

EXECUTIVE

Tuesday, 29 May 2018
6.00 pm
Committee Room 1, City Hall

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

Officers attending: Angela Andrews, Democratic Services, Kate Ellis, Jaclyn Gibson, Simon Walters and Carolyn Wheeler

AGENDA

SECTION A	Page(s)
MINUTES AND EXTRACTS	
1. Confirmation of Minutes - 26 March 2018	3 - 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.	
ECONOMIC GROWTH	
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10. Exclusion of the Press and Public

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

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

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

SECTION B

REMARKABLE PLACE

11. Leisure Facilities Development Project	[Exempt Para(s) 3]	123 - 142
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QUALITY HOUSING

12. Progress Report - De Wint Court Re-development	[Exempt Para(s) 3]	143 - 160
13. Disposal of Land	[Exempt Para(s) 3]	161 - 172

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

Apologies for Absence: Councillor Ric Metcalfe

144. Confirmation of Minutes - 26 February 2018

RESOLVED that the minutes of the meeting held on 26 February 2018 be confirmed.

145. Declarations of Interest

No declarations of interest were received.

146. Lincoln Community Lottery Update

Purpose of Report

To provide the Executive with an update on progress with implementation plans for the Lincoln Community Lottery.

Decision

That the Executive:

- (1) Approves the criteria for accepting good causes into the lottery scheme, including the six mile radius coverage as per Appendices A, B and C.
- (2) Approves the policies and terms that support the effective introduction of the new Lincoln Community Lottery as per Appendices D to L.
- (3) Approves a member selection panel of two members, consisting of the Portfolio Holder for Social Inclusion and Community Cohesion and the Chair of the Audit Committee and supported by officers, which will meet to consider and agreed the good causes accepted onto the lottery.

Alternative Options Considered and Rejected

None.

Reason for Decision

Further to Executive approval on 8 January 2018, a project team had been set up and was operational with weekly meetings in place. The following actions had been undertaken:

- Gatherwell had been appointed as the External Lottery Manager on a two year contract, with the contract in the process of being drawn up by the Project Manager, Procurement and Legal Services;
- the launch event for good causes would be held on 5 June 2018;

- the live website would be available to the public the week commencing 2 July 2018;
- the first lottery draw would take place on 11 August 2018;
- the application for a gambling licence had been completed, with two named responsible officer posts being the Financial Services Manager and the Legal and Democratic Services Manager having submitted their personal declarations;
- a communications plan was in place covering inception to launch, including a new logo designed specifically for the lottery website.

Consideration was given to how the participating good causes were determined and how centred geographically they were to the city. The more purchasers the lottery attracted the larger the central fund would be which meant that more grant funding could be offered. Suggestions for good causes criteria were set out in Appendix A and had been adapted from other local authority lotteries, which had identified a high level of consistency. With regard to the boundary, options were included in the report as follows:

- a Lincoln boundary, including only those causes operating from within a Lincoln postcode. This would be extremely restrictive and exclude many areas whose residents probably considered that they lived in Lincoln, such as North Hykeham for example;
- a one mile boundary. This would include some of the additional settlements but would not capture all of North Hykeham, Bracebridge Heath or similar areas;
- a six mile boundary. This would include all of the local villages.

Maps of the proposed boundaries were attached to the report at Appendices B and C.

It was considered that the six mile boundary option would provide more people with an opportunity to participate, thereby increasing the amount of money available for good causes. Clarification was provided that the six mile boundary was from the Stonebow in the centre of Lincoln, as set out in Appendix C.

Members were content with the proposal for the Portfolio Holder for Social Inclusion and Community Cohesion and the Chair of the Audit Committee to form a member selection panel, which would agree the good causes accepted onto the lottery. It was noted that this panel would be supported by officers.

The Lincoln Community Lottery update had been considered by the Policy Scrutiny Committee on 20 March 2018 and an extract from the draft minutes of that meeting was circulated.

147. General Data Protection Regulation (Data Protection) Policy

Purpose of Report

To seek approval of the General Data Protection Regulation and Data Protection Policy.

Decision

That the General Data Protection Regulation and Data Protection Policy be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Data Protection Act 1988 would be replaced by the new Data Protection Act 2018 which would implement the EU General Data Protection Regulation into UK law by 25 May 2018.

Adoption of the General Data Protection Regulation and Data Protection Policy, as appended to the report, enabled the Council to be compliant with the new legal framework.

It was intended that further training and briefings would be held for members and officers, details of which would be circulated in due course.

The General Data Protection Regulation and Data Protection Policy had been considered by the Policy Scrutiny Committee on 20 March 2018 and an extract from the draft minutes of that meeting was circulated.

148. Private Housing Health Assistance Policy

Purpose of Report

To provide the Executive with an opportunity to consider the final draft Private Housing Health Assistance Policy 2018-2022 for consultation, which was to supersede the Private Sector Housing Assistance Policy suspended by the Executive in 2015.

Decision

That the Executive endorses the Private Housing Health Assistance Policy 2018-2022, as amended and published with the supplement to the agenda for this meeting, subject to a delegation being given to the Director of Communities and Environment and the City Solicitor to agree a process for recovery of discretionary funding if the property is disposed of.

Alternative Options Considered and Rejected

The following alternative options were considered and rejected:

- to lift the suspension of the existing policy;
- to make no financial provision for assistance.

Reason for Decision

The Housing Assistance Policy was suspended by the Executive in March 2015, with the new Private Housing Health Assistance Policy being refocussed with an emphasis on health and prevention enabling independent living by supporting those whose independence may be at risk.

In April 2015 the Government made significant changes to the funding mechanism for disabled facilities grants by making the allocation part of the Better Care Fund, a pooled budget between the NHS and upper tier councils. The

aim of the fund was to provide more joined-up and customer focused services to reduce hospital and care admissions and enable people to return from hospital more quickly. Home adaptations and essential repairs for disabled and vulnerable people supported these requirements.

The revised policy explained how the Council would use its resources, where available, to assist residents in the need of support to maintain independence in the home, reduce the need for support from social care and health services and prevent further deterioration in their conditions. The assistance could be in the form of a mandatory Disabled Facilities Grant or discretionary assistance, which enabled the Council to deal with immediate health and safety concerns swiftly and appropriately. Further details of the policy aims were outlined in paragraph 4.2 of the report, together with the types of assistance available as set out in paragraphs 4.3 and 4.4 of the report.

The Private Housing Health Assistance Policy had been considered by the Policy Scrutiny Committee on 20 March 2018 and an extract from the draft minutes of that meeting was circulated. The policy had been amended as a consequence of comments raised at that meeting in respect of the following:

- the inclusion of clear eligibility and age criteria;
- more clarity around hospital discharge assistance;

Where the applicant had an owner's interest in the property, it was proposed that the amount of the discretionary funding would be secured by attaching a local land charge on the adapted property. If the property was disposed of within ten years of the completion of the works, re-payment of the amount would be required. It was originally proposed that this would be reduced by 10% for each complete year, but the Policy Scrutiny Committee had recommended that this aspect of the policy be removed.

Discussion ensued on the requirement to pay back the funding should a property be disposed of within ten years of completion of the works. It was suggested that some of the equipment installed in people's properties may not last ten years which raised questions about any discretion that could be introduced to the policy in respect of the requirement to pay back the funding. The Executive endorsed the Private Housing Health Assistance Policy 2018 – 2022, as set out in the supplement published separately to the agenda for the meeting, subject to a delegation being given to the Director of Communities and Environment and the City Solicitor to agree a process for recovery of discretionary funding if the property was disposed of.

149. Empty Homes Strategy

Reason for Report

To propose a new Empty Homes Strategy for Lincoln 2017-2022 to deliver the Vision 2020 and Housing Strategy objectives.

Decision

That the Executive:

- (1) Adopts the Empty Homes Strategy, as amended and published with the supplement to the agenda for this meeting, with a review of the action plan to be reported to the Executive after 18 months.
- (2) Notes that there will be additional financial resources, including a capital fund, needed for Compulsory Purchase Orders and Empty Dwelling Management Orders which will be brought back to the Executive on a case by case basis.

Alternative Options Considered and Rejected

None.

Reasons for Decision

The Empty Homes Strategy had been considered by the Policy Scrutiny Committee on 20 March 2018 and an extract from the draft minutes of that meeting was circulated. A revised version of the report and Empty Homes Strategy had been published to take into account comments raised at that meeting.

The new Empty Homes Strategy proposed a change in the focus of the Private Housing Team to target empty home owners much earlier, from six months empty, and to prioritise long term empty homes in the Sincil Bank area. The Strategy included ambitious actions to work across Council teams and with strategic partners to build a range of voluntary and enforcement solutions to bring many more homes back into use.

It was reported that, as of 1 January 2018, there was 419 long term empty privately owned homes in the city. 104 of these properties had been empty for two years or more. On 30 September 2017 there were 1681 households on the City of Lincoln Council housing register, with 164 of these being in Band 1 meaning that they were homeless or unable to live in the housing they had. Long term empty homes had a negative impact on communities, causing a blight to the street scene and attracting antisocial behaviour. Bringing empty homes back into use offered income opportunities to the Council, both through receipt of New Homes Bonus and the potential to acquire and develop properties for resale or letting.

The table at paragraph 3.1 provided an overview of the number of empty homes in Lincoln brought back to use through local authority intervention between 2010/11 and 2016/17, with advice being the main reasoning as to why they had been brought back to use.

The Empty Homes Strategy identified the following main aims:

- the Council would do all within its means to identify and return to use long term empty homes;
- no residential property shall be empty longer than two years without a clear and defined plan to return it to use;
- the Council would reduce the impact of empty homes on their way to re-occupation;
- there would be effective communication with individuals and groups affected by long term empty homes.

In discussing the reasoning behind homes being empty, it was noted that there were numerous circumstances as to why homes were unoccupied in the city. A working group considered the top 50 empty properties in the city every month and it was acknowledged that each case was unique and had to be handled sensitively.

150. Exclusion of the Press and Public

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

151. Countywide Wellbeing Service and Lincare

Reason for Report

To seek approval for changes in the Lincare control centre's staffing establishment in order to deliver the new Lincolnshire County Council commissioned wellbeing service, to be known as Wellbeing Lincs.

The report also sought authority for a methodology for calculating the price of additional telecare equipment connected to the Lincare control centre.

Decision

That the recommendations contained within the exempt report be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The changes, as set out in the report, were necessary to ensure delivery of the new Lincolnshire County Council commissioned wellbeing service. Further details were set out in the exempt report.

SUBJECT: COMMUNITY LEADERSHIP SCRUTINY COMMITTEE REVIEW OF INCLUSIVE GROWTH

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JAMES WILKINSON, STRATEGIC DEVELOPMENT PROJECT MANAGER

1. Purpose of Report

- 1.1 To present to Executive the recommendations from Community Leadership Scrutiny Committee's review into inclusive growth.

2. Executive Summary

- 2.1 This report summarises the findings and recommendations of Community Leadership Scrutiny Committee's review into inclusive growth. Committee considered the topic of inclusive growth from a supply perspective (which considered the impact of growth on the labour market); and from a demand perspective (which considered the impact of growth on businesses). The review culminated with its fourth meeting on 03 April 2018, focusing on reviewing findings to date and agreeing recommendations to Executive.

3. Background

- 3.1 In August 2017, the Joseph Rowntree Foundation published a report called *Job creation for inclusive growth in cities*. This report identified the different options available to city leaders to support inclusive growth, and argued a mix of supply-side policies (e.g. policies that support the labour market access work) and demand-side policies (e.g. policies that support businesses recruit and grow) were needed to complement each other. Following this report, Community Leadership Scrutiny Committee agreed to undertake a review into the topic of inclusive growth in Lincoln.
- 3.2 The first meeting took place on 07 November 2017 and included an external representative from University of Lincoln, and an internal representative from the city council's Revenues and Benefits Service. This meeting provided background to the topic of inclusive growth, and considered information on the labour market and business sectors in Lincoln.
- 3.3 The second meeting took place on 09 January 2018 and included external representatives from the Department for Work and Pensions; Lincoln College; Linkage Community Trust; and University of Lincoln. At this meeting, Members explored the supply-side of inclusive growth, which included challenges and opportunities relating to the labour market.

- 3.4 The third meeting took place on 06 March 2018 and included external representatives from the Education Business Partnership; the Bailgate Guild; Voluntary Centre Services; and Tesco. During this review, Members considered the demand-side of inclusive growth, which included the challenges faced by businesses; and opportunities for people to progress once in employment.
- 3.5 In addition, the Lincoln Growth Conference, held on 16 March 2018, included a workshop with businesses on the topic of inclusive growth. The findings from this workshop were considered at the final committee meeting.
- 3.6 The final meeting took place on 03 April 2018. This was an internal meeting reviewing the findings identified by committee to date, and agreeing a range of recommendations identified to address these findings.

4. Findings

- 4.1 Throughout the review, a number of challenges and opportunities to inclusive growth were identified.

4.2 Supply-side findings (e.g. people and the labour market)

- Inclusive growth can particularly benefit women, young people, and vulnerable groups.
- Skills development and access to free or affordable development opportunities is important to help people into work, but also help those already in work upskill and progress into higher quality employment.
- There is a challenge around the regularity and routes of transport services for people accessing work (e.g. staff in the night time economy); and students accessing education.
- There has been a significant drop in the number of young people engaging in work experience since it has become non-mandatory.
- The National Citizens Service programmes offer an opportunity for young people to gain skills and experience in communication; team work; and project work.

4.3 Demand-side findings (e.g. businesses, organisations, and the economy)

- Inclusive growth is important to economic growth, as it brings more people into the economy, which can improve productivity by generating innovation and the creation of new business start-ups.
- Case studies from other parts of the country, such as the Bristol City Fund (and the opportunity to convene partners in Lincoln) and Bradford's Skills House (and the opportunity to review the remit of The Network e.g. which employment sectors it focuses on, and the age profile of customers) provide good models

for supporting inclusive growth.

- The Education Business Partnership mentoring programme provides opportunities for businesses to engage with young people and schools to support practical skills development.
- Small and medium sized enterprises play an important role in the growing economy, but do not always possess the right business planning; marketing; and other skills needed to meet a range of challenges. These are often skills large organisations take for granted, but small organisations may not have the resources to invest in.
- There is a need for shared learning of good practice and skills amongst the small business community in Lincoln to support their long term sustainability.

5 Recommendations

5.1 In conclusion of the review, Community Leadership Scrutiny Committee identified a number of recommendations for Executive to consider.

5.2 Supply-side recommendations

- Work with The Network to;
 - Review / establish referral mechanisms between Lincolnshire Move Partnership (which helps people aged 16+ move into employment) and The Network (which helps people aged 16-24 with advice and guidance including on training and employment).
 - Identify referral opportunities between The Network; Lincolnshire Move Partnership and Linkage Community Trust (a Lincolnshire based charity helping people with learning difficulties on a range of topics, including employment).
 - Identify how the key sectors important to economic growth in the city are targeted.
- The council to continue to support the Living Wage and promote the emerging Corporate Social Responsibility Charter.
- Seek out funding opportunities to expand the offer of employability courses currently provided by the city council with Health and Wellbeing Board funding and delivered through Lincoln College. These offer free courses to low income households to upskill and secure employment.
- Continue to support young people to gain practical skills through supporting the National Citizens Service workshops and providing work experience placements.

5.3 Demand-side recommendations

- Begin a discussion with key strategic partners in the city to identify any similarities in investment priorities in Lincoln, and explore opportunities to pool or co-ordinate resources to deliver on shared agendas that continue to make

Lincoln a great place to live, work and enjoy.

- For the findings of this inclusive growth review to be considered in any future economic or industrial strategies produced by the council. For example, this could include supporting initiatives that may help people work flexibly around childcare responsibilities.
- The DWP to have a discussion with the council's Planning Services to explore any opportunities to encourage local employment when engaging with developers.
- Explore options to offer skills and training to small businesses.
- Work with organisations such as LORIC (Lincolnshire Open Research and Innovation Centre) which aims to share learning and good practice across the business community of Lincolnshire.

5.4 In addition, as part of its forward programme, Community Leadership Scrutiny Committee will consider undertaking reviews into the challenges around accessible transport to work and education; and the availability of advice and support for people claiming a range of benefits such as Personal Independence Payments.

6. Strategic Priorities

6.1 The topic of inclusive growth considers the supply of labour, and how accessible the labour market is to all groups. Additionally, it looks at work opportunities; the ability of the economy to recruit as many people as possible; and the availability of high quality employment opportunities. In doing this, it bridges the gap between the Let's Drive Economic Growth strategic priority, and the Let's Reduce Inequality strategic priority, thereby assisting in the delivery of both strategic priorities and Vision 2020.

7. Organisational Impacts

7.1 Finance

There are no financial implications arising from this report.

7.2 Legal

There are no legal implications arising from this report.

8. Recommendation

8.1 To agree Community Leadership Scrutiny Committee's recommendations.

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

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EXECUTIVE**29 MAY 2018**

SUBJECT: FINANCIAL PERFORMANCE – OUTTURN 2017/18

REPORT BY: CORPORATE MANAGEMENT TEAM

LEAD OFFICER: ROBERT BAXTER, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 To present to the Executive the provisional 2017/18 financial outturn position on the Council's revenue and capital budgets, including:

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

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

- 1.2 This report will provide members with a summary of actual income and expenditure compared to the revised budget and how any surpluses have been allocated to reserves.
- 1.3 Members should note that the financial outturn is still subject to audit by KPMG, the Council's external auditors.

2. Executive Summary

- 2.1 This section of the report provides a summary briefing on the financial position of the Council for the financial year 2017/18.

	2017/18		
	Budget £'000	Actual £'000	Variance £'000
Revenue Accounts			
General Fund – Contribution to/(from balances)	(702)	(114)	588
Housing Revenue Account (HRA) (Surplus)/Deficit in year	64	(552)	(616)
Housing Repairs Service (surplus)/deficit	0	(253)	(253)
Capital Programmes			
General Fund Investment Programme	31,419	29,098	(2,321)
Housing Investment Programme	15,204	10,707	(4,497)

	2017/18		
	Budget £'000	Actual £'000	Variance £'000
Capital Receipts			
General Fund	1,197	1,370	(173)
HRA	1,519	3,301	(1,782)
Reserves & Balances			
General Fund Balances	1,609	2,197	588
HRA Balances	1,023	1,639	616
HRS Balances	88	88	0
General Fund Earmarked Reserves	3,608	3,972	364
HRA Earmarked Reserves	1,387	1,394	7

- 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 financial performance quarterly monitoring report for the 3rd quarter predicted an underspend against the revised budget (exclusive of approved carry forwards) of £457,856. The provisional outturn for 2017/18 now indicates that an increase in that underspend of £129,682 has occurred, resulting in an overall variance of £587,538 provisional underspend. This represents a variance against the revised budget of 5.6%.
- 3.3 The current provisional General Fund under spend of £587,538 is prior to any carry forward. Full details of the main variances are provided in appendix B whilst the key variances are summarised below:
- Car Parking – Reduced Income £290,000
 - Waste Collection/Street Cleansing – increased expenditure £69,990
 - Crematorium – increased income £(152,360)
 - Christmas Market – increased expenditure £56,180
 - City Hall – reduced expenditure £(177,280)
 - Business Rates – increased income £(279,710)
 - Revenues and Benefits (net of bad debt provision) – reduced income and expenditure £73,400
 - Interest Payable – reduced expenditure £(137,960)

- New Homes Bonus Contingency – reduced expenditure £(102,640)

3.4 **Towards Financial Sustainability Programme** - The savings target included in the MTFS for 2017/18 is £3,500,000. Progress against this target, based on the outturn position shows a secured total £3,530,390. A summary of the provisional outturn position is shown in the following table:

	£
	General Fund
<u>Review/Business Case Approved/Delegated Decision Taken</u>	
Shared Services/Savings/Managing Demand	2,502,060
Commercialisation	738,660
Asset Rationalisation	289,670
Total	3,530,390
MTFS savings target	(3,500,000)
(Under)/ over achievement	30,390

3.5 **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 for the financial year is provided below:

	Budget 2017/18 £'000	Actual 2017/18 £'000	Variance 2017/18 £'000
Car Parks	(4,353)	(4,063)	290
Development Management	(433)	(443)	(10)
Building Control	(220)	(171)	49
Total	(5,006)	(4,677)	329

3.6 At quarter three Executive agreed that, subject to outturn, the following contributions to earmarked reserves be actioned: -

- New Burdens Grants Received in year £50,000 – transfer to revenues and benefits shared service reserve, to offset future year's admin subsidy grant reductions.
- Transfer £100,000 to the Invest to Save reserve for Directorates to bid against to assist in marketing services in order to protect and grow the Council's key income generating areas.

Following the final outturn being known it is therefore proposed that the £50,000 is transferred into the revenues and benefits shared service reserve. However given the forecast unutilised balance on the Invest to Save Reserve of £444,000 it is deemed that there is sufficient resources to fund the marketing of services, without a further contribution. However it is proposed that the £100,000 is instead transferred into the Strategic Growth reserve to continue to bring forward the Western Growth Corridor project. Following these specific reserve contributions the revised underspend is reduced to £437,538.

- 3.7 Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, subject to their Directorate as a whole not being overspent. A provisional list of proposed carry forwards was reported to CMT as part of the 3rd quarters monitoring (totalling £125,110). At that time CMT chose not to report the list to the Executive for provisional approval but chose to review the final list alongside the provisional outturn and alongside consideration of both the resources available to support the delivery of the Council's strategic projects and resources available to mitigate the volatility of business rate income. That list has subsequently been revised following the confirmation of the final cash limit outturns for each Directorate for 2017/18.
- 3.8 The list of carry forward requests has been revised following confirmation of the final cash limited outturn for each Directorate in 2017/18. The final list of requests (which if approved would be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £223,410: -

Directorate	Reason for Carry Forward	£	Requested At Q3?
CX Directorate Wide	To fund Staff Wellbeing and Training Initiatives	50,000	Y
CX Guildhall	To fund works by the University of Lincoln to restore the Charters held at the Guildhall so they can be displayed in the future. This was agreed in principle at quarter two	8,000	Y
DCE Sports & Leisure	For the feasibility costs of the delivery of two new all-weather pitches at Yarbrough and Birchwood Leisure Centres	22,760	Y
DCE Crematorium	Crematorium Concept Design Fees	15,000	N
DCE Birchwood Leisure Centre	R&M Works not completed by 31 st March 2018	8,000	N
DCE	To fund the potential shortfall of Residents Parking Income in 2018/19, pending the extension of the scheme in future years	15,700	Y
DCE Community Centres	Additional Rollout of Paxton Access Control System which will leads to	10,000	N

	efficiency savings of officer time and added security around community centres		
DCE Caroline Bird	To roll forward monies received from LCC to fund admin post within Community Services	9,000	Y
CX Policy Unit	To purchase a CFO Insights License	15,450	N
CX City Hall	City Hall Improvement Works	60,000	N
CX Policy Unit	To purchase a Place Analytics License	9,500	N
		223,410	

- 3.9 In addition to the carry forward requests above, it has also been requested that a new earmarked reserve be created in respect of a sinking fund for future repairs and maintenance works specifically for tenanted areas of City Hall. The value to be contributed to the reserve each year will be equal to the annual contribution made by tenants, to be held until actual works are required. For 2017/18 the value of this contribution is £36,060.
- 3.10 By approving all of the proposed carry forwards and the reserve transfer in 3.9 there will be a surplus on the General Fund of £178,068.
- 3.11 CMT proposed to the Executive at Q3 that any additional under spend should be transferred into a new earmarked reserve, which can be used to offset any potential volatility in income from the Council's main income streams in future years. CMT have confirmed this proposal and therefore it is proposed that the residual surplus of £178,068 be transferred into a new earmarked reserve, following this the use of General Fund balances in 2017/18 will be £702,440 resulting in General balances of £1,609,364 as at 31 March 2018, in line with the Medium Term Financial Strategy.
- 3.12 The level of each of the current earmarked reserves, as at 31st March 2018 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure. It does not reflect any proposed transfer to reserves for the items mentioned in paragraphs 3.6, 3.8, 3.9 and 3.11.

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 financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £211,970. The provisional outturn for 2017/18 now indicates an underspend of £616,377. This would result in HRA balances at 31 March 2018 of £1,639,476. The main reason for the additional resources over and above the position forecast at quarter 3 is an increased trading surplus repatriated from HRS

and an increased underspend on supervision and management relating the Kier profit share and additional vacancies. The main over and underspends included within the provisional outturn are detailed in Appendix D, while the key variances are summarised below:

- Trading surplus on Housing Repairs Service repatriated to the HRA – additional income of £(253,209) (see section 5 for further details)
- Kiers profit share contribution £(126,000)
- Supervision and Management £(154,000)

4.3 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.

4.4 It is proposed that the underspend for the year of £616,377 be transferred into the following reserves:

- Transfer £177,780 as the HRA proportionate share (64%) into the Strategic Growth reserve to continue to bring forward the Western Growth Corridor project.
- Transfer £438,597 into the Direct Revenue Financing (DRF) reserve to provide further resource for the HRA new build aspirations in the Medium Term Financial Strategy.

Following these transfers, HRA general balances will be £1,023,099, in line with the Medium Term Financial Strategy.

4.5 The level of each of the current earmarked reserves, as at 31st March 2018 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure.

5. Housing Repairs Service

5.1 For 2017/18 the Council's Housing Repairs Service (HRS) net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2 The financial performance quarterly monitoring report for the 3rd quarter predicted a £101,070 surplus outturn for 2017/18. The provisional outturn for 2017/18 shows a trading surplus of £253,209.

5.3 The net trading surplus of £253,209 is the result of a number of year-end variations in income and expenditure against the approved budget. The fluctuation between the forecast at Quarter 3 and the final outturn is mainly down to the performance of the Voids function. When reporting at Quarter 3, the job costings were

incomplete and therefore reflected a much lower recovery position. Full details of the main variances are provided in Appendix F.

- 5.4 The surplus of £253,209 has been repatriated to the HRA, which is the major service user. This is reflected in the HRA outturn within this report.

6. Earmarked Reserves

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

	Opening Balance	Increase	Decrease	Closing Balance
	01/04/17			31/03/18
	£'000	£'000	£'000	£'000
General Fund	5,464	1,548	(3,040)	3,972
HRA	1,555	8,429	(8,590)	1,394
Capital Resources	21,322	18,591	(17,294)	22,619

7. Capital Programme

7.1 General Investment Programme

- 7.2 The revised General Fund Investment Programme for 2017/18 as approved in the MTFS 2018-23 amounted to £31,418,986. Movements in the programme since the approval of the revised budget decreased actual capital expenditure in 2017/18 to £29,098,005. A summary of the changes is shown below:

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Budget MTFS 2018-23	31,419	14,209	500	500	500
Budget changes approved under CFO delegated authority	(2,574)	2,584	0	0	0
Budget changes for Executive approval at Outturn	253	240	0	0	0
Revised Budget	29,098	17,033	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 re-profiles approved by the Chief Finance Officer during the final quarter are detailed at Appendix I under the heading of "Approved by Chief Finance Officer".

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

- **Play Equipment Queens Park** – new scheme in 2017/18 to purchase new play equipment at Queens Park play area. The budget for this is £22,509 and is funded through Section 106 (£8,734) and Direct Revenue Financing (£13,775).
- **Disabled Facilities Grants** –£216,788 of Better Care Funding reallocated from revenue in 2017/18 and then subsequently re-profiled into 2018/19.

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

The following projects have been agreed by SPIT or the Chief Finance Officer during the final quarter and therefore put forward to the Executive for inclusion in the capital programme.

- **Tree Memorial** – new scheme to purchase a metal memorial tree for the Crematorium. The budget for this is £20,000 in 2018/19 funded through Direct Revenue Financing.
- **Noise Reduction Equipment** – new scheme in 2017/18 to purchase new noise reduction equipment. The budget for this is £14,060 and is funded through Direct Revenue Financing.
- **Broadgate Lift Refurbishment** – new scheme starting in 2017/18 and being completed in 2018/19 for replacement lifts at Broadgate Car Park. This is being funded through Direct Revenue Financing (£220,000), existing budget from the Planned Capitalised Works budget of £10,000 and a further reallocation of the Planned Capitalised Works budget in 2018/19 (£8,498)

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

	MTFS 2018-23 Budget	Outturn	Variance	Re-profiles (to)/from 2018/19
	£'000	£'000	£'000	£'000
Active Programme				
Communities & Environment	3,822	3,136	686	(988)
Chief Executives Department	9,223	9,027	196	(209)
"Mega Projects"	18,327	16,934	1,393	(1,393)
Total Active Schemes	31,372	29,097	2,275	(2,590)
Schemes On Hold/Contingencies	47	1	46	(46)
Total Capital Programme	31,419	29,098	2,321	(2,636)

7.7 The overall spending on the General Investment Programme for 2017/18 was £29,098,005, which is 92.61% of the revised 2017/18 programme as per the MTFS 2018-23.

7.8 Housing Investment Programme

7.9 The revised Housing Investment Programme for 2017/18 as approved in the MTFS 2018-23 amounted to £15,204,221. Movements in the programme since the approval of the revised budget decreased actual capital expenditure to £10,706,618 in 2017/18.

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Budget MTFS 2018-23	15,204	25,805	14,529	11,386	12,638
Budget changes approved under CFO delegated authority	0	0	0	0	0
Budget changes for Executive approval at Outturn	(4,497)	3,801	280	215	0
Revised Budget	10,707	29,606	14,809	11,601	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 final 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 re-profiles 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 final quarter.

7.12 The table below provides a summary of the final outturn position:

	MTFS 2018-23 Budget	Outturn	Variance	Re-profiles (to)/from 2018/19
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	5,700	4,969	(731)	(588)
Health and Safety	449	292	(157)	(124)

Contingent Major Repairs/ Works	105	0	(105)	0
New Build Programme	5,261	3,436	(1,825)	(1,833)
Land Acquisition Fund	2,520	825	(1,695)	(1,695)
Other Schemes	976	1,030	54	(56)
Computer Fund	193	155	(38)	0
Total Capital Programme	15,204	10,707	(4,497)	(4,296)

7.13 The overall spending on the Housing Investment Programme for 2017/18 was £10,706,618 which is 70.42% of the revised 2017/18 programme as per MTFS 2018-23.

Although this would appear to be low compared to previous financial years, the following points should be taken into consideration:-

- The budget included £5.26m for the 2017/18 New Build Programme. The 12 properties at Blankney Crescent were handed over during February 2018 however works have been delayed on the Monks Road development (still expected completion during 2018/19) and works on the Lytton Street development budgeted for 2017/18 will not be complete until 2018/19.
- The budget included £2.51m for Land Acquisitions, of which £1.75m was budgeted for the purchase of land which will now be completed in 2018/19.

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 Financial Strategy 2018-23.

10. Recommendations

The Executive are recommended to:

10.1 Note the provisional 2017/18 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7, and in particular the reasons for any variances.

10.2 Approve the proposed transfer to General Fund earmarked reserves in paragraphs 3.6, 3.8, 3.9 and 3.11, prior to reporting to the Executive.

10.3 Approve the proposed transfer to HRA earmarked reserves in paragraph 4.4.

- 10.4 Approve the financial changes to both the General Investment Programme and the Housing Investment Programme (paragraphs 7.3, 7.4 and 7.10) that are above the 10% budget variance limit delegated to the Chief Finance Officer.

Key Decision No

Key Decision Reference No. N/A

Do the Exempt Information Categories Apply No

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

Does the report contain Appendices? Yes

List of Background Papers: Medium Term Financial Strategy 2018-23
Minutes of Strategic Plan Implementation Team.

Lead Officer: Robert Baxter, Financial Services Manager
Telephone 873361.

GENERAL FUND SUMMARY – OUTTURN 2017/18

	Ref	Revised Budget £'000	Actual £'000	Variance £'000
Strategic Development	A	1,766	1,694	(72)
Chief Finance Officer (S.151)	B	622	543	(79)
Major Developments	C	1,089	1,125	36
City Solicitor	D	1,368	1,227	(141)
Housing	E	748	736	(12)
Communities and Street Scene	F	2,406	2,727	321
Health & Environmental Services	G	2,087	1,823	(264)
Planning	H	910	858	(52)
		10,996	10,733	(263)
Corporate Expenditure	I	1,472	1,429	(43)
TOTAL SERVICE EXPENDITURE		12,468	12,162	(306)
Capital Accounting Adjustment	J	1,922	1,630	(292)
Specific Grants	K	(1,647)	(1,663)	(16)
Contingencies	L	226	0	(226)
Savings Targets	M	31	0	(31)
Earmarked Reserves	N	(1,889)	(1,493)	396
Insurance Reserve	O	27	193	166
TOTAL EXPENDITURE		11,138	10,829	(209)
CONTRIBUTION TO BALANCES		(702)	(114)	588
NET REQUIREMENT		10,436	10,715	279
Retained Business Rates Income	P	(17,084)	(16,294)	790
Tariff	Q	12,397	12,229	(168)
Section 31 Grant	R	0	(1,051)	(1,051)
Levy	S	184	336	152
Revenue Support Grant	T	(981)	(981)	0
Council Tax	U	(6,145)	(6,145)	0
Council Tax Surplus	V	(38)	(38)	0
NNDR Deficit	W	1,229	1,229	0
TOTAL RESOURCES		(10,436)	(10,715)	(279)
BALANCES B/F 1ST APRIL		(2,312)	(2,312)	0
(USE OF)/CONTRIBUTION TO BALANCES		702	114	(588)
BALANCES C/F 31ST MARCH 2018		(1,609)	(2,198)	(588)

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 - Outturn 2017/18

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref		£	Reason for variance
	<u>Additional Spending</u>		
E	Control Centre	49,270	Purchases of New Equipment for Ageing Lifelines plus increased maintenance costs – Service is under review to produce a zero variance revised budget.
B	Housing Benefits	97,300	Subsidy Grant qualification amount relating to the 2016/17 audit of housing benefits.
F	Waste/Street Cleansing	69,990	Increased cost of waste contract and purchase of wheeled bins. The MTFs has been adjusted for 2018/19 to incorporate the purchase of new wheeled bins.
F	City Hall Car Park NNDR	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.
G	Christmas Market	56,180	Net Impact of the Sunday closure of the Market
	<u>Reduced Income</u>		
B	Housing Benefits	225,280	Reduction in the level of Housing Benefits Overpayments raised compared to the budgeted amount which is based on the average amount for the last three years.
F	Car Parks	290,000	The budget for the new Lincoln Central Car Park has not been achieved due to it not being fully operational or at the demand level budgeted. Also reduced income from Tentercroft street due to less spaces and later opening than anticipated. The Lawn Car Park has also underachieved due to less events taking place in the uphill area in 2017/18.
H	Building Control	49,140	Reduced Income on Building Control.
D	Apprentice Scheme	27,030	Due to the minimum wage increase and more apprentices being used in the general fund rather than the HRA has resulted in an overspend in the general fund.

Reduced Spending

Appendix B

Ref		£	Reason for variance
B	The Lawn	(36,380)	Due to the sale of the Lawn the Business Rates Budget is no longer required, this has been removed in the MTFS.
B	Corporate Management	(34,590)	Underspends on Audit Fees and Debt Management Expenses. There is a potential ongoing saving on audit fees due to the reduction in the audit fee expected under the new contract from 2018/19 onwards.
I	Bad Debt Provision	(67,460)	Significant reduction in Housing Benefit Overpayments raised in 2017/18 has led to less being required in the provision.
B	Revenues & Benefits Shared Service	(110,210)	Underspend across the service due to staff career grades not being achieved and also bonus payments being received for reductions in fraud. A carry forward has been requested as detailed at paragraph 3.8.
M	TOFS Overachievement (<i>one-off</i>)	(30,390)	Overachievement of the £3.5m savings target in 2017/18.
F	Car Parking Expenditure	(90,380)	This comprises underspends on Overtime, Utilities, R&M and other supplies & services budgets.
F	Public Conveniences	(35,560)	This comprises underspends on Overtime, Utilities and Business Rates.
F	City Bus Station	(34,540)	Underspends on Business Rates & R&M due to the timing of the new facility opening.
J	Interest Payable	(137,960)	Due to no borrowing being taken until quarter four. In lieu of borrowing internal cash balances have been used to fund major expenditure made in the year.
G	Leisure Centres	(30,180)	Reduced expenditure on Repairs & Maintenance at Birchwood Leisure Centre due to redevelopment works.
B	City Hall	(177,280)	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. Additional to this is an underspend on repairs & maintenance on tenant occupied areas of City Hall.
L	New Homes Bonus Contingency	(102,640)	Underspend on contingency funded through unallocated new homes bonus funding.

Appendix B

Ref		£	Reason for variance
	<u>Additional Income</u>		
B	Industrial Estates	(27,880)	Savings on Property Rental Costs, utility costs and there has been a lower void rate than budgeted.
B	Property Management	(35,740)	Due to increased property sales in the final quarter there has been an overachievement in the revenue income received.
P/Q/R /S	Business Rates	(279,710)	Additional income relating to a reduction in the tariff payment (relating to final VOA rateable values) an increase in S31 grants - offset by an increased levy payment.
G	Crematorium	(152,360)	Increased demand for the service over and above the budgeted amount.

HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2017/18

HRA PROVISIONAL OUTTURN - 2017/18				
		Revised Budget £'000	Outturn £'000	Variance £'000
Gross Rental Income	A	(28,136)	(28,141)	(5)
Charges for Services & Facilities	B	(378)	(340)	38
Contribs towards Expenditure	C	(43)	(79)	(36)
Repairs & Maintenance	D	7,498	8,465	967
Supervision & Management:	E	6,343	6,104	(239)
S&M IAS19 Pension Adjustment	F	0	0	0
Rents, Rates and Other Premises	G	62	129	67
Increase in Bad Debt Provisions	H	187	286	99
Contingencies	I	248	0	(248)
Depreciation	J	12,112	10,091	(2,021)
Impairments	K	0	(10,314)	(10,314)
Debt Management Expenses	L	12	0	(12)
Net Cost of Service		(2,096)	(13,799)	(11,703)
Loan Charges Interest	M	2,352	2,352	0
Investment/Mortgage Interest	N	(33)	(39)	(6)
Net Operating Inc/Exp		223	(11,486)	(11,709)
Capital Accounting Adjustments	O	0	10,813	10,813
Major Repairs Reserve Adjustment	P	0	325	325
CMS Repatriation				
- Trading (Surplus) Deficit	Q	0	(253)	(253)
- IAS19 only	R	0	502	502
Pension Reserve	S	0	(492)	(492)
Transfers to/from reserves	T	(159)	39	198
(Surplus)/Deficit in Year	U	64	(552)	(616)
Balances b/f @ 1st April		(1,087)	(1,087)	0
(Increase)/Decrease in Balances		64	(552)	(616)
Balances c/f @ 31st March		(1,023)	(1,639)	(616)

Housing Revenue Account Variances - Outturn 2017/18

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref		£	Reason for variance
	<u>Increased Spending</u>		
D	Repairs & Maintenance	913,170	Amendment to capitalised spend reversion as no longer required re the depreciation adjustment.
G	Rent & Rates	66,940	Additional Council tax payable for empty properties including De-Wint Court.
H	Bad Debt Provision	98,830	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	Major Repairs Reserve	333,000	Revenue Resources available to fund the HIP
T	Transfers to Reserves.	197,530	Reduction to capital fees received in year has led to more being required from the equalisation reserve. Contribution from the Repairs account no longer required.
	<u>Increased Income</u>		
Q	HRS Repatriation	(253,209)	HRS Surplus not budgeted.
	<u>Reduced Spending</u>		
J	Depreciation.	(1,472,200)	Revaluation of housing stock re-visited resulting in lower depreciation.
E	Supervision & Managements	(280,000)	Vacancies & General Savings plus Kiers Profit Share Contribution (£126k).

HOUSING REPAIRS SERVICE SUMMARY - OUTTURN 2017/18

	Revised Budget £'000	Actual £'000	Variance £'000
Employees	2,474,760	2,382,307	(92,453)
Premises	39,380	40,409	1,029
Transport	451,710	421,982	(29,728)
Materials	1,302,850	1,302,524	(326)
Sub-Contractors	2,184,830	1,821,041	(363,789)
Supplies & Services	114,490	119,620	5,130
Central Support Costs	712,670	627,813	(84,857)
Capital Charges			
Total Expenditure	7,280,690	6,715,696	(564,994)
Income	(7,280,690)	(6,968,905)	311,785
(Surplus)/Deficit	0	(253,209)	(253,209)

Housing Repairs Service Variances - Outturn 2017/18

The table below provides a summary of the provisional outturn position.

Ref	£	Reason for Variance
<u>Reduced Income</u>		
Sub-Contractors	311,785	Lower than budgeted sub-contractor work.
<u>Reduced Spending</u>		
Employees	(94,250)	Three Vacant Posts held for most of the year
Sub Contractors	(358,980)	Reduced reliance on Sub contractors
Central Support Charges (General Fund)	(18,060)	Reduced central support charges from the General Fund.
Employees	(66,800)	Reduced costs of Administration at Hamilton House.
Fleet Costs	(29,730)	Savings on Fleet Costs most notably fuel.

EARMARKED RESERVES – OUTTURN 2017/18

	Opening Balance 01/04/2017 £'000	Movement £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/2018 £'000
General Fund					
Unused DRF	276	125	172	(352)	221
Invest to Save (GF)	194	(5)	171	(53)	307
Funding for Strategic Priorities	121	60		(153)	28
Business Rates Volatility	710		450	(621)	539
Section 106 interest	14		18		32
Mayoral car	47				47
Boston Audit Contract	14				14
MA Reserve	51				51
Yarborough Leisure Centre	2				2
Managed Workspace	35				35
Air Quality Initiatives	17		6		23
Private Sector Stock Condition Survey	51		12		63
Mercury Abatement	347		91	(60)	378
Christmas Decorations	17				17
RV Revaluation Greetwell Place	1	(1)			0
Property Searches	36				36
Strategic Growth Reserve	423			(423)	0
Strategic Projects - revenue costs	1,371			(875)	496
Transport Hub Risk Mitigation Reserve	124			(124)	0
Tank Memorial	10				10
IT Reserve	221	(64)	100	(39)	218
Revenues & Benefits shared service	134			(21)	113
County Wide Broadband Initiative	34			(34)	0
Organisational Development	47			(39)	8
Christmas Market	25			(25)	0
Commons Parking	14		13		27
Tree Risk Assessment	96		20	(11)	105
Backdated rent review	220				220
Electric Van replacement	18		4		22
Sinking Fund - MSCP & Bus station midlife refurb	0				0
Sinking Fund - Yarborough/Birchwood	0				0
Asset Improvement	90			(18)	72
Grants & Contributions	363		483	(59)	787
Carry Forwards	341	(115)	8	(133)	101
	5,464	0	1,548	(3,040)	3,972
HRA					
Growth Strategy (HRA)	150			(150)	0
HRA Invest to Save	164		2	(26)	140
Capital fees equalisation	241			(3)	238
HRA Repairs Account	611		8,424	(8,411)	624
HRA Survey Works	54		3		57
HRA Strategic Priorities	240				240

Appendix G

	Opening Balance 01/04/2017 £'000	Movement £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/2018 £'000
Stock Retention	22				22
De Wint Court	73				73
	1,555	0	8,429	(8,590)	1,394
Total Earmarked Reserves	7,019	0	9,977	(11,630)	5,366

CAPITAL RESOURCES – OUTTURN 2017/18

	Opening Balance 01/04/2017 £'000	Contributions £'000	Used in Financing £'000	Forecast Balance 31/03/2018 £'000
Capital Grants	398	3,002	(3,016)	384
Capital Receipts	3,039	1,370	(4,218)	191
Capital Receipts (HRA)	5,815	1,820	(390)	7,245
Capital Receipts (HRA 1-4-1 receipts)	544	1,480	(66)	1,958
Major Repairs Reserve	10,680	10,919	(9,316)	12,283
Section 106	846	0	(288)	558
Total Capital Resources	21,322	18,591	(17,294)	22,619

General Investment Programme – Summary of Financial Changes

Project Name	2017/18	2018/19	2019/20	2020/21	2021/12	Comments
	£	£	£	£	£	
Budget as at Q3	31,418,986	14,208,836	500,000	500,000	500,000	
Budget for approval	29,098,005	17,032,859	500,000	500,000	500,000	
Total Changes for Q4	(2,320,981)	2,824,023	0	0	0	
Approved by Chief Finance Officer:						
Non-Disabled Facilities Grants	(2,894)	2,894	0	0	0	Re-profile to 2018/19
Disabled Facilities Grants	(235,114)	235,114	0	0	0	Re-profile to 2018/19
Planned Capitalised Works	(205,401)	205,401	0	0	0	Re-profile to 2018/19
Boultham Park Masterplan	863	0	0	0	0	Additional funding in 2017/18 from DRF.
Boultham Park Masterplan	(345,313)	345,313	0	0	0	Re-profile to 2018/19.
Bereavement Services Lighting	(24,290)	24,290	0	0	0	Re-profile to 2018/19.
BLC Transformation	(123,364)	123,364	0	0	0	Re-profile to 2018/19.
Greetwell Place Refurbishment	381	0	0	0	0	Additional funding in 2017/18 from DRF (£690 – borrowing reduced by £309)
CCTV Upgrade	12,500	0	0	0	0	Additional external funding in 2017/18
CCTV Upgrade	(7,135)	7,135	0	0	0	Re-profile to 2018/19
Allotment Capital Programme	(214,224)	214,224	0	0	0	Re-profile to 2018/19
Disaster Recovery & Backup	(4,083)	0	0	0	0	Scheme completed with small underspend
Lincoln Transport HUB	(1,392,840)	1,392,840	0	0	0	Re-profile to 2018/19
Land and Property Acquisition	12,768	(12,768)	0	0	0	Re-profile from 2018/19
Housing Renewal Area	(47,545)	47,545	0	0	0	Re-profile to 2018/19
Compulsory Purchase Orders	1,329	(1,329)	0	0	0	Re-profile from 2018/19
Purchase of Car Parks	24	0	0	0	0	Additional budget funded through borrowing
To Be Approved by the Executive						
Tree Memorial	0	20,000	0	0	0	New scheme for the purchase of a Tree memorial at the Crematorium. Funded through DRF.
Play Equipment Queens Park	22,509	0	0	0	0	New scheme for Play Equipment at Queens Park. Funded through DRF & Section 106 monies.

Appendix I

Project Name	2017/18	2018/19	2019/20	2020/21	2021/12	Comments
	£	£	£	£	£	
Noise Reduction Equipment	14,060	0	0	0	0	New scheme for noise reduction equipment funded through DRF.
Broadgate Car Park Lift Replacement	10,000	228,498	0	0	0	New scheme identified for replacement lifts at Broadgate Car Park. Funded through
Planned Capitalised Works	(10,000)	(8,498)	0	0	0	DRF and existing capital resources.
Disabled Facilities Grants	216,788	0	0	0	0	£216,788 reallocation of Better Care Fund from revenue back to capital.
Total Changes	(2,320,981)	2,824,023	0	0	0	

General Investment Programme – Summary of Expenditure as at 31st March 2018

	MTFS 2017/18	2017/18 Approved Budget	2017/18 Actual	2017/18 Variance	Spend
	£	£	£	£	%
CX – Chief Finance Officer					
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	295,236	205,401	58.97%
Land and Property Acquisition	0	1,721,750	1,734,518	(12,768)	100.74%
Purchase of Car Parks	0	6,965,415	6,965,439	(24)	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	67,106	2,894	95.87%
Disabled Facilities Grants	286,768	375,000	356,674	18,326	95.11%
Yarborough LC Capital Works	0	5,487	5,487	0	100.00%
Birchwood LC Transformation	0	1,522,000	1,398,636	123,364	91.89%
Noise Reduction Equipment	0	0	14,060	(14,060)	100.00%
Bereavement Services Lighting	0	40,000	15,710	24,290	39.28%
DCE – Community Services					
Flood Alleviation – Hartsholme	0	7,934	7,934	0	100.00%
Boultham Park Masterplan	480,967	836,713	492,263	344,450	58.83%
CCTV Upgrade	235,803	314,706	320,071	(5,365)	101.70%
Play Equipment Queens Park	0	0	22,509	(22,509)	100.00%
Allotments Improvement Programme	0	650,000	435,776	214,224	67.04%
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	16,933,787	1,392,840	92.40%
Schemes Under Review					
Housing Renewal Area	414,545	47,545	0	47,545	0.00%
Compulsory Purchase Orders	155,833	0	1,329	(1,329)	100.00%
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	29,098,005	2,320,981	92.61%

Housing Investment Programme – Summary of Financial Changes

Project Name	Approved Budget MTFS 18- 23	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	128,815	134,823	6,008	0	0	6,008	2018/19
Central Heating Upgrades	752,060	756,370	4,310	0	0	4,310	2018/19
Heating Replacements	319,597	228,475	(91,122)	0	0	(91,122)	2018/19
Thermal Comfort Works	117,557	65,570	(51,987)	0	0	(51,987)	2019/20
Kitchen Improvements	204,445	204,520	75	0	0	75	2018/19
Re-wiring	24,543	15,830	(8,713)	0	(8,713)	0	
Re-roofing	201,817	253,837	52,020	0	0	52,020	2018/19
Windows Replacement	550,215	443,701	(106,514)	0	0	(106,514)	2019/20
Structural Defects	54,621	5,319	(49,302)	0	0	(49,302)	2018/19
Wall Structure Repairs	6,577	0	(6,577)	0	0	(6,577)	2018/19
Door Replacement	371,731	156,545	(215,186)	0	0	(215,186)	2020/21
Decoration Allowance	12,109	11,595	(514)	0	(514)	0	
CO Detector Installations	132,599	144,427	11,868	0	11,868	0	
New Services	64,028	72,695	8,667	0	0	8,667	2018/19
St Botolphs Court alterations	67,636	67,022	(614)	0	(614)	0	
Void Capitalised Works	1,426,890	1,063,182	(363,708)	(41,578)	(322,130)	0	
Prelim Costs & Exceptionals	0	219,131	219,131	0	219,131	0	
Landscaping and Boundaries	258,545	136,835	(121,710)	0	0	(121,710)	2019/20
Lincoln Standard							
Over Bath Showers	999,876	987,213	(12,663)	0	0	(12,663)	2018/19
Safety Flooring Supported Housing	6,101	1,989	(4,112)	0	0	(4,112)	2018/19
Health and Safety							
Asbestos Removal	200,439	102,296	(98,053)	(33,053)	(65,000)	0	
Asbestos Surveys	199,950	183,679	(16,271)	0	65,000	(81,271)	2018/19
Door Entry Systems	25,795	6,357	(19,438)	0	0	(19,438)	2018/19
Stair Structures	23,133	0	(23,133)	0	0	(23,133)	2018/19

New Build Programme

Waterloo Housing Partnership	1,186,320	1,228,118	41,798	0	0	41,798	2018/19
Westleigh Homes Partnership	2,770,183	1,785,696	(984,487)	0	0	(984,487)	2018/19
Waterloo Housing Lytton Street	700,000	0	(700,000)	0	0	(700,000)	2018/19
De Wint Court Alterations	299,545	194,535	(105,010)	0	0	(105,010)	2018/19
Potential New Build Sites	305,360	227,819	(77,541)	0	0	(77,541)	2018/19

Land Acquisition

Ermine School	769,500	769,500	0	0	0	0	
Queen Elizabeth Road	1,750,000	55,000	(1,695,000)	0	0	(1,695,000)	2018/19

Other

Environmental New Works	54,621	10,280	(44,341)	0	0	(44,341)	2018/19
84 Uffington Avenue	52,423	61,687	9,264	0	9,264	0	
12 Webster Close	10,000	4,568	(5,433)	0	0	(5,433)	2018/19
18 Garfield Close	10,000	3,465	(6,535)	0	0	(6,535)	2018/19
Communal Hardstanding Areas	412,087	455,012	42,925	0	42,925	0	
Communal Electrics	435,960	495,043	59,083	0	59,083	0	
Fire Alarms	1,036	0	(1,036)	0	(1,036)	0	
HSS Computer Fund	193,113	154,533	(38,580)	(38,580)	0	0	
Contingency Reserve	105,174	0	(105,174)	(95,910)	(9,264)	0	

Total Programme

15,204,221	10,706,618	(4,497,603)	(209,121)	0	(4,288,484)
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Housing Investment Programme – Summary of Expenditure as at 31st March 2018

	MTFS 2017/18	2017/18 Approved Budget	2017/18 Actual	2017/18 Variance	Spend
	£	£	£	£	%
Decent Homes					
Bathrooms & WC's	388,689	128,815	134,823	6,008	104.66%
Central Heating Upgrades	646,455	752,060	756,370	4,310	100.57%
Heating Replacements	255,000	319,597	228,475	(91,122)	71.49%
Thermal Comfort Works	308,484	117,557	65,570	(51,987)	55.78%
Kitchen Improvements	665,538	204,445	204,520	75	100.04%
Re-wiring	89,034	24,543	15,830	(8,713)	64.50%
Re-roofing	627,428	201,817	253,837	52,020	125.78%
Windows Replacement	600,000	550,215	443,701	(106,514)	80.64%
Structural Defects	54,621	54,621	5,319	(49,302)	9.74%
Wall Structure Repairs	7,461	6,577	0	(6,577)	0.00%
Door Replacement	635,649	371,731	156,545	(215,186)	42.11%
Decoration Allowance	13,109	12,109	11,595	(514)	95.75%
CO Detector Installations	132,128	132,599	144,427	11,868	108.95%
New Services	54,621	64,028	72,695	8,667	113.54%
St Botolphs Court alterations	0	67,636	67,022	(614)	99.09%
Void Capitalised Works	109,242	1,426,890	1,063,182	(363,708)	74.51%
Prelim Costs & Exceptionals	0	0	219,131	219,131	100.00%
Landscaping and Boundaries	335,963	258,545	136,835	(121,710)	52.93%
Lincoln Standard					
Over Bath Showers	1,137,401	999,876	987,213	(12,663)	98.73%
Safety Flooring Supported Housing	70,251	6,101	1,989	(4,112)	32.60%
Health and Safety					
Asbestos Removal	273,105	200,439	102,296	(98,053)	51.06%
Asbestos Surveys	152,939	199,950	183,679	(16,271)	91.86%
Door Entry Systems	40,780	25,795	6,357	(19,438)	24.65%
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	1,228,118	41,798	103.52%
Westleigh Homes Partnership	3,543,750	2,770,183	1,785,696	(984,487)	64.46%
Waterloo Housing Lytton Street	0	700,000	0	(700,000)	0.00%
De Wint Court Alterations	250,000	299,545	194,535	(105,010)	64.94%
Potential New Build Sites	42,830	305,360	227,819	(77,541)	74.61%
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	10,280	(44,341)	18.82%
84 Uffington Avenue	32,094	52,423	61,687	9,264	117.67%
12 Webster Close	50,000	10,000	4,568	(5,433)	45.68%
18 Garfield Close	21,000	10,000	3,465	(6,535)	34.65%
Communal Hardstanding Areas	400,403	412,087	455,012	42,925	110.42%

Appendix L

	MTFS 2017/18	2017/18 Approved Budget	2017/18 Actual	2017/18 Variance	Spend
	£	£	£	£	%
Communal Electrics	76,469	435,960	495,043	59,083	113.55%
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	154,533	(38,580)	80.02%
Contingency Reserve	448,471	105,174	0	105,174	0.00%
Total Programme	23,621,139	15,204,221	10,706,618	(4,497,603)	70.42%

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SUBJECT:	TREASURY MANAGEMENT STEWARDSHIP AND ACTUAL PRUDENTIAL INDICATORS REPORT 2017/18 (OUTTURN)
REPORT BY:	CHIEF FINANCE OFFICER
LEAD OFFICER:	SARAH HARDY – GROUP ACCOUNTANT (TECHNICAL & EXCHEQUER)

1. Purpose of Report

- 1.1 The annual Treasury Management stewardship report is a requirement of the Council's reporting procedures under regulations issued under the Local Government Act 2003. It covers the treasury management activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2. Executive Summary

- 2.1 During 2017/18 the Council complied with its legislative and regulatory requirements. The key prudential indicators for the year, with comparators, are as follows:

Actual Prudential Indicators	2017/18 £000	2016/17 £000
Actual Capital Expenditure	39,805	27,949
Capital Financing Requirement		
General Fund	50,977	30,173
HRA	58,503	58,503
Total	109,480	88,676
Net borrowing (borrowing less investments)	60,344	54,594
External debt (borrowing)	81,104	75,354
Investments		
• Longer than 1 year*	0	0
• Under 1 year	15,600	20,760
• Total	15,600	20,760

Other prudential and treasury indicators are to be found in section 4.

3. Background

- 3.1 The prudential system for capital expenditure is now well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and shows the status of the Prudential Indicators at 31st March 2018. For the 2017/18 financial year the minimum reporting requirements were that members should receive the following reports:
- an annual Treasury Management Strategy in advance of the year (Council 1st March 2017)
 - a mid-year Treasury Update report (Executive 27th November 2017)
 - an annual report following the year describing the activity compared to the strategy (this report)
- 3.2 Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 3.3 In compliance with the Prudential Code treasury management reports are scrutinised by Performance Scrutiny Committee and reviewed by the Executive prior to reporting to full Council if required. Member training for the Performance Scrutiny Committee was undertaken on 23rd November 2017 to support their role in scrutinising the half yearly report. Member training for the Audit Committee on treasury management issues was undertaken during the year on 13th February 2018 in order to support their role in scrutinising the treasury management strategy and policies.

4. Summary of Performance against Treasury Management Strategy 2017/18

- 4.1 The full details of transactions in the year and performance against the Prudential Indicators are included at Appendices A and B.

4.2

Actual Prudential Indicators	2017/18	2016/17
Actual Capital Expenditure	39,805	27,949
Capital Financing Requirement		
General Fund	50,977	30,173
HRA	58,503	58,503
Total	109,480	88,676
Financing Costs as a proportion of Net Revenue Stream		
General Fund	13.7%	16.3%

HRA	45.6%	45.8%
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- 4.3 The Chief Finance Officer confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, the Authorised Limit was not breached. Additional borrowing of £5.75m was taken in 2017/18.

At 31st March 2018, the principal value of the Council's external debt was £81.104m (£75.354m at 31st March 2017) and that of its investments was £15.600m (£20.760m at 31st March 2017).

- 4.4 The small decrease in General Fund Financing costs as a % of net revenue stream in 2017/18, when compared with 2016/17, is due to the Council's change to MRP policy. The actual financing cost for the General Fund increased from the previous year due to additional borrowing.

- 4.5 The financial year 2017/18 continued the challenging environment of previous years; low investment returns and continuing counterparty risk were the main features.

- 4.6 Key issues to note from activity during 2017/18:

- The Council's total debt (including leases and lease-type arrangements) at 31st March 2018 was £81.663m (Appendix A section 4.4) compared with the Capital Financing Requirement of £109.480m (Appendix A section 3.5). This represents an under-borrowing position of £27.817m, which is currently being supported by internal resources. Additional long-term borrowing will be taken in future years to bring levels up to the Capital Financing Requirement, subject to liquidity requirements, if preferential interest rates are available.
- The Council's Investments at the 31st March 2018 were £15.6m (Appendix A section 4.3), which is £5.16m lower than at 31st March 2017. Average investment balances for 2017/18 were £25.3m, which was higher than estimated balances of £23.87m in the Medium Term Financial Strategy 2017-22. It should be noted that this refers to the principal amounts of investments held, whereas the investment values included in the balance sheet are based on fair value. In most cases, this will simply be equal to the principal invested, unless the investment has been impaired.
- Actual investment interest earned on balances was £110k compared to £104k estimated in the Medium Term Financial Strategy 2017-22 (Appendix A section 10.2).
- The interest rate achieved on investments was 0.67% (including the LAMS investment) which was 0.45% above the target average 7-day LIBID rate (for 2017/18 the average was 0.22%).

- 4.7 Risk Benchmarking

The following reports the outturn position against the security and liquidity benchmarks in the Treasury Management Strategy.

Security

- The Council's actual security risk for the portfolio as at 31st March 2018 is 0.014%, which compares with the 0.008% for the budgeted portfolio. This gives the estimated default rate on the investment counterparties which comprise the portfolio at 31st March 2018. This equates to a potential financial loss of £2,185 on the investment portfolio of £16.5m.
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk; however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2017/18 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31st March 2018, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this limit throughout the year.

Liquidity

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £3 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.19 years (69 days).

The actual liquidity indicators at 31st March 2018 were as follows:

- Liquid short term deposits of £6.6 million as at 31st March 2018.
- Weighted Average Life of the investment portfolio was 0.25 years (93 days). This is slightly higher than the expected benchmark.

The Chief Finance Officer can report that liquidity arrangements were adequate throughout the year.

4.8 Benchmarking

The Council participates in the following benchmarking club:

- The Link Asset Services benchmarking club. Link Asset Services is the Council's treasury management advisors and they offer a benchmarking club for their clients. This is organised on a regional group basis. The group to which City of Lincoln belongs has 9 members within the East Midlands region.
- The latest report (March 2018) shows that City of Lincoln Council achieved a weighted average return of 0.56% on its investments (excluding the LAMS investment) compared with the model level of 0.52%, group average of 0.62% and the average for all non-metropolitan districts of 0.63%. The Council had a lower average level of funds invested during the year

compared with the group average and has a lower appetite for risk than those authorities who are achieving higher returns.

- Link also provides a measure of the credit risk of the investment portfolio. The lower the credit risk score, the lower the risk of default within the portfolio.
- The Council's portfolio at 31 March 2018 had an average credit risk score which was 2.79 and was lower than the group average score of 3.23 and a slightly higher than average Weighted Average Maturity (WAM) of 93 days compared with 91 days for the group. This shows that the Council is achieving a reasonable rate of return on the funds invested, considering the short maturity of the portfolio and low level of risk.

5. Strategic Priorities

N/A

6. Organisational Impacts

6.1 The financial impacts are contained within the main body of the report and within appendices A and B.

6.2 There are no legal impacts arising from this report.

7. Risk Implications

7.1 (i) Key risks associated with the preferred approach

8. Recommendation

8.1 That the Executive reviews the actual prudential indicators contained within appendices A and B and recommends to Council for approval.

8.2 That the Executive reviews the annual treasury management report for 2017/18.

Key Decision

No

**Do the Exempt
Information Categories
Apply?**

No

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

No

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

2

**List of Background
Papers:**

Link Annual Stewardship Reports for 2017/18
Medium Term Financial Strategy 2017-22 and 2018-23
Prudential Indicators 2017/18 – 2019/20 and Treasury
Management Strategy 2017/18 and 2018/19

Lead Officer:

Sarah Hardy – Group Accountant, Technical & Exchequer
Telephone 873839

Annual Report on the Treasury Management Service and Actual Prudential Indicators 2017/18

1. Introduction

1.1 The Council undertakes capital expenditure on long-term assets. These activities can be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

Capital expenditure activity is regulated by the CIPFA Prudential Code, which requires actual outturn to be reported in the following areas: -

- Capital expenditure;
- Capital Financing Requirement;
- Debt;
- Ratio of financing costs to net revenue stream.

The remaining prudential indicators are included to make the annual reporting comprehensive and to comply with the requirements of the Treasury Management Code.

1.2 Part of the Council's treasury activities is to address any borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance. This area of activity is regulated by the CIPFA Code of Practice on Treasury Management.

1.3 Wider information on the regulatory requirements is shown in section 11.

2. The Council's Capital Expenditure and Financing 2017/18

2.1 This forms one of the required prudential indicators and shows total capital expenditure for the year and how this was financed.

	2017/18 Actual £'000	2017/18 Revised Estimate £'000	2016/17 Actual £'000
General Fund capital expenditure	29,098	31,419	17,234
HRA capital expenditure	10,707	15,204	10,715
Total capital expenditure	39,805	46,623	27,949
Resourced by:			
Capital receipts	4,674	5,483	2,708
Capital grants & contributions	3,016	3,284	13,681
Direct Revenue Financing	486	361	458
Major repairs reserve	9,190	12,857	8,023
Un-financed capital expenditure (additional need to borrow)	22,439	24,638	3,079

- 2.2 Further details on 2017/18 Capital Expenditure and Financing can be found in the Financial Performance Detailed Outturn 2017/18 report elsewhere on the agenda.

3. The Council's Overall Borrowing Need

- 3.1 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position and represents 2017/18 and prior years' net capital expenditure that has not yet been charged to revenue or other resources.
- 3.2 Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council.
- 3.3 The General Fund element of the CFR is reduced each year by a statutory revenue charge (called the Minimum Revenue Provision - MRP). The total CFR can also be reduced by:
- the application of additional capital resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP) or depreciation.
- 3.4 The Council's MRP policy for 2017/18 was approved by Council on 1st March 2017 as part of the Prudential Indicators 2017/18 – 2019/20 and Treasury Management Strategy 2017/18.

- 3.5 The Council's CFR for the year is shown below, and represents a key prudential indicator. The CFR includes leasing schemes which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

Capital Financing Requirement General Fund	31 March 2018 Actual £'000	31 March 2018 Revised Estimate £'000	31 March 2017 Actual £'000
Opening balance 1 April	30,173	30,173	28,464
Plus un-financed capital expenditure	22,439	24,638	3,078
Finance leases	(559)	(559)	(325)
Less MRP/VRP*	(1,076)	(925)	(1,044)
Closing balance 31 March	50,977	53,327	30,173

Capital Financing Requirement HRA	31 March 2018 Actual £'000	31 March 2018 Revised Estimate £'000	31 March 2017 Actual £'000
Opening balance 1 April	58,503	58,503	58,503
Plus un-financed capital expenditure	0	0	0
Less MRP/VRP*	0	0	0
Closing balance 31 March	58,503	58,503	58,503

* includes finance lease repayments

4. Treasury Position at 31st March 2018

- 4.1 Whilst the Council's gauge of its underlying need to borrow is the CFR, the Chief Finance Officer and the treasury team manage the Council's actual borrowing position by either:
- borrowing to the CFR,
 - choosing to temporarily utilise some flow funds instead of borrowing (under-borrowing)
 - borrowing for future increases in the CFR (borrowing in advance of need).
- 4.2 It should be noted that the figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest (outstanding interest due to be paid and received as at 31st March), or where the carrying amount is based on fair values .

- 4.3 During 2017/18 the Chief Finance Officer managed the borrowing position to £81.104 million. The treasury position at the 31st March 2018 compared with the previous year was:

	31 March 2018		31 March 2017	
	Principal £'000	Average Rate (full year)	Principal £'000	Average Rate (full year)
Borrowing Position				
Fixed Interest Rate Debt	81,104	4.09%	75,354	4.15%
Variable Interest Rate Debt	0	N/A	0	N/A
Total Debt (borrowing) *	81,104	4.09%	75,354	4.15%
Capital Financing Requirement (borrowing only)	109,480	N/A	87,919	N/A
Over/(under) borrowing	(27,817)	N/A	(12,565)	N/A
Investment Position				
Fixed Interest Investments	9,000	0.74%	15,000	0.86%
Variable Interest Investments	6,600	0.46%	5,760	0.39%
Total Investments **	15,600	0.68%	20,760	0.64%
Net Borrowing Position	60,344		54,594	

* Excludes local Bonds & Mortgages and other long-term liabilities (e.g. finance leases)

** The interest rate given differs from the interest rate given in Paragraph 4.8 of the main report because this one is a simple average interest for the year whereas the interest rate given in paragraph is a weighted average interest rate for the year which is calculated differently. Also the rates above are for investments held at 31 March whereas the average rate of investment is for investments held during 2017/18.

- 4.4 The total debt position also includes other long term liabilities such as finance leases and embedded leases within service contracts. The total debt position at 31st March 2018 was £81.663 million as shown below:

	31 March 2018 Actual £'000	31 March 2018 Revised Estimate £'000	31 March 2017 Actual £'000
Gross borrowing	81,104	81,103	75,354
Other long term liabilities	559	559	757
Total External debt	81,663	81,662	76,111

4.5 The maturity structure of the debt portfolio was as follows:

	31 March 2018 Actual £'000	31 March 2017 Actual £'000
Under 12 months	4,311	561
12 months and within 24 months	2,000	0
24 months and within 5 years	5,000	2,500
5 years and within 10 years	5,897	5,897
10 years and above	63,896	66,396
Total	81,104	75,354

4.6 The maturity structure of the investment portfolio was as follows:

	31 March 2018 Actual £'000	31 March 2017 Actual £'000
Longer than 1 year	0	0
Under 1 year	15,600	20,760
Total	15,600	20,760

5. The Strategy for 2017/18

5.1 The Council's overall core borrowing objectives are:

- To reduce the revenue costs of debt in line with the targets set for the Chief Finance Officer by Council (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 Authority 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.

6. Actual Debt Management Activity during 2017/18

6.1 Borrowing

6.1.1 Long term borrowing, totalling £5.75m, was taken in 2017/18

6.1.2 The average rate achieved for long-term borrowing (excluding finance and embedded leases) in 2017/18 was 4.09%, which compares favourably to the target of 4.25% (2016/17 4.15% actual compared to the target of 4.25%).

	31 March 2018 Actual £'000	31 March 2018 Revised Estimate £'000	31 March 2017 Actual £'000
Interest payable on borrowing	3,135	3,221	3,126
- General Fund	783	824	774
- HRA	2,352	2,352	2,352
Interest payable on finance leases	60	93	78
- General Fund	60	93	78
- HRA	0	0	0

6.2 Rescheduling

6.2.1 No rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

7. Prudential Indicators and Compliance Issues

7.1 Some of the required prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:

7.2 Net Borrowing and the CFR

- 7.2.1 In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2017/18 plus the expected changes to the CFR over 2018/19 and 2019/20 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2018 Actual £'000	31 March 2018 Revised Estimate £'000	31 March 2017 Actual £'000
Net borrowing position	60,344	65,703	54,594
Capital Financing Requirement	109,480	111,830	88,676

7.3 The Authorised Limit and Operational Boundary

- 7.3.1 The Authorised Limit is the "Affordable Borrowing Limit" required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2017/18 the Council has maintained gross borrowing within its Authorised Limit.
- 7.3.2 The Operational Boundary is the expected borrowing position of the Council during the year, and periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.
- 7.3.3 The table below shows the highest borrowing position reached in the year (including temporary borrowing and other long term liabilities) compared to the Authorised Limit and Operational Boundary.

	2017/18 £'000
Authorised Limit	112,000
Maximum gross borrowing position during 2017/18	81,104
Operational Boundary	109,500
Average gross borrowing position during 2017/18	76,470
Minimum gross borrowing position during the year	75,354

7.4 Actual financing costs as a proportion of net revenue stream

- 7.4.1 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.

Financing costs as a proportion of net revenue stream -	2017/18 Actual %	2017/18 Revised Estimate %	2016/17 Actual %
General Fund	13.7%	12.6%	16.3%
HRA	45.8%	45.3%	45.8%

The small decrease in General Fund Financing costs as a % of net revenue stream in 2017/18, when compared with 2016/17, is due to the Council's change to MRP policy. The actual financing cost for the General Fund increased from the previous year due to additional borrowing.

The HRA financing cost as a % of net revenue stream in 2017/18 is materially unchanged

8. Economic Background for 2017/18

The following commentary on the economic conditions for 2017/18 is provided by Link Asset Services, the Council's treasury management advisers.

- 8.1 **UK.** After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 was disappointingly weak in the first half of the year; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases into 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 75% of GDP, has seen weak growth as consumers cut back on their expenditure.

However, growth did pick up in quarter 3 to 0.5% before dipping back to 0.4% in quarter 4. Annual growth for 2017, therefore, came in at an overall figure of 1.8%, the same as the upwardly revised figure for 2016, (which meant the UK was equal to Germany in having the strongest GDP growth figure of the G7 countries in 2016). The manufacturing sector has been the bright spot in the economy, seeing stronger growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, the manufacturing sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting minutes of 14 September 2017 surprised markets and forecasters by using a much more aggressive tone in its words, warning that Bank Rate would need to rise shortly. CPI inflation duly peaked

at 3.1% in November 2017 as the MPC had forecast, but the February 2018 MPC forecast still sees CPI above its target rate of 2% in two years' time. The primary reason why the MPC has become more aggressive with its wording around the pace of increases in Bank Rate in, and since September, is due to an emerging view that with unemployment falling to 4.3%, the lowest level since 1975, and improvements in productivity being so weak, the amount of spare capacity in the economy has also significantly diminished. In particular, the MPC has also been concerned at building pressure on rising average wage rates. It was, therefore, no surprise that the MPC increased Bank Rate by 0.25% to 0.5% in November.

Their forward guidance of two more increases of 0.25% by 2020 was viewed as being more dovish than markets had expected. Unsurprisingly then, at their February 2018 meeting, the wording became more aggressive still and indicated that Bank Rate would be going up faster than had previously been indicated to the markets. Nevertheless, while there remains so much uncertainty around the Brexit negotiations, consumer spending levels and business investment, it is still far too early to be confident about how strong growth and inflationary pressures will be over the next two years, and therefore the pace of any rate increases.

EU. Economic growth in the EU, (the UK's biggest trading partner), had 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. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus, with an overall GDP figure for 2017 likely to be around 2.5%. Nevertheless, despite providing massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in March, inflation was only 1.4%. It is, therefore, unlikely to start an upswing in rates until possibly towards the end of 2019.

USA. Growth in the American economy was volatile in 2015 and 2016. 2017 followed that path again with quarter 1 at 1.2%, quarter 2 3.1%, quarter 3 3.2% and quarter 4 2.9%. The annual rate of GDP growth for 2017 was 2.3%. Unemployment in the US has also fallen to the lowest level for 17 years, reaching 4.1% in October to February, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on an upswing in rates with six increases since the first one in December 2015 to lift the central rate to 1.50 – 1.75%. There could be a further two or more increases in 2018. In October 2017, the Fed became the first major western central bank to make a start on unwinding Quantitative Easing by phasing in a gradual reduction in respect of reinvesting maturing debt.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus and 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 improving during 2017 to reach an annual figure of 2.1% in quarter 4. However, it is still struggling to get inflation up to its target rate of 2% despite huge monetary and fiscal stimulus, although inflation has risen in

2018 to reach 1.5% in February. It is also making little progress on fundamental reform of the economy.

Investment Position

The Council's investment policy is governed by DCLG Guidance, which has been implemented in the Annual Investment Strategy approved by Council on 1st March 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

The Council's longer-term cash balances comprise primarily revenue and capital resources, although these will be influenced by cash flow considerations. The Council's core cash resources comprised as follows, and meet the expectations of the budget.

Balance Sheet Resources - General Fund	31 March 2018 £'000	31 March 2017 £'000
Balances	1,609	2,312
Earmarked reserves	7,916	5,463
Provisions	3,204	3,604
Usable capital receipts	41	3,039
Total	12,770	14,418
Balance Sheet Resources - HRA	31 March 2018 £'000	31 March 2017 £'000
Balances	1,023	1,087
Earmarked reserves	1,016	1,481
Provisions	0	0
Usable capital receipts	9,204	6,360
Total	11,243	8,928
Total General Fund & HRA	24,013	23,346

9. Investments Held by the Council

- 9.1 The Council does not have the expertise or resources to actively use a wide range of investment products and therefore performance tends to be more stable but lower over the longer term than for professionally managed funds (whose performance may fluctuate more). The Council maintained an average balance of £25.3m and received an average return of 0.67%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.22%. Based on the average investment balance this performance margin of 0.45% in the Council's favour.

- 9.2 In 2017/18, £110k interest was earned on balances (£184k in 2016/17). This is £14k more than the £96k estimated in the Medium Term Financial Strategy 2017-22. The analysis of this result is shown in the table below.

	MTFS 2017-22 Budget £'000	Outturn 2017/18 £'000
Interest earned - General fund	63	71
- HRA	33	39
Total interest earned	96	110
Average balance invested in year	23,870	25,363
Average interest rate achieved	0.40%	0.67%*

* The interest rate given differs from the interest rate given in Paragraph 4.8 of the main report because this one is a simple average interest for the year whereas the interest rate given in paragraph is a weighted average interest rate for the year which is calculated differently.

The Economic Background for 2017/18 (see Section 8) sets out the economic conditions during this period, resulting in still falling deposit rates, which impacted adversely on investment returns. Counterparty security remains an issue, shown by little improvement in the credit ratings for the majority of financial institutions. There remained few counterparties available to the Council for investment, however, and there has been virtually no change in yield. Lending to local authorities for longer periods has again given an enhanced return at very low risk.

10. Risk Benchmarking

The regulatory framework also requires the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance (i.e. rate achieved compared with the 7-day LIBID). Security and liquidity benchmarks are used to assess the level of risk in the investment portfolio and whether sufficient liquidity is being maintained.

- 10.1 The following reports the current position against the benchmarks originally approved in the 2017/18 Treasury Management Strategy.

Security

- The Council's security risk for the portfolio as at 31st March 2018 is 0.014%, which compares with the 0.008% for the budgeted portfolio. This gives the estimated default rate on the investment counterparties which comprise the portfolio at 31st March 2018. This equates to a potential financial loss of £2,185 on the investment portfolio of £15.6m
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2017/18 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31st March 2018, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can

report that the investment portfolio was maintained within this limit throughout the year.

Liquidity

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £3 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.19 years (69 days).

The actual liquidity indicators at 31st March 2018 were as follows:

- Liquid short term deposits of £6.6 million as at 31st March 2018.
- Weighted Average Life of the investment portfolio was 0.25 years (93 days).

10.2 Performance Indicators set for 2017/18

10.3 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 set 8 local indicators for 2017/18, which aim to add value and assist the understanding of the main prudential indicators. These indicators, detailed in Appendix B, 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 Council's Debt during the year – this will evaluate performance in managing the debt portfolio to release revenue savings.
- The 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

Regulatory Framework, Risk and Performance

11. The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2014/15);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;

- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM has issued Investment Guidance to structure and regulate the Council's investment activities;

Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices.

- 11.1 The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.
12. The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Capita Asset Services, the Council's advisers, has proactively managed its treasury position over the year. The Council has continued to utilise historically low borrowing costs and has complied with its internal and external procedural requirements. There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly fixed, utilising long-term loans.
- 12.1
- Shorter-term variable rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

Prudential and Treasury Indicators 2016/17

1. PRUDENTIAL INDICATORS	2017/18 Actual	2017/18 Revised	2016/17 Actual
Capital Expenditure	£'000	£'000	£'000
General Fund	29,098	31,419	17,234
HRA	10,707	15,204	10,715
TOTAL	39,805	46,623	27,949
Ratio of financing costs to net revenue stream	%	%	%
General Fund	13.7%	18.0%	16.3%
HRA	45.6%	46.2%	45.8%
Borrowing requirement General Fund	£'000	£'000	£'000
Borrowing at 1 April	17,263	17,246	17,246
Borrowing requirement at 31 March	27,178	34,420	29,416
In-year borrowing requirement	9,915	17,174	12,170
Borrowing requirement HRA	£'000	£'000	£'000
Borrowing at 1 April	58,503	58,503	58,113
Borrowing requirement at 31 March	58,503	58,503	58,503
In-year borrowing requirement	0	0	390
Net Debt	£'000	£'000	£'000
General Fund	4,215	20,715	4,785
HRA	49,188	37,996	49,809
Total	53,403	58,711	54,594
CFR	£'000	£'000	£'000
General Fund	50,977	52,628	30,173
HRA	58,503	58,503	58,503
TOTAL	109,480	111,131	88,676
Annual change in Capital Financing Requirement	£'000	£'000	£'000
General Fund	2,845	6,713	1,709
HRA	0	0	0
TOTAL	2,845	6,713	1,709
Incremental impact of capital investment decisions	£(20.15)	£(1.41)	£(7.03)

1. PRUDENTIAL INDICATORS	2017/18 Actual	2017/18 Revised	2016/17 Actual
Increase in average housing rent per week	£(0.03)	£0.03	£0.08

2. TREASURY MANAGEMENT INDICATORS	2017/18 Actual	2017/18 Revised	2016/17 Actual
Authorised Limit for external debt –	£'000	£'000	£'000
Borrowing	81,104	122,000	75,354
Other long term liabilities	559	2,500	1,082
TOTAL	81,663	124,500	76,436
Operational Boundary for external debt -	£'000	£'000	£'000
Borrowing	81,104	115,000	75,354
Other long term liabilities	559	2,000	1,082
TOTAL	81,663	117,000	76,436
Actual external debt	£'000	£'000	£'000
General Fund	22,991	22,990	17,241
HRA	58,113	58,113	58,113
TOTAL	81,104	81,103	75,354
Upper limit for fixed interest rate exposure	£m	Target £m	£m
Net principal re fixed rate borrowing / investments	77.2	76.6	61.4
Upper limit for variable rate exposure	£m	Target £m	£m
Net principal re variable rate borrowing / investments	20.7	33.0	30.2
Upper limit for total principal sums invested for over 1 year	£'000	£'000	£'000
(per maturity date)	Nil	5,000	3,000

Maturity structure of fixed rate borrowing during 2017/18	Actual %	Upper limit %	Lower limit %
Under 12 months	5.32	40	0
12 months and within 24 months	2.47	40	0
24 months and within 5 years	6.16	60	0
5 years and within 10 years	7.27	80	0
10 years and above	78.78	100	10

Local Indicators Treasury Management Indicators

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year)	Achieved 0.71% Average 0.34% +0.37%	Less than 7 day LIBOR	No temporary borrowing taken during year

The indicator above uses the average of the 7 day LIBOR rate for temporary borrowing however the temporary borrowing taken during the year was for 364 days – the average LIBOR rate for 12 months is 0.73% and rates for PWLB loans for a up to 1 year were around 1.6%.

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Investment rate achieved	Achieved 0.67% LIBID 0.22% +0.45%	Greater than 7 day LIBID	Achieved 0.64% LIBID 0.34% +0.30%

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Average rate of Interest Paid on Council Debt (%)	4.09%	Less than 4.75%	4.15%

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Interest on Debt as a % of Gross Revenue Expenditure	3.3%	3.1%	3.0%
General Fund	1.23%	1.1%	1.1%
HRA	8.26%	8.0%	9.2%

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Upper limits on fixed interest rate investments	58%	100%	68%

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Upper limits on fixed interest rate debt	100%	100%	100%

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Upper limits on variable interest rate investments	42%	75%	32%

	2017/18 Actual %	2017/18 Revised %	2016/17 Actual %
Upper limits on variable interest rate debt	0%	40%	0%

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EXECUTIVE**29 MAY 2018****SUBJECT: STRATEGIC RISK REGISTER - QUARTERLY REVIEW****REPORT BY: CHIEF EXECUTIVE AND TOWN CLERK****LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER****1. Purpose of Report**

- 1.1 To provide Executive Committee with a status report of the revised Strategic Risk Register as at the end of the fourth quarter 2017/18.

2. Executive Summary

- 2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to Members in February 2018 and contained seven strategic risks.
- 2.2 Since reporting to Executive Committee in February 2018, the Strategic Risk Register has been reviewed and updated by the relevant Assistant Directors and Corporate Management Team. 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. A series of Vision 2020 interactive roadshows were undertaken with staff in January to celebrate success and implementation of various projects within Vision 2020 programme. The Vision 2020 Conference proved successful in March 2018 with key partners and stakeholders and a series of follow up sessions with those partners/stakeholders is to be scheduled in early 2018-19.

- No 3) To ensure compliance with statutory duties and appropriate governance arrangements are in place - Implementation of ITDR plans, procedure manual and all critical BCP's have been reviewed. Testing will be scheduled early 2018-19. GDPR preparation for May 2018 is continuing, with successful recruitment to the Data Protection Officer post who has been progressing the action plan including revision of management policies, strategy and staff training. Whilst progress has been made on Health and Safety Development plan, we are awaiting the outcome of HSE inspection

which could be expected anytime up to October 2019.

- No 6) Meet the emerging changes required in the councils culture, behavior and skills to support the delivery of the Council's Vision 2020 and the transformational journey to a "performance culture" – A Health and Wellbeing Group has been set up in February 2018 to support the People Strategy and help promote "Your Health Matters". Alongside this work a staff recognition scheme proposal is underway and consultation will take place with staff in May 2018. The Virgin Pulse Global Challenge commences in May 2018 and is anticipated staff will be encouraged to enter teams to promote wellbeing in the workplace.

- 3.2 The above movement in control actions has resulted in one change to the assessed levels of likelihood and impact of risks identified on risk no 3). 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 Committee are asked to note and comment on the Strategic Risk Register as at the end of the fourth 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: Jaclyn Gibson
Chief Finance Officer

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Appendix A



STRATEGIC RISK REGISTER

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

RISK REGISTER: STRATEGIC RISKS – AS AT Q4 end: 31 March 2018

VERSION: 1

REVIEWED:

CMT 07/11/17

Risk owners 06.02.18

CMT 08/02/18

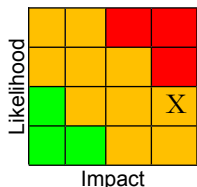
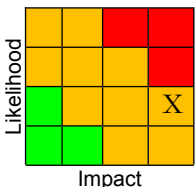
Risk owners 25.04.18

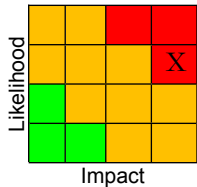
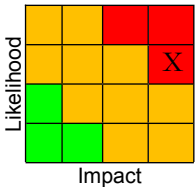
CMT 08.05.18

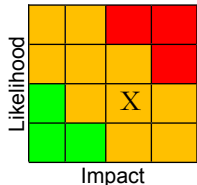
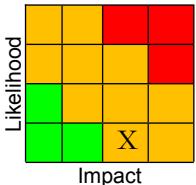
OWNER: CORPORATE MANAGEMENT TEAM

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

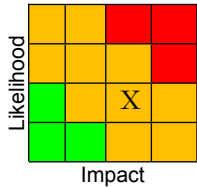
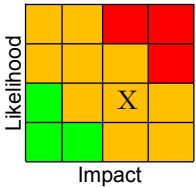
- Let's drive economic growth
- Let's reduce inequality
- Let's deliver quality housing
- Let's enhance our remarkable place

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 	<ul style="list-style-type: none"> High Performing Services monitoring arrangements in place Determination of the range of conferences for the next year to support the vision 2020 . Follow up session with key partners to be arranged following COL Vision 2020 Conference – June 2018 Alignment of Vision 2020 with Portfolios – May 2018 Revision of internal and external communication methods to be undertaken March – April 2018 			Substantial	Static

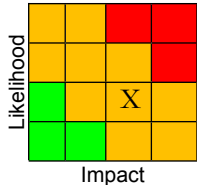
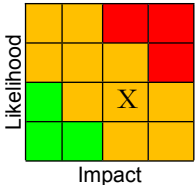
Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> Promotion of the Vision through hoarding displays Online 'Engine Room' launched 22.6.17, 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 Vision 2020 staff roadshows undertaken in January 2018. Sponsorship of Lincolnshire Construction and Property Awards in February 2018 Successful COL Vision 2020 Conference held in March 2018. 					
2.	To deliver a sustainable Medium term Financial Strategy	CFO	<u>Creative & Aware</u> Finance & Money	<ul style="list-style-type: none"> MTFS 2018-23 approved in March 2018, 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 	<ul style="list-style-type: none"> Link to TOFS Programme, risk no 4 below. Continued assessment of future funding reforms, including The Fair Funding Review, reset of business rates baselines and 75% retention of business rates - Ongoing Establishment if revised monitoring arrangements for Lincolnshire Business Rates Pilot 			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)				
				<p>plans for areas of target monitored quarterly.</p> <ul style="list-style-type: none"> Monitoring arrangements firmly established for business rates, including the Lincolnshire Pool 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. 	– July 2018				
3.	<p>To ensure compliance with statutory duties and appropriate governance arrangements are in place, including:</p> <ul style="list-style-type: none"> Health & Safety Information Management/IT Security ICT Disaster Recovery 	CLT	<p><u>Creative & Aware</u></p> <p>Regulatory standing & legal compliance</p> <p>Cautious</p> <p>Business Continuity</p>	<ul style="list-style-type: none"> Annual Governance Statement reviewed on an annual basis with plan/milestones developed for all significant issues, delivery of which is monitored quarterly through the Assistant Directors Team/Audit Committee Internal audit reviews undertaken as part of annual audit plan Health and Safety Development Plan/Work Programme in progress (includes the development of specific action plans e.g Asbestos) Corporate Groups in place which monitor work programmes/ actions for H&S, e.g, Safety Matters Review Group/Champions Information Management Strategy and Action Plan 	<ul style="list-style-type: none"> Continued progression of ongoing actions in Information Governance Strategy. Data Protection e-learning package for all staff. To be re-presented every 2 years Information Management policies to be updated to reflect GDPR by May 18. Continued progression of GDPR Action Plan and Training Needs Plan. Waiting outcome of HSE inspection – outcome could be expected anytime up to October 2019 ITDR plan endorsed 			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)				
				<p>approved in November 2015. Key elements being training programme for teams now completed and Information Asset Audit conducted.</p> <ul style="list-style-type: none"> 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. ITBC plan now endorsed and all critical service BCP's has been reviewed – March 2018 DR procedure manual has been developed (which is 	and now needs testing which is to be scheduled in new financial year				

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>expected to change frequently as we build and refine)</p> <ul style="list-style-type: none"> Revision of procedures for management of non-operational buildings completed and control measures implemented February 2018 DPO has been appointed. GDPR included in Vision 2020 project plans. 					
4.	Deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council	CFO	<p><u>Creative & Aware</u></p> <p>Projects & Major Change</p> <p><u>Hungry</u></p> <p>Reputation and Public Confidence</p>	<ul style="list-style-type: none"> TFS Board and Programme Team in place. Established procedures and monitoring arrangements Reporting of achievement against targets included within quarterly financial monitoring/performance monitoring reports to Executive/Performance Scrutiny Committee 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. Target of £3.5m for 2017/18 overachieved. Savings targets increased as part of MTFS 2018-23. 	<ul style="list-style-type: none"> Monitor delivery of Phase 5 Programme through established arrangements - ongoing 			Full	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2018	Level of Mgmt Assurance - (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> Delivery of Phase 5 (designed to overachieve targets in MTFS) commenced in November 2017 with a focus on 3 strands. 					
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	Static
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 in progress Health and Wellbeing group being set up with staff to support People Strategy – March 2018 Registration of Virgin Corporate Global Challenge for staff – May 2018 Further coaching programme to be 			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"> Volunteering programme rolled out to support people strategy enhance staff wellbeing and corporate social responsibility– CLT in Nov-Dec 2017 	<ul style="list-style-type: none"> made available for team leaders – TBC CMT to evaluate Coaching programme –May 2018 				
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. MTFS 2018-23 allocates resources in line with Vision 2020. Lincoln Project Management model in place including allocation of Project Managers, Sponsors, appropriate project management records and Identification of critical tasks within specific project plans Regular reporting of other all Strategic Plan schemes Development of skills and abilities of key leaders and staff through Leadership Development Programme Appointments have been made and Officers are in 	<ul style="list-style-type: none"> Allocation of further resources of £140k to areas needed further capacity (continued utilisation during 2017/18) Service planning 2018/19 to ensure capacity exists before commitments made – April 2018 Final sign off of Vision 2020 Phase 2 projects – May 2018 Review of current work allocations within Directorates - May 2018 Commencement recruitment process for vacant Director of Housing & Regeneration – May 2018 			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>post for the two vacant Assistant Directors in Housing & Regeneration</p> <ul style="list-style-type: none"> Interim Assistant Director – Strategic Development is in post. Priority setting for Phase 2 projects, 2018/19 – 2019/20 commenced through CMT and Portfolio Holders 					

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SUBJECT:	STRATEGIC PLAN PROGRESS – OUTTURN 2017-18
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	ROBERT BAXTER, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 To provide the Executive with a progress report on the strategic projects, against their milestones for the final quarter of 2017/18.

2. Programme Summary

- 2.1 There are currently **16** strategic projects being monitored.
- 2.2 **14** projects are currently on track in terms of their physical and financial milestones and risk profiles.

Of these **2** 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 It has been concluded that there are no projects of sufficient concern to bring to members attention.

3. New Projects Approved

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

Noise Reduction Equipment

This project is to purchase two complete noise kits for measuring and recording noise in complainant's homes and for the investigation of noise complaints.

Broadgate Lift Refurbishment

This project is for a full refurbishment to both lifts at Broadgate Car Park and the works will include lift car upgrade and upgrades to both the mechanical and electrical equipment.

Tree Memorial

This project is to purchase a new memorial for the crematorium grounds that will aim to offer an affordable memorial option for the friends and families of the deceased.

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 two projects which have completed their defined actions and just now await the completion of a PIR

- New Surface Car Parks – Purchase of two new surface car parks in the city

The following project has submitted an initial PIR, but additional data was requested, so they will be finalised when the data is made available.

- Bereavement Services improvements to facilities

4.3 There were six projects signed off as completed during the final quarter.

- Broadgate Car Park improvements – This project delivered structural concrete improvements, major improvements to the deck surfacing on certain floors and general improvement works in order to modernise the car park. The car park now meets modern safety requirements following the works.
- Birchwood Bungalows – This project delivered 20 new build affordable units on 5 individual sites previously occupied by council owned garages. The bungalows all had level floor access and are energy efficient properties which in-turn will benefit the tenants by reducing energy costs. This project also assisted towards increasing the supply of affordable housing within the City.
- City Hall Phase 2 Improvements – The second phase of improvements delivered a number of desired objectives including the remodelling of the whole of the fourth floor as new offices for prospective tenants, the creation of a medical assessment centre on the ground floor and the installation of LED lighting and CCTV to public areas.
- Implementation of Servitor (Repair Ordering and Billing System) – This project delivered a new computer system to replace the outdated and unsupported billing system (DepotMaster) for the Housing Repair Service. The new system interacts in real time with tradesmen allowing on-line live information exchange which in-turn negates the need for extensive paperwork. The system, which utilises mobile technology, also interfaces

with other Housing management software systems most notably Universal Housing, the main service programme, and DRS the repair job scheduling system.

- St Botolphs Court Refurbishment – This project encompassed major improvement works at a Sheltered Housing complex within the city. The outcome of the project was to enclose the external balcony of each flat and create additional floor space within each unit. This enabled a newly designed kitchen to be installed and also the provision of a wet shower facility within each flat. Additionally the former supported housing officers office was converted to create two additional one bedroom flats for the complex.
- Disaster Recovery and Back up – This project has enabled the development of a disaster recovery centre and implemented back up arrangements for Information and Communications Technology at Hamilton House.

4.4 During the final quarter the following projects were decommissioned by SPIT.

- Heat Mitigation at the Terrace
- Housing Services Asbestos Database

Both projects original objectives and outcomes have changed since the outset of the scheme and the decision was taken to remove them from the list of projects being monitored and then to have amended project approval documentation compiled and submitted for approval if the projects are required in the future.

5. Mega Project Update – Western Growth Corridor

5.1 Meetings with the statutory organisations to agree a movement strategy for the development are continuing. 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 Summer 2018). The first All Member briefing is being proposed for 5:30pm on 06 June 2018.

5.2 Mega Project Update – Transport HUB

Multi Storey Car Park

- Ground Floor to Level 3 of the car park opened during November and December 2017.
- Level 4 of the car park opened 29th March 2018 offering a further 178 spaces.
- Level 5 of the car park is now scheduled to be open by the end of May 2018, dependent upon the weather conditions being appropriate for the remaining work to be completed.

Bus Station

- The Bus station opened to the public on 28th January 2018 and is operating well. The Café concession is trading well.
- All Network Rail work has been completed and handover took place on 27th April 2018. The funding application is expected to be submitted in June 2018.
- Highways works are complete and the maintenance period is expected to commence by July 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	475,911	359,961
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	4,399,503	409,636

- 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 fourth quarter 18 Disabled Facilities Grants were completed and this compares to 17 completions for the same period in 2016/17. During the year 51 homes were adapted for disabled persons. There are 19 additional cases where the application has been approved and the commitment carried into 2018/19. This is a total of £142,915 as no interim payments have been made prior.

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. All pilot cases are complete and fully paid.

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 was one Decent Homes Grant approved and at the end of the quarter the final payment of £4,935 was made. All Decent Homes Grants are now completed, paid and out of the system.

In the fourth quarter, two 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. No payments were made during this quarter.

Housing Revenue Account (HRA Business Plan)

By the end of the fourth quarter 3,038 instances of improvement works (kitchens, bathrooms, rewires, doors etc) had taken place to individual properties. In the same period 394 instances of improvement works had been refused by tenants. Further to this, there were also 573 communal improvements completed.

8 Strategic Priorities

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

- 8.4 Let's enhance our remarkable place – As this is a summary monitoring report it has no direct effect on Strategic Priorities, however decisions made will have effects through individual projects

9. Organisational Impacts

9.1 Finance

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

9.2 Legal Implications including Procurement Rules

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

9.3 Land, property and accommodation

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

9.4 Human Resources

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

9.5 Equality, Diversity & Human Rights

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

10. Risk Implications

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

11. Recommendation

- 11.1 That the Executive note the progress in delivery of strategic projects.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Robert Baxter, Financial Services Manager
Telephone (01522) 873361

EXECUTIVE**29 MAY 2018**

SUBJECT: Q4 2017-2018 OPERATIONAL PERFORMANCE REPORT

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: PAT JUKES, BUSINESS MANAGER – CORPORATE POLICY

1. Purpose of Report

- 1.1 To present to Executive a summary of the operational performance position for quarter 4 of the financial year 2017/18 (from December 2017 to March 2018), along with some full year outturn updates
- 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.

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’

2.2 Key headlines from performance results:

Q4 outturn sees a long list of exceptional performance results - in Food Health & Safety and Housing in particular – mixed with some less positive results. A summary of the key headlines is found below:

✓ The number of users logged into the self-service system “MyInfo” has increased from 6,409 (Q3) to 9,865 – c 3000 more than outturn last year

❖ The average time taken to answer a call to customer services has deteriorated from 28 seconds to 104

- ✓ At 9826, the number of face to face customer visits has dropped by c3000 from last Q4 **(V)**
- ✓ Lincoln Council Tax collection rate stands at 97.17% which is above the 97.11% target
- ✓ The level of outstanding customer changes in the Revenues team has improved from 296 last Q4 to 121 this quarter
- ✓ The average time to process housing benefit claim changes of circumstances has surpassed its target of 5 days with an outturn of 4 days.
- ✓ The percentage of quality checks made where benefit entitlement is correct has improved from 91% last quarter to 92% in Q4
- ✓ The number of off street charged car parking spaces has increased from 2242 last year to 3622 this year **(V)**, naturally this has led to a temporary decline in utilisation, dropping to 45%
- ✓ The number of service requests for PPASB has seen improvements reducing from 1,001 last year to 587 this year **(V)**
- ✓ The percentage of premises fully or broadly compliant with Food Health and Safety (FHS) inspection has exceeded the 97% target at 98%
- ✓ The average time taken from the date of the FHS inspection to achieving compliance has improved from 13.25 days to 10.40 this quarter
- ✓ The percentage of official FHS controls that have been completed has improved from 84.5% to 94% and is now on target
- ✓ The percentage of non-major planning applications determined within the government two year rolling target has reached 95%
- ✓ The percentage of major planning applications determined within the government two year rolling target has reached 100%
- ✓ The current tenant arrears as a percentage of the annual rent debit has surpassed its target of 2.15% with a figure of 2.11%

seconds which is outside the target of 40 – 50 seconds

- ❖ The business rates outturn collection rate has reduced from 99.43% last year to 98.87%
- ❖ The number of housing benefits/council tax support customers awaiting assessment has increased from 555 (16/17) to 696 this year.
- ❖ The reported percentage of waste recycled or composted reached 33.73% but is outside of its target boundaries (35% to 45%)
- ❖ The average time taken to determine a planning application has deteriorated from 58.04 days last quarter to 67.34 days in Q4
- ❖ The number of live planning applications open has deteriorated from 97 in Q3 to 126 in Q4
- ❖ Despite the number of affordable homes delivered this year improving from 11 last year to 21 this year – it is still significantly below the lower target of 45
- ❖ The number of empty homes brought back into use this year is below its target boundaries of 20 - 30 with an outturn figure of 18
- ❖ The number of homelessness applications progressed within the housing team has increased from 216 last year to 279 this year

✓ The percentage of reactive repairs completed within target time has surpassed its target of 95% with an outturn figure of 97.49%

Key headlines from the corporate measures:

2.3

The overall year to date (YTD) sickness data as at the end of March is 13.62 days per FTE (Excl. apprentices). This is 2.1 days more per FTE compared to the same point last year. A sickness clinic on work and home stress has taken place recently to discuss possible causes and options on the way forward.

The cumulative average time across all directorates to respond to formal complaints was 6.2 days, which is a decrease of 0.3 days from Q3, and again remains below the former target of 15 days.

2.4 The reported overall Q4 vacancy level stands at 63 FTE, an increase on that reported in Q3 (56.20 FTE). Of these, 17 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

- 75% of apprentices on the programme have moved into education, employment or further training 
- 9,865 users logged into the self-service system, "MyInfo" this quarter, which is almost 3000 more than outturn last year 
- The average time taken for Customer Services to answer a call has increased to 104 seconds 
- The volume of face to face visits to customer services has dropped significantly in Q4 at 9,826 against 12,768 last year (V) 

- The Council Tax collection rate for Lincoln stands at 97.17% which is just above the agreed target of 97.11% 
- The Business Rates 2017/18 outturn collection rate for Lincoln stands at 98.87% which is a drop of 0.56% on that achieved at last year's outturn 
- The level of outstanding changes in the revenues team has decreased from 296 in Q4 last year to just 121 in Q4 this year 
- The average time to process new housing benefit claims stands at 24.29 days, which is slightly below its target of 24 days, but within tolerances – and an improvement of 5.15 days from 2016/17 
- The average time to process housing benefit changes of circumstances stands at 4 days. This is better than the agreed target of 5 days. 
- Quality checks on benefits claims show that 92% are correct – above the 91.50% target
- The number of housing benefits/Council Tax support customers awaiting assessment stands at 696, higher than the 555 reported in Q4 last year 

4.3 Customer Services

The average time to answer a call in Customer Services has seen a significant increase this quarter reaching 104 seconds, the highest time we have seen all year, and much longer than the low of 28 seconds achieved in the same quarter last year. There are a number of reasons for the increase this quarter – in particular because the team has now taken on the additional workload associated with running the information desk at the new bus station. As it was already known that the Travel Concessions contract was ending imminently a decision was taken to run with the existing staff for the two months cross over period, rather than increase resource levels for a short period. In addition, the short term extreme weather conditions meant that some staff could not travel to work, temporarily resulting in time taken to answer a call to deteriorate further.

As the Travel Concessions contract has now completed, the temporary resource issues are resolved and we expect to see a return to recent performance in terms of answering call times.

However, it is pleasing to report that the number of users who logged into the self-service system MyInfo saw a massive increase again from 6,980 in Q4 last year to 9,865 in Q4 this year, matching almost exactly the drop we have seen in face to face enquiries. This may have been boosted by poor weather conditions encouraging customers to have a go on-line, especially as we have continued to actively push e billing wherever possible.

The jump of almost 3,000 more users suggests users are now more aware of and active in using the system and finding the improvements easier to use.

The Garden Waste service has been an area of success for our Channel Shift programme. Looking at the yearly outturn in 2016-2017 Customer Service staff answered 8,500 calls to assist people signing up or renewing their subscription. Last year, 2017-2018 that figure has reduced to 4,700 phone calls with the remainder being completed on-line via our automated link. Customer Services and the Business Development team are now assessing this success to see what lessons can be learned and what can be replicated in other service areas to encourage more automated transactions.

4.4 Revenues Administration

Outstanding revenues customer changes remain at a low level in 2017/18 reporting at just 121 in Q4, compared to 296 in the same quarter last year. This significant improvement is primarily due to the introduction of interactive on-line self-service application forms as well as refined working practices.

The in-year collection rate for Lincoln Council Tax outturned at 97.17%, just above its target of 97.11% equating to an extra £31,359 collected, with the total net receipt also increasing by some £1,975,980.

Business Rates unfortunately saw a lower annual outturn compared to that of last year, achieving 98.87%, a 0.56% decrease compared to 2017/18, equating to £245,353 less collected. This is due to a number of high value rateable values being brought into the Valuation Office listing during the final month of 2017/18 (March 2018), resulting in the debt being raised with little or no time to collect the money. Despite this, the additional rateable values brought into the Valuation List totalled a rateable value of £750,950 which is positive in terms of the overall base. Also, to put this into further context the total net collectable debit was more than £44 million (£44,309,559).

4.5 Housing Benefit Administration

The level of new benefit claims and council tax support benefit has only slightly increased from 7,138 last year to 7,296 this year, with council tax support driving the small increase.

The number of new Housing Benefits and Council Tax Support claims

	Q4 2016/17	Q4 2017/18
Housing Benefits	2923	2920
Council Tax Support	4215	4376

The average cumulative days to process housing benefit claim changes of circumstances has exceeded its annual target of 5 days with an outturn of 4 days, compared to 4.49 days at this point last year, and 3.93 days better than last quarter (which was 7.93 days). This is an end of year seasonal effect due to numerous one day changes of rent increases and changes in income for the start of the new financial year.

It is also worth noting that the average cumulative days to process new housing benefit claims has continued to maintain a relatively low outturn of 24.29, which is 5.15 days less than that of last year.

The number of Housing Benefit / Council Tax support customers awaiting assessment has increased from 555 at the end of last year to 696 this year. Of the 696 customers, 259 are awaiting a first contact from a Benefits Officer. For the remaining 437 customers, Benefits Officers have made contact and are now awaiting information from the customer.









The percentage of risk based quality checks made where Benefit entitlement is correct has improved to 92% this quarter and is now above the target of 91.50%. This is a 1% increase on last year's outturn of 91%. This figure has previously remained at a consistent 91% throughout the year, due to increased levels of accuracy of work in the team.

4.6 Apprentices

The figures show that 75% of apprentices on the programme have moved into education, employment or further training, however this was because one learner withdrew from programme and another completed on time however then moved to another county (and is currently still seeking employment). So of the seven remaining apprentices due to complete in Q4 – all did so on time.

4.7 Key performance areas in Directorate for Communities and Environment

- The total number of users using our health and recreation facilities per quarter has decreased compared to the same point last year, from 226,582 last year to 218,181 this year. 
- 33.73% of waste collection reported this quarter was recycled or composted which is below the lower target of 35% 
- There are now 3,622 off street charged parking spaces owned by CoLC 
- Overall utilisation of our car parks has deteriorated from 65% last year to 45% this year (but this is following the opening of new car parks with more than 1300 new spaces added) 
- There were just 587 requests for PPASB service in Q4 – down on the 612 reported last quarter and significantly lower than the 1,001 from last year Q4 
- 98% of premises were fully or broadly compliant with Food Health & Safety standard, above the 97% target 

- The average time to achieve FH&S compliance has improved significantly from 13.25 days to 10.4 days this quarter 
- 94% of Food Health and Safety controls that should have been completed are done, a significant increase of 9.5% on last quarter 
- The average time taken to determine a planning application (all categories) has deteriorated from 58.04 days last quarter to 67.34 days in Q4 
- There were 126 live planning applications still open at the end of Q4 
- 95% of non-major planning applications have been determined within the government target measured on a 2 year rolling basis 
- An unbeatable 100% of major planning applications have been determined within the government target measured on a 2 year rolling basis 
- Despite the number of affordable homes delivered this year improving from 11 last year to 21 this year – it is still significantly below the lower target of 45 
- The number of empty homes brought back into use this year is below its target boundaries of 20 - 30 with an outturn figure of 18. 

4.8 **Parking Services**

The number of off street parking spaces operated by CoLC (now standing at 3622) has increased by a further 742 spaces this quarter, due to the opening of the fourth floor of the brand new Lincoln Central Car Park, as well as the re-opening of Tentercroft Street car park and operation of University of Lincoln car parking spaces. This compares to the previous quarters figure of 2,880.

Overall utilisation of the car parks has decreased from 65% in Q4 last year (before the new multi-storey was built) to 45% in Q4 this year, which is not a drop in total usage, but the effect of having more spaces available. It is anticipated utilisation will gradually increase over the next financial years as people become familiar with the new car park and the growth of the city continues.

4.9 **Development Management**

Q4 saw significant increases in workload, with some particularly challenging applications combined with a large volume of C4 related applications. This means there were 234 standard planning applications (a drop of 30 against the same point last year, making this measure “maintaining”), dealt with in an average 67.34 days in Q4, which compared to the last quarter, and is an increase of 9.3 days.

The percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis has maintained since last quarter, and is still above its target of 85% 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 an unbeatable 100%, much higher than its target of 80%. The Development Management team prioritises Major Developments and manages the timescales effectively in cooperation with the applicant to ensure that this level of performance is achieved.

Finally, the additional workload was completed against a background where 96% of planning applications were accepted and no planning appeals submitted. This kind of performance is evidence of how we positively and pro-actively deal with growth in the City and is a testament to the work the Officers undertake in negotiating the best outcome prior to determination of an application.

4.10 Public Protection and Antisocial Behaviour

The number of service requests for Public Protection and Anti-Social Behaviour has dropped again by a further 25 from the last quarter, and by 414 since this point last year. It is common to see a reduction in cases in Q4, however this year the figures are particularly low. This is due to a large reduction in fly tipping cases being notified, as well as some adverse weather which could have also had an effect.

The team continues to encourage residents to submit complaints when they have them; with the team calling back all missed calls, voicemails and responding to all emails and postal forms sent to the Council.

4.11 Food Health & Safety (FHS) Enforcement

The Food Health & Safety Service produced a really good last quarter to the year, ending with all three measures in the green (improving) status.

The percentage of premises fully or broadly compliant with Food Health and Safety inspection has dipped by a very small 0.1%, but is still sitting above the target of 97% at a figure of 98% (98.1% last quarter). The total number of registered food businesses is 1010. Just 20 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 average time from actual date of inspection to achieving compliance has seen a great decrease, from 13.25 days last quarter, to 10.40 days at the end of Q4. This decrease has been achieved by using Corporate Health and Safety resources to assist with the Health and Safety enforcement complaints and service requests which provided time for the Food Health and Safety Officers to focus on planned revisits.

The percentage of official controls that have been completed has significantly increased – to 94% (a 9.5% increase against last quarter). A Food Health and Safety Team Leader in this post has been instrumental in improving this figure. There are 36 inspections





outstanding at the end of the year, with one non-compliant business which is still ongoing as the team has had difficulty in establishing contact with the owner. There is one broadly compliant business with similar issues in the fact that establishing ownership and contact has proven unsuccessful. Seven new businesses have been added to the register. Pleasingly, 27 business have been fully compliant, of which three are evening economy businesses. The Service has had to manage staffing resources very proactively to achieve this outcome, with the redeployment of staff to Health and Safety enforcement and the employment of a part time agency worker.

4.12 Affordable and empty homes

Whilst we have delivered more affordable homes this year than last year (21 compared to 11 last year), this still falls short of the target of 59. The picture of housing completions is largely mirrored across the country, and is at the heart of Central Governments national push to build more housing across the country to address the current national housing shortage. On a more positive note the Council has an ambitious Council housing build programme and is actively building on a number of sites in the City and in 2018/19 it is estimated this will deliver 194 affordable houses across 4 sites.

The 18 empty homes brought back into use this year missed its target of between 20 and 30, although only one short of last year's figure of 19. The Empty Homes Officer resigned in February 2018, but as of April 2018 the post has now been filled, and work will continue in 2018/2019.

4.13 Key performance areas in Directorate for Housing and Regeneration

- 99.68% of rent owed was collected, which is back within its target boundaries. 
- The Q4 tenant arrears have significantly decreased compared to Q3 and now stand at 2.11% - which now exceeds the target of 2.15% 
- The number of homelessness applications progressed has increased again from 216 last year Q4 outturn, to 279 Q4 outturn this year. 
- 97.49% of reactive repairs were completed within their target time, which is above the target of 95%, with 100% emergency repairs completed within timescale 

The Directorate for Housing and Regeneration has seen a solid quarter for performance. Out of all 13 strategic measures, only one has seen deteriorating performance, with the rest maintaining within boundaries and two over their targets.

4.14 Rent Collection and arrears

Once again we have seen the level of rent collection rise in Q4 to 99.68% which is very close to its target of 100%.

As a result, the current tenant arrears as a percentage of the annual rent debit has been reduced again this quarter to 2.11%, down from 2.22% in the last quarter. Pleasingly, this is now above its target of 2.15% for the first time this financial year.

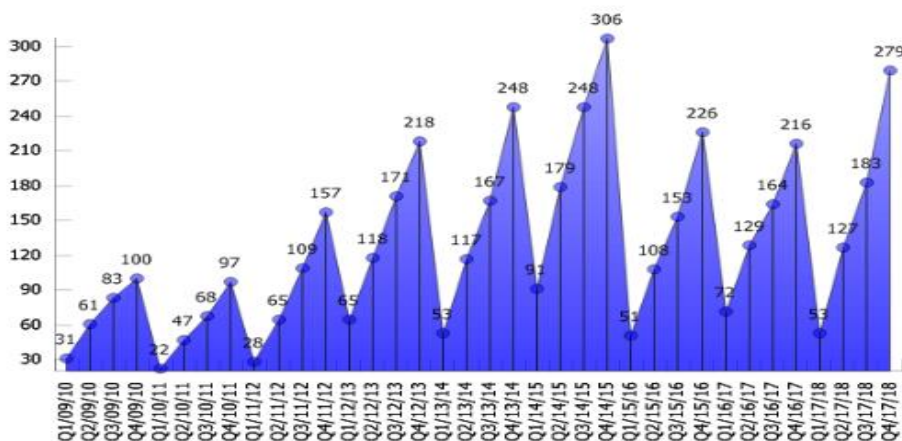
4.15 Housing Maintenance

The percentage of reactive repairs completed within target time has increased again for the third consecutive quarter, now reporting at 97.49%. This is comfortably above the target of 95% and in comparison to the last quarter, has increased by 0.51%. The end of year performance also saw the percentage of repairs that were completed on the first visit achieving the target of 90% for the first time.

4.16 Housing Solutions (Homelessness)

The cumulative number of homelessness applications progressed within the Housing Solutions team has increased to 279 outturn, compared to the same point last year, when outturn stood at 216. Comparisons externally have shown that this is in line with national averages and not a Lincoln phenomenon, however this still brings pressures for the Housing Solutions team. The Team try to prevent homeless applications being necessary and assist through the waiting list, supported housing and the private sector. Unfortunately, it is becoming increasingly difficult to house applicants in the private sector.

The chart below shows that the last peak was seen in 2014/15 and the council has seen numbers approaching, but not quite as high this year.



HS 4 - The number of Homelessness applications progressed within the Housing team

In April 2018, the Homelessness Reduction Act was introduced which changes the way in which Local Authorities assist people who are homeless or threatened with homelessness. The focus of the change is to prevent homelessness and to help support people to find and secure accommodation. This means the Council has a duty to start working with people who approach for help and advice, at an earlier stage and help should initially be offered regardless of whether the person has a local connection to Lincoln or a priority need for assistance. It is therefore likely that homelessness presentations will increase but the number of cases where homelessness is prevented will also increase.

The team has been working to ensure that the service complies with legislation and over the next few months more work will take place to further develop and enhance the services offered. We have also introduced changes to our Allocations Policy which means that we can secure accommodation for those households who are statutory homeless, more quickly.

5. OTHER ACHIEVEMENTS DURING THIS QUARTER

5.1 Lincoln Transport Hub – completed!

The £30 million Lincoln Transport Hub scheme has significantly regenerated and transformed the city centre - providing a state-of-the-art bus station, 1,000 space multi-storey car park, retail space and a new pedestrian plaza.



Led by City of Lincoln Council, the scheme has also seen fantastic improvements to Lincoln Central railway station and has created a more accessible and attractive gateway to the city.

Birchwood Leisure Centre Renovation – completed!

5.2 The £1.5 million pound renovation project that completely transformed Birchwood Leisure Centre has been completed. Under our “Remarkable Place” Vision 2020 priority, the Health and Recreation space has been modernised and updated with state of the art equipment and facilities. Some of the new features include;



- 1 of only 8 Les Mills Virtual Cycling Studio
- A brand new café
- A transformed sports hall that now features climbing walls and a soft play area for younger children.

Lincoln Lottery Community Fund announced!

5.3

City of Lincoln Council’s Executive Committee has approved the launch of a community grant funding lottery to provide support for local voluntary and community organisations in the city and close surrounding areas.



All funds raised will benefit local people and communities, with 60 per cent of the proceeds going to local good causes.

Following the launch event on the 5th of June, the Lincoln Lottery will go live in August 2018.

6. CORPORATE MEASURES

6.1 Sickness Indicators – Q4 cumulative (Year to date)

The overall year to date (YTD) sickness data as at the end of March is 13.62 days per FTE (excl. apprentices). This is 2.1 days more per FTE compared to the same point last year. In Q4 alone, we saw sickness levels of 3.78 days per FTE.

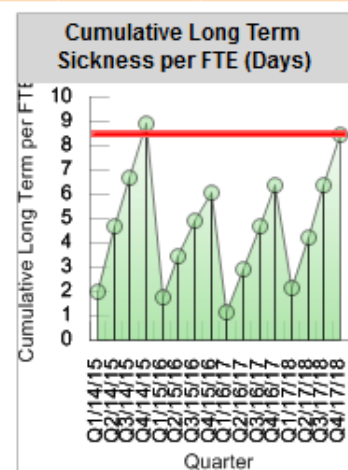
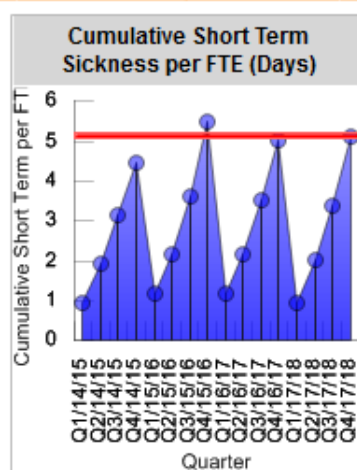
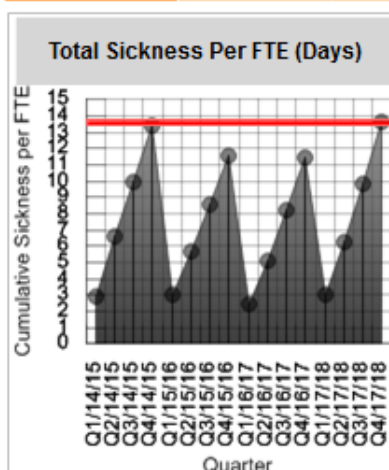
Q4 (only) Sickness data

During Q4, the long term sickness (sickness over 14 days) per FTE stood at 2.02 days. This is 0.03 days more than at the same point last year and brings the cumulative total to 8.48 days YTD.

In terms of short term sickness the Q4 figure stood at 1.76 days. This is 0.24 days more than at the same point last year and brings the cumulative total to 5.14 days YTD.

CMT continues to place a keen focus on this rise and has recently conducted a Sickness Performance Clinic on Stress related sickness from which a number of actions have been identified and are being followed up through HR. In addition HR are pushing Global Challenge, with 196 staff taking part from 24th May in a 100 day virtual journey towards a healthier lifestyle. This involves trying to complete 10,000 steps a day and also monitors sleep and nutrition for each individual. Investigations are underway into the detail of the causes of long term sickness.

	Short Term Sickness	Long Term Sickness	Total Sickness	No. of FTE Employees	Short Term Per FTE	Long Term Per FTE	Total Sickness per FTE
CX (exc.appr's)	1,042.50	1,147.00	2,189.50	209.08	4.96	5.46	10.41
DCE	660.50	1,030.50	1,691.00	137.59	4.75	7.38	12.13
DMD	14.00	0.00	14.00	7.62	1.82	0.00	1.82
DHR	1,166.50	2,614.00	3,780.50	203.63	5.72	12.82	18.55
TOTAL	2,884.50	4,778.00	7,673.00	557.92	5.14	8.48	13.62



6.2 Apprentices sickness – Q4 cumulative

During Q4, the apprentices lost 32 days due to short term sickness, which equates to 1.57 days per FTE. The apprentices lost 19 days due to long terms sickness which equates to 0.93 days per FTE. The cumulative YTD figures are shown in the table below:

Cumulative sickness to Q4	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	104	35	139	20.41	5.1	1.7	6.8

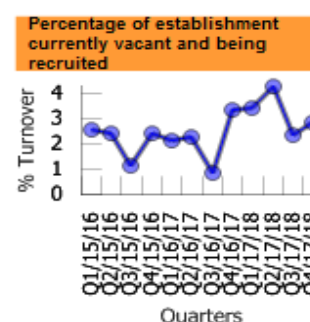
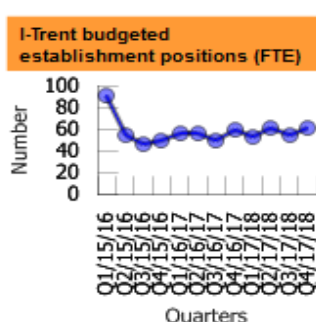
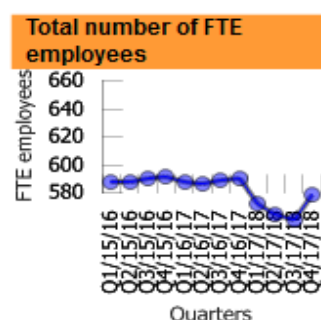
6.3 Employees (FTE, vacancies and turnover) for Q4

The total number of FTE employees (excl. apprentices) at the end of Q4 was 578.32.

In terms of the level of vacancies at Q4 - budgeted establishment unfilled positions (FTE) stood at 63FTE. This figure has slightly increased from that reported at Q3. However, it should be noted that the Council are actively recruiting to 17FTE positions.

The percentage of staff turnover at the end of Q4 was 2.83%. In comparison to the previous quarter, this has increased from 2.35%.

Number of FTE employees (exc. App.s)	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
CX - Number of FTE employees	210.50	216.20	211.85	209.46	209.08
DCE - Number of FTE employees	146.18	142.67	140.67	139.18	137.59
DHR - Number of FTE employees	227.41	205.22	203.91	204.18	203.63
DMD - Number of FTE employees	6.81	0.14	7.81	7.81	7.62
TOTAL	590.90	571.40	564.24	560.63	578.32
Average number of apprentices across the period					20.50
	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
I-Trent budgeted establishment positions (FTE)			63.30	56.20	63.00
Active vacancies which are being recruited (FTE)	26.90	22.00	20.80	25.50	17.00
	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
Percentage of staff turnover	3.35%	3.43%	4.24%	2.35%	2.83%



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

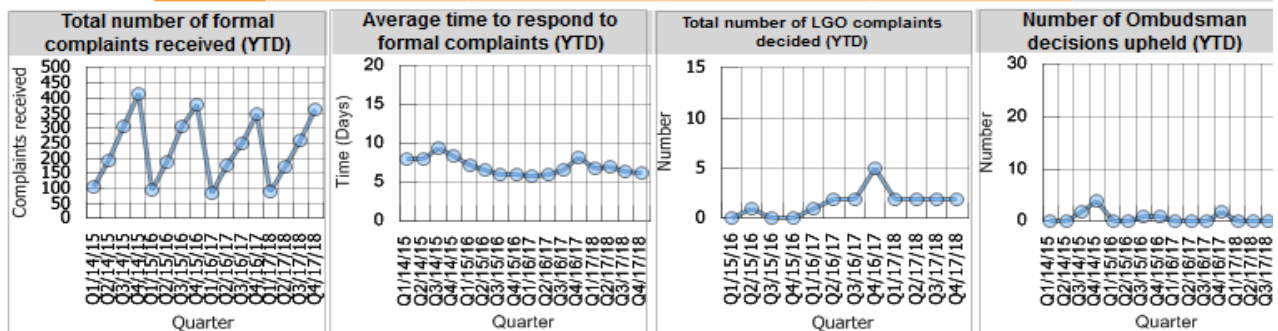
Directorate	I Trent budgeted unfilled FTE	FTE actively recruiting to
CX	21.8	5
DCE	12.8	6.3
DHR	28.0	5.7
DMD	0.4	0

6.4 Corporate Complaints – Q4 cumulative

The cumulative number of formal complaints received in Q4 was 361 which is a decrease of 7 when compared to the same period last year. The cumulative average time across all directorates to respond to formal complaints was 6.2 days, which is a decrease of 2.1 days than the same point in 2016/17, and remains below the former target of 15 days.

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	53	7.6	0	0	
DCE	85	5.7	1	0	
DHR	204	6.0	1	0	0
DMD	19	6.9	0	0	
TOTALS	361	6.2	2	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 impacts 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,
Corporate Policy Ext 3657

APPENDIX A

CX Quarterly Strategic Measures

Lean Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Q4/17/18	Status	Q4/17/18 (Row Comment)	Under Performing	Target	Last Target Status
Work Based Learning	WBL 5 - Number of apprentices completing on time	Number	Cumulative	High is good	Seasonal	100%	100%	100%	100%	100%	Maintaining	7/7 apprentices within quarter 4 achieved their framework on time			
Work Based Learning	WBL 6 - Number of new starters on apprenticeships	Number	Cumulative	High is good	Seasonal	9	6	18	17	5	Maintaining	In quarter 4 there were 5 new starts on apprenticeships			
Work Based Learning	WBL 7 - Number of apprentices moving into Education, Employment or Training	Number	Cumulative	High is good	seasonal	100%	100%	100%	100%	75%	Deteriorating	Within quarter 4 6/8 (75%) of apprentices on programme moved into EET 1 learner withdrew from programme and 1 learner completed on time however moved to another county (currently seeking employment)	90%	100%	Below Target
Work Based Learning	WBL 8 - Number of early leavers	Number	Cumulative	Low is good	Seasonal	5	4	1	0	1	Maintaining	In Quarter 4 we had 1 early leaver			
Work Based Learning	WBL 9 - Employers / supervisors rating the WBL team as good or very good	%	Quarterly	High is good	Seasonal	100%	100%	100%	100%	100%	Maintaining	100% of employers rated the WBL team as good or very good in Quarter 4			
Customer Services	CS 4 - Number of face to face enquiries	Number	Quarterly	Low is good	Seasonal	12,768	12,886	12,123	10,388	9,826	Improving	Slightly lower than an average of previous quarter 4, we did have severe weather and days of poor travel due to snow			
Customer Services	CS 5 - Number of telephone enquiries answered	Number	Quarterly	Low is good	Seasonal	36,019	38,188	36,317	32,102	33,254	Maintaining	Very similar to previous quarter 4			
Customer Services	CS 6 - Number of users logged into the self-service system MyInfo this quarter	Number	Quarterly	High is good	Seasonal	6,980	6,516	6,059	6,409	9,865	Improving	There has been an increase (as there is every April) due to the Annual Council tax billing. However, it is worth noting that even though we are aware of this pattern every year, this is a particularly big jump (over 3000 extra users) suggesting that people are aware of MyInfo and are able to use it.			
Customer Services	CS 8 - Average time taken to answer a call to customer services	Seconds	Quarterly	Low is good	Seasonal	28	57	62	49	104	Deteriorating	This is higher than previous quarters, we had a similar number of calls but we lost work time due to snow. We also took on the information desk at the bus station without increasing staff numbers as we were aware we were losing travel concessions contract. So for 2 months we were stretched covering both areas with the same resource	50	40	Below Target
Human Resources	HU 4 - Number of grievances	Number	Quarterly	Low is good	Quarterly	1	0	1	1	0	Maintaining				
Human Resources	HU 5 - Number of disciplinary sanctions	Number	Quarterly	Low is good	Quarterly	7	0	4	2	0	Maintaining				
Accountancy	ACC 8 - Average return on investment portfolio	Number	Cumulative	High is good	Seasonal	0.62%	0.31%	0.31%	0.53%	0.67%	Maintaining	Increase in the B0E rate has led to slightly increased rates on investments			
Accountancy	ACC 9 - Average interest rate on external borrowing	%	Cumulative	High is good	Seasonal	4.07%	4.07%	4.07%	4.07%	3.90%	Maintaining	The reduction in rates is due to short term loans taken with low levels of interest.			

Lean Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Q4/17/18	Status	Q4/17/18 (Row Comment)	Under Performing	Target	Last Target Status
Revenues Administration	REV 4 - Council Tax - in year collection rate for Lincoln	%	Cumulative	High is good	Seasonal	97.09%	27.00%	53.17%	79.77%	97.17%	Maintaining	0.08% above 2016/17 = £31,359 The total net receipt has also increased from 16/17 by £1,975,980	96.61%	97.11%	Above Target
Revenues Administration	REV 5 - Business Rates - in year collection rate for Lincoln	%	Cumulative	High is good	Seasonal	99.43%	35.83%	61.13%	86.43%	98.87%	Deteriorating	0.56% below 2017/18 = £245,353 The total net receipt has also decreased from 16/17 by £290,336. However, to put this into context the total net collectable debit was £44,309,559. In-year collection reduced due to a number of high value rateable values being brought into the Valuation Office listing during the final month of 2017/18 (March 2018) - resulting in the debt being raised with little or no time to collect	98.65%	99.15%	On Target
Revenues Administration	REV 6 - Level of outstanding customer changes in the Revenues team	Number	Quarterly	Low is good	Seasonal	296	503	624	80	121	Improving	Significant improvement from 2016/17 (296). Oldest date was 14 March 2018			
Housing Benefit Administration	BE 4 - Average (YTD) days to process new housing benefit claims from date received	Days	Cumulative	Low is good	Quarterly	29.44	23.06	23.24	23.73	24.29	Maintaining	An improvement of 5.15 days on the 29.44 days achieved in 2016/17	26.00	24.00	On Target
Housing Benefit Administration	BE 5 - Average (YTD) days to process housing benefit claim changes of circumstances from date received	Days	Cumulative	Low is good	Seasonal	4.49	5.38	7.62	7.93	4.00	Maintaining	Numerous 1 day changes due to rent increases and changes in income at the start of the new financial year	6.00	5.00	Above Target
Housing Benefit Administration	BE 6 - Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Cumulative	Low is good	Seasonal	555	577	810	556	696	Deteriorating	Of the 696, only 259 of these customers are awaiting a first contact from a Benefits Officer. For the remaining customers, Benefits Officers have made contact with them and are awaiting information from the customer. A significant reduction in resource (1 vacant post and 2 moved into Universal Credit support) has had a big impact on the performance of this measure.			
Housing Benefit Administration	BE 7 - Percentage of risk-based quality checks made where Benefit entitlement is correct	%	Cumulative	High is good	Quarterly	91.00%	91.00%	91.00%	91.00%	92.00%	Maintaining	Increase in accuracy	86.50%	91.50%	Above Target
Housing Benefit Administration	BE 8 - The number of new benefit claims year to date (Housing Benefits / Council Tax Support)	Number	Cumulative	Low is good	Seasonal	7,138	1,813	3,731	5,513	7,296	Maintaining	2920 Housing Benefit 4376 Council Tax Reduction			

CX Strategic Annual Measures

Service Area	Type	Full Name	Unit	High / Low is Good	2016/2017	2017/2018	Status	2017/2018 (Row Comment)	Under Performing	Target	Last Target Status
Debtors & Creditors	Performance	DCT 6 - Percentage of invoices paid within 30 days	%	High is good	97.03%		Not set	Data to be provided after final accounts along with full analysis of all supplier expenditure - estimated completion date 28/05/2018			
Debtors & Creditors	Performance	DCT 9 - Percentage of invoices that have a Purchase Order completed	%		40.76		Not set	Data to be provided after Final Accounts along with detailing analysis of supplier expenditure. Estimated completion date 28/05/2018			

APPENDIX A

DCE Strategic Quarterly Measures

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Q4/17/18	Status	Q4/17/18 (Row Comment)	Under Performing	Target	Last Target Status
CCTV	CCTV 6 - Total number of incidents handled by CCTV operators	Num	Quarterly	High is good	Quarterly	3,130	3,452	3,519	3,374	3,380	Maintaining				
Recreation Services	RES 17 - Total number of users of our Health & Recreation facilities per quarter	Num	Quarterly	High is good	Seasonal	226,582	228,684	209,284	190,198	218,181	Deteriorating	The disruption with the renovations at Birchwood Leisure Centre has caused an overall decrease in the total number of users across all of our health and recreation facilities. However now the facility is up and running, we are hoping that next quarter there will be an increase in total number of users.			
Waste & Recycling	WM 5 - Percentage of waste recycled or composted	%	Quarterly	High is good	Seasonal	34.19%	30.90%	39.90%	38.20%	33.73%	Maintaining	This figure relates to data from quarter 3. 15.06% of waste was composted, and 18.67% of waste was recycled, equating to 33.73% of waste being composted or recycled.	35.00%	45.00%	Below Target
Parking Services	PS 6 - Overall percentage utilisation of all car parks (P8)	%	Quarterly	High is good	Seasonal	65.00%	69.00%	68.00%	70.00%	45.00%	Deteriorating	This drop in utilisation is due to Lincoln Central being added into the equation and Tentercroft Street being fully opened therefore more spaces available than demand. We also now operate the University of Lincoln car park at weekends.	60.00%	75.00%	Below Target
Parking Services	PS 7 - Number of off street charged parking spaces	Num	Quarterly	High is good	Seasonal	2,241	2,241	2,241	2,880	3,622	Improving	Floor 4 at Lincoln Central car park opened during March meaning additional spaces. Tentercroft St also re-opened in February with 311 spaces (previously 75 spaces). We also now operate the University of Lincoln car park at weekends.			
Allotments	AM 8 - Percentage occupancy of allotment plots	%	Quarterly	High is good	Seasonal	82.30%	82.20%	82.87%	82.50%	80.10%	Maintaining	As at the end of March 2018, 870 plots of a total 1086 plots were let, equating to 80.1%. Of the 1027 lettable plots, 870 occupied plots equates to 84.7%.			
Public Protection and Anti-Social Behaviour Team	AB 4 - Number of service requests for Public Protection and ASB	Num	Quarterly	Low is good	Seasonal	1,001	978	818	612	587	Improving	This is a particularly low number of service requests over quarter 4. This may be due to the adverse weather we have seen. We will continue to monitor the levels as we progress through the year.			
Public Protection and Anti-Social Behaviour Team	AB 5 - Satisfaction of complainants relating to how the complaint was handled	%	Cumulative	High is good	Quarterly	86.80%	88.00%	68.00%	89.00%	87.00%	Maintaining	Customer satisfaction continues to be undertaken by customer services over the phone in the majority of cases. Only where contact fails are paper customer satisfaction forms sent out by PPASB. It is positive to see that satisfaction remains high whilst the surveys are being completed independently. The breakdown of how many surveys were attempted, achieved and ignored is currently being collected and will be reported in Q2 (roughly June).	85.00%	87.50%	On Target
Food and Health & Safety Enforcement	FHS 4 - Percentage of premises fully or broadly compliant with Food Health & Safety inspection	%	Quarterly	High is good	Quarterly	95.8%	96.7%	97.8%	98.1%	98.0%	Maintaining	The total number of registered food businesses is 1010. 20 businesses are considered to be non-compliant of which 7 of those are new businesses. This is a continuing good performance and demonstrates the ongoing 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	Low is good	Quarterly	9.50	9.00	9.90	13.25	10.40	Improving	This is an improvement on the last quarter, this has been achieved by using corporate health and safety resources to help with the health & safety enforcement complaints and service requests which provided time for the food safety officers to focus on the planned revisits.			

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Q4/17/18	Status	Q4/17/18 (Row Comment)	Under Performing	Target	Last Target Status
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	High is good	Quarterly	88.70%	90.10%	81.10%	84.50%	94.00%	Improving	This is an improvement on last years out turn of 88%. It is considered that having a Food, Health & Safety Team Leader in post has been instrumental for this. 36 inspections outstanding at the end of the year, 1 non-compliant business which is ongoing but the inspection has not been completed as having difficulty in establishing the owner, 1 broadly compliant with similar issues in establishing ownership, 7 new businesses and 27 fully compliant of which 3 are evening economy. The Service has had to manage staffing resources very proactively to achieve this outcome, with redeployment of staff to health and safety enforcement and the engagement of a part time agency worker for update 30 additional days.	90.00%	97.00%	On Target
Development Management (Planning)	DM 11 - End to end time to determine a planning application (Days)	Days	Quarterly	Low is good	Quarterly	64.25	63.49	54.32	58.04	67.34	Deteriorating	Some very complicated applications combined with an increase in workload generally has meant that end to end times have inevitably increased. However this is still within a tolerance which represents good performance and is only red as it is measured from one quarter to the next as opposed to globally.			
Development Management (Planning)	DM 13 - Number of live planning applications open	Num	Quarterly	Low is good	Quarterly	110	161	120	97	126	Deteriorating	This increase partly reflects the complex nature of some current applications which take longer to deal with, as well as the volume of C4 related applications, and an increase in workload overall. Whilst it is an increase it does not represent a concern in terms of the team's ability to deal with the work within the crucial statutory timeframes.			
Development Management (Planning)	DM 16 - Percentage of applications approved	%	Quarterly	High is good	Quarterly	88%	93%	95%	95%	96%	Maintaining	Our performance in this regard is a true measure of how we positively and proactively deal with growth in our City and is a testament to the hard work of officers in negotiating the best outcome prior to determination.	85%	97%	On Target
Development Management (Planning)	DM 20 - Number of planning appeals allowed	Num	Quarterly	Low is good	Quarterly	0	0	2	1	0	Maintaining	No appeals lodged in this quarter.			
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	High is good	Quarterly	88.25%	90.29%	94.30%	95.00%	95.00%	Maintaining	Excellent performance sustained for the second consecutive quarter and significantly above the critical nationally set target of 70%.	70.00%	85%	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	High is good	Quarterly	91.38%	96.36%	98.18%	98.28%	100.00%	Maintaining	The team prioritises major developments and manages the timescales effectively in cooperation with the applicant to ensure that this performance is maintained at the highest level.	60.00%	80.00%	Above Target
Development Management (Planning)	DM 8 - Number of applications in the quarter	Num	Quarterly	High is good	Quarterly	298	278	246	264	234	Maintaining	This number is still relatively high and reflects the confidence in the City. As has been demonstrated in previous quarters, this workload is still manageable within the team without causing any significant performance issues.			

APPENDIX A

DCE Strategic Annual Measures

Service Area	Measure	Unit	High / Low is Good	2016/2017	2017/2018	RAG Status	2017/2018 (Row Comment)	Under Performing	Target	Last Target Status
Affordable Housing	AH 4 - Cumulative number of affordable homes delivered to date this year	Number	High is good	11	21	Improving	<p>The delivery of affordable homes in Lincoln is directly connected to the overall delivery of housing across the City. By way of context, housing completion numbers have been for the following the previous years:</p> <p>2013/14: 236 2014/15: 166 2015/16: 235 2016/17: 188</p> <p>This picture of housing completions is largely mirrored across the country, and as you will be aware is at the heart of Central Governments national push to build more housing across the country to address the current national housing shortage. On a more positive note the Council has an ambitious Council housing build programme and is actively building on a number of sites in the City and for 2018/19 it is estimated this will deliver 194 affordable houses across 4 sites.</p>	45	59	Below Target
Affordable Housing	AH 5 - Affordable homes delivered as a percentage of new properties built this year (cumulative)	%	High is good	6.00%	11.00%	Maintaining				
Private Housing	PH 4 - Number of empty homes brought back into use	Number	High is good	19	18	Maintaining		20	30	Below Target
Affordable Housing	AH 8 - The number of eligible sites where the full Affordable Housing requirement was negotiated at or above the current target	Number	High is good	No data provided – Data will be collected and provided for May (Q1)						
Waste & Recycling	WM 6 - Satisfaction with refuse service	%	High is good	95.30%	93.85%	Maintaining				
Waste & Recycling	WM 7 - Satisfaction with recycling service	%	High is good	95.70%	92.76%	Maintaining				

APPENDIX A

DHR Strategic Quarterly Measures

Service Area	Measure	Unit	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q4/16/17	Q1/17/18	Q2/17/18	Q3/17/18	Q4/17/18	Status	Commentary	Under Performing	Target	Last Target Status
Housing Investment	HI 4 - Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	Cumulative	Low is good	Seasonal	0.04%	0.00%	0.00%	0.00%	0.00%	Maintaining				
Housing Investment	HI 6 - Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	Number	Quarterly	Low is good	Seasonal	3	3	4	4	4	Maintaining				
Housing Investment	HI 7 - Percentage of dwellings with a valid gas safety certificate	%	Cumulative	High is good	Quarterly	99.96%	99.95%	99.95%	99.95%	99.96%	Maintaining				
Control Centre	CC 5 - Percentage of calls answered within 60 seconds	%	Quarterly	High is good	Quarterly	98.30%	98.48%	98.37%	98.36%	98.25%	Maintaining				
Rent Collection	RC 3 - Rent collected as a proportion of rent owed	%	Cumulative	High is good	Quarterly	99.25%	98.88%	98.21%	99.27%	99.68%	Maintaining		99.00%	100.00%	On Target
Rent Collection	RC 4 - Current tenant arrears as a percentage of the annual rent debit	%	Cumulative	Low is good	Quarterly	2.20%	2.41%	2.59%	2.22%	2.11%	Maintaining		2.32%	2.15%	Above Target
Housing Solutions	HS 3 - The number of people currently on the housing waiting list	Number	Cumulative	Low is good	Quarterly	1,716	1,751	1,681	1,653	1,693	Maintaining				
Housing Solutions	HS 4 - The number of Homelessness applications progressed within the Housing team	Number	Cumulative	Low is good	Seasonal	216	53	127	183	279	Deteriorating	There has been an increase in the number of homeless applications taken by the Team compared to last year. The Team try to prevent homeless applications being necessary and assist through the waiting list, supported housing and the private sector. Unfortunately it is becoming increasingly difficult to house applicants in the private sector			
Housing Voids	HV 7 - Percentage of rent lost through dwelling being vacant	%	Cumulative	Low is good	Quarterly	0.84%	1.15%	1.06%	1.03%	0.97	Maintaining				
Housing Voids	HV 9 - Average re-let time calendar days for all dwellings (including major works)	Days	Cumulative	Low is good	Monthly	23.31	31.54	30.00	27.16	26.77	Maintaining		28.00	25.00	On Target
Housing Maintenance	HM 3 - Percentage of reactive repairs completed within target time	%	Cumulative	High is good	Quarterly	97.36%	97.16%	96.52%	96.98%	97.49%	Maintaining		92.00%	95.00%	Above Target
Housing Maintenance	HM 4 - Percentage of repairs fixed first time	%	Cumulative	High is good	Quarterly	86.12%	86.94%	88.01%	88.91	90.21%	Maintaining				
Housing Maintenance	HM 5 - Appointments kept as a percentage of appointments made	%	Cumulative	High is good	Quarterly	95.66%	96.52%	96.25%	95.71%	95.85%	Maintaining				

SUBJECT: KEADBY CLOSE PLAY AREA

DIRECTORATE: COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: STEVE BIRD, ASSISTANT DIRECTOR

1. Purpose of Report

- 1.1 To update Executive on the present situation in relation to existing funding for equipped play areas, 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 received a report on this issue in February this year. Since then issues have developed and it was felt appropriate that, given the sensitivities attached to such proposals, that this matter be reconsidered in light of the additional information now proffered.
- 2.2 The Council has had an informal approach from Hartsholme Cricket and Social Club, and Lincoln United (LUHCSC) to consider if it would be prepared to let them 'adopt' the adjacent play area.
- 2.3 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.
- 2.4 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 and Social club, combined with Lincoln United, with a proposal to 'adopt' the play area, and take on both the site on which it stands and a small adjacent area between it and the Keadby Close garage site.
- 4.2 The clubs are developing a new strategic plan for their combined future, and are in the throes of widening the clubs' engagement. They are seeking to develop a community hub based around , but not exclusively restricted to sport.
- 4.3 The clubs' aim is to place themselves at the centre of the local community and provide a social facility, thereby serving a wider need in the community and strengthening the clubs' respective and collective bases locally.
- 4.4 At this stage the clubs are still developing their proposal, but they have made an early enquiry as to the viability of taking on the play area on Keadby Close, bringing the site within their 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 clubs have 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.
- 4.8 Attached as appendix C is a copy of their most recent email on this subject, which sets out in greater detail their intent. Text lacking from the earlier report.

5. Strategic Priorities

- 5.1 Let's drive economic growth
This initiative supports the clubs, who are local employers.
- 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 LUHCSC- 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?

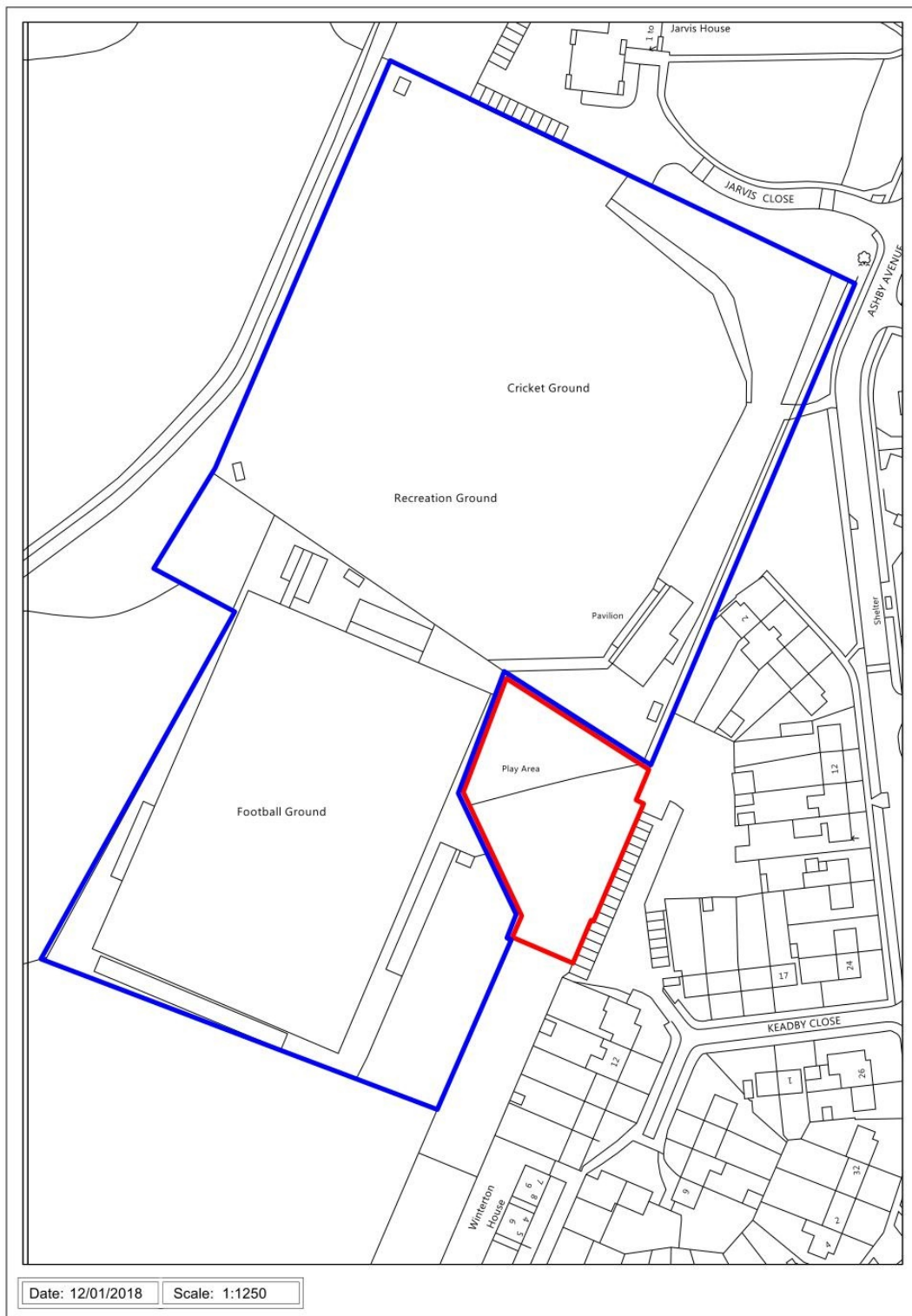
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List of Background Papers:

None

Lead Officer:

Steve Bird ADCSS
Telephone (01522) 873421



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Email submitted 25th April after site meeting to discuss proposals on 23rd April 2018

Officers Attending : Simon Walters. Steve Bird. Michael Albans.

Dear Steve, Simon and Mick.

Thanks for meeting with me, Rob Bradley and Ian Dovey this week to discuss the future of the Keadby Close play area. We hope this letter and diagram can be submitted to the May 28th Executive Committee for approval.

While you were there you would have noticed that the area is getting overgrown and is being used for fly tipping. A TV had been recently dumped there, along with some wood and a scaffold pole. This area is also a place where drug dealers and users hang out.

By erecting a fence as shown in our diagram, Lincoln United, Hartsholme Cricket and Social Club (LUHCSC) would be able to utilise this area to the benefit of the community.

As discussed, by removing the row of trees that run East and West between the Club and the old Council play area, and thinning out the dead and self-set trees on the rest of the land (see diagram), we would be able to open up the area and introduce a mixture of children's activities. Those activities have yet to be confirmed, but local parents have said they would like to see a small football pitch, a basketball hoop, an area for other ball games like Cricket, Rounders etc. They would also like to see an area for a bouncy castle and a general play area where we would like to add more traditional furniture like swings and slides. Parents are aware that there is a healthy play area in Hartsholme Park for more traditional activities just 10 minutes away from our club.

At Lincoln United FC we believe our sustainability and success is very much reliant on engaging with the community around the ground. Most of our supporters are local and whilst they already feel very welcome there is a lot we can do to make the ground more of an attraction to new people. By converting what is an unused piece of land we think that a grassed amenity area will be a great asset. It will be a great place for children to play and their parents can sit outside the social club knowing their youngsters are safe and having a good time. If this means they'll see we are a great little club and come to our games the more the merrier.

The most positive element of forming this area is how it will help us with our community activities. We now have a formal community activities provider with a programme of events for 2018. Some will take place in our ground but to have a large grassed area alongside will be ideal as we cannot use the main pitch excessively. Our training pitch is OK but is hidden away and almost an afterthought. An open area as shown will be much better.

Officials and volunteers who are part of the club also put on community activities and involve members of the community to games. We have hosted youngsters football teams at matches and have a group coming from nearby Eccleshare Court care home to our game this Saturday. We are currently waiting to hear if we will win the Buildbase award of £50K to build our new disabled / community suite having been shortlisted and pitched for the award at Wembley Stadium. We have a lot of plans to grow Lincoln United and to do that we need good facilities in a pleasant setting.

It was good for Mick Albans to be present this week to offer guidance regarding which trees would stay, and which ones could go to accommodate this project. We will work closely with Mick on any

affect this might have on any wildlife. We are happy to put up bird boxes and anything else Mick feels would help maintain and attract wildlife.

Access to the site would be through the main entrance on Ashby Avenue, and this access will always be open to local residents.

We feel that this revised plan will benefit both the City Council and the local community. Anti-social behaviour will be controlled and the extra play areas will give more choice to our local youngsters.

We are happy to meet on-site, with any of the Executive Committee if needed, to give a more detailed overview of the project.

Regards,

Biff Bean. Community Liaison Officer. LUHCSC.

Rob Bradley. Lincoln United Chairman.

Ian Dovey. Secretary. LUHCSC.

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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