-social or criminal behaviour
- Isolating or excluding a colleague
- Shouting, or making threats /adverse comments without foundation
- Victimisation
- ridiculing, demeaning or humiliating another employee
- Stalking

4 General Principles

- 4.1 It is a distinguishing characteristic of harassment that recipients are often reluctant to complain. Sometimes they think that there is no point complaining, because nothing will be done, or because it will be trivialised, or that they will suffer ridicule or reprisal. However, any form of harassment is recognised as a serious issue and will be treated as such by the Council.
- 4.2 Harassment in any form will not be permitted or condoned either at work or at any social gatherings outside the workplace if the social event is connected with work, for example a farewell party, a Christmas or similar social event.
- 4.3 Any employee who considers that they are being subjected to bullying or harassment should keep a detailed written record of incidents, which should include dates, the nature of the behaviour being complained of and names of witnesses, if any.
- 4.4 Staff will be protected from victimisation or discrimination for raising a complaint or for assisting in an investigation. Such victimisation will be regarded as a serious disciplinary offence.
- 4.5 Whilst complaints will be taken seriously by the Council, the making of false or malicious complaints of bullying or harassment will be regarded as a serious disciplinary offence.
- 4.6 Employees have the right to be accompanied at all formal stages of the process by their trade union representative, a full-time trade union official or a work colleague. They may not have legal representation or be accompanied by their line manager (as the assistant director may refer the case back to the line manager).

5 Procedures

- 5.1 An employee who considers they are being bullied or harassed can seek guidance or make a complaint, either informally or formally, using the procedures outlined below. Confidential help and advice can also be obtained at any stage from HR or from a trade union representative.

If the organisation has grounds to believe or receives information which suggests that an employee may have been bullying or harassing another employee, the organisation may commence any of the procedures outlined below.

5.2 Support

The Council will ensure that it offers appropriate support for any employee who are experiencing any form of harassment, bullying or discrimination.

The Council will also offer appropriate support for any employee has been accused of harassment, bullying or discrimination as it can be a distressing time for them also.

This may include;

- An Occupational Health referral
- Counselling
- Mediation

5.3 Informal Procedure

The informal procedure is a way of resolving complaints quickly and with confidentiality maintained. Many incidents of bullying or harassment can be dealt with effectively in an informal way, as often the harasser is unaware of the effect their behaviour is having on others.

5.4 Informal option 1:

In many cases, it will be sufficient for the person being harassed to speak with the harasser to advise them of how their behaviour is being perceived and to ask them to stop.

A clear indication that the behaviour is objectionable will often prove effective. The request to stop should be made face to face as part of an informal meeting wherever possible. However, the request could alternatively be made in writing, or through a third party (e.g. line manager, colleague, HR or trade union representative). If employees are uncertain about who to contact, they are advised to either contact HR in the first instance.

Informal option 2:

If the behaviour continues or the employee doesn't feel comfortable raising the matters with the individual they should raise the matter with their direct line manager (If the complaint is about the direct line manager the employee should raise the matter with either the next senior manager or the HR department).

The manager will then arrange an informal meeting with the employees concerned. The purpose of the meeting is to discuss the nature of the complaint and to arrive at a solution. A record of the meeting will be kept and the manager will write to all parties involved within 5 working days of the meeting confirming the outcome.

5.5 Formal Procedure

If the complainant wishes to make a formal complaint, either straightaway or because the informal procedure has failed to resolve the problem they should write to their Assistant Director stating:

- details of the issues or problem;
- the reasons why they wish to use the formal complaint procedure;

5.6 Depending on the reasons given, the Assistant Director may refer the issue back to the line manager to make a new attempt to resolve the issue informally. The Assistant Director will notify the employee of this decision in writing. The new attempt to resolve it must be within five working days of the decision to refer it back to the line manager.

5.7 If the line manager cannot resolve it, or the Assistant Director decides that it is not appropriate to refer it back to the line manager, the Assistant Director will notify the HR Manager who will appoint an Investigating Officer. The Assistant director will then write to any parties involved to notify them of the formal complaint and outline the procedures which will follow.

5.8 The investigation will be conducted in line with the Councils disciplinary policy. Investigations should be concluded within 4 weeks except in unavoidable circumstances. Employees must be advised promptly if a delay is likely. Throughout the investigation, every attempt will be made to maintain the confidentiality of the parties involved and names will not be divulged other than to those who are necessary for the investigation. The investigation will be carried out in order to establish the full facts of the case. This will include both the complainant and the alleged harasser being interviewed who are entitled to be accompanied by a Trade Union representative or work colleague during the interview. Relevant witnesses will also be interviewed. These interviews will be held separately and will be conducted in a sensitive, non-confrontational style.

5.9 At the completion of the investigation, a report, summarising the details of the complaint and the results of the investigation, will be presented to the Presiding Officer who will determine the outcome of the complaint. The Presiding Officer will feedback the outcome to the complainant in person.

5.10 **Possible Outcomes following an investigation:**

There are a number of outcomes that can follow an investigation into bullying, harassment and/or discrimination. They could be:

- There is evidence of bullying, harassment and/or discrimination with intent, and therefore there is a case to answer. In these circumstances a disciplinary hearing will be arranged in accordance with the Disciplinary Policy which could lead to formal warnings up to and including dismissal.
- There was evidence of bullying/harassment but it was not intentional.
- There may be no evidence of bullying and harassment with no case to answer.

- Mediation may be recommended as an outcome to which involves an independent, impartial person helping two or more people to reach a solution that's acceptable to all parties involved.

6. **Appeal Procedure**

- 6.1 If the complainant feels that the process of investigation has been unfairly or improperly carried out, they are entitled to appeal. The complainant should submit an appeal, in writing, to the HR Manager within five working days of the date of the decision. There is no right of appeal against the perceived severity or leniency of any action taken.

If the alleged harasser feels that the process of investigation has been unfairly or improperly carried out, they are entitled to appeal. The alleged harasser may also appeal against any disciplinary sanction awarded (with the exception of the fast track oral warning) in line with the disciplinary policy.
Any appeal must be submitted in writing, to the HR Manager within five working days of the date of the decision.

- 6.2 The HR Manager will acknowledge receipt of the appeal and arrange for the appeal to be heard by an Assistant Director (as Presiding Officer). The HR Manager will forward to the Presiding Officer a copy of the appeal, a copy of the original decision letter, together with a copy of this policy.
- 6.3 The Appeal will be heard within as soon as possible.
- 6.4 The employee may be accompanied to an appeal hearing by their Trade Union representative or work colleague. The Presiding Officer making the initial decision above will also be in attendance.

People attending the appeal hearing will be:

- the Presiding Officer;
- HR or legal service officer to advise the Presiding Officer on procedure and policy;
- the employee;
- their representative ;
- the Presiding Officer initially making the decision
- a minute taker

- 6.5 At this meeting everyone will be given the opportunity to state their case, starting with the employee raising the appeal. The employee will present their appeal and the Presiding Officer will explain their decision
- 6.6 At the end of the appeal meeting, or within five working days thereafter, the Presiding Officer will announce their decision. The decision should be confirmed in writing within five working days of the hearing taking place. The letter will confirm that the employee has no further right of appeal.

6.7 **Employee illness or other absence**

It is the responsibility of everyone involved in the appeal process to take it seriously and to try to resolve matters as quickly as possible.

- 6.8 Where an employee is unfit to attend a hearing, their Trade Union representative or work colleague **could (if requested)** attend the Hearing to represent the Employee's interests. The employee can elect to additionally submit written representations for consideration.
- 6.9 Alternatively, the employee can elect not to have a representative, in which instance the hearing will proceed in the employee's absence and a decision will be made by the Presiding Officer based on the available information at the time of the Hearing. The employee should be encouraged to submit written submissions for consideration in such instances.
- 6.10 The Presiding Officer will consider the submissions and will confirm their decision in writing within five working days of a hearing taking place. The letter will confirm there is no further right of appeal.

7 Monitoring

- 7.1 Anonymised details of all complaints, the outcome of the investigation and action taken will be maintained and monitored by HR. This information may be provided on an annual basis to CMT, JCC and relevant Members, to determine whether trends and/or causes can be identified and addressed.

8. Review of Policy

- 7.1 This policy will be reviewed at intervals of three years, or earlier at the request of either the management or staff side.

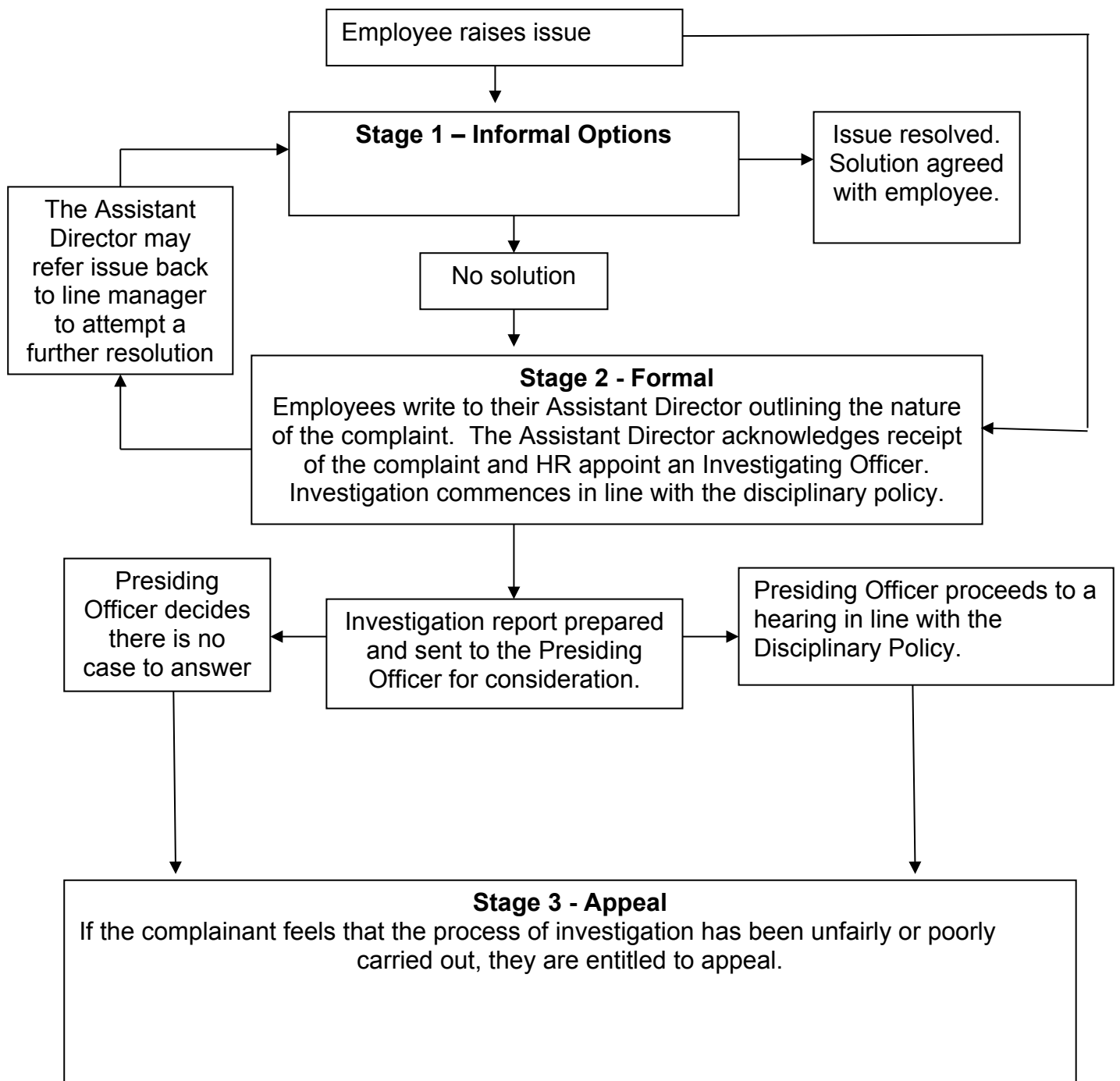
Human Resources
November 2017

Approving Body & Date

JCC

Executive

The Dignity at Work Procedure



Disciplinary Policy

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1 The Purpose of this Policy

- 1.1 The purpose of this policy is to make sure that employees and managers understand how the Council will deal with complaints about alleged breaches of legal or contractual rights.
- 1.2 This policy aims to assist and encourage staff to achieve and maintain the required standards of conduct and performance as well as providing prompt, consistent and fair treatment for all. To ensure these objectives are met, it is a mandatory requirement for managers to contact HR prior to commencing formal disciplinary action in all cases. A member of the HR/Legal team will be nominated as providing support.

2 Responsibilities

2.1 Responsibility of Assistant Directors/Directors/Managers

- To understand and comply with the policy and to ensure the compliance of others.
- To respond promptly to any issues raised under this policy.

2.2 Responsibility of HR

- To provide support and guidance on the application of this policy.
- To ensure timescales are met and escalate where required.
- To regularly review and update this policy as required.

2.3 Responsibility of the Trade Unions

- To respond promptly to any issues raised under this policy.

3. Eligibility

This procedure applies to all employees.

This policy does not apply to cases relating to lack of capability or competence, which will be dealt with under separate procedures. Performance issues will be dealt with through this process when an employee fails to undertake work to the required standard and the investigation provides evidence that the employee has the experience, skills, knowledge and ability to meet performance requirements.

4. The Disciplinary Procedure

- 4.1 It is important that all employees know what standards of conduct and performance are expected of them. It is the responsibility of all to be aware of, and adhere to, the Council's Code of Conduct.
- 4.2 This policy has not been designed as a means of imposing sanctions upon employees but rather as a way of helping and encouraging improvement amongst those employees whose conduct or behaviour is unsatisfactory.

5. General Principles

- 5.1 No formal disciplinary action will be taken against a Trade Union representative until the circumstances of the case have been discussed with a full time official of the union.
- 5.2 At the start of the procedure, the employee will be advised of the specific nature of the complaint against them and will be given the opportunity to state their case before any decision is made to proceed to a formal disciplinary hearing. Managers should be aware that not all complaints have to result in a formal process and where an employee states their case and the manager believes that dealing with the complaint informally is appropriate an informal route should be taken. In all instances where a formal hearing could result, a full and fair investigation of the facts and circumstances surrounding the case will take place prior to any formal action being taken.
- 5.3 Disciplinary hearing will not be recorded by HR nor will any other form of recording be allowed by other parties, however non-verbatim notes will be made during these meetings / hearings.
- 5.4 It is recognised that the prospect of disciplinary action against an employee can be a distressing experience. Investigations should be commenced without undue delay and concluded within a maximum of 4 weeks except in unavoidable circumstances. Employees must be advised promptly if a delay is likely.
- 5.5 It is the Council's practice to try to agree a mutually convenient date with the employee and their companion, for the disciplinary hearing. This is to ensure that hearings do not have to be delayed or postponed at the last minute. Where the chosen companion cannot attend on the date proposed, the employee will be offered an alternative time and date as long as it is reasonable and is no more than ten working days after the new date proposed by the Council. If the employee and/or trade union representative or work colleague fail, without reasonable excuse, to appear at the reconvened hearing, the proceedings may, as a last resort, be conducted without them.
- 5.6 Circumstances may arise when the ill health of an employee prevents the disciplinary procedure from being followed because the employee is too ill to participate in the investigation, adequately prepare for a hearing or attend the hearing itself. Where this is the case, the Council will act consistently with the following principles:

- A. The ill health of an employee will not be a ground for abandoning any ongoing disciplinary procedures.
- B. Where the absence is likely to be short (i.e less than 1 month), the Council will usually wait until the employee recovers and is able to take a full part in the process.
- C. When the absence is ongoing and it appears to the Council that the employee is likely to remain off sick for an extended period, the organisation may require the employee to cooperate with a medical expert in determining whether or not he/she is sufficiently fit to take part in the disciplinary process.
- D. Where it appears that the employee is not fit to take a full part in the standard disciplinary procedure, the Council will consider taking any of the measures set out below to enable the employee to participate effectively.

5.7 The organisation may, with the agreement of the employee, adjust the standard disciplinary procedure by taking any or all of the measures set out below with a view to ensuring the effective participation of the employee in the disciplinary process:

- **Venue.** The organisation will consider holding the disciplinary hearing at a venue other than the organisation's premises, either to reduce the stress caused to the employee by attending the hearing or to accommodate any physical needs that the employee may have.
- **Written representations.** Where the employee may have difficulty in explaining his/her case, consideration will be given to allowing the employee to rely on written representations, which may be prepared by a representative on the employee's behalf.
- **Documentation.** The organisation will take particular care to ensure that the employee receives all documentation relating to the disciplinary process sufficiently time to allow him/her to prepare fully, taking into account any effect that the employee's health may have on his/her ability to analyse the information and prepare a response.
- **Timings.** While being committed to the principle that matters should be dealt with promptly, the organisation may allow extra time for any stage of the disciplinary process to ensure that the employee can participate effectively. Particular attention will be given to the duration of any disciplinary hearing and its impact on the employee and the need to take appropriate breaks.

5.8 There may be exceptional circumstances when the employee will not be able to attend a disciplinary hearing, whatever measures are taken.

In such circumstances, the organisation reserves the right to proceed with a disciplinary hearing in the employee's absence, although full consideration will be given as to whether or not this is necessary in the circumstances.

Where this is the case, the employee and his/her representative will be informed of the time and location of the hearing and will remain free to attend. The representative will be free to attend, even if the employee is not present.

The representative will be able to present any written representations but will not be able to answer questions on behalf of the employee.

The outcome of the hearing will be communicated in writing to the employee, paying particular attention to the need to explain the details of any factual findings made and the basis of the decision reached.

6. Fast-track Formal Process

6.1 In the case of minor misdemeanours, an alternative, 'fast-track' disciplinary process may be suggested to an employee. This will avoid the necessity for an investigation and/or a formal hearing i.e. where there is an admission or undisputed factual evidence has been obtained.

6.2 Note that this procedure can only be offered where:

- The employee is prepared to admit to the allegations.
- The resulting sanction would be no more than 'stage one' level verbal warning
- The employee, their trade union representative or work colleague confirms the agreement of the employee and that the agreement has been reached without any coercion.
- **After reviewing the investigatory report the presiding officer believes that it is suitable to offer this sanction as an alternative to a formal hearing.**

6.3 In all other cases, the full formal disciplinary procedure with a full investigation must be adopted.

6.4 To undertake this 'fast-track process' the following **must** apply:

- HR must be contacted prior to speaking with the employee to provide guidance and support during the meeting.
- A formal meeting must be held with the employee and their trade union representative and/or work colleague and they be given a choice of undergoing a formal disciplinary with a full investigation or accepting the sanction immediately without investigation.
- The employee must be given an opportunity to adjourn and consider their options. **The employee may be entitled to an adjournment period of 24 hours.**
- The employee must be notified that as they have admitted the allegations and accepted an oral warning there is no right of appeal.

6.5 The 'fast track' process can be used by:

- A presiding officer
- An employee manager as long as that line manager is of at least a Team Leader grade.

In all cases, HR must be contacted for guidance regarding using this process prior to any oral warning being issued.

7. Rights of Representation/Accompaniment

- 7.1 At all stages of the formal disciplinary process the employee will have the right to be represented by an representative of a Council recognised Trade Union. Alternatively, staff may be accompanied by a work colleague.
- 7.2 If applicable, The Council will allow reasonable time off for the accompanying person, to enable them to become familiar with the case and confer with their co-worker in addition to attending the hearing.
- 7.3 At disciplinary hearings there may be no more than one locally recognised trade union representative present, except in exceptional and agreed circumstances. Only one representative may present the case. The representative/companion may address the hearing, ask questions and confer with the worker but not answer questions on their behalf.

8. Suspension

- 8.1 Suspension is not a form of disciplinary action, but may be applied where gross misconduct is alleged, and/or it is considered that the presence of the individual at work would inhibit a detailed investigation of the incident, or in cases where the individual is considered to be a risk to staff or the public, or the individual is at risk from staff or the public, and/or there is reason to believe that property is at risk.
- 8.2 Wherever possible, alternatives to suspension such as temporary redeployment/ relocation or working from home should be carefully considered prior to initiating suspension.
- 8.3 Decisions to suspend must be referred to HR in all instances prior to the action being taken and can only be instigated by a Director or delegated to the City Solicitor or the HR Manager. The reason for suspension will be communicated to the employee at the time of suspension. This will be confirmed in writing within three working days.
- 8.4 Employees under suspension must not enter Council premises, unless given permission by the Investigating /Presiding Officer.
- 8.5 In the case of suspension of a Trade Union representatives, the full time officer should be notified at the earliest opportunity.
- 8.6 The initial period of the suspension should be a maximum of two weeks. This must be kept under constant review and the employee advised of progress and any other relevant information at intervals not exceeding two weeks.
- 8.7 During the period of suspension, the employee will receive the pay they would have received had they not been suspended. Line managers must ensure that any work correspondence, including payslips are provided to the employee, whilst suspended (this can be via email or post) . Staff under suspension must

be available to return to work at short notice. Periods of annual leave already booked will be treated as normal. Sickness should be reported according to normal procedures.

9. Investigations

- 9.1 The employee will be provided with a letter, as soon as the alleged breach of disciplinary rules comes to light, and wherever possible, during a face-to-face meeting, specifying details of the alleged incident and confirming who will be undertaking both roles of Presiding and Investigating Officer. Potential levels of sanction applicable should not be conveyed to individuals at this stage to avoid prejudging the outcome of the investigation.
- 9.2 The investigation should commence as soon as possible in order to ensure, wherever possible, that the facts are documented whilst they can be clearly recalled by the employee concerned and any witnesses involved. In most cases, there will be little or no delay between the alleged incident and the start of the investigation, although it is recognised that, in certain cases, the alleged breach may only come to light some time later, e.g. following an Internal Audit investigation.
- 9.3 Any investigation should reflect the facts of the case and be considered adequate in light of the circumstances. For example, where an employee has admitted a breach an investigation would be deemed sufficient if it consisted of a:
- letter to the employee outlining the allegations;
 - signed statement or email from the employee admitting the breach.

9.4 Presiding Officer

A Presiding Officer(s) must be appointed at the outset, and will be selected following advice from HR. They must be more senior than the employee under investigation. In some circumstances (cases involving a chief officer) there may be a need to have a panel of presiding officers which may include council members.

- 9.5 Their role is to determine whether the case is serious enough to proceed to a disciplinary hearing following a review of the report compiled by the Investigating Officer. They will set the parameters and scope of the investigation and provide guidance to the Investigating Officer.

9.6 Investigating Officer

The investigation itself should be undertaken by a member of HR, in cases where this is not possible, for example where there is a conflict of interest, an Investigating Officer with the necessary skills and training will be selected and appointed following discussions between HR and the Presiding Officer. In some circumstances there may be a need to appoint an independent investigating officer from outside the authority.

- 9.7 The Investigating Officer may call on other individuals to provide technical expertise as required.
- 9.8 The Investigating Officer will then present the report stating the facts and findings of the case, to the Presiding Officer who will determine whether a formal disciplinary hearing should be arranged.

9.9 Witness Statements

Any witness to the alleged misconduct will be asked to provide a written statement. The employee under investigation will have the opportunity to challenge witness statements and to question any witnesses that attend the hearing.

- 9.10 Witness statements will be disclosed to the employee. In exceptional circumstances, they may be withheld, provided the overall fairness of the procedure is not compromised. If statements are withheld, reasons will be given.
- 9.11 Witnesses or complainants will be entitled to a copy of their statement, however they will not be entitled to see a copy of any other aspects of the investigatory report.

9.13 Challenging Witness Statements

In considering the evidence provided by witness statements, the employee should be allowed to challenge the evidence, and produce his/her own version of events.

- 9.14 Where there are conflicting statements the Presiding Officer must decide on the balance of probability which version to believe. They should bear in mind that an unsigned witness statement is less valuable than one which has been signed.

9.15 Criminal Charges

An employee should not be dismissed or otherwise disciplined just because he or she has been investigated for, charged with, or convicted of a criminal offence. The question to be asked in such cases is whether the employee's conduct warrants action because of the implications for his or her employment.

- 9.17 Where criminal charges are pending, if the risk of employing someone who is alleged to have committed an offence is unacceptable, then it may be necessary for the employer to suspend the employee during the investigation.

9.18 Disciplinary Investigations where the employee has been found guilty with a Criminal Offence

The following guidance should be followed in relation to employees who have been found guilty with a criminal offence:

- The Council will investigate the facts as far as possible, come to a view about them and consider whether the conduct is sufficiently serious to warrant instituting the disciplinary procedure.
- If the investigation does not produce sufficient information to warrant disciplinary proceedings to be taken, the Council may delay until the criminal proceedings are finished.
- Where conduct requires prompt attention, the Council need not await the outcome of the prosecution before taking fair and reasonable action.
- If the police are called in they should not be asked to conduct any investigation on behalf of the Council, nor should they be present at any disciplinary hearing or interview. The Council may ask for access to any statements or other evidence made available by the police.

9.19 Action by the Council following Conviction

The Council may take disciplinary action against an employee who is convicted of a criminal offence, even if no action was considered necessary prior to conviction.

- 9.20 Where an employee charged with, or convicted of, a criminal offence refuses to co-operate with the Council's disciplinary investigations and proceedings, the Council should not be deterred from taking action. The employee should be advised in writing that unless further information is provided, a disciplinary decision will be taken on the basis of the information available and it could result in dismissal.
- 9.21 A disciplinary hearing can be held even though the employee is in prison, but the manager must take steps to ensure that the hearing is fair. The employee must be given full details of the allegations against him or her and be allowed to put their view through a representative and/or written statements.

10. Disciplinary Rules

The Disciplinary rules are divided into two main groups **Gross Misconduct & General Disciplinary Rules**.

10.1 Gross Misconduct

Cases of Gross Misconduct usually relate to offences which may result in dismissal without notice. The following list gives an indication of offences which could be regarded as sufficiently serious enough to be classed as Gross Misconduct. The examples are not exhaustive and should only be regarded as a general guide as much depends on the particular circumstances:

- Theft of Council's, clients' or employee's property.
- Housing Benefit or Council Tax fraud or deliberate falsification of timesheets or other records.
- Fighting, intimidation or physical assault.
- Deliberate damage to Council's, clients' or employees' property.
- Serious breach of the City of Lincoln Council's Code of Conduct.

- Conflict of interest/failure to disclose other employment or outside interests which could potentially lead to a conflict of interest arising.
- Serious breach of the dignity at work policy
- Deliberate disclosure of privileged and/or confidential information to unauthorised people.
- Falsification of particulars on seeking employment.
- Serious negligence which causes or might cause unacceptable loss, damage or injury.
- Serious disregard of health and safety rules.
- Disclosure of confidential or exempt information.
- Unauthorised removal of Council's, clients' or employees' property.
- Gross abuse or insubordination.
- Bringing the City of Lincoln Council into serious disrepute.
- Accepting bribes or inducements.
- Criminal activities.
- Breach of suspension conditions.
- Serious incapability whilst on duty brought on by alcohol or drugs.
- Serious breaches of an individual's human rights.
- Serious computer misuse or abuse.
- Serious breach of the Email policy
- Serious breach of Safeguarding policy.

10.2 General Disciplinary Rules

It is a principle of this scheme that employees will not be dismissed for a first offence unless it is gross misconduct. The following list gives an indication of offences, which could be regarded as misconduct serious enough to warrant disciplinary action. The examples are not exhaustive and should only be regarded as a general guide as much depends on the particular circumstances:

- refusing a reasonable instruction
- unauthorised absence
- abusing the sickness procedure
- failure to report the offer of a bribe or inducement.
- Refusal to carry out reasonable instructions.
- lateness.
- Failure to comply with the sickness absence procedure.
- Failure to perform to standards as set out by City of Lincoln Council.
- Computer misuse or abuse.
- Unauthorised outside employment or self-employment.

11. The Conduct of a Disciplinary Hearing

11.1 Authority to conduct Disciplinary Hearings

Following the decision that there is a case to answer, the Presiding Officer will liaise with the employee to arrange the formal disciplinary hearing. However, should it be established that the severity of the case points towards potential gross misconduct. The Presiding Officer's must be appointed to hear the case This is because an employee may only be dismissed by Chief Officers.

11.2 A representative from either the HR or Legal Service will be in attendance at all disciplinary hearings as adviser. The Investigating Officer will present the case, and the employee under investigation will also be present.

11.3 HR are to be advised of the details of all witnesses who will be required in order to ensure that they are available to attend and make the necessary arrangements. Please note, that character witnesses should only be called in exceptional circumstances.

11.4 Notice of a hearing

The employee will be given at least ten working days notice in writing of a disciplinary hearing following the completion of the investigation, unless the employee and Presiding officer agree to a shorter timescale, for example the availability of a Trade Union Representative because of planned annual leave. They will be provided with a copy of the disciplinary procedure and advised in writing of:

- The date, time and venue of the hearing.
- Substance of the complaint(s) against them, including copies of statements and other documentary evidence, together with the Investigation Report.
- The purpose of the hearing and its possible consequence. In particular, where the allegations, if proven, would amount to gross misconduct, the worker must be advised at this stage that dismissal could result.
- His/her right to representation
- The procedural arrangements for the hearing.

11.5 Normally, all evidence supporting the allegations that will be used in the hearing, will be copied to the employee ten working days in advance of the hearing itself. Should additional evidence come to light after this time, any requests to submit it must be made at least 48 hours prior to the hearing. Requests for later submissions will be entirely at the discretion of the Presiding Officer.

11.6 Potential Outcomes/Sanctions

The following outcomes can result from a hearing process, and there are four potential formal sanctions. The severity of the case will dictate the level of penalty to be applied.

11.7 No further action

If the allegations do not justify further action or there is no evidence to substantiate the allegations, the presiding officer can deem that there is no case to answer and therefore no further action is necessary.

11.9 Stage 1 - Verbal Warning

If conduct or performance does not meet acceptable standards, the employee will normally be given a formal **verbal warning**. They will be advised of the

reason for the warning, the improvement that is required and that it is the first stage of the disciplinary procedure and of their right of appeal. Arrangements should be made where appropriate for regular meetings, set at specific timescales in order to monitor and discuss the worker's conduct over the next three months.

A brief note of the verbal warning will be kept but it will be spent after 6 months and removed from the employee's personnel file subject to the employee's satisfactory conduct.

11.10 Stage 2 - Written Warning

If a further offence occurs within 6 months of a verbal warning, a **written warning** will be given to the employee. It may also be issued without a prior verbal warning for first breaches of discipline if the circumstances of the case justify this level of action. The warning will give details of the complaint, the improvement required and the timescale. It will warn that action under Stage 3 will be considered if there is no satisfactory improvement and will advise of the right of appeal.

A copy of this written warning will be kept by the Presiding Officer and HR but it will be spent after twelve months (in exceptional circumstances the period may be longer) subject to satisfactory conduct and performance.

Arrangements should be made for specific and regular meetings to monitor and discuss the employee's conduct over the next twelve months.

11.11 Stage 3 - Final Written Warning

If there is still a failure to improve and conduct remains unsatisfactory, within 12 months of a first written warning or in instances of misconduct or negligence which are sufficiently serious to not be tolerated a second time (in effect both first and final written warning), a **final written warning** will normally be given to the employee. This will give details of the complaint, specify the improvement required, and will warn that dismissal will result if there is no satisfactory improvement. It will advise of the right of appeal. A copy of this final written warning will be kept on the employee's personnel file but it will be spent after two years (in exceptional circumstance the period may be longer) subject to satisfactory conduct.

Arrangements should be made for regular and specific meetings to monitor and discuss the employee's conduct over the next two years.

11.12 Stage 4 – Dismissal

If conduct is still unsatisfactory and the employee fails to reach the prescribed standards or if the employee is found to have committed gross misconduct or gross negligence, **dismissal** will normally result. Only Chief Officers or their nominated deputy can take the decision to dismiss. The employee will be provided with written reasons for dismissal, the date on which employment will terminate, the appropriate period of notice or pay in lieu of notice and the right of appeal within five working days. Where dismissal results, it is normally given without notice.

11.13 Other Recommendations

In some circumstances the presiding officer may make suggestions or recommendations to an employee / manager to avoid a similar incident from occurring again.

Examples of this might be:

- Employee is advised of the need to improve/adapt a particular skill or behaviour i.e. additional training may address the issue (code of conduct training)
- A change to working practices
- Mediation between employees

12. Appeals

12.1 An employee who wishes to appeal against a disciplinary decision should inform the HR Manager in writing, within five working days of the date of the letter notifying the decision regarding sanction. The employee must state in the letter the reason for the appeal.

12.2 If the appeal is on the basis of the:

- severity of the sanction awarded;
- basis of the decision of the presiding officer and whether it was reasonable;
- Inconsistencies of the process which can be put right by an appeal.

This will be heard as a review, however all information from the original investigation / hearing will be reconsidered and re-heard.

12.3 If the appeal is on the basis that relevant new evidence has come to light:

- which was not available at the original hearing
- would have potentially changed the outcome of the hearing, and on sight of that evidence either the HR Manager or Legal Services Manager agree this to be the case a re-hearing will be scheduled

This will be heard as a re-hearing.

12.4 Appeals hearings will take place as soon as possible following receipt of the appeal notification.

12.5 Any Appeal (both re-hearings or reviews) hearing can:

- Uphold the appeal
- Confirm the sanction applied at the previous hearing
- Award a lower sanction
- In exceptional circumstances award a higher sanction
- Dismiss the allegations and offer informal advice and guidance
- Dismiss the allegations on the basis there is no case to answer.

Following the review the outcome is final and the employee will have no further right of appeal.

13 Re-hearings

In the case of a re-hearing, a panel will be convened comprising of:

- An Officer of the same grade or higher than the original Presiding Officer who heard the case but who must not have previously been involved.
- A representative from the HR/Legal Service.

The purpose of a re-hearing is to start the process again as if the original hearing had not taken place. Therefore in line with this policy the new Presiding Officer must determine on the basis of the new evidence whether a further investigation or information is required in order to conduct a full and fair hearing.

Following the re-hearing an employee will have the right to appeal against the decision.

14 Reviews

In the case of a review the panel members will be determined by the sanction awarded at the original hearing.

Appeals against an oral, written warning or final written warning will be heard by an Appeal Panel comprising of a Chief Officer, of a more senior grade than the original Presiding Officer, but wherever possible from the same business area, who has not been involved in the matter at hand, together with a representative from HR or the Legal Services.

Any appeals against dismissal will be heard by the Council's Member Appeal Panel. A representative from Legal Services or HR will be present to support the Member Appeal Panel.

15 Dismissal

Where an employee has been dismissed the Appeal Panel may overturn the decision but do not have the authority to re-instate. This decision will rest with the Director who will have the option to:

- Re-instate
- Re-engage in an alternative capacity

In making this decision the Director should take into consideration the likelihood of industrial strife and any distrust between parties which may make re-integration into the workforce impossible. Where this is believed to be the case the matter must be referred to HR or Legal to determine a way forward.

16 Review of policy

This policy will be reviewed at intervals of three years, or earlier at the request of either the management or staff side.

**Human Resources
November 2017**

Approving Body & Date

JCC
Executive

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EXECUTIVE

26 FEBRUARY 2018

SUBJECT:	PROPOSALS FOR THE REVIEW OF THE EXISTING PUBLIC SPACE PROTECTION ORDER
DIRECTORATE:	COMMUNITIES AND ENVIRONMENT
LEAD OFFICER:	FRANCESCA BELL, PUBLIC PROTECTION, ANTI-SOCIAL BEHAVIOUR AND LICENSING SERVICE MANAGER

1. Purpose of Report

- 1.1 To brief Members on the process and consideration given to date, to review the existing Public Space Protection Order in the City Centre area of Lincoln.
- 1.2 To seek the views of the Executive on proposals regarding the reviewing the existing Public Space Protection Order (PSPO), and the scope to vary this order in consultation with the public and relevant partners.

2. Executive Summary

- 2.1 In October 2014 the Secretary of State enacted new powers from the Anti-Social Behaviour, Crime and Policing Act, relevant to tackling Anti-Social Behaviour. These new powers also make changes to some of the relevant existing legislation and the Council is required, within the period of three years, to reconsider its Designated Public Place Orders (DPPOs) and either withdraw or replace them with new Public Space Protection Orders (PSPOs).
- 2.2 The PSPO's are more flexible and can be applied to a much broader range of issues, with local authorities having the ability to design and implement their own prohibitions or requirements where certain conditions are met. These conditions centre on the impact to the quality of life in the locality, persistence, and whether the impact makes the behaviour unreasonable.
- 2.3 In April 2015 the Executive approved the implementation of a PSPO covering the city centre of Lincoln and prohibiting within the designated area (see appendix 1 map) the possession and consumption of alcohol and the consumption of so called 'legal highs' within the defined area.
- 2.4 It is a requirement of the PSPO that the order be reviewed after 3 years. As part of the review we have sought the views of both the public and relevant partner agencies by way of a public consultation. This consultation period opened on Tuesday 2nd January 2018 and closed on Tuesday 30th January 2018. We have also collated and considered data held by both the City of Lincoln Council and Lincolnshire Police.
- 2.5 The purpose of the review is to consider the following points;

1. Should the requirement not to consume alcohol remain as part of the PSPO.
2. Should the requirement not to ingest, inhale, smoke or otherwise use intoxicating substances remain as part of the PSPO intoxicating substances remain as part of the PSPO.
3. Are there any other issues that you believe should be considered for inclusion in the PSPO?
4. Is the area designated by the PSPO still appropriate?

- 2.6 The City of Lincoln, much like other towns and cities nationally, has a recurring issue with street drinking, in particular in the summer months. Whilst the council and its partners are working collaboratively to address the complex issues of individuals with a holistic approach, there remains a clear need for enforcement tools such as those offered by the PSPO.

3. Public Space Protection Orders

- 3.1 The Anti-Social Behaviour, Crime and Policing Act came into force on 20th October 2014. This Act contains the provisions for the Public Space Protection Order, which was enacted by order of the Secretary of State on the 20th October 2014
- 3.2 Local authorities have the power to make Public Spaces Protection Orders if satisfied on reasonable grounds that two conditions are met.

The first condition is that—

- a) activities carried on in a public place within the Authority's area have had a detrimental effect on the quality of life of those in the locality, or
- b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

- 3.3 The second condition is that the effect, or likely effect, of the activities—

- a) is, or is likely to be, of a persistent or continuing nature,
- b) is, or is likely to be, such as to make the activities unreasonable, and
- c) Justifies the restrictions imposed by the notice.

Activities can include things that a person or a group does, has done or should do (in order to reduce the detrimental effect).

- 3.4 A Public Space Protection Order is an order that identifies the space to which it applies ("the restricted area" within which the impact has or is likely to occur[ed]) and can make requirements, or prohibitions, or both within the area. This means that the local authority can, by virtue of the order, require people to do specific things in a particular area or not to do specific things in a particular area. The local authority can grant the prohibitions/requirements where it believes that they are reasonable in order to prevent or reduce the detrimental impact. The order can be made so as to apply to specific people within an area, or to everybody within that area. It can also apply at all times, or within specified times and equally to all circumstances, or specific circumstances. The order can apply for a maximum of three years upon which the process of reviews and consultation must be repeated to ensure the issues are still occurring and the order is having the required effect.

Thereafter it can be extended for a further three years and, upon the reviews and consultation taking place, can be extended more than once for further periods of three years.

- 3.5 Failure to comply with either a prohibition, or requirement, within the order is an offence. Upon summary conviction (offences heard within the Magistrates Courts) defendants can face a fine not exceeding level three on the standard scale (currently £1000). The defendant cannot be found guilty of an offence under a prohibition/requirement where the local authority did not have the power to include it in the order. Breaches of the order can also be discharged by use of a fixed penalty notice (FPN). The fine attached to a FPN is £75 reduced to £50 if paid within two weeks and if the recipient attends Addaction the fine is reduced to £40.

4. The Current PSPO

- 4.1 In April 2015 the council enacted a Public Space Protection Order under the Anti-Social Behaviour Crime and Policing Act 2014. The PSPO is as follows

In the area defined by the attached map (Appendix 1), the following prohibition applies:

Person(s) within this area will not:

- *Ingest, inhale, inject, smoke or otherwise use intoxicating substances.*

Intoxicating Substances is given the following definition (which includes Alcohol and what are commonly referred to as 'legal highs'): Substances with the capacity to stimulate or depress the central nervous system.

Exemptions shall apply in cases where the substances are used for a valid and demonstrable medicinal use, given to an animal as a medicinal remedy, are cigarettes (tobacco) or vaporisers or are food stuffs regulated by food health and safety legislation.

Persons within this area who breach this prohibition shall: surrender intoxicating substances in his/her possession to an authorised person

(An authorised person could be a Police Constable, Police Community Support Officer or Council Officer, and must be able to present their authority upon request)

It is a statutory requirement that the PSPO be reviewed after 3 years and may be extended for a further period of up to 3 years (the PSPO can be extended more than once) As part of the review the PSPO may be amended to add or remove prohibitions or requirements, the geographical area may be altered or the order may be discharged.

5. The consultation

- 5.1 On Tuesday 2nd January 2018 a public consultation was launched. The consultation lasted 28 days and closed at 5pm on Tuesday 30th January 2018. As part of the consultation partners were approached directly seeking their views and

any evidence they may hold regarding possible amendments to the PSPO. The consultation has been viewed as an opportunity for us to consider what has worked well and to reflect upon any areas we could improve or alter. In particular the consultation has looked at four areas. These have been;

1. Should the requirement not to consume alcohol remain as part of the PSPO.
2. Should the requirement not to ingest, inhale, smoke or otherwise use intoxicating substances remain as part of the PSPO.
3. Are there any other issues that you believe should be considered for inclusion in the PSPO?
4. Is the area designated by the PSPO still appropriate?

We have directly approached all members of the Lincolnshire Community Safety Partnership (Safer Lincolnshire Partnership) as well as approaching the following partners;

- Lincolnshire Police,
- Lincoln BIG,
- P3,
- Framework,
- Addaction.

- 5.2 In addition to this we have also advised all ward councillors of the consultation and City of Lincoln Communications team have put out information of the public consultation.

In responses to the consultation we have received a total of seven responses. Of the seven responses four came from partners and three came from the public.

- 5.3 Of the responses received all called for the existing PSPO to remain in place. A common theme in the responses was to increase support of individuals who display symptoms of substance misuse or vulnerabilities.

This is in keeping with current projects being undertaken in the city centre that focus around providing a multi-agency response to identifying and addressing an individual's needs. The focus of the approach is to offer support and help, with enforcement being a tool amongst many as supposed to being the only option. Ultimately the aim of this approach is to reduce offending long term by making positive changes to the individual's circumstances.

6. Evidence

6.1 Enforcement of the PSPO since 2015

2015													
	Jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	
surrender of alcohol				63	34	47	54	19	18	9	36	15	
use of NPS				4	4	2	1	1	1	0	0	0	
FPN's issued													
Prosecutions*													

2016													
	Jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	
surrender of alcohol	4	9	10	8	11	4	6	10	3	6	0	1	
use of NPS	0	0	0	1	0	1	0	0	0	0	0	0	
FPN's issued		1		2	1	6	1						
Prosecutions*							3	5	3	7			

2017													
	Jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	
surrender of alcohol	2	6	5	5	5	7	1	1	6	0	5	2	
use of NPS	0	0	0	0	0	0	0	0	1	0	1	0	
FPN's issued		1				2		3	2				
Prosecutions*		1							1				

2018													
	Jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	
surrender of alcohol	5												
use of NPS	0												
FPN's issued													
Prosecutions*													

* a prosecution will only take place where the individual has repeatedly failed to pay the FPN or has previously been given a FPN for this offence.

6.2 Police evidence

As part of our consultation, and in order to base our assessment of the current PSPO and determination of whether the order requires extension and/or amendment we enlisted the help of a police annalist to collate and review the data held by the police.

6.3 Methodology

The analysis is based on the policing areas known as NC13, NC14, NC15 and NC16 which all include part of the PSPO area. These areas will be used for the extraction of data using the Business Objects software from the Force's crime and

incident recording systems for the period 1st April 2014 to the 31st December 2017. The data has then been filtered using the Northgate XD mapping software to extract those incidents and offences which occurred inside the PSPO designated area.

- 6.4 Incidents and crimes were extracted based on the following criteria:
1. The incident was closed as street drinking.
 2. The incident was closed as begging/vagrancy. This information was not requested by the council but has been included by the analyst.
 3. All incidents which include the term 'legal high' in the initial information provided by the caller or in the incident log
 4. The incident included begging or homeless in the information provided by the caller or within the incident log
 5. The incident included legal high or psychoactive in the incident log.
- Due to time constraints and the volume of incidents individual incidents were not read or assessed individually. However Excel functions were used to identify incidents of begging which included 'bottle', 'drinking' 'drugs' or 'mamba'.

- 6.5 Results:
- The number of incidents in the NC13, NC14, NC15 and NC16 beat areas has decreased from 14,397 incidents in 2014/2015 to 13,605 incidents in 2016/17. During this period street drinking has fluctuated but an overall decrease from 52 incidents to 34 occurred in 2016/17 and 23 incidents in the first nine months of 2017/2018. A similar decrease has also been recorded for street drinking in the PSPO area falling from 46 to 27 incidents. In contrast the number of begging and vagrancy incidents decreased overall from 2014/2015 to 2016/2017 but in the last nine months has dramatically increased recording over 50% more incidents in the last nine months than in the whole of 2016/17. This is mirrored in the PSPO area as well as the city centre.

There is anecdotally thought to be a high level of street drinking and illegal high usage amongst those reported or seen on the street and a search of incidents containing any of the following: 'bottle', 'drinking' 'drugs' or 'mamba' in the source supplied information identified that this was the case. This is also shown in table one.

Incidents from April to December each year	2014/15	2015/16	2016/17	2017/18	Grand Total
ASB- begging and vagrancy in the PSPO area	206	211	165	390	972
ASB- begging and vagrancy in PSPO area directly related to drink/drugs	22	21	11	26	80
Percentage of ASB begging and vagrancy with a drink/drugs element	10.7	10.0	6.7	6.7	8.2
ASB- associated with street drinking within the PSPO area	46	54	27	21	148

Table one: The number of incidents of ASB begging and vagrancy and street drinking in Lincoln city centre.

- 6.6 Data held shows that street drinking prior to the implementation of the designated PSPO area had four focal points: Bailgate, High Street/Cornhill, East of the Lower High Street and the Beaumont Fee area.
- 6.7 Two years on the data shows that the spread of street drinking incidents has a greater geographical spread (although still contained well within the PSPO boundary) after the implementation of the PSPO. Offences remaining focused along the lower High Street and across the city centre.
- 6.8 The data held shows that begging and vagrancy reports fall within the geographical area of the PSPO. Focusing around arterial routes, the Bailgate and the city centre High Street area.

The analysts full report can be viewed in Appendix 2

7. Begging and vagrancy

- 7.1 This is something that the Police analyst has picked up in terms of increased reports in the city centre. This did not feature in the responses received via the consultation however anecdotally we know that this is an issue of concern to the public and businesses and this is an issue that has become particularly prevalent over the past year.
- 7.2 In terms of begging and vagrancy, whilst the increase is a clear indicator that this should be considered for inclusion, we feel that to do so would be counter-productive. The term 'vagrancy' is very much linked to homelessness in the eyes of the public, and to be seen to be actively penalising someone for this would not reflect well on the council or its partners and would go against the principles put in place for managing the city centre issues, as led by Karen Lee MP.
- 7.3 Additionally the 'Anti-social Behaviour, Crime and Policing Act 2014: Anti-social behaviour powers Statutory guidance for frontline professionals Updated December 2017' Page 51, states;

Homeless people and rough sleepers

Public Spaces Protection Orders should not be used to target people based solely on the fact that someone is homeless or rough sleeping, as this in itself is unlikely to mean that such behaviour is having an unreasonably detrimental effect on the community's quality of life which justifies the restrictions imposed. Councils may receive complaints about homeless people, but they should consider whether the use of a Public Spaces Protection Order is the appropriate response. These Orders should be used only to address any specific behaviour that is causing a detrimental effect on the community's quality of life which is beyond the control of the person concerned.

Councils should therefore consider carefully the nature of any potential Public Spaces Protection Order that may impact on homeless people and rough sleepers. It is recommended that any Order defines precisely the specific activity or behaviour that is having the detrimental impact on the community. Councils should also consider measures that tackle the root causes of the behaviour, such as the

provision of public toilets.

The council should also consider consulting with national or local homeless charities when considering restrictions or requirements which may impact on homeless people and rough sleepers.'

7.4 It is therefore recommended that begging and vagrancy should not be added for the following reasons:

- The Council and its partners have a well mapped enforcement plan in place already.
- Begging is a criminal offence and can be dealt with more appropriately in that way.
- Any inclusion in a PSPO sends a message that begging outside of that area is acceptable.
- All local authorities across the UK that have gone down this route have faced considerable public reaction around human rights.

8. The geographical map of the PSPO

8.1 The area covered by the PSPO was originally drawn up to reflect where the majority of drink and drug related incidents were happening within the City of Lincoln. It was also based upon the location of so called 'head shops' that were known to be selling legal highs at the time. Despite the 'head shops' having closed the geographic area would appear to still be relevant as incidents are still occurring within the defined area, albeit dispersed slightly when compared with data from 2015.

8.2 Police data has indicated that the map is still relevant. The police analyst has suggested that the area could be reduced slightly in the south of the city. It is important to note that whilst the southern area of the map has seen less incidents of street drinking there have still been some recorded incidents. To amend the map as suggested by the analyst would also see part of the Sincil Bank area removed from the order. This may have a detrimental impact on the Sincil bank area as it may cause the issues to migrate. This would not be supportive of the work being undertaken in the area as a whole.

8.3 From our consultation with the public and partners it was felt that the geographical map should remain the same. Although the boundary line should be drawn to more accurately reflect where the PSPO is in force and where it is not. It has been noted that the existing maps boundaries are unclear, appearing to suggest that there will not be a breach where an individual is on the opposite side of certain roads and cutting through a terrace of houses. We wish to address this ambiguity and believe that the new map makes the boundary clear which will be easier for the individual to identify and for enforcement purposes. The map has also been updated to incorporate the new road layout in respect of the Bus Station. The new Map can be seen in Appendix 3.

9. The Proposal

- 9.1 To renew the Public Space Protection Order in its current form for a further 3 years. With a clear focus on the council and its partners focus being to provide a holistic approach to troublesome individuals displaying symptoms of substance misuse or other vulnerabilities. Enforcement of the PSPO will remain a useful enforcement tool that will be utilised where individual's behaviour is such that enforcement action is the most appropriate course of action i.e. in cases that lead/contribute to serious ASB or criminal behaviour or where the individual will not engage in support.
- 9.2 Members would need to be satisfied that the legal conditions, laid out above, have been met. Officers' view is that these requirements have been met based on:
- Evidence gathered by the Council itself, and from other associated agencies including the Police, recording crime and ASB statistics for the area. Attached as appendix D. Figures from the centre for social justice relating to legal highs attached as appendix E.
 - Feedback from the consultation attached as appendix B. Full responses are available on request from Democratic Services.

10. Implementation

- 10.1 Implementation of this order, legally, would require a public notice to be published, This would be done through a formal notice in the local newspaper, notification on our website and press releases through media outlets.
- 10.2 Although not necessarily a statutory requirement, it is recommended that additional signage be clearly displayed in the PSPO area.

11. Enforcement

- 11.1 In relation to enforcement of the PSPO the following officer can enforce it;
- Lincolnshire police
 - Authorised council officers
- 11.2 It has been accepted by both Council officers and Lincolnshire Police that whilst the local Authority may have the legal ability to enforce, it does not have the skills or the resources to do on-street enforcement of this nature. It is also accepted that enforcement of this order will present a heightened element of risk to personal safety, due to the nature of the problem, and therefore would not be appropriate for Council Officers with their current training and safety measures. Lincolnshire Police have committed therefore that should this order be made, they will accept responsibility for enforcement, with back office support conducted by the Council if required.
- 11.3 As discussed in 8.1 above the enforcement tools and powers afforded by the PSPO will form part of a broader tool kit to address the symptoms and complex root causes of individuals behaviours. Enforcement action, although available under the PSPO, may not always be the appropriate action. Each breach of the PSPO will be

carefully considered on a case by case basis.

12. Implications

12.1 Any legal challenge presents a risk to the Authority. The legislation supporting implementation of the new Order states that “interested persons” may challenge the validity of any order in the High Courts. This means that the Council could face a challenge against its ability to implement the Order. An application of this nature must be made within six weeks, beginning on the day the Order is made or varied. There are three grounds upon which a challenge could be made, these are:

- That the local authority did not have the power to make the order or variation, or to include particular prohibitions or requirements imposed by the order (or by the order as varied)
- That a requirement under this element of the legislation not complied with in relation to the order or variation
- The High Court would have the power to quash, amend or uphold the order.

12.2 The penalty for breaches of this order relate to fines alone, which may lead to significant levels of non-payment. The suite of new powers available however would allow officers to utilise a range of measures for those identified as persistently breaching the order, for example:

- Community Protection Notices could be issued against the individuals
- An Anti-Social Behaviour Order (ASBO) could be sought against individuals, which carries tougher sanctions (this will be replaced by the Civil Injunction next year)
- A Criminal Behaviour Order could be sought. Breach of the PSPO is an offence and upon conviction, individuals could be made subject to a Criminal Behaviour Order. This carries both tougher sanctions, along with the ability to implement positive conditions requiring support for substance misuse issues.

13. Strategic Priorities

13.1 Let's reduce inequality

The service seeks to reduce inequality through its work with individuals and communities.

13.2 Let's enhance our remarkable place

Projects within the city centre to tackle anti-social behaviour serve to improve and enhance the city.

Let's drive economic growth

13.3 Projects within the city centre to tackle anti-social behaviour enhance our city making it a more attractive city for investment.

14. Organisational Impacts

14.1 Finance

Enforcement costs under this order will be met by existing Police staff. Any supplementary enforcement will form a part of the role of the Public Protection and Anti-Social Behaviour Officers. There were some internal costs for consultation and a small cost associated with the publication of the Order and stationary for FPNs along with signage. These will be met from within existing budgets.

Income from FPNs is expected to be small and will be used to cover the associated costs of implementing the proposal.

14.2 Legal Implications including Procurement Rules

This report recommends legal action be taken by the Authority in accordance with the legislation, and also involves subsequent legal enforcement relevant to that action. The legal parameters laid out within the Act will be considered carefully against the proposal for an Order.

14.3 Land, property and accommodation

All land owners within the area are required to be consulted, which has been satisfied through the consultation conducted.

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

The Act requires that consideration is given to Human Rights in particular the rights to freedom of expression and freedom of assembly as set out in the Human Rights Act 1998.

14.5 Significant Community Impact

This report identifies a proposal that has the potential to deliver a significant positive community impact if used to its full potential.

15. Risk Implications

15.1 (i) Options Explored

1. Renew the existing PSPO relating to psychoactive substances and alcohol and the associated impact this has on those living, visiting and working within Lincoln City Centre.
2. Amend the PSPO to remain with the current conditions and to add the prohibition of begging and vagrancy.
3. To renew the PSPO in its current form with an amended geographical map.

15.2 (ii) Key risks associated with the preferred approach

There is a risk that expectations will be raised by this order which agencies cannot meet. The order may not resolve the issues.

16. Recommendation

16.1 To approve the proposal to renew the PSPO in its current form and the revised map as set out in Appendix 3.

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? Appendix 1 – Map of area
Appendix 2 – Police annalist report
Appendix 3 – New Map

List of Background Papers: None

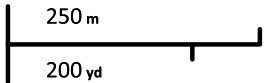
Lead Officer: Francesca Bell
Telephone 873204



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Version 1: 31-Oct-2014



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Public Space Protection Order- Lincoln City

Background

Lincoln city has had a public space protection order (PSPO) in place in the city centre since the 1st April 2015. Local authorities have the ability to designate areas as public protection orders if:

(a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or

(b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

and

(a) is, or is likely to be, of a persistent or continuing nature,

(b) is, or is likely to be, such as to make the activities unreasonable, and

(c) Justifies the restrictions imposed by the notice.

A PSPO identifies the public place where activities are restricted and the specific activities which are prohibited or what action is to be taken with those involved in the prohibited activity, or both. As part of the order the authority can specify particular circumstances, persons or times that the order applies. The order cannot have effect for a period greater than three years unless it has been extended. This is done prior to the expiry if on reasonable grounds that doing so is necessary to prevent—

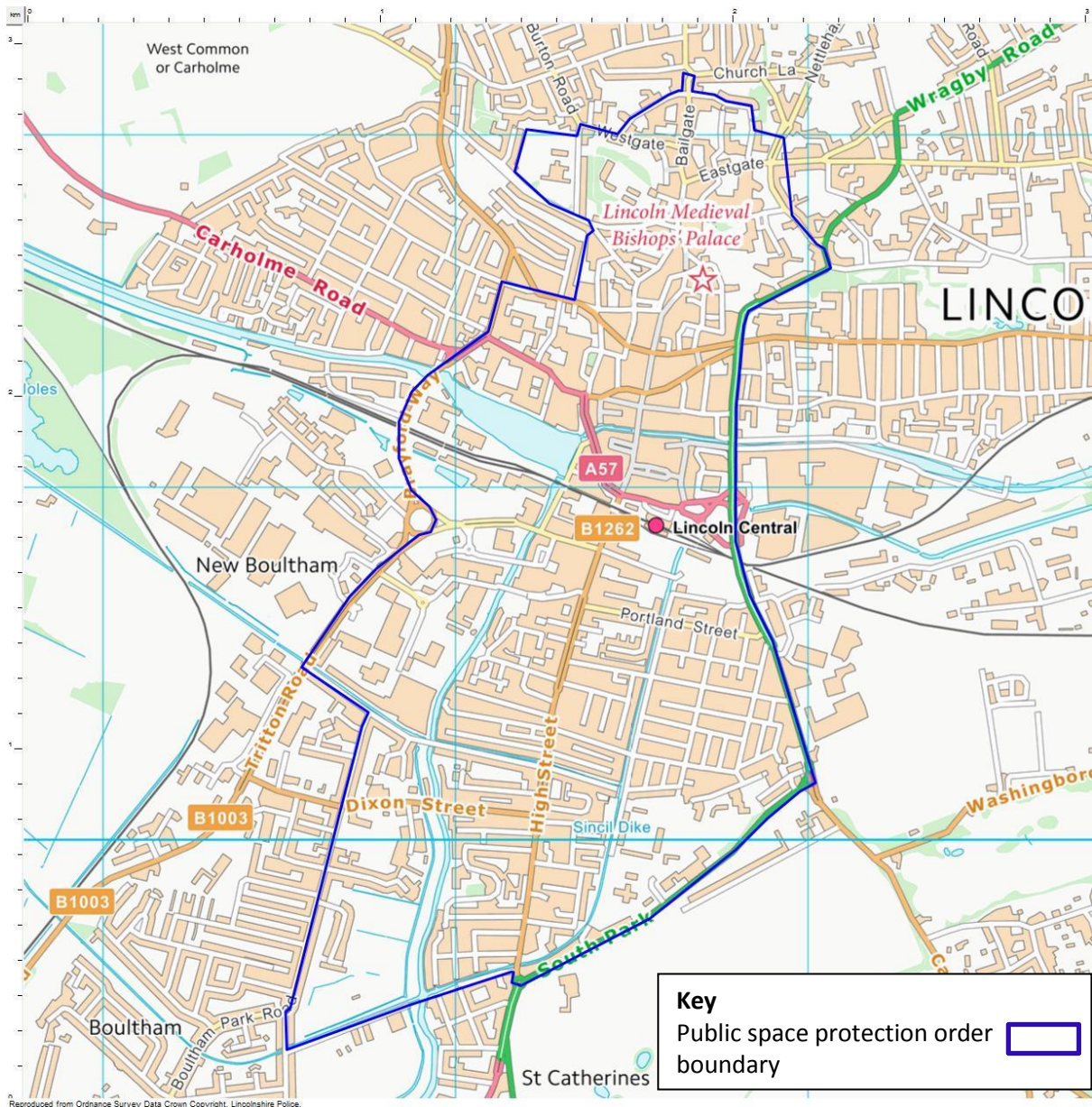
(a) occurrence or recurrence after that time of the activities identified in the order, or

(b) an increase in the frequency or seriousness of those activities after that time.

The order can also be varied if necessary in terms of the activities it prohibits or the area it covers.

The local authority is about to undertake the review to ascertain if the current public space protection order requires extending or amending prior to its expiry after the statutory three years. The current PSPO states that persons within the area will not: ingest, inhale, inject, smoke or otherwise use intoxicating substances. An intoxicating substance is one which has the capacity to stimulate or depress the central nervous system. It includes alcohol and drugs known as legal highs. Persons within this area who breach the order shall surrender the intoxicating substances in their possession to an authorised person.

The current PSPO designated area is shown in map one.



Map 1: Lincoln city's Public Space Protection Order designated area.

Analysis has been requested on behalf of the local authority to aid the assessment of the current PSPO and assist in the determination of whether the order requires extension and/or amendment.

Methodology

The analysis is based on the policing areas known as NC13, NC14, NC15 and NC16 which all include part of the PSPO area. These areas will be used for the extraction of data using the Business Objects software from the Force's crime and incident recording systems for the period 1st April 2014 to the 31st December 2017. The data has then been filtered using the Northgate XD mapping software to extract those incidents and offences which occurred inside the designated area as shown in map 1.

Incidents and crimes were extracted based on the following criteria:

1. The incident was closed as street drinking.
2. The incident was closed as begging/vagrancy.
3. All incidents which include the term 'legal high' in the initial information provided by the caller or in the incident log
4. The incident included begging or homeless in the information provided by the caller or within the incident log
5. The incident included legal high or psychoactive in the incident log.

Due to time constraints and the volume of incidents individual incidents were not read or assessed individually. However Excel functions were used to identify incidents of begging which included 'bottle', 'drinking' 'drugs' or 'mamba'.

Results and Observations

The number of incidents in the NC13, NC14, NC15 and NC16 beat areas has decreased from 14,397 incidents in 2014/2015 to 13,605 incidents in 2016/17. During this period street drinking has fluctuated but an overall decrease from 52 incidents to 34 occurred in 2016/17 and 23 incidents in the first nine months of 2017/2018. A similar decrease has also been recorded for street drinking in the PSPO area falling from 46 to 27 incidents. In contrast the number of begging and vagrancy incidents decreased overall from 2014/2015 to 2016/2017 but in the last nine months has dramatically increased recording over 50% more incidents in the last nine months than in the whole of 2016/17. This is mirrored in the PSPO area as well as the city centre.

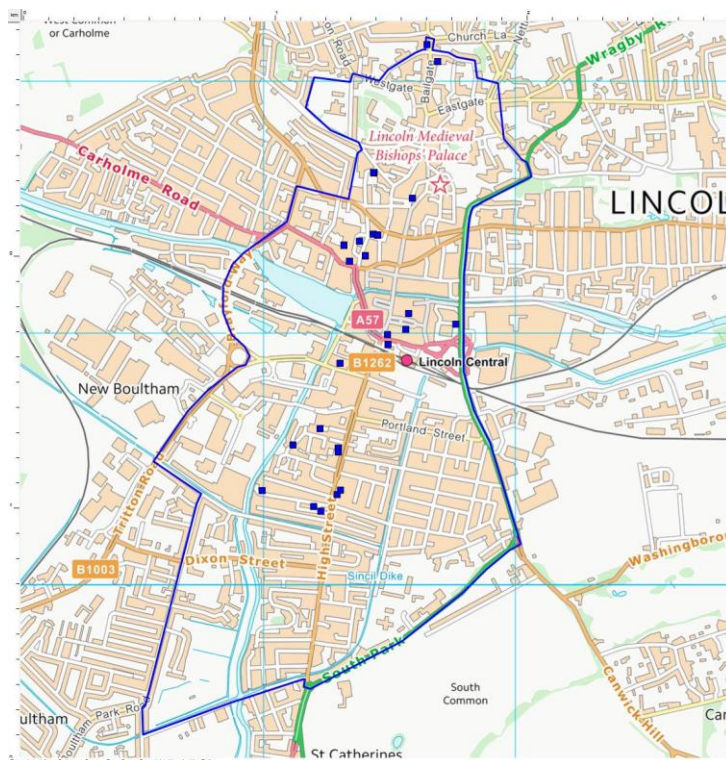
There is anecdotally thought to be a high level of street drinking and illegal high usage amongst those reported or seen on the street and a search of incidents containing any of the following: 'bottle', 'drinking' 'drugs' or 'mamba' in the source supplied information identified that this was the case. This is also shown in table one.

Incidents from 01/04/2014 to 31/12/2017	2014/15	2015/16	2016/17	2017	Grand Total
ASB- begging and vagrancy (PSPO)	206	211	165	390	972
ASB- begging and vagrancy (PSPO) drink/drugs	22	21	11	26	80
Percentage of ASB begging and vagrancy drink/drugs	10.7	10.0	6.7	6.7	8.2
ASB- street drinking (PSPO)	46	54	27	21	148

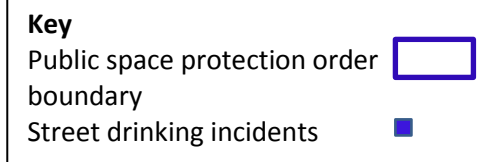
Table one: The number of incidents of ASB begging and vagrancy and street drinking in Lincoln city centre.

The table highlights the overall reduction from 2014/15 to 2016/17 however there was a rise in incidents of street drinking in the first year of the PSPO. It is unclear whether this increase is due to the greater awareness of persons that this is unacceptable and reporting incidents, whether a more proactive approach was undertaken or whether this was part of an ongoing increasing trend. Conversely the reductions seen in the second year of the order cannot be adequately evaluated as to

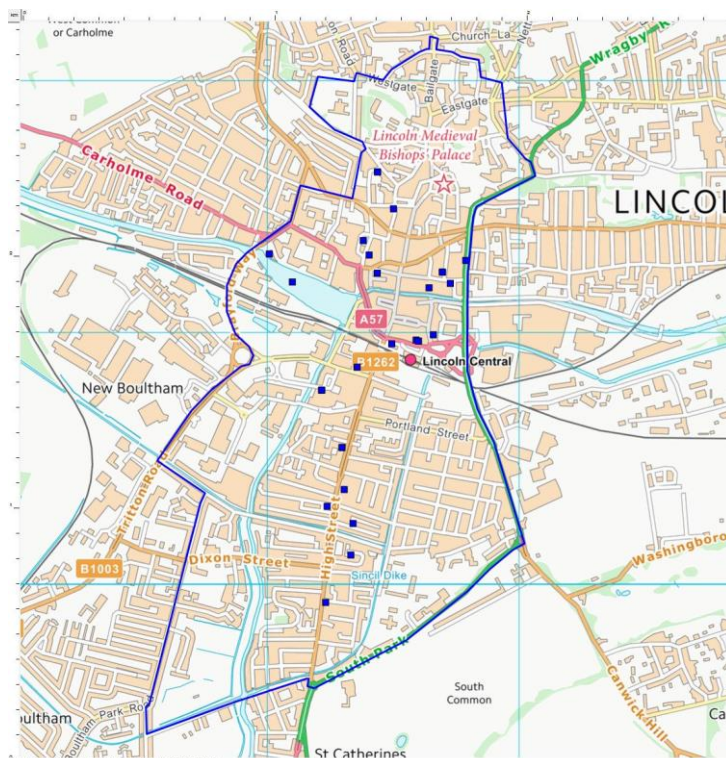
the cause which could be due to offenders being aware that their alcohol will be seized and move on when sighting police officers; the enthusiasm for enforcing the order has wavered; lack of officers to enforce the order or an actual decrease has occurred.



Map two: Map showing the locations of all street drinking incidents from 1st April 2014 to 31st March 2015.

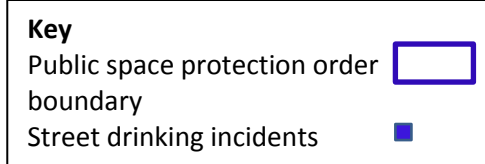


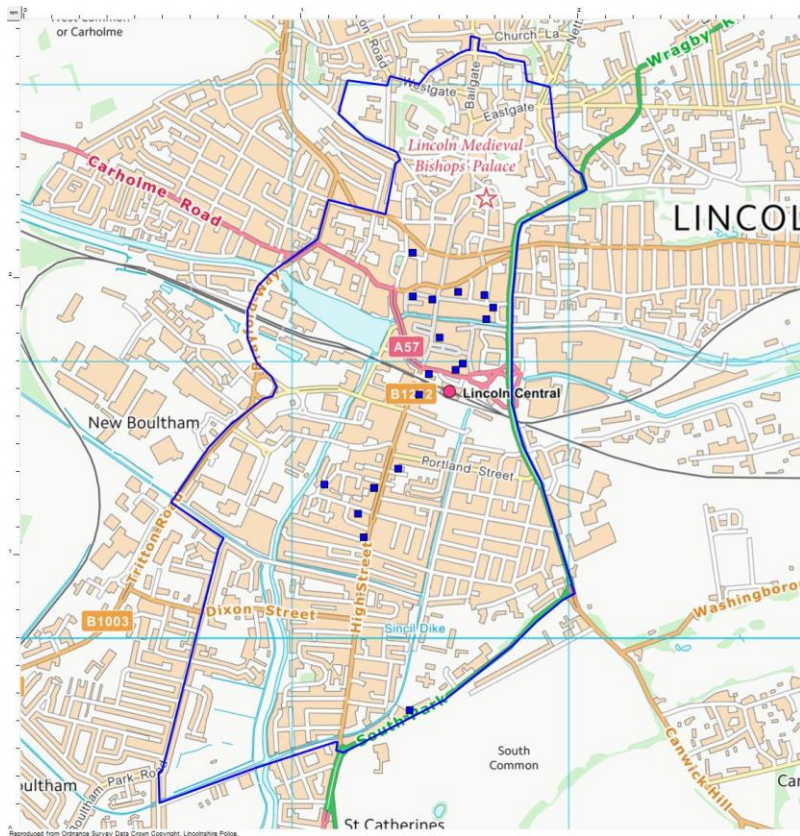
Map two shows that street drinking prior to the implementation of the designated PSPO area had four focal points: Bailgate, High Street/Cornhill, East of the Lower High Street and the Beaumont Fee area.



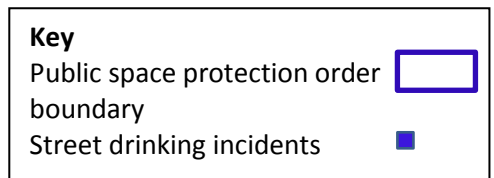
Map three: Map showing the locations of all street drinking incidents from 1st April 2016 to 31st March 2017.

Map three shows that the spread of street drinking incidents has a greater geographical spread two years after the implementation of the PSPO with offences remaining focused along the lower High Street and across the city centre.



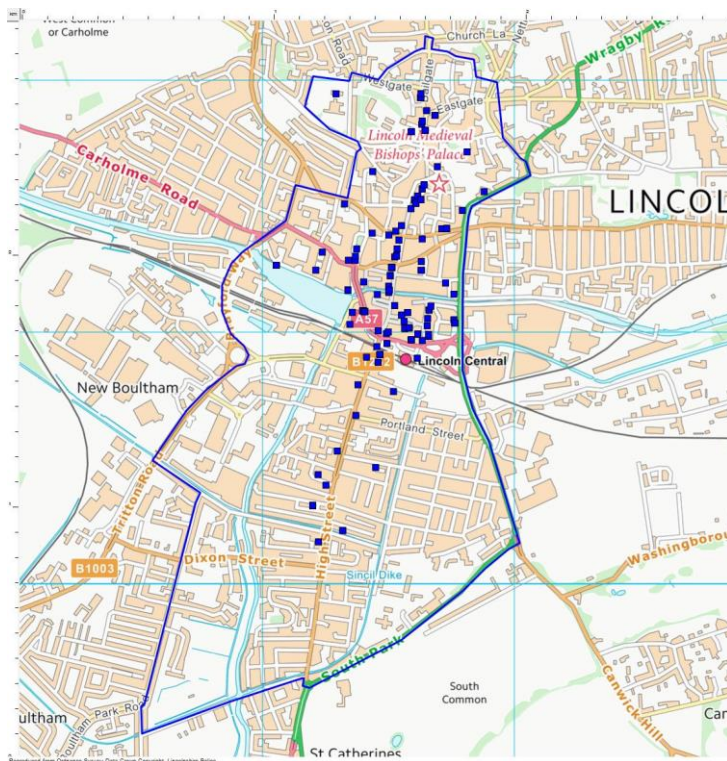


Map four: Map showing the locations of all street drinking incidents from 1st April 2017 to 31st December 2017.

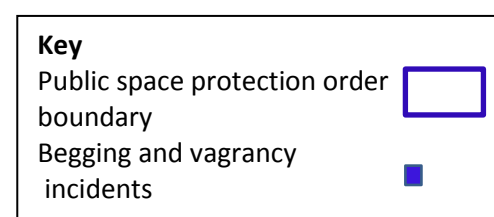


The location of street drinking offences in the last nine months has continued around the lower High Street and the central area bounded by the A57, West Parade and Broadgate. The overall spread of these offences considered alongside those since the implementation of the order suggests that the designated area could be reduced and extend only as far as Boultham Road and bounded on the east and west by the two drains.

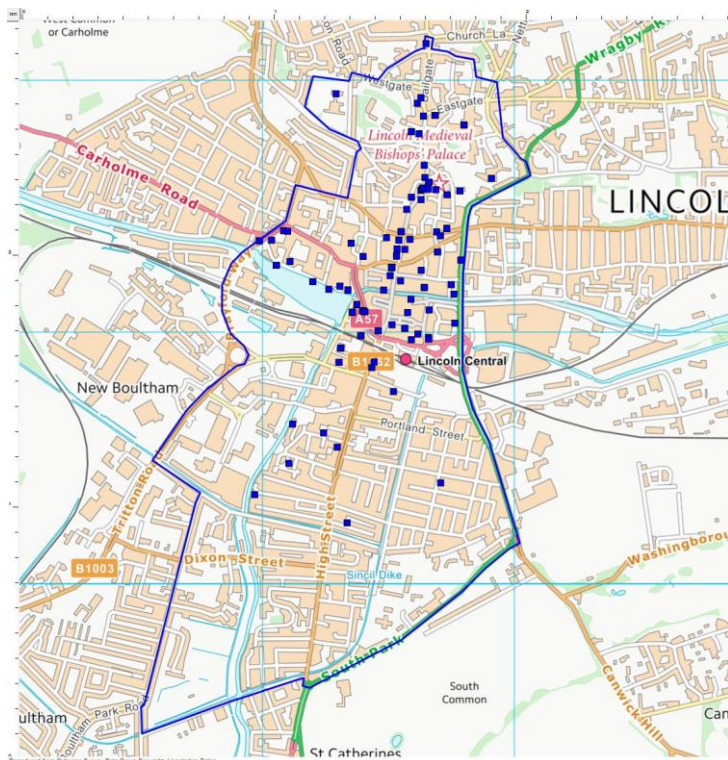
Begging and vagrancy has a similar underlying geographical distribution and this is shown in maps five to seven.



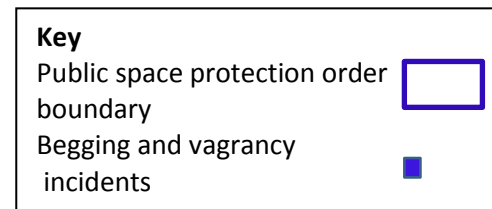
Map five: Map showing the locations of all begging and vagrancy incidents from 1st April 2014 to 31st March 2015 (206 incidents).



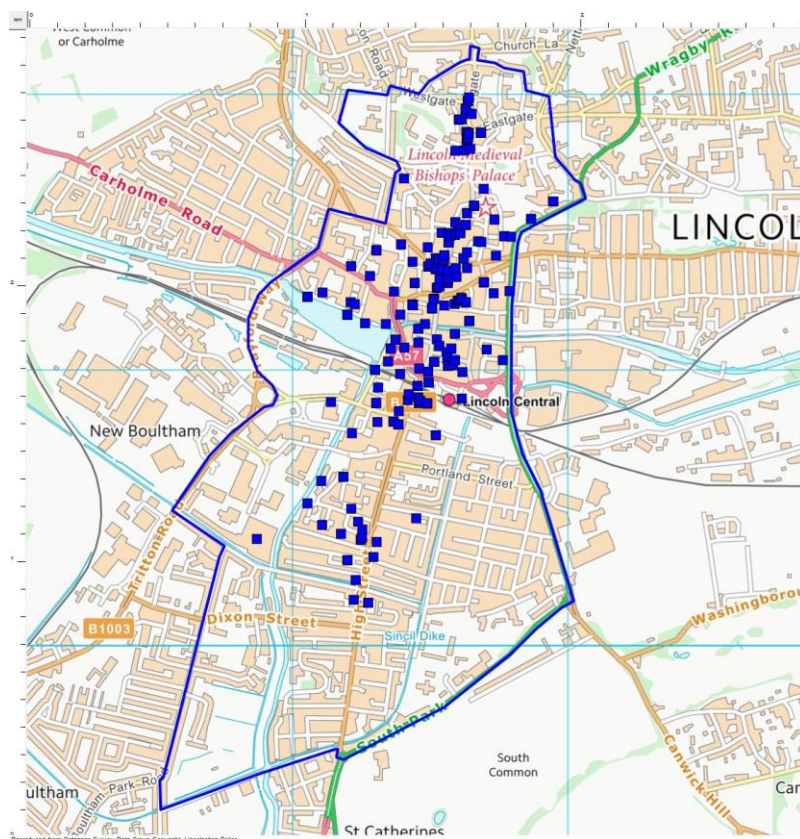
The incidents shown in map five are more widespread across the PSPO and are particularly concentrated on the Bailgate and in the city centre High Street area. Arterial routes from the city centre are also featuring.



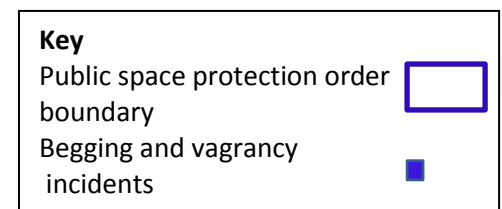
Map six: Map showing the locations of all begging and vagrancy incidents from 1st April 2016 to 31st March 2017 (165 incidents)



Map six shows the distribution of incidents in the second year following the introduction of the PSPO. The geographical spread is very similar to that in map four prior to the area being designated a PSPO area.



Map seven: Map showing the locations of all begging and vagrancy incidents from 1st April 2017 to 31st December 2017 (390 incidents)



Map six shows the last nine months of begging and vagrancy incidents including where the caller has indicated that those involved are using drink or drugs. There is very little change in the distribution of the incidents from the previous year but the number of incidents is more than double the twelve months April 2016 to March 2017.

If begging and vagrancy incidents were considered in the revised PSPO due to the link between drinking and drug use of those involved the designated area required would be consistent with street drinking and would also not be affected by reducing the area as described above for street drinking.

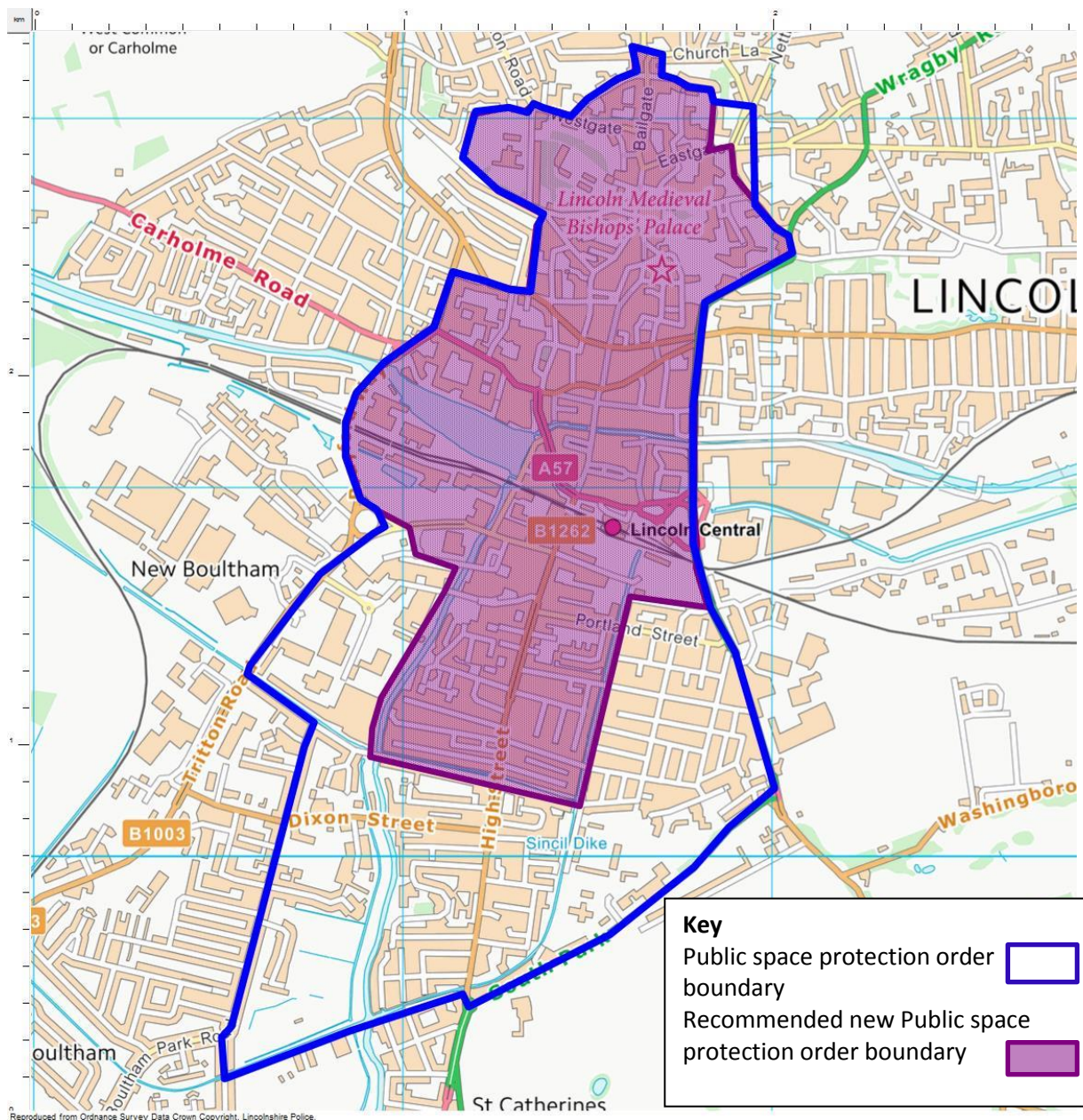
Incidents extracted for the period 1st April 2014 to 31st December 2017 which include the term 'legal high' in the initial information provided by the caller or in the incident log for the beat areas NC/13, NC/14, NC/15 and NC/16 record a reduction from 29 in 2014/15 to 11 in 2016/17. Unfortunately there will be an increase this year as there were already 13 recorded incidents as at 31st December 2017. These incidents include use of the substance and dealing on the street to stating persons are using it within a property. Incidents are classified as begging, concern for safety, drugs and suspicious circumstances among others. A query of the data to identify those incidents which contain the key words "Legal High" or "Psychoactive" in the log entry of all incidents in NC13/NC14/NC15 and NC16 was completed. It identified that of 1077 incidents meeting these criteria there were 22 with the classification of ASB- begging and vagrancy which is not apparent from the source supplied information. There are a further 204 incidents recorded as suspicious circumstances which were identified using this criteria.

Unfortunately time constraints prohibit further analysis on these two searches to extract those relevant to the PSPO. It is however recommended that future analysis is planned to understand the broader issues surrounding the use of illegal highs and whether the impact is significant in its own right or should be considered as part of the begging and vagrancy issue. The perception of people living and visiting the city is negatively impacted by the number of beggars and vagrants within the city and their perceived link to street drinking and drug use. This is also confounded by the use of those who are seen about the city under the influence of illegal highs is a 'zombie' like state. Establishing an accurate picture of the impact of both these issues is problematic due to the numerous ways they can be categorised or reported to the police or other agencies. It is recommended that begging and vagrancy be included in a revised PSPO post April 2018. It is also recommended that the evaluation of any new PSPO be considered and planned during the implementation process.

Conclusions and Recommendations

The data for street drinking for the PSPO shows a reduction in recorded incidents over the three year period.

The spread of the incidents does not cover the entire geographical area of the designated area and it is recommended that this be amended as shown in map eight.

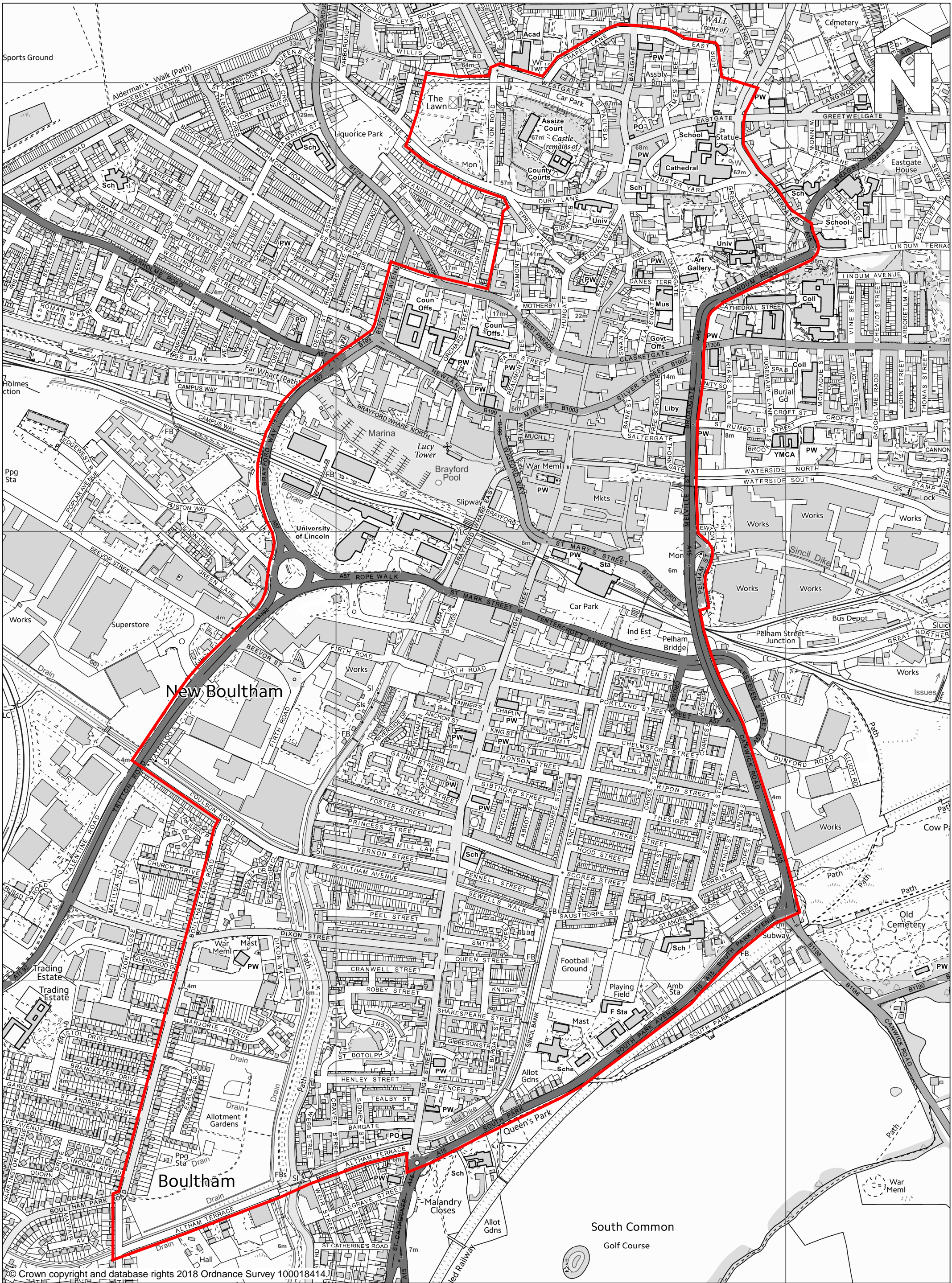


Map eight: Current PSPO area and recommended new area.

Street drinking and the taking of illegal highs are interwoven with begging and vagrancy and the public perception of both. The incidents of begging have increased dramatically over the last nine months and it is recommended that this be included in the new PSPO.

Evaluation of the success of the current PSPO is problematic and although reductions have been seen the reason for this can not be identified. It is recommended that evaluation procedures are planned and implemented as part of the new PSPO proposals.

The prevalence of illegal highs on the city centre streets is difficult to assess and it is recommended that research around the use of illegal highs, drugs and alcohol and the associated links to begging and other antisocial behaviour be analysed in depth.



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Version 2: 09-Feb-2018



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SUBJECT: PROPOSED AMENDMENTS TO THE LINCOLN TENANTS' PANEL CONSTITUTION

DIRECTORATE: HOUSING AND REGENERATION

REPORT AUTHOR: CHRIS MORTON, RESIDENT INVOLVEMENT MANAGER

1. Purpose of Report

- 1.1 To present proposed amendments to Lincoln Tenants' Panel (LTP) constitution and seek approval from Executive Committee to make these changes.

2. Executive Summary

- 2.1 This report sets out proposed amendments to the LTP constitution as put forward and discussed at LTP meetings on 6 September 2017, 3 January 2018 and 17 January 2018. The amendments are to:
- Revise the code of conduct contained within the LTP constitution.
 - Create an additional seat on the panel for a member of the Next Gen Group (this is the younger person's panel for residents aged between 18-35)
 - Clarify that decisions cannot be made outside of meetings, except for urgent decisions on expenditure under £300
 - Make several other minor changes to the constitution.

The amended constitution can be found in appendix 1.

3. Background

- 3.1 The LTP constitution sets out how the Lincoln Tenants' Panel is to operate. This is reviewed on an annual basis.
- 3.2 The LTP constitution requires that any proposed changes to the constitution may only be made by a two-thirds majority of voting members attending an Annual General Meeting or an Extraordinary General Meeting called for the purpose. Subject to LTP's comments on the proposed amendments LTP will need to decide whether to propose the amendments at the next AGM or alternatively call an EGM for that purpose.
- 3.3 Executive Committee must approve any amendments to the constitution.

4. Proposed Changes to the constitution

4.1 Changes to the code of conduct

The first proposed change to the code of conduct is to alter clause 9.2.26 which currently states

'If an LTP member does not abide by the above code of conduct, they will be given a warning by the Chair. If they 'break' the code of conduct again in the same meeting, they will be asked to leave the meeting. If the problem occurs again at the next meeting, the LTP member may be asked to stand down from LTP, either permanently or for a fixed period of time.'

To:

'If an LTP member does not abide by the above code of conduct, they will be given a verbal warning by the Chair. If they do not abide by the code of conduct again they will be given a written warning by the Chair. If this happens a third time, then a report will be prepared by the Chair and will be presented to a subsequent formal meeting. The individual may be suspended or dismissed from the panel by the LTP members at the formal meeting subject to a majority vote to that effect. The chair can take advice from officers where needed.

If the LTP member commits a serious breach of the code of conduct, they can be dismissed without first receiving a verbal or written warning. Serious breaches will be defined as an action that amounts to gross misconduct under the City of Lincoln Council's disciplinary policy. Relevant officers should be consulted about what classes as gross misconduct.

The chair and vice-chair will decide when a breach has occurred and if it warrants a warning or is serious enough to result in suspension with immediate effect pending the decision by the panel. The Portfolio Holder and the City Solicitor (or suitable deputies) should be consulted before a decision is made. A record of this consultation and any recommendations should be kept. A report will be prepared by the Chair, with support of the Resident Involvement Manager, and the individual LTP member should then be notified of the suspension and issued with the report as to action to be considered at the next formal meeting.

Any verbal or written warnings issued will be kept on file for a period of 12 months from issue. After this period the verbal or written warnings will be removed and the record erased.

If the Chair or Vice-Chair do not abide by the code of conduct the Director of Housing (or suitable deputy) will lead proceedings.'

Altering the clause will reduce ambiguity and set out clear procedures for dealing with breaches of the code of conduct.

4.2 This change will supersede clause 2.9 which states:

'A member who has breached the constitution may be suspended either permanently or for a fixed period of time by majority decision of the panel. The

Panel will give reasons for any decision to suspend.'

and clause 2.10 which states:

'Any member of the LTP who has been suspended for a fixed period of time for breaching the terms of the constitution will only be eligible to re-join after the period of suspension if they have remedied the original reason for suspension to the satisfaction of the majority of the other members of the Panel who are present when the issue is discussed at a meeting.'

Therefore these clauses will be removed.

4.3 The second change will alter clause 9.2.27 from:

'Any LTP member who is deemed to have breached the rules will have the right to appeal against this and will be treated in an open and fair manner. Appeals will be administered through the Resident Involvement Team and referred to the Housing Appeals Panel for mediation.'

To:

'Any LTP member who is deemed not to have complied with the Code of Conduct will have the right to appeal and will be treated in an open and fair manner. Any appeals must be submitted within seven calendar days, this period will start from the date the LTP member receives formal notification they have breached the code of conduct.'

The appeal will be sent to a relevant and independent outside body who will review the decision made by LTP and will provide conclusions relating whether to:

- Uphold the decision made by LTP*
- Recommend an alternative course of action (e.g. reduce the punishment)*
- Overturn the decision made by LTP*

The advice provided by the outside body will be taken into consideration by LTP, there will be no further scope for either LTP or the LTP member who made the appeal to ask for further reviews or appeals. Any charge made by the outside body will be met from the LTP budget.

The procedure for administering any appeals received will be as follows:

- LTP member must make a written appeal to the outside body (detailed in the formal LTP decision letter)*
- This should be submitted to the single point of contact (SPOC) as per the LTP communications protocol*
- The SPOC will then submit the following documents to the outside body:*
 - Copy of the appeal submitted*
 - Evidence provided by LTP to show the code of conduct has been breached*
 - Documents to show how LTP reached their decision that the code of conduct had been broken.*
- The outside body will consider all documents and report back with their advice to the council*

- *The Director of Housing and Regeneration (or suitable deputy) will then prepare a report in consultation with Legal Services and Human Resources (if appropriate) and will detail the outcome of the appeal*
- *The Report will then be submitted to LTP*
- *LTP member who has appealed to be notified of the outcome.'*

This is to ensure that there is a consistent, fair and open procedures in place for dealing with appeals.

4.4 There are also a number of smaller clauses that will be added to the code of conduct. These are:

- *All LTP members will be asked to sign to say they will abide by the constitution when joining the panel*
- *If a problem arises with other LTP members, the member shall notify the Chair or Vice-Chair in writing*
- *Any enquiries about the service to be reported to the Resident Involvement Team, the Chair, or Vice-Chair to take the appropriate action*
- *All apologies for meetings/training/conferences should go through the Chair or Vice-Chair*
- *Members attending training/meetings will feedback a report to LTP, which could be a verbal report.*

These clauses have been added to the constitution under clauses 9.2.20-9.2.25.

4.5 **Creating an additional seat on LTP for a member of the Next Gen Group**

In August 2017 a number of younger residents set up the Next Gen Group. The aim of this group is to increase the amount of participation the council has with younger tenants and to look at services from the view of a younger person. The group is open to residents between 18 and 35. So far the group has completed a review into resident involvement opportunities for younger residents and is planning a second project around how younger residents can be more responsible tenants.

To ensure the group is fully integrated into the existing resident involvement structure and works in collaboration with LTP there is a need to create an additional seat. The seat will be occupied by a member of the Next Gen Group and their role will be to represent them on LTP. This will ensure a link is kept open between Next Gen and LTP. The members of Next Gen will decide who this representative should be.

This will require clause 2.2 to be updated to state that there is a seat on LTP for a representative from the Next Gen Group and clause 16.4 to be updated to make reference to the Next Gen Group.

4.6 **Clarifying that decisions cannot be made outside of meetings, except for urgent decisions on expenditure under £300**

The change is around clarifying that remote voting on issues is not allowed. In the past LTP members have been asked to vote remotely on issues where a decision is needed urgently and it was not feasible to wait until the next LTP meeting or

arrange an additional meeting. These were carried out over email and telephone. The new clause would not allow for remote decisions to be made; apart from in the case of delegated budget decisions. LTP must agree any expenditure from the LTP budget at a meeting but in cases where a decision is needed before the next meeting, the chair and budget member have the authority to authorise expenditure up to £300. This will then be reported to the next LTP meeting. This requires a new clause to be added, this will be clause 3.11.

5. Strategic Priorities

5.1 Let's deliver quality housing

The revised code of conduct will mean that LTP are fully equipped to deal with any issues that arise and will allow LTP to keep carrying out their role representing council tenants.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

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

6.2 Legal Implications including Procurement Rules

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

6.3 Land, property and accommodation

Land, property and accommodation is not affected by this report.

6.4 Human Resources

Human resources is not affected by this report.

6.5 Equality, Diversity & Human Rights

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

7. Risk Implications

7.1 (i) Options Explored

None.

7.2 (ii) Key risks associated with the preferred approach

There are no risks associated with this approach.

8. Recommendation

8.1 Members are asked to approve the amendments to the LTP 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? 1

List of Background Papers: None

Lead Officer: Chris Morton, Resident Involvement Manager,
Telephone (01522) 873398

Appendix 1-The Lincoln Tenants' Panel Constitution (draft)

(Amendments highlighted in yellow)

1.0 Aims of the Lincoln Tenants' Panel

Primary responsibility for delivering the City of Lincoln Council's social housing objectives and responsibilities lies with the Council's Executive who govern local authority housing services. The Lincoln Tenants' Panel has been established by the City Council as an elected group to represent tenants across the city. In accordance with the principles of co-regulation set out in the Regulatory Framework for Social Housing in England, it aims to bring together tenants to act as a consultative panel to the City of Lincoln Council in the discharge of its housing landlord functions as a Registered Provider of Social Housing as follows:

- 1.1 LTP represents the interests of all council tenants and leaseholders in meetings with officers and members of the Council.
- 1.2 LTP acts as the lead consultative panel for the Council on matters relating to the Council's housing landlord functions and the management and maintenance of council housing to ensure that, through LTP, tenants are given a wide range of opportunities to:
 - Influence and be involved in the formulation of the Council's housing management policies and the housing business plan
 - Influence and be involved in the making of decisions about how housing related services are delivered, including the setting of service standards
 - Influence and be involved in the scrutiny of the performance of housing management services and the making of recommendations to the Council about how performance might be improved.
- 1.3 LTP will be consulted on an annual basis on the Housing Business Plan and associated housing capital and revenue budgets (the Housing Investment Programme and Housing Revenue Account) including proposed changes to such budgets and new initiatives.
- 1.4 LTP will be consulted on the Council's Tenant Involvement Strategy and on the formulation of any local service standards (or "local offers") to supplement the national housing standards set out in the Regulatory Framework.
- 1.5 LTP will monitor and scrutinise the service delivery and performance of the Council's housing landlord service in delivering services against the national housing standards and any agreed "local offers" and will make any recommendations for improvements to service delivery that it considers appropriate to the Council's Executive Committee or Director of Housing & Community Services at it considers appropriate.
- 1.6 LTP, have elected from amongst its members a Designated Tenants Panel to act as a "Designated Person" for the purposes of the Housing Ombudsman complaints scheme. Please see attached this Panel's Terms of Reference at Appendix 2.
- 1.7 LTP will receive copies of minutes and notes of all meetings of working groups and Tenant Forums for information and may consider any matters and recommendations referred to it from such groups.

- 1.8 LTP meetings will be open to other tenants and the public generally and all agendas and reports and papers submitted to LTP for consideration will be made available to the public on request and via the Council's website unless the matter under consideration contains personal or commercially sensitive information considered to be "exempt information" as defined by the Local Government Act 1972.
- 2.0 Membership of LTP**
- 2.1 Membership of the panel is open to all council tenants and leaseholders of the City of Lincoln Council who meet the eligibility criteria set out below.
- 2.2** LTP will comprise of tenant & leaseholder representatives as follows:
- 17 members representing the various areas/estates in the city as follows:
 - Birchwood, Moorland, Ermine East, Ermine West and St Giles: **two members each**;
 - Bracebridge/Manse, Hartsholme, Stamp End, Tower, Newport/Burton Road, City Centre and West End: **one member each**;
 - **One member** from each of the working groups;
 - **One leaseholder**
 - **One Next Gen Group** member (Younger Persons' Panel).
- 2.3 Members are elected for a maximum of four years but can stand for re-election to the panel at the end of this period. The four-year term will commence from the last AGM.
- 2.4 In the event of one of the 18 seats for estate or leaseholder representative becoming vacant either at the end of the current incumbent's term of office or as a result of a vacancy occurring as a result of the resignation of the current elected representative the procedure for filling the resulting vacancy shall be as follows:
- The vacancy will be advertised to tenants through communication channels and on the Council's website and nominations will be invited from persons who meet the eligibility criteria set out in paragraph 2.5. Such nominations must be supported by at least 2 other tenants/leaseholders and or a recognised tenants and residents association.
 - Where more than one nomination is received the Resident Involvement Team will organise a postal ballot of tenants in the estate/area for the vacant seat concerned (or a postal ballot of leaseholders if the vacancy is for a leaseholder representative).
 - Where only one nomination is received the tenant/leaseholder concerned will be declared as elected to LTP unopposed, providing they meet the eligibility criteria set out in paragraph 2.5.

In the event of one of the LTP representatives on the working group seats becoming vacant either at the end of the current incumbent's term of office or as a result of a vacancy occurring as a result of the resignation of the current working group representative the procedure for filling the resulting vacancy shall be as follows:

- The working group will be asked to nominate and elect a replacement representative to serve on LTP from amongst its members at its next scheduled meeting.

2.5 To be eligible to sit on the LTP, the following criteria must be met. Candidates must:

- be a secure tenant of the City of Lincoln Council (so your name must be on the tenancy as tenant or joint tenant) or a City Of Lincoln Council leaseholder.
- be over 18 years of age
- not be in breach of our conditions of tenancy for which Notice of Seeking Possession or court action is outstanding. If a member of LTP is served with such a notice or court action while serving on the LTP, they will no longer be entitled to sit on the LTP until the breach is put right in full, including costs
- not be employed by the City Of Lincoln Council.
- not be an Elected Member of the City Of Lincoln Council. Anyone standing for election in the City or County Council elections is not allowed to be involved in the LTP from the date the list of candidates is publicly announced until the election is over. This condition applies to LTP members and elected Members seeking re-election. The only exception to this rule will be that the Portfolio Holder for Housing may attend at the invitation of the LTP Chair.

2.7 Membership should be encouraged to be representative of the wider tenant body as a whole in terms of both geographical area and equality and diversity.

2.8 Members should abide by the LTP equality and diversity statement of intent.

2.9 If any dispute remains unresolved between either members of the panel or between officers and elected members of the council and members of the panel an external independent mediator will be appointed. The cost of this will be split between the Tenant Participation Budget and a council budget.

3.0 How the LTP operates

- 3.1 LTP will elect its own Chair and Vice-Chair from its tenant and leasehold members when a vacancy occurs. The Chair and Vice-Chair will hold these positions for a term of 12 months before having to stand for re-election. Positions for Housing Sub and Scrutiny Committee will be elected following the Annual General Meeting.
- 3.2 The Resident Involvement Team will prepare the agendas for meetings and take minutes, they will also send LTP members the agenda and any further information needed a minimum of five working days before the next LTP meeting. The Resident Involvement Team will also provide any other reasonable secretarial and administrative support. Information will be made available in other formats if requested.
- 3.3 It is the responsibility of LTP members to ensure that they are prepared for the meeting by reading all the relevant papers and bringing them to the meeting.
- 3.4 The LTP minutes will be sent to all appropriate officers for information and action and will be provided to the Housing Scrutiny Sub-Committee.
- 3.5 The LTP will meet at a minimum of four week intervals in line with the schedule of meetings of the Executive of the Council. Council officers who have prepared reports for Executive Committee on behalf of Housing Services should ensure that they are submitted to LTP in advance of the Executive Committee for consultation/comment by LTP. The final report to Executive Committee should state whether LTP members have been consulted, and record their views and comments to enable Executive Committee to take such comments into account in arriving at its decision.
- 3.6 The LTP will be consulted on matters agreed in the HRA Business Plan and Housing Revenue Account.
- 3.7 Special meetings of the LTP may be arranged to discuss specific issues.
- 3.8 Meetings of the LTP usually take place at City Hall, as this is a central location and has disabled access. However, from time to time this may vary.
- 3.9 A tenant representative who does not attend three consecutive LTP meetings will be asked to explain the reasons for their absence and, if no satisfactory explanation is provided, may be asked to stand down by a majority decision of the Panel. If the individual attends the meeting to give an explanation, he or she will be asked to leave the room whilst the issue is discussed by Panel members and that person will be invited to re-attend the meeting to hear the decision of the Panel.
- 3.10 Appropriate travel and childcare expenses are paid to tenant and leaseholder members attending LTP and committee meetings and training sessions. Claim forms are available.
- 3.11 Remote voting on decisions is not allowed, except for urgent decisions on expenditure under £300 and these must be carried out using the delegated budget authority.

4.0 Training protocol

- 4.1 When becoming a member of LTP tenants will be offered a training plan and all new members will be required to undertake induction training.
- 4.2 The abilities and skills required of LTP members are summarised in Appendix 1. Membership of LTP will enable tenant and leaseholder representatives to develop these skills and the Resident Involvement Team will develop an individual training programme for each LTP member on an annual basis to assist tenant representatives to acquire these skills where necessary. The individual training programme will be agreed with each individual tenant representative and the overall tenant development programme and training budget will be reported to LTP on an annual basis.
- 4.3 LTP members will be informed at the beginning of each financial year what financial resources are available for training purposes.
- 4.4 LTP will be kept informed of what external training events are available to them. Decisions on which events to access will be based on the resources available and whether the event meets their training needs.
- 4.5 All LTP members will have equal access to training opportunities and no tenant representative will be excluded from accessing training unless they are in breach of the Code of Conduct requirements in section 9.2
- 4.6 In order to make maximum use of resources, attendees at training events will be encouraged to use the most cost effective methods of transport available, including car sharing where appropriate.
- 4.7 LTP members will be required to feedback to the next LTP meeting on any training that they have attended. This is also a requirement under the code of conduct see section 9.
- 4.8 LTP members who are scheduled to attend any events should provide as much notice as possible if they are not able to attend.

5.0 Quorum

- 5.1 LTP meetings are only in quorum if 50% or more of occupied seats of the membership is in attendance.

6.0 Annual General Meeting

- 6.1 LTP will hold an Annual General Meeting no later than the 31 March of each year. The panel will agree a work plan for the following year. Not less than 21 days' notice will be given for this meeting. In addition elections for representation for Housing Scrutiny Sub-Committee will follow the AGM.
- 6.2 Members must be present at the AGM to be eligible to vote, proxy votes will not be accepted.

6.3 From its membership the LTP elects 4 members, which should include the Chair and Vice Chair, to sit on the Housing Scrutiny Sub-Committee in an advisory role and as agreed by the Council's Executive.

6.4 In the event of an LTP member being unable to attend Housing Scrutiny Sub-Committee a nominated substitute may attend in their place.

7.0 **LTP Meetings**

7.1 The Resident Involvement Team will prepare agendas for LTP meetings. The agenda will be based on the LTP work programme.

7.2 LTP members and officers should notify the Resident Involvement Team of specific agenda items 6 working days before the meeting.

7.3 Any Other Business should be relevant to the aims of LTP.

7.4 LTP agendas, reports and minutes which are in the public domain will be published the City Council's website. Agendas, reports and minutes which contain "exempt information" will be made available to members of LTP

7.5 Agenda items and reports that contain "exempt information" will be printed on green paper, and the Chair will put a resolution to the meeting to exclude the press and public prior to consideration of that item.

8.0 **Roles and Responsibilities of Chair and Vice Chair**

8.1 **Chair/Vice Chair**

8.1.1 The Chair should welcome members and others to the meeting.

8.1.2 The Chair will provide a brief report to LTP, bringing LTP up-to-date with LTP news, meetings and events since the previous meeting.

8.1.3 The Chair should ensure everyone has a fair opportunity to speak in debates at meetings and avoid getting into argument as their main task is to chair the meeting

8.1.4 Speakers should go through the Chair and keep to the subject being discussed.

8.1.5 If things are getting heated, a five-minute time out adjournment can be called for at the discretion of the Chair or Council officers.

8.1.6 The Vice Chair will deputise for the Chair when necessary. Members present can elect an acting chair in the absence of the Chair and Vice Chair.

8.1.7 The vice-chair will automatically assume the position of chair until the next elections, in the event that the chair steps down.

8.1.8 LTP members must have been on the panel for a continuous period of 12 months before being eligible to stand for Chair or Vice-Chair.

9.0 Code of Conduct

9.1 The Agenda

- 9.1.1 LTP members and officers will be able to add items no later than 6 working days before the meeting.
- 9.1.2 A quarterly budget summary will be provided by the Resident Involvement Team. The accounts should be signed off by the Chair or Vice-chair.

9.2 Behaviour of LTP Members

- 9.2.1 LTP members will observe and stick to the agenda and its timings (guided by the Chair). They should follow the guidance of the Chair in the conduct of the meeting.
- 9.2.2 The physical layout of meetings should benefit all members.
- 9.2.3 LTP members should follow the agenda and not introduce items during the meeting. Meetings should start at the stated time.
- 9.2.4 Late arrivals should enter the meeting quietly and not disrupt the meeting with apologies until an appropriate moment in time is available.
- 9.2.5 LTP members should not use offensive or discriminatory language or remarks.
- 9.2.6 If people want to speak during the meeting they should first indicate to the Chair by the show of hands.
- 9.2.7 Everyone should speak one at a time, avoiding cross talking, and allow others to finish what they are saying.
- 9.2.8 LTP members should be courteous to each other both in meetings and outside of them and work together to seek the best possible solution to problems being discussed.
- 9.2.9 LTP members should bear in mind the rights of individual residents and the duties of staff when proposing solutions to problems.
- 9.2.10 Mobile telephones should be switched off or put on to silent mode during meetings. Emergency calls should be taken outside the meeting.
- 9.2.11 Wherever possible jargon should be avoided and if used a full explanation should be given.
- 9.2.12 LTP members are acting on behalf of all tenants and leaseholders, so no personal issues should be raised during meetings. Any personal issues should be dealt with via the normal procedures and not during meetings.
- 9.2.13 Identity badges should be worn when on LTP business.

- 9.2.14 LTP members should not disclose to another person any information, which is marked as confidential or verbally stated to be confidential at a meeting. All LTP members will be required to sign and abide by the attached Confidentiality Agreement.
- 9.2.15 LTP members should not approach the press as a LTP representative, the Chair and Vice-Chair are the only members who may approach the press as LTP representatives. If the Chair or Vice Chair are concerned as to whether to respond to the press or not they ought to contact the Communication Office at City Hall or the Resident Involvement Team for advice before proceeding.
- 9.2.16 Any correspondence sent on behalf of LTP should be shared with all LTP members.
- 9.2.17 LTP members who make referrals will ensure these are related to housing or the neighbourhood they represent, and that wherever possible, they have been reported via the normal channels before being referred (e.g. reporting repairs to Customer Services).
- 9.2.18 When representing LTP at other meetings, members should also observe the rules laid down by the constitution.
- 9.2.19** LTP members should follow the LTP communications protocol when contacting the council about LTP matters. LTP members who don't follow the protocol could be subject to disciplinary action.
- 9.2.20** All LTP members will be asked to sign to say they abide by the LTP constitution when joining the panel.
- 9.2.21** If a problem arises with other LTP members, the member shall notify the Chair or Vice-Chair in writing.
- 9.2.22** Any enquiries about the service to be reported to the Resident Involvement Team, the Chair, or Vice-Chair to take the appropriate action.
- 9.2.23** All apologies for meetings/training/conferences should go through the Chair or Vice-Chair.
- 9.2.24** Members attending training/meetings will feedback a report to LTP, which could be a verbal report.
- 9.2.25** LTP members must not bring the Panel or the Council into disrepute, which could include discussing LTP business outside meetings and in public.
- 9.9.26** If an LTP member does not abide by the above code of conduct, they will be given a verbal warning by the Chair. If they do not abide by the code of conduct again they will be given a written warning by the Chair. If this happens a third time, then a report will be prepared by the Chair and will be presented to a subsequent formal meeting. The individual may be suspended or dismissed from the panel by the LTP members at the formal meeting subject to a majority vote to that effect. The chair can take advice from officers where needed.

If the LTP member commits a serious breach of the code of conduct, they can be dismissed without first receiving a verbal or written warning. Serious breaches will be defined as an action that amounts to gross misconduct under the City of Lincoln Council's disciplinary policy. Relevant officers should be consulted about what classes as gross misconduct.

The chair and vice-chair will decide when a breach has occurred and if it warrants a warning or is serious enough to result in suspension with immediate effect pending the decision by the panel. The Portfolio Holder and the City Solicitor (or suitable deputies) should be consulted before a decision is made. A record of this consultation and any recommendations should be kept. A report will be prepared by the Chair, with support of the Resident Involvement Manager, and the individual LTP member should then be notified of the suspension and issued with the report as to action to be considered at the next formal meeting.

Any verbal or written warnings issued will be kept on file for a period of 12 months from issue. After this period the verbal or written warnings will be removed and the record erased.

If the Chair or Vice-Chair do not abide by the code of conduct the Director of Housing (or suitable deputy) will lead proceedings.

9.9.27 Any LTP member who is deemed not to have complied with the Code of Conduct will have the right to appeal and will be treated in an open and fair manner. Any appeals must be submitted within seven calendar days, this period will start from the date the LTP member receives formal notification they have breached the code of conduct.

The appeal will be sent to a relevant and independent outside body who will review the decision made by LTP and will provide conclusions relating whether to:

- Uphold the decision made by LTP
- Recommend an alternative course of action (e.g. reduce the punishment)
- Overturn the decision made by LTP

The advice provided by the outside body will be taken into consideration by LTP, there will be no further scope for either LTP or the LTP member who made the appeal to ask for further reviews or appeals. Any charge made by the outside body will be met from the LTP budget.

The procedure for administering any appeals received will be as follows:

- LTP member must make a written appeal to the outside body (detailed in the formal LTP decision letter)
- This should be submitted to the single point of contact (SPOC) as per the LTP communications protocol
- The SPOC will then submit the following documents to the outside body:
 - Copy of the appeal submitted
 - Evidence provided by LTP to show the code of conduct has been breached
 - Documents to show how LTP reached their decision that the code of conduct had been broken.
- The outside body will consider all documents and report back with their

- advice to the council
- The Director of Housing and Regeneration (or suitable deputy) will then prepare a report in consultation with Legal Services and Human Resources (if appropriate) and will detail the outcome of the appeal
- The Report will then be submitted to LTP
- LTP member who has appealed to be notified of the outcome.

10.0 **Officers and Councillors**

- 10.1 If an officer or councillor wishes to speak at a LTP meeting they will need to make a request to the Chair and/or the Resident Involvement Team, indicating what they wish to discuss and how long they wish to speak so it can be planned into the agenda.
- 10.2 Meetings of LTP, once called to order by the Chair at the appointed time, will be conducted in public in the presence of elected members, officers and any other tenants, members of the public or media that may be present unless the item(s) under discussion contain "exempt information" in which case the public and media may be requested to leave. LTP members will be provided with facilities to meet in private for up to 1 hour prior to the published scheduled meetings of LTP for the purposes of formulating and agreeing the line of questioning and detailed scrutiny questions to be put to officers and elected members in the formal LTP meeting. Similarly any request supported by the majority of LTP members and made through the Chair for facility to meet in private at another time of their choosing for the purposes of formulating and agreeing the line of questioning and detailed questions to be put to officers and members in the formal LTP meeting will be agreed.
- 10.3 Officers and councillors will respect all the ground rules of the meetings.
- 10.4 Officers and councillors will respect that LTP members are volunteers and are not a political organisation. Individual or political lobbying will not be allowed in LTP meetings.
- 10.5 When officers receive requests for information and referrals from LTP they will acknowledge these if they cannot give a reply within 10 days and give some indication of timings for a full reply and/or action in accordance with an agreed Communication Protocol.
- 10.6 Officers and Councillors are not able to vote.
- 10.7 LTP members can request officers and councillors to leave the room during the meeting.

11.0 **Minutes**

- 11.1 Draft minutes will be agreed firstly with any speakers who were at the meeting, followed by the Chair
- 11.2 Minutes will be sent out to LTP members no later than 5 working days before the next meeting and will be submitted to the next meeting of LTP for approval.

12.0 Decision Making

- 12.1 Decisions will be voted on by a show of hands or by secret ballot if requested by a LTP member and a majority of LTP members in attendance at the meeting are in favour of a secret ballot. In order for a decision to be passed it will require a majority vote of the LTP members at the meeting.
- 12.2 The Chair will have the second and casting vote.

13.0 Confidentiality

- 13.1 The LTP may deal with “exempt information” including personal and commercially sensitive information, so discretion and care must be exercised during and after meetings. Any information about the personal circumstances of anyone must be treated in confidence and not be disclosed to anyone not on the panel. LTP members should refrain from mentioning specific individual cases that may cause embarrassment or identification of an individual.
- 13.2 LTP members will also be asked to sign a confidentiality agreement when they join.
- 13.3 Each LTP member shall not disclose any confidential information belonging to the council or any third party which it shall have obtained as a consequence of carrying out duties under this constitution unless the expressed written permission has been obtained by the third party or the council.
- 13.4 Each LTP member shall ensure they comply with the Data Protection Act 1998. Attached at Appendix 3 are the Data Protection Principles showing the framework of requirements under the Act.

14.0 Personal interest

- 14.1 Members on the panel must not expect favourable treatment by housing staff or the panel itself, nor should they be treated any less favourably; for example in the completion of a repair or the allocation of a property.
- 14.2 Members must use the normal procedures for reporting repairs and other enquiries relating to their own tenancy or on behalf of other tenancies.
- 14.3 Members must notify the panel if they have any personal interest, financial or otherwise, in any matters it considers. Individual members may need to abstain from discussions and decisions on a particular item.

15.0 Discrimination

- 15.1 No member may be excluded or discriminated against for any reason by any other panel member.
- 15.2 Discriminatory language must not be used in meetings.
- 15.3 All those who attend meetings have the right to be treated with dignity and

respect, regardless of their race, colour, ethnic or national origins, nationality, gender, marital status, age, sexuality, religion, or any other matter which causes people to be treated with injustice.

16.0 Election procedures

- 16.1 LTP members will be elected for a period of 4 years in accordance with the arrangements set out in paragraph 2.4 of the constitution.
- 16.2 Tenants eligible to stand for election to LTP must be nominated and seconded by at least two other tenants / leaseholders.
- 16.3 Invitations for the available LTP seats will be extended to all tenants living within the area covered by the vacant seat(s).
- 16.4 One seat on LTP will be reserved for a leaseholder representative and a member of Next Gen.
- 16.5 Members of the Resident Involvement Team will facilitate this process and provide all necessary support for LTP members.
- 16.6 The Resident Involvement Team will ensure that there is an impartial observer to oversee the election process at the LTP Annual General Meeting.
- 16.7 Elections for LTP members and LTP committee positions are conducted on a majority basis and in the event of a tie the successful candidate will be selected by the drawing of lots by a council officer who is not part of the resident involvement team.

17.0 Amendments to the Constitution

- 17.1 Changes to the constitution may be made only by a two-thirds majority of the voting members attending an Annual General Meeting or an Extraordinary General Meeting called for this purpose. Any amendments proposed by the LTP are to be referred to the Executive for consideration and approval.
- 17.2 Notice of the Annual General Meeting and any Extraordinary General Meeting and the purpose for which it was called shall be given to all members of the Panel not less than 21 days before the meeting.
- 17.3 The chair and vice-chair have authority to sign an amended constitution on behalf of the rest of the LTP members.

18.0 Dissolution of LTP

- 18.1 LTP may only be dissolved at an Annual General Meeting or an Extraordinary General Meeting called for this purpose. The dissolution of LTP will require a two-thirds majority voting at this meeting.
- 18.2 In the event of the dissolution of LTP any outstanding funds will be returned to the City Of Lincoln Council. Any assets (financial or otherwise) acquired independently

of the Council will be disposed of in accordance with the aims of LTP by donating these to an organisation with similar objectives.

19.0 Resignations

- 19.1 All resignations should be made in writing to the Resident Involvement Team. Where a LTP member verbally indicates they wish to resign this should be confirmed in writing within two working days.
- 19.2 If confirmation of the resignation is not received in writing within 7 working days the Resident Involvement Team will contact the person who has verbally resigned to seek clarification.
- 19.3 LTP members can withdraw their resignation in writing within seven calendar days of submission.
- 19.4 If a written resignation is not received within 21 calendar days of the LTP member verbally stating they wish to resign the resignation will be automatically confirmed.

20.0 Signatories to the Constitution

On behalf of the Lincoln Tenants' Panel

.....

Chair of the Lincoln Tenants' Panel

Date.....

.....

Vice-chair of the Lincoln Tenants' Panel

Date.....

On behalf of the City of Lincoln Council

.....

Mayor

Date.....

.....

Portfolio Holder for Housing

Date.....

.....

Strategic Director of Housing & Regeneration

Date.....

Lincoln Tenants' Panel Nomination/Application form

YOUR NOMINATION

IMPORTANT Nomination Forms must be completed and returned to the Housing Department. Your form will not be valid unless the information given is correct.

Your name (in full):

Address:

.....

Daytime telephone number:

Name & address of nominees. (Your nomination must be supported by at least 2 City of Lincoln tenants/leaseholders or a recognised tenants & residents association)

.....

.....

PLEASE TICK WHERE APPROPRIATE:

1. I am a City of Lincoln tenant ☐ **OR** leaseholder ☐
2. I am over 18 years of age ☐
3. I have held a tenancy with the City Council for at least 1 year ☐
4. I am not employed by the City Council or by a prospective housing management contractor ☐

I certify that the above information is correct and that I consent to my nomination.

Signature

Date

Please send your completed nomination form to the:

Resident Involvement Team
Tenancy Services
City Hall
Beaumont Fee
Lincoln
LN1 1DE

Lincoln Tenants' Panel (LTP)

Confidentiality Agreement

From time to time, members of LTP may deal with difficult and sensitive issues. Discretion and care must be exercised during and after meetings. Information about the individual circumstances of anyone, including LTP members, must be treated in confidence and not be discussed outside of the meeting. Individual cases will not be discussed.

As a member of the Lincoln Tenants' Panel of City Of Lincoln Council, I agree that I will not, without the written consent of City Of Lincoln Council, disclose to any other person or organisation, a copy of any document, or any information contained in such a document, that I have received during my work for the Lincoln Tenants' Panel. I shall use such information only for the purposes of fulfilling my responsibility as a member of Lincoln Tenants' Panel.

I will not use any information gained during my work for Lincoln Tenants' Panel for individual, personal or financial gain.

I understand that any breach of this rule will result in exclusion from LTP.

Signed -----

Name -----

Address -----

Estate/Area represented -----

Working group represented -----

Accepted By (Officer) -----

LINCOLN TENANTS' PANEL

Expenses Claim

Name and Address:.....
.....
.....

Date	Receipt Number	Purpose of Claim (if travelling expense, please include method of transport)	Total Mileage or Fare	Amount Claimed (£)
			Total	

I Certify that the above is a true record

Signature

Date

You must attach receipts for all claims. Please return this to the Resident Involvement Team, Directorate of Housing and Community Services, City Hall, Beaumont Fee, Lincoln LN1 1DE.

Appendix 1

Lincoln Tenants' Panel's Training Protocol Skills & Knowledge Matrix

	Abilities and skills	What does this include?	Essential or desirable
1.	To be able to work as a team member.	<ul style="list-style-type: none"> Develop and maintain constructive working relationships with all colleagues, including other tenant representatives, officers and elected members 	Essential
2.	To be able to plan and review activities, and assess options.	<ul style="list-style-type: none"> Critically assess information. Agree work objectives. Plan activities. Contribute to decision making. Monitor and review progress. 	Essential
3.	To be able to be an effective committee member.	<ul style="list-style-type: none"> Time and commitment to attend meetings. Commitment to read papers in advance and evaluate information provided with ability to provide constructive challenge and comment. Make effective contributions to the decision process. Able to articulate views clearly. 	Essential
4.	Understanding of and commitment to supporting equality and diversity	<ul style="list-style-type: none"> Understand and embrace the principles equality and diversity Support for maintaining and developing a diverse panel that adequately reflects the needs of the community. 	Essential
5.	To be able to contribute effectively to consultation processes.	<ul style="list-style-type: none"> Identify people and groups who need to be consulted. Identify appropriate methods of consultation. Ensure consultation is organised effectively. Evaluate and review outcomes. 	Essential

		<ul style="list-style-type: none"> Suggest improvements. 	
6.	Willingness to take up relevant training and development opportunities.	<ul style="list-style-type: none"> Identify own training needs. Attend training when required. 	Essential
7.	To be able to present information clearly	<ul style="list-style-type: none"> Organising and presenting written information. Presenting verbal information clearly. 	Desirable
8.	To be able to understand the framework of resident involvement structure	<ul style="list-style-type: none"> Operate within the standing orders and the constitution. Raise matters in an appropriate manner, in line with the code of conduct. 	Essential
9.	To be able to contribute to marketing and communication strategies aligned with the corporate plan.	<ul style="list-style-type: none"> Identify marketing opportunities and take part in marketing activities. 	Desirable
10.	Financial awareness	Evaluate and review basic financial information.	Desirable
11.	Ability to influence and monitor housing services.	<ul style="list-style-type: none"> Interpret performance data. Review performance and suggest additional improvements. 	Desirable
12.	To be able to establish and maintain working relationships with other organisations.	<ul style="list-style-type: none"> Ability to build effective community relations. Develop working relationships with officers and elected members Working collaboratively with partner agencies, local authorities and other housing associations. Ability and willingness to engage in public relations opportunities. 	Desirable

Appendix 2



DESIGNATED TENANT PANEL

TERMS OF REFERENCE FOR THE LINCOLN TENANTS' PANEL ACTING AS A 'DESIGNATED PERSON' FOR THE PURPOSE OF LANDLORD SERVICES COMPLAINTS

Statement of Intent

The purpose of the Lincoln Designated Tenant Panel (the Panel) is to enable the Panel to play a role in helping to resolve complaints received from tenants of the City of Lincoln Council (the Landlord) locally, potentially using powers to refer complaints to the Housing Ombudsman Service where local resolution is not possible.

1 Aims, objectives and intended outcomes

1.1 The Panel's aims and objectives are:

- to use local knowledge and relationships to work with tenants¹ and the Landlord to find local solutions to complaints and problems raised by tenants
- to constructively challenge the Landlord and tenants so that they can sort things out for themselves wherever possible

¹ These terms of reference refers throughout to tenants as a collective term that applies to all persons who receive services from the Landlord, including tenants, leaseholders, shared homeowners and other services. The term could also apply to other members of the public who could potentially receive services or who are affected by services provided by the Landlord.

- to be part of a local democratic framework providing support to tenants

1.2 The intended outcomes of the work of the Panel include the following:

- tenants complaints, problems and issues will be resolved more effectively, quickly and locally, wherever possible without the need to involve the Housing Ombudsman Service (the Ombudsman), to the satisfaction of tenants and the Landlord
- greater local knowledge of tenant concerns and issues will help tenants to participate in improving services
- positive and empowering relationships will be developed between tenants and the Landlord that will help to raise the ability of tenants to shape their housing service
- positive relationships will develop between the Panel and other designated persons.

1.3 To achieve these aims, objectives and outcomes, the Panel will work in partnership with the Landlord. The Panel will also seek constructive relationships with local Councillors and MPs.

2 Remit and powers

2.1 The Panel has been recognised by the Landlord to act as a Designated Tenant Panel for purposes of referring complaints to the Ombudsman. The Panel's recognition was discussed and agreed with the Landlord's tenants. The Panel is listed on the Ombudsman's Register of Tenant Panels.

2.2 The Panel's formal legal power is to refer complaints to the Ombudsman, which it will do in the following circumstances:

- the Panel considers that a complaint cannot be resolved locally and the Panel considers that there is merit in referring the complaint to the Ombudsman
- the complaint falls within the Ombudsman's remit
- the Landlord's complaints procedure has been exhausted
- the complainant wishes the complaint to be referred to the Ombudsman

- 2.3 The Panel will make recommendations and suggestions to the Landlord regarding changes to the Landlord's service that may prevent complaints arising, and regarding how complaints are dealt with by the Landlord.
- 2.4 The Panel will negotiate with the Landlord regarding how it may be involved in complaints handling at earlier stages of complaints, although the Panel does not adopt its formal "designated" status until a complaint has exhausted the Landlord's complaints procedure. This links with paragraph 6 below.
- 2.5 The Panel will be publicised and accessible to all tenants of the Landlord. The Panel will respond to all enquiries from tenants with a view to resolving problems and issues at the earliest possible occasion working in partnership with the Landlord.

3 Delegated authority

- 3.1 For avoidance of doubt, the Panel will have no delegated authority and no decision-making powers in relation to the Landlord. The Panel will enable discussion between it and Landlord staff regarding complaints issues, who may have delegated authority to implement changes, or who will refer decision making matters to the level within the Landlord where delegated authority rests.
- 3.2 Staff members will be responsible for Landlord liaison with the Panel and for referring specific complaints matters as appropriate. They will also ensure that strategic matters raised by the Panel are referred appropriately within the Landlord.

4 Membership and remit of the Panel

- 4.1 The Panel are bound by their Constitution which outlines all roles and responsibilities.

5 Data Protection

- 5.1 The Panel are required under the Data Protection Act 1998 to follow the principles set out below:-
 - a) Personal data shall be processed fairly and lawfully and, in particular, shall not be processed unless certain circumstances apply

- b) Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.
- c) Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.
- d) Personal data shall be accurate and, where necessary, kept up to date.
- e) Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.
- f) Personal data shall be processed in accordance with the rights of data subjects under this Act.
- g) Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.
- h) Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

5.2 Personal data includes the names, addresses, dates of birth, family or medical history of individuals.

5.3 An individual will be required to sign an authority that they authorise the Landlord to release personal information them to the Designated Person.

5.4 City of Lincoln officers can further give advice regarding this.

6 Conflict of Interest

6.1 If the individual bringing the complaint to the Panel is known to a member of the Panel, that member should abstain from discussions and decisions on that particular item. An individual is known to a member if they have a personal association with them which a reasonable person would deem to prejudice the fair resolution or outcome of the complaint. This would include any involvement in an individual's formal complaints procedure.

6.2 Alternatively if the member has any financial interest in the individual or their business, then they should abstain from taking part in the discussions and decisions on that item

6.3 Members must notify the lead member of the Designated Tenant Panel as soon as possible if they have any personal interest, financial or otherwise in any matter considered.

Appendix 3



DATA PROTECTION ACT

PRINCIPLES

1. **Personal data shall be processed fairly and lawfully** and, in particular, shall not be processed unless –

(a) at least one of the conditions in Schedule 2 is met, and

(b) in the case of sensitive personal data, at least one of the conditions in Schedule 3 is also met.

2. Personal data **shall be obtained only for one or more specified and lawful purposes**, and **shall not be further processed in any manner incompatible with that purpose or those purposes**.
3. Personal data shall be **adequate, relevant and not excessive** in relation to the purpose or purposes for which they are processed.
4. Personal data shall be **accurate and, where necessary, kept up to date**.
5. Personal data processed for any purpose or purposes **shall not be kept for longer than is necessary for that purpose or those purposes**.
6. Personal data shall **be processed in accordance with the rights of data subjects under this Act**.
7. **Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data**.

8. Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

(Further information is available from Legal Services or <http://www.ico.org.uk/>)

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EXECUTIVE

26 FEBRUARY 2018

SUBJECT: TENANT INVOLVEMENT STRATEGY 2018-2021

DIRECTORATE: HOUSING AND REGENERATION

**REPORT AUTHOR: CHRIS MORTON - RESIDENT INVOLVEMENT
MANAGER**

1. Purpose of Report

- 1.1 To seek approval to implement the new Tenant Involvement Strategy 2018-2021.

2. Executive Summary

- 2.1 The council's previous tenant involvement strategy covered the period 2014 –2017 and finished at the end of December 2017. Therefore a new strategy for 2018-2021 has been developed. The revised strategy is attached at appendix 1.

3. Background

- 3.1 The City of Lincoln Council recognises the importance and value of Involving tenants. The participation of residents is crucial in helping the City of Lincoln Council to deliver outstanding housing services and without their input it would be difficult to provide quality services to tenants.
- 3.2 Involving tenants in services also provides a number of benefits for both the council and residents. These can include services that are better designed, increased levels of tenant satisfaction, improved communities and higher standards of service.
- 3.3 There is also a legal duty to involve residents under the Homes and Communities Agencies' (HCA) Regulatory Framework for Social Housing in England. The framework contains the Tenant Involvement and Empowerment Standard and this sets out guidelines on how providers should involve tenants. Please see appendix 2 for a copy of the standard.
- 3.4 The Homes and Communities Agency do not actively check these standards are being met, instead they expect councils and tenants to self-monitor through a process known as co-regulation. Co-regulation means that councils should support tenants to scrutinise and challenge them on performance and service delivery. In return tenants should work to provide constructive feedback and work with the council to improve performance.
- 3.5 To ensure the City of Lincoln Council has effective arrangements in place for resident involvement and complies with the regulatory framework a strategy is needed to set out how this will be achieved. The previous

Tenant Involvement Strategy (2014-2017) expired at the end December 2017 and therefore a new strategy has been developed. It is proposed to agree and publish a new Tenant Involvement Strategy to cover the period 2018-2021.

- 3.6 The new strategy has been developed jointly with the Lincoln Tenants' Panel. Residents have also been consulted on a number of occasions, these include:

- Initial consultation at the housing roadshow in July 2016
- Through a survey in the Home! magazine
- At several of the neighbourhood boards
- Further consultation at the housing roadshow in August 2017.

- 3.7 Throughout the process the strategy was developed to meet the aims of the council's Vision 2020 document and will specifically help to deliver the objectives of 'Lets deliver quality housing' and 'Lets reduce inequality.'

4. Vision and Objectives for the Tenant Involvement Strategy 2018-2021

- 4.1 The new vision for tenant involvement is to : *'Build on the council's successful involvement arrangements to further develop and deliver meaningful engagement; so that tenants and leaseholders have a range of opportunities to be involved and their involvement leads to service improvement.'*

- 4.2 To deliver this vision four objectives have been developed. These are:

1. Ensure accountability – to achieve this we will continue to work with residents to deliver co-regulation. This will mean continuing to support tenants to carry out scrutiny of our services, challenge us over performance and hold us to account over service standards. It is also important that we allow tenants to have a voice and can influence decisions made about the service they receive.

2. Strengthen Involvement – to achieve this we will further develop the menu of options for customers to get involved. This is to include, further use of customer feedback to improve services and training for staff on how to effectively involve tenants. We will also continue to provide training and focus on developing involved tenants so they can fully participate.

3. Help to develop thriving communities – to achieve this we will incorporate key community development activities, and focus on supporting and coordinating engagement at a local level.

4. Communicate key messages and increase digital engagement - to achieve this we will continue to publish the Home! magazine and Annual Report to Tenants. Key messages will also be communicated to residents at estate based events and through Facebook. To increase digital

engagement we will look at developing Facebook to carry out surveys and promote the work of Lincoln Tenants' Panel.

- 4.3 To achieve these objectives a three-year action plan has been produced. This sets out the main tasks that will be carried out, a copy can be found in appendix 1.

5. Delivering, Monitoring and Reviewing the Strategy

- 5.1 The resident involvement team will take the lead in its delivery.
- 5.2 Throughout the lifetime of the strategy the resident involvement team will review the strategy to ensure the objectives are being met and activities are providing value.
- 5.3 The Lincoln Tenants' Panel, Housing Scrutiny Committee and housing management will monitor the delivery of the strategy.

6. Strategic Priorities

6.1 'Let's delivery quality housing'

Having meaningful tenant involvement plays a crucial role in the delivery of quality housing. The participation of tenants can lead to services that are better designed, higher levels of satisfaction and improved performance.

'Let's reduce inequality'

Resident involvement contributes to reducing inequality through providing activities to tackle issues such as social isolation, health problems and unemployment. This can be through community projects, activities provided by residents' groups and by participating in tenant involvement groups.

7. Organisational Impacts

7.1 Finance (including whole life costs where applicable)

While there are no direct financial implications from this report, delivery of the strategy action plan may result in further additional expenditure should any of the actions, as they are explored, require additional resources. Currently, it is expected that the cost of delivering the action plan can be met from existing resources.

7.2 Legal Implications including Procurement Rules

The HCA's Regulatory Framework for Social Housing in England requires the council as a Registered Provider of Social Housing to ensure tenants are given a wide range of opportunities to influence and be involved in the

management of their homes and the formulation of policies and the making of decisions about how housing landlord services are delivered.

The new Strategy sets out the processes and opportunities for tenant involvement in compliance with the Regulatory Framework. All existing purchases are carried out in accordance with procurement requirements and any new purchases required will also be carried out under these rules.

7.3 Equality, Diversity & Human Rights

This strategy aims to encourage all tenants to get involved, at any level and in a way that suits their needs, therefore an equality and diversity impact assessment was not carried out on the strategy. However, these will be carried as required when implementing the action plan.

8. Risk Implications

8.1 (i) Key risks associated with the preferred approach

The key risk would be failure to deliver the actions set out in the strategy and this could mean the council not having meaningful tenant participation in place. This might result in a failure to comply with the HCA's regulatory framework, lower levels of tenant satisfaction and poor service design. To mitigate against this threat a risk assessment is in place and a copy can be found at the end of appendix 1.

9. Recommendation

9.1 The Executive is asked to approve the new tenant involvement strategy for 2018 – 2021.

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

Lead Officer:

Chris Morton, Resident Involvement Manager
Telephone (01522) 873398.

Appendix 1-Tenant Involvement Strategy 2018-2021-draft

Part 1-Introduction

The new Tenant Involvement Strategy works closely with the Vision 2020 document, the City of Lincoln Council's strategic plan that sets out our long term vision of:

“Together, let's deliver Lincoln's ambitious future”

It also sets out the council's strategic priorities:

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

The Tenant Involvement Strategy will help contribute to meeting Vision 2020 by helping to 'deliver quality housing.' Involving tenants can lead to a better service. The strategy will also assist in delivering 'Lets reduce inequality' by providing opportunities for tenants to learn new skills and gain confidence. The next section goes into further detail and expands on these points.

Background

Why do we involve tenants?

Involving tenants is crucial in helping us to deliver outstanding housing services and without their input it would be difficult to provide quality services to tenants. We specifically involve tenants because:

- 1) **Having a choice matters**-tenants get a say in the service they receive and this can lead to higher levels of satisfaction
- 2) **It helps to get services right**-engaging tenants helps us shape services to meet the needs of tenants and provide value for money. This can result in better service design and reduces the risk that we get services wrong
- 3) **They hold us to account**-by monitoring our services to check we meet published standards and challenge us to improve these
- 4) **Communities improve**- empowering residents to tackle issues in communities, leads to a better environment to live in. For example they can then work together to improve the appearance of their estate, reduce anti-social behaviour and help tackle poverty
- 5) **It helps people**-getting involved can help tenants learn new skills and gain experience. This can lead to them gaining employment. It also helps residents who are suffering with loneliness to make friends and gain confidence.

What achievements did the previous strategy deliver?

Since the previous strategy was written in 2014 the council has strengthened and developed several key areas of tenant involvement. The key achievements are:

- **Robust tenant scrutiny arrangements.** The Lincoln Tenants' Panel form the centre of our tenant scrutiny arrangements. At their meetings they receive regular reports on items such as performance and the service delivery plan, allowing them to see how well we are performing as their landlord. They can also hold us to account by asking service managers to attend meetings over performance and through quarterly question time the panel has regular access to senior leadership at the council. The panel is also consulted on all housing related Executive Committee reports before they are submitted, this allows tenants' views to be taken into consideration when decisions are made. LTP members also formally sit and participate in Housing Scrutiny Committee meetings.

Through the two review groups 'Allocations and Tenancy' and 'Neighbourhood, Community, Involvement and Home' tenants carry out independent scrutiny reviews of housing services. They are able to look at policies, interview staff, and benchmark performance with other councils. From this they produce a report with recommendations from a customer-point-of-view on how the particular service could be improved. These reports must and have been considered by housing management.

Tenants also play a role in checking published standards around void properties and customer services, through the tenant void inspector and mystery shopper programmes. The former checks that 10 per cent of properties are ready to let against the empty property lettings standard and the latter carries out mystery shopping on customer service. Both groups have provided feedback that is valued by staff members and has led to service improvements.

- **Resident Involvement embedded with staff and working together to improve services.** There has been significant progress on embedding resident involvement with staff and both sides working together to improve services. One of the best examples is the previously mentioned tenant void inspectors. The voids team run the inspection programme and have used the results provided in team meetings and to address issues with contractors. Resident Involvement is also embedded and supported at Service Manager, Assistant Director and Director level at the council. One example is how the

Tenancy Services Manager and Assistant Director of Housing have worked with LTP to improve the anti-social behaviour service and gain the HouseMark ASB accreditation. The Director of Housing and Regeneration has also involved LTP members in taking part in the interview process for senior members of staff. Other members of staff have supported resident involvement through attending meetings, carrying out consultations, supporting community investment and providing training sessions.

- **More opportunities to get involved.** Since 2014 there has been an increased number of ways to get involved with the council. This includes the two review groups, mystery shopping, pop up consultation events, fun days, roadshows and the leaseholder forum.
- **Leaseholder involvement has increased.** Since 2015 a leaseholder forum has been held several times each year and there is also a leaseholder on the Lincoln Tenants' Panel for the first time in a number of years. From these initiatives we have identified a number of issues that leaseholders feel should be improved.
- **Community investment scheme is in place.** This allows for residents' groups and charities to apply for support from the Housing Repairs Service and the council's contractors. The support comes in the form of labour and free materials for projects. Since the launch of the scheme eight projects have been supported.
- **Better training for LTP members.** The previous strategy focused on developing the capacity of tenants who get involved. This allowed us to take a more structured approach to training and write a training programme for LTP based on needs. The result was that all LTP members are trained to the same basic standard and their capacity can then be developed according to individual needs.
- **Digital Engagement.** In 2015 the Housing Facebook page was launched and this was the very first time we had taken a step into social media. The page has experienced sustained growth, on average gaining a couple of 'likes' each month and to date the total stands at almost 200. Our posts reach from 30 at the lowest to 3,583 people at the highest.

It is important to note these achievements were delivered by the council as a whole and not just the Resident Involvement Team. This includes work carried out by several teams and elected members.

We are also committed to our duty to support resident involvement under the Homes and Communities Agency's regulatory framework. Some of the standards that relate to involving tenants include:

- Supporting the formation and activities of tenant panels or equivalent groups and responding in a constructive and timely manner to them
- Registered providers shall consult with tenants, setting out clearly the costs and benefits of relevant options, if they are proposing to change their landlord or when proposing a significant change in their management arrangements.
- Registered providers shall consult tenants at least once every three years on the best way of involving tenants in the governance and scrutiny of the organisation's housing management service.
- Tenants should be given the opportunity get involved in:
 - the formulation of their landlord's housing related policies and strategic priorities
 - the making of decisions about how housing related services are delivered, including the setting of service standards
 - the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved.

For the full list of standards please see the HCA's website

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/422709/Tenant_I_and_E_Standard_2015.pdf

Co-regulation

The Homes and Communities Agency do not actively check these standards are being met, instead they expect councils and tenants to self-monitor through a process known as co-regulation.

Co-regulation means that councils should support tenants to scrutinise and challenge them on performance and service delivery. In return tenants should work to provide constructive feedback and work with the council to improve performance.

Developing the strategy with tenants

The new strategy has been developed jointly with the Lincoln Tenants' Panel and residents have also been consulted on a number of occasions, these include:

- Initial consultation at the housing roadshow in July 2016
- Through a survey in the Home! magazine
- At several of the neighbourhood boards
- Further consultation at the housing roadshow in August 2017.

Part 2-The new strategy

Aim

The new Tenant Involvement Strategy will run between 2018 and 2021. The aim of the strategy is to:

- Explain our vision for tenant involvement
- Set out our objectives for the next three years
- Outline the actions we will take to deliver the strategy.

Our Vision

Our vision is to: 'Build on the council's successful involvement structure to further develop and deliver meaningful engagement; so that tenants and leaseholders have a range of opportunities to be involved and their involvement leads to service improvement.'

Our Objectives:

We have agreed four objectives for our Tenant Involvement Strategy. These are:

1. Ensure accountability-to achieve this we will continue to work with residents to achieve co-regulation. This will mean continuing to support tenants to carry out scrutiny of our services, challenge us over performance and hold us to account over service standards. It is also important that we allow tenants to have a voice and can influence decisions made about the service they receive.

2. Strengthen Involvement-to achieve this we will further develop the menu of options for customers to get involved. This is to include, further use of customer feedback to improve services and training for staff on how to effectively involve tenants. We will also continue to provide training and focus on developing involved tenants so they can fully participate.

3. Help to develop thriving communities-to achieve this we will incorporate key community development activities, and focus on supporting and coordinating engagement at a local level.

4. Communicate key messages and increase digital engagement-to achieve this we will continue to publish the Home! magazine and Annual Report to Tenants. Key messages will also be communicated to residents at estate based events and through Facebook. To increase digital engagement we will look at developing Facebook to carry out surveys and promoting the work of Lincoln Tenants' Panel.

The action plan set out in Appendix A sets out the steps we will take to deliver these objectives.

Our menu of involvement

There are many different ways in which tenants and leaseholders can become involved and these can be tailored to suit each individual. Our menu of involvement shows some of the options available:

- Lincoln Tenants' Panel
- Next Gen
- Mystery shopping
- Review groups
- Focus groups
- Tenant inspectors
- Satisfaction surveys
- Residents' associations
- Community groups
- Community projects
- Consultations
- Mutual Exchange events
- Estate inspections
- Training sessions
- Editorial panel
- Tenant authors
- Pop up consultation events
- Fun days and roadshows
- Sheltered housing forums
- Leaseholder forums
- Elected spokespersons
- Designated tenants' panel.

Resources required to deliver the strategy

We will provide support and resources for tenants that want to get involved. This will include a specific budget that can be used to fund the following items:

- Meeting room hire
- Travel, carer and childcare expenses
- Equipment
- Training
- Catering.

In addition we have a dedicated resident involvement team who will co-ordinate resident involvement across the organisation and provide support for involved tenants.

Recruitment

Successful delivery of the strategy will also require a sufficient number of tenants being involved. It is therefore critical that efforts are made to retain those already taking part and to recruit new tenants to the groups.

Training and development

Achieving meaningful resident involvement depends on the abilities and capabilities of the different groups to reach their goals. For example Lincoln Tenants' Panel members need to be able to understand performance indicators and then scrutinise the data. The tenant void inspectors need to be able to accurately assess properties against the lettings standard. Community groups need the ability to set achievable goals and implement these.

Many of the residents that get involved already have these skills, however we will provide them with training and guidance where it is needed.




Delivering and monitoring the strategy

The resident involvement team will take the lead in its delivery. Throughout the lifetime of the strategy the resident involvement team will review the strategy to ensure the objectives are being met and activities are providing value.

The Lincoln Tenants' Panel, Housing Scrutiny Committee and housing management will monitor the delivery of the strategy.

Feedback on the strategy

We welcome your views on our resident involvement strategy. You can:

- *  email us at: LTP@lincoln.gov.uk
- *  phone us on 01522 873398
- *  visit us at Facebook-search City of Lincoln Council-Housing.

Appendix A-Action Plan

Objective	Action	Team Responsible
1) Ensure Accountability	Lincoln Tenants' Panel to monitor and scrutinise council performance and standards.	Lincoln Tenants' Panel.
	Carry out tenant led scrutiny reviews of services.	Review groups
	Consider re-applying for the National Tenants' Organisation (NTO) accreditation.	Resident involvement team.
	Continue with the mystery shopping programme.	Mystery shoppers/ resident involvement team.
	Undertake estate inspections where needed.	Area Housing Teams.
	Support the tenant void inspector programme.	Tenant void inspectors/Voids Team/ Resident Involvement Team.
	Increase tenant led scrutiny of contractors.	Resident Involvement Team/Investment Team/Lincoln Tenants' Panel.

Objective	Action	Team responsible
2) Strengthen Involvement	Provide a range of ways for tenants to get involved and to shape services.	Resident Involvement Team.
	Set up a tenant led ASB victim support group.	Lincoln Tenants' Panel.
	Train staff on how to involve residents.	Resident Involvement Team.
	Provide training to develop the capacity of involved tenants.	Resident Involvement Team
	Carry out customer surveys and journeys on key housing services.	Quality and Performance Team.

Objective	Action	Team responsible
3) Help to develop thriving communities	Provide grants, support and advice to residents' groups to ensure sustainable involvement within communities.	Resident Involvement Team.
	Support the council's corporate objective of providing training to residents through promotion and surveys.	Resident Involvement Team.
	Continue with the community investment scheme and look at increasing resident participation in decision making.	Resident Involvement Team/Investment Team.

Objective	Action	Team responsible
4) Communicate key messages and increase digital engagement	Ensure all members of staff carry out consultations in accordance with any guidelines.	All teams
	Publish Home! magazine three times a year.	Resident Involvement Team.
	Produce the Annual Report to Tenants each year.	Resident Involvement Team.
	Continue to involve tenants in publications through the Editorial Panel.	Resident Involvement Team/Editorial Panel.
	Communicate key housing messages to tenants e.g. on rent, welfare reform and anti-social behaviour. The messages will be communicated through the Home! magazine, Facebook and estate based events	Resident Involvement Team/Communications Team.
	Support the council's corporate objective around growing digital access to housing services.	Resident Involvement Team.
	Provide surveys through social media and the council's website.	Resident Involvement Team.
	Organise estate based events each year for example a roadshow and/or a fun day.	Resident Involvement Team.

Appendix B-Risks that threaten delivery of the strategy

There are a number of risks that could potentially threaten full delivery of the strategy. These have been set out in the table below.

Risk	Consequence	Controls in place
Lack of residents involved.	Insufficient numbers involved result in groups not running or operating effectively.	Recruitment plan in place that continually recruits tenants. Quickly address issues that might cause involved tenants to leave.
Members of staff not complying with resident involvement duties/guidelines.	Residents not consulted or involved, leading to complaints and potentially leading to a regulatory breach. This could also lead to a legal challenge.	Staff awareness training to be carried out.
Key involved residents leave e.g. LTP chairperson.	Groups lose leadership and/or coordination and stop running.	Succession plans to be put in place for key groups.
Disagreements between involved residents.	Groups stop running for a period of time or completely collapse.	Adequate terms of references in place. Resident involvement team to provide mediation.
Weak or no terms of reference in place for groups	Groups are not able to run due to a lack of clear processes in place.	Resident involvement team to offer advice to groups on terms of references.
Insufficient budget in place	Lack of a budget would mean groups could not pay for meeting rooms, equipment or training. This could severely restrict their ability to operate.	Resident Involvement team and LTP to monitor the involvement budget.

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Homes &
Communities
Agency

Tenant Involvement and Empowerment Standard



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Homes and Communities Agency
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 03000 1234 500

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July 2017

ISBN: 978-1-4098-5059-5

Tenant Involvement and Empowerment Standard

1 Required outcomes

1.1 Customer service, choice and complaints

1.1.1 Registered providers shall:

- a. provide choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards
- b. have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly.

1.2 Involvement and empowerment

1.2.1 Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in:

- a. the formulation of their landlord's housing-related policies and strategic priorities
- b. the making of decisions about how housing-related services are delivered, including the setting of service standards
- c. the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved
- d. the management of their homes, where applicable
- e. the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made, and
- f. agreeing local offers for service delivery.

1.3 Understanding and responding to the diverse needs of tenants

1.3.1 Registered providers shall:

- a. treat all tenants with fairness and respect
- b. demonstrate that they understand the different needs of their tenants, including in relation to the equality strands and tenants with additional support needs.

2 Specific expectations

2.1 Customer service, choice and complaints

2.1.1 Registered providers shall provide tenants with accessible, relevant and timely information about:

- a. how tenants can access services
- b. the standards of housing services their tenants can expect
- c. how they are performing against those standards
- d. the service choices available to tenants, including any additional costs that are relevant to specific choices
- e. progress of any repairs work
- f. how tenants can communicate with them and provide feedback
- g. the responsibilities of the tenant and provider
- h. arrangements for tenant involvement and scrutiny.

2.1.2 Providers shall offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint. Providers shall inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints. Providers shall accept complaints made by advocates authorised to act on a tenant's/tenants' behalf.

2.2 Involvement and empowerment

2.2.1 Registered providers shall support their tenants to develop and implement opportunities for involvement and empowerment, including by:

- a. supporting their tenants to exercise their Right to Manage or otherwise exercise housing management functions, where appropriate
- b. supporting the formation and activities of tenant panels or equivalent groups and responding in a constructive and timely manner to them

- c. the provision of timely and relevant performance information to support effective scrutiny by tenants of their landlord's performance in a form which registered providers seek to agree with their tenants. Such provision must include the publication of an annual report which should include information on repair and maintenance budgets
 - d. providing support to tenants to build their capacity to be more effectively involved.
- 2.2.2 Registered providers shall consult with tenants on the scope of local offers for service delivery. This shall include how performance will be monitored, reported to and scrutinised by tenants and arrangements for reviewing these on a periodic basis.
- 2.2.3 Where registered providers are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements, they shall consult with affected tenants in a fair, timely, appropriate and effective manner. Registered providers shall set out the proposals clearly and in an appropriate amount of detail and shall set out any actual or potential advantages and disadvantages (including costs) to tenants in the immediate and longer term. Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision.
- 2.2.4 Registered providers shall consult tenants at least once every three years on the best way of involving tenants in the governance and scrutiny of the organisation's housing management service.

2.3 Understanding and responding to diverse needs

- 2.3.1 Registered providers shall demonstrate how they respond to tenants' needs in the way they provide services and communicate with tenants.

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EXECUTIVE

26 FEBRUARY 2018

SUBJECT: REGULATION 7 DIRECTION ON LETTINGS BOARDS

DIRECTORATE: COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: PLANNING MANAGER

1. Purpose of Report

- 1.1 To summarise the results of the consultation undertaken on the options for the application to the Secretary of State to remove deemed consent for residential lettings boards in certain areas of Lincoln and to seek approval to publish a statement of the results.
- 1.2 To provide an update on evidence gathering activities to identify the number and location of lettings boards within the areas of Lincoln identified as having a high proliferation of boards.
- 1.3 To decide whether to apply to the Secretary of State to request removal of deemed consent for lettings boards with a view to implementing a ban on lettings boards in the proposed areas.

2. Executive Summary

- 2.1 At a meeting of CMT on 9 May 2017, approval was given for the commencement of the process of applying to the Secretary of State for a Direction under Regulation 7 of the Town and Country Planning (Control of Advertisements) Regulations 2007. This would remove deemed consent for lettings boards usually given under Class 3(A) of the regulations and would mean that express advertisement consent would be required for lettings boards in the specific areas covered by the Regulation 7 (See Appendix A).
- 2.2 The areas of concern are the Monks Road area, West End area, Sincil Bank area, Union Road and Waterloo Street. These areas were identified through enforcement complaints from residents and Councillors and those identified by officers of the Council.
- 2.3 Surveys of the proposed areas took place in March 2017, September 2017 and January 2018. These surveys identified the number and type of boards being displayed and by whom.
- 2.4 Consultation on the proposed Regulation 7 direction took place between 16 October and 30 November 2017. Individuals, groups and organisations were invited to complete an online questionnaire at www.lincoln.gov.uk/toiletboards. Paper copies were available at City Hall and representations were also accepted by email at planningenforcement@lincoln.gov.uk.

- 2.5 At a meeting of the Policy Scrutiny Committee on 16 January 2018, support was given for the proposal and it was resolved that the proposal should be referred to Executive for approval.

3. Background

- 3.1 The Town and Country Planning (Control of Advertisements) Regulations 2007 currently gives deemed consent for residential sale and lettings boards provided they meet the following criteria:

- 3.2
- It must not exceed 0.5 of a square metre for a single board
 - It must not exceed 0.6 of a square metre for two boards joined together
 - It must not extend outwards from a building by more than 1 metre
 - Only one board may be displayed on a property
 - It must be removed not later than 14 days after completion of a sale or granting of a tenancy

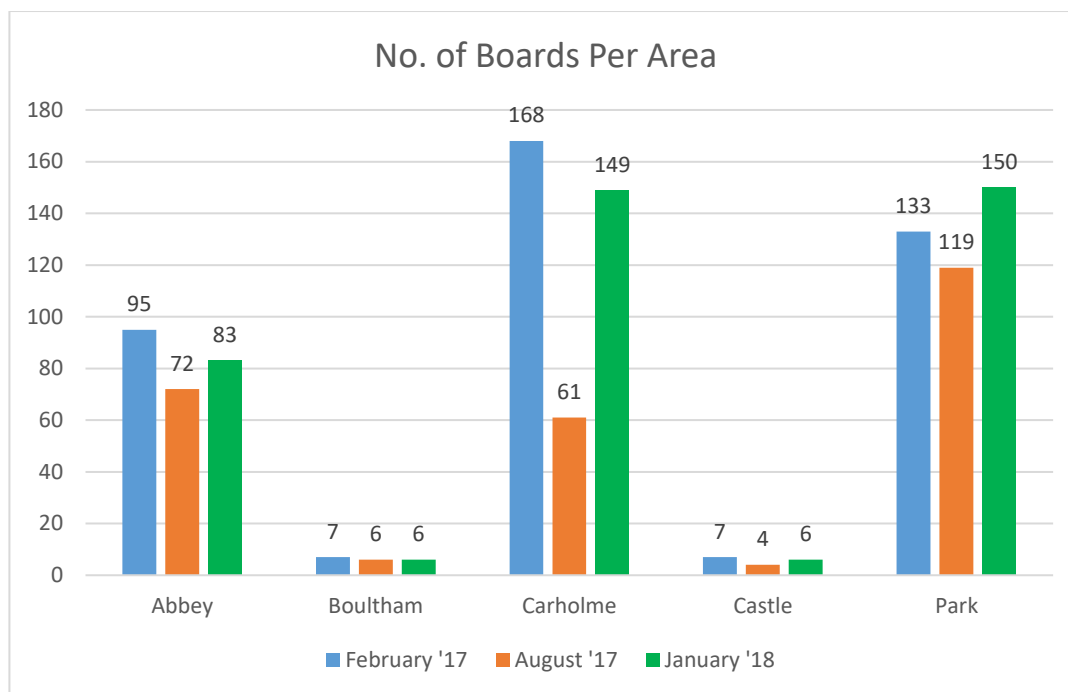
- 3.3 Boards which do not meet the criteria for deemed consent are dealt with using Planning Enforcement powers under the Town and Planning (Control of Advertisements) Regulations 2007. However, due to the proliferation of lettings boards in certain areas where there are a high number of houses in multiple occupation, this has become increasingly difficult to enforce. The main issue is the continuous display of many boards and the difficulty in establishing if these properties do have rooms available to rent.

- 3.4 An increasing number of complaints have been received in recent years from residents and Councillors regarding the numbers of letting boards with an apparent correlation between the numbers of houses in multiple occupation and the proliferation of lettings boards. The table below shows the number of enforcement cases relating to lettings boards in recent years.

3.5

Year	Number of complaints
2004/2005	3
2006/2007	3
2008/2009	5
2010/2011	2
2012/2013	0
2014/2015	16
2016/2017	22

- 3.6 In response to the ongoing concern over lettings boards, three surveys were carried out in the areas identified as being problematic, during March and September 2017 and in January 2018. The graph below shows the number of boards in each of the areas on the two survey dates.



Abbey – Monks Road area
 Boultham – Waterloo Street
 Carholme – West End
 Castle – Union Road
 Park – Sincil Bank area

- 3.7 In terms of percentage of boards on properties, the most problematic streets identified were as follows:

Street	% of properties on street displaying a board
Ripon Street	24.83%
Union Road	22.22%
Rudgard Lane	21.74%
Charles Street West	20.83%

- 3.8 The issue of lettings boards was also identified in the Sincil Bank Place Shaping Strategy with residents in this area expressing concern over “streets marred by ugly ‘to let’ boards “. One of the recommended actions identified in the strategy was that a Regulation 7 Direction is made to bring the display of such boards under control in the Sincil Bank area and it is felt that such action may be considered beneficial in the other areas identified as problematic and shown on the map at Appendix 1.
- 3.9 If the application is successful then the City Council need to decide whether to have a full ban on lettings boards to allow boards of a restricted size and style to be displayed only during certain months of the year. With this in mind, a consultation

took place between 16 October and 30 November 2017 where stakeholders' views on the two options were invited.

3.9.1 The key milestones for the Regulation 7 direction are outlined below:

Regulation 7 direction	
Key Milestone	Date
First letter to agents	22 November 2016
Initial surveys	March 2017
Report to CMT	9 May 2017
Second letter to agents	17 May 2017
Second lettings board surveys	September 2017
Consultation with stakeholders	16 October – 30 Nov 2017
Decision from Policy Scrutiny	16 January 2018
Decision from Executive	26 February 2018
Preparation of evidence report to SoS	From January 2018
Application to SoS	March 2018

4. Consultation Results

4.1 A total of 134 responses were received from stakeholders and these are broken down below into the category of responder:

Respondent	No. of responses	% of responses
Owner/Occupier	89	66.42%
Tenant	15	11.19%
Letting agent	16	11.94%
Student	9	6.72%
Landlord	1	0.75%
Other	4	2.99%
Total	134	

4.2 The first part of the questionnaire sought stakeholders' views on the perceived level of harm caused by lettings boards in the city. Stakeholders were asked whether they considered lettings boards in their particular area of the city to be 'no problem at all', 'not a very serious problem', a 'fairly serious problem' or a 'very serious problem' - the results are shown below.

	No. of responses	% of responses
No problem at all	17	12.69%
Not a very serious problem	11	8.21%
Fairly serious problem	24	17.91%
Very serious problem	81	61.19%
Total	134	

- 4.3 Stakeholders were then asked whether they would prefer to see a restriction on lettings boards or a complete ban. The results are shown below:

Respondent	Restriction on boards	Complete ban
Owner/Occupier	21	68
Tenant	6	9
Letting agent	14	2
Student	0	1
Landlord	3	1
Other	5	4
Total	49	85

- 4.4 It is worth noting that although the above table shows only one student responding with a preference for a complete ban on lettings boards, this response actually came from Lincoln University Student Union who responded on behalf of their members. The reasons given for their preference were that they believed the use of boards to be outdated as students now use University lists or websites as a means of finding available accommodation. They also commented that they believe lettings boards to be a risk to the occupants of the properties as there may be a perception that the property is empty during holidays, resulting in burglaries.
- 4.5 Whilst the total number of boards has reduced slightly between the first and second surveys, officers consider that there is a problem with the number of 'To Let' boards displayed in parts of the City in terms of their visual impact and remain of the view that a formal application to the Secretary of State would be appropriate.

5 Organisational impacts

- 5.1 Finance
The financial impact identified is Officer time which will be absorbed in the existing Development Management structure.
- 5.2 Legal implications
The display of lettings boards which are not considered deemed under the Town and Country Planning (Control of Advertisements) Regulations are currently subject to prosecution. Similarly any boards which are displayed in the areas covered by a Regulation 7 Direction will be subject to prosecution and the impact on the Legal Team as a result of the implementation of this Direction should be unchanged. As with all offences dealt with by the Planning Enforcement Team, every effort is made to rectify the breach without recourse to legal proceedings where possible.
- 5.3 Equality, Diversity and Human Rights
Consideration has been given to the impact on equality, diversity and human rights and the Equality Impact Assessment toolkit has been reviewed. The consultation provided an opportunity for residents and tenants to raise any concerns, and the

consultation response from the Students' Union did suggest a potential positive impact on student properties. Otherwise it was concluded that there are no direct impacts to be assessed.

6 Risk Implications

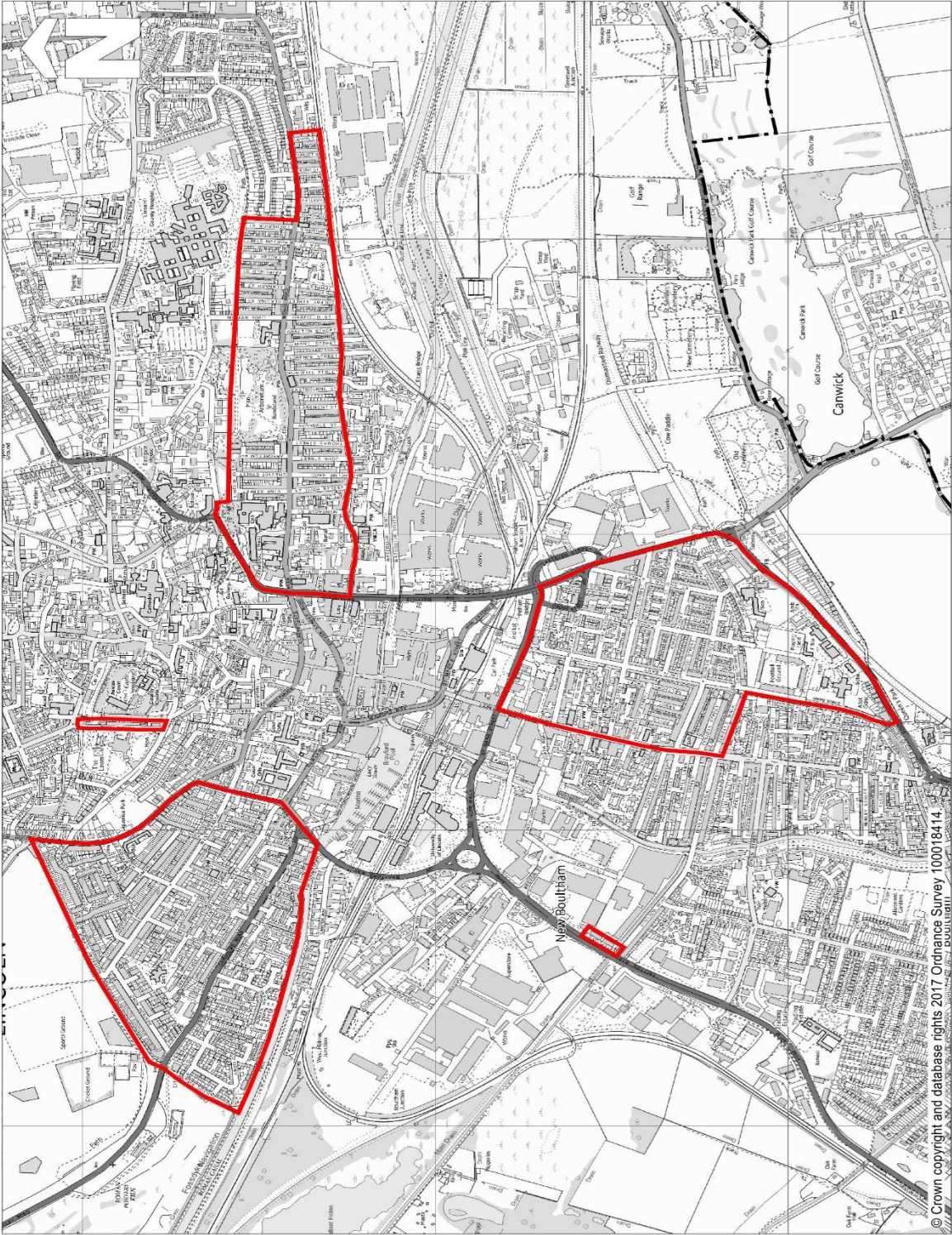
A risk assessment has been produced and is included as Appendix B.

7 Recommendation

- 7.1 Executive is asked to approve the recommendation that the City Council apply to the Secretary of State for a Regulation 7 Direction to removed deemed consent for the display of lettings boards in the Monks Road area, West End area, Sincil Bank area, Union Road and Waterloo Street with a view to implementing a ban on lettings boards in these areas.

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?	2
List of Background Papers:	None

Appendix A



Proposed Regulation 7 Direction Areas

Scale: 1:15000 at A4

Version 2: 28-Sep-2017



RISK REGISTER TEMPLATE

Likelihood		A Almost Certain	Retain	Transfer Modify Retain	Avoid Transfer Modify	Avoid Transfer Modify	<i>Occurs several times per year. It will happen.</i>
		B Probable	Retain	Prioritise for Modifying Retain	Transfer Modify Retain	Avoid Transfer Modify	<i>It has happened before and could happen again.</i>
		C Possible	Retain	Prioritise for Modifying Retain	Prioritise for Modifying	Transfer Modify Retain	<i>It may happen but it would be unusual.</i>
		D Hardly Ever	Retain	Retain	Retain	Prioritise for Modifying Retain	<i>Never heard of it occurring. We can't imagine it occurring.</i>
			4 Negligible	3 Minor	2 Major	1 Critical	
			Impact				

RISK REGISTER FOR: Regulation 7 Direction applications

VERSION: 1

REVIEWED (DATE): September 2017

OWNER: D Morris

Risk No:	Risk Description: Risk, cause and consequence	Risk Owner Job title or initials	Risk Appetite 1. Hungry; 2.Creative & aware; 3.Cautious; 4.Averse	Controls/Actions Actions that have or can be taken to reduce the likelihood and/or impact		Current Risk Score	Target Risk Score at end of January 2018	Assurance – status (tool 9) (Full, Substantial, Limited, Inadequate)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
1	Lack of response to stakeholder consultation	DM	2	1. Article to be placed in Your Lincoln 2. Webpage set up with online questionnaire 3. Paper copies of questionnaire on request 4. Mailshot to agents, residents, landlords association, lettings agents, universities					
2	Missing deadlines for meetings and application	DM	2	1. Project plan 2. Regular progress meetings with Team Leader and Planning Manager					
3	Refusal of application to Secretary of State	DM	2	1. Comprehensive board surveys 2. Adequate consultation exercise					
4	Negative publicity for the Council	DM	2	1. Consultation with stakeholders					

Risk No:	Risk Description: Risk, cause and consequence	Risk Owner Job title or initials	Risk Appetite 1. Hungry; 2.Creative & aware; 3.Cautious; 4.Averse	Controls/Actions Actions that have or can be taken to reduce the likelihood and/or impact		Current Risk Score	Target Risk Score at end of January 2018	Assurance – status (tool 9) (Full, Substantial, Limited, Inadequate)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				

SUBJECT:	RESIDENT PARKING SCHEME - PROPOSAL FOR OPERATIONAL POLICY ADJUSTMENTS
DIRECTORATE:	COMMUNITIES AND ENVIRONMENT
REPORT AUTHOR:	STEVE BIRD, ASSISTANT DIRECTOR COMMUNITIES AND STREET SCENE

1. Purpose of Report

- 1.1 To feedback to the Executive the outcomes from the RPS consultation supporting the reduction of permits per household from three to two, and to recommend a way forwards.

2. Executive Summary

- 2.1 This report identifies pressures on the current RPS areas.
- 2.2 Following a consultation exercise which identified support for reducing the number of permits per household, this report suggests changing the operating policies for the scheme by reducing the maximum number of permits a residence can have from three to two.
- 2.3 The report records the numbers of properties that responded, and notes the comparatively low numbers of properties directly affected by such a change (despite the fact that all households can apply for three permits).
- 2.4 The report notes the potential financial impact, so suggests a delayed implementation, phased for when renewals come due, to take account of this and to allow a greater time for third permit holders to make adjustments/alternative arrangements.

3. Background

- 3.1 The development and implementation of Resident Parking Schemes (RPS) in Lincoln has been well established over many years, and is now in place in 19 zones, covering a significant part of the city. Although no resident would wish to pay for on-street parking, it is generally acknowledged that in order to defend residents' ability to find a place to park near their homes, then an authorisation scheme has to be operated, and that there is a cost to this.
- 3.2 Under the terms of the existing RPS a residence may apply for up to three passes, but other than this there are no restrictions on the overall number of passes issued for a given scheme/area (a residence being one household). It is often the case therefore that there are more passes issued than spaces available. This is made clear at the time a pass is purchased, and those buying into a scheme are clear that having a pass does not guarantee a parking space, but it significantly improves the chances of a

space being available.

- 3.3 Although this hasn't been reported as a problem previously, in recent months the Council, through some Members, has started to receive complaints that schemes are becoming overpopulated in their areas, and as a consequence aren't providing the parking opportunities for local residents as intended.
- 3.4 It is acknowledged that, as well as the total number of spaces that can be available in an area being limited, the numbers of cars in use continues to rise. These factors mean that greater pressures are now applied to these schemes than at any time before, and it is understood that this trend is likely to continue.
- 3.5 In response to these pressures, on 4th July 2016 this Committee received a report which identified an option to consult on reducing the number of permits made available within any scheme. It identified the current levels of issue, and noted that just over 300 residences have 3 permits, as set out below.
- 3.6 The numbers of households issued with permits does fluctuate but is usually in the region of 250 to 350 permits.
- 3.7 In response to the report this Executive endorsed the proposed consultation work to consider a reduction in permits available to each household.

4. The Consultation

- 4.1 On 1st October 2016 the City Council commenced a full consultation with all permit holders. This ran until 31st October 2016.
- 4.2 The outcome of the consultation was based on the questions below:

Do you agree that there should be a change to the current scheme of a maximum three permits available for every household or business operator?

Yes - there should be a change:

- a) The scheme should be reduced for all - with 2 permits available per household/business*
- b) The scheme to be reduced to 2 permits for households, but business operators to be allowed up to 3 permits.*

No - the scheme should remain as it is.

- 4.3 The questionnaire was sent to 4,480 households, with 404 replying. The responses came in as a relatively even spread across all areas.

The results were as follows:

Yes - 2 permit 295 (73%)
Yes - 3 permits 46 (11%)

No – 63 (16%)

- 4.4 Assuming that those who wished to voice objection would be far more motivated to do so than those who were ambivalent, the response suggests that there is a clear democratic mandate for change.
- 4.5 In addition to the above a number of comments were also received. A summary of the comments is attached as appendix A, which also includes management responses to the key issues raised.

5.0 Strategic Priorities

5.1 Growing the local economy

A successful RPS helps the Local Planning Authority to deliver growth and regeneration in the dense urban areas of the city, in line with the pro-growth direction of the National Planning Policy Framework, because it creates on-street capacity which allows for the required redevelopment of brownfield sites without creating an unacceptable impact on the existing parking provision in these areas.

Additionally it recognises the importance of protecting residential quality of life to encourage those with desirable skills sets to see Lincoln as a great place to live/work. The Council car parking policy is integral to this work.

6. Organisational Impacts

6.1 Finance

If a reduction in the number of permits issued is supported by the Executive then clearly there is a cost to the scheme. The reduced number of permits means there would be a drop in income estimated to be in the order of £15,700 per annum.

It is proposed to mitigate the loss of income for 2018/19 with a contribution of £15,700 from an anticipated underspend for 2017/18. Furthermore, work is under way to expand the scheme and the additional income generated would be expected to cover the shortfall in future years.

Last year the service overachieved the budgeted income figure by £9,720. The forecast income for 2017/18 is currently £152,000 whilst the budget is £141,650, which would give a surplus of £10,350.

In the revised MTFS the income budget has been increased in 2018/19 due to the overachievements in recent years. In addition, the budget has been inflated across the period despite the price of permits remaining fixed. It is intended to remove this inflation from 2019/20.

The impact of this proposal on the MTFS is as follows, assuming the same income forecast in future years:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£
Annual Budget	155,260	160,580	166,060	171,040	176,170
Projection	(152,000)	(152,000)	(152,000)	(152,000)	(152,000)
	3,260	8,580	14,060	19,040	24,170
Loss of income from reduced permits	15,700	15,700	15,700	15,700	15,700
Contribution c/fwd from 2017/18	(15,700)				
Removal of inflation from MTFS		(8,580)	(14,060)	(19,040)	(24,170)
Shortfall of income	3,260	15,700	15,700	15,700	15,700

6.2 Legal Implications including Procurement Rules

The operation of RPS is in accordance with the Traffic Management Act 2004. Consultation is required on any changes to an RPS operating policy, and as the highways authority are the 'owners' of any such scheme, they are the only body who can make changes under the Act. In this instance the scheme is already operating, so the City Council, as the holders of the scheme can make changes to the policy without recourse to the County Council. The City does however work closely with the County Council in order to ensure compatibility and consistency of services.

6.3 Human Resources

Enforcement of RPS zones is undertaken by the County Council through its contractor for on-street enforcement.

Administration of the scheme is undertaken by the City Council, and as changes would not require a greater number of passes to be issued, there would be no significant impact on either the duties of staff, or the volumes of work they undertake.

6.4 Equality, Diversity and Human Rights

RPS assists those who need to park nearer to their homes, for example those with a disability. See the attached EIA.

6.5 Significant Community Impact.

This report has arisen as a result of community pressures brought to the attention of some Members. Mitigation within RPS areas would therefore support local communities and reduce these pressures/tensions.

A number of households will be adversely affected as they will be forced to reduce their permits from three to two. It is recognised that this will cause them some significant difficulties which will not be easy to mitigate. Student households will need to consider

alternative transport, but also families that have a need for three cars will also encounter problems. Across the schemes it is thought that approximately 300 less vehicles will make parking easier for the majority. See 3.6 for the numbers involved.

7. Risk Implications

7.1 (i) Options Explored

No change- this has no positive impact on the problems identified. RPS will continue to be undermined.

Change- reduce to two permits, which although affecting a minority, will assist the majority.

7.2 (ii) Key risks associated with the preferred approach

Reduction from three to two passes would impact on approximately 300 households.

Financial impact from any reduced income could mean increases to the cost of operation pro-rata, however it is expected that this will be offset by increased income from an expansion of areas in due course.

8. Recommendation

8.1 That the Executive considers the outcome from the consultation and makes its views known on whether to support a reduction in the maximum number of permits available per household, from three to two.

8.2 Should the Executive support a change in 8.1, then to agree implementation on a phased basis from 1st April 2018 and thereafter as permits become due for renewal.

Is this a key decision? Yes

Do the exempt information categories apply? No

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

How many appendices does the report contain? One

List of Background Papers: Executive 4th July 2016

Lead Officer: Steve Bird, ADCSS
Telephone (01522) 873421

APPENDIX A

RPS Consultation Comments

It is clear that the Council have not listened to residents at the last WERA meeting, where residents whose jobs depend on travelling by car were felt to be disadvantaged if living in the same property. The above alternatives therefore do not represent residents' views. If the alternatives contained an option of "two permits per address, or three if all three can demonstrate to be in work" I would have voted for that alternative, since it would represent the views of those in the West End.

Disadvantaging people who are in work, and where jobs depend on the use of a car is not the proper way forwards. I would even be able to live with a "one permit per address, or three if all three can demonstrate to be in work" alternative (the implicit assumption for allowing two permits per address is also based on two people working; why not come clean about that assumption, and implement it in a more rigorous and fairer way?) "to be in work" can easily be demonstrated with a blacked out salary slip to avoid giving away details about income, etc.

Yes there should be a change ideally allowing 2 named permits. Failing this 1 named and 1 visitor. A third permit only for special cases e.g. family/carer. If the final decision is 3. Make them named only to make it difficult and minimise misuse. Any policy should be managed and policed effectively.

I would like it to stay where it states required residents only. I cannot afford a works permit card as I am unemployed. The only thing I don't like if you go out in your vehicle when you come back someone parks in a resident space. Then you have a problem parking.

The scheme to be reduced to 2 permits for households but long term residents (not students) be given flexibility of having 3 (case to be studied)

It's a great shame that Lincoln City Council idea of 'consultation' is to offer just 2 choices and 2 options within the choice. Have you considered asking residents, landlords and business operators if they have any suggestions that the Council might want to consider as an alternative solution to the parking problem. A simple suggestion box under the Councils own "consultation, yes – no tick box" is all it takes to open the debate for more constructive ideas to solve the parking problem.

This needs addressing because people are buying them for work purposes – they get people to buy them and other people use them who aren't staying down our road. Leaving no space for genuine people / residents.

The students seem to use all available spaces and also the 2hr no return spaces. I think this is a great idea. Especially because we need to use our car promptly most days because of disability.

The scheme is being abused – green permits issued by County with no really clear protocols etc.... 2
Extra suggestions:- 1 We should have clearly marked individual spaces. This can and has been done
in Bromley (London). Poor parking wastes much parking room + this would optimise. 2 Review zone
– nb Rudgard Lane very difficult + would benefit from being a zone on its own!

Also scheme should cover 7 days. There should be a clampdown on Sunday parking + commuter
parking during the week.

Build student parking areas is solution. Cutting resident permits is not the solution as a normal
residential household without multi occupancy student lets is not causing your issue. When the
students are away parking is not an issue.

I work shifts and when I finish work late in the evening there are no spaces near where I live and
have to park quite a distance away. Unsafe as well with current restrictions on lighting the streets.

And also its not right that cars are being parked in permit areas that don't have a permit to park
there this is not right when car owners are paying to park in the areas where they live this is
something else that should be looked into & also a second permit the price should be reduced.
Because they cost too much.

I think residents should be allowed to park in the two hours slots for longer than two hours when
there is no other parking available.

I don't have a car. Am disabled. And have personal care, Age UK seven days a week. It is getting
increasingly difficult for my carers to park in my St, and Tennyson St

It was clear from the onset that too many passes were available and would easily exceed number of
parking places. I wonder if there are any other circumstances where you pay for something with no
guarantee you receive anything?! Back door tax on residents

This consultation does not address the real issues which create the problems – especially the
students, irresponsible parking and the fact that the scheme only works between 8am and 6pm – so
you can't get in when you want to in the evening.

Why is there no comments box? A 'tick box' is not enough. We need 3 permits as we both work
outside of Lincoln, so have to have 2 cars, and we have a cleaner, dog walker, friends and family who
visit so need a visitors permit.

What type of business? Builder – plumber etc. 2 permits/ Large B&B poss. 3 permits? If you are a pensioner – it's no fun to park a long distance away from your home and have to carry the shopping back. Also a good few of the spaces are taken by builders doing their properties up with lots of vans.

Clarify business if student lets then no more than 2 per house hold guest houses / hotels need more.

In the W. End zones, student cars are a big problem, especially in term time as they stand unused for days on end. The university is within walking or cycling distance. Nottingham Uni bans student cars within a 15 mile radius and Oxford & Oxford Brookes within 10 miles.

Residents are still waiting on a survey to determine whether the “2-hour parking” can be made into a “2-hour parking or residents”! As a result of 2 hours parking, us residents now have less parking spaces.

Students should not be allowed 3 permits per household nor should they be free of charge.

In my view why there isn't enough parking is because of students taking up a lot of the spaces as well as the trees.

It is typical of the City Council to think that the question is so simple. Families who live in the West End with 2 working children still at home may need 3 permits, HMO's with upwards of 6 occupants may have 3-4 cars which sit on the street in the week and are only used at weekends. 2 Permits for HMO's, 3 for households is my suggestion, businesses ½ permits builders should be charged/ticketed as they are often parked illegally or badly why should “working at no x” be an excuse for no permit if council tax paying tenants have to display a permit. The whole scheme is another method for topping up the council tax, every household should be given 1 free pass it is outrageous that out 89 year old neighbour has to buy a pass, she does not own a car or drive but needs a pass for visitors. The lines in our street are poorly marked and to park within them allows people to block the street, restricting bin lorry access and ensuring that cars gets scratched.

Do not want resident parking schemes.

2 permits per household for people who reside in the street

Why not introduce a visitor parking limited to times (ie, visitors can park for 2 hours in evening after 6pm)

It would be preferable if residents on one city centre parking scheme could park in other city centre schemes' zones. E.g. a resident of Monks Road could park on West Parade. This would not increase parking congestion in the city centre because the cars parking in other zones vacate a space in their own zone! It would make the parking scheme better & enable visits to friends during the day, etc. The changes would mean rezoning Lincoln by how close you live.

Why not look at the bigger picture? I.e. hours of operation, areas of City that is covered, how the scheme can be extended. This is just like the Brexit referendum poll

I feel that the scheme should be left as it is if you are living in a road that requires a permit for *a resident*. I bought my home because there was parking – (I have no drive or garage) This meant that you paid more for the property. Therefore, maybe if you live in another road, parking perhaps should be limited. (You live in a permit controlled road)

I think it would be useful to mark out space sizes as many spaces are lost due to poor parking. Also households should have to use a permit for waste skips. At times there have been up to 4 waste skips using up parking on out street.

Also the timings of the scheme need changing. Should be covered from 15:00 to 24:00 midnight. It doesn't matter who parks on the street during the day whilst people are at work / college etc, but we need to be able to go out in the evening and be able to park when we get back. As it is we are prisoners in our homes in the evening.

Although I have completed the questionnaire enclosed with your September letter concerning the above, there are a couple of additional points that you may like to consider in addition which have not been covered in your survey: 1. Some other universities make it clear to students that have gained placements, that only "restricted parking" or "no parking" facilities exist at that location, and students are advised not to bring their own transport. The major problem is at its height when the students are attending the University of Lincoln in this area. So would it not be helpful if Lincoln University could conform with the practice currently in existence as several other locations in the UK (We have had personal knowledge of this practice at other locations due to a family member having attended a University elsewhere who was so advised at the locations applied for). There is no problem when the students are not there in Summer! 2. As also outlined to Councillor Murray earlier this year, one additional problem in this street has been added due to Cloud lettings, who have a shop at the junction of Carholme Rd and Depot Street, who were parking up to 3 vehicles on Newland Street West on several days during student term time when it is already overcrowded, despite the fact that on several of those days, alternative empty parking places have existed on Carholme Road not far from their premises. (In addition when visited by a representative of the Council who was doing a survey in this area he did raise the point that he thought it was possible that Cloud lettings had put the Carholme Road address as a "Residents address" but it is unknown whether this was in fact the case despite asking Councillor Murray. 3. I assume that ALL addresses in

the parking scheme area were sent the survey questionnaire. Is this not likely to result in a flawed response? After all, Turkeys are not likely to vote in favour of Christmas, are they?? Similarly, students occupying houses in the parking scheme who have brought cars are unlikely to vote in a reduction in car numbers!! It is, in the main, that PERMANENT residents find themselves unable to park anywhere close to their homes on a lot of occasions as the majority of students who have brought their own cars often leave them parked for 2, 3 or even 4 weeks without having moved them at all, thus “permanently claiming” places at the expense of permanent house holders, some of whom are disabled and suffer hardship as a result on occasions. Another problem encountered with students has been that some of the students resident further away (like Hewson Road or the further end of West Parade e.g.) have often been cruising the area to find a parking space closer to the University during the day to save themselves longer walks, then return to their own areas when completing the days attendance. This also compounds the problem during the day period.

Although nice to have received a consultation document, on closer inspection it is actually a closed question tick box questionnaire, offering only 2 pre-determined options. It is not that one would expect from a “consultation”. The document also does not include any facts and figures to enable the residents to arrive at an informed choice of options. From experience however, the current scheme is simply not working for the long term residents of the West End of Lincoln. There may be similar issued elsewhere in the city too, but having lived in this area of Lincoln for 30 years and owned a car for 29 of those years, I can only comment on the West End. **Prioritising Need** In any civilised society where a resource is in short supply (as is now the situation with parking spaces in the West End of Lincoln), “needs” have to take precedence over “wants”. Many residents need cars, firstly for work and secondly to meet the needs of day to day family life. Under the current scheme however, anyone who wants a permit and meets the qualifying criteria is able to purchase one regardless of whether they actually need one. This does nothing to discourage students from bringing cars with them whilst at University here in Lincoln. The University is not distance at all from the train station or bus station plus a great many students will undoubtedly have parents who car drop off/pick up the individual and their belongings at the start and end of each term. There are supermarkets right next door to the University, sports facilities and entertainment venues on site, pubs, bars and clubs together with great many restaurants nearby also city centre shops. It has to be said that almost everything is within walking distance. City of Lincoln Council urgently needs to approach the University with the aim of drastically reducing the impact that students’ vehicles, which in the vast majority of cases are a luxury rather than a necessity, have on the quality of life of many permanent residents due to there currently being insufficient residents’ parking spaces. In the first instance the University would probably offer to “discourage” students from bringing vehicles with them but this soft approach to the problem has proved ineffective at other universities and should be recognised as an insupportable stalling tactic. Cambridge and Nottingham University have both already banned their students from having cars within a 10 or 15 mile radius so it would seem safe to say that action is ultimately going to be necessary here in Lincoln. For the University not to take appropriate and meaningful action would seem at odds with the transport element of their own published sustainability plan. Residents have already waited long enough to get to the point of being “consulted”. Potentially then seeing the City Council being fobbed off for a year or so by the University to assess whether their discouraging students from bringing vehicles with them to Lincoln had any effect on parking issues for long term residents would be unacceptable. A more effective way to address the problem could perhaps be to place a “no permits to be issued directly” restriction on student rental properties paying no council tax. The city council already have council tax information available such that those addresses can be identified. Then, having dealt with all

other parking permit applications for the area hopefully without the need to impose restrictions on permanent residents, the council could issue a block of permits to the University but only after appropriate calculations had been done to ensure there we don't once again end up with more permits in issue than available spaces. The University student services could then ensure that the small percentage of students with additional needs such that not having use of a vehicle and parking permit would seriously impact on their quality of life were catered for before operating whatever system they chose to allocate the remaining permits. **Other Issues – Hours of operation** Given that the parking restrictions cease at 6pm each evening (Mon – Sat), if residents have working hours or other commitments preventing them from getting home by 6pm each evening they risk having no parking space available to them as anyone can park overnight (6pm to 8am) without a permit at all. Sundays are a free. What are residents supposed to do? They still need to be able to park on a Sunday too and any trip out in a car runs the risk of not finding a parking space when returning.

Visitors' bays (required by law?) If no residents' spaces are available but there are spaces free in a visitors' bay, why are residents issued with parking fines for using the visitors' spaces? It is rather trying to have to leave spaces free just in case someone who has not paid for a permit wants to use them for a couple of hours whilst permit holding residents have to continue to drive around streets further away hoping to find a place elsewhere. Frustration really increases when a resident then has to make several trips back and forth to the distant parked car to unload anything that can't be managed in one trip. **Rationing** If permits have to be rationed because the City Council is not prepared to tackle the issue of students' vehicles, then might the following points be considered:

Dropped Kerbs If a household has a dropped kerb in a stretch of road forming a residents parking bay, they are effectively making a residents parking scheme place unavailable to anyone outside of that particular household as anyone parking in front of such a property would be committing the rather unneighbourly act of either blocking access to the off road parking space or alternatively blocking the neighbours' vehicle inside the off road parking space. Surely having a dropped kerb allowing access to off road parking should mean that any property with a dropped kerb is restricted to just one residents parking permit specific to the space relating to the dropped kerb area. **Council**

Tax Single Person Discount Households If residents are to be rationed to a maximum of 2 permits per household, irrespective of the fact that there may be 2 working parents both needing cars for their jobs and an adult child living with them who also needs a car for work purposes, then it makes sense to ensure that any household benefitting from the Single Person Council Tax discount is restricted to just one permit.

Response to key points.

Why hasn't there been a wider consultation to invite views to find a solution?

The Council have promoted two options for consideration, and are always open to receiving comments at any time. Given the number of responses (as attached here) it is clear that consultation has not been stifled, and there is no reason to believe that another consultation would identify any other suggestions not promoted in feedback already received.

Use of 'evidence of need' to be provide to justify a permit.

It would be extremely difficult to assess genuine 'need' for a car with any accuracy as it would require investigation into personal circumstances. Even if public transport options were available they may not suit an individual's requirements or social needs. A decision on whether a car is

essential for one person's employment may be clear in some cases, but would be impossible to assess on equitable grounds in most other. Additionally, the resources available, and might only be attempted with significant additional resource, which would of course add to the costs of administering the scheme, making it less attractive to residents.

If having a job were to be used as a requirement for having a car this might be an option operationally, but it would require more work, and would doubtless be open to simple fraudulent claims. Additional resources would be required to carry out checks.

Additionally, and most importantly. Legal Services have advised that it would be a decision open to legal challenge on the basis of discrimination against students.

Why don't we exclude students?

Identifying students' accommodation would be a difficult task and require the development of information sharing agreements suitable and justifiable for this work.

Legal Services have advised that it would be a decision open to legal challenge on the basis of discrimination against students.

The university have been approached about discouraging student use of cars, and they are considering how they can strengthen existing advice to this effect.

Why aren't specific spaces marked out?

Specific bays are not marked out due to the range in lengths of current vehicles. By marking bays out it could reduce the numbers of vehicles accessing the overall kerb space, therefore this would not make best use of the spaces available.

The scheme should be in operation on Sundays too.

Sundays have been excluded as the majority of the competing parking demand has come from commuters and shoppers who are mainly active during Monday to Saturday.

There should be more enforcement.

Although the City council provides the scheme and permits, the county Council are the authorised body for enforcement, as a part of the wider 'traffic warden' duties. They are provided with any feedback received about the standards of enforcement seen.

Why don't you build an area for student parking?

There is no opportunity to build a car park for students, and the council would not fund such works.

Legal Services have advised that it would be a decision open to legal challenge on the basis of discrimination against students.

The university have been approached about discouraging student use of cars, and they are considering how they can strengthen existing advice to this effect.

Can the hours of operation be extended?

The Council is aware of this pressure and is anticipating being able to undertake a consultation on this at a later stage, subject to the outcome of this consultation.

There is a need for visitors/carers/friends to visit. How is this to be managed?

Within the zones are 2 hr waiting bays, also residents can have an annual visitor permit (counts towards permit total per property) or they can purchase daily scratch cards.

Why can't the 'two hour' bays be used by residents?

The County Council highways authority design in 2hr bays for visitors etc . If permit holders could park there, this facility would be removed and affect traffic flow, more circulating traffic etc.

What do hotels and guest houses do if there are just two passes available?

There are current RPS rules for guest houses/small hotels – There is the availability of one permit per guest bedroom less any off-street spaces at the property.

Why not have 2 Permits for HMO's, 3 for households.

Some HMOs have local residents in them, all of whom work. This proposal would therefore require us to separate categories of HMOs and their residents, which could not be done and would be potentially discriminatory.

"our 89 year old neighbour has to buy a pass, she does not own a car or drive but needs a pass for visitors"

The best solution for this would be either to purchase an annual visitor pass or if visits are not frequent, daily scratch cards.

Why can't an RPS permit allow you to park in any zone?

The zones have been designed to provide an area around a number of streets to allow increased parking opportunity nearer the residence. Use of any zone would see an increase of parking towards the city centre. The Council moved away from all zone daily scratch cards to designated zone daily scratch cards as there were complaints of increased parking in streets adjacent to the city centre.

Waste skips should need permits.

They do. As this is on the highway, permits have to be issued by the highway authority.

Dropped kerbs should get less permits, as they can get a car off the road.

Authorising dropped kerbs is a highways issue. It is not something that the City Council has resources to actively monitored. To do so would add costs to the scheme.

Houses with single person discount should only be able to claim one permit

A single occupant may have regular family members/carers visiting daily. Such a policy would, in the main, impact the elderly. See previous question re aged resident.

SUBJECT: Keadby Close Play Area

DIRECTORATE: DIRECTORATE OF COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: STEVE BIRD, ASSISTANT DIRECTOR COMMUNITIES AND STREET SCENE

1. Purpose of Report

- 1.1 To remind the Executive that the existing funding for equipped play areas has to be prioritised, and to set out an offer that has potential to bring in external funding for one site, through a partnership agreement.

2. Executive Summary

- 2.1 The Council has had an informal approach from Hartsholme Cricket Club to consider if it would be prepared to let it 'adopt' the adjacent play area.
- 2.2 The club has a new strategy for development including much wider engagement with the local community and it believes that taking on the existing poorly equipped play area, and investing in it so as to make it an asset to visitors to their site, would both help the local community and aid their strategy.
- 2.3 The club have asked for a lease for the site, at no cost, in return for which they will invest in the site, take on its maintenance commitments, and maintain open public access.

3. Background

- 3.1 The Council has a strategy for the provision of play areas, and this is now due for revision. Within this the Council has 31 play areas listed in its corporate inventory.
- 3.2 Unfortunately due to wider financial pressure on the council, it has not been possible to increase the budget for maintaining play areas beyond inflation for some time. However, whilst budgets have not been able to grow, the safety demands have continued to escalate considerably. As a result the costs have increased without extra budget provision to cover these costs, and it has been necessary to prioritise spend accordingly.
- 3.3 The effect of this is that some of the Council's play areas are now equipped with a reduced amount of play equipment, and in a few cases with no equipment at all, awaiting opportunities for investment.
- 3.4 One example of this is the play area at Keadby Close, where any available funding has been directed to the larger and much more heavily used nearby site in Hartsholme Country Park.

- 3.5 Whilst the site in the Country Park has therefore been protected, Keadby Close has gradually become less well equipped, to the extent that it currently has just one item left, and this is a simple static climbing frame.
- 3.6 Attached as appendix A is a plan of the Keadby Close site. Attached as appendix B is a photograph of the current site provision.
- 3.7 There are no prospects currently that the council will be able to find new funding for refurbishment or embellishment of this site. Subject to member reconsideration of a revised play strategy, hopefully this year, there is a real risk that, due to the ongoing financial pressures the Council faces, it may need to consider how many play areas it can maintain going forwards.
- 3.8 The alternative to the closure of some sites is that the Council will need to find new and more innovative ways to attract funding for play. This proposal is an example of one such innovative approach that could be adopted.

4. Proposal

- 4.1 The Council has been approached by Hartsholme Cricket Club (HCC) with a proposal to 'adopt' the play area, and take on the site on which it stands.
- 4.2 The club is developing a new strategic plan for its future, and is in the throes of widening the club's engagement far beyond cricket. It is now working with both Lincolnshire Cricket the adjacent Lincoln United FC, and opening the club's doors as a genuine community facility. The proposal is to create a community sports hub.
- 4.3 Its aim is to place itself at the centre of the local community and provide a social facility, thereby serving a wider need in the community and strengthening the club's base locally.
- 4.4 At this stage the club is still developing its proposal, but it has made an early enquiry as to the viability of it taking on the play area on Keadby Close, bringing the site within its boundary, then investing in the site so as to make the play area a much better facility that adds value for visitors to the social club.
- 4.5 The club has made clear that they would fund all works (except installing initial separation fencing) to bring the site up to a much better standard, and take on maintenance of the site in full. They have agreed to keep the play area with open public access (to use it you would not have to be a member of the social or cricket club or use their facilities).
- 4.6 On the basis that it would be provided so as to retain free public access, and that the club would agree to provide it in a way to meet the full requirements of safety standards, the Portfolio Holder for Recreational Services and Health has been prepared to let this offer progress within the Council for further considered views.
- 4.7 Appendix A shows the site currently occupied by HCC.

5. Strategic Priorities

5.1 Let's drive economic growth

This initiative supports the club, who are a local employer.

5.2 Let's reduce inequality

The Council's standards for play provision include consideration of access issues.

5.3 Let's enhance our remarkable place

Play area provision is a significant part of the Council's open space asset. This initiative seeks to protect and enhance existing provision, at no extra cost to the tax payer. The Council would only need to provide suitable security fencing.

6. Organisational Impacts

6.1 Finance

There are no additional costs to the council arising from this proposal beyond providing separation fencing. There would also be no income. See risks.

6.2 Legal Implications including Procurement Rules

Legal services involvement would be required to process the lease agreement and ensure the interests of the council were protected.

6.3 Land, property and accommodation

The transfer of a piece of land to a third party, even under lease, is classified as a 'disposal'. Therefore, should it be agreed that this site be transferred under lease, on the basis set out in this report, it would be necessary to advertise it as a 'disposal' and to consult with the public accordingly.

6.4 Equality, Diversity & Human Rights-There is no change to the pre-existing position. The Council would provide guidance to the club on these issues in relation to the provision of equipped play to ensure consistency with our policies.

6.6 Significant Community Impact – This initiative supports a proposal by HCC to engage with, and thus support better, the wider community.

6.7 Corporate Health and Safety implications – Play areas carry significant health and safety implications, requiring stringent systems and intensive monitoring. Any transfer of responsibility would be accompanied by a requirement for the club to maintain the same high standards that the Council maintains.

7. Risk Implications

7.1 (i) Options Explored

Remain as is - this offers no opportunity for investment, and risks the play area falling out of use, formally or otherwise.

Partnership with HCC - offers opportunity for investment and improvement at no cost to the Council. This is the preferred option.

7.2 (ii) Key risks associated with the preferred option.

The club may renege on its commitments to invest so the play area may not improve as planned.

The club may not maintain the play area and leave itself exposed to claims. The club may improve the site but then not be able to maintain it, leaving the council with a maintenance cost legacy.

8. Recommendation

- 8.1 That Executive agree the proposal 'in principle', and authorise the Director of Communities and Environment to agree suitable terms of lease.

Is this a key decision? No

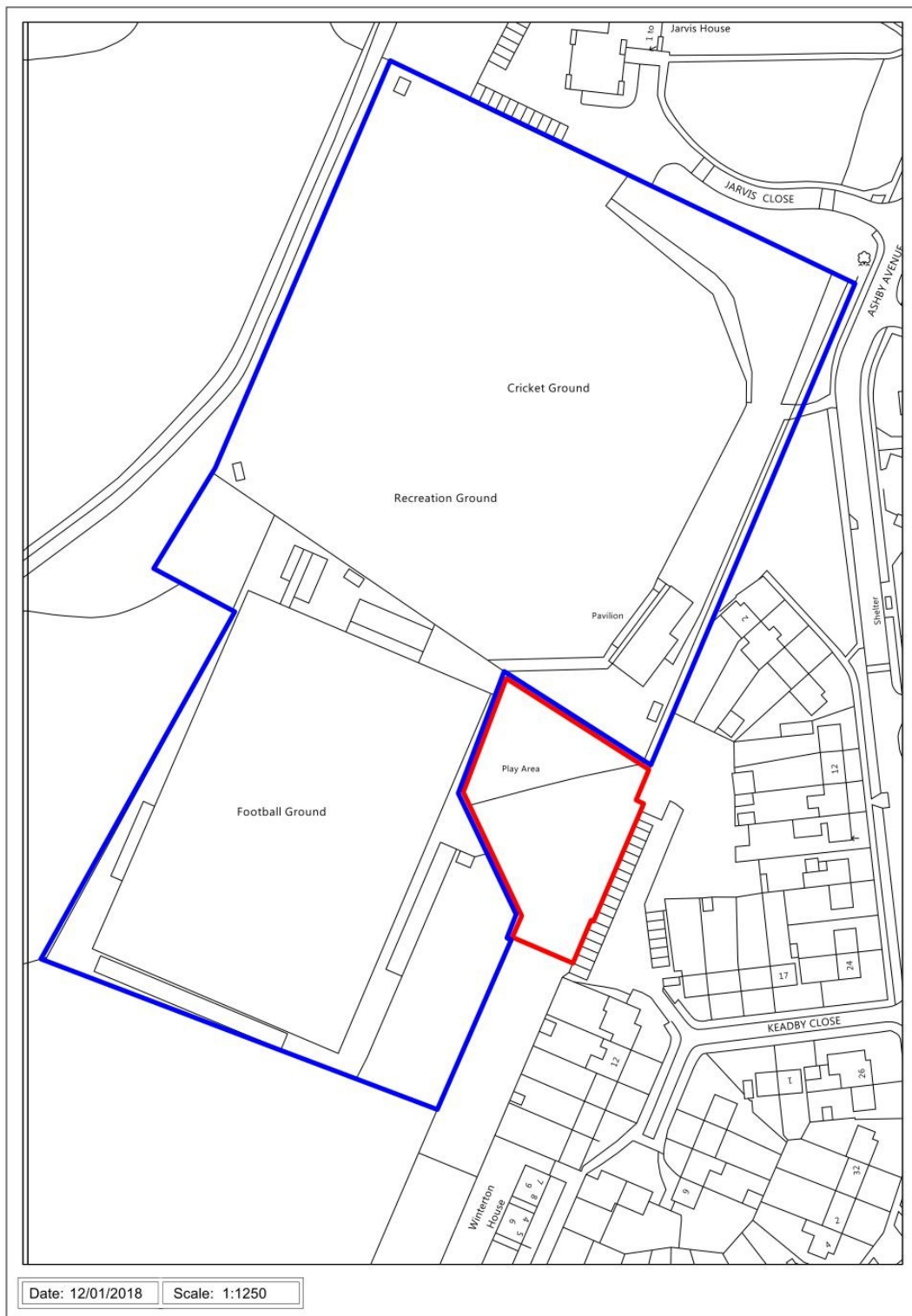
Do the exempt information categories apply? No

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

How many appendices does the report contain? Two

List of Background Papers: None

Lead Officer: Steve Bird ADCSS
Telephone (01522) 873421



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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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