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CITY OF Lincoln COUNCIL

EXECUTIVE

Monday, 21 January 2019	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, Daren Turner, Simon Walters and Carolyn Wheater

A G E N D A

SECTION A **Page(s)**

MINUTES AND EXTRACTS

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.

OUR PEOPLE AND RESOURCES

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.

This item is being considered in private as it is 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 this item in private.

SECTION B

OUR PEOPLE AND RESOURCES

Present:	Councillor Ric Metcalfe *(in the Chair)*, Councillor Donald Nannestad, Councillor Jackie Kirk, Councillor Rosanne Kirk, Councillor Neil Murray and Councillor Fay Smith
Apologies for Absence:	None.

83. Confirmation of Minutes - 17 December 2018

RESOLVED that the minutes of the meeting held on 17 December 2018 be confirmed.

84. Declarations of Interest

No declarations of interest were received.

85. Council Tax Base 2019/20

Purpose of Report

To seek a recommendation from the Executive on the Council Tax Base for the financial year 2019/20.

Decision

The Executive recommended:

(1) That Council notes that there are no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area.

(2) That Council approves the Chief Finance Officers' calculation of the Council Tax Base for the financial year commencing 1 April 2019 and ending 31 March 2020, as set out in Appendix B of the report.

(3) That Council approves, in accordance with the Chief Finance Officers' calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2019/20 financial year is 24,299.

Alternative Options Considered and Rejected

None.

Reason for Decision

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

Certain assumptions had to be made in order to determine the number of dwellings within the authority's area and these were set out in Appendix A to the report.

The calculation of the Council Tax Base, as detailed in Appendix B to the report, showed the number of Band D equivalent chargeable dwellings as being 24,299. This was based upon the above Regulations and assumed that 98.75% of the Council Tax due for 2019/20 would be collected.

The Council Tax Base number of Band D equivalent chargeable dwellings for 2019/20 had been calculated as 28,717, less 4,418 deduction calculated for the Localised Council Tax Support Scheme, resulting in a proposed Council Tax Base for 2018/19 of 24,299.

86. Localised Council Tax Support Scheme 2019/20

Purpose of Report

To provide the Executive with an opportunity to review consultation responses and consider the City of Lincoln Council's proposed Localised Council Tax Support Scheme for 2019/20.

Decision

That Council be recommended to:

(1) Review the consultation responses relating to the Localised Council Tax Support Scheme for 2019/20.

(2) Approve the continuation of the Exceptional Hardship Scheme fund of £20,000, made available during 2018/19, into 2019/20.

(3) Approve the City of Lincoln Council's Localised Council Tax Support Scheme 2019/20, subject to the inclusion of the following changes:

- reducing the maximum savings limit to £8,000;
- introducing a 200% premium charge for properties empty over two years;
- introducing a care leavers council tax exemption;
- reverting the discount level for domestic properties that become unoccupied to 100% for the first month.

Alternation Options Considered and Rejected

A number of options were set out within the report which formed part of the public consultation process, as outlined within the body of the report.

Reason for Decision

The consultation process for the draft Localised Council Tax Support Scheme in respect of 2019/20 began on 1 November 2018 with major preceptors, stakeholders and a public consultation which ended on 14 December 2018. There were nine options included within the consultation and included changes to the Scheme itself together with technical changes within the Council Tax billing process. These options were set out in paragraph 5.3 of the report.

In total, 252 surveys were completed in response to the public consultation, details of which were attached to the report at Appendix 2. The proposals were considered by the Council's Policy Scrutiny Committee on 13 November 2018 and had been well received, although there were mixed opinions regarding preferred options.

Additional responses to the consultation had been received by Lincolnshire County Council and the Police and Crime Commissioner for Lincolnshire which were also appended to the report.

87. Collection Fund Surplus or Deficit - Council Tax

Purpose of Report

To inform the Executive of the estimated balance for the Council Tax element of the collection fund and the surplus or deficit to be declared for 2018/19.

Decision

That the action of the Chief Finance Officer in declaring a Council Tax surplus of £267,780 be confirmed.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Council was required to declare any surplus or deficit during January of each financial year.

As at 31 March 2019 the collection fund was estimated to have a surplus of £169,000 for Council Tax relating to the Financial Year 2018/19. Based on the forecast position of the in-year collection fund, as at 31 March 2019, and taking into account an adjustment for the difference between prior year estimates compared to the actual outturn, it was estimated that there would be a surplus of £267,780 on the Council Tax element of the collection fund in 2018/19, to be distributed to preceptors in 2019/20.

The Leader of the Council highlighted that the City Council's share of the Council Tax surplus equated to approximately 16%, with Lincolnshire County Council receiving the majority of the share and a proportion also being received by the Police and Crime Commissioner for Lincolnshire.

88. Money Laundering Policy

Purpose of Report

To seek approval for the revised Money Laundering Policy.

Decision

That the revised Money Laundering Policy be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Council's Money Laundering Policy was put in place to meet the requirements of the Money Laundering Regulations.

The Policy had been updated to reflect slight changes in Regulations, with the Money Laundering Reporting Officer and deputies remaining the same. The limit on cash transactions would remain at £2,000 with Assistant Directors and Managers able to authorise cash transactions up to £2,000.

Additional guidance had been included to help support officers in managing transactions and understand the reporting process.

This report had been considered by the Audit Committee at its meeting on 11 December 2018 which was supportive of the recommendations contained within the report.

89. Counter Fraud Strategy

Purpose of Report

To review and seek approval for the revised Counter Fraud and Anti-Corruption Policy and Strategy.

Decision

That the Counter Fraud and Anti-Corruption Policy and Strategy be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

There had been changes and new initiatives linked to counter fraud over recent years, including the transfer of Council investigation staff to the Department for Work and Pensions. The strategy within the key policy statement remained unchanged but roles and responsibilities had had been updated within sections on fraud risk, resources, work planning, benchmarking and partnerships, communication, training, compliance and use of technology.

It was noted that the Policy and Strategy reflected the limited resources available to the Council and risks or actions aimed to maximise efficiency and effectiveness where possible.

This report had been considered by the Audit Committee at its meeting on 11 December 2018 and was supportive of the recommendations contained within the report.

Item No. 3

EXECUTIVE **21 JANUARY 2019**

SUBJECT:	**DRAFT MEDIUM TERM FINANCIAL STRATEGY 2019 - 2024**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 To recommend to the Executive the draft Medium Term Financial Strategy for the period 2019-2024 and the draft budget and council tax proposal for 2019/20, for consultation and scrutiny.

1.2 To present the draft Capital Strategy 2019-2024 for consideration by the Executive.

2. Executive Summary

2.1 The financial landscape for local government over the medium term period poses significant challenge to the Council due to the volatility, complexity and uncertainty about future funding. Significant national decisions are still to be made by the government about future departmental spending through the Spending Review, the allocation of this funding to local government though the Fair Funding Review, and the reform of the Business Rates Retention system, all of which will impact on the Council's MTFS. In addition the Council continues to face further budget pressures due to changes in use and demand for services as well as escalating costs.

2.2 Although there is a significant level of uncertainty about future funding, based on what is currently known, or can be reasonably assumed, the MTFS has been updated to reflect the latest developments in the financial and policy context in which the Council operates along with further changes in resources, cost pressures and efficiencies. Based on this the requirement to deliver a savings target has been increased by £0.5m in 2019/20 and a further £0.5m pa thereafter, a cumulative annual increase of £1m.

2.3 The Council's financial position needs to be viewed in the wider context of continued public sector austerity and the impact this is having upon the financial resilience and sustainability of local authorities. The warning signs are becoming increasingly clear as a number of authorities are taking measures to restrict expenditure to core, statutory services.

2.4 Although the increase in savings required is substantial it is not unprecedented and the Council should have some confidence that it has a track record of delivering strong financial discipline and that it can rise to the challenge once again.

2.5 This successful financial planning to date has enabled the protection of core services for the people of Lincoln, whilst at the same time allowing for significant investment in the City, and its economy, and delivery of the Council's Vision 2020. The Council will continue to adopt this approach, carefully balancing the allocation of resources to its strategic priorities whilst ensuring it maintains a sustainable financial position.

2.6 Prior to submission of the MTFS 2019-2024 and the budget and council tax proposal for 2019/20 to Full Council, on 4th March 2019, this initial draft will be subject to public consultation and member scrutiny.

2.7 The Chartered Institute for Public Finance and Accountancy's (CIPFA) revised 2017 Prudential Code and Treasury Management Codes require for 2019/20 onwards all local authorities prepare an additional report, a Capital Strategy. This is a document that the Council has historically prepared but has however revised it in line with the new requirement of the codes.

3. Background

3.1 The MTFS sets out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's Vision 2020 and strategic priorities.

3.2 The MTFS integrates revenue allocations, savings targets and capital investment and provides the budget for the next financial year and indicative budgets for the remaining period covered by the strategy.

3.3 The MTFS seeks to achieve a number of specific objectives;

- Ensure the Council maintains a sound and sustainable financial base, delivering a balanced budget over the life of the MTFS,

- Maximise income levels, including growing the Council Tax and Business Rates tax base, whilst ensuring that Council Tax rate increases are kept an acceptable level;

- Continue to manage down the Council's recurrent cost base, in line with reductions in overall resources by ensuring the provision of efficient, effective and economic services which demonstrate value for money.

- Ensure the Council maintains robust, but not excessive, levels of reserves and balances to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes;

- Ensure the Council's limited resources are directed towards its Vision 2020 and strategic priorities, redirecting where necessary to allow for improvement and investment.

3.4 In recent years the budget setting process has been characterised by the most significant cuts to grant funding for local authorities in a generation, which has taken place against the backdrop of one of the biggest fiscal consolidations of the post-war period. During this period radical reform of the methodology for funding local government, where councils are self-sufficient, funded from local taxes with limited reliance on Central Government, has also been introduced. This new methodology for funding local government is inextricably linked to the performance of the local economy via Business Rates, New Homes Bonus, Council Tax and Local Council Tax Reduction schemes and Housing Revenue Account Self-Financing. This has transferred a significant amount of financial risk and uncertainty to local authorities, creating a greater degree of uncertainty over the budget planning parameters for the Council than has been experienced previously.

3.5 In response to this challenging financial environment the Council has embraced a forward thinking, ambitious and commercial approach in maintaining a sound financial position. This is an approach that has served the Council well and allowed savings in excess of £7.8m to be delivered over the last decade.

3.6 Looking ahead the financial landscape for local government continues to poses significant challenge to the Council due to the volatility, complexity and uncertainty about future funding. Therefore In order to ensure that the Council maintains a robust and sustainable financial position and is able to respond to the impact of volatile external events and increased financial risks that it faces, the MTFS needs to remain flexible, the council's reserves resilient and the sound track record of delivering savings and generating new income streams needs to be sustained, whilst ensuring that resources are directed towards the strategic priorities.

4. The General Fund

4.1 The Council's spending requirement, after capital charges and contributions to/from reserves are taken into account, for 2019/20 amounts to £13.068m which is £0.920m (6.5%) lower than the current year's budget. The provisional forecast spending requirements for the remaining four years of the MTFS are, £12.063 for 2020/21, £12.200m for 2021/22, £12.404m for 2022/23 and £12.669m for 2023/24.

4.2 The following paragraphs outline the key elements and assumptions on which the General Fund Revenue estimates have been prepared.

4.3 **Provisional Finance Settlement 2019/20**

The provisional Local Government Finance Settlement for 2019/20 represents the final year of the current 4-year Spending Review period and the end of central government core grant funding. The Business Rates Retention (BRR) system now forms the principle form of local government funding, other than council tax income. The Council will still receive a small element of Revenue Support Grant (RSG) but this has dramatically reduced and will end from 2020/21 with the introduction of 75% Business Rates Retention.

4.4 The RSG element of the Provisional Settlement confirms the allocations previously announced as part of the multi-year settlement. This shows a reduction in the level of grant received of 99.1%, from £2.585m in 2015/16 to £0.022m in 2019/20. Beyond 2019/20 it is assumed that there will be no further RSG payable by the Government and that the principles forms of funding will be from local taxes.

4.5 The Provisional Settlement also provided grant allocations for the New Homes Bonus (NHB), for 2019/20 the Council will receive £0.720m a significant allocation in relation to it's over funding streams. Beyond 2019/20 the Government intends to explore how to incentivise housing growth most effectively, referencing the Housing Delivery Test results, signalling a change to the current New Homes Bonus grant system. The MTFS therefore prudently assumes that the current NHB scheme ceases beyond 2019/20, but that the legacy payments continue for a 4 year period as per the initial scheme design.

4.6 Although Lincoln was successful in achieving a 100% Pilot status, as the Lincolnshire Business Rates Pilot in 2018/19, its bid to be a 75% Pilot in 2019/20 was unsuccessful. Instead the Council will now form a business rate pool with Lincolnshire County Council and the other Lincolnshire Districts.

4.7 The calculation of income to be received through BRR is critical in determining the amount of resources that the Council will have available to fund local services. The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2019/20 based on this and after allowing for the allocation of resources to Central Government and to the County Council, it is estimated that £5.289m of the £44.7m of business rates generated within the City will be retained by the Council. Beyond 2019/20, assumptions have been made in relation to the reform of the BRR system, these will continue to be assessed as further details of the changes are released by the Government ahead of implementation in April 2020.

4.8 As reported elsewhere on this agenda the Business Rates element of the Collection Fund has declared a surplus in relation 2018/19 of £2.464m of which the Council's share is £1.546m, this has primarily arisen as a result of the over provision for appeals.

4.9 Forecast business rates in the draft MTFS 2019-24 are based on the most recent available estimates of Lincoln's business rates base. However, until the business rates base for 2019/20 is finalised at the end of January 2019 the estimate for 2018/19 is subject to change.

Council Tax

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

4.11 In view of this and taking into consideration the Council's need to protect its financial position from further decline and maximise its local income streams, the MTFS for consideration proposes a 2.95% rise in Council Tax for 2019/20, and then 1.9% in each of the subsequent three years. An increase of 2.95% in 2019/20 equates to an additional 10p per week for a Band A property and 12p per week for a Band B property (80% of properties fall within Band A and B).

Spending Plans

4.12 The MTFS is central to identifying the Council's financial capacity to deliver its vision and strategic priorities. The Council's Vision 2020 is supported by a three year programme, split into two phases, containing a range of projects that will meet each of the strategic priorities. In the context of the financial position at the time of launching the new Vision 2020 resources to fund the first phase were made available through the redirection of resources to the priority areas as well as seeking external financial support in the form of grants and contributions. The second phase of the programme contains a number of schemes which are primarily larger scale capital schemes with a significant cost. There are still a small number of revenue schemes which have either been funded from within existing budgets or will be financed using the part of the additional resources generated from the 100% Business Rates Pilot in 2018/19.

4.13 The following other key assumptions have been used in formulating the draft General Fund revenue estimates for 2019/20 – 2021/22 as follows:

- Increases in the Business Rate Taxbase of 0% p.a. in 2019/20 and 2020/21 and 2% p.a. from 2021/22.
- Increases in the Council Taxbase of 1.25% p.a.
- New Homes Bonus income of £0.720m in 2019/20, £0.502m in 2020/21, £0.111m in 2021/22, £0.50m in 2022/23, reducing to £0 thereafter.
- Non-Statutory fees and charges overall yield assumed at 3% p.a, although individual service income budgets have been re-based.
- An increase in employer pension contribution rates capped at 1% p.a. for the period to the end of the current triennial review in 2020/21.
- A provision for pay awards of 2% p.a.
- A provision for inflation of 3% p.a. for contractual commitments (RPI based)
- A provision for 2% p.a. for general inflationary increases (CPI based)
- Average interest rates on investments have been assumed at 0.85% in 2019/20, 0.93% in 2020/21, 1% in 2021/22, 1.05% in 2022/23 and 1.08% in 2023/24.
- Staff turnover targets of 1% pa

Towards Financial Sustainability

4.14 The Council has a successful track record in delivering savings and has over the last ten years, delivered £7.8m of annual revenue savings. Despite this success, the Council must continue to reduce its levels of expenditure or identify additional resources if it is to achieve the current savings targets assumed in the MTFS and to remain sustainable.

4.15 As part of developing the MTFS 2019-24, due to changes in key assumptions it has been necessary to increase the savings targets by £0.5m in 2019/20, increasing by a further £0.5m to £1m p.a. from 2020/21, with total saving of £5.25m p.a. required by 2020/21.

4.16 The Towards Financial Sustainability (TFS) programme is, and continues to be the vital element in ensuring that the Council maintains a sustainable financial position and delivers the required reductions in the net budget. The programme itself has been refocused reflecting the council's innovative, forward thinking and commercial approach alongside its ambitions to maintain high performing services and a performance culture. As part of this refocus the number of strands within the programme have been re-aligned as follows;

- "One Council" – cross organisational lean reviews exploring common to all organisational issues and how these can best be combined to a deliver a 'one organisational' approach more efficiently and cost effectively.

- Investment Opportunities – consideration of opportunities to invest in both commercial properties as well as in regeneration and redevelopment schemes that support the local economy; optimisation of usage and commercial returns of the City's property and land portfolio

- Commercialisation/Income Generation – generation of new income streams, and commercial trading opportunities and maximisation of existing income streams.

- Service Withdrawal/Reduction - withdraw from some services or reduce the level of service provided for those services not deemed to be of sufficient priority or any longer affordable.

4.17 The delivery of the current strategy and programme in full would leave the Council in the position of overachieving the savings targets in 2019/20, with a small target for which savings will need to be identified in 2020/21. Nevertheless the overall emphasis on delivering the revised savings targets must remain strong to achieve the targets from 2019/20 and beyond.

Robustness and Adequacy of the Budget and Reserves – General Fund

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

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

4.20 As a result of the increased level of financial risk faced by the Council and the threat this poses to the Council's financial position the prudent minimum level of general reserves remains at an increased level. Based on an assessment of the estimated exposure, likelihood and possible mitigation of the financial risks that the Council faces it is deemed prudent to hold general reserves around £1.5m-£2m. Over the MTFS general reserves are maintained in line with this prudent minimum and show an estimated balance of £1.690m by the end of 2023/24.

5. The Housing Revenue Account

5.1 The Council's Housing Revenue Account Business Plan 2016-2046 was approved in February 2016 following a fundamental review of resources, investment requirements and priorities. The Business Plan reflects the impact of government policy changes (including annual rent reductions), the results of stock condition surveys and financial assumptions at the time. This MTFS 2019-43 is based on the approved Business Plan, updated for revised financial assumptions reflecting current market conditions and expectations, subsequent government policy changes, updated development and investment profiles and other emerging service factors. An update of the Business Plan is due to be undertaken during 2019 which will determine its future priorities for service delivery and investment and take into account latest government policy direction, e.g. the Social Housing Green Paper.

5.2 **Housing Rents**

The HRA Business Plan 2016-2046 incorporates the government's requirement for a 1% p.a. rent reduction between 2018/19 and 2019/20 and assumes that from 2020/21 rents will revert back to an increase by CPI+1%. This increase in rent levels is in line with the Government's latest social rents consultation proposing that from April 2020 social rents will increase by CPI+1% for a period of 5 years. The MTFS 2018-23 has been prepared on this basis. The MTFS 2019-24 also allows for rentals for supported accommodation to reduce by 1% p.a. to 2019/20 and revert back to CPI+1% from 2020/21 in-line with dwelling rents.

5.3 The Council proposes to set the rents for 2019/20 in line with the requirement to reduce rents by 1% for general purpose accommodation and also reduce sheltered accommodation by 1%. The average 52 week rent will be £68.06 per week for general purpose accommodation (7,224 properties) and £69.75 per week for sheltered accommodation (384) properties.

5.4 **Financing the capital programme**

Under HRA self-financing, the primary sources of funding for capital investment in the Council's housing stock is from the revenue account through asset depreciation charges and direct revenue contributions. Based on the current Housing Investment Programme (HIP), the need for £54.6m of revenue support is anticipated over the MTFS period. This creates a significant pressure on the HRA and a need to ensure that there is robust budget management of the HRA and opportunities to achieve efficiencies and maintain/maximise income streams are actively pursued, in order to release the resources to re-invest in existing stock or to facilitate the development of new housing stock.

5.5 The following other key assumptions have been used in formulating the HRA estimates for 2019/20 – 2021/22 as follows:

- Assumptions for price inflation, interest rates, pay awards, vacancy savings and employer pension contributions are as per the General Fund
- Average Garage Rents increase of 3% pa
- Housing voids assumed at 1.0% pa.
- A 1% reduction in the assumed collection rate to 98% p.a.

Robustness and Adequacy of the Budget and Reserves – HRA

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

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

5.8 The prudent level of general reserves on the Housing Revenue Account is considered to be £1m - £1.5m. Over the MTFS they are maintained in line with this prudent minimum and show an estimated balance of £1.341m at the end of 2022/24.

6. The General Investment Programme

6.1 The General Investment Programme (GIP) for the period 2019/20 – 2023/43 is included within the MTFS at Appendix 2. The total allocated capital programme over the next five years is £5.4m of which £3.4m is estimated to be spent in 2019/20.

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

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

7. The Housing Investment Programme

7.1 The Housing Investment Programme (HIP) for the period 2019/20 – 2023/24 is included within the MTFS at Appendix 4. The total allocated capital programme over the next five years is £61.2m of which £16.8m is estimated to be spent in 2019/120.

7.2 The 5 years HIP is based on the HRA 30 year business plan, updated to reflect revised spending and funding profiles of approved schemes as detailed schemes are developed. The key elements of the HIP include maintenance of Decent Homes and implementation of the Lincoln Standard, essential health and safety requirements and delivery of the Council House New Build Programme.

7.3 Future spending plans for the HIP are expected to include capital investment in major redevelopment at De Wint Court and further progression of the Council House New Build Programme. As set out above the HRA 30 year business plan is due to be refreshed during 2019 which will shape the direction of the HIP and its priority areas.

7.4 As set out in paragraph 5.3 above, the primary sources of financing for the HIP is from depreciation, with financing of £35.5m over the 5-year period and from revenue contributions, totaling £21.9m over the 5-year period. In addition, further resources are available from capital receipts (including Right-to-Buy receipts). There is currently no additional borrowing requirement factored into the HIP, this will be re-assessed in light of the Governments removal of the HRA borrowing cap as part of the refresh of the 30-year business plan.

8. Capital Strategy

8.1 The CIPFA revised 2017 Prudential and Treasury Management Code requires, from 2019/20 onwards, all local authorities to prepare a Capital Strategy which will provide the following;

- A high level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability.

8.2 The Capital Strategy should complement other key documents such as the MTFS, the Asset Management Plan, the Council's Strategic Plan (Vision 2020), and Treasury Management Strategy, etc. by defining the approach, structure and governance for the effective management of the Council's capital investment needs and ambitions.

8.3 A draft Capital Strategy is attached at Appendix B, this will be further developed during 2019/20 in line with best practice.

9. Consultation and Scrutiny

9.1 Budget consultation will be undertaken primarily based on an online survey, the key purpose of which will be to;

1. Highlight the proposed budget and Council Tax for 2019/20.

2. Outline the longer term financial challenges facing the Council as it becomes self-sufficient.

9.2 In terms of member budget scrutiny an all member workshop will be undertaken during January 2019 to ensure that as large a number of members as possible have the opportunity to fully understand the financial position of the Council. This will be followed by a Budget Review Group who will focus on the detail of the draft MTFS, proposed budget and Council Tax recommendation.

9.3 Consultation and scrutiny comments and responses will be considered when the Executive makes its final budget recommendations on 25th February 2019.

10. Strategic Priorities

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

11. Organisational Impacts

11.1 Finance - There are no direct financial implications arising from the approval of the Draft MTFS 2019-2024 for consultation and scrutiny. The strategy provides information on the Council's spending, income and key financial challenges.

11.2 Legal Implications including Procurement Rules - Local authorities must decide, prior to the 11th March, each year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for services; and

- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

11.3 Local government legislation requires an authority's Chief Finance Officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions.

11.4 Land, property and accommodation - Specific implications for the deployment and management of the Council's assets are included within the Capital Strategy and Asset Management Plan which support the achievement of the objectives of the MTFS.

11.5 Equality, Diversity and Human Rights –

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity

- Foster good relations between different people when carrying out their activities

This report provides a summary of the financial planning activities across the Council. As a consequence of the approval of the MTFS and budget for 2019/20 there may be an impact on certain council services which will be subject to review. Planning work undertaken to develop the Towards Financial Sustainability Programme and strands and investment in the Vision 2020 and strategic priorities, set out above, involves taking an overview of the potential cumulative impact. This is further expanded and built upon as the specific reviews and projects are developed and so detailed equalities implications will be assessed at the individual service level.

12. Risk Implications

12.1 The Council has a very proactive approach to managing risk and there are effective arrangements for financial control already in place. That said, there is always a risk that the Council will become liable for expenditure that it has not budgeted for or face a reduction in resource available, the impact of which must be mitigated by holding reserves. Due to the significant change in core funding mechanisms for local authorities the level of volatility and risk to which the Council is exposed has increased significantly, the MTFS therefore needs to remain flexible and the council's reserves resilient.

12.2 The financial risks, Appendix 5 of the MTFS, have been identified and an assessment of the estimated exposure, likelihood and possible mitigation has been made in the context of the Council's overall approach to risk management and internal financial controls. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

13. Recommendation

13.1 That the Executive agree, for consultation and scrutiny, the

- The Draft Medium Term Financial Strategy 2019-2024, and;
- The Draft Capital Strategy 2019-2024

Including the following specific elements:

- A proposed council tax Increase of 2.95% for 2019/20.
- A proposed housing rent decrease of 1% for 2019/120.
- The Council is member of the Lincolnshire Business Rates Pool in 2019/20
- The Draft General Fund Revenue Forecast 2019/20-2023/24 as shown in Appendix 1 and the main basis on which this budget has been calculated (as set out in paragraph 4).

- The Draft General Investment Programme 2019/20-2023/24 as shown in Appendix 2, and the main basis on which the programme has been calculated (as set out in paragraph 6).

- The Draft Housing Revenue Account Forecast 2019/20-2023/24 as shown in Appendix 3 and the main basis on which this budget has been calculated (as set out in paragraph 5).

- The Draft Housing Investment Programme 2019/20-2023/24 as shown in Appendix 4, and the main basis on which the programme has been calculated (as set out in paragraph 7).

13.2 That Executive agree to delegate to the Chief Finance Officer approval of the final Business Rates Base for the financial year commencing 1st April 2019 and ending 31st March 2020 and submission of the base (via the NNDR1 return) to the DCLG by 31st January 2019. All changes to the base estimated in the Draft MTFS 2019-24 will be reported to the Executive as part of the Final MTFS 2019-24 on 25th February 2019.

Is this a Key Decision?	No – Draft proposals only
Do the Exempt Information Categories Apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Two
List of Background Papers:	Medium Term Financial Strategy 2018-23 – Executive 26th February 2018 Setting the 2019/20 Budget and Medium Term Financial Strategy 2019-24 – Executive 29th October 2018
Lead Officer:	Jaclyn Gibson Interim Chief Finance Officer Telephone: 01522 873258

APPENDIX A

Draft Medium Term Financial Strategy

2019/20 - 2023/24

Together, let's deliver Lincoln's ambitious future

For more information visit:
www.lincoln.gov.uk

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Foreword

Welcome to this latest version of the City Council's Medium Term Financial Strategy covering the period 2019-2024.

The City of Lincoln Council is a high-performing and innovative organisation, focussed on providing quality services and delivering outcomes that matter. Our Vision 2020 is an ambitious strategic plan that is helping us to transform both the Council and the City through its four strategic priorities.

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

Over the last 10 years the Council, alongside the majority of other local authorities, has experienced unprecedented financial challenges in various forms and have had to adapt to;

- The impact of severe, unprecedented, central government funding reductions, the distribution of which has not been uniform across the different types of authority with some being significantly more affected than others, this Council being one of those suffering a greater proportionate loss.

- Radical reform of the methodology for funding local government, where councils are self-sufficient, funded from local taxes with limited reliance on Central Government. This new methodology for funding local government is inextricably linked to the performance of the local economy via Business Rates, New Homes Bonus, Council Tax and Local Council Tax Reduction schemes and Housing Revenue Account Self-Financing.

- The continued national and local impacts of the government's deficit reduction programme and austerity measures affecting; jobs, housing and business growth, which has in turn creates pressure on the generation of local income streams; financial markets and the subsequent low returns on investments; and creating a rising demand, and increased cost pressures, for council services from customers who rely on the safety net provided by local government.

In response to this challenging financial environment the Council has embraced a forward thinking, ambitious and commercial approach in maintaining a sound financial position. We have a strong track record of planning ahead, securing savings in advance, shifting away from traditional cost cutting exercises to more ambitious and forward thinking opportunities, re-investing in more efficient ways of working, adopting a more commercial approach, prioritising resources for economic development measures, whilst making careful use of reserves to meet funding gaps and mitigate risks. This is an approach that has served the Council well and allowed us to deliver savings in excess of £7.8m, a significant reduction in comparison to the overall net expenditure budget.

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

That is not to say though that the Council will not continue to have to navigate a difficult financial path in the forthcoming years in order to maintain a sustainable financial position. Looking ahead the financial landscape for local government continues to poses significant challenge to the Council due to the volatility, complexity and uncertainty about future funding. Significant national decisions are still to be made by the government about future departmental spending through the Spending Review, the allocation of this funding to local government though the Fair Funding Review, and reform of the Business Rates Retention system, all of which will impact on the Council's MTFS. In addition the impact of Brexit and the consequent impact on the economic and political landscapes poses significant uncertainty for central and local government.

Although there is a significant level of uncertainty about future funding, based on what is currently known, or can be reasonably assumed, further substantial reductions in expenditure/increases in income are required in order to ensure financial sustainability.

Although the required increase in savings is substantial it is not unprecedented and the Council should have some confidence that it has a track record of delivering strong financial discipline and that it can rise to the challenge once again.

This successful financial planning to date has enabled the protection of core services for the people of Lincoln, whilst at the same time allowing for significant investment in the City, and its economy, and delivery of the Council's Vision 2020. The Council will continue to adopt this approach, carefully balancing the allocation of resources to its strategic priorities whilst ensuring it maintains a sustainable financial position.

Jaclyn Gibson, ACCA
Chief Finance Officer

Section 1 – Introduction

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

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

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

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

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

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

Objectives

The MTFS seeks to achieve a number of specific objectives;

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

- Ensure the Council maintains robust, but not excessive, levels of reserves and balances to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes;

- Ensure the Council's limited resources are directed towards its Vision 2020 and strategic priorities, redirecting where necessary to allow for improvement and investment.

Policy and Financial Planning Framework

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

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

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

Section 2 – Context

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

Economic Climate

Brexit continues to represent the biggest downside risk to the UK economy, the uncertainty that this creates has been a dampener on business investment and economic growth for the past couple of years and seems unlikely to be quickly resolved. Studies indicate the economy was between 2% to 2.5% smaller in mid-2018 than had the referendum not been called. Even if a deal can be concluded and approved by the UK parliament, the nature of the future relationship between the UK and the EU will remain uncertain into the 2020s. It is therefore unlikely that there will be a quick rebound in UK economic growth in 2019 and 2020. But there is a risk that a much bigger political crisis could develop if the Brexit deal is rejected in parliament. That would trigger a new bout of uncertainty, adversely affecting sterling, consumer spending and business investment.

In terms of short-term indicators these remain mixed, growth for the first three quarters of 2018 had continued to gain momentum with growth to date of 1.2%, however, growth over the final quarter is expected to be more subdued around 0.2 to 0.3%. The Office for Budget Responsibility (OBR) currently forecast growth for the next five years of around 1.5% a year, although this could be much worse if there is no sensible Brexit deal with downside forecasts of 0.6% in 2019 and 0.4% in 2020 due to temporary disruptions to supply chains and trade.

The Consumer Price Index (CPI) have fallen back during 2018 from it's recent peak in November 2017 at 3.1% to 2.4% as at October 2018. The latest forecast from the OBR is that CPI will continue to fall back during 2019 settling around 2% where it will remain over the period to 2023. The Retail Price Index (RPI) stood at 3.2% in November 2018, this is set to increase slightly during the fourth quarter to 3.5% before falling back to 3% during 2019 and remaining around that that level thereafter.

For only the second time in a decade the Bank of England voted to raise the interest rate on 2nd August 2018. The rate rose by a quarter of a percentage point from 0.5% to 0.75%, the highest level since March 2009. The Bank has confirmed its commitment to continue raising interest rates gradually if the economy evolves as expected. It has however been reluctant to say what it will do in the event of a more negative Brexit outcome, but in practice it is more likely to keep rates low in order to cushion a blow to demand.

With the UK's economic outlook continuing to be weighed down by Brexit, the risk that the uncertainty around the negotiations of the exit deal, and the final exit deal itself, could result in poorer economic performance and potentially decreased tax revenues, will make it more difficult for the government to deliver the current plans on growth. Should this be the case the government could choose to increase borrowing, raise taxes, or reduce public spending over that already planned. This threat along with the impact on other indicators highlighted above make financial forecasting beyond 2019/20 very difficult.

National Priorities

Since 2010 the key driver for government policy has been securing the recovery of the economy through the deficit reduction programme, primarily focussing on public spending control.

The government has made substantial progress in delivering this and has now reached a turning point improving in the health of the public finances. The deficit has been reduced by four-fifths, to its lowest levels since 2001, and debt has begun its first sustained fall in a generation.

Subsequently the Chancellor's Budget 2018 was introduced on the promise that "the era of austerity is finally coming to an end". The Budget focused on the government's balanced approach to fiscal policy meaning that it is able to fund the NHS for the long term, increase overall spending and invest in other public services, cut taxes for millions of households, and ensure debt is falling in every year of the forecast.

However the Chancellor also signalled that with the final terms of the departure of the UK from Europe yet to be settled, a further Budget may be required should this departure be made without a formal deal. This would no doubt have significant implications for government's plans for growth and Spending Review 2019.

Spending Review

The last government Spending Review in 2015 set out the departmental resource and capital totals for the four year period 2016/17 – 2019/20, these have been subsequently adjusted to reflect later announcements.

For the years beyond the Spending Review the government has set out a path for overall public expenditure with departmental spending growing in 2020/21 through to 2022/23, in line with inflation. These headline announcements will be followed by a full departmental spending review in 2019 which will set out the departmental allocations across government including setting the quantum of funding for local government. The time period to be covered by the review is unknown but is expected to be up to 4 years, this will though be dependent on the final Brexit exit deal, or no deal if that is the case. The timing of the Spending Review in 2019 is also still unclear.

Local Government Funding

Although the Budget 2018 indicated that departmental spending would grow in future years, in line with inflation, this should not be inferred that the funding for local government will automatically increase as a result. Since the onset of austerity measures local government have borne a disproportionate share of government funding reductions than other parts of the public sector. By 2020 local authorities will have faced a reduction to core funding from the Government of nearly £16bn over the preceding decade. That means that Council's will have lost 60p out of every £1 the government had provided for services, whilst overall public spending will have marginally increased over the same period.

For local government the Spending Review 2015 was followed by a four year settlement between 2016/17 to 2019/20, which subject to the production of an Efficiency Plan, provided a degree of certainty over core funding. However as the final year of the settlement period is approaching the level of uncertainty significantly increases for local government as not only will it be impacted by the Spending Review 2019 but it is also set to experience further fundamental funding reforms. The two specific reviews/changes that will impact on the level of funding every local authority receives from 2020, are the Fair Funding Review and Business Rates Retention Reform.

The Fair Funding Review

Whilst the Spending Review 2019 will set the overall quantum for local government funding it will be the Fair Funding Review that creates a new formula for the distribution of this across the local authorities by establishing new baselines at the start of the reformed Business Rates Retention scheme. The review itself focuses on three key elements;

- Determining Need – assessing the relative needs of local authorities determined by a combination of specific cost drivers

- Determining Resources (deducted from need) – assessing each authority's ability to raise resources locally

- Transition (to the new baselines – providing protection for those authorities facing severe funding reductions as a result of changes in their baseline needs.

The importance of each of these three elements will be different for individual local authorities depending on their own local position.

Following an initial consultation on the review at the beginning of 2018 a further consultation paper "A review of local authorities' relative needs and resources – Technical consultation on the assessment of local authorities' relative needs, relative resources and transitional arrangements" was published in December 2019.

The key issues from the consultation paper were;

- The current proposal is for a Foundation Formula with seven service-based blocks
- Population (including projections) and an Area Cost Adjustment featuring adjustments for rurality are proposed for the Foundation Formula
- One of the seven blocks would be for Public Health
- The intention is to use 'notional' council tax levels and not use council taxbase projections
- The level of the notional council tax rate resources block is yet to be determined

- Aside from excess income from car parking, which is going to be reconsidered, sales, fees and charges income will not be included as an income source
- The weighting of indicators and the data sources used remain outstanding issues
- The transition methodology is likely to be broader than in the past, but this will not be determined until later in the process
- A consultation on indicative numbers is intended pre-Settlement, but post-SR19

Whilst this consultation provides further details on the government's guiding principles to test a wide range of options for designing a new distribution methodology it is still not possible to fully model exemplifications and assess the implications for each authority. From what information is available it is expected that there will be a significant shift of resources away from district councils towards funding statutory social services at county and unitary level. Further consultations and technical papers are planned for 2019.

Business Rates Retention Reform

Before the 2017 election, the Local Government Finance Bill 2016 was prepared with the aim of introducing primary legislation to enact the move from the 50% business rates retention (BRR) scheme to 100% BRR. However, as part of the Local Government Finance Settlement 2018/19 government announced that local business rate retention would move forward from 50% to 75% in 2020/21 rather than 100% as previously announced. The government has stated though that it is still committed to a long term aspiration of 100% retention of business rates.

As part of the move to a new 75% retention scheme there a number of fundamental issues that need to be addressed in terms of the specific design of the scheme. Key to this are issues around; the treatment of appeals and whether these should be funded centrally, the level and funding of any safety net, the split of retained funding in two tier areas and the treatment of excessive growth. Critically though is the premise that the system will itself be reset ahead of start of the new scheme. This will see business rate baselines adjusted to better reflect how much local authorities are actually collecting in business rates.

Alongside the publication of the fairer funding review in December 2018 the government also published the consultation paper "Sharing risk and reward, managing volatility and setting up the reformed system". This was the first consultation on 75% retention. The main points of from the consultation were;

- There is a full reset planned for 2020/21, that will see the "growth" within the current business rates system up to 2019/20 transferred to Baseline Need.

- Future resets could be on a quite different basis, seeing a proportion of the growth retained by local government (partial reset), with the determination of the NNDR Baseline possibly being on a phased basis (i.e. to avoid the timing of when growth occurs locally being a factor in the size of the growth retained locally).

- The safety net is to continue, at a level to be set at the end of the process.

- There will be no levy, but a growth threshold (not yet determined) above which all “growth” would be lost.

- Tier splits – the government hopes that the sector can propose its own splits with the potential for a default position if no agreement can be agreed.

- There would appear to be significant issues (that may not be able to be overcome) to nationalising appeals under the current system.

- A modified version of the BRR system is proposed that would effectively nationalise appeals and establish a more objective method of setting the starting point for each authority (and therefore capture growth more accurately).

The publication of this consultation paper now allows local authorities to make some assessment of how the future retention system will work, however the fundamental issue of how the potential change to resources that will arise for an individual authority is not considered.

Social Housing Green Paper

The Government’s Social Housing Green Paper was launched in August 2018 and sets out a ‘new deal’ for social housing residents around five core principles, those being

- Ensuring homes are safe and decent
- Effective resolution of complaints
- Empowering residents and strengthening the Regulator
- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership

In relation to ensuring that homes are safe and decent the paper calls for a review of the Decent Homes Standard, dating from 2006, and points out that some safety measures, such as electrical safety and energy performance, apply to private landlords do not extend to social landlords.

In terms of expanding supply and supporting home ownership the paper acknowledges the continued need for new social housing and reaffirms its target of 300,000 new homes by the mid-2020’s. The paper proposed to ease borrowing for local authorities to fund social housing building but at the time did not propose any further grant beyond the £2bn already announced. However the Prime Minster subsequently announced the abolishment of the HRA borrowing cap, awarding local authorities the ability to now build good quality affordable new homes and infrastructure that is needed by their communities.

Local Priorities

Lincoln is a cathedral city, and is one of the oldest cities in Britain, with a population of around 97,800 (0.8% increase on the previous year). Lincoln is one of seven

Districts in Lincolnshire and, being an urban area located within a predominantly rural county, faces both unique challenges and opportunities.

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

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

There continues to be an increase in the number of residents aged 20-29, influenced by the expanding universities. There are well over 15,000 students at the University of Lincoln and Bishop Grosseteste University. Lincoln has a higher than average proportion of its population aged in their 20's. This age group accounts for 21% of the city's total population, compared to only 13% nationally.

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

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

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

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

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

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

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

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

The Council's new vision for 2020 is;

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

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

- Let's drive economic growth
    - Let's build a strong, viable and prosperous future for Lincoln
    - Let's attract investment
    - Let's help businesses prosper
    - Let's create a culture of innovation
    - Let's make things happen
- Let's reduce inequality
    - Let's ensure the best quality of life for people living in Lincoln
    - Let's help people succeed
    - Let's help people feel safe and welcome in their communities
    - Let's provide help to the most vulnerable in our city
    - Let's empower people
- Let's deliver quality housing
    - Let's provide housing which meets the varied needs of our residents
    - Let's improve housing conditions for all
    - Let's work together to help the homeless in Lincoln
    - Let's help people have a sense of belonging
    - Let's build thriving communities

- Let’s enhance our remarkable place
    - Let’s provide interesting, exciting and vibrant places to enjoy
    - Let’s preserve the unique character of our city
    - Let’s deliver a rich and varied cultural experience
    - Let’s show the world what Lincoln has to offer
    - Let’s cherish and enhance our natural environment

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

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

Additionally a new set of core values have been developed which sum up the Council’s culture, and what can be expected from its services and policies. They should also be present in the way its officers and member deal with others, its residents, and its partners. The core values are:

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

Section 3 – Revenue (General Fund)

Spending Plans

The MTFS is central to identifying the Council's financial capacity to deliver its vision and strategic priorities, this requires a balance to be struck between the need to support the delivery of the vision with the need to maintain a sustainable financial position. This balance continues to be difficult with the level of uncertainty surrounds the Council's future funding resources.

The Council's Vision 2020 is supported by a three year programme, split into two phases, containing a range of projects that will meet each of the strategic priorities. In the context of the financial position at the time of launching the new Vision 2020 resources to fund the first phase were made available through the redirection of resources to the priority areas as well as seeking external financial support in the form of grants and contributions. The second phase of the programme contains a number of schemes which are primarily larger scale capital schemes with a significant cost. There are still a small number of revenue schemes which have either been funded from within existing budgets or will be financed using the part of the additional resources generated from the 100% Business Rates Pilot in 2018/19.

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

Spending Pressures

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

Inflation – Pay and Prices

The budget estimate for 2019/20 includes a pay increase in line with the two year pay award which was put forward to unions in December 2017 which is for 2% per year for 2018/19 and 2019/20 with higher rises for staff on the lowest pay scales. With regards to increases after 2019/20 it is assumed a 2% rise will apply in 2020/21 – 2023/24.

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

	2019/20 % per year	2020/21 % per year	2021/22 % per year	2022/23 % per year	2023/24 % per year
Pay	2.0%	2.0%	2.0%	2.0%	2.0%
General	2.0%	2.0%	2.0%	2.0%	2.0%
Contractual Commitments	3.2%	3.0%	3.0%	3.0%	3.0%
Non domestic rate	2.0%	2.0%	2.0%	2.0%	2.0%

These rates have been based on the Bank of England's target rate of inflation of 2% and a forecast of RPI, at the time of revising the MTFS assumptions, of 3.0% for 2020/21 onwards. A number of the Council's contractual commitments are linked to the RPI at a defined date in the year, primarily December and March; any movement in RPI by these dates will result in an inflationary pressure for the Council. Every 0.5% increase in RPI will equate to approximately an additional £24k pa, this will have a cumulative impact.

Employer's Pension Fund Contributions

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

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

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

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

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

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

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

Although the overall funding position has improved slightly, the employer contribution rates are still required to increase in order to improve the funding position further. For employers such as local authorities the Actuary, because of the guaranteed nature of their funding, is able to recommend a stabilisation overlay mechanism whereby the employer's current contribution rate is capped at an affordable level. Without out this in place the Council would be facing significantly higher contribution rates in order to increase the funding position.

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

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

Net Interest Receipts

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

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

Interest rates are forecast to remain at low levels until late 2019 and then the expectation is for a very slow recovery in the money markets. This is reflected in investment income forecasts in the MTFS.

Borrowing costs incurred on any short-term borrowings are minimal as they are only undertaken to bridge temporary cash flow shortfalls. The Council's portfolio of long-term borrowings currently includes 2 loans that are due to be repaid during the coming five financial years. The council has short term loans which mature in 2019 and 2020. All other loans mature after 2022/23 and are fixed rate loans. Six of these loans have lender options to vary their terms at six monthly intervals.

The sensitivity of the General Fund to changes in interest rates is linked more markedly to investments rather than to the portfolio of borrowing as all borrowing is at fixed interest rates. As an indication, a change in interest rates of +/- 0.5% would have an estimated combined impact of approximately £41k on the General Fund and £22k on the HRA in 2019/20.

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

	2019/20 %	2020/21 %	2021/22 %	2022/23 %	2023/24 %
Interest Rate	0.85%	0.93%	1.00%	1.05%	1.08%

Based on the current forecasts for interest payable on new borrowing (averaging around 2.7%) and receivable on investments (averaging around 0.85%), and the estimated level of balances available for investment, it is currently anticipated that new borrowing will be taken to fund the borrowing requirement for the General Fund Investment Programme over the 5 year strategy. Internal balances will be used to fund the existing borrowing requirement where it remains financially advantageous to do so, reducing the amount of interest that would have been payable on new debt, partially offset by a reduction in interest receivable (due to reduced balances available for investments).

Repairs and Maintenance

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

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

Resources

Revenue Support Grant/National Non-Domestic Rates

The Local Government Finance Settlement for 2019/20 sets out the distribution of centrally allocated resources for local authorities and provides authorities with a combination of grant allocations and their baseline figures within the BRR scheme. The Settlement forms the final year of a four year fixed settlement that was offered to local authorities in 2016/17. This offer was made on the basis that any council that wished to take up the offer would be required to have an efficiency plan in place in order to do so. Nationally 97% of Council's accepted this offer.

Future years' announcements will be dependent on a number of factors, including; Spending Review 19, the outcome of the Fair Funding Review, the BRR Reset, the move to 75% BRR and any reform of the New Homes Bonus (as set out in earlier in this document).

Although the final year of the Settlement period has confirmed the RSG allocations that were previously announced there were still changes in the overall settlement and level of local government resources that were announced. These related to additional social care funding, the removal of negative RSG, an increase in the Rural Services Delivery Grant and New Homes Bonus and a decrease in forecast Council Tax amounts.

Core Spending Power

The Core Spending Power calculation includes the main sources of Government funding for local authorities, in addition it also includes local resources in the form of assumed levels of Council Tax income.

The table below shows the national changes to Core Spending Power between 2015/16 and 2019/20 (the Settlement period) and the breakdown across the various funding sources. Overall, spending power will increase by £1.7bn from £44.7bn to £46.4bn, an overall increase for the period 2015/16 to 2019/20 of 3.8%. However within this, the Settlement Funding Assessment (SFA) will reduce by £6.7bn (32%) and NHB by £0.3bn (24%), which is largely offset by the governments estimate of council tax increasing by £5.9bn (27%).

	2015/16	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	£bn	**£bn**	**£bn**	**£bn**	**£bn**
Settlement Funding Assessment	21.250	18.602	16.633	15.574	14.560
Under-indexing business rates multipler	0.165	0.165	0.175	0.275	0.400
Council Tax	22.036	23.247	24.666	26.332	27.927
Improved Better Care Fund	0	0	1.115	1.499	1.837
New Homes Bonus	1.200	1.485	1.252	0.947	0.918
Transition Grant	0	0.150	0.150	0	0
Rural Services Delivery Grant	0.016	0.081	0.065	0.081	0.081
Adult Social Care Support Grant	0	0	0.241	0.150	0
Winter Pressures Grant	0	0	0	0.240	0.240
Social Care Support Grant	0	0	0	0	0.410
Core Spending Power	**44.667**	**43.730**	**44.296**	**45.098**	**46.373**
Change %		**-2.1%**	**1.3%**	**1.8%**	**2.8%**
Cumulative change %		**-2.1%**	**-0.8%**	**1.0%**	**3.8%**

Although the national level of Core Spending Power is forecast to increase by 3.8% the variation between individual authorities and types of authority is significant. Shire Districts, including Lincoln have experienced the worst reductions in core spending power, due to changes in the distribution of RSG (as set further out below) and due to the top slicing of NHB to redirect towards social care pressures and the allocation of other specific grants towards upper tier or rural authorities. Lincoln's position is as set out in the table below, this shows a total change in core spending power of 17.9% over the four year period to 2019/20.

	2015/16	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	£m	**£m**	**£m**	**£m**	**£m**
SFA	6.048	5.188	4.543	4.197	3.775
Council Tax;	5.637	5.916	6.145	6.393	6.718
Other grants	2.120	2.335	1.709	1.090	0.843

Core Spending Power	**13.804**	**13.439**	**12.396**	**11.680**	**11.336**
Change over the period (£m)					**-2.468**
Change over the period (%)					**-17.9%**

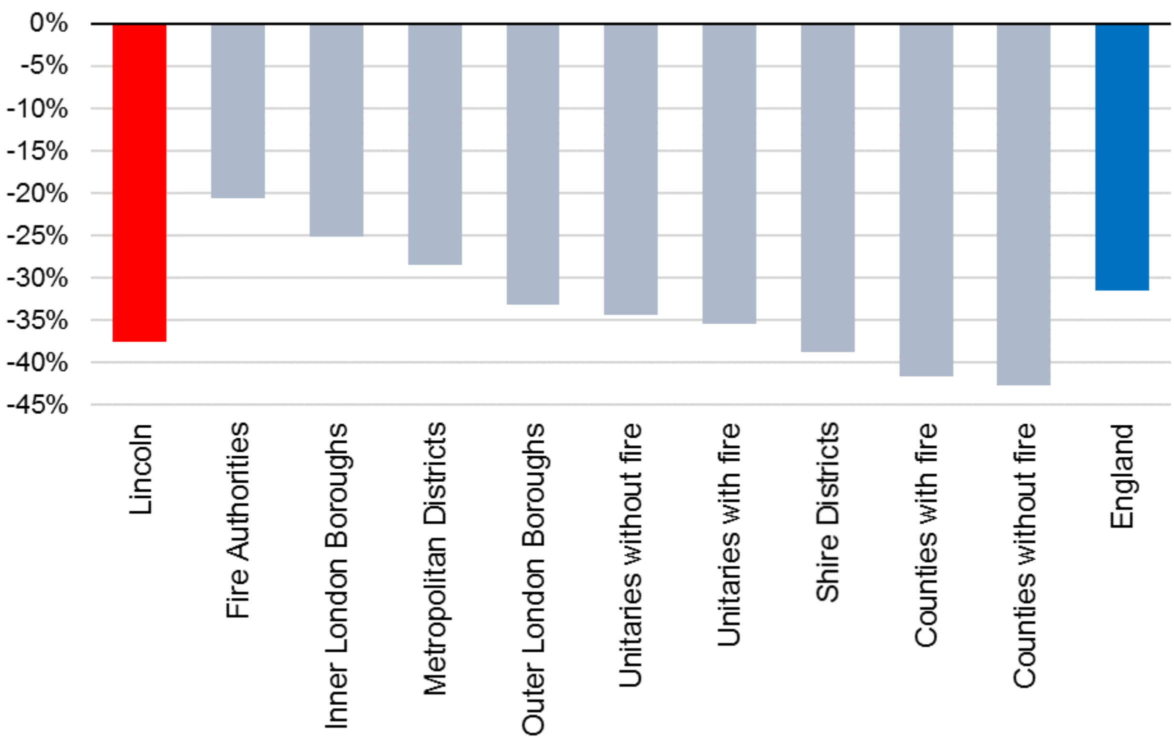
Settlement Funding Assessment

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

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

As the graph below shows the cumulative change in SFA for Shire Districts has been the worst affected, as compared to other authority types, with Lincoln's reduction at 37.6% compared to the national figure of 31.4%.

Cumulative change between 2015/16 and 2019/20



The SFA for each authority comprises of NNDR Baseline funding level and Revenue Support Grant. For the Council this is broken down as follows:

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

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

Revenue Support Grant

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

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

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

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

Business Rates Retention

During 2018/19 the Council, along with the other Lincoln Districts, Lincolnshire County Council and North Lincolnshire Council form the Lincolnshire 100% Business Rates Pilot. The key basis of this pilot is the retention of 100% of business rates locally on a 60/40 split between each District and the County Council (under 50% retention the funding splits were 50% central government, 40% Lincoln City Council, 10% Lincolnshire County Council). The forecasted gain to the Council of this pilot in 2018/19 is £1.4m, an element of which has been set aside to contribute towards growth/economic regeneration activities within the City, as per the Lincolnshire Business Rates Pilot Business Case.

Although a further bid for a 75% Pilot was submitted for 2019/20 this was unsuccessful, however the Districts and County Council were able to form a Business Rate Pool for 2019/20 (further details of which are set out below).

The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2018/19 and based on the principles of the 50% Business Rates Retention scheme, assuming a pool is in operation, its estimate of the level of

NDR to be retained is set out in the table below. Forecasts over the remaining period of the MTFS, i.e. 2020/21 and thereafter, have also been made taking into consideration the introduction of a new 75% retention scheme. However as much of the design and relative starting positions in the new scheme are as yet unknown it is extremely challenging to forecast the level of likely resources.

An adjustment has however been made from 2020/21 onwards to remove the gains that are currently received from pooling as this element of the scheme will cease to exist in a 75% retained system.

The level of outstanding appeals continues to create a high level of uncertainty both in respect of the outstanding appeals from the 2010 and 2015 ratings lists already lodged with Valuation Office, but also in relation to appeal to the 2017 list that are submitted under the new Check, Challenge Appeal process. The Collection Fund is required to fully provide for the expected result of all appeals and using external assessments as to the likely level and value of these appears. As a result in a change the assessment in the level of appeals outstanding and an over provision for appeals against the 2010 and 2015 lists a surplus on the collection fund of £2.46m is forecasted for 2019/20, of which £1.55m is attributable to the Council. In addition to the backdated element of these appeals there is also an ongoing impact due to the reduction in the business rates base, which ultimately reduces the level of income to be retained in the future by the Council, an estimate of this impact has been assumed in the BRR forecasts set out below.

As part of the reform of the business rates retention system it had previously been announced that there would be a reset of the system in 2020/21. This will see NNDR baselines adjusted to better reflect how much local authorities are actually collecting in business rates. It wasn't until the publications of the consultation paper on the reform of the system was published in December 2018 that it was confirmed that this will be a full reset of the system, wiping out all gains the Council has achieved since 2013. However the total gains on a national level will be redistributed through the system of baseline need so it is likely that the Council will receive an element of this.

The draft MTFS has been prepared on the basis of a partial reset of the system but with no redistribution of the total national gain. This will be further assessed ahead of the final MTFS being submitted for approval.

Based on the assumptions as set out above the level of retained business rates assumed in the MTFS is as follows:

Income Forecast	**2019/20 £m**	**2020/21 £m**	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**
Forecast retained Income	5,289	4,514	4,736	4,969	5,211

As set out throughout this MTFS, there are a number of key and dramatic changes to Business Rates due in the forthcoming years. These will have the potential to significantly affect the level of business rates retained by the Council, whilst assumptions have been made in the MTFS regarding the potential impacts the actual impact remains a high risk to the Council's future financial sustainability.

Council Tax

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

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

	2019/20	2020/21	2021/22	2022/23	2023/24
% Increase	2.95%	1.88%	1.90%	1.89%	1.89%
Council Tax Base	24,300	24,658	25,021	25,388	25,760
Council Tax Yield	£6.680m	£6.906m	£7.141m	£7.383m	£7.632m
Band D	£274.90	£280.08	£285.39	£290.79	£296.28
Band D £ Increase	£7.87	£5.18	£5.31	£5.40	£5.49

For 2019/20 the Council Tax amount for a Band D property (excluding County Council and Police Authority precepts) is £274.90, a 2.95%/£7.87 increase from 2018/19.

Following implementation of the localised council tax support scheme in April 2013 (which changed support from being a benefit to a council tax discount) the council tax base is now directly affected by the number of council tax support claimants. The more council tax support that is awarded the more the taxbase is reduced, therefore limiting the ability to raise council tax. The MTFS has been prepared on a reduction to the tax base of 4,418 relating to the council tax support scheme in the years 2019/20 – 2023/24. The council tax base in the table above reflects the reduction for the council tax support scheme.

Specific Grants

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

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

The Local Government Finance Settlement: Technical Consultation published in August 2018 announced that for 2020/21 the Government intends to explore how to incentivise housing growth most effectively, referencing the Housing Delivery Test results, signalling a change to the current New Homes Bonus grant system. The Government intends to consult widely on any changes prior to implementation, however in the absence of any further information estimating future grant levels is extremely difficult. The MTFS therefore prudently assumes that the current New Homes Bonus scheme ceases beyond 2019/20, but with that the legacy payments continue for a 4 year period.

Set out in the table below are the assumed levels of New Homes Bonus, along with the other specific grants that the council forecasts to receive.

Grant Name	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
New Homes Bonus	720	502	111	50	0
Surplus on Business Rates Retention - Levy/ Safety Net Account	58	0	0	0	0
Housing Benefit & Council Tax Benefit Administration (provisional)	517	517	517	517	517
Housing Benefits New Burdens	29	29	29	29	29
TOTAL	**1,324**	**1,048**	**657**	**596**	**546**

Provision for Debt Repayment (MRP)

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

Fees and Charges

The fees and charges levied by the Council are an important source of income and the MTFS assumes that the Council will raise over £10.4m from fees and charges in 2019/20.

The mean average overall increase in the non-statutory fees and charges is 2.4%, however this includes some fees that have been increased by higher and lower percentages.

Bridging the Gap

The Council has a successful track record in delivering savings and has over the last ten years, delivered £7.8m of annual revenue savings. The Council's approach has centred on planning ahead, securing savings in advance, re-investing in more efficient ways of working and adopting a more commercial approach whilst making careful use of reserves to meet funding gaps, it's an approach that has served the Council well. Although inevitably there has had to be some withdrawal of services the Council has tried to keep this to a minimum and has sought to protect its core services that matter most.

Despite this success the Council must continue to reduce its levels of expenditure or identify additional resources if it is to achieve the revised savings targets assumed in the MTFS and to remain sustainable. As part of developing the MTFS 2019-24, due to changes in key assumptions it has been necessary to increase the savings targets by £0.5m in 2019/20, increasing by a further £0.5m to £1m p.a. from 2020/21, with total saving of £5.25m p.a. required by 2020/21.

The Towards Financial Sustainability (TFS) programme is and continues to be the vital element in ensuring that the Council maintains a sustainable financial position and delivers the required reductions in the net budget. The programme itself has been refocused reflecting the council's innovative, forward thinking and commercial approach alongside its ambitions to maintain high performing services and a performance culture. As part of this refocus the number of strands within the programme have been re-aligned as follows;

- "One Council" – cross organisational lean reviews exploring common to all organisational issues and how these can best be combined to a deliver a 'one organisational' approach more efficiently and cost effectively.

- Investment Opportunities – consideration of opportunities to invest in both commercial properties as well as in regeneration and redevelopment schemes that support the local economy; optimisation of usage and commercial returns of the City's property and land portfolio

- Commercialisation/Income Generation – generation of new income streams, and commercial trading opportunities and maximisation of existing income streams.

- Service Withdrawal/Reduction - withdraw from some services or reduce the level of service provided for those services not deemed to be of sufficient priority or any longer affordable.

Alongside this programme the Council continues to seek ways to maximise its tax bases by creating the right conditions for the economy to grow and increase Business Rates income and to encourage housebuilding to meet growing demand, generating additional Council Tax. As well as supporting these the Council will also seek through direct intervention such as through its Council House New Build Programme to enhance the economic prosperity of the City. Although not directly contributing towards the TFS savings targets these measures allow future assumptions of growth in the Council's resources to be factored into the revenue forecasts.

Progress, at January 2019, in delivering the target savings from the current TFS programme is set out in the table below:

	2019/20 £'000	2020/21 £,000	2021/22 £'000	2022/23 £'000	2023/24 £'000
MTFS savings target *	**4,650**	**5,250**	**5,250**	**5,250**	**5,250**
Secured	(3,955)	(4,006)	(4,029)	(4,037)	(4,043)
Savings still required in MTFS	**695**	**1,245**	**1,221**	**1,213**	**1,206**
Still subject to approval or review/Business Case	789	1,134	1,237	1,258	1,271
Savings still to be identified	**(94)**	**110**	**(16)**	**(45)**	**65**

The delivery of the current strategy and programme in full would leave the Council in the position of overachieving the savings targets in 2019/20, with a small target for which savings will need to be identified in 2020/21. Nevertheless the overall emphasis on delivering the revised savings targets must remain strong to achieve the targets from 2019/20 and beyond.

Revenue Forecast

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

Risks to the Revenue Budget

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

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

- Implications of Brexit on national and local economy
- Fluctuations in the Business Rates Taxbase

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

Appendix 3 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 4 – General Investment Programme

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

Capital Spending Plans

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

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

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

Spending Pressures

The Council's corporate property portfolio comprises operational properties and investment properties with a combined asset value of £106 million.

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

Allocation of the annual planned capitalised works budget (£200k p.a.) to maintain specific assets will be determined by the structured approach being undertaken and will also be influenced by the outcomes of the continual review programme of all assets as part of the Towards Financial Sustainability Programme. Outcomes of this being the potential disposal/transfer of specific assets which may in turn relieve the Council on the ongoing repair liability. In addition significant investment in income generating assets, e.g. the crematorium will be considered for investment as part of the prioritisation of available capital resources.

Resources

The GIP has in recent years been predominantly reliant on the generation of capital receipts to fund the investment required to deliver the programme, or where the capital scheme is income generating and the returns are sufficient then prudential borrowing has been used. In the long term the use of capital receipts is not sustainable and other sources of funding are regularly sought to fund capital expenditure.

As a result of government funding cuts, fewer external grants and contributions are available and those that are, are usually designated for specific schemes. Whilst the additional resources that external funding brings are clearly beneficial to local people, there is the danger that schemes funded may not be the Council's highest priorities and the Council must consider carefully whether it has the capacity, within its reduced resources, available to support such schemes. Furthermore the Council needs to carefully consider whether it is able to meet the outputs and outcomes required from external grant support.

Additionally, following government funding cuts and the continued impact of the current economic climate, the increased pressure on the Council's revenue budget will result in a reduced ability to contribute significant amounts of revenue to support directly financed capital expenditure.

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

Capital Receipts

As part of the Towards Financial Sustainability Programme and as sound asset management practice the Council continually reviews its land and property assets in order to:-

- reduce revenue costs,
- increase rental income,
- generate capital receipts,
- reduce repairs liabilities
- use assets to support the Council's growth plans.

The GIP relies on capital receipts in the earlier years of the MTFS to fund part of the programme. Beyond this there are available capital receipts which will be prioritised for allocation to schemes in accordance with the Capital Strategy.

Prudential Borrowing

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

The MTFS includes an unsupported prudential borrowing requirement of £1.67m over the period 2019/20-2023/24.

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

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

Capital Grants

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

Over the 5 year planning period of the MTFS £2.7m is expected to be received from external capital grants, which is largely for Disabled Facilities Grants (DFGs) (£1.5m) and the remainder (£1.2m) is for the investment in sports pitches.

Projected Capital Resources

Resources to fund the General Investment Programme 2019/20-2023/24 are estimated to be approximately £5.5m, as follows:

	£'000
Capital Grants	2,820
Capital Receipts	500
Direct Revenue Financing	433
Prudential borrowing	1,670
TOTAL	**5,423**

General Investment Programme Forecast

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

Risks to the General Investment Programme

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

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

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

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

Section 5 – Housing Revenue Account (HRA)

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

Housing Revenue Account Business Planning

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

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

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

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

The HRA Business Plan

A key element of the self-financing regime is for the Council to construct a 30 year Business Plan for the HRA. The Council's latest Housing Revenue Account Business Plan 2016-2046, was approved in February 2016 following a fundamental review of resources, investment requirements and priorities. The Business Plan reflects the impact of government policy changes, the results of stock condition surveys and financial assumptions at the time. The Business plan sets out:

- the long term plans for the Council's housing stock
- the finances to deliver plans
- how the Council will manage the income from its stock, demand for housing and stock condition
- identifies resources for its Council House New Build Programme.

A further refresh of the Business Plan is scheduled for 2019 to update for revised assumptions, priority areas and to reflect latest Government policy such as the Social Housing Green Paper.

Spending Plans

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

Spending Pressures

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

Repairs and Maintenance

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

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

Funding the Capital Programme

Under the HRA self-financing system the primary source of funding for capital investment in the Council's housing stock will be from the revenue account through asset depreciation charges and direct revenue financing (DRF), via the Major Repairs Reserve. However this has been lessened to some extent by the removal of the HRA borrowing cap.

There is a reliance on the HRA to support the capital programme to the value of £54.577m over the 5-year MTFS period through depreciation and direct revenue financing.

Resources

Rents

The MTFS 2019/20 - 2023/24 incorporates the final year of the government's requirement for a 1% p.a. rent reduction between 2016/17 and 2019/20 (including the long term impact of the reduction in the base). It is also assumed that from

2020/21 rents will increase by CPI+1%, this increase is in line with the Government's announcement in October 2017, followed by a consultation paper in September 2018, that from April 2020 social rents will increase by CPI+1% for 5 years. The approach 2025 remains uncertain but there is an expectation that social rent increase will remain.

Rental income levels within the MTFS 2019-24 also assume the delivery of a significant number of new homes through the planned agreements with housing associations (enabling access to HCA grants) as well as the remaining number of new homes to be delivered as part of the New Build Programme. These new properties are included as a combination of social and affordable rents. Affordable rents are not subject to Government rent policy and are let at 80% of market rent levels in the local area. The MTFS assumes rental increases in line with social rents for its affordable rents.

The Council proposes to set the rents for 2019/20 in line with the requirement to reduce rents by 1% for general purpose accommodation and also reduce sheltered accommodation by 1%. The average 52 week rent will be £68.06 per week for general purpose accommodation (7,224 properties) and £69.75 per week for sheltered accommodation (384) properties.

Interest receivable

The HRA receives investment interest on the balances it holds (HRA balances are made up of General Balances, earmarked reserves and the Major Repairs Reserve). The MTFS 2019-24 includes interest income into the HRA based on the level of HRA balances assumed in the MTFS 2019-24.

Releasing Resources

The HRA Business plan 2016-46 identifies revenue resources to be released to support priority capital investment in council house new build, the Lincoln Standard and a land acquisition fund. The strategy that the Council will continue to pursue currently follows the Towards Financial Sustainability Programme, specifically;

- "One Council" – cross organisational lean reviews exploring common to all organisational issues and how these can best be combined to a deliver a 'one organisational' approach more efficiently and cost effectively.

- Investment Opportunities – consideration of opportunities to invest in both commercial properties as well as in regeneration and redevelopment schemes that support the local economy; optimisation of usage and commercial returns of the City's property and land portfolio

- Commercialisation/Income Generation – generation of new income streams, and commercial trading opportunities and maximisation of existing income streams.

Housing Revenue Account Forecast

Appendix 2 provides a summary five-year Housing Revenue Account for the Council.

Risks to the Housing Revenue Account Budget

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

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

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

Appendix 3 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 6 – The Housing Investment Programme

The Housing Investment Programme (HIP) covers all aspects of capital expenditure relating to the Council's landlord function. The Capital Strategy for the HIP reflects the 30-year Business Plan and details the 5 year capital programme.

Capital Spending Plans

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

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

- Maintenance of the Decent Homes and the Lincoln Standard

- Health & Safety Requirements – covers the work to meet statutory requirements, which are outside the Lincoln Programme, and includes communal lighting, asbestos removal and plastering

- New Build Programme remaining elements of the programme to deliver 458 new council dwellings within the HRA

- Land acquisition fund - land acquisition fund to facilitate the overall new build delivery numbers

The current HIP does not yet include any capital investment in the development of the Western Growth Corridor. The HRA owns a significant proportion of the land within the development area and should it be chosen to develop these land for new council housing the HRA and HIP would need to identify appropriate resources.

As set out in the Section 5 above the 30-year HRA Business Plan is due to be refreshed during 2019, post completion of the current new build programme and in light of updated development and investment profiles, updated assumptions and relevant Government policy changes.

Resources

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

Major Repairs Reserve

The Major Repairs Reserve (MRR) is the main source of capital funding and the mechanism by which timing differences between resources becoming available and being applied are managed. The MRR may be used to fund capital expenditure and to repay existing debt. Depreciation is a real charge on the HRA and is paid into the MRR from the Housing Revenue Account to fund capital expenditure. The total charge to the revenue account over the 5-year MTFS period through depreciation is £31.2m.

Revenue Contributions

The MTFS 2019/20-2023/24 includes £23.4m of direct revenue contributions over the five year period.

Capital Receipts

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

In August 2018, alongside publication of the Social Housing Green Paper, the Government published a consultation on options for reforming the restrictions on the use of RTB sales to make it easier for councils to replace properties. The outcomes of this consultations are yet to be published.

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

Non-RTB sales primarily are excluded from the pooling arrangement and are now retained in full by the Council for use as the Council sees fit.

Prudential Borrowing

The Prudential Code allows the Council to take borrowing if it can demonstrate that such borrowing is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy). Recently the government has removed the cap imposed on the council in respect of borrowing to fund investment in housing, this opens up significant opportunities for the Council to further invest in new house building programmes and the potential redevelopment of areas of existing housing stock, this increased flexibility will be considered as part of the Business Plan refresh.

The Capital Financing Requirement (CFR) is forecast to be £58.5m across the MTFS with no additional borrowing requirement included in the MTFS and no allowance made for the repayment of existing debt.

Projected Capital Resources

Resources to finance the proposed £62.7m Housing Investment Programme 2019/20 – 2023/24, are currently estimated to be as follows:

	£000
Major Repairs Reserve (depreciation)	35,496
Major Repairs Reserve (DRF)	21,885
Capital Receipts (inc RTBs)	5,327
TOTAL	**62,708**

Housing
Investment Programme Forecast

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

Risks to the Housing Investment Programme

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

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

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

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

Section 7 – Reserves and Balances

The minimum prudent levels of reserves and balances that the Council should maintain are a matter of judgement. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council unless contributions are made from future years' revenue budgets. It is currently for local authorities themselves, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be.

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

The Council has a very proactive approach to managing risk and there are effective arrangements for financial control already in place. However, as a result of the significant changes to local government funding, which saw a shift towards self – sufficiency and dependence on local funding sources, levels of volatility and risk have significantly increased. Given the threat that this poses to the Council's financial position, and has already been experienced, and given the future changes to be introduced from 2020 onwards, the prudent minimum level of general reserves is now held at a level greater than previously.

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

The general reserves at the end of each year for 2019/20 to 2023/24 are summarised in the table below.

	2019/20 £000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
General Fund	2,409	1,765	1,517	1,514	1,690
Housing Revenue Account	1,075	1,127	1,122	1,051	1,341

The overall levels of General Fund and Housing Revenue Account balances in 2023/24 are in line with the prudently assessed minimum level of balances.

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

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

Appendix 1

GENERAL FUND BUDGET SUMMARY 2019/20 - 2023/24

	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £
Chief Executive & Town Clerk	3,206,750	3,183,620	3,228,810	3,470,960	3,643,340
Communities & Environmental Services	5,187,980	5,051,220	4,722,070	4,442,300	4,283,810
Major Developments	418,280	429,670	438,220	462,400	469,810
Housing & Regeneration	682,180	692,800	701,900	710,960	718,170
Corporate	1,755,490	1,784,720	1,816,880	1,854,340	1,877,580
	11,250,680	**11,142,030**	**10,907,880**	**10,940,960**	**10,992,710**
Capital Accounting Adjustment	2,835,510	2,591,220	2,447,840	2,595,940	2,597,190
Base Requirement	**14,086,190**	**13,733,250**	**13,355,720**	**13,536,900**	**13,589,900**
Specific Grants	(778,230)	(502,420)	(111,190)	(50,250)	0
Contingencies	158,030	159,350	160,780	162,340	164,060
Savings Targets	(695,090)	(1,244,930)	(1,220,730)	(1,212,630)	(1,211,050)
Transfers to/(from) earmarked reserves	166,100	(214,930)	(193,810)	(219,010)	(14,440)
Transfers to/(from) insurance reserve	131,370	133,070	134,330	136,670	140,210
Total Budget	**13,068,370**	**12,063,390**	**12,125,100**	**12,354,020**	**12,668,680**
USE OF BALANCES	510,890	(643,530)	(248,030)	(2,520)	175,050
NET REQUIREMENT	**13,579,260**	**11,419,860**	**11,877,070**	**12,351,500**	**12,843,730**
Business Rates	5,289,270	4,513,650	4,736,410	4,968,940	5,211,630
Business Rates Surplus	1,545,950	0	0	0	0
Revenue Support Grant	22,360	0	0	0	0
Council Tax	41,670	0	0	0	0
Council Tax Surplus	6,680,010	6,906,210	7,140,660	7,382,560	7,632,100
Total Resources	**13,579,260**	**11,419,860**	**11,877,070**	**12,351,500**	**12,843,730**
Balances b/f @ 1st April	**1,897,724**	**2,408,614**	**1,765,084**	**1,517,054**	**1,513,534**
Increase/(Decrease) in Balances	510,890	(643,530)	(248,030)	(2,520)	175,050
Balances c/f @ 31st March	**2,408,614**	**1,765,084**	**1,517,054**	**1,514,534**	**1,689,584**

Appendix 2

HOUSING REVENUE ACCOUNT SUMMARY 2019/20 - 2023/24

	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £
Income					
Gross Rental Income					
- Dwellings rents	(27,608,540)	(28,319,590)	(28,934,470)	(29,528,760)	(30,166,760)
- Non-Dwelling rents	(567,530)	(578,680)	(590,170)	(602,000)	(614,190)
Charges for Services & Facilities	(366,270)	(375,300)	(384,080)	(393,230)	(402,730)
Contributions towards Expenditure	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Income	**(28,592,340)**	**(29,323,570)**	**(29,958,720)**	**(30,573,990)**	**(31,233,680)**
Expenditure					
Repairs Account Expenditure	8,659,750	8,807,960	8,940,900	9,091,700	9,273,540
Supervision & Management:	7,006,920	7,089,710	7,166,620	7,249,920	7,368,820
Contingencies	(38,140)	(39,070)	(38,430)	(38,570)	(39,090)
Rents, Rates and Other Premises	94,570	94,740	94,910	95,080	95,250
Insurance Claims Contingency	339,330	146,300	153,620	361,290	169,350
Depreciation of Fixed Assets	6,262,430	6,237,430	6,237,430	6,237,430	6,237,430
Debt Management Expenses	11,920	11,920	11,920	11,920	11,920
Increase in Bad Debt Provisions	287,760	297,120	304,880	311,880	318,880
Total Expenditure	**22,624,540**	**22,646,110**	**22,871,850**	**23,320,650**	**23,436,100**
Net cost of service	**(5,967,800)**	**(6,677,460)**	**(7,086,870)**	**(7,253,340)**	**(7,797,580)**
Loan Charges Interest	2,351,960	2,332,000	2,310,470	2,310,180	2,310,180
- Investment Interest	(36,710)	(35,180)	(41,840)	(46,680)	(45,320)
- Mortgages Interest	0	0	0	0	0
Surplus on HRA for the year	**(3,652,550)**	**(4,380,640)**	**(4,818,240)**	**(4,989,840)**	**(5,532,720)**
DRF used for Financing	4,172,380	4,186,880	4,668,460	5,168,460	5,168,460
Contribs to/(from) Reserves:					
- DRF	65,000	65,000	65,000	0	0
- HRA Strategic growth					
- Insurance Reserve	(589,330)	103,700	96,380	(111,290)	80,650
- Repairs Account	0	0	0	0	0
- PI Survey	(6,000)	3,000	(6,000)	3,000	(6,000)
Capital Fees Equalisation	(41,540)	(30,040)	0	0	0
(Surplus)/deficit in year	**(52,040)**	**(52,100)**	**5,600**	**70,330**	**(289,610)**
Balance b/f at 1 April	(1,023,101)	(1,075,141)	(1,127,241)	(1,121,641)	(1,051,311)
Balance c/f at 31 March	**(1,075,141)**	**(1,127,241)**	**(1,121,641)**	**(1,051,311)**	**(1,340,921)**

GENERAL INVESTMENT PROGRAMME - 2019/20 to 2023/24

	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £
Expenditure Programme					
Chief Executives	626,002	200,000	200,000	200,000	200,000
DCE – Communities & Environment	2,636,251	300,000	300,000	300,000	300,000
DCE – Community Services	88,293	0	0	0	0
Schemes Under Review	72,406	0	0	0	0
Total Programme Expenditure	**3,422,952**	**500,000**	**500,000**	**500,000**	**500,000**
Capital Funding					
Contributions from Revenue					
Opening balance	132,576	0	0	0	0
Received in year	300,000	0	0	0	0
Used in financing	(432,576)	0	0	0	0
Closing balance	0	0	0	0	0
Capital receipts					
Opening balance	875,420	2,900,420	2,750,420	2,600,420	2,600,420
Received in year	2,675,000	0	0	0	0
Used in financing	(500,000)	0	0	0	0
Used to reduce the CFR	(150,000)	(150,000)	(150,000)	0	0
Closing balance	2,900,420	2,750,420	2,600,420	2,600,420	2,600,420
Grants & contributions					
Opening balance	115,000	0	0	0	0
Received in year	1,504,32	300,000	300,000	300,000	300,000
Used in financing	(1,619,932)	(300,000)	(300,000)	(300,000)	(300,000)
Closing balance	0	0	0	0	0
Unsupported borrowing					
Opening balance	0	0	0	0	0
Received in year	870,444	200,000	200,000	200,000	200,000
Used in financing	(870,444)	(200,000)	(200,000)	(200,000)	(200,000)
Closing balance	0	0	0	0	0
Total Capital Funding	**(3, 422,952)**	**(500,000)**	**(500,000)**	**(500,000)**	**(500,000)**
Available Resources c/f	**2,900,420**	**2,750,420**	**2,600,420**	**2,600,420**	**2,600,420**

HOUSING INVESTMENT PROGRAMME (HIP)-2019/20 - 2023/24

	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £
Capital Programme					
Decent Homes	7,104,971	8,237,063	8,438,190	10,003,850	8,081,082
Health & Safety	642,207	603,520	552,800	583,890	731,330
New build programme	5,600,849	78,808	42,416	44,332	46,032
Land Acquisition Fund	1,070,213	0	0	0	0
Lincoln Standard	1,027,072	985,075	993,034	926,270	821,480
Other schemes	1,362,880	1,362,302	1,326,476	1,373,610	668,314
Total Programme Expenditure	**16,808,192**	**11,266,768**	**11,386,180**	**11,352,916**	**10,348,238**
Capital funding					
Major Repairs Reserve					
Opening balance	4,283,565	731,132	708,704	239,820	0
Depreciation received in year	6,262,430	6,237,430	6,237,430	6,237,430	6,237,430
Depreciation used in financing	(10,137,130)	(6,646,295)	(6,237,430)	(6,237,430)	(6,237,430)
DRF received in year	4,172,380	4,186,880	4,668,460	5,168,460	5,168,460
DRF used in financing	(3,850,113)	(3,800,443)	(5,073,070)	(5,096,878)	(4,064,776)
Closing balance	731,132	708,704	304,094	375,676	1,479,360
Capital receipts					
Opening balance	0	0	0	771,614	0
RTB's received in year	819,630	820,030	820,030	820,030	820,030
Used in financing	(819,630)	(820,030)	(42,416)	(1,597,644)	(46,032)
Closing balance	0	0	771,614	0	773,998
1-4-1 receipts					
Opening balance	4,186,141	2,184,213	2,184,213	2,184,213	2,184,213
RTB's received in year					
Used in financing	(2,001,319)				
Closing balance	2,184,213	2,184,213	2,184,213	2,184,213	2,184,213
Grants & contributions					
Opening balance	0	0	0	0	0
Grants & contributions received in year	0	0	0	0	0
Used in financing	0	0	0	0	0
Closing balance	0	0	0	0	0
Borrowing					
Opening balance	0	0	0	0	0
Borrowing taken in year	0	0	0	0	0
Used in financing	0	0	0	0	0
Closing balance	0	0	0	0	0
Total Capital funding	**(16,808,192)**	**(11,266,768)**	**(11,386,180)**	**(11,352,916)**	**(10,348,238)**
Available Resources c/f	**2,915,955**	**2,893,527**	**3,266,531**	**2,560,499**	**4,438,181**

Appendix 5

BUDGET RISK ASSESSMENT

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
			Risk score	Risk Score	
1	Business Rates Base	Reduction and/or fluctuations in income against budget variation in: – Growth compared to forecasts – Changes in the NNDR base – Changes in rateable values (e.g. appeals, economic downturn, changes in use, 2017 revaluations) – Collection rates Ongoing impact on the NNDR base of successful appeals - Estimates of appeals provision higher/lower than actually required – Changes nationally to the valuation assessments of certain property/infrastructure – Introduction of 75% retained Business Rates from 2020/21 and reform of the system – Reset of the Business Rates Retention system from 2020/21	**Total Score: 12** Likelihood: 3 Impact: 4	**Total Score: 12** Likelihood: 3 Impact: 4	• In year monitoring of the NNDR base, Collection Fund, collection rates, growth assumptions and rateable value appeals. • Produce monthly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • A Business Rate Volatility Reserve is maintained to provide a degree of protection from fluctuations in Business Rate Income • Quarterly monitoring of the Lincs NNDR Pool by Lincs Finance Officers • Independent specialist assessment made of the required level of NNDR appeals provision • Specialist advice sought to assist in budgeting assumptions and assessment of implications of changes to the funding system • Discussions taking place nationally around a national pool for appeals provisions to remove the volatility experienced by individual councils. The Council will closely watch developments.

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
2	Fairer Funding Review	Assessment of relative need and relative resources results in a baseline need below current level. Transitional arrangements are not sufficient to mitigate impacts. Impact of Spending Review 2019 on overall funding available. Impact of Brexit deal on Spending Review.	**Total Score: 2** Likelihood: 1 Impact: 1	**Total Score: 12** Likelihood: 4 Impact: 3	• Assessment of Government consultations with responses where appropriate • Lobby through national groups, respond to national consultations • Work with Association of Lincolnshire Finance Officers and the Society of District Treasures • Work with external funding specialists to identify and assess the impact of proposed funding changes (e.g. New Homes Bonus)

Appendix 5

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
3	Capital Expenditure	Slippage in the project, Increased project costs including labour and material costs post Brexit. Inflationary impacts. Failure of contractor i.e. contractor goes into liquidation. Demand for improvement grants. Sunk costs of aborted schemes Achieving levels of projected costs in the HRA Business plan	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Regular budget monitoring and reporting to Capital Programme Board and Housing Delivery Group • Ensure correct project management procedures followed (Lincoln Model) • Quarterly budget monitoring and reporting to Performance Scrutiny and the Executive • Financial procedure rules are followed, including financially vetting of all contractors • Use of collaborative contracts/framework agreements where possible e.g. EMPA • Support from Procurement engaged at an early stage • Carry out post implementation reviews • Ensure risk assessments completed for all significant schemes before commencing • Value engineering used to contain project costs • Cost estimates obtained ahead of procurement exercises.

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
4	Income from Fees & Charges/ Rents: • Car Parking • Crematorium / Cemeteries • Development Control • Building Control • Land Charges • Control Centre • Lincoln Properties • Industrial Estates	Reduction in the usage of the service/activity levels in the current economic climate (e.g. if downturn in development). Over optimistic income targets Increasing reliance on income within the MTFS New competitors entering the market (e.g. Crematorium). Fees and Charges levels reduces demand,	**Total Score: 6** Likelihood: 2 Impact: 2	**Total Score: 9** Likelihood: 3 Impact: 3	• Car Parking Income Generation Strategy in progress. • Produce regular monitoring statements for major income sources which are reported monthly to Corporate Management Team. • Identify reasons for any income reductions and take corrective action where possible • Application of Corporate Fees and Charges Policy to ensure correct charging policies are applied and the impacts are assessed • Report quarterly to the Executive and Performance Scrutiny Committee on forecast for key income streams • Specific projects/business plans in progress to sustain income streams. • Assess impact of new competitors in the marked (e.g. new crematoriums at Gainsborough and potentially Thurlby). • Delegated powers to portfolio holder to make responsive changes to fees and charges • Rebase income budgets to reflect current trends • Active void management • Investment criteria for new commercial investments.

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
5	Capital Financing - Long Term Borrowing	Balances unavailable for internal borrowing External borrowing costs above interest rates in MTFS	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Continue to monitor the cost effectiveness of issuing internal balances instead of taking external borrowing • Actively monitor the achievement of the capital receipts target and potential additional borrowing requirement • Actively monitor the cost effectiveness of asset disposals compared to Prudential Borrowing • Ongoing monitoring of cashflows from Business rates • Regular review of current and future predicted borrowing rates to inform timing of borrowing decisions • Actively monitoring the cash flow on a daily basis.
6	Universal Credit and Welfare Reforms	Impact of Universal Credit and welfare reforms on rent and council tax collection rates	**Total Score: 6** Likelihood: 3 Impact: 2	**Total Score: 9** Likelihood: 3 Impact: 3	• Fully assess Government policies for financial impacts • An allowance for the impact of welfare reform built into collection rates and bad debt provision in the MTFS • Universal Credit Support Team established (although will transfer to CAB from April 2019) – work to establish new arrangements. • Cross directorate working between Revenues& Benefits and Housing.

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
7	Repairs & Maintenance on Corporate Properties	Unplanned emergency maintenance is required on the Council's Corporate Properties Increase in demands to meet statutory requirements and to minimise risks of adverse claims. Impact of works on income and service delivery.	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Updated stock condition surveys for all corporate properties to undertaken – • Comprehensive asset management planning in place (including identifying assets with large repairs and maintenance liabilities for disposal) • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Properties with large maintenance liabilities are reviewed for potential disposal • New capital schemes allow for full midlife refurb on newly created assets. • Responsible Officer system in place.
8	Revenue Savings Targets	The required savings targets are not achieved nor required efficiencies delivered	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 9** Likelihood: 3 Impact: 3	• The Council's strategy focuses on a four strand approach to realise the required savings in the revenue budgets with the primary focus on 'one council', investment opportunities, commercialisation and service withdrawal. • Report monthly to Programme Team and Programme Board (CMT) and quarterly to Executive and Performance Scrutiny Committee

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
9	General Budget Assumptions	CPI and RPI inflation exceed rates assumed in the budget Actual establishment exceeds 99% Increase in employer pension contribution rates following triennial valuation in 2019 Implications from Brexit deal or no deal on economy and general budget assumptions.	**Total Score: 3** Likelihood: 2 Impact: 1	**Total Score: 9** Likelihood: 3 Impact: 3	• Set prudent but realistic projections based on analysis of economic commentators and Bank of England predictions • Monthly monitoring of RPI and CPI index changes • Make use of expert forecasts of future RPI and CPI trends • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Set a prudent but realistic estimate in line with Government announcements • Monitor significant changes in economic indicators • Monitor the pension fund position through discussions with Lincolnshire County Council and Lincolnshire Finance Officers • Report any changes to Members as soon as officers become aware • Pension Fund Stabilisation Approach adopted

Appendix 5

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
10	HRA Repairs and Maintenance Costs	Assumed reductions in repairs and maintenance costs as a result of continued investment in the Council Housing Stock do not materialise The Housing Repairs Service (HRS) does not continue to modernise and achieve efficiencies	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 6** Likelihood: 2 Impact: 3	• Council housing capital investment is carried out • Produce regular budget monitoring reports and HRA revenue and capital budgets reported and monitored together • Report quarterly to Departmental Management Team, Corporate Management Team, Executive and Performance Scrutiny Committee • Results of recent stock condition surveys informing future maintenance requirements
11	Demand for services	Impact of Government policy changes to the tax and welfare systems and the implications of unprecedented reductions in public sector expenditure increases the demand for key Council Services (e.g. benefits, housing, homelessness) The increase in property numbers and development of the City Centre results in additional cost pressures within the Services that have not been built into the budget Increasing demands for housing tenant support as other providers withdraw services	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 6** Likelihood: 2 Impact: 3	• Identification and drawdown of additional funding made available from Government and others to support additional demand • Lean systems approach taken to identify efficiencies in service delivery (e.g. benefits service) • Collaboration and joint working arrangement opportunities identified with local partners to help meet additional service demands • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
12	Housing Rents and Property Voids	Government policy changes (e.g. 1% rent reduction, impacting on income projections) Delays or non-delivery of the Housing Association deals and associated income at affordable rent levels. More Council House disposals than anticipated and/or slower than anticipated progress on the council house new build programme Void properties exceeding the allowance included in the budget (1% p.a.) CPI inflation less than budgeted rate (from 2020/21)– reducing rental income Impact of welfare reforms on rent collection – covered in risk no. 6.	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 6** Likelihood: 2 Impact: 3	• Produce regular budget monitoring reports • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Directorate ongoing monitoring is a performance indicator • Monthly monitoring of RPI and CPI index changes • Make use of expert forecasts of future RPI and CPI trends and the impact on housing rents • 30 year Business Plan to undergo a refresh. • Monthly Housing Delivery Group meeting of cross directorate officers monitoring progress of New Build programme and capital & revenue funding

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Appendix 5

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
13	Capital Funding	Shortfall in the actual amount of Capital Receipts (i.e. Council House Sales, other HRA assets, GF assets) against the targets set within the HIP & GIP Revenue contributions are not sustainable in the revenue accounts of the HRA or General Fund Increase in borrowing costs (covered in separate risk – see no.5 & no. 14) Reductions in grant funding (covered in separate risk – see no. 15)	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 6** Likelihood: 2 Impact: 3	• Undertake regular monitoring of the capital receipts position • Regular reports submitted to the Asset Management Group • Capital Receipts targets incorporated in the Asset Management Plan & Capital Strategy • Property Section fully informed of current targets within the GIP & HIP • Asset Review Group monitoring of capital receipts target and evaluation of potential asset sales • Review of the most cost effective funding options (e.g. capital receipts compared to prudential borrowing) • Monitor and report on the revenue and capital budgets together to ensure both capital and revenue impacts are identified • HRA Business plan includes allowance for full funding of capital requirements over 30 years, including revenue contributions. Full refresh of the plan undertaken at least annually.

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
14	Cashflow Management (Investments and short term borrowing)	Available cash flow surpluses less than anticipated and/or interest rates lower than forecast Reduction in cash flow results in deficits and/or rising interest rates Impact of localisation of Business Rate income on cash balances	**Total Score: 3** **Likelihood: 3** **Impact: 1**	**Total Score: 6** Likelihood: 3 Impact: 2	• Monitor the average interest rate being achieved against the budget target and the level of balances available for investment • Actively monitoring the cash flow on a daily basis • Ongoing monitoring of cashflows from Business rates • Quarterly monitoring of Collection Fund forecast balances • Take account of economic analysts and Bank of England predictions and advice from Treasury Management Consultants • Hold regular Treasury Management meetings • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

Appendix 5

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
15	Government Grants (including RSG and New Homes Bonus)	Cash reductions in Government Grant which are in excess of the levels assumed in the MTFS The Council is unable to sustain sufficient levels of growth and future levels of Formula Grant are reduced Amount and timing of receipt of some grants not as assumed in the MTFS	**Total Score: 2** Likelihood: 1 Impact: 1	**Total Score: 6** Likelihood: 3 Impact: 2	• Regular review and reporting of new home figures • The Council will seek to realise the benefits of the financial incentives available • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Regular review of grant figures and distribution mechanisms. • Lobby through national groups, respond to national consultations • Work with Association of Lincolnshire Finance Officers and the Society of District Treasures • Work with external funding specialists to identify and assess the impact of proposed funding changes (e.g. New Homes Bonus)
16	External Funding of Capital Programme	Loss of anticipated external resource to support the capital programme Including o Changes to the allocation of grant funding for Disabled Facilities Grants (DFG) from the City Council to County Council, while the City Council retains statutory duty to provide services.	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Ensure grant conditions are complied with throughout scheme • Seek alternative funding sources • Produce regular grant monitoring statements • Regular budget monitoring and reporting to Capital Programme Board • Ongoing discussions with the County Council to ensure the provision of DFG's meet the Council's funding requirements.

Appendix 5

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
17	Council Tax Base & Council Tax Support Scheme	In year variations to budget not containable within Collection Fund balances Costs to Council increased due to: – Actual CT base different to estimate – Collection rates/bad debt provisions – Increase in LCTS caseload – Referendum rate of CT increases below budgeted rate	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Monthly monitoring of the Collection Fund - collection rates, CT discount caseload, council tax base. • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Produce quarterly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • The proposed 2019/20 Council Tax is below revised referendum limit of 3%. Future increases are below 2% in years 2020/21 to 2023/24. • Annual increases in Council Tax considered alongside national expected increases
18	Sundry Debtors and Housing Benefit Overpayments	The Council's existing Bad Debt provision proves insufficient to meet any increase in the value of debts written off Impact of Welfare Reform Act (see risk no. 6)	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Follow established debt recovery and write off procedures • Monitor age debt profile of debts against bad debt provision • DWP Consultancy support engaged for Housing Overpayments – positive impacts on reducing outstanding debt and increasing in-period collection

Appendix 5

No.	Budget Item	Risk	2019/20	2020/21 - 2022/24	Containment
19	Housing Benefits/Subsidy	Increase in payments that do not attract 100% subsidy i.e. overpayments and local authority errors Failure to comply with complex legislative requirements Lack of audit trail to substantiate grant claim Backlog of work Pressures from customer demands and complex enquiries due to welfare changes	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Regular monitoring of claims being processed • Undertake staff training and sample accuracy checks • Ensure system back ups are carried out and historic information is recoverable • Implementation of new systems, processes and structures following Lean Systems Intervention
20	Loss of income from partners	Key partners end existing agreements with the Council	**Total Score: 3** Likelihood: 1 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Ongoing discussions and negotiations with key partners by senior officers and members

Appendix 6

GENERAL FUND EARMARKED RESERVES FORECAST 2018/19 - 2023/24

Description	Balance @ 31.03.19	Balance @ 31.03.20	Balance @ 31.03.21	Balance @ 31.03.22	Balance @ 31.03.23	Balance @ 31.03.24
Carry Forwards	138,959	138,959	138,959	138,959	138,959	138,959
Air Quality Initiatives	27,550	33,060	38,570	44,080	49,590	55,100
Asset Improvement	71,847	71,847	71,847	71,847	71,847	71,847
Backdated Rent Review	220,000	220,000	220,000	220,000	220,000	220,000
Boston Audit Contract	13,800	13,800	13,800	13,800	13,800	13,800
Business Rates Volatility	1,456,139	2,201,069	2,084,239	1,823,099	1,513,789	1,513,789
Christmas Decorations	17,240	17,240	17,240	17,240	17,240	17,240
City Hall Sinking Fund	36,060	36,060	36,060	36,060	36,060	36,060
Commons Parking	26,652	26,652	26,652	26,652	26,652	26,652
Electric Van replacement	10,504	14,934	19,364	23,794	28,224	32,654
Funding for Strategic Priorities	1,218,963	918,963	918,963	918,963	918,963	918,963
Grants & Contributions	841,572	796,762	751,302	705,172	658,352	610,592
Income Volatility Reserve	178,068	178,068	178,068	178,068	178,068	178,068
Invest to Save (GF)	434,647	466,957	484,517	499,967	500,542	500,542
IT Reserve	1	64,781	129,271	193,461	293,461	393,461
MA Reserve	51,317	51,317	51,317	51,317	51,317	51,317
Managed Workspace	35,000	35,000	35,000	35,000	35,000	35,000
Mayoral car	47,099	47,099	47,099	47,099	47,099	47,099
Mercury Abatement	413,561	371,291	317,171	264,891	214,441	165,821
Organisational Development	84,697	8,457	8,457	8,457	8,457	8,457
Private Sector Stock Condition Survey	75,460	27,460	39,460	51,460	63,460	15,460
Property Searches	36,450	36,450	36,450	36,450	36,450	36,450
Revenues & Benefits shared service	117,550	72,330	72,330	72,330	72,330	72,330
Section 106 interest	32,253	32,253	32,253	32,253	32,253	32,253
Sinking Fund - MSCP & Bus station midlife refurb	0	0	0	44,160	89,210	89,210
Strategic Projects - revenue costs	303,090	303,090	183,090	183,090	183,090	183,090
Tank Memorial	10,000	10,000	10,000	10,000	10,000	10,000
Tree Risk Assessment	125,539	145,539	165,539	185,539	205,539	225,539
Unused DRF	136,653	4,073	4,073	4,073	4,073	4,073
Yarbrough Leisure Centre	1,668	1,668	1,668	1,668	1,668	1,668
TOTAL GENERAL FUND	**6,162,338**	**6,345,178**	**6,132,758**	**5,938,948**	**5,719,933**	**5,705,493**

Appendix 6

HOUSING REVENUE ACCOUNT EARMARKED RESERVES FORECAST 2019/20 to 2023/24

Description	**Forecast Balance 31.03.19 £**	**Forecast Balance 31.03.20 £**	**Forecast Balance 31.03.21 £**	**Forecast Balance 31.03.22 £**	**Forecast Balance 31.03.23 £**	**Forecast Balance 31.03.24 £**
Repairs Account	623,950	623,950	623,950	623,950	623,950	623,950
Capital Fees Equalisation Reserve	213,740	172,200	142,160	142,160	142,160	142,160
Strategic Priority Reserve	240,000	240,000	240,000	240,000	240,000	240,000
Invest to Save (HRA)	139,820	139,820	139,820	139,820	139,820	139,820
De Wint Court Reserve	73,480	73,480	73,480	73,480	73,480	73,480
PI Survey	60,220	54,220	57,220	51,220	54,220	48,220
Stock Condition Survey (HRA)	22,340	22,340	22,340	22,340	22,340	22,340
DRF Reserve	0	65,000	130,000	195,000	195,000	195,000
TOTAL HOUSING REVENUE ACCOUNT	**1,373,550**	**1,391,010**	**1,428,970**	**1,487,970**	**1,490,970**	**1,484,970**

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ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
INTERMENTS				
Child up to sixteen years	No Charge	No Charge	**No Charge**	
Person over sixteen years	1,050.00	1,080.00	**1,110.00**	
Preparation for Exhumation	1,950.00	2,010.00	**2,070.00**	
Grave Purchase (50 Year Lease)**	1,020.00	1,050.00	**1,080.00**	
Grave Purchase (Baby)	260.00	270.00	**280.00**	
Interments of cremated remains:				
- From Lincoln Crematorium*	70.00	75.00	**80.00**	
- From Other Crematorium*	100.00	105.00	**110.00**	
Preparation for Exhumation of Ashes	260.00	270.00	**280.00**	
Cremation Plot Purchase	260.00	270.00	**280.00**	
Body Parts/blocks/slides*	65.00	70.00	**72.00**	
50% Discount for City of Lincoln Residents (Excluding those marked with *)				
**Fee is non-transferable to anyone other than the purchasee/designated person.				
If the intention is to transfer onto a non-city resident then charge will be doubled.				
MONUMENTS, GRAVE STONES, TABLETS & INSCRIPTIONS				
Monumental Mason Headstone	100.00	105.00	**110.00**	**inc VAT**
MISCELLANEOUS				
Levelling and re-turfing of graves	46.00	47.00	**48.00**	**inc VAT**
Burial records search fee where appropriate	6.00	6.00	**6.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
INTERMENTS			
Child up to sixteen years	No Charge	No Charge	**No Charge**
Person over sixteen years			
- Resident	680.00	700.00	**720.00**
- Non-resident	1,360.00	1,400.00	**1,440.00**
Interments of cremated remains			
- From Lincoln Crematorium *	90.00	95.00	**98.00**
- From Other Crematorium *	110.00	115.00	**120.00**
PURCHASE OF GRAVE PLOT			
Grave Purchase (50 Year Lease) **			
- Resident	580.00	600.00	**620.00**
- Non-resident	1,160.00	1,200.00	**1,240.00**
Grave Purchase (Baby)			
- Resident	140.00	145.00	**150.00**
- Non-resident	280.00	290.00	**300.00**
Cremation Plot Purchase			
- Resident	140.00	145.00	**150.00**
- Non-resident	280.00	290.00	**300.00**

50% Discount for City of Lincoln Residents (Excluding those marked with *)
** Fee is non-transferable to anyone other than the purchasee/designated person.
If the intention is to transfer onto a non-city resident then the 50% discount will not apply.

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	**CURRENT 2018/19 £**	**PROPOSED 2019/20 £**	
CREMATION FEES				
Body Parts/Slides/Blocks	73.00	75.00	**77.00**	
Child up to sixteen years	No Charge	No Charge	**No Charge**	
Person over sixteen years	690.00	720.00	**750.00**	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Charge for non-city residents :				
Person over sixteen years	690.00	720.00	**750.00**	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Service Extension (20 min period)	165.00	170.00	**175.00**	
MEMORIALS AND INSCRIPTIONS				
Book of Remembrance				
2 Lines	80.00	85.00	**90.00**	**inc VAT**
5 Lines	110.00	115.00	**120.00**	**inc VAT**
8 Lines	140.00	145.00	**150.00**	**inc VAT**
Minature Books				
2 Lines	90.00	95.00	**100.00**	**inc VAT**
5 Lines	100.00	105.00	**110.00**	**inc VAT**
8 lines	115.00	120.00	**125.00**	**inc VAT**
Remembrance cards				
2 Lines	55.00	60.00	**62.00**	**inc VAT**
5 Lines	65.00	70.00	**72.00**	**inc VAT**
8 Lines	80.00	85.00	**88.00**	**inc VAT**
Additional lines to existing books and cards per line	16.00	17.00	**18.00**	**inc VAT**
MISCELLANEOUS CHARGES				
- Caskets	48.00	50.00	**52.00**	
- Extract from Register of Cremations	12.00	12.00	**12.00**	
Memorial Service (when space available)	330.00	340.00	**350.00**	
DEPOSIT OF ASHES				
- Temporary deposit of ashes per month after one month	13.00	14.00	**15.00**	
- For burying of ashes in Garden of Remembrance where cremation carried out at other crematorium	85.00	90.00	**95.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	**CURRENT 2018/19 £**	**PROPOSED 2019/20 £**	
MEMORIAL GARDEN				
Wall Tablet (10 year lease)	210.00	216.67	**225.00**	**plus VAT**
Bench Tablet (10 year lease)	300.00	308.33	**316.66**	**plus VAT**
Kerb Tablet (10 year lease)	325.00	333.33	**341.66**	**plus VAT**
Vault Tablet (20 year lease)	738.00	750.00	**770.83**	**plus VAT**
Designer images on plaques - from	100.00	104.17	**108.33**	**plus VAT**
Ceramic Photo Plaques				
4cm x 3cm	95.00	100.00	**104.16**	**plus VAT**
7cm x 5cm	137.00	141.67	**145.83**	**plus VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	**CURRENT 2018/19 £**	**PROPOSED 2019/20 £**	
BREAVEMENT SERVICES				
Witnessed burial in the Garden of Remembrance	30.00	30.00	**30.00**	
Direct Cremation Service	550.00	565.00	**580.00**	
Change of fees for a memorial permit to make it a clear price	100.00	105.00	**110.00**	
WESLEY SYSTEM				
Audio recording supplied on CD - 1st Copy	50.00	52.00	**55.00**	**inc VAT**
Audio recording supplied on CD - subsequent copies	25.00	26.00	**27.00**	**inc VAT**
Video recording supplied on DVD - 1st copy	50.00	52.00	**55.00**	**inc VAT**
Video recording supplied on DVD - subsequent copies	25.00	26.00	**27.00**	**inc VAT**
VISUAL TRIBUTES				
Visual tribute - 1 photograph	20.00	22.00	**23.00**	**inc VAT**
Visual tribute - 2-5 photographs	30.00	32.00	**33.00**	**inc VAT**
Visual tribute - 6-10 photographs	40.00	42.00	**44.00**	**inc VAT**
Visual tribute – 10+ photographs subsequent per photograph)	2.50	2.50	**2.50**	**inc VAT**
Video tribute - up to 2 minutes	30.00	32.00	**33.00**	**inc VAT**
Video tribute - over 2 minutes to 5 minutes	40.00	42.00	**44.00**	**inc VAT**
DVD containing the tribute - 1st copy	30.00	32.00	**33.00**	**inc VAT**
DVD containing the tribute - subsequent copies	25.00	25.95	**27.00**	**inc VAT**
Tribute embedded into video of the service	70.00	72.00	**75.00**	**inc VAT**
WEBCASTING				
Webcasting of Service	50.00	52.00	**55.00**	**inc VAT**
MEMORIAL TREE				
Memorial Leaf (Name Only)*	-	150.00	**150.00**	**plus VAT**
Memorial Leaf (Name & Inscription)*	-	175.00	**175.00**	**plus VAT**

*Subject to a 10 year lease

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
LICENCES, CERTIFICATES AND AUTHORISATIONS			
Food Certificates			
- Condemned food	39.10	40.27	**41.50**
(No charge for single items)			
- Consignments for Export	62.80	64.68	**66.60**
Authorisations *- Prescribed Processes (All subject to notification by DEFRA) :			
- Application Fees			
- Standard	1,579.00	1,579.00	**1,579.00**
- Additional Fee for Operating without a Permit	1,137.00	1,137.00	**1,137.00**
- PVRI, SWOB's and Dry Cleaners	148.00	148.00	**148.00**
- PVR Combinded I & II	246.00	246.00	**246.00**
- VR & other Reduced Fee Activities	346.00	346.00	**346.00**
- RFA Additional Fee for no Permit	68.00	68.00	**68.00**
- Mobile Plant **	1,579.00	1,579.00	**1,579.00**
- for 3rd to 7th Applications	943.00	943.00	**943.00**
- for 8th & Subsequent Applications	477.00	477.00	**477.00**
Where an Application for any of the above is for a combined Part B and Waste Application add extra £297 to Amount shown			
- Subsistence charges			
- Standard - Low	739.00	739.00	**739.00**
- Standard - Med	1,111.00	1,111.00	**1,111.00**
- Standard - High	1,672.00	1,672.00	**1,672.00**
- PVRI, SWOB's and Dry Cleaners Low	76.00	76.00	**76.00**
- PVRI, SWOB's and Dry Cleaners Med	151.00	151.00	**151.00**
- PVRI, SWOB's and Dry Cleaners High	227.00	227.00	**227.00**
- PVR I & II Combined Low	108.00	108.00	**108.00**
- PVR I & II Combined Med	216.00	216.00	**216.00**
- PVR I & II Combined High	326.00	326.00	**326.00**
- VRs & other Reduced Fees Low	218.00	218.00	**218.00**
- VRs & other Reduced Fees Med	349.00	349.00	**349.00**
- VRs & other Reduced Fees High	524.00	524.00	**524.00**
- Mobile Plants for 1st & 2nd Permits Low **	618.00	618.00	**618.00**
- Mobile Plants for 1st & 2nd Permits Med **	989.00	989.00	**989.00**
- Mobile Plants for 1st & 2nd Permits High **	1,484.00	1,484.00	**1,484.00**
- For the 3rd to 7th Permits Low	368.00	368.00	**368.00**
- For the 3rd to 7th Permits Med	590.00	590.00	**590.00**
- For the 3rd to 7th Permits High	884.00	884.00	**884.00**
- For the 8th and Susequent Permits Low	189.00	189.00	**189.00**
- For the 8th and Susequent Permits Med	302.00	302.00	**302.00**
- For the 8th and Susequent Permits High	453.00	453.00	**453.00**
- Late Payment Fee	50.00	50.00	**50.00**

** Not using simplified Permits
The Additional amounts in brackets must be charged where permit is for combined Part B and Waste Installation.
Where a Part B Installation is subject to reporting under the E-PRTR Regulation, add £99 extra to the Amounts Shown

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
LICENCES, CERTIFICATES AND AUTHORISATIONS				
- Transfer & Surrender				
- Standard Process Transfer	162.00	162.00	**162.00**	
- Standard Process Partial Transfer	476.00	476.00	**476.00**	
- New Operator - Low risk Fee	75.00	75.00	**75.00**	
- Reduced Fee Activities Partial Transfer	45.00	45.00	**45.00**	
- Temporary Transfer for Mobiles				
- First Transfer	51.00	51.00	**51.00**	
- Repeat following Enforcement or Warning	51.00	51.00	**51.00**	
- Substantial Change				
- Standard Process	1,005.00	1,005.00	**1,005.00**	
- Standard Process where result in a new PPC Activity	1,579.00	1,579.00	**1,579.00**	
- Reduced Fee Activities	98.00	98.00	**98.00**	
Pet Shop - Non Reptile Stockists*	107.00	250.00	**250.00**	**plus Vet fees**
Pet Shop - Reptile Stockists*	302.00	250.00	**250.00**	**plus Vet fees**
Requested Re-Inspection for Star Rating Review*	-	105.00	**105.00**	
Requesting a Variation of the Licence*	-	105.00	**95.00**	
Local Government Misc Provisions- Skin Piercers				
- Premises	150.90	155.40	**160.10**	
- Persons	28.90	29.80	**30.70**	
Public Conveniences				
- Castle Hill	0.20	0.20	**0.20**	
- Tentercroft Street	0.20	0.20	**0.20**	
- Westgate	0.20	0.20	**0.20**	

* 10% discount for registered charities

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
Dogs :				
- Penalty for Strays *(Set by EPA & charged on 2nd continuing offence.)	25.00	25.00	**25.00**	
- Housing of Strays (Kennel fee per day) (Cost + Handling Charge)	11.30	11.60	**12.00**	**inc VAT**
- Acceptance of, for Destruction	81.00	81.00	**81.00**	
OTHER				
Provision of Information				
- Photograph (Each additional photo £1.30)	12.80	13.20	**13.60**	**inc VAT**
- Documents	11.50	11.90	**12.30**	**inc VAT**
- Factual Statement & Report of Investigations	127.50	131.30	**135.20**	**inc VAT**
- Food Safety Act Register (25 entries or part)	4.50	4.60	**4.70**	**inc VAT**
- Information on Former Use of Land (Charge per hour, or part thereof)	77.60	79.90	**82.30**	
- Provision of Information - Outstanding Notices Administration Charge	38.80	40.00	**41.20**	
- Default Works (incl Intruder Alarm Disconnection)	Cost + 10%	Cost + 10%	**Cost + 10%**	
Safer Food Better Business Management System	6.00	6.20	**6.40**	
Safer Food Better Business Daily Diary	4.00	4.10	**4.20**	
Re-inspection of Food Business		150.00	**150.00**	**plus VAT**
Clearance of Private Sewers & Drains (charge per visit)	57.00	58.70	**60.50**	**inc VAT**
- Graffitti Busting per hour	39.80	41.00	**42.20**	**plus VAT**

*** Concessions apply to OAP's and persons in receipt of benefit :**
- Retired persons over 65 years of age or,
- individuals over 60, in receipt of state retirement pension or widows pension or,
- persons in receipt of a means tested benefit

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
ENFORCEMENT OFFICER				
Fixed Penalty Notices				
- Littering*	75.00	75.00	**75.00**	
- Dog Fouling	50.00	50.00	**50.00**	
- Breach of Community Protection*	75.00	75.00	**75.00**	
- Breach of a Public Space Protection Order*	75.00	75.00	**75.00**	
- Breach of S46 Notice (Presentation of Waste)*	75.00	75.00	**75.00**	
*** Discount of £25 given if paid within 10 days of receiving the fine**				
GREEN WASTE				
Green Waste Bin Collection				
- Annual Fee	33.00	36.00	**39.00**	
- Additional Bin	15.00	15.00	**15.00**	
- Delivery Fee	15.00	15.00	**15.00**	
DEVELOPER BIN CHARGES				
Charges per bin				
- 140 Litre Bin		22.00	**22.70**	**plus VAT**
- 240 Litre Bin		26.00	**26.80**	**plus VAT**
- Communal Bin (Usually 660l or 1100l)		149.00	**153.50**	**plus VAT**
- Delivery Charge		10.00	**10.30**	**plus VAT**
Admin Charge		**10% of total char**	**10% of total charge**	

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HOUSING- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
HOUSING ADVANCES				
- Second mortgage enquiry fee	95.50	98.40	**101.40**	**inc VAT**
- Transfer of mortgage fee	142.10	146.40	**150.80**	
- Business rate enquiry fee	30.90	31.80	**32.80**	
- Council Tax enquiry fee	24.40	25.10	**25.90**	
- Right to Buy leaseholders repair loan	185.40	191.00	**196.70**	
HOUSES IN MULTIPLE OCCUPATION				
Premises Licence Fee*				
- Basic (up to 5 Bedrooms)	479.00	850.00	**850.00**	
- 6 to 10 Bedrooms	Basic + 10%	Basic + 10%	**Basic + 10%**	
- 11 to 15 Bedrooms	Basic + 20%	Basic + 20%	**Basic + 20%**	
- 16 to 20 Bedrooms	Basic + 30%	Basic + 30%	**Basic + 30%**	
- For every 5, or part thereof, over 20	Additional 10%	Additional 10%	**Additional 10%**	
Variation to Licence	10% of Basic			
Multiple Application Discount on the second and subsequent completed applications (received within 12 months of the date of receipt of a previous successful application, and the fit and proper person check was undertaken for the earlier application)	10% of Basic	**5% of Basic**	**5% of Basic**	
Trusted Landlord Scheme Discount (must be accredited on the date of the completed application)		**35% of Basic**	**35% of Basic**	

* The premises licence fee comprises of two elements. 60% of the total fee due will be payable on application as an application fee, and if the application is successful, the remaining 40% will be payable as a licence fee when the licence is granted.

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
GARAGES				
Garage transfer fees	20.10	20.70	**21.30**	**inc VAT**
Garage sites	71.10	73.20	**75.40**	**inc VAT**
Garage access fees	71.10	73.20	**75.40**	**inc VAT**

HOUSING- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
SUPPORTED HOUSING				
Community Alarms Service	150.00	150.00	**150.00**	
SHELTERED ACCOMMODATION				
Service charges, per rent week (50 weeks) - residents :				
- 1 person flat				
Derek Miller Ct	8.00	8.25	**8.50**	
St.Botolphs	8.00	8.25	**8.50**	
- 2 person flat				
Derek Miller Ct	11.40	11.75	**12.10**	
St.Botolphs	11.40	11.75	**12.10**	
- Electricity				
Derek Miller Court (only)	4.00	-	**-**	
Service charges, per rent week (50 weeks) - wardens :				
- 2 bed accommodation	9.10	9.40	**9.70**	
- 3 bed accommodation				
Lenton Green	11.10	11.40	**11.70**	
Others	10.90	11.20	**11.50**	
Concessionery TV Licences	7.70	7.90	**7.50**	
MISCELLANEOUS				
Additional keys for door entry	12.80	13.20	**13.60**	**inc VAT**
Building Society enquiry fees	76.20	78.50	**80.90**	**inc VAT**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £ FOR LEASES STARTING IN 2018/19	
ALLOTMENTS				
Standard rent for allotment				
51 to 100 sq yards	29.10	30.00	30.90	
101 to 150 sq yards	30.70	31.60	32.60	
151 to 200 sq yards	32.50	33.50	34.50	
201 to 250 sq yards	34.20	35.20	36.30	
251 to 300 sq yards	35.80	36.90	38.00	
301 to 350 sq tards	37.50	38.60	39.80	
351 to 400 sq yards	39.40	40.60	41.80	
401 to 450 sq yards	41.00	42.20	43.50	
451 to 500 sq yards	42.60	43.90	45.20	
501 to 550 sq yards	44.40	45.70	47.10	
551 to 600 sq yards	46.00	47.40	48.80	
601 to 650 sq yards	47.80	49.20	50.70	
651 to 700 sq yards	49.70	51.20	52.70	
701 to 750 sq yards	51.30	52.80	54.40	
751 to 800 sq yards	52.80	54.40	56.00	
801 to 850 sq yards	54.70	56.30	58.00	
851 to 900 sq yards	56.40	58.10	59.80	
901to 950 sq yards	58.10	59.80	61.60	
951 to 1000 sq yards	59.70	61.50	63.40	
Water supply to allotment				
- minimum charge	18.50	19.10	19.70	
Garage site				
- Rents and access charge	39.40	40.60	41.80	**inc. VAT**
Discounts				
6 - 10 allotments	10%	10%	**10%**	
11+ allotments	20%	20%	**20%**	
Unemployed	50%	50%	**50%**	
Pensioners	50%	50%	**50%**	

CONDITIONS

***Concessions apply to OAP's and persons on Benefit**
- **Retired persons over 65 years of age or,**
- **individuals over 60, in receipt of state retirement pension or widows pension or,**
- **persons in receipt of a means tested benefit**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
HARTSHOLME COUNTRY PARK				
- Overnight stay, incl use of showers (per night)				
Standard non-electric price for a pitch in the tent only area (apart from backpack tent).				
- High Season *****	16.50	17.00	**17.50**	**inc VAT**
- Low Season	14.50	15.00	**15.50**	**inc VAT**
Electric included in pitch price for all other pitches				
Four berth caravan, motorhome or tent and car				
- High Season *****	19.00	19.50	**20.00**	**inc VAT**
- Low Season	17.00	17.50	**18.00**	**inc VAT**
Overflow Camping	10.00	10.00	**10.00**	**inc VAT**
Camping Pod Single Night	40.00	40.00	**40.00**	**inc VAT**
Camping Pod 2 nights or more	35.00	35.00	**35.00**	**inc VAT**
Camping Pod Christmas Market	50.00	50.00	**50.00**	**inc VAT**
Non-refundable deposit - (included within price)				
Bank Holiday Weekends only				
Single night	10.00	10.00	**10.00**	**inc VAT**
Two or more nights	20.00	25.00	**20.00**	**inc VAT**
Backpack Tent	10.00	11.00	**11.50**	**inc VAT**
Full Awning	3.00	3.00	**3.00**	**inc VAT**
Additional Adult	3.00	3.00	**3.00**	**inc VAT**
Additional Car parking	3.00	3.00	**3.00**	**inc VAT**
- Christmas Market period, per pitch *				
Non-refundable deposit - (included within price)				
Two - four nights	25.00	30.00	**25.00**	**inc VAT**
Five nights	50.00	67.50	**-**	**inc VAT**
With electric hook-up				
Single night Thur/Fri/Sat	30.00	30.00	**30.00**	**inc VAT**
Five nights	135.00	135.00	**135.00**	**inc VAT**
Single night Wed/Sun	25.50	25.50	**25.50**	**inc VAT**

*** High Season Period:**
Includes all Weekends, Bank Holidays, and LCC School Holidays.
Deposits required.

- Activity/Visit (tier 1)				
Per Person	2.50	2.50	**3.50**	**inc VAT**
Group of 30 (can be broken down into £40 per hour)	75.00	80.00	**80.00**	**inc VAT**
- Meeting Room	10.00	10.00	**10.00**	**inc VAT**
- Activity/Visit (tier 2) (Rangers Club per activity)	3.50	3.50	**5.00**	**inc VAT**
- Hire of activity boxes (tier 3)			**25.00**	
- Wreath Making		15.00	**25.00**	**inc VAT**
- Willow Weaving		20.00	**25.00**	**inc VAT**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
BUD ROBINSON C.C.				
Room Hire (per hour)				
- Main Hall				
Commercial	21.30	21.90	**22.60**	
Standard	17.10	17.60	**18.10**	
Supported	8.65	8.90	**9.20**	
- Large Meeting Room				
Commercial	21.30	19.30	**19.90**	
Standard	14.30	14.70	**15.10**	
Supported	8.65	8.65	**8.90**	
- Small Meeting Room				
Commercial	9.50	9.80	**10.10**	
Standard	6.00	6.20	**6.40**	
Supported	3.60	3.70	**3.80**	
Surcharge after 11pm	100%	100%	**100%**	
Projector/Screen Hire				
- Per Hour		**5.00**	**5.00**	
- Per day		**25.00**	**25.00**	
Service Charge (Caretaker fee)		Cost	**Cost**	**plus VAT**
Surcharge after 11pm (Caretaker fee)		Cost	**Cost**	**plus VAT**
Call out recharges		Cost	**Cost**	**plus VAT**
Additional Cleaning		Cost	**Cost**	**plus VAT**
Other Charges				
Activities (per hour)				
- Table Tennis, per table	3.60	3.70	**3.80**	**inc VAT**
- Carpet Bowls, per carpet	5.05	5.20	**5.40**	**inc VAT**
Hire of Equipment				
- Table Tennis Bat (£2 dep)	2.05	-	**-**	
- Carpet Bowls (per hour) £2 deposit	2.05	-	**-**	
- Booking Fee**	5.00	5.20	**5.40**	
- Amendment Fee	3.00	3.10	**3.20**	
- PRS	Cost + 50%	Cost + 50%	**Cost + 50%**	
Sale of Equipment	Cost + 35%	-	**-**	

*Service charge will be levied for all bookings who opt not to key hold
** Not applicable to sports bookings which includes table tennis and bowls

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
ALL OTHER CENTRES				
Room Hire (per hour)				
- Main Hall/Weighing Room				
Commercial	17.80	18.70	**19.30**	
Standard	14.20	14.90	**15.40**	
Supported	7.10	7.45	**7.70**	
- Small Meeting Rooms				
Commercial	9.50	9.80	**10.10**	
Standard	6.00	6.20	**6.40**	
Supported	3.60	3.70	**3.80**	
- Large Meeting Rooms				
Commercial	17.80	18.30	**18.90**	
Standard	11.95	12.30	**12.70**	
Supported	7.10	7.30	**7.50**	
Surcharge after 11pm	100%	100%	**100%**	
Projector/Screen Hire				
- Per Hour		**5.00**	**5.00**	
- Per day		**25.00**	**25.00**	
Service Charge (Caretaker fee)		Cost	**Cost**	**plus VAT**
Surcharge after 11pm (Caretaker fee)		Cost	**Cost**	**plus VAT**
Call out recharges		Cost	**Cost**	**plus VAT**
Additional Cleaning		Cost	**Cost**	**plus VAT**
Other Charges				
Activities (per hour)				
- Badminton per court	8.25	8.50	**8.80**	**inc VAT**
- Table Tennis per table	3.60	3.70	**3.80**	**inc VAT**
- Carpet Bowls per carpet	5.05	5.20	**5.40**	**inc VAT**
Hire of Equipment				
- Racquet (£2 dep)	2.05	-	**-**	
- Table Tennis Bat (£2 dep)	2.05	-	**-**	
- Booking Fee**	5.00	5.20	**5.40**	
- Amendment Fee	3.00	3.10	**3.20**	
- PRS	Cost + 50%	Cost + 50%	**Cost + 50%**	
Sale of Equipment	Cost + 35%	-	**-**	

*Service charge will be levied for all bookings who opt not to key hold
** Not applicable to sports bookings which includes table tennis and bowls

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
COMMONS (DHR)				
- Jockey Room (per function)	53.10	-	**-**	
- Assisted Access onto the Commons in connection with a specific event.	49.00	-	**-**	
- Impounding of Horses on City Commons		Contract Price + 15%	**ntract Price + 15%**	**plus VAT**
RECREATION GROUNDS (DCE)				
- Bowls (per person, per hour)				
Adult	2.30	-	**-**	**inc VAT**
Concession*	-	-	**-**	**inc VAT**
Additional half hour	50% of Hourly Rate		**-**	
Matches (per rink used)	9.60		**-**	**inc VAT**
W.Comm/B.Park b.c.	1,718.70		**-**	**inc VAT**
Extra usage	145.30		**-**	**inc VAT**
- Cricket, pitch and accommodation				
Weekend match				
Adult teams	32.30	33.30	**34.30**	**inc VAT**
Youth teams	18.50	19.10	**19.70**	**inc VAT**
Weekday match (evening)				
Adult teams	21.80	22.50	**23.20**	**inc VAT**
Youth teams	15.60	16.10	**16.60**	**inc VAT**
- Putting (per round)				
Adult	1.70		**-**	
- Rounders (Per pitch Per match)	11.00	Cost	**Cost**	**plus VAT**
- Tennis Court (per hour)*				
Adult	5.30	-	**-**	
Additional half hour	50% of Hourly Rate		**50% of Hourly Rate**	

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

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
RECREATION GROUNDS				
- Football (per pitch)				
Per game with attended changing facilities without showers				
Adult teams	51.00	52.50	**54.10**	**inc VAT**
Youth teams	25.50	26.30	**27.10**	**inc VAT**
Junior Pitches (10-14 Years)	21.00	21.60	**22.30**	**inc VAT**
Mini Pitches (up to 10yr olds)	12.90	13.30	**13.70**	**inc VAT**
Per game for keyholders or limited changing facilities without showers (Skellingthorpe Rd and King George's Field)				
Adult teams	39.10	40.30	**41.50**	**inc VAT**
Youth teams	19.70	20.30	**20.90**	**inc VAT**
Junior Pitches (10-14 Years)	16.20	16.70	**17.20**	**inc VAT**
Per season (16 Bookings**) with attended changing facilities with showers				
Adult teams	367.10	378.10	**389.40**	
Youth teams	175.00	180.25	**185.70**	
Junior Pitches (10-14 Years)	131.10	135.00	**139.10**	
Mini Pitches (up to 10yr olds)	92.80	95.60	**98.50**	
Per season (16 Bookings*) with attended changing facilities with showers (Skellingthorpe Rd and King George's Field)				
Adult teams	282.40	290.90	**299.60**	
Youth teams	134.70	138.70	**142.90**	
Junior Pitches (10-14 Years)	101.20	104.20	**107.30**	
Mini Pitches (up to 10yr olds)	59.50	61.30	**63.10**	
Additional Cleaning		Cost	**Cost**	**plus VAT**
- Grass training fees with no attendant or changing facilities (per group, per hour)				
Adult teams	11.20	11.50	**11.90**	**inc VAT**
Youth teams	6.80	7.00	**7.20**	**inc VAT**
- Adults 5-A-Side Area (per hour)				
Football, Netball, Basketball	11.30	-	**-**	**inc VAT**
Floodlights	3.80	-	**-**	**inc VAT**
- Youth/Off Peak 5-A-Side Areas (per hour)				
Football, Netball, Basketball	7.80	-	**-**	**inc VAT**
Floodlights	3.80	-	**-**	**inc VAT**
- Tennis Equipment				
Tennis Racquet Hire per session	2.20	-	**-**	
Deposit per Raquet	2.30	-	**-**	
Tennis Balls for sale	Cost + 50%			

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

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **CREATIVE INDUSTRIES MANAGED WORKSPACE (THE TERRACE)**

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
Conference / Meeting Room				
Tenants (Inc Post Box Holders) - **SEE FOOTNOTE BELOW**				
Per Hour	15.00	15.00	**15.00**	**excl VAT**
Per ½ Day	45.00	45.00	**45.00**	**excl VAT**
Per Day	80.00	80.00	**80.00**	**excl VAT**
Non Tenants				
Per Hour	30.00	30.00	**30.00**	**excl VAT**
Per ½ Day	90.00	90.00	**90.00**	**excl VAT**
Per Day	160.00	160.00	**160.00**	**excl VAT**
Projector/Lap Top available at additional cost of £5 per hour or £25 per day				
Faxing (Per Page)				
Inward / Outward	0.45	0.45	**0.45**	**excl VAT**
Overseas	0.90	0.90	**0.90**	**excl VAT**
- Laminating				
A4 (Per Sheet)	1.30	1.30	**1.30**	**excl VAT**
A3 (Per Sheet)	2.15	2.15	**2.15**	**excl VAT**
Photocopying (Per Sheet)				
A4 Paper	0.08	0.08	**0.08**	**excl VAT**
A3 Paper	0.13	0.13	**0.13**	**excl VAT**
A4 Paper - Coloured	0.42	0.42	**0.42**	**excl VAT**
A3 Paper - Coloured	0.83	0.83	**0.83**	**excl VAT**
Bulk Copying (50+)				
Own Paper	0.04	0.04	**0.04**	**excl VAT**
Telephone Answering Service				
Monthly Rate	20.00	20.00	**20.00**	**excl VAT**
Price is based on a calendar month and is exclusive to VAT.				
- Virtual Mailbox				
Annual	295.00	295.00	**295.00**	**excl VAT**
Replacement keys				
Unit Key				
Security Access Key	11.50	11.50	**11.50**	**excl VAT**

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PARKING SERVICES - FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
- Lucy Tower Street				
1 hour	1.60	1.60	**1.60**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	4.50	4.50	**4.50**	**inc VAT**
4 hours	5.50	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next day	7.80	8.00	**8.50**	**inc VAT**
Evening Charge	3.20	3.50	**3.50**	**inc VAT**
- City Hall (Season Tickets Prohibited)				
1 hour	1.60	1.60	**1.60**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	4.50	4.50	**4.50**	**inc VAT**
4 hours	5.50	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next day	7.80	8.00	**8.50**	**inc VAT**
Evening Charge	2.80	3.00	**3.50**	**inc VAT**
- Motherby Lane (Season Tickets Prohibited)				
1 hour	1.60	1.60	**1.60**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	4.50	4.50	**4.50**	**inc VAT**
4 hours	5.50	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next day	7.80	8.00	**8.50**	**inc VAT**
Evening Charge	2.80	3.00	**3.50**	**inc VAT**
- Flaxengate				
1 hour	1.60	1.60	**1.60**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	4.50	4.50	**4.50**	**inc VAT**
4 hours	5.50	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next day	7.80	8.00	**8.50**	**inc VAT**
Evening Charge	2.80	3.00	**3.50**	**inc VAT**
- Tentercroft Street				
1 hour	1.60	1.60	**1.60**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	4.50	4.50	**4.50**	**inc VAT**
4 hours	5.50	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next day	7.80	8.00	**8.50**	**inc VAT**
Evening Charge	2.80	3.00	**3.50**	**inc VAT**
- Lincoln Central Car Park				
1 hour	1.60	1.60	**1.60**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	4.50	4.50	**4.50**	**inc VAT**
4 hours	5.50	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next day	7.80	8.00	**8.50**	**inc VAT**
Evening Charge	3.20	3.50	**3.50**	**inc VAT**

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
- Castle (Season Tickets Prohibited)				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	2.80	2.80	**3.00**	**inc VAT**
3 hours	4.50	4.50	**4.80**	**inc VAT**
4 hours	5.60	5.80	**5.80**	**inc VAT**
Over 4 hours and up to 8am next day	8.00	8.50	**8.50**	**inc VAT**
Evening Charge	2.60	2.80	**3.00**	**inc VAT**
- Westgate (Season Tickets Prohibited)				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	2.60	2.80	**3.00**	**inc VAT**
3 hours	4.50	4.50	**4.80**	**inc VAT**
4 hours	5.50	5.80	**5.80**	**inc VAT**
Over 4 hours and up to 8am next day	7.50	8.50	**8.50**	**inc VAT**
Evening Charge	2.60	2.80	**3.00**	**inc VAT**
- The Lawn Complex				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	2.80	2.80	**3.00**	**inc VAT**
3 hours	4.50	4.50	**4.80**	**inc VAT**
4 hours	5.60	5.80	**5.80**	**inc VAT**
Over 4 hours and up to 8am next day	8.00	8.50	**8.50**	**inc VAT**
Evening Charge	2.60	2.80	**3.00**	**inc VAT**
- Langworthgate				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	2.80	2.80	**3.00**	**inc VAT**
3 hours	4.50	4.50	**4.80**	**inc VAT**
4 hours	5.60	5.80	**5.80**	**inc VAT**
Over 4 hours and up to 8am next day	8.00	8.50	**8.50**	**inc VAT**
Evening Charge	2.60	2.80	**3.00**	**inc VAT**
- St Pauls (Season Tickets Prohibited)				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	2.80	2.80	**3.00**	**inc VAT**
3 hours	4.50	4.50	**4.80**	**inc VAT**
Evening Charge	2.60	2.80	**3.00**	**inc VAT**
- Broadgate				
1 hour	1.20	1.30	**1.30**	**inc VAT**
2 hours	2.20	2.40	**2.50**	**inc VAT**
3 hours	3.50	3.60	**4.00**	**inc VAT**
Over 4 hours and up to 8am next day	5.00	5.00	**5.50**	**inc VAT**
Evening Charge	2.00	2.50	**2.50**	**inc VAT**
- Chaplin Street				
1 hour	1.20	1.30	**1.30**	**inc VAT**
2 hours	2.20	2.40	**2.50**	**inc VAT**
3 hours	3.50	3.60	**4.00**	**inc VAT**
Over 4 hours and up to 8am next day	5.00	5.00	**5.50**	**inc VAT**
Evening Charge	2.00	2.50	**2.50**	**inc VAT**
- Rosemary Lane (Season Tickets Prohibited)				
1 hour	1.20	1.30	**1.30**	**inc VAT**
2 hours	2.20	2.40	**2.50**	**inc VAT**
3 hours	3.50	3.60	**4.00**	**inc VAT**
Over 4 hours and up to 8am next day	5.00	5.00	**5.50**	**inc VAT**
Evening Charge	2.00	2.50	**2.50**	**inc VAT**
- Weekend/Bank Holiday				
(new rates for Saturday / Sunday and Bank Holidays at Broadgate, Rosemary Lane, County Offices, Lincoln College & Waterside North Car Parks)				
Up to 2 Hours	2.20	2.40	**2.50**	**inc VAT**
24 hours	3.00	3.30	**3.50**	**inc VAT**
Evening Charge	2.50	2.50	**2.50**	**inc VAT**

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
OTHER				
- Car Park Evening Permit	85.00	90.00	**95.00**	**inc VAT**
- 7 Day Scratch Cards	40.00	41.50	**42.75**	**inc VAT**
- Evening Scratch Card (All sites)	15.00	20.00	**20.00**	**inc VAT**
- Hampton/Hermit Street Compound	128.80	135.00	**139.00**	**inc VAT**
- Motorcycle parking where available	2.20	2.20	**2.50**	**inc VAT**

Additional Information:

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

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

Special Offer Tariffs

SAVVY SHOPPER
(Applicable to Tentercroft Street Car Park) £3.00 after 3pm for 3 hours parking, plus free evenings to 8am

SCHOOL'S OUT
(Rosemary Lane Only) £3.00 all day during the months of July and August

CHRISTMAS SHOPPING
(Applicable to Lincoln Central Car Park on selected days (Mon-Sun) from Christmas Lights ceremony to Christmas Eve) Free parking between 16:00 hrs to 21.30 hrs
Applicable to Pay by Phone on seclected days (Mon-Sun) from Christmas Lights ceremony to Christmas Eve) Free parking between 16:00 hrs to 08:00 hrs

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
OTHER				
- Season Tickets and Excess Charge Notices				
Annual (Valid for Broadgate, Lawn, King/Chaplin St/Langworthgate)				
Monday to Sunday	901.80	928.90	**956.80**	**inc VAT**
Monthly (Valid for Broadgate, Lawn, King/Chaplin St, Langworthgate)				
Monday to Sunday	76.20	78.50	**80.90**	**inc VAT**
Annual Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	1,145.40	1,179.80	**1,215.20**	**inc VAT**
Monthly Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	98.90	101.90	**105.00**	**inc VAT**
Lucy Tower St Long Stay Corporate User				
City Council staff (60 max)	830.20	855.10	**880.80**	**inc VAT**
County Council staff (40 max)	830.20	855.10	**880.80**	**inc VAT**
The Lawn (not inter-changeable with Broadgate etc)				
Monday to Sunday	679.80	-	**-**	**inc VAT**
Corporate User, 100+ tickets	(Monday to Sunday)			
Broadgate, King St/Chaplin St, Langworthgate and City Council staff				
	679.80	700.20	**721.20**	**inc VAT**
Admin Charge on Refunds	15.00	15.00	**15.00**	**inc VAT**
Replacement of Lost/Stolen Tkts	10.00	10.00	**10.00**	**inc VAT**
- Higher rate PCN contravention	70.00	70.00	**70.00**	**inc VAT**
- Higher rate PCN contravention - Discount	35.00	35.00	**35.00**	**inc VAT**
- Lower rate PCN contravention	50.00	50.00	**50.00**	**inc VAT**
- Lower rate PCN contravention - Discount	25.00	25.00	**25.00**	**inc VAT**

Discount only applies if PCN is paid within 14 days

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

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **BUS STATION, RESIDENTS PARKING (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
CITY BUS STATION				
- Departure Fees :				
Notified timetable departures				
Departures over 100,000	0.57	0.74	**0.76**	**inc VAT**
Departures under 100,000	0.59	0.74	**0.76**	**inc VAT**
- Layover Bay Per Bay Per Quarter :	860.00	981.30	**1,010.70**	**inc VAT**
RESIDENTS PARKING SCHEMES				
- Private Residents				
1st permit	26.00	26.00	**26.00**	*
2nd permits	52.00	52.00	**52.00**	*
3rd permits		60.00	**60.00**	
- Houses in Multiple Occupation (HIMO)				
max. of 3 per dwelling (each)	52.00	52.00	**52.00**	*
- Residents Parking Concessions #				
permit (each)	No Charge	No Charge	No Charge	
- Business Permits				
max. of 3 per business (only issued to businesses in the residents parking zones with no off-street parking)	52.00	52.00	**52.00**	*
- Daily Visitor Permits				
per 10	17.00	17.00	**17.00**	*
- Replacement Permits				
Change of vehicle registration	5.00	5.00	**5.00**	*
Damaged or lost	5.00	5.00	**5.00**	*
- Emissions Permit				
Low Emissions 1st Permit	13.00	13.00	**13.00**	
Low Emissions Subsequent Permit	26.00	26.00	**26.00**	
- Administration Charge on Refunds	5.00	5.00	**5.00**	

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

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

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PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
Research and Supply of Information/Questions and Answers (per item)	41.20	42.00	**43.30**	**inc VAT**
Copies of Approvals, Permissions and associated documents (per item)	-	-	**-**	**inc VAT**
Copies of Approvals, Permissions and associated documents (per item and not electronic)				
Microfiche	12.50	12.50	**30.00**	**inc VAT**
Standard Copy	4.50	4.50	**4.50**	**plus VAT**
Visit to site to check buildings erected in accordance with Permission				
- minimum charge	87.05	90.00	**92.70**	**inc VAT**
- or per property	24.40	25.00	**25.80**	**inc VAT**
Checking compliance with planning permission and/or legal agreement				
- minimum charge		68.50	**68.50**	**inc VAT**
- or per property		17.50	**17.50**	**inc VAT**
Advertisements erected in accordance with Advertisement Consent	44.60	46.00	**47.40**	**inc VAT**
Supply of Technical Information/Site visit reports	Cost+25%	Cost+25%	**Cost+25%**	**inc VAT**
Photocopies (per A4 sheet)	1.85	1.90	**2.00**	
Copies of Plans				
A4	1.85	1.90	**2.00**	
A3	3.60	3.70	**3.80**	
A2	9.30	9.60	**9.90**	
A1	9.30	9.60	**9.90**	
A0	9.30	9.60	**9.90**	
Document & Advice notes	Cost+25%	Cost+25%	**Cost+25%**	

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

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	**CURRENT 2018/19 £**	**PROPOSED 2019/20 £**		
Development -					
Householder development including alterations, extensions and outbuildings	77.30	80.00	**82.40**		**inc VAT**
Non residential changes of use including siting of caravans for sites under 1ha or buildings of 1,000 sq M or above (gross)	159.70	165.00	**170.00**		**inc VAT**
Non residential changes of use including siting of caravans for sites of 1ha or above or buildings of 1,000 sq M or above (gross)	319.30	329.00	**338.90**		**inc VAT**
Development of 1-9 Dwellings including changes of use to residential					
- First Dwelling	190.60	196.00	**201.90**		**inc VAT**
- Additional Dwelling	128.80	133.00	**137.00**		**inc VAT**
Development of 10-49 Dwellings including changes of use to residential					
- Tenth Dwelling	1,273.10	1,310.00	**1,349.30**		**inc VAT**
- Additional Dwelling	63.90	66.00	**68.00**		**inc VAT**
Development of 50 or more dwellings *****	3,821.30	3,936.00	**4,054.10**	*	**inc VAT**
Non-residential development where no floor space is created	77.30	80.00	**82.40**		**inc VAT**
Non-residential development up to 499sq. M floor area, or 0.5 ha site area	159.70	165.00	**170.00**		**inc VAT**
Non-residential development between 500sq. M and 999sq. M floor area, or between 0.51 ha and 1.0 ha					
- 500 Sq. M or 0.51 ha	190.60	196.00	**201.90**		**inc VAT**
- Additional 100 Sq. M or 0.1 ha	128.80	133.00	**137.00**		**inc VAT**
Non-residential development between 1000sq. M and 4,999sq. M floor area, or between 1.1 ha and 2.0 ha					
- 1000 Sq. M or 1.11 ha	829.20	854.00	**879.60**		**inc VAT**
- Additional 100 Sq. M or 0.1 ha	63.90	66.00	**68.00**		**inc VAT**
Non-residential development of 5,000sq. M or more, or 2.1 ha or more **	3,373.30	3,475.00	**3,579.30**	**	**inc VAT**

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	**CURRENT 2018/19 £**	**PROPOSED 2019/20 £**	
Development (cont) -				
- Variation or removal of condition	77.30	80.00	**82.40**	**inc VAT**
- Advertisments	77.30	80.00	**82.40**	**inc VAT**
- Conservation Area Consent	77.30	80.00	**82.40**	**inc VAT**
- Non-householder listed building consent	159.70	165.00	**169.95**	**inc VAT**
- Hazardous Substances	159.70	165.00	**169.95**	**inc VAT**
- Demolition of buildings		127.20	**132.00**	**inc VAT**
- Search and Copies of Documents		63.60	**66.00**	**inc VAT**

*** Minimum Fee of £3600 (inc VAT) with additional fee subject to negotiation dependant on complexity of proposal**
**** Minimum Fee of £1650 with additional fee subject to negotiation dependant on complexity of proposal**

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
Local Authority Land Charges				
- Standard Search Fees				
LLC1 only	13.00	16.00	**19.00**	
Con.29R	99.60	105.00	**110.40**	**inc VAT**
- Con. 29R individual questions				
Planning - questions 3.1, 3.5, 3.9, 3.10 & 3.11 (p/q)	2.50	2.70	**2.80**	**inc VAT**
Environmental Health - question 3.7	4.30	4.50	**4.70**	**inc VAT**
Environmental Health - question 3.12	2.50	2.70	**2.80**	**inc VAT**
Housing - question 3.7	4.30	4.50	**4.70**	**inc VAT**
Building Control - question 1.1	12.30	12.80	**13.20**	**inc VAT**
Building Control - question 3.3	3.10	3.30	**3.40**	**inc VAT**
Building Control - question 3.7	4.30	4.50	**4.70**	**inc VAT**
Building Control - question 3.8	3.10	3.30	**3.40**	**inc VAT**
- Part II enquiries	19.60	20.30	**21.00**	**inc VAT**
- Solicitors own enquiries	19.60	20.30	**21.00**	**inc VAT**
- Extra parcel of land	19.60	20.30	**21.00**	**inc VAT**
- Personal Search (Statutory)				
Street Naming and Numbering				
Issue/Change of House Name	10.00	12.00	**15.00**	
- New Build 1-10 Plots/Flats	50.00	-	**-**	
- New Build 11-50 Plots/Flats	75.00	-	**-**	
- New Build 51-100 Plots/Flats	100.00	-	**-**	
- New Build over100 Plots/Flats	150.00	-	**-**	
- Application Fee		40.00	**50.00**	
- Per Plot		10.00	**12.50**	

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
CENTRAL MARKET			
Daily Lettings	22.70	23.40	**24.00**
TEMPORARY MARKETS :			
- Charitable organisations	No Charge	No Charge	**No Charge**
- Professional traders (per stall)	10.00	10.30	**10.30**
PROMOTIONS :			
- Advertising on Council Assets	Dependant on Size, Location etc.		**Price on Application**
MARKET LICENSE CHARGES			
Commercial Food			
-Per Stall	15.00	15.50	**15.50**
- Per Table / Car Boot	7.50	7.70	**7.70**
Commercial Retail Goods			
-Per Stall	10.00	10.30	**10.50**
- Per Table / Car Boot	5.00	5.20	**5.30**
Craft items/home made goods			
-Per Stall	5.00	5.20	**5.30**
- Per Table / Car Boot	2.50	2.60	**2.60**
Second Hand Goods			
-Per Stall	5.00	5.20	**5.30**
- Per Table / Car Boot	2.50	2.60	**2.60**
Charitable/fundraising Markets			
-Per Stall	0.50	0.50	**0.50**
- Per Table / Car Boot	0.25	0.30	**0.30**
Car Boot			
- Per Table / Car Boot	2.00	2.10	**2.10**

Per Stall (up to 8 m^2)
Per Table/Car boot (up to 2 m^2)

Chaitable /Fundraising Market is a non commerical market operated by a defined organisation, i.e one that organises the market type event for chartiable, sporting, political or social fund raising purposes as opposed to personal financial gain.

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SOCIAL INCLUSION- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **HOUSING BENEFIT (CX)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
OTHER			
- Housing Benefit Landlord Enquiry per year	149.00	153.50	**158.50**

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CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
GUILDHALL				
ROOM HIRE:				
Guildhall Room Hire Fee	130.00	200.00	**200.00**	
Private & Specialist Tours (Charge per person)				
- Classification 1 (minimum booking of 10 people) *			**5.00**	**inc VAT**
Monday to Saturday 60-90 minutes			**9.00**	**inc VAT**
Monday to Saturday 120-180 minutes				
- Classification 2 (minimum booking for 15 people)**				
Monday to Sunday 60-90 minutes			**7.50**	**inc VAT**
Monday to Sunday 120-180 minutes			**7.80**	**inc VAT**
* Where a private tour is booked during the day and interferes with public tours				
** Where a tour is outside of normal working hours - evenings Monday-Friday all day Saturday and Sunday) & Any other Specialist tours, talks & events				
CITY HALL				
ROOM HIRE:				
Charities & organisations with Council representation (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	31.00	32.00	**33.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	21.00	22.00	**23.00**	**inc VAT**
Lincs non-profit making organisations (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	52.00	54.00	**56.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	31.00	32.00	**33.00**	**inc VAT**
Other users including Government and Court use (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	124.00	128.00	**132.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	83.00	85.50	**89.00**	**inc VAT**
Supplement for evening use	20%	20%	**20%**	
Drinks (per delegate per half day)	2.00	2.00	**2.00**	**inc VAT**
Cancellation Fee		10.00	**10.00**	
COMMITTEE SERVICES				
- Inspecting lists of background papers relating to committee reports	3.10	3.20	**-**	**inc VAT**
- Supplying a copy of or extract from a document (excluding site plans or planning decision notices) (plus postage)	7.20	7.40	**7.60**	**inc VAT**
- Council Summons (per year) (Incl postage & packing)	180.30	185.60	**191.20**	

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £	
ELECTORAL SERVICES				
STATUTORY:				
Public Sales				
- Sale of Electoral Register per 1000 names, or part (plus postage & packing)				
Paper copy				
- initial fee	10.00	10.00	**10.00**	
- per 1000 names, or part	5.00	5.00	**5.00**	
Data				
- initial fee			**20.00**	
- per 1000 names, or part			**1.50**	
Disk				
- initial fee	20.00	20.00		
- per 1000 names, or part	1.50	1.50		
Labels				
- per 1000 names, or part (plus stationery)	25.00	25.00		
- Inspection of Parliamentary Election Candidate's Expenses	1.50	1.50	**-**	
- Copies of Candidate's Expenses (per side)	0.15	0.15	**0.20**	
NON-STATUTORY:				
- Index to Register of Electors	19.60	20.20	**20.80**	
- Confirmation of name on Register of Electors	27.80	28.60	**-**	
- Postage & Packing of Register of Electors	20.60	21.20	**21.80**	
- Hire of Ballot Boxes	8.20	8.50	**8.80**	**inc VAT**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

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

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £

Please Note on All Licensing Fees and Charges for any Cheques that bounce there will be a £10.00 Charge Incurred

HACKNEY CARRIAGES

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
- Vehicle Licence/Renewal (one year)	140.00	133.00	**133.00**
- Plates Deposit (refundable)	13.00	13.00	**13.00**
- Replacement Plate(s)	16.00	16.00	**16.00**
-Test Certificate admin fee	11.00	15.00	**16.50**
- Change of Vehicle/HV/Reg	52.00	60.00	**67.00**
-Change of Owner (Previously in above)	36.00	43.00	**48.00**
- Driver Licence (one year)	128.00	130.00	**121.00**
- Driver Licence (three year)	267.00	208.00	**209.00**
- Drivers Knowledge Test	28.00	37.00	**35.00**
-DBS check (enhanced)	44.00	44.00	**44.00**
-DBS check (standard)	26.00	26.00	**26.00**
-DVLA Check	6.00	6.00	**6.00**
- Badge Deposit (refundable)	6.00	6.00	**6.00**
- Badge Replacement (previously in above)	8.00	8.00	**8.00**

PRIVATE HIRE

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
- Vehicle Licence/Renewal (one year)	102.00	95.00	**105.00**
- Plates Deposit (refundable)	13.00	13.00	**13.00**
- Replacement Plate(s)	16.00	16.00	**16.00**
-Test Certificate admin fee	11.00	15.00	**16.50**
- Change of Vehicle/Operator/HV/Reg	52.00	60.00	**67.00**
-Change of Owner (Previously in above)	36.00	43.00	**48.00**
- Driver Licence (one year)	81.00	79.00	**86.00**
- Driver Licence (three year)	162.00	157.00	**174.00**
- Drivers Knowledge Test	28.00	37.00	**35.00**
-DBS check (enhanced)	44.00	44.00	**44.00**
-DBS check (standard)	26.00	26.00	**26.00**
-DVLA Check	6.00	6.00	**6.00**
- Badge Deposit (refundable)	6.00	6.00	**6.00**
- Badge Replacement (previously in above)	8.00	8.00	**8.00**
- Operators Licence (five years) 10 Vehicles or More	828.00	836.00	**922.00**
- Operators Licence (five years) less than 10 Vehicles	301.00	261.00	**294.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
LICENCES AND CERTIFICATES			
Riding Establishment	68.00	75.00	**-**
Dangerous Wild Animals	362.00	390.00	**415.00**
Dangerous Wild Animals Renewal	126.00	139.00	**157.00**
Animal Boarding Establishment	68.00	75.00	**-**
Breeding of Dogs/Renewal	68.00	75.00	**-**
Horse Registration Fee	49.00	53.00	**60.00**
Sex Establishment	548.00	-	**-**
Sex Establishment New Licence Application Fee		422.00	**451.00**
Sex Establishment New Licence Issue Fee		160.00	**181.00**
Sex Establishment Renewal	302.00	-	**-**
Sex Establishment Renewal Application Fee		171.00	**193.00**
Sex Establishment Renewal Issue Fee		150.00	**181.00**
Sex Establishment Transfer Applications	305.00	-	**-**
Sex Establishment Transfer Application Fee		294.00	**307.00**
Sex Establishment Transfer Issue Fee		150.00	**169.00**
Sex Establishment Variation	305.00	315.00	**331.00**
STREET TRADING			
Street Trading Consent - Initial Applicaction			
- Initial Administration Fee	274.00	272.00	**283.00**
- Initial Annual Consent Fee	20.00	22.00	**24.00**
Renewal Consent Fee			
- Renewable Annual Administation Fee	19.00	21.00	**24.00**
- Renewable Annual Consent Fee	20.00	22.00	**24.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
LICENCES AND CERTIFICATES			
Scrap Metal Dealers & Motor Salvage Operators			
New Application	822.00	924.00	**881.00**
Site Renewal	687.70	777.00	**712.00**
Additional Site	432.00	-	**-**
Collectors Licence	180.00	203.00	**229.00**
Variations			
- Add New Site Manager (Existing within LA area)	10.50	10.50	**10.50**
- Add New Site Manager (Not Existing within LA area	69.00	69.00	**69.00**
- Remove Site Manager (Existing within LA area)	10.50	10.50	**10.50**
- Duplicate Licence	10.50	10.50	**10.50**
- Change of Trading Name	10.50	10.50	**10.50**
Remove a Site			
- Refund In Year 1**	227.20	252.00	**288.00**
- Refund In Year 2**	101.00	113.00	**131.00**
- In Year 3	15.00	15.00	**15.00**
Add a Site			
- In Year 1	442.00	417.00	**470.00**
- In Year 2	299.00	278.00	**313.00**
- In Year 3	155.00	140.00	**157.00**
Collectors Licence to Site Licence			
- In Year 1	619.00	702.00	**627.00**
- In Year 2	532.00	606.00	**518.00**
- In Year 3	444.00	509.00	**410.00**
Site Licence to Collectors Licence			
- Refund In Year 1**	48.60	49.00	**59.00**
- Refund In Year 2**	78.00	90.00	**98.00**
- In Year 3	78.00	203.00	**229.00**
Surrender Collectors Licence			
- Refund In Year 1**		85.00	**96.00**
- Refund In Year 2**		43.00	**48.00**
- In Year 3**		-	**-**

**** This is a Refund**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	**CURRENT 2018/19 £**	**PROPOSED 2019/20 £**
LICENCES AND CERTIFICATES			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £0 - £4,300	100.00	100.00	**100.00**
- NDRV £4,301 - £33,000	190.00	190.00	**190.00**
- NDRV £33,001 - £87,000	315.00	315.00	**315.00**
- NDRV £87,001 - £125,000	450.00	450.00	**450.00**
- NDRV £125,001 and over	635.00	635.00	**635.00**
Premises Licence - Annual			
- NDRV £0 - £4,300	70.00	70.00	**70.00**
- NDRV £4,301 - £33,000	180.00	180.00	**180.00**
- NDRV £33,001 - £87,000	295.00	295.00	**295.00**
- NDRV £87,001 - £125,000	320.00	320.00	**320.00**
- NDRV £125,001 and over	350.00	350.00	**350.00**
Premises Licence - Variation Fee in Transition			
- NDRV £0 - £4,300	20.00	20.00	**20.00**
- NDRV £4,301 - £33,000	60.00	60.00	**60.00**
- NDRV £33,001 - £87,000	80.00	80.00	**80.00**
- NDRV £87,001 - £125,000	100.00	100.00	**100.00**
- NDRV £125,001 and over	120.00	120.00	**120.00**
For premises used exclusively or primarily in the business of selling alcohol for consumption on the premises and within bands D & E - the following multiplier applies - Band D x 2, Band E x 3			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £87,001 - £125,000	900.00	900.00	**900.00**
- NDRV £125,001 and over	1,905.00	1,905.00	**1,905.00**
Premises Licence - Annual			
- NDRV £87,001 - £125,000	640.00	640.00	**640.00**
- NDRV £125,001 and over	1,050.00	1,050.00	**1,050.00**
Club Premises Certificates -Grant/Variation (Not change of name, alteration of club rules or registered address)			
- NDRV £0 - £4,300	100.00	100.00	**100.00**
- NDRV £4,301 - £33,000	190.00	190.00	**190.00**
- NDRV £33,001 - £87,000	315.00	315.00	**315.00**
- NDRV £87,001 - £125,000	450.00	450.00	**450.00**
- NDRV £125,001 and over	635.00	635.00	**635.00**
Club Premises Certificates - Annual			
- NDRV £0 - £4,300	70.00	70.00	**70.00**
- NDRV £4,301 - £33,000	180.00	180.00	**180.00**
- NDRV £33,001 - £87,000	295.00	295.00	**295.00**
- NDRV £87,001 - £125,000	320.00	320.00	**320.00**
- NDRV £125,001 and over	350.00	350.00	**350.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	**CURRENT 2018/19 £**	**PROPOSED 2019/20 £**
LICENCES AND CERTIFICATES			
Copy of Licence/Certificate/Notice or Summary on theft or loss of:			
- Premises Licence or Summary	10.50	10.50	**10.50**
- Club Premises Certificate or Summary	10.50	10.50	**10.50**
- Personal Licence	10.50	10.50	**10.50**
- Temporary Events Notice	10.50	10.50	**10.50**
Change of name or address			
- Holder of Premises Licence	10.50	10.50	**10.50**
- Personal Licence	10.50	10.50	**10.50**
Change of name or alteration to club rules	10.50	10.50	**10.50**
Change of relevant registered address of club	10.50	10.50	**10.50**
Vary specific individual as premises supervisor	23.00	23.00	**23.00**
Transfer Premises Licence	23.00	23.00	**23.00**
Interim Authority Notice	23.00	23.00	**23.00**
Provisional Statement	315.00	315.00	**315.00**
Temporary Events Notice	21.00	21.00	**21.00**
Personal Licences			
- Grant/Renewal	37.00	37.00	**37.00**
Minor Variation of a Premises Licence/Club Premises Certificate	89.00	89.00	**89.00**
Notification of Interest		21.00	**21.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
GAMBLING ACT - PERMIT FEES			
FEC Gaming Machine -			
- Application Fee	300.00	300.00	**300.00**
- Renwal Fee	300.00	300.00	**300.00**
Prize Gaming -			
- Application Fee	300.00	300.00	**300.00**
- Renewal Fee	300.00	300.00	**300.00**
Alcohol Licences Premises - Notification of less than 2 Machines			
- Application Fee	50.00	50.00	**50.00**
Alcohol Licences Premises - More than 2 Machines			
- Application Fee	150.00	150.00	**150.00**
- Annual Fee	50.00	50.00	**50.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Gaming Permit -			
- Application Fee	200.00	200.00	**200.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	200.00	200.00	**200.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Gaming Machine Permit -			
- Application Fee	200.00	200.00	**200.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	200.00	200.00	**200.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Fast-track for Gaming Permit or Gaming Machine Permit -			
- Application Fee	100.00	100.00	**100.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	100.00	100.00	**100.00**
- Transitional Application Fee			
Small Society Lottery Registration -			
- Application Fee	40.00	40.00	**40.00**
- Annual Fee	20.00	20.00	**20.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
GAMBLING ACT - PERMIT FEES cont.			
FEC Permits -			
· Change of Name	25.00	25.00	**25.00**
· Copy of Permit	15.00	15.00	**15.00**
Prize Gaming Permits -			
· Change of Name	25.00	25.00	**25.00**
· Copy of Permit	15.00	15.00	**15.00**
Alcohol Licences Premises - Notification of More than 2 Machines -			
· Change of Name	25.00	25.00	**25.00**
· Copy of permit	15.00	15.00	**15.00**
· Variation	100.00	100.00	**100.00**
· Transfer	25.00	25.00	**25.00**
Club Gaming Permit -			
· Copy of Permit	15.00	15.00	**15.00**
· Variation	100.00	100.00	**100.00**
Club Gaming Machine Permit			
· Copy of Permit	15.00	15.00	**15.00**
· Variation	100.00	100.00	**100.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
GAMBLING ACT - APPLICATION FEES			
Classes of Premises Licence -			
Regional Casino Premises Licence -			
· Application Fee in respect of Provisional statement premises	8,000.00	8,000.00	**8,000.00**
· Fee in respect of other premises	15,000.00	15,000.00	**15,000.00**
· Annual Fee	15,000.00	15,000.00	**15,000.00**
· Application to vary licence	7,500.00	7,500.00	**7,500.00**
· Application to transfer a licence	6,500.00	6,500.00	**6,500.00**
· Application for reinstatement of a licence	6,500.00	6,500.00	**6,500.00**
- Application for provisional statement	15,000.00	15,000.00	**15,000.00**
Large Casino Premises Licence -			
· Application Fee in respect of Provisional statement premises	5,000.00	5,000.00	**5,000.00**
· Fee in respect of other premises	10,000.00	10,000.00	**10,000.00**
· Annual Fee	10,000.00	10,000.00	**10,000.00**
· Application to vary licence	5,000.00	5,000.00	**5,000.00**
· Application to transfer a licence	2,150.00	2,150.00	**2,150.00**
· Application for reinstatement of a licence	2,150.00	2,150.00	**2,150.00**
- Application for provisional statement	10,000.00	10,000.00	**10,000.00**
Small Casino Premises Licence -			
· Application Fee in respect of Provisional statement premises	3,000.00	3,000.00	**3,000.00**
· Fee in respect of other premises	8,000.00	8,000.00	**8,000.00**
· Annual Fee	5,000.00	5,000.00	**5,000.00**
· Application to vary licence	4,000.00	4,000.00	**4,000.00**
· Application to transfer a licence	1,800.00	1,800.00	**1,800.00**
· Application for reinstatement of a licence	1,800.00	1,800.00	**1,800.00**
- Application for provisional statement	8,000.00	8,000.00	**8,000.00**
Converted Casino premises licence -			
· Annual Fee	3,000.00	3,000.00	**3,000.00**
· Application to vary licence	2,000.00	2,000.00	**2,000.00**
· Application to transfer a licence	1,350.00	1,350.00	**1,350.00**
· Application for reinstatement of a licence	1,350.00	1,350.00	**1,350.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
GAMBLING ACT - APPLICATION FEES			
Bingo Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	3,500.00	3,500.00	**3,500.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,750.00	1,750.00	**1,750.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	3,500.00	3,500.00	**3,500.00**
Adult Gaming centre Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	2,000.00	2,000.00	**2,000.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,000.00	1,000.00	**1,000.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	2,000.00	2,000.00	**2,000.00**
Betting premises (track) Licence -			
- Application Fee in respect of Provisional statement premises	950.00	950.00	**950.00**
- Fee in respect of other premises	2,500.00	2,500.00	**2,500.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,250.00	1,250.00	**1,250.00**
- Application to transfer a licence	950.00	950.00	**950.00**
- Application for reinstatement of a licence	950.00	950.00	**950.00**
- Application for provisional statement	2,500.00	2,500.00	**2,500.00**
Family Entertainment centre premises licence:			
- Application Fee in respect of Provisional statement premises	950.00	950.00	**950.00**
- Fee in respect of other premises	2,000.00	2,000.00	**2,000.00**
- Annual Fee	750.00	750.00	**750.00**
- Application to vary licence	1,000.00	1,000.00	**1,000.00**
- Application to transfer a licence	950.00	950.00	**950.00**
- Application for reinstatement of a licence	950.00	950.00	**950.00**
- Application for provisional statement	2,000.00	2,000.00	**2,000.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2019 - 31/03/2020

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20 £
GAMBLING ACT - APPLICATION FEES			
Betting premises (other) Licence			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	3,000.00	3,000.00	**3,000.00**
- Annual Fee	600.00	600.00	**600.00**
- Application to vary licence	1,500.00	1,500.00	**1,500.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	3,000.00	3,000.00	**3,000.00**
Change of Circumstance fee	50.00	50.00	**50.00**
Copy of Licence Fee	25.00	25.00	**25.00**

Draft Capital Strategy

2019/20 to 2023/24

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Contents

Section 1 - Introduction

This Capital Strategy details how the Council deploys and will subsequently manage its capital resources thereby explaining the Council's financial framework for capital investment in support of its strategic priorities.

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

The strategy demonstrates that the Council takes capital expenditure and investment decisions in line with corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The strategy sets out the medium term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

The strategy reflects the aspirations and priorities identified in our Vision 2020 strategy. The Strategy considers external influences such as government policy changes and as well as internal influences.

The Council's capital programme consists of two elements:

- The General Investment Programme (GIP) with a budget for 2019-24 of £5.5 m
- The Housing Investment Programme (HIP) with a budget for 2019-24 of £62.7m

Both are accounted for separately, but the schemes making up the two programmes are subject to the same scrutiny and monitoring arrangements to ensure their effective delivery. General Investment Capital schemes are delivered through the Lincoln Project Management Model which evaluates the financial and service implications and potential risks that may arise from each scheme.

The Council has at 1 April 2018 a diverse asset portfolio including, 7,683 council dwellings, 2,863 car parking spaces, 2 sports and leisure centres, 1,131 acres of parks and recreation grounds, and 5 community centres. There is also a sizable commercial property portfolio including industrial units and shops.

The total value of assets held in the Council's Balance Sheet is shown in the following overleaf:

31/3/2017 £000		31/3/2018 £000
312,454	Property, Plant & Equipment	332,979
5,478	Heritage Assets	6,091
8,519	Investment Property	16,224
629	Intangible Assets	568
2,525	Assets held for sale	4,575
329,605	**Total assets**	**360,437**

Section 2 - Purpose and Objectives

The overall purpose of the Capital Strategy is to give a high level overview of how capital expenditure capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

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

- Ensure that the Capital Programme is realistic, affordable and well managed to avoid project over-runs and expensive claims beyond the budgeted scheme value

- Ensure that capital expenditure supports a defined priority of the council

- Ensure that any on-going revenue cost implications including Minimum Revenue Provisions (MRP) and debt costs are understood and accounted for without impacting on the existing financial savings target of the Council

- Wherever possible ensure capital investment activity is focussed on areas that yield on-going revenue savings for the Council or produce a contribution to revenue income.

- Use strategic procurement and new ways of procuring to drive up “value for money” and ‘get more for the same money’.

Section 3 - Policy and Financial Planning Framework

The capital programme for the council is a long term ambition with the obligation for maintaining and improving council and operational buildings stretching fat into the future, and as such should be considered accordingly in financial and asset management planning.

The Council’s capital programme and its subsequent revenue implications form part of the Medium Term Financial Strategy (MTFS) 19-24 and as such is one of a suite of plans and strategies that sit within the Council’s Policy and Financial Planning Framework.

Longer term forecasts are not easily predicted and accuracy within them deteriorates the longer the period over which a plan is developed. Within longer term plans uncertainty and complexity in terms of for example economic, social and technological factors mean that long term planning becomes an iterative process which is adjusted for these changes in these and other factors. For major projects and investment, Western Growth Corridor for example, the funding and financial implications will need to be planned well in advance.

There is clearly a link between long term capital planning and treasury management with the council's debt portfolio containing loans which mature up to 2075/76. The profile of debt repayment needs to be managed alongside other long term capital expenditure and funding forecasts.

Linkages with other key strategies and plans are identified below:

Vision 2020

Our vision sets out what the city council wants to achieve for Lincoln and how we are going to achieve it.

The strategic priorities that support this vision are:

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

These are underpinned by a commitment to professional, high performing service delivery.

Local Plan

The Central Lincolnshire Local Plan has been developed in collaboration with West Lindsey District Council, North Kesteven District Council and Lincolnshire County Council – for Lincoln it is a new city-wide planning and regeneration strategy running up to 2036.

The Local Plan:

- is underpinned by an aspiration for sustainable growth in homes, jobs, services and facilities;
- is aiming to deliver many new homes between now and 2036;
- is seeking to attract new businesses and jobs;
- sets out policies to ensure development is of high quality, sustainable and meets the needs of everyone;
- sets out policies to ensure all the infrastructure, such as play areas, roads, new schools and upgraded sewage disposal, are provided at the same time as the new homes;
- is complemented by a separate Policies Map, which sets out where development should take place.

Asset Management Plan

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

The MTFS includes capital receipts targets (capital monies received from the sale of council land and property) for both the General Investment Programme and the Housing Investment Programme. Currently the level of capital resources required to fund the capital programme is reliant upon the sale of assets surplus to requirements.

The capital receipts target, necessary to underpin the Capital Strategy, is included within the Asset Management Plan. The Property Services Team keeps under review the need for asset disposal and acquisition, which meet strategic priorities.

The Asset Management Group (AMG) whose membership consists of the Leader of the Council, the Deputy Leader of the Council and the Portfolio Holder for Economic Growth, in addition to Council officers from Financial Services, Property Management, Housing, Major Developments and Planning monitors progress on key aspects of the Capital Strategy and the Asset Management Plan. All proposed property disposals are reported to and agreed by the AMG.

The associated loss of any rental income from asset sales is built into the General Fund budget. The table below shows the current General Fund budget for the loss of revenue rental income.

	2019/20 £000	**2020/21 £000**	**2021/22 £000**	**2022/23 £000**	**2023/24 £000**
Loss of Revenue Rental Income	30	30	30	30	30

There is no budget provision set aside for the loss of revenue rental income in the Housing Revenue Account, however the rental income budget has been set allowing for an average level of right to buy sales spread throughout the financial year.

Risks associated with investing in property are considered on an individual basis and in line the Council's Investment Property Strategy, reports relating to the impact on the MTFS, sustainability of the council and affordability of individual schemes, including funding MRP and borrowing costs are subject to approval by the council's Executive prior to proceeding.

HRA Business Plan

The HRA Business Plan sets out how the Council will deliver its vision for the HRA including, investment in the housing stock, maintaining all homes to the Lincoln

Homes Standard and the process of tenant consultation to agree priorities for investment in existing stock over and above the Decent Homes Standard. It also demonstrates that the proposed investment programme is financially viable by indicating that the underlying HRA debt is repayable within the 30 year period of the Business Plan, should the Council chose to do so. There is however, no obligation to repay debt and the MTFS does not assume this is the case. Further borrowing to fund HRA investment is now limited by prudence rather than the old system of an imposed borrowing cap – currently HRA borrowing stands at £58.113m.

The capital schemes contained within the Housing Investment Programme and the capital financing that underpins them feed from the HRA Business Plan and any updates to the plan. The key areas of capital spend identified within the HRA Business Plan and the Housing Investment Programme are based on the results of stock condition surveys of existing housing stock plus any proposed new build schemes. The main areas of expenditure cover:

- Lincoln Homes Programme
- Statutory Health and Safety Requirements
- Contingent Major Repairs Works
- Council House New Build Programme

Treasury Management Strategy

The Treasury Management Strategy is reviewed annually and forms part of the suite of documents which make up the Medium Term Financial Strategy approved by council each year. The Treasury Management Strategy deals with the borrowing and investments arising from all financial transactions of the council and is not limited to those arising from capital spending.

Section 4 - Financing the Capital Programmes

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

- Capital Receipts – from the sale of Council assets

- Use of Council's own resources – through depreciation charges, other contributions from revenue and use of reserves

- Capital Grants and Contributions – including contributions from developers and grants towards specific schemes

- Prudential Borrowing – the Prudential Code allows borrowing if the Council can demonstrate it is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy)

The General Investment Programme is reliant on the generation of capital receipts to fund the investment required to deliver its programme of spend. In the long term, this is not sustainable and other sources of funding are regularly sought to fund capital expenditure. However, many of the external grants and contributions, which are available, are designated for specific schemes, and whilst additional resources are clearly beneficial to local people, there is the danger that schemes funded may not be the Council's highest priorities.

The Capital Strategy must continue to identify both the priorities for these external funding regimes and pursue other innovative funding sources to improve its ability to deliver capital investment. Each project appraisal will consider all the internal and external resources available such as Lottery funding, Section 106 contributions and prudential borrowing.

The Council will actively pursue Invest to Save opportunities financed through prudential borrowing, where the revenue costs of borrowing are financed through additional income/reductions in expenditure as a direct result of the Invest to Save scheme. The cost effectiveness of borrowing as opposed to selling capital assets is reviewed regularly together with the affordability tests and impact on prudential indicators to check whether borrowing would provide more cost effective funding. It has been concluded that the use of prudential borrowing will now be a useful funding mechanism for some key projects.

Under the self-financing regime, the government retained the current arrangement for pooling of HRA capital receipts. All HRA capital receipts are pooled if they are not offset by the capital allowance (a capital allowance is permitted where the receipt is used to fund affordable housing, decent homes or regeneration schemes). It is the Council's strategy that 100% of non-Right to Buy (RTB) receipts will be offset by the capital allowance. However, 75% of all RTB capital receipts have to be pooled.

The Council's capital programme (expenditure and resources) is projected for a five-year period and is approved by full Council as part of the MTFS each year. It is monitored throughout the year by the Capital Programme Group and the Executive. Capital Programme Group and the Executive have varying levels of authority to approve changes to the programme during the year. A distinction is made between the General Fund schemes (GIP) and Housing Revenue Account schemes (HIP). It is Council policy that capital receipts from the sale of Council Houses and other Housing Revenue Account assets are used to fund the HIP, with capital receipts from the sale of General Fund assets used to fund the GIP.

The City Council's General Investment Programme and Housing Investment Programme for the period 2019/20 – 2023/24, are set out in the MTFS 2019-24.

Section 5 - Capital Prioritisation

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

The Vision 2020 Plan which was approved by Council in January 2017 focused on the following priorities:

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

These priorities will be underpinned by our commitment to:

- Professional, high performing service delivery

Inclusion of capital schemes within the strategic plan (currently Vision 2020) and future versions is dependent on a prioritisation process. Project Managers will be required to prepare bids for inclusion in the strategic plan. Project managers in preparing such bids will be required to effectively demonstrate how these will support the achievement of both their service area aims and the Council's strategic priorities.

The preparation of these project briefs must go through the five essential steps to initiate the project as defined in the Lincoln Model:

1. The project mandate – where the ideas for the project is first discussed between the project sponsor and the project manager. It provides an initial assessment of the project and provides a clear description of why the project is required and what it is intended to achieve in terms of benefits to the Council's corporate objectives.

2. Establishing Reporting Criteria – formal approval and subsequent monitoring will take place. Approval for all new project budgets and budget changes will follow Financial Procedure Rules.

3. Appraise Options for Delivery - in order to demonstrate that the project delivery selected is the most appropriate and the most cost-effective.

4. Develop the Project Brief, Financial Assessment and Impact Assessment - these three documents clearly document the scope of the project, its objectives, the potential resources required (including a full financial breakdown) to deliver it and its impact.

5. Obtain approval to submit the project - Formal approval to submit the project is agreed and signed-off between the Project Manager and the Project Sponsor.

Once prepared, the project brief is submitted to the Vision Theme Groups for approval ahead of consideration by the Corporate Management Team and Portfolio Holders to evaluate, including how well the proposal meets strategic priorities, including cross cutting strategies and budget priorities, and how it utilises partnership working and externally generated resources as well as its operational feasibility. They will also consider the robustness of each project brief against the corporate standards in relation to clarity of definition, establishment of measurable outcomes and overall deliverability and the robustness of each Financial Assessment and Impact Assessment, including cost data in relation to project costs (including any costs associated with borrowing), post implementation ongoing revenue costs and any consequential or related income.

This approach is an iterative process that involves and engages both Members and the public to produce a basket of schemes that meet recognised local needs. Once a programme of final projects is developed it is submitted to the Executive for approval and inclusion in the capital programmes.

Once projects are approved, the next stage is to develop the detailed Project Plan which will include a Communications Plan and public consultation where relevant. This is where the project is debated by the community, business and voluntary groups. The results of the consultation are reported back to Executive and Council and form part of the reporting process.

The entire process conforms to both the Council’s project management methodology (The Lincoln Project Management Model) and also the Performance Management Framework adopted by the Council, which ensures schemes are not progressed for Member deliberation and support unless they are deliverable within the context of other competing pressures.

Once the Executive approve a scheme the budget is included in the capital programme.

Section 6 - Capital and Project Monitoring

The delivery of schemes supporting the delivery of Vision 2020 is monitored by the individual vision theme groups who report progress on an exceptions basis to the

Executive and Performance Scrutiny on a quarterly basis. In addition the overall capital programmes are monitored by the Capital Programme Group, with financial performance reporting to the Executive and Performance Scrutiny on a quarterly basis.

The Capital Strategy and the capital programme are updated on a rolling basis and are reported annually to Executive and Council for approval alongside the MTFS. In addition, the Council's Executive is required to approve variations to the capital programme beyond the limit delegated to the Chief Finance Officer.

When a project is completed a Post Implementation Review (PIR) is carried out. However, some projects are recurring in nature such as the capital maintenance programme or the Decent Homes programme. These still require an annual PIR.
A PIR is a formal review of the project which aims to answer the question: "Did we achieve what we set out to do … and if not, what should be done?"

A PIR can provide valuable lessons and experience that can be used to improve and shape service delivery in the future. The Lincoln Project Model includes a robust post project review system, overseen and reviewed, to ensure relevant information is collected and communicated to all relevant parties to enable improvement in both procurement and service provision and will consider if the project:

- Met its stated aims and objectives
- Was delivered on time and within budget
- Was acceptable to the client/stakeholder and met all their specific requirements

Section 7 – Commercial Activity and Investment Property

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

A commercial property investment strategy document is under development which will identify the criteria against which decisions are taken. The council invests in property to provide a positive surplus/financial return after the payment of borrowing costs but to also as a direct way if influencing regeneration and the economic development of the City. This enables the council to invest the surplus in the provision of services to local people. The council may fund the purchase of property through borrowing (through the PWLB or as part of cash flow borrowing). Under new guidance issued by CIPFA, borrowing solely to invest in revenue generating investments is considered to be borrowing in advance of need – whilst this is not prohibited councils are required to make disclosures to the effect that this borrowing is taking place, their dependence on commercial income to deliver statutory services and the amount of borrowing committed to generate that income. Further details are listed in this section.

Historically the council's property investments have provided strong returns in terms of capital growth and generation of stable income. Property investments are not without risk as property values are subject to many national and other external factors which are outside the control of the council. Where possible investments of this type will also have a 'fall back' position in addition to their expected commercial arrangement e.g. the council has purchased the freehold of a car park which it leases to a large, national company however should the company surrender the lease or not meet the lease payments the council could operate the car park themselves or seek an alternative tenant.

The strategy continues to be that the council will invest prudently on a commercial basis and take advantage of opportunities as they may arise which meet our strategic objectives and provide a revenue surplus, supported by our robust governance arrangements.

At 1/4/2018 the council has £17.044m of investment properties on the balance sheet with further investment of £13m planned within the current General Investment Programme. The income from investment properties is predominantly derived from ground rent and land leases. Further details relating to investment properties are given below:

Total value of investment properties	£17,043,500
Value of properties held for rental income	£16,218,000
Value of properties earning rental income	£15,601,000
Potential income from all investment properties held for rental income	£866,271
Potential yield from all properties held for rental income	5.34%
Income from properties earning rental income	£780,671
Yield from properties earning rental income	3.80%
Value of properties held for capital appreciation or where the freehold has a market value*	£825,500

*The council has arrangements where the freehold on land is retained, generally subject to a long lease but which produces no rental income, however the freehold land does have a market value.

For the year 2018/19 the anticipated income from investment properties represents less than 1% of the council's gross expenditure.

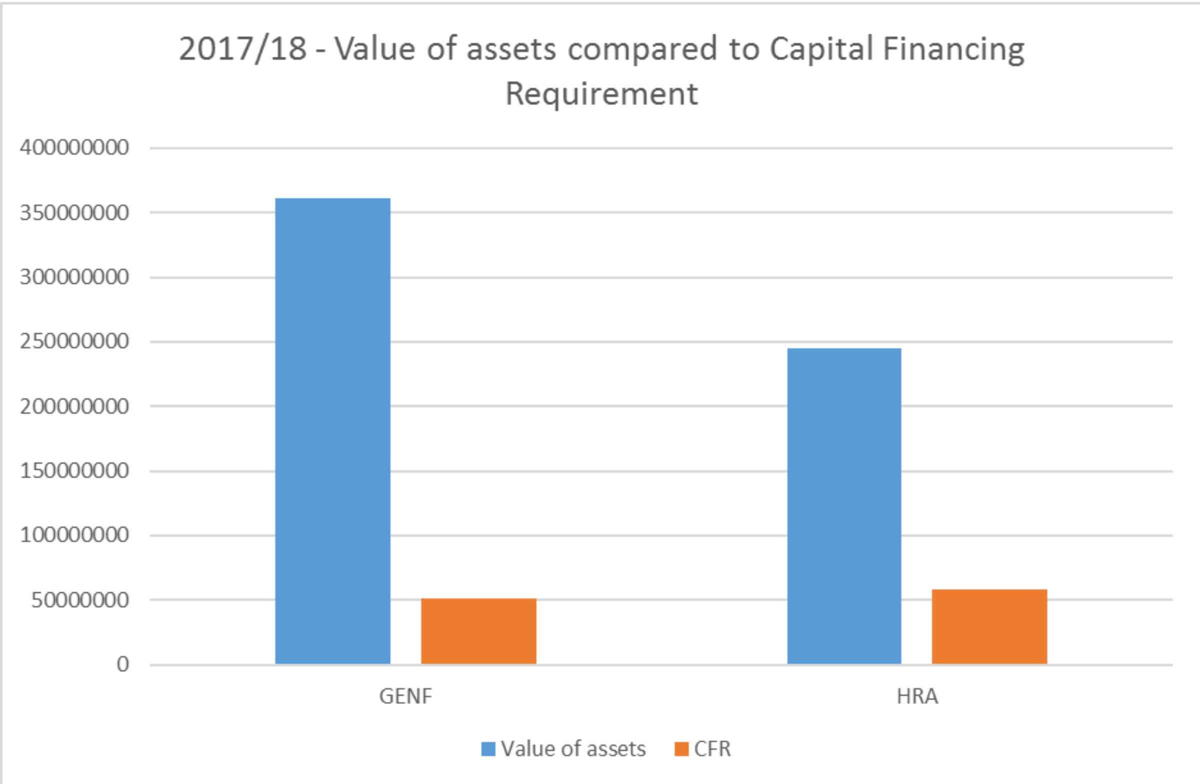
Many of the council's investment properties have been council assets for a number of years. More recently the council has borrowed to fund the purchase of assets. The financial impact of this is shown in the table below.

Asset type	Value	Annual income	Yield on value of assets	Borrowing costs	Annual surplus
Car Parks	£6,580,000	£316,161	4.81%	£192,180*	£123,981

*assumed in business case

Within the General Fund Investment Programme a further £13m purchase of investment property has taken place, funded by borrowing. Net income expected from this purchase is budgeted to be £197k per annum – a further update will be provided once the property has been valued at 31 March 2019.

A graph illustrating the value of the council's assets compared to the capital financing requirement (the underlying need to borrow to fund capital investment) at 31 March 2018 is given below:



The table below indicates the interest cost of borrowing within the general fund and the housing revenue accounts compared to overall gross expenditure. The limits indicated are set locally and are not imposed by central government or advisory levels provided by CIPFA.

Current budgeted cost of borrowing

	19/20	20/21	21/22	22/23	23/24
GENF borrowing cost as a % of gross revenue expenditure	8.76%	8.82%	8.75%	8.58%	8.49%
Limit of GENF borrowing cost as a % of gross revenue expenditure	12%	12%	12%	12%	12%
HRA borrowing cost as a % of gross revenue expenditure	10.57%	10.47%	10.26%	10.05%	10.00%
Limit of HRA borrowing cost as a % of gross revenue expenditure	14%	14%	14%	14%	14%

Section 8 – Loans and investments in local businesses and organisations

The council has the discretion to make loans and investments in local organisations for a number of reasons, primarily for economic growth; these loans are treated as capital expenditure.

In making these arrangements the council exposes itself to the risk that the borrower defaults on repayments. The council must therefore ensure that it has fully considered the risk implications with regard to both the individual loan and that the value of them individually and collectively is proportionate and prudent within the overall exposure to the council to risk of default.

To ensure that the risk is managed a full due diligence exercise is undertaken, with a business case that identifies the benefits and risks and considers whether adequate security is in place. Loans and investments will be agreed by Executive and will be subject to close regular monitoring.

Section 9 – Knowledge and Skills

The Council's Capital Strategy is reviewed annually and compiled by the Chief Finance Officer, an experienced and qualified accountant. External advice is available from the Council's Treasury Management advisors (Link Asset Services) who offer a range of services in relation to borrowing advice, leasing and capital investment options. The council is also a subscriber to the CIPFA Finance Advisory Network which provides advice on technical accounting matters. Additional specialist tax advice in respect of tax implications for property transactions is available from an external supplier of this service (PS Tax). The council has an in-house legal team and additional legal specialist support is available from external sources. The council has an in-house property services section headed by a RICS qualified surveyor and additional specialist support in respect of property matters is available through the district valuer and other external sources.

Section 10 - Conclusion

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

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Item No. 4

EXECUTIVE **21 JANUARY 2019**

SUBJECT:	**COLLECTION FUND SURPLUS OR DEFICIT – BUSINESS RATES**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 To inform Members of the estimated balance for the Business Rates element of the Collection Fund and the surplus or deficit to be declared for 2018/19.

2. Executive Summary

2.1 Prior to setting the Council Tax for 2019/20 the City Council is required to estimate whether there is to be a surplus or deficit on both the Council Tax and Business Rates elements of the Collection Fund for the current financial year (2018/19).

2.2 At the Executive meeting on 7th January 2019 the Council declared a surplus on Council Tax of £267,780 for the financial year 2018/19, of which its share was £41,680. The Council will declare a surplus on the Business Rates Collection Fund of £2,463,740 for 2018/19 subject to the confirmation of the Business Rates base by 31st January 2019, of which its share is £1,545,950. This surplus has arisen as a result of an over provision of outstanding ratings appeals.

3. Background

3.1 As a Business Rates Billing Authority the Council is required by legislation to estimate the surplus or deficit for each financial year on the Collection Fund. Prior to 2013/14 this estimate was only required for Council Tax. However, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention (BRR) Scheme from April 2013, whereby the collection and distribution of business rates is done via the Collection Fund (distribution of business rates had previously been managed nationally). Local Authorities as a result took on an additional level of risk and uncertainty of business rates funding. In a similar way to Council Tax precepts from the Collection Fund business rate precepts are now fixed prior to the start of a financial year and any variations from this realised through the Collection Fund in year are distributed in the following financial years (based on estimated in the following year and actuals in the subsequent year).

3.2 The calculation of business rates is based on an estimate of rates collected in year compared to the estimate made the previous year, taking into account any previously declared surplus or deficit, and a forecast for the remainder of the current year.

3.3 A surplus or deficit may occur in the Collection Fund if actual performance during the year is higher or lower than originally estimated when Council was set. Areas of variance include:

- business rates base is larger or smaller than originally anticipated (reasons include properties coming off and off the valuation list (e.g. as a result of redevelopments), appeals by businesses to rating valuations.
- In year collection rates are higher or lower than expected,
- Arrears collection rates are higher or lower than expected

3.4 The Council is required to declare any surplus or deficit during January of each financial year and once approved has an obligation to notify its major precepting authorities (for business rates these are Lincolnshire County Council and the Government) of their share of the estimated surplus or deficit.

4. Estimated Surplus/Deficit for 2019/20 – Business Rates

4.1 As at 31st March 2019 the Collection Fund is estimated to have a surplus of £2,802,260 for business rates relating to the Financial Year 2018/19, the City Council's share of this being £1,681,360.

4.2 In addition to declaring the estimated deficit position on the Collection Fund for the current financial year the Council is also required to declare any surplus or deficit relating to the difference between previously declared surplus/deficit positions and the actual outturn position as reported in the Council's Statement of Accounts. In 2018/19 there is a deficit balance of £338,520 in the Collection Fund relating to previous years, the City Council's share of this being £135,410.

4.3 Based on the forecast position of the in-year Collection Fund as at 31st March 2019 and taking into account an adjustment for the difference between prior year estimates compared to the actual outturn it is estimated that there will be a surplus of £2,463,740 on the business rates element of the Collection Fund in 2018/19. This will be distributed in full to preceptors in 2019/20. This surplus has primarily arisen as a result of an over provision for the level of outstanding appeals against the 2010, 2015 and 2017 ratings lists.

5. Strategic Priorities

5.1 There are no direct implications for the Council's Strategic Priorities arising as a result of this report.

6. Organisational Impacts

6.1 <u>Finance</u>
For City of Lincoln the financial implications of the report are summarised below:

Distribution of surplus/(deficit)	CoLC share £
NNDR – prior year deficit	(135,410)
NNDR – 2018/19 surplus	1,681,360
Total surplus	**1,545,950**

The Council's share of the estimated surplus will be distributed in 2019/20 and will form part of the Medium Term Financial Strategy 2019-24.

At the commencement of the BRR scheme in 2013 the Council established a volatility reserve to manage the potential fluctuations in business rate income in order to smooth the impact on the MTFS and to cushion the blow of any significant reductions or deficits. The current balance on this reserve stands at £0.539m with budgeted net transfers 2019/20 to 2023/24 of £1.1m resulting in a currently unallocated balance of £1.639m, which will be set aside to offset any subsequent deficits.

6.2 Legal Implications incl Procurement Rules - There are no legal implications arising as a direct result of this report.

7. Risk Implications

7.1 Business rate income and appeals assessments are monitored on a monthly basis and form part of the overall budget monitoring and reporting to Members. However, the volatility in the level of business rate income presents a significant financial risk to the Council, particularly in relation to the level of appeals within the system. This risk along with other key financial risks forms part of the overall risk assessment of the MTFS and in part determines the Council's approach to the level of reserves and balances that it deems prudent to hold.

8. Recommendations

8.1 The Executive are recommended to confirm the action of the Chief Finance Officer in declaring a business rates surplus of £2,463,740 for 2018/19 subject to the confirmation of the business rates base by 31st January 2019. Any amendments to the declared deficit will be notified to the relevant preceptors and be included in the Final MTFS 2019-24 to be presented to the Executive 25th February 2019.

Is this a key decision?	Yes
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	None
List of Background Papers:	None
Lead Officer:	Jaclyn Gibson, Chief Finance Officer Telephone (01522) 873258

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Item No. 5

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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