

Present: Councillor Ric Metcalfe (*in the Chair*),
Councillor Donald Nannestad, Councillor Chris Burke,
Councillor Bob Bushell, Councillor Rosanne Kirk and
Councillor Neil Murray

Apologies for Absence: None.

1. Confirmation of Minutes - 20 March 2019

RESOLVED that the minutes of the meeting held on 20 March 2019 be confirmed.

2. Declarations of Interest

No declarations of interest were received.

3. Q4 2018-2019 Operational Performance Report

Purpose of Report

To present the Executive with a summary of the operational performance position for quarter four of the financial year 2018/19.

Decision

That the report be noted and relevant Portfolio Holders be asked to ensure that management had a local focus on those highlighted areas showing deteriorating performance.

Alternative Options Considered and Rejected

None.

Reason for Decision

Key headlines from performance results in respect of those areas performing well were noted as follows:

- the number of users logged into the self-service system MyInfo had increased from 9,865 at quarter four last year to 10,199 at quarter four this year;
- the average time take to answer a call in customers services had decreased by 12 seconds compared to quarter four last year at 92 seconds;
- the business rates collection rate had exceeded its upper target of 99.15% at 99.81%;
- the average days taken to process housing benefit claim changes of circumstances had beaten its five day target at 4.12 days;
- the percentage of invoices paid within 30 days had improved from 95.17% in 2018 to 97.79% this year;
- the total number of users of health and recreation facilities increased by 29,740 users since quarter four last year to 247,921 this year;

- the percentage of food health and safety controls that should have been completed and had been had improved from 82.1% in quarter three to 96.5% in quarter four;
- Lincoln premises achieved an average food hygiene rating of 4.69 out of a possible 5;
- the percentage of planning applications approved was above its target of 97%, outturning at 98%;
- the number of empty homes brought back into use reached 47 in 2018/19;
- the rent collected as a proportion of rent owed had surpassed its target of 96.50%, achieving outturn of 99.24%;
- the final level of tenant arrears was better than the target of 3.50% with an outturn figure of 2.66%;
- the percentage of reactive repairs completed within target time was above the target of 97.50% at 98.65%;
- face to face enquiries at City Hall had decreased in quarter four to 4,731 compared to 9,826 in quarter four last year;
- new benefit claims had decreased from 7,296 in quarter four last year to 5,252 in quarter four this year. Universal Credit had affected the housing benefit claims, but Council Tax support was also reduced.

Those areas where performance could be improved were noted as follows:

- the in-year collection rate for Council Tax had decreased by 0.41% since quarter four last year, outturning at 96.76%, although just above the lower target;
- the level of outstanding customer changes in the revenues team had increase to 437 in quarter four this year, from 121 in quarter four last year;
- the percentage of waste that was recycled or composted had increased to 34.94% this year but was still below its lower target of 35%;
- the time to determine a planning application had deteriorated from 59.4 days in quarter three to 68.81 days in quarter four;
- the satisfaction of public protection and anti-social behaviour complainants on how the complaint was handled had decreased from 92.7% in quarter three to 81% in quarter four;
- the average re-let time in calendar days for all dwellings was outside its lower target of 28 days with a figure of 30.02 days;
- the number of housing benefits and council tax support customers waiting assessment had increased from 696 last quarter four to 897 this year;
- the percentage of risk based quality checks made where the benefit entitlement was correct was below its lower target of 86.50%, with a figure of 86.07%.

It was also reported that the overall sickness data for quarter four was 3.06 days per full time equivalent, excluding apprentices. This brought the cumulative total of sick days to 10.35 days, which was 3.27 days less than last year and was the lowest outturn since 2012/13.

Other achievements during the quarter were noted as follows:

- Lincoln's Central Car Park won the best new car park at the British Parking Awards 2019;
- Lincoln Guildhall had been awarded the 'Best Told Story' Accolade for 2018 by Visit England;

- Lincoln's 'To Let' board ban having been approved had been implemented in specific areas in the city;
- the City of Lincoln Council had been shortlisted for three Municipal Journal Awards;
- Lincoln won £235,000 of funding from the Ministry of Housing, Communities and Local Government for a number of projects in the Sincil Bank area;
- Lincoln was the number one place in the East Midlands region for food hygiene standards and joint sixth across the country according to new data.

The Leader of the Council conveyed his thanks on behalf of the Executive to the dedicated staff at all levels across the authority and was very proud to see such a positive report, together with confirmation of further awards and nominations.

4. Financial Performance - Outturn 2018/19

Purpose of Report

To present to the Executive the provisional 2018/19 financial outturn position on the Council's revenue and capital budgets, including the General Fund, the Housing Revenue Account, the Housing Repairs Service and Capital Programmes.

Decision

That the Executive:

- (1) Notes the provisional 2018/19 financial outturn for the general fund, housing revenue account, housing repairs service and capital programmes as set out in sections three to seven of the report and, in particular, the reasons for any variances.
- (2) Approves the proposed transfer to general fund earmarked reserves as set out in paragraphs 3.11 and 3.12 of the report.
- (3) Approves the financial changes to both the general investment programme and the housing investment programme, as set out in paragraphs 7.3 and 7.9 in the report, that are above the 10% budget variance delegated to the Chief Finance Officer.

Alternative Options Considered and Rejected

None.

Reason for Decision

General Fund

For 2018/19 the Council's net General Fund revenue budget was set at £14,276,460, including a planned contribution to balances of £288,360, resulting in an estimated level of general balances at the year-end of £1,897,724.

The financial performance quarterly monitoring report for the third quarter predicted a shortfall against the revised budget of £206,302. The provisional outturn for 2018/19 now indicated that this shortfall had decreased by £159,946, resulting in an overall budget shortfall of £46,356 and represented a variance against the revised budget of 0.33%.

Full details of the main variances were provided in Appendix B, but the key variances were summarised as follows:

- car parking – reduced income of £1,015,648;
- housing benefit overpayments – reduced income of £604,533
- homelessness bed and breakfast – increased expenditure of £101,418
- borrowing costs – reduced expenditure of £270,063
- earmarked reserves – released increased income of £280,220
- contingencies released – reduced costs of £175,930
- business rates Section 31 grants – increased income of £385,881
- revenues and benefits new burdens – increased income of £180,207.

The following contributions to earmarked reserves were requested as part of the report:

- planning delivery fund – the transfer of £95,000 of grant income received to fund an additional post to support large scale applications in 2019/20;
- overachievement of crematorium income – the transfer of £100,000 of surplus income, net of increased cost, to an income equalisation reserve to mitigate against future fluctuations in income levels;
- revenues and benefits shared service – transfer of £100,00 of new burdens funding to a reserve to be utilised in 2019/20, as determined by the Joint Committee.

Following the final outturn being known, it was proposed that the £95,000 planning delivery grant and £100,000 crematorium income were transferred into reserves as previously agreed. However, due to the significant reduction in housing benefit overpayments within the revenues and benefits area, it was proposed that only £45,000 of the new burdens funding was transferred into the reserve. These transfers to reserves were reflected in the provisional outturn position.

Towards Financial Sustainability Programme

The savings target included in the Medium Term Financial Strategy for 2018/19 was £3,800,000. Progress against this target, based on the outturn position, showed a secured total of £3,828,050. A summary of the provisional outturn position was shown in the table at paragraph 3.15 of the report.

Housing Revenue Account

For 2018/19 the Council's Housing Revenue Account net revenue budget was set at zero, resulting in an estimated level of general balances at the year-end of £1,023,099.

The financial performance quarterly monitoring report for the third quarter predicted an underspend of £5,000. The provisional outturn for 2018/19 now indicated an underspend of £3,467 and would result in Housing Revenue Account balances at 31 March 2019 of £1,026,568. The main over and underspends

included within the provisional outturn were summarised as follows:

- Housing Repairs Service – additional income of £271,534;
- rental income – additional income of £161,055;
- supervision and management – additional income and reduced expenditure equating to £141,547;
- repairs and maintenance – increased expenditure of £641,287.

Following outturn, Housing Revenue Account general balances would be £1,026,568, in line with the Medium Term Financial Strategy.

Housing Repairs Service

For 2018/19 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

The financial performance quarterly monitoring report for the third quarter predicted a £146,000 surplus outturn for 2018/19. The provisional outturn for 2018/19 showed a trading surplus of £271,534.

The net trading surplus of £271,534 was the result of a number of year-end variations in income and expenditure against the approved budget. The fluctuation between the forecast at quarter three and the final outturn was mainly down to the performance of voids function.

The surplus of £271,534 had been repatriated to the Housing Revenue Account which was the major service user and was reflected in the Housing Revenue Account outturn within the report.

Earmarked Reserves

The details of all earmarked reserves and their balance as at 31 March 2019 were attached to the report at Appendix G and summarised in paragraph 6.1 of the report.

General Fund Investment Programme

The revised General Fund Investment Programme for 2018/19, as approved in the Medium Term Financial Strategy, amounted to £23,460,862. Movements in the programme since the approval of the revised budget decreased actual capital expenditure in 2018/19 to £13,968,238. A further £175,000 was approved in 2018/19 to transfer land from the Housing Revenue Account to the General Fund, creating additional resources within the Housing Investment Programme. No physical income, receipt or expenditure had been recorded as transfer occurred between council funds.

Budget re-profiles approved by the Chief Finance Officer during the final quarter were detailed at Appendix I attached to the report.

The provisional outturn position for the General Investment Programme was set out in paragraph 7.5. Overall spending on the programme for 2018/19 was £13,968,238 which was 59.54% of the revised 2018/19 programme as per the 2018-23 Medium Term Financial Strategy. It was noted that the following should be taken into consideration alongside these figures:

- expected budgeted expenditure of £6.9 million relating to Deacon Road occurred in April 2019 just after the 2018/19 financial year;
- Disabled Facilities Grant works of £467,687 had been agreed and were expected to occur within 2019/20;
- the retention payment and related expenditure of £845,357 with regards to the Lincoln Transport HUB had not yet been paid due to delays on final sign off.

Housing Investment Programme

The revised Housing Investment Programme for 2018/19 as approved in the Medium Term Financial Strategy amounted to £31,457,789. Movements in the programme since the approval of the revised budget decreased actual capital expenditure to £24,985,322 in 2018/19.

Changes approved by the Chief Finance Officer in the final quarter were set out in Appendix K of the report and summarised in paragraph 7.9 of the report.

Changes requiring Executive approved were highlighted as follows:

- six property purchases funded from the unallocated new build programme under delegated authority on 20 March 2019 at Turner Street (£67,465), Williamson Street (£110,210) and Naval Court (£680,125);
- reallocations from the unallocated new build programme to Trelawney Crescent (£30,259), Marham House (£6,589) within the 2018/19 programme;
- landscaping and boundaries reallocated into CO Detector Installation (£40,826), Communal Hardstanding (£118,150) and communal electrics (£23,202);
- new services reallocated into Decent Homes (£11,481) and CO Detector Installation (£7,961) in 2018/19;
- the 2018/19 wall structure repairs (£6,951), over bath showers (£28,003), asbestos surveys (£51,457), plastering (£222,854), adaption works (£28,916), landscaping and boundaries (£110,623), void capitalised works (£26,555) programmes moved into uncommitted resources.

The overall spending on the Housing Investment Programme for 2018/19 was £24,985,322 which was 79.42% of the revised 2018/19 programme, as per the Medium Term Financial Strategy 2018-23. It was noted that the following should be considered alongside these figures:

- due to external factors, work programmed on individual flat fire door sets at Shuttleworth House for £739,000 was only around 30% complete at the end of the financial year;
- the budget included £18.3 million for the 2018/19 New Build Programme. £15.6 million had been spent on the new build programme including homes at Allenby, Westwick, Ingleby and Lytton Street, further budget had been earmarked for the DeWint Extra Care facility which was approved during 2018/19.
- the budget included £3 million for land acquisitions, of which £1.9 million had been spent in 2018/19. The remaining budget of £1.1 million had been allocated against the Western Growth Corridor Scheme to fund the Housing Investment Programme contribution towards the scheme.

5. Treasury Management Stewardship and Actual Prudential Indicators Report 2018/19 (Outturn)

Purpose of Report

The annual Treasury Management stewardship report was a requirement of the Council's reporting procedures under regulations issued under the Local Government Act 2003 and covered the treasury management activities and the actual prudential and treasury indicators for 2018/19.

Decision

That the report be noted and the actual prudential indicators contained within Appendices A and B be recommended to Council for approval.

Alternative Options Considered and Rejected

None.

Reason for Decision

During 2018/19, the Council complied with its legislative and regulatory requirements. The key prudential indicators for the year, with comparators, were set out in paragraph two of the report, with full details of transactions in year and performance against the Prudential Indicators included at paragraph four and Appendices A and B of the report.

The Chief Finance Officer had confirmed that borrowing was only undertaken for a capital purpose and that the statutory borrowing limit and the authorised limit were not breached.

Key issues of activity during 2018/19 were noted as follows:

- the Council's total debt, including leases and lease-type arrangements, at 31 March 2018 was £115,696 million compared with the Capital Financing Requirement of £120.131 million. This represented an under-borrowing position of £4.435 million, which was currently being supported by internal resources. Additional long term borrowing would be taken in future years to bring levels up to the Capital Finance Requirement, subject to liquidity requirements, if preferential interest rates were available;
- the Council's investments at the 31 March 2019 were £29.2 million, which was £13.6 million higher than at 31 March 2018. Average investment balances for 2018/19 were £22.344 million, which was higher than estimated balances of £14.97 million in the Medium Term Financial Strategy 2018-23 due to the timing of borrowing taken. This referred to the principal amounts of investment held, whereas the investment values included in the balance sheet were based on fair value. In most cases, this would simply be equal to the principal invested, unless the investment had been impaired;
- actual investment interest earned on balances was £143,000 compared to £77,000 estimated in the Medium Term Financial Strategy 2018-23;
- the interest rate achieved on investments was 0.77% which was 0.26% above the target average seven day LIBID rate, with the average in 2018/19 being 0.51%.

6. City of Lincoln Council Acquisition Policy for Developed Sites, Former Council and Empty Homes

Purpose of Report

To present the Executive with the Council's Acquisition Policy for development sites, former council and empty homes and the introduction of a grant scheme to enable a transfer of Right to Buy receipts to increase the supply of affordable homes and to bring more empty homes back into use.

Decision

That the Council's Acquisition Policy be approved.

Alternative Options Considered and Rejected

The Acquisition Policy was just one of a range of options the Council could use to increase the supply of affordable homes. Such a policy, if approved, would supplement the new homes programme and partnership working with other social housing providers to provide additional affordable homes in the city.

Reason for Decision

Under the latest Right to Buy regulations, owners of former council homes purchased under the Right to Buy initiative must, if they wished to re-sell their property within ten years of their initial purchase, offer it to their former landlord. Should the sale take place within the first five years of their ownership they must also repay a percentage of the Right to Buy discount they had received on the purchase of the property.

Local authorities had the ability to reinvest Right to Buy receipts within retention agreements for a period of three years. These receipts could be used for 30% of the capital costs of the purchase or repair of a property or new build on the basis that they provided a one for one replacement for social housing.

In recent years there had been an increase in the number of properties sold by the Council through Right to Buy, as set out in the table at paragraph 2.3 of the report. As a result of the increase in sales of council houses, there would be an additional pressure on the authority to spend retained capital receipts for the purposes of Right to Buy replacement.

The Council currently had a selective buy back policy which gave the Director of Housing Investment delegated authority, in consultation with the Chief Finance Officer, to consider and approve the terms for purchase of former council properties bought through Right to Buy. The policy gave approval on an individual property by property basis, taking into account value, negotiated purchase price, cost of any refurbishment works and ongoing repairing responsibilities and future rental income.

The Council's Housing Strategy included a target to bring 50 empty homes per annum back into use. This was adopted in 2018 and outlined the Council's approach to reducing the number of empty homes. This was a particular priority in the Sincil Bank area as part of its regeneration programme due to the impact on the local street scene, anti-social behaviour and the overall feeling of neglect.

The proposed criteria for the acquisition of former council homes, as part of this revised policy, was set out in paragraph four of the report. It was proposed that former council properties that were offered back to the council for purchase or were for sale on the open market would be assessed and a business case prepared with a recommendation to either purchase or reject the property. The number of properties purchased per annum would be determined by the amount available in the Council's Right to Buy capital receipts fund.

The criteria for the acquisition of strategic land sites and private housing was set out at paragraph five of the report. The Council was, on occasions, approached directly by landowners offering to sell vacant, recently developed housing sites or individual private properties. It was proposed that residential sites offered to the Council for sale directly or that became available on the open market were assessed to determine if they met the Council's strategic priorities and could be defined as local housing.

The proposed approach to working with registered housing providers to deliver more affordable homes in Lincoln was outlined at paragraph six of the report. The use of retained capital receipts could be utilised for Right to Buy replacement of a range of affordable housing products. Right to Buy receipts could be transferred to registered housing providers to provide 30% of funding to deliver affordable housing within Lincoln. To increase the number of empty homes brought back into use and further increase the supply of new build affordable housing, the Council was proposed to introduce an innovative capital grants programme using Right to Buy capital receipts which otherwise would be returned to the Treasury with interest if not spent within three years.

7. Strategic Risk Register - Quarterly Review

Purpose of Report

To provide the Executive with a status report of the revised Strategic Risk Register as at the end of the fourth quarter 2018/19.

Decision

That the Strategic Risk Register be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

Two changes to the assessed levels of likelihood and impact of risks identified on the Risk Register, as follows:

- risk 4 – to ensure compliance with the statutory duties and appropriate governance arrangements were in place. Although a disaster recovery facility and procedure were in place, in light of aging infrastructure and the development of a new IT Strategy, a review of the IT disaster recovery arrangements and consistency with business continuity plans would be developed. This risk had therefore been increased slightly from Amber: possible/major to Amber: probable/major;

- risk 9 – failure to mitigate against the implications for the Council following the outcome of Brexit. A localised Brexit exercise had been undertaken by the Lincolnshire Resilience Forum with partners and organisations in February 2019. A working group had been established to understand impacts on residents and governance including current partnerships and contracts pending delay of the Brexit vote and implementation of Article 50, with an internal action plan developed and monitored through the working group. In light of this, the risk had decreased from Red: almost certain/major to Amber: probable/major.

8. Exclusion of the Press and Public

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

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

9. Strategic Risk Register - Quarterly Review

Purpose of Report

To provide the Executive with a status report of the revised Strategic Risk Register as at the end of the fourth quarter 2018/19.

Decision

That the Strategic Risk Register be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

Two changes to the assessed levels of likelihood and impact of risks identified on the Risk Register, as follows:

- risk 4 – to ensure compliance with the statutory duties and appropriate governance arrangements were in place. Although a disaster recovery facility and procedure were in place, in light of aging infrastructure and the development of a new IT Strategy, a review of the IT disaster recovery arrangements and consistency with business continuity plans would be developed. This risk had therefore been increased slightly from Amber: possible/major to Amber: probable/major;
- risk 9 – failure to mitigate against the implications for the Council following the outcome of Brexit. A localised Brexit exercise had been undertaken by the Lincolnshire Resilience Forum with partners and organisations in February 2019. A working group had been established to understand impacts on residents and governance including current partnerships and

contracts pending delay of the Brexit vote and implementation of Article 50, with an internal action plan developed and monitored through the working group. In light of this, the risk had decreased from Red: almost certain/major to Amber: probable/major.

10. New Staffing Structure, Bereavement Services

Purpose of Report

To seek approval for the introduction of one new fulltime Crematorium Attendant post at the Council's Crematorium.

Decision

That the addition of one new fulltime Crematorium Attendant post at the Council's Crematorium be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The reason for this decision was set out in the report.

11. Management of Change Within the Licensing Team

Purpose of Report

To provide the Executive with an opportunity to consider the proposed structure change within the Licensing Team.

Decision

That the proposed structure change within the Licensing Team be approved.

Alternative Options Considered and Rejected

Other options considered and rejected were set out in the report.

Reason for Decision

The reason for this decision was set out in the report.

12. Management of Change, Housing Strategy Team Restructure

Purpose of Report

To request approval of a management of change proposed for the Housing Strategy Team.

Decision

That the management of changed proposal for the Housing Strategy Team be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The reason for this decision was set out in the report.