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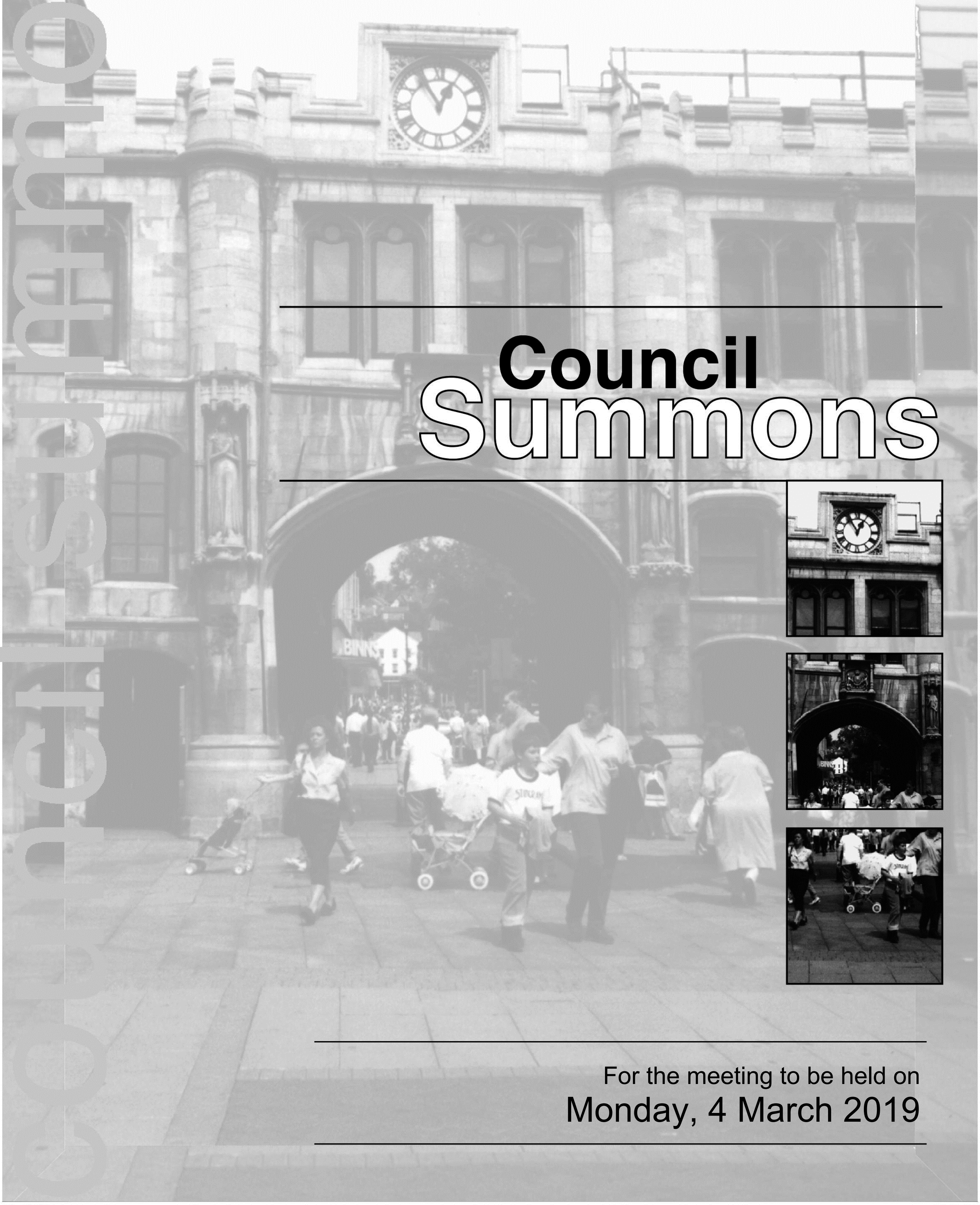

CITY OF Lincoln COUNCIL

Council Summons

For the meeting to be held on

Monday, 4 March 2019

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CITY OF LINCOLN COUNCIL

Sir/Madam,

You are hereby summoned to attend the meeting of the COUNCIL of the City of Lincoln to be held at The Guildhall on Monday, 4 March 2019 at 6.30 pm.

Angela Andrews

Chief Executive and Town Clerk

Angela Andrews

A G E N D A

SECTION A **Page(s)**

1. Declarations of Interest

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

2. Receive Any Questions under Council Procedure Rule 11 from Members of the Public and Provide Answers thereon

3. Receive Any Questions under Council Procedure Rule 12 from Members and Provide Answers thereon

4. To Consider the Following Recommendations of the Executive and Committees of the Council

   (a) Medium Term Financial Strategy 2019 - 2024 **5 - 188**

   In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, a recorded vote is required for this item.

   The Executive will consider this item at its meeting on 25 February 2019 – a copy of the Executive report is therefore attached. An extract of the minutes from the meeting of the Executive will be published as a supplement and circulated in due course.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, a recorded vote is required for this item.

The Executive will consider this item at its meeting on 25 February 2019 – a copy of the Executive report is therefore attached. An extract of the minutes from the meeting of the Executive will be published as a supplement and circulated in due course.

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Item No. 4a

EXECUTIVE **25 FEBRUARY 2019**

SUBJECT:	**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 Medium Term Financial Strategy for the period 2019-2024 and the budget for 2019/20 for referral to Council.

1.2 To recommend to the Executive the Capital Strategy 2019-2024 for referral to Council.

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 to Full Council, on 4th March 2019, the budget and council tax proposal have been 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 now 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 £13.100m which is £0.969m (6.8%) lower than the current year's budget. The provisional forecast spending requirements for the remaining four years of the MTFS are, £12.061 for 2020/21, £11.822m for 2021/22, £12.441m for 2022/23 and £13.117m 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 **Finance Settlement 2019/20**

The 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 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 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 £5.366m of the £42.1m 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 to the Executive on 21st January 2019 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.

Council Tax

4.9 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 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%.

4.10 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 2.93% rise in Council Tax for 2019/20, and then 1.9% in the subsequent years. An increase of 2.93% 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

4.11 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.

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

- Increases in the Business Rate Taxbase of 0% p.a. in 2019/20, 1.5% in 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

4.13 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.

4.14 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.

4.15 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.

4.16 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

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

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

4.19 As a result of the increased level of financial risk faced by the Council and the threat this poses to the Council's financial position the prudent minimum level of general reserves remains at an increased level. Based on an assessment of the estimated exposure, likelihood and possible mitigation of the financial risks that the Council faces it is deemed prudent to hold general reserves around £1.5m-£2m. Over the MTFS general reserves are maintained in line with this prudent minimum and show an estimated balance of £1.801m 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 and affordable rents 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 £67.76 per week for general purpose accommodation, £69.75 per week for sheltered accommodation and £107.63 for affordable rents.

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 £5.1m of which £3.1m 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 planned investment in the crematorium. Each scheme will be submitted separately for approval and inclusion in the GIP once the relevant stage in their development has been reached. These will however, as a result of their value, significantly alter the size and scale of the GIP.

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 £62.1m of which £16.2m 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. Each scheme will be submitted separately for approval and inclusion in the HIP once the relevant stage in their development has been reached. Subject to approval of the De Wint Court scheme this will increase the HIP spending plans by approximately £14m over the 5-year MTFS period. 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 £35.3m over the 5-year period and from revenue contributions, totaling £22.3m 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. However, subject to approval of the De Wint Court redevelopment this will include a requirement to borrow of c£3.99m

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 The 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 has been undertaken online which consisted of the draft MTFS, proposed budget and council tax recommendation being publicised on the Council's website together with the opportunity for the public to comment. A verbal update will be provided at the meeting of consultation responses received.

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

9.3 The minutes of the Budget Review Group are attached at Appendix C, there were no specific recommendations made by the Group.

9.4 It should be noted that the consultation and scrutiny undertaken did not take into consideration any specific proposals that are part of the Council's Towards Financial Sustainability Programme. As part of the development of these specific schemes the appropriate consultation will be undertaken with those customers, employees, trade unions, voluntary organisations', local businesses and partners who are likely to be impacted upon by the proposals. As any individual proposals are presented to the Executive/Council for decision they will include the outcomes of the specific consultation exercises and appropriate scrutiny committee considerations.

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 – The financial implications are as set out in the body of this report.

11.2 Legal Implications including Procurement Rules - Local authorities must decide, prior to the 11^{th} 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 recommend to Council for approval

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

Including the following specific elements:

- A proposed council tax Increase of 2.93% for 2019/20.
- A proposed housing rent decrease of 1% for 2019/20.
- The Council is a member of the Lincolnshire Business Rates Pool in 2019/20
- The 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 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 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 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).

Is this a Key Decision?	No – Subject to Full Council approval
Do the Exempt Information Categories Apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Three

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 Chief Finance Officer Telephone: 01522 873258

Medium Term Financial Strategy

2019/20 - 2023/24

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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 no Brexit deal is agreed. 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 was more subdued at around 0.2%. 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 1.8% as at January 2019. The latest forecast from the OBR is that CPI will settle around 2% during 2019 and remain around this level over the period to 2023. The Retail Price Index (RPI) stood at 2.5% in January 2019, this is set to increase slightly during 2019 to 3% and is forecast to remain 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%**

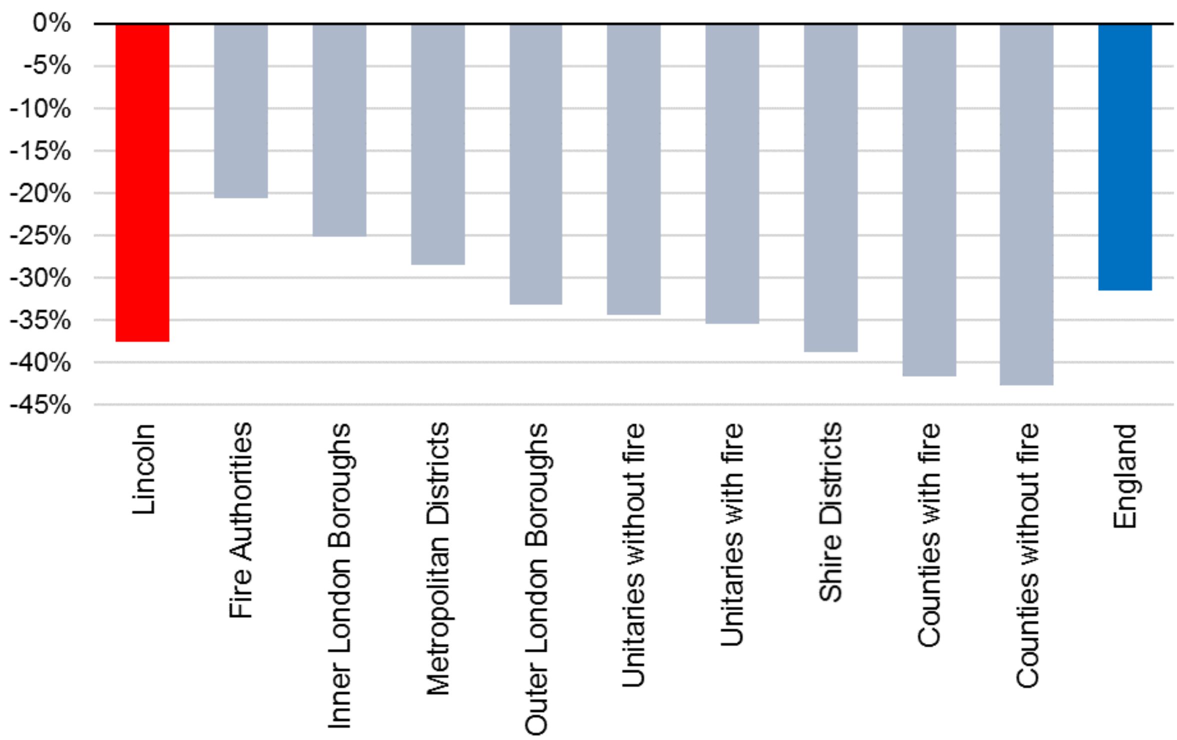
Settlement Funding Assessment

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.

<u>*Business Rates Retention*</u>

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 MTFS has been prepared on the basis of a full reset of the system and with an assumed redistribution of the total national gain. This will continue to be assessed as further information regarding the design of the scheme is made available.

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	5.366	4.240	4.695	5.156	5.639

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	2.93%	1.90%	1.90%	1.89%	1.89%
Council Tax Base	24,299	24,657	25,020	25,387	25,759
Council Tax Yield	£6.679m	£6.906m	£7.140m	£7.382m	£7.632m
Band D	£274.86	£280.08	£285.39	£290.79	£296.28
Band D £ Increase	£7.83	£5.22	£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 £274.86, a 2.93%/£7.83 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	481	481	481	481	481
Housing Benefits New Burdens	81	84	84	84	84
TOTAL	**1,340**	**1,067**	**676**	**615**	**565**

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, planned investment in the crematorium. Each scheme will be submitted separately to the Executive for approval and inclusion in the GIP once the relevant stage in their development has been reached. These will however, as a result of their value, significantly alter the size and scale of the GIP.

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 £1.372m 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 £2.8m is expected to be received from external capital grants, which is largely for Disabled Facilities Grants (DFGs) (£1.5m) and for investment in sports pitches (£1.2m) and other leisure facilities (£120k).

Projected Capital Resources

Resources to fund the General Investment Programme 2019/20-2023/24 are estimated to be approximately £5.1m, as follows:

	£'000
Capital Grants	2,818
Capital Receipts	500
Direct Revenue Financing	433
Prudential borrowing	1,372
TOTAL	**5,123**

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 and affordable rents by 1%. The average 52 week rent will be £67.76 per week for general purpose accommodation, £69.75 per week for sheltered accommodation, and £107.63 for affordable rents.

The table below sets out the impact of rent decreases on all tenants, inclusive of all rent types;

	Impact on Tenancies	
	No.	**%**
Rent decrease up to £0.59	7,350	95
Rent decrease between £0.60 and £0.69	38	0.49
Rent decrease between £0.70 and £0.79	17	0.22
Rent decrease between £0.80 and £0.99	57	0.74
Rent decrease is equal or greater than £1.00	275	3.55
TOTAL – as of 16 January 2019	**7,737**	**100%**

Interest receivable

The HRA receives investment interest on the balances it holds (HRA balances are made up of General Balances, earmarked reserves and the Major Repairs Reserve). The MTFS 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, at this stage though it is anticipated that the first phase of development will be solely through the General Fund.

The HIP does also not yet include the capital investment in the redevelopment of De Wint Court. These scheme will be separately submitted to the Executive for approval and inclusion in the HIP. Subject to approval of the scheme this will increase the HIP spending plans by approximately £14m over the 5-year MTFS period.

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 £62.1m Housing Investment Programme 2019/20 – 2023/24, are currently estimated to be as follows:

	£000
Major Repairs Reserve (depreciation)	35,290
Major Repairs Reserve (DRF)	22,261
Capital Receipts (inc RTBs)	4,573
TOTAL	**62,125**

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	2,452	1,536	1,550	1,646	1,800
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.

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	**3,191,810**	**3,164,590**	**3,209,780**	**3,451,930**	**3,624,310**
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	739,160	749,780	758,880	767,940	775,150
Corporate	1,755,490	1,784,720	1,816,880	1,854,340	1,877,580
	11,292,720	**11,179,980**	**10,945,830**	**10,978,910**	**11,030,660**
Capital Accounting Adjustment	2,835,510	2,591,220	2,447,840	2,595,940	2,597,190
Base Requirement	**14,128,230**	**13,771,200**	**13,393,670**	**13,574,850**	**13,627,850**
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)	(1,206,950)
Transfers to/(from) earmarked reserves	156,150	(254,680)	(534,130)	(169,010)	391,380
Transfers to/(from) insurance reserve	131,370	133,070	134,330	136,670	140,210
Total Budget	**13,100,460**	**12,061,590**	**11,822,730**	**12,441,970**	**13,116,550**
Use of Balances	554,410	(915,800)	13,670	96,010	154,610
NET REQUIREMENT	**13,654,870**	**11,145,790**	**11,836,400**	**12,537,980**	**13,271,160**
Business Rates	5,366,070	4,239,860	4,695,940	5,155,690	5,639,280
Business Rates Surplus	1,545,950	0	0	0	0
Revenue Support Grant	22,360	0	0	0	0
Council Tax Surplus	41,670	0	0	0	0
Council Tax	6,678,820	6,905,930	7,140,460	7,382,290	7,631,880
Total Resources	**13,654,870**	**11,145,790**	**11,836,400**	**12,537,980**	**13,271,160**
Balances b/f @ 1st April	**1,897,724**	**2,452,134**	**1,536,334**	**1,550,004**	**1,646,014**
Increase/(Decrease) in Balances	554,410	(915,800)	13,670	96,010	154,610
Balances c/f @ 31st March	**2,452,134**	**1,536,334**	**1,550,004**	**1,646,014**	**1,800,624**

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
Directorate of Communities and Environmental Services	2,424,544	300,000	300,000	300,000	300,000
Schemes Under Review	72,406	0	0	0	0
Total Programme Expenditure	**3,122,952**	**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	0	0	0	0	0
Received in year	1,618,230	300,000	300,000	300,000	300,000
Used in financing	(1,618,230)	(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	572,146	200,000	200,000	200,000	200,000
Used in financing	(572,146)	(200,000)	(200,000)	(200,000)	(200,000)
Closing balance	0	0	0	0	0
Total Capital Funding	**(3,122,952)**	**(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 - 2019/20 - 2023/24

	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £
Capital Programme					
Decent Homes	7,064,971	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	5,057,349	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	**16,224,692**	**11,266,768**	**11,352,916**	**12,931,952**	**10,348,238**
Capital funding					
Major Repairs Reserve					
Opening balance	4,078,555	946,572	182,922	0	0
Depreciation received in year	6,262,430	6,237,430	6,237,430	6,237,430	6,237,430
Depreciation used in financing	(10,097,130)	(6,481,285)	(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	(3,469,663)	(4,706,675)	(4,851,382)	(5,168,460)	(4,064,776)
Closing balance	946,572	182,922	0	0	1,103,684
Capital receipts					
Opening balance	0	0	741,222	1,297,148	591,116
RTB's received in year	819,630	820,030	820,030	820,030	820,030
Used in financing	(819,630)	(78,808)	(264,104)	(1,526,062)	(46,032)
Closing balance	0	741,222	1,297,148	591,116	1,365,114
1-4-1 receipts					
Opening balance	4,186,141	2,347,873	2,347,873	2,347,873	2,347,873
RTB's received in year					
Used in financing	(1,838,269)	0	0	0	0
Closing balance	2,347,873	2,347,873	2,347,873	2,347,873	2,347,873
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	**(16,224,692)**	**(11,266,768)**	**(11,352,916)**	**(12,931,952)**	**(10,348,238)**
Available Resources c/f	**3,294,445**	**3,272,017**	**3,645,021**	**2,938,989**	**4,816,671**

Appendix 5

BUDGET RISK ASSESSMENT

No.	Budget Item	Risk	2019/20 Risk score	2020/21 - 2022/24 Risk Score	Containment
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.

Appendix 5

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)

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 • Xmas Market	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, Changes in treatment of VAT status of individual fees and charges.	**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. • Watching brief on CIPFA Committee/HMRC discussions

Appendix 5

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.

Appendix 5

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

Appendix 5

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

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

Appendix 5

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

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

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 ○ 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

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

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	1,492,279	1,232,969	1,638,789
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	909,464	899,963	890,463	890,463	890,463
Grants & Contributions	837,812	760,862	682,642	636,512	589,692	541,932
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	87,280	87,280	87,280	87,280	87,280
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	**6,158,578**	**6,314,728**	**6,060,048**	**5,525,918**	**5,356,903**	**5,748,283**

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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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

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 Adminstration 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**

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**	
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**

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.

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**
SUPPORTED HOUSING				
Community Alarms Service	150.00	150.00	**150.00**	

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 £	
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	4.10	**4.20**	
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 £	
ALLOTMENTS			**FOR LEASES STARTING IN 2018/19**	
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	**25.00**	**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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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**	
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**

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.

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**	

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**

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

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

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**

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 £	
ALLOTMENTS			**FOR LEASES STARTING IN 2018/19**	
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	**25.00**	**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**

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.

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

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN
SERVICE : **CHRISTMAS MARKET**

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20	
COACH FEES				
Up to 15 Seats				
All Day		Use Park & Ride	**Use Park & Ride**	
Departure during 16:00 - 18:00				
16-30 Seats - Early Bird Advanc	64.00	64.00	**64.00**	**inc VAT**
16-30 Seats - Advanced	66.00	66.00	**66.00**	**inc VAT**
16-30 Seats - On the day	132.00	132.00	**132.00**	**inc VAT**
31-45 Seats - Early Bird Advanc	85.00	85.00	**85.00**	**inc VAT**
31-45 Seats - Advanced	87.00	87.00	**87.00**	**inc VAT**
31-45 Seats - On the day	175.00	175.00	**175.00**	**inc VAT**
45+ Seats - Early Bird Advance	106.00	106.00	**106.00**	**inc VAT**
45+ Seats - Advanced	109.00	109.00	**109.00**	**inc VAT**
45+ Seats - On the day	218.00	218.00	**218.00**	**inc VAT**
Departure outside of 16:00 - 18:00				
16-30 Seats - Early Bird Advanc	48.00	48.00	**48.00**	**inc VAT**
16-30 Seats - Advanced	50.00	50.00	**50.00**	**inc VAT**
16-30 Seats - On the day	132.00	132.00	**132.00**	**inc VAT**
31-45 Seats - Early Bird Advanc	69.00	69.00	**69.00**	**inc VAT**
31-45 Seats - Advanced	71.00	71.00	**71.00**	**inc VAT**
31-45 Seats - On the day	175.00	175.00	**175.00**	**inc VAT**
45+ Seats - Early Bird Advance	91.00	91.00	**91.00**	**inc VAT**
45+ Seats - Advanced	94.00	94.00	**94.00**	**inc VAT**
45+ Seats - On the day	218.00	218.00	**218.00**	**inc VAT**

Early Bird Advanced Booking Discount
This is only available if booked before **30th September** 2019.

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

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

Christmas Market Dates: Thursday 5th - Sunday 8th December 2019

All dates shown in green are provisional

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

SERVICE : **CHRISTMAS MARKET**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS * 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20	
STALL HOLDER FEES				
Stall Fees				
Castle Square	1,664.00	1,664.00	**1,747.00**	**inc VAT**
Castle Grounds	1,814.00	1,814.00	**1,905.00**	**inc VAT**
The Lawn (Outdoor)	1,360.00	1,360.00	**1,428.00**	**inc VAT**
Christmas Bazaar	1,434.00	1,434.00	**1,506.00**	**inc VAT**
Christmas Pantry	1,434.00	1,434.00	**1,506.00**	**inc VAT**
Westgate (Outdoor)	1,360.00	1,360.00	**1,428.00**	**inc VAT**
Westgate Marquees	1,434.00	1,434.00	**1,506.00**	**inc VAT**
Perfect Presents	1,664.00	1,664.00	**1,747.00**	**inc VAT**
Additional Sq Metre	207.00	207.00	**217.00**	**inc VAT**
Corner Plot Premium	Plus 25% of Stall Rent		**Plus 25%**	**inc VAT**
Backup Storage Spaces				
Per Sq Metre	86.00	86.00	**90.00**	**inc VAT**
Additional Socket Outlets				
13 AMP Socket	86.00	86.00	**90.00**	**inc VAT**
16 AMP Socket	86.00	86.00	**90.00**	**inc VAT**
32 AMP Socket	129.00	129.00	**135.00**	**inc VAT**
Surcharge on Food Traders				
Catering 1	Plus 50% of Stall Fee		**Plus 50%**	**inc VAT**
Catering 2	Plus 100% of Stall Fee		**Plus 100%**	**inc VAT**
Alcohol Levy Band 1				
(Baileys in Hot Chocolate/Charit	330.00	330.00	**347.00**	**inc VAT**
Alcohol Levy Band 2				
(Hard Alcohol)	661.00	661.00	**694.00**	**inc VAT**
Discounts (Only taken off basic stall fee)				
Charity Discount (%)	50%	50%	**50%**	**inc VAT**
Non UK Stallholders	200.00	200.00	**200.00**	**inc VAT**
Craft/Fairtrade Discount	100.00	100.00	**100.00**	**inc VAT**
Local Traders - Within Lincoln E	200.00	200.00	**200.00**	**inc VAT**
Local Traders - Within Lincolnsl	150.00	150.00	**150.00**	**inc VAT**
Stall Holder Vehicle Parking at Designated Areas				
Per Vehicle	140.00	140.00	**147.00**	**inc VAT**

* 0% Price freeze for 2017/18 customers returning 2018/19

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

SERVICE : **CHRISTMAS MARKET**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20	
PARK AND RIDE				
Pre Booking Online	12.00	12.00	**12.00**	**inc VAT**
None Pre Booked				
Thursday	13.00	13.00	**13.00**	**inc VAT**
Friday	14.00	14.00	**14.00**	**inc VAT**
Saturday	15.00	15.00	**15.00**	**inc VAT**
Sunday	14.00	14.00	**14.00**	**inc VAT**
Mini Bus	25.00	25.00	**25.00**	**inc VAT**
MARKET RIGHTS				
Market Rights - Per Stall*		25.00	**2.5 x Normal License Fee**	
*During market period				

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**
SUPPORTED HOUSING				
Community Alarms Service	150.00	150.00	**150.00**	

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 £**	
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	4.10	**4.20**	
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**

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 Thurs/Fri/Sat/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 Thurs/Fri/Sat/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	52.00	52.00	**52.00**	*
(only issued to businesses in the residents parking zones with no off-street parking)				
- Daily Visitor Permits				
per 10	17.00	17.00	**17.00**	*
- Replacement Permits				
Change of vehicle registration	5.00	5.00	**5.00**	*
Damaged or lost	5.00	5.00	**5.00**	*
- Emissions Permit				
Low Emissions 1st Permit	13.00	13.00	**13.00**	
Low Emissions Subsequent Permit	26.00	26.00	**26.00**	
- Administration Charge on Refunds	5.00	5.00	**5.00**	

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

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

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.

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

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN
SERVICE : **CHRISTMAS MARKET**

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20	
COACH FEES				
Up to 15 Seats				
All Day		Use Park & Ride	**Use Park & Ride**	
Departure during 16:00 - 18:00				
16-30 Seats - Early Bird Advanc	64.00	64.00	**64.00**	**inc VAT**
16-30 Seats - Advanced	66.00	66.00	**66.00**	**inc VAT**
16-30 Seats - On the day	132.00	132.00	**132.00**	**inc VAT**
31-45 Seats - Early Bird Advanc	85.00	85.00	**85.00**	**inc VAT**
31-45 Seats - Advanced	87.00	87.00	**87.00**	**inc VAT**
31-45 Seats - On the day	175.00	175.00	**175.00**	**inc VAT**
45+ Seats - Early Bird Advance	106.00	106.00	**106.00**	**inc VAT**
45+ Seats - Advanced	109.00	109.00	**109.00**	**inc VAT**
45+ Seats - On the day	218.00	218.00	**218.00**	**inc VAT**
Departure outside of 16:00 - 18:00				
16-30 Seats - Early Bird Advanc	48.00	48.00	**48.00**	**inc VAT**
16-30 Seats - Advanced	50.00	50.00	**50.00**	**inc VAT**
16-30 Seats - On the day	132.00	132.00	**132.00**	**inc VAT**
31-45 Seats - Early Bird Advanc	69.00	69.00	**69.00**	**inc VAT**
31-45 Seats - Advanced	71.00	71.00	**71.00**	**inc VAT**
31-45 Seats - On the day	175.00	175.00	**175.00**	**inc VAT**
45+ Seats - Early Bird Advance	91.00	91.00	**91.00**	**inc VAT**
45+ Seats - Advanced	94.00	94.00	**94.00**	**inc VAT**
45+ Seats - On the day	218.00	218.00	**218.00**	**inc VAT**

Early Bird Advanced Booking Discount
This is only available if booked before **30th September** 2019.

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

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

Christmas Market Dates: Thursday 5th - Sunday 8th December 2019

All dates shown in green are provisional

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

SERVICE : **CHRISTMAS MARKET**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS * 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20	
STALL HOLDER FEES				
Stall Fees				
Castle Square	1,664.00	1,664.00	**1,747.00**	**inc VAT**
Castle Grounds	1,814.00	1,814.00	**1,905.00**	**inc VAT**
The Lawn (Outdoor)	1,360.00	1,360.00	**1,428.00**	**inc VAT**
Christmas Bazaar	1,434.00	1,434.00	**1,506.00**	**inc VAT**
Christmas Pantry	1,434.00	1,434.00	**1,506.00**	**inc VAT**
Westgate (Outdoor)	1,360.00	1,360.00	**1,428.00**	**inc VAT**
Westgate Marquees	1,434.00	1,434.00	**1,506.00**	**inc VAT**
Perfect Presents	1,664.00	1,664.00	**1,747.00**	**inc VAT**
Additional Sq Metre	207.00	207.00	**217.00**	**inc VAT**
Corner Plot Premium	Plus 25% of Stall Rent		**Plus 25%**	**inc VAT**
Backup Storage Spaces				
Per Sq Metre	86.00	86.00	**90.00**	**inc VAT**
Additional Socket Outlets				
13 AMP Socket	86.00	86.00	**90.00**	**inc VAT**
16 AMP Socket	86.00	86.00	**90.00**	**inc VAT**
32 AMP Socket	129.00	129.00	**135.00**	**inc VAT**
Surcharge on Food Traders				
Catering 1	Plus 50% of Stall Fee		**Plus 50%**	**inc VAT**
Catering 2	Plus 100% of Stall Fee		**Plus 100%**	**inc VAT**
Alcohol Levy Band 1				
(Baileys in Hot Chocolate/Charit	330.00	330.00	**347.00**	**inc VAT**
Alcohol Levy Band 2				
(Hard Alcohol)	661.00	661.00	**694.00**	**inc VAT**
Discounts (Only taken off basic stall fee)				
Charity Discount (%)	50%	50%	**50%**	**inc VAT**
Non UK Stallholders	200.00	200.00	**200.00**	**inc VAT**
Craft/Fairtrade Discount	100.00	100.00	**100.00**	**inc VAT**
Local Traders - Within Lincoln E	200.00	200.00	**200.00**	**inc VAT**
Local Traders - Within Lincolnsl	150.00	150.00	**150.00**	**inc VAT**
Stall Holder Vehicle Parking at Designated Areas				
Per Vehicle	140.00	140.00	**147.00**	**inc VAT**

* 0% Price freeze for 2017/18 customers returning 2018/19

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

SERVICE : **CHRISTMAS MARKET**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2017/18 £	CURRENT 2018/19 £	PROPOSED 2019/20	
PARK AND RIDE				
Pre Booking Online	12.00	12.00	**12.00**	**inc VAT**
None Pre Booked				
Thursday	13.00	13.00	**13.00**	**inc VAT**
Friday	14.00	14.00	**14.00**	**inc VAT**
Saturday	15.00	15.00	**15.00**	**inc VAT**
Sunday	14.00	14.00	**14.00**	**inc VAT**
Mini Bus	25.00	25.00	**25.00**	**inc VAT**
MARKET RIGHTS				
Market Rights - Per Stall*		25.00	**2.5 x Normal License Fee**	
*During market period				

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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APPENDIX B

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 £5.1 m
- The Housing Investment Programme (HIP) with a budget for 2019-24 of £62.1m

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 £19m planned within the current General Investment Programme for 2018/19. 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.

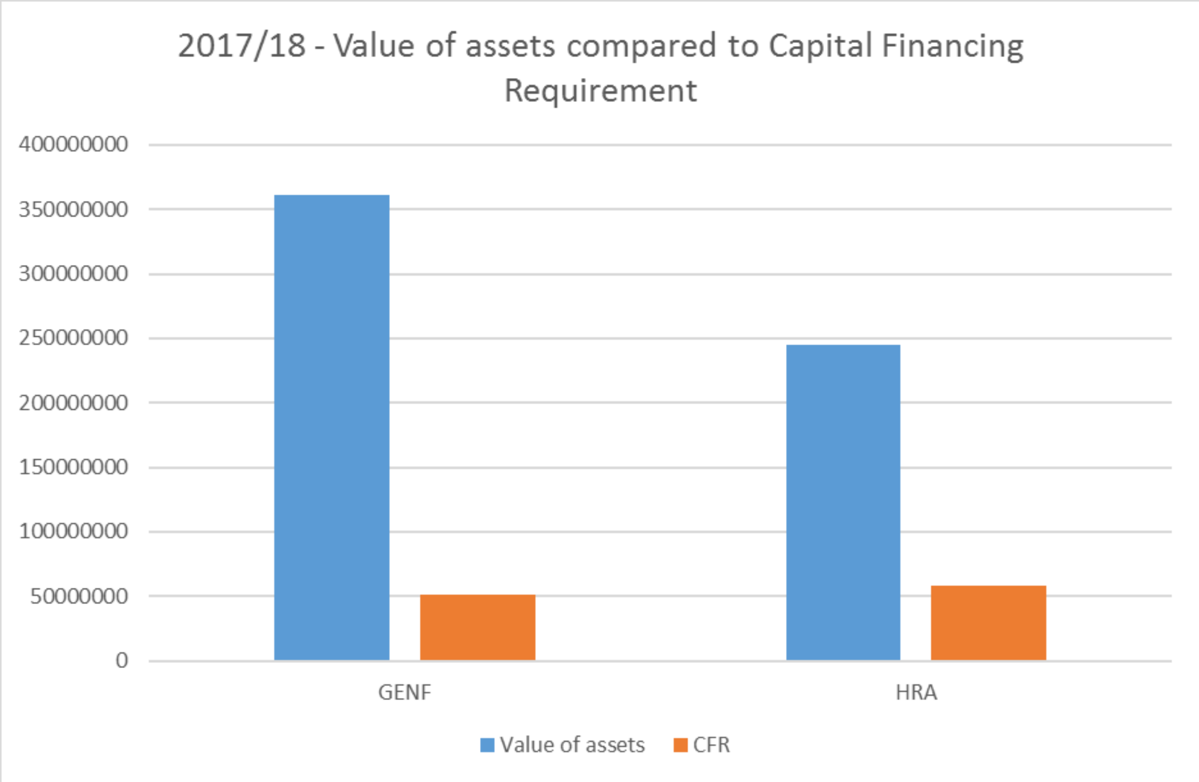
Many of the council's investment properties have been council assets for a number of years. More recently the council has borrowed to fund the purchase of assets. The financial impact of this is shown in the table below.

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 £19m purchase of investment property will take place during 2018/19, funded by borrowing. Net income expected from this purchase is budgeted to be £288k per annum – a further update will be provided once the properties 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.

Present: Councillor Gary Hewson *(in the Chair)*, Councillor Kathleen Brothwell, Councillor Bob Bushell, Councillor Thomas Dyer, Councillor Geoff Ellis, Councillor Helena Mair, Councillor Hilton Spratt and Councillor Lucinda Preston

Apologies for Absence: Councillor Chris Burke and Councillor Laura McWilliams

3. Declarations of Interest

No declarations of interest were received.

4. Draft Medium Term Financial Strategy 2019-2024

The Chair of the Budget Review Group reported that the main objectives of the Group were to examine the principles and planning process that supported the proposed Medium Term Financial Strategy, budget and Council Tax and establish that at each stage the budget:

- was clear, focused, achievable, realistic and based on sound financial practices;
- had clear linkages with corporate plans that formed the Council's Policy Framework, establishing that they were identifiable and designed to support the Council's Vision 2020.

The Council's Chief Finance Officer:

(a) Presented a report which explained the key elements and assumptions on which General Fund Revenue estimates had been prepared, noted as follows:

- a small element of Revenue Support Grant would be received, but this had dramatically reduced and would end from 2020/21 with the introduction of 75% Business Rates retention;
- the Revenue Support Grant element of the provisional settlement confirmed the allocations previously announced as part of the multi-year settlement. This showed a reduction in the level of grant received of 99.1%, from £2.585 million in 2015/16 to £0.022 million in 2019/20. Beyond 2019/20 it was assumed that there would be no further Revenue Support Grant payable by the Government and that the principal forms of funding would be from local taxation;
- the provisional Local Government Finance Settlement provided grant allocations for the New Homes Bonus. The Council would receive £0.720 million for 2019/20 which was a significant allocation in relation to its other funding streams. The Medium Term Financial Strategy prudently assumed that the current New Homes Bonus scheme would cease beyond 2019/20, but that the legacy payments would continue for a four year period as per the initial scheme design;

- Lincoln would form a business rate poll with Lincolnshire County Council and the other Lincolnshire District Councils following the unsuccessful bid to be a 75% pilot in 2019/20;
- following an assessment of the amount of business rates that the Council expected to collect during 2019/20 after allowing for the allocation of resources to Central Government and to the County Council, it was estimated that £5.289 million of the £44.7 million of business rates generated within the city would be retained by the City Council. Beyond 2019/20, assumptions had been made in relation to the reform of the business rates retention system which would be assessed as further changes were released by the Government ahead of implementation in April 2020;
- the business rates element of the collection fund had declared a surplus in relation to 2018/19 of £2.464 million of which the Council's share was £1.546 million and had primarily arisen as a result of the over provision for appeals;
- an increase of 2.95% in 2019/20 equated to an additional 10p per week for a Band A property and 12p per week for a Band B property. 80% of the city's properties fell within Band A or Band B;
- other key assumptions in formulating the draft General Fund revenue estimates for 2019/20 – 2021/22 included:
  - increases in the business rate taxbase of 0% per annum in 2019/20 and 2020/21 and 2% per annum from 2021/22;
  - increases in the council taxbase of 1.25% per annum;
  - New Homes Bonus income of £0.720 million in 2019/20, £0.502 million in 2020/21, £0.111 million in 2021/22, £0.50 million in 2022/23, reducing to £0 thereafer;
  - non-statutory fees and charges overall yield was assumed at 3% per annum, although individual service income budgets had been re-based;
  - an increase in employer pension contribution rates capped at 1% per annum for the period to the end of the current triennial review in 2020/21;
  - a provision for pay awards of 2%;
  - a provision for inflation of 3% per annum for contractual commitments;
  - a provision for 2% per annum general inflationary increases;
  - average interest rates on investments had 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% per annum.

(c) Reported that it had been necessary to increase the savings targets by £0.5 million in 2019/20, increasing by a further £0.5 million to £1 million per annum from 2020/21, with total savings of £5.25 million per annum therefore required by 2020/21.

(d) Explained that the Housing Revenue Account Business Plan incorporated the Government's requirement for a 1% per annum rent reduction between 2018/19 and 2019/20 and assumed that from 2020/21 rents would revert back to an increase by the Consumer Price Index +1%. This increase in rent levels was in line with the Government's latest social rents consultation proposing that from April 2020 social rents would increase by

Consumer Price Index +1% for a period of five years. The Medium Term Financial Strategy 2019-24 had been prepared on this basis.

(e) Reported that other key assumptions had been used in formulating the Housing Revenue Account estimates for 2019/20 to 2021/22 as follows:

- assumptions for price inflation, interest rates, pay awards, vacancy savings and employer pension contributions were as per the General Fund;
- an average garage rents increase of 3% per annum;
- housing voids assumed at 1% per annum;
- a 1% reduction in the assumed collection rate to 98% per annum.

(f) Reported that the General Investment Programme for the period 2019/20 to 2023/43 was included within the Medium Term Financial Strategy, with the total allocated programme over the next five years being £5.4 million of which £3.4 million was estimated to be spent in 2019/20.

(g) Reported that the Housing Investment Programme for the period 2019/20 – 2023/24 was included within the Medium Term Financial Strategy, with the total allocated capital programme over the next five years being £61.2 million of which £16.3 million was estimated to be spent in 2019/20.

(h) Invited questions and comments from members.

Question
What measures were in place to deliver the remaining balance on the existing savings and what was the progress against these?

Response
The balance on the existing savings target was £195,000 to be delivered in 2019/20. There were a number of project reviews that would, once completed, achieve this target which included:

- restructure of financial services;
- property investment decisions taken by the Executive;
- investment in all grass and all weather pitches with Active Nation;
- generation of advertising income.

Question
What measures were in place to deliver the new £500,000 savings in 2019/20?

Response
Delivery of the additional savings targets would be through the Towards Financial Sustainability Programme focussing on the following key strands:

- One Council;
- Investment Opportunities;
- Commercialisation;
- Service Reduction or Withdrawal.

This was in addition to continually seeking ways to maximise tax bases through Council Tax and Business Rates.

In response to the One Council strand and referring to the recent decision by the Executive to procure a new website platform, working alongside the County Council, a question was asked as to whether more partnership working opportunities were envisaged with other local authorities in the county. The exploration of more shared services opportunities had been included in the previous year's strategy and this was attempted across a number of service areas, with Information Technology being a key service area. However, there had been a number of barriers to prevent this coming to fruition, although the procurement of the website with the County Council was a small step as part of any potential process regarding any further shared service opportunities in this respect. It was noted that the Council would continue to explore opportunities for shared services with other authorities. Where the Council had successful shared services in place, such as the Shared Revenues and Benefits Service for example, work was taking place to investigate where or how similar services could be shared or sold to make additional savings or generate an income.

Question
Have the savings proposals of £789,000 been subject to some form of scrutiny?

Response
All decisions in respect of savings were subject to approval under the Scheme of Delegation and Financial Procedure Rules, with those requiring Executive approval also being subject to the relevant scrutiny.

Question
Why was the table for 2020/21 in the report showing year on year increases of £600,000?

Response
The table reflected progress made since January 2019 in delivering target savings from the current Towards Financial Sustainability Programme, which included what the Council had already secured. It would be necessary to compare this table with the table in the previous year's Medium Term Financial Strategy in order for the figures to tally with the revised savings target. It was agreed that this would be circulated.

Question
Were there any annual figures of properties in each band that were zero rated for Council Tax students? With population rising it was assumed that the Council Tax base would rise, with such an increase putting more pressure on Council services and students in particular not contributing through Council Tax. Did the Council receive anything from the Government to compensate for this?

Response

A table was shown at the meeting which indicated that 1,407 properties consisted of student halls in the city and 1,614 properties were classified as private student accommodation.

It was noted that when the Government calculated Business Rates it based this on an area's need, which took into account population. The fact that students lived in the city and made up the city's population meant that this would be factored into the city's need when calculated by the Government.

A further question was asked regarding property companies owning or managing student accommodation and whether they would be exempt from paying Council Tax. It was noted that if students were in occupation at the property they would be exempt from Council Tax. The majority of student accommodation in the city was no longer owned by the University of Lincoln and was owned or managed by private companies. Although exempt from Council Tax due to the nature of the people occupying the properties, private companies would still be required to pay corporation tax on their company profits, although it was acknowledged that this went straight to the Government rather than to the local Council.

Question
Are figures available for the number of properties and past records to show movement on numbers of buildings that were zero rated for Business Rates?

Response
There were currently 3,550 hereditaments in the city, with a number of different types of exemptions noted as follows:

- agricultural land and buildings;
- buildings used for training and welfare;
- buildings registered for public religious worship or church halls;
- empty properties (exclusions applied for three months).

It was noted that there were a significant amount of mandatory and discretionary reliefs available.

A question was raised as to whether the Department for Work and Pensions, with its offices being based at City Hall, was classified as a building used for training and welfare. It was noted that the use of City Hall by the Department for Work and Pensions was classified as administrative so an exemption would not apply and its proportion of Business Rates was reflected in the City Council's recharge for use of City Hall.

Question
As income levels for parking income had not been achieved in the current year, what income from fees and services were set for 2019/20 – 2020/21?

Response
A table was presented at the meeting which identified all areas where the levels of fees and charges had been changed, with main areas including:

- car parking;
- New Homes Bonus;
- Building Regulations;
- Houses in Multiple Occupation and the introduction of new regulations.

Overall this had accumulated in an estimated income of £11.4 million in the previous year, which had now been reduced to £10.4 million resulting in a difference of approximately £998,000.

Discussion ensued on the Council's performance in relation to meeting its financial targets, but the Leader of the Council made the point that a wider perspective and consideration should be given to how the local economy was performing. Taking into account the above listed areas, they were all contingent on the amount of economic activity in the city which was why it was so important for the Council to do what it could to ensure that the local economy in Lincoln continued to grow. The Council had a reliance on other income streams following the significant reduction in Revenue Support Grant, which would cease completely in 2020/21.

A comment was made regarding the investment in the Cornhill area of Lincoln in that this was an important and welcomed change to the city, with an emphasis on leisure rather than retail which it was hoped would draw people into the city centre. However, a concern was expressed regarding an increase in car parking in the majority of the City Council's car parks for the tariff for over four hours, which it was proposed would increase from £8 to £8.50 and would mainly impact people that worked in the city. It was noted that people, particularly those working in the city, could apply for parking permits at a reduced rate which was much cheaper than paying a day rate for every day that they used the car park. Despite this, however, it was perceived that any such increase in car parking fees and charges was, in effect, penalising those people who visited the city centre for longer periods of time and which was counterproductive when seeking to attract more people into the city centre. In response a point was made that, compared to other cities, the price of car parking in the City Council's car parks was reasonable and the alternative to putting car parking fees and charges up would be to increase the cost of services or even reduce services elsewhere, directly impacting the city's residents.

In relation to car parking, the Leader of the Council made the following points:

- the cost of car parking in the City Council's car parks compared to other cities, not including market towns, was reasonable and the cost of car parking generally would be significantly more expensive if the City Council did not own or manage any of car parks in the city, with private operators then being able to monopolise car parking in the city;
- 20% of what the City Council charged was VAT, which was not always acknowledged when considering how much the Council received for car parking;
- the options available for people to achieve a discounted rate of car parking through a variety of incentives, such as season tickets or scratch cards, was publicised and clearly set out on the Council's website.

It was noted that the vast majority of fees and charges were not proposed to be increased and those that were had been increased in line with inflation.

A further question in relation to fees and charges was asked in relation to the Crematorium in response to proposals for new Crematoriums to be built in West Lindsey and North Kesteven. A significant amount of work had been undertaken by officers in response to these proposals and a report on this issue was scheduled to be considered by the Executive at its meeting on 11 March 2019.

Clarification was sought with regard to a reserve associated with the 100% Business Rates scheme. It was reported that a reserve had been put in place using funds from the scheme to deliver some of the Council's strategic priorities.

£60,000 of this had been spent on the citywide intervention team and £300,000 on central markets proposals, for example. A separate and completely unrelated Business Rates volatility reserve had also been put in place.

RESOLVED

That the Budget Review Group:

(1) Agrees that at each stage the budget was clear, focused, achievable, realistic and based on sound financial practices and had clear linkages with corporate and other plans that formed the Policy Framework to establish that they are identifiable and designed to improve services in the Council's strategic priority areas.

(2) Agrees to provide its comments to the Performance Scrutiny Committee and Executive on the draft Medium Term Financial Strategy 2019-24 and 2019/20 budget and Council Tax proposals to the Performance Scrutiny Committee and Executive prior to formal consideration by Council at its meeting on 4 March 2019.

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Item No. 4b

EXECUTIVE **25 FEBRUARY 2019**

SUBJECT:	**COUNCIL TAX 2019/20**
REPORT BY:	**CHIEF EXECUTIVE & TOWN CLERK**
LEAD OFFICER:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 In light of the report on the Medium Term Financial Strategy, which appears elsewhere on this agenda, this report will set out the City Council's council tax requirement and, together with the requirements of the County Council and the Police & Crime Commissioner Lincolnshire, and will allow Members to make a formal recommendation to Council for the overall levels of council tax for 2019/20.

2. City Council Requirement 2019/20

2.1 The net General Fund Budget requirement as set out in the Medium Term Financial Strategy report totals £13,654,870 which includes a contribution to balances of £554,410.

2.2 For 2019/20 a council tax increase of 2.93% has been applied.

2.3 The council tax requirement for 2019/20 is £6,678,820

2.4 By reference to the Band D level, the 2019/20 council tax would rise by £7.83 to £274.86 per annum. The range of council taxes will be:

Band	**2018/19 Council Tax** £	**2019/20 Council Tax** £
A	178.02	183.24
B	207.69	213.78
C	237.36	244.32
D	**267.03**	**274.86**
E	326.37	335.94
F	385.71	397.02
G	445.05	458.10
H	534.06	549.72

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

3.1 The County Council and the Police & Crime Commissioner Lincolnshire are due to agree their 2019/20 council tax requirements on the 22nd and 27th February 2019 respectively. The County Council have provisionally agreed to a 4.95% increase, whereas the Police & Crime Commissioner have proposed an increase of 11.01%.

At Band D council tax level these are as follows: -

	£
Police & Crime Commissioner	241.38
Lincolnshire County Council	1,292.40

Should any final amendments be made to either the County Council or the Police and Crime Commissioner's Band D equivalents, these will be reported to Full Council at its meeting on the 4th March 2019 when it will formally approve the overall council tax levels for 2019/20.

4. Total Council Tax 2019/20

4.1 The council tax requirements for all the authorities for 2019/20 is summarised as follows:

	£	% share
City of Lincoln Council	274.86	15.2%
Police & Crime Commissioner Lincolnshire	241.38	13.3%
Lincolnshire County Council	1,292.40	71.5%
Total Band D Charge	**1,808.64**	**100.0%**

This represents an overall increase of 5.40% for 2019/20.

5. Strategic Priorities

5.1 There are no direct impacts on the Council's strategic priorities. Council Tax income is a key source of revenue funding by which the Council is able to fund the services it delivers in support of it's Vision 2020.

6. Organisational Impacts

6.1 Finance – The council tax requirement is in accordance with the Council's 2019/20 budget requirement and MTFS 2019-2024 which appear elsewhere on this agenda for approval.

6.2 Legal including Procurement Rules - Local authorities must decide, prior to the 11th March, each year how much they are going to raise from Council Tax.

6.3 The Local Government Finance Act 1992 sets out the legislative powers for each billing authority to levy and collect Council Tax which shall be payable in respect of dwellings situated in its area.

7. Risk Implications

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

8. Formal Council Tax Recommendation 2019/20

8.1 The Executive is requested to recommend to Council:

1. Acceptance of the 7th January 2019 Executive Committee recommendation that the Council Tax Base for 2019/20, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, to be 24,299.

2. That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

a)	£105,017,630	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
b)	£98,338,810	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c)	£6,678,820	being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act).
d)	£274.86	being the amount at 2(c) above (Item R), all divided by Item T (1 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
e)	£0	being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
f)	£274.86	being the amount at 2c) above less the amount at 2e) above, all divided by the amount at 1 above, calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

g) **City of Lincoln Council**

A	**B**	**C**	**D**
£183.24	£213.78	£244.32	£274.86
E	**F**	**G**	**H**
£335.94	£397.02	£458.10	£549.72

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

3. That it be noted that for the year 2019/20 Lincolnshire County Council have stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Lincolnshire County Council

A	B	C	D
£861.60	£1,005.20	£1,148.80	£1,292.40
E	**F**	**G**	**H**
£1,579.60	£1,866.80	£2,154.00	£2,584.80

4. That it be noted that for the year 2019/20 Police & Crime Commissioner Lincolnshire have stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Police & Crime Commissioner Lincolnshire

A	B	C	D
£160.92	£187.74	£214.56	£241.38
E	**F**	**G**	**H**
£295.02	£348.66	£402.30	£482.76

5. That having calculated the aggregate in each case of the amounts at 2g, 3 and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following as the amounts of Council Tax for the year 2019/20 in accordance with the dwelling bandings shown below:

Total Council Tax Charge 2019/20

A	B	C	D
£1,205.76	£1,406.72	£1,607.68	£1,808.64
E	**F**	**G**	**H**
£2,210.56	£2,612.48	£3,014.40	£3,617.28

Is this a key decision?	No – referral to Full Council
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

Item No. 4c

EXECUTIVE **25 FEBRUARY 2019**

SUBJECT:	**PRUDENTIAL INDICATORS 2018/19 – 2021/22 AND TREASURY MANAGEMENT STRATEGY 2019/20**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**SARAH HARDY, GROUP ACCOUNTANT (TECHNICAL AND EXCHEQUER)**

1. Purpose of Report

1.1 The purpose of the report is for the Audit Committee to scrutinise and recommend to the Executive the adoption of the 15 statutory prudential indicators and 8 local indicators for the period 2018/19 to 2021/22 together with the 2019/20 Treasury Management Strategy prior to reporting to Council for final approval.

2. Executive Summary

2.1 The table below summarises the key prudential indicators that have been incorporated into the 2019/20 strategy. The projected capital expenditure will determine the capital financing or borrowing requirement, which will in turn determine the actual level of external borrowing taken and hence, cash balances available for investment.

Key Prudential Indicators	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Capital Expenditure*				
• General Fund	23,461	3,123	500	500
• HRA	26,285	16,225	11,267	11,352
• Total	**49,746**	**19,348**	**11,767**	**11,852**
Capital Financing Requirement				
• Non HRA	70,473	69,635	67,328	65,118
• HRA	58,503	58,503	58,503	58,503
• Total	**128,976**	**128,138**	**125,831**	**123,621**
Net Borrowing	87,753	77,253	79,398	77,743
External debt (borrowing only)	102,353	101,353	100,498	99,643
Investments**				
• Longer than one year				
• Under one year	14,600	24,100	21,100	21,900
• Total				

2.2 The methodology employed for selecting investment counterparties is a multi-stage formula based creditworthiness methodology provided by the Council's treasury management advisors, Link Asset Services. The aim of the investment strategy is to generate a list of highly creditworthy counterparties, allowing the Council to maintain a diversified portfolio of investments that safeguards the cash balances whilst generating a reasonable rate of return. The Link methodology, which incorporates credit ratings, credit outlooks and watches and overlays credit default swaps as a measure of market risk, fully meets the aim of the strategy.

2.3 The Strategy for 2019/20 has been prepared taking into account changes in the Prudential Code and Treasury Management Code.

3. Background

3.1 This report covers the operation of the Council's prudential indicators, its treasury function and its likely activities for the forthcoming year. It incorporates four key Council reporting requirements:

- **Prudential and Treasury Indicators** – the reporting of the statutory prudential indicators together with local indicators, in accordance with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice.
- **Minimum Revenue Provision (MRP) Statement** – the reporting of the MRP policy which sets out how the Council will pay for capital assets through revenue each year (as required by regulation under the Local Government 2003)
- **Treasury Management Strategy –** which sets out how the Council's treasury activity will support capital decisions, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Authorised Borrowing Limit required by s3 of the Local Government Act 2003 and is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.
- **Investment Strategy –** this is included within the Treasury Management Strategy and sets out the criteria for choosing investment counterparties and limiting exposure to the risk of loss. It is reported annually (in accordance with Department of Housing, Communities and Local Government (DHCLG) Investment Guidance).

4. Treasury Management Requirements 2019/20

4.1 The Capital Prudential Indicators 2018/19 – 2021/22

4.1.1 The Council's capital expenditure plans are one of the key drivers of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. The Prudential Code requires the Council to approve as a minimum the statutory indicators and limits. This report revises the indicators for 2018/19 and details them for 2019/20 to 2021/22. An explanation and calculation of each Prudential Indicator is provided in **Appendix 1** and the key messages summarised in section 4.1.3.

4.1.2 Capital Expenditure and Financing

The Council's capital expenditure plans (as detailed in the Draft MTFS 2019-24) are summarised below. Capital expenditure can be paid for immediately (by resources such as capital receipts, capital grants or revenue resources) but if these resources are insufficient, any residual capital expenditure will form a borrowing need. This can be supported by government grant for the repayment of debt (very limited support available) or can be unsupported (prudential borrowing) where the Council needs to identify the resources to finance and repay debt through its own budget.

Indicators 1&2	**2018/19 Revised £'000**	**2019/20 Estimated £'000**	**2020/21 Estimated £'000**	**2021/22 Estimated £'000**
Capital Expenditure				
General Fund	23,461	3,123	500	500
HRA (including New Build)	26,285	16,225	11,267	11,352
Total Expenditure	**49,746**	**19,348**	**11,767**	**11,852**
Financed by:				
Capital receipts	8,021	3,158	79	42
Capital grants & contributions	1,496	1,618	300	300
Depreciation (HRA only)	14,798	10,098	6,481	6,237
Revenue/Reserve Contributions	4,944	3,902	4,707	5,073
Borrowing need	20,487	572	200	200

4.1.3 The Council's Borrowing Need - the Capital Financing Requirement (CFR)

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either capital or revenue resources. It is essentially a measure of the Council's underlying borrowing need. Based on the capital expenditure plans in paragraph 4.1.2 the CFR for 2018/19 to 2021/22 is projected to be:

Indicators 3&4	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Capital Financing Requirement				
General Fund	70,473	69,635	67,328	65,118
HRA	58,503	58,503	58,503	58,503
Total CFR @ 31 March	128,976	128,138	125,831	123,621
Net movement in CFR	**19,496**	**(838)**	**(2,307)**	**(2,210)**
Actual debt (borrowing & other liabilities)	102,353	101,353	100,498	99,643
Net borrowing need for the year	20,487	572	200	200
Minimum Revenue Provision (MRP)	(841)	(1,261)	(1,502)	(1,405)
Repayment of GENF borrowing	0	0	(855)	(855)
Application of Capital Receipts to reduce CFR	(150)	(150)	(150)	(150)
Movement in CFR	**19,496**	**(838)**	**(2,307)**	**(2,210)**

The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility, so the Council is not required to separately borrow for them. The Council has £0.342m of such leases within the CFR in 2018/19 reducing to £0.105m by the end of 2019/20. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing. If following a full financing options appraisal the most cost effective funding method is identified as either borrowing or finance lease then the CFR will be increased to reflect a borrowing requirement for the replacement fleet.

4.1.4 **Limits on Borrowing –** In order to ensure that borrowing decisions are based on consideration of affordability, prudence and sustainability and that treasury management decisions are taken in accordance with good professional practice, in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to City of Lincoln Council, the Prudential Code requires that Council's set limits on borrowing activity.

Limiting Borrowing for Capital Purposes - the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future.

Operational Boundary for External Debt – boundary based on the expected maximum external debt during the course of the year

Authorised Limit for External Debt - represents the limit beyond which external debt is prohibited. It represents the level of debt, which while not desired, could be afforded in the short term, but is unsustainable in the long term. This limit needs to be set or revised by full Council.

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). Financial modelling has been carried out for both and the affordability and sustainability of the potential borrowing requirement has been assessed and can be contained within the Draft MTFS 2018-23. This is reflected in the table below and in the Prudential Indicators 7 and 8 tables in Appendix 1.

Indicator 7	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Authorised limit				
Borrowing	135,458	149,600	145,700	143,200
Other long term liabilities	342	1,400	2,300	1,800
Total Authorised limit	**135,800**	**151,000**	**148,000**	**145,000**

4.2 Minimum Revenue Provision (MRP) Policy

4.2.1 The Council is required to pay off an element of the accumulated General Fund borrowing each year (the CFR) through a revenue charge - the Minimum Revenue Provision (MRP), and is also allowed to undertake additional voluntary payments (VRP). No revenue charge is currently required for the HRA. However, under self-financing, the HRA is now required to charge depreciation on its assets, which has been built into the revenue charges in the HRA 30 year Business Plan.

The Department of Homes, Communities and Local Government have issued statutory guidance on the options available for making prudent provision for the repayment of debt. The Council must have regard to this guidance. The guidance is not prescriptive and makes it clear that councils can follow an alternative approach, provided they still make a prudent provision. The broad aim of a 'prudent provision' is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits to service delivery.

Guidance issued by the Secretary of State requires that before the start of each financial year the Council prepares a statement of its policy on making MRP in respect of the forthcoming financial year and submits it to Full Council for approval. There has been one amendment to the proposed MRP policy for 2019/20 which has been to remove an additional option included in 2018/19 to negate the need to apply MRP in respect of land purchases. This has been amended in light of more recent MHCLG guidance.

The MRP policy statement is set out in **Appendix 2.**

4.3 The Treasury Management Strategy 2019/20

4.3.1 Treasury Management is an important part of the overall financial management of the Council's affairs. The treasury management service performs the borrowing and investment activities of the Council and effectively manages the associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Treasury Management Policy and Practices and the annual Treasury Management Strategy provides the operational rules and limits by which day to day treasury management decisions are made.

4.3.2 The Treasury Management Strategy for 2019/20 is attached at **Appendix 3**. The strategy outlines expected treasury activity for the coming year and expected prudential indicators relating the treasury management for the next three years. The key principals in the strategy are summarised below.

- **Debt and Investment Projections (Treasury Management Strategy section 2)** – based on the budgeted borrowing requirements, estimated balances and cash flow, year-end debt and investment projections are:

	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
External Debt				
Debt at 31 March (including other long term liabilities)	**102,695**	**101,458**	**100,497**	**99,642**
Investments				
Total Investments at 31 March	14,600	24,100	21,100	21,900

- **Expected Movement in Interest Rates (Treasury Management Strategy section 3)** - short term interest rates are not expected to rise until June 2019 and then will rise slowly in future years. Long term rates for external borrowing are not expected to rise until June 2019 and then only marginally. After this they will continue to rise slowly in future years.

- **Borrowing & Debt Strategy (Treasury Management Strategy section 4)** - The main aims are:
  - To reduce the revenue costs of debt
  - To manage the Council's debt maturity profile
  - To effect funding at the cheapest cost commensurate with future risk.
  - To forecast average future interest rates and borrow accordingly
  - To proactively reschedule debt in order to take advantage of potential savings as interest rates change.
  - To manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing.

- **Investment Strategy (Treasury Management Strategy section 5)** - The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time, then ensuring adequate liquidity, with investment return being the final objective.

  The current investment climate continues to present one over-riding risk consideration, that of counterparty security risk. In order to fully consider counterparty risk factors when selecting investment counterparties, the Council employs the multi-stage formula based creditworthiness methodology provided by the Council's treasury management advisors, Link Asset Services. This methodology, developed by Link, uses credit ratings as the core criteria but also incorporates other market information on a mathematical basis. The methodology is continuously reviewed and changes are made in response to changes made by the credit rating agencies. There haven't been any major changes made to the credit rating methodology since last year's change when any reference to the implied levels of sovereign support (which were phased out last year) were taken out. The current methodology is explained in detail in the Council's Investment Strategy 2019/20 in **Section 5** of **Appendix 3**.

  The aim of the investment strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk (i.e. placing a large proportion of investments with a small number of counterparties). The intention of the strategy is to provide security of investment and minimisation of risk.

  Investment instruments identified for use are listed in **Appendix 3** under the specified and non-specified investments categories. Counterparty limits will be as shown in **Appendix 3**. Examples of institutions which currently fall under the various colour coded categories are as follows:

  - Blue (part-government owned - 1 year)
  - Orange (1 year
  - Green (100 days
  - Yellow (5 years) – Local Authorities.

  Sole reliance will not be placed on the use of this external service. In addition, officers will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

  The criteria to be used to select investment counterparties are set out in Appendix 3. These include:-

  - Maintenance of a counterparty list with approved credit ratings and time and principal limits
  - Regular monitoring of counterparties with the help of the Council's treasury management advisors
  - Limits on the amounts on non-specified investments (e.g. over 1 year investments)
  - Limits on non-UK counterparties

Risk Benchmarking – The revised CIPFA Code and the CLG Investment Guidance adopted 2nd March 2010 introduced the consideration and approval of security and liquidity benchmarks. The Investment Strategy for 2019/20 includes the following benchmarks for liquidity and security:-

Liquidity – The Council's bank overdraft limit is nil. The Council will seek to maintain liquid short-term deposits of at least £5,000,000 available with a week's notice. The weighted average life (WAL) of investments is expected to be 0.35 years.

Security – the Council's expected security risk benchmark from its budgeted investment strategy is 0.005% historic risk of default when compared to the whole portfolio. This means that the risk amounts to approximately £0.001m on the expected investment portfolio of £24.1 million.

- **Treasury Limits on Activity (Treasury Management Strategy section 6)** – This section includes statutory and local indicators covering treasury management activity. These include limits on fixed and variable interest rate exposure, maturity structure of debt and performance targets for interest rates on new investments and loans.

- **Breakdown of Investment Categories (Treasury Management Strategy section 7)** – covers authorised posts for treasury management activities

The need to limit the risk to the Council of loss from counterparty failure results in a restricted range of counterparties available for investment.

4.4 Treasury Management Practices

The Council adopted the CIPFA Code of Practice on Treasury Management (which was revised December 2017) on 2nd March 2010. At this time the Treasury Management Policy Statement was also adopted. The Treasury Management Policy and Practices (TMP's) are updated annually to reflect the Treasury Management Strategy approved by Council and to reflect any changes in staffing structures or working practices of the treasury function.

5. Organisational Impacts

5.1 Finance

Financial implications are contained in the main body of the report.

5.2 Legal Implications

The Treasury Management Strategy and Prudential Indicators meet the requirements under legislation and code of practice.

6. Risk Implications

The risk implications are contained within the body of the report.

7. Recommendations

7.1 The Executive are recommended to:

7.2 Review and recommend for approval by Council the prudential indicators detailed in section 4.1 and appendix 1 of the report.

7.3 Review and recommend for approval by Council the Treasury Management Strategy (including the treasury management prudential indicators and the Investment Strategy) set out section 4 and appendix 3 of the report.

7.4 Review and recommend for approval by Council the revised MRP policy in appendix 2 of the report.

Is this a key decision?	Yes
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	3
List of Background Papers:	Medium Term Financial Strategy 2019-24 CIPFA Code of Practice CIPFA Prudential Code Treasury Management Practices
Lead Officer:	Sarah Hardy, Group Accountant (Technical and Exchequer) Telephone (01522) 873839

Appendix 1

Prudential Indicators 2018/19 – 2021/22

1.0 Introduction

1.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. The Code sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. The Prudential Code operates by the provision of prudential indicators, which highlight particular aspects of the capital expenditure planning. This report revises the indicators for 2018/19 and details them for 2019/20-2021/22. Each indicator either summarises the expected capital activity or introduces limits upon the activity, and reflects the outcomes of the Council's underlying capital appraisal systems.

1.2 The Prudential Code requires the Executive and full Council to approve as a minimum the 15 statutory indicators. The Chief Finance Officer has added 8 local indicators that are believed to add value and assist understanding of the main indicators.

1.3 The purpose of the indicators is to provide a framework for capital expenditure decision-making. It highlights, through the prudential indicators, the level of capital expenditure, the impact on borrowing and investment levels and the overall controls in place to ensure the activity remains affordable, prudent and sustainable.

1.4 Within this overall capital expenditure framework there is a clear impact on the Council's treasury management activity, either through increased borrowing levels or the investment of surplus balances. As a consequence the treasury management strategy for 2019/20 (see Appendix 3) includes the expected treasury management activity, together with the 5 specific Prudential indicators and 8 local indicators, which relate to treasury management.

1.5 The 15 statutory prudential indicators can be categorised under the following four headings:

- Capital Expenditure and External Debt (numbers 1, 2, 3, 4, 5, 7, 8)
- Prudence (number 6)
- Affordability (numbers 9,10)
- Treasury Management limits (numbers 11, 12, 13, 14, 15)

(The numbers above relate to the reference given to each indicator).

1.6 The paragraphs 2 to 4 below detail the 10 statutory indicators under the headings of Capital Expenditure/External Debt, Prudence and Affordability. The remaining 5 statutory and 8 local indicators relating to the treasury management strategy are set out in appendix 3.

2.0 Capital Expenditure Prudential Indicators

2.1 The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. This expenditure can be paid for immediately (by resources such as capital receipts, capital grants etc.), but if resources are insufficient any residual expenditure will form a borrowing need.

2.2 A certain level of capital expenditure may be supported by government grant; any decisions by Council to spend above this level will be unsupported and will need to be paid for from the Council's own resources. This unsupported capital expenditure needs to have regard to:

- Service objectives e.g. strategic planning
- Stewardship of assets e.g. asset management planning
- Value for money
- Prudence and sustainability e.g. implications for external borrowing and whole life costing
- Affordability
- Practicality e.g. achievability of plan

The revenue consequences of capital expenditure, particularly the unsupported expenditure, will need to be paid for from the Council's own resources.

The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been required.

2.3 The key risks to the plans are that some estimates for sources of funding, such as capital receipts, may be subject to change over this timescale. For instance, anticipated asset sales may be postponed due to the impact of the recession on the property market.

2.4 The summary capital expenditure and financing projections are shown in the table below.

Indicators 1&2	**2018/19 Revised £'000**	**2019/20 Estimated £'000**	**2020/21 Estimated £'000**	**2021/22 Estimated £'000**
Capital Expenditure				
General Fund	23,461	3,123	500	500
HRA (including New Build)	26,285	16,225	11,267	11,352
Total Expenditure	**49,746**	**19,348**	**11,767**	**11,852**
Financed by:				
Capital receipts	8,021	3,158	79	42
Capital grants & contributions	1,496	1,618	300	300
Depreciation (HRA only)	14,798	10,098	6,481	6,237
Revenue/Reserve Contributions	4,944	3,902	4,707	5,073
Borrowing need	**20,487**	**572**	**200**	**200**

3.0 External Debt and Prudence Prudential Indicators

3.1 **Borrowing Need** - The Council's Capital Financing Requirement (CFR) represents the Council's borrowing need. The CFR is simply the total outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

3.2 The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought on to the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, they are purely accounting adjustments and include a borrowing facility, so the Council is not required to separately borrow for them. The Council has £0.342m of such leases within the CFR in 2018/19 reducing to £0.105m by the end of 2019/20. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing arrangements.

3.3 Capital Financing Requirement projections are detailed below:

Indicators 3&4	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Capital Financing Requirement				
General Fund	70,473	69,635	67,328	65,118
HRA	58,503	58,503	58,503	58,503
Total CFR @ 31 March	128,976	128,138	125,831	123,621
Net movement in CFR	**19,496**	**(838)**	**(2,307)**	**(2,210)**
Actual debt (borrowing & other liabilities)	102,695	101,458	100,497	99,642
Net borrowing need for the year	20,487	572	200	200
Minimum Revenue Provision (MRP)	(841)	(1,261)	(1,502)	(1,405)
Repayment of GENF borrowing	0	0	(855)	(855)
Application of Capital Receipts to reduce CFR	(150)	(150)	(150)	(150)
Movement in CFR	**19,496**	**(838)**	**(2,307)**	**(2,210)**

* MRP = Minimum Revenue Provision – Statutory requirement to annually fund the repayment of General Fund borrowing.

3.4 **Estimates of External Debt** - The expected impact of the capital expenditure decisions on the Council's net debt position is shown below:

Indicator 5	**2018/19 Revised £'000**	**2019/20 Estimated £'000**	**2020/21 Estimated £'000**	**2021/22 Estimated £'000**
External Debt				
Gross Borrowing	102,353	101,353	100,498	99,643
Other Long Term Liabilities*	342	105	0	0
Total Debt at 31 March	**102,695**	**101,458**	**100,497**	**99,642**

*Other Long Term liabilities include finance leases

3.5 The expected movement in the CFR over the next three years is dependent on the level of capital borrowing taken during the budget cycle. Such borrowing is the capital expenditure freedom allowed under the Prudential Code i.e. prudential borrowing which allows the freedom to enter into projects such as spend to save schemes, or decisions to allocate additional resources from revenue to capital to enable service enhancements (subject to affordability).

3.6 There are two limiting factors on the Council's ability to undertake prudential borrowing:

1. Whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs. Can the Council afford the implications of the capital expenditure?
2. The Government may use a long stop control to ensure that either the total of all the Councils' plans do not jeopardise national economic policies, or in the event of an assessment by Central Government that local plans are unaffordable at a council, it may implement a specific control to limit its capital expenditure plans. No such control has been implemented during 2018/19.

3.7 **Limits to Borrowing Activity -** Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well-defined limits.

3.8 For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and next two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

Indicator 6	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Gross Borrowing	102,353	101,353	100,498	99,643
Investments	14,600	24,100	21,100	21,900
Net Borrowing	87,753	77,253	79,398	77,743
CFR	128,977	128,138	125,831	123,621
Net Borrowing is below CFR	41,224	50,885	46,433	45,878

The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.9 A further two key prudential indicators control or anticipate the overall level of borrowing, these are:

- **The Authorised Limit for External Debt** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt, which while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.
- **The Operational Boundary for External Debt** – This indicator is based on the expected maximum external debt during the course of one year; it is not a limit and actual borrowing could vary around the boundary for short times during the year.

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). The affordability and sustainability of the borrowing requirement for both have been assessed and can be contained within the Draft MTFS 2019-24. The operational and authorised limits for 2019/20 have been set to allow these.

Indicator 7	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Authorised Limit				
Borrowing	135,458	149,600	145,700	143,200
Other long term liabilities*	342	1,400	2,300	1,800
Total Authorised Limit	**135,800**	**151,000**	**148,000**	**145,000**

Indicator 8	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Operational Boundary				
Borrowing	130,658	136,195	131,900	130,100
Other long term liabilities*	342	1,205	2,000	1,600
Total Operational Boundary	**131,000**	**137,400**	**133,900**	**131,700**

*Other Long Term liabilities include finance leases

3.10 **Borrowing in advance of need** – The Council has some flexibility to borrow funds this year for use in future years. The Chief Finance Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Chief Finance Officer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 75% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 36 months in advance of need

3.11 Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

4.0 Affordability Prudential Indicators

4.1 The 8 statutory indicators above cover the overall capital and control of borrowing, but in addition, within this framework, there are further indicators that assess the affordability of the capital investment plans. These indicators provide an indication of the impact of the capital investment plans on the Council's overall finances and these are shown below:

4.2 **Actual and Estimates of the Ratio of Financing Costs to Net Revenue Stream (Indicators 9 & 10)** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget. The General Fund financing costs increase across the MTFS period. This reflects the need to borrow to support the capital programme.

The HRA financing costs decrease very marginally year on year. As there is no planned borrowing to fund the capital programme this has no impact on the financing costs over the four year period.

Neither the General Fund nor the HRA indicators include the effect of replacing some of the finance leases for vehicles replaced in 2015/16 and 2016/17 yet. This may increase the interest charges if finance leasing or borrowing if it is the most cost effective method of financing.

Indicators 9 & 10	**2018/19 Revised £'000**	**2019/20 Estimated £'000**	**2020/21 Estimated £'000**	**2021/22 Estimated £'000**
General Fund	14.0%	24.4%	26.6%	24.4%
HRA	29.9%	30.0%	29.1%	28.4%

Appendix 2

Minimum Revenue Provision (MRP) Policy

1.0 The Council is required to pay off an element of the accumulated General Fund borrowing each year through a revenue charge (the Minimum Revenue Provision), and is also allowed to undertake additional voluntary payments (VRP).

1.1 MHCLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. A variety of options are provided so long as there is a prudent provision. The MRP policy has been revised to take into account recent changes to guidance issued by MHCLG, this revision has seen the removal of an option to not apply MRP in respect of land purchases. This was an option included for the first time in 2018/19, but based on recent guidance this has now been removed.

1.2 Members are recommended to approve the following MRP Statement:

For capital expenditure incurred:

(A) Before 1st April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

Existing practice - MRP will follow the existing practice outline in former DHCLG Regulations, but on a 2% straight-line basis, i.e. provision for the full repayment of debt over 50 years;

(B) From 1st April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be:

Asset Life Method – MRP will be based on the estimated life of the assets on either a straight line or annuity basis (as deemed most appropriate for capital expenditure being financed through borrowing). Asset life is deemed to begin once the asset becomes operational. MRP will commence from the financial year following the one in which the asset becomes operational.

MRP in respect of unsupported borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset life method as recommended by the statutory guidance.

(C) The Council has set aside £750k of capital receipts to the Capital Adjustment Account instead of applying these receipts to new expenditure in order to reduce the total debt liability (£150k per annum over the period 2017/18 to 2021/22). The Council will reduce the MRP provision for the year by the same amount.

Treasury Management Strategy 2019/20

1.0 Introduction

1.1 Treasury Management is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. The prudential indicators in Appendix 1 cover the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992. There are 5 specific statutory treasury management prudential indicators and 8 local indicators.

1.2 The treasury management service performs the borrowing and investment activities of the Council and effectively manages the associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management - Revised December 2017). The adoption of the Code is one of the 12 statutory Prudential Indicators. This Council adopted the Code of Practice on Treasury Management on 2nd March 2010. As a result of adopting the Code, the Council also adopted a Treasury Management Policy Statement on 2nd March 2010.

1.3 The policy requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming year and includes prudential indicators relating specifically to Treasury Management for the next three years. Further reports are produced; a mid-year monitoring report and a year-end report on actual activity for the year (Annual Treasury Management Stewardship Report). In addition, Treasury Management Practice (TMPs) documents are also maintained by the Chief Finance Officer. The TMPs have been reviewed and updated to reflect any changes in the Treasury Management Strategy and are attached as appendix 4.

1.4 A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. This strategy covers:

- The Council's debt and investment projections;
- The expected movement in interest rates;
- The Council's borrowing strategy;
- The Council's investment strategy;
- Treasury Management prudential indicators and limits on activity;
- Local Treasury issues

2.0 Debt and Investment Projections 2018/19 – 2021/22

2.1 The borrowing requirement comprises the expected movement in the Capital Financing Requirement (CFR) and any maturing debt that will need to be re-financed. The table below shows the anticipated effect on the treasury position over the current and next three years based on the current capital programme. The expected maximum debt position during each year represents the Operational Boundary prudential indicator (for borrowing only) and so may be different from the year-end position. It also highlights the expected change in investment balances.

	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
External Debt				
Debt at 1 April	81,103	102,353	101,353	100,498
Expected change in debt	21,250	(1,000)	(855)	(855)
Debt at 31 March	102,353	101,353	100,498	99,643
Operational Boundary (debt only)	**131,000**	**137,400**	**133,900**	**131,700**
Investments				
Total Investments at 31 March	14,600	24,100	21,100	21,900
Investment change	(800)	9,500	(3,000)	800

Expected borrowing has been profiled to take out loans before current low borrowing interest rates are forecast to rise significantly.

2.2 The related impact of the above movements on the revenue budgets are:

	2018/19 Revised £'000	2019/20 Estimated £'000	2020/21 Estimated £'000	2021/22 Estimated £'000
Revenue Budgets				
Total interest payable on borrowing	3,319	3,830	3,784	3,720
Related HRA charge	(2,352)	(2,352)	(2,332)	(2,310)
Net General Fund interest payable	967	1,478	1,452	1,410
Total investment income	103	124	135	145
Related HRA income share	47	37	35	42
Related to other commitments	16	18	18	19
Net General Fund income	40	70	82	85

3.0 Prospects for Interest Rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates.

The following table gives the Link central view and paragraph 3.1 gives Link's view on economic prospects.

Annual Average %	Bank Rate	PWLB Rates*		
		5 year	25 year	50 year
March 2019	0.75	1.80	2.70	2.50
March 2020	1.00	2.20	3.10	2.90
March 2021	1.50	2.50	3.40	3.20
March 2022	2.00	2.70	3.60	3.40

* Borrowing Rates

3.1 GLOBAL OUTLOOK. World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the eurozone, overall world growth is likely to weaken.

Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to an acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the ECB is now probably unlikely to make a start on raising rates in 2019.

KEY RISKS - central bank monetary policy measures
Looking back on more than ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period is well advanced in the US, and started more recently in the UK, of reversing those measures i.e. by raising central rates and, (for the US), also reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy and of unemployment falling to such low levels, that the re-emergence of inflation is viewed as a significant risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This meant that both asset categories were exposed to the risk of a sharp downward correction and we did, indeed, see a sharp fall in equity values in the last quarter of 2018 and into early 2019. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. The potential for central banks to get this timing and strength of action wrong are now key risks. It is particularly notable that, at its 30 January 2019 meeting, the Fed dropped its previous words around expecting further increases in interest rates; it merely said it would be "patient".

The world economy also needs to adjust to a sharp change in liquidity creation over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt, (currently about $50bn per month). In addition, the European Central Bank ended its QE purchases in December 2018.

UK. 2018 was a year which started with weak growth of only 0.1% in quarter 1. However, quarter 2 rebounded to 0.4% in quarter 2 followed by quarter 3 being exceptionally strong at +0.6%. Quarter 4 though, was depressed by the cumulative weight of Brexit uncertainty and came in at only +0.2%. Growth is likely to continue being weak until the Brexit fog clears.

The MPC has stated that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary of contractionary), than before the crash; indeed they have given a figure for this of around 2.5% in ten years' time but have declined to give a medium term forecast. However, with so much uncertainty around Brexit, the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, the MPC could also <u>raise</u> Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, devaluation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could provide fiscal stimulus to boost growth.

Inflation. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.1% in December 2018. In the February Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead given a scenario of minimal increases in Bank Rate.

The labour market figures in November were particularly strong with an emphatic increase in total employment of 141,000 over the previous three months, unemployment at 4.0%, a 43 year low on the Independent Labour Organisation measure, and job vacancies hitting an all-time high, indicating that employers are having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation continued at its high point of 3.3%, (3 month average regular pay, excluding bonuses). This means that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.2%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the political arena, the Brexit deal put forward by the Conservative minority government was defeated on 15 January. Prime Minister May is currently, (mid-February), seeking some form of modification or clarification from the EU of the Irish border backstop issue. However, our central position is that the Government will endure, despite various setbacks, along the route to reaching an orderly Brexit though the risks are increasing that it may not be possible to get full agreement by the UK and EU before 29 March 2019, in which case this withdrawal date is likely to be pushed back to a new date. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2% (annualised rate) in quarter 1 to 4.2% in quarter 2 and 3.5%, (3.0% y/y), in quarter 3, but also an upturn in inflationary pressures. The strong growth in employment numbers and an unemployment rate of 4.0%, near to a recent 49 year low, has fed through to an upturn in wage inflation which hit 3.2% in December. However, CPI inflation overall fell to 1.9% in December and looks to be on a falling trend to continue below the Fed's target of 2% during 2019. The Fed has continued on its series of increases in interest rates with another 0.25% increase in December to between 2.25% and 2.50%, which was the fifth increase in 2018 and the ninth in this cycle. However, they dropped any specific reference to expecting further increases at their January 30 meeting. The last increase in December compounded investor fears that the Fed could overdo the speed and level of increases in rates in 2019 and so cause a US recession as a result. There is also much evidence in previous monetary policy cycles of the Fed's series of increases doing exactly that. Consequently, we have seen stock markets around the world falling under the weight of fears around the Fed's actions, the trade war between the US and China and an expectation that world growth will slow. Since the more reassuring words of the Fed in January, equity values have recovered somewhat.

The tariff war between the US and China generated a lot of heat during 2018; it could significantly damage world growth if an agreement is not reached during the current three month truce declared by President Trump to hold off from further tariff increases.

Eurozone. Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarter 3, though this was probably just a temporary dip. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of its manufacturing exports e.g. cars. Current forward indicators for economic growth and inflation have now been on a downward trend for a significant period which will make if difficult for the ECB to make any start on increasing rates until 2020 at the earliest. Indeed, the issue now is rather whether the ECB will have to resort to new measures to boost liquidity in the economy in order to support growth. Having halved its quantitative easing purchases of debt in October 2018 to €15bn per month, the European Central Bank ended all further purchases in December 2018. In its January meeting, it made a point of underlining that it will be fully reinvesting all maturing debt for an extended period of time past the date at which it starts raising the key ECB interest rates.

China. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

Japan - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

Emerging countries. Argentina and Turkey are currently experiencing major headwinds
and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

INTEREST RATE FORECASTS
The interest rate forecasts provided by Link Asset Services in paragraph 3.0 are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU. On this basis, while GDP growth is likely to be subdued in 2019 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement is likely to lead to a boost to the rate of growth in subsequent years which could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.
- If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. Quantitative easing could also be restarted by the Bank of England. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

However, there would appear to be a majority consensus in the Commons against any form of non-agreement exit so the chance of this occurring has now substantially diminished.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Brexit – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- Bank of England takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March 2018 of a government which has made a lot of anti-austerity noise. The EU rejected the original proposed Italian budget and demanded cuts in government spending. The Italian government nominally complied with this rebuttal – but only by delaying into a later year the planned increases in expenditure. This particular can has therefore only been kicked down the road. The rating agencies have downgraded Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold Italian debt. Unsurprisingly, investors are becoming increasingly concerned by the actions of the Italian government and consequently, Italian bond yields have risen sharply – at a time when the government faces having to refinance large amounts of debt maturing in 2019.
- Weak capitalisation of some European banks. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.
- German minority government. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD had a major internal debate as to whether it could continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she has continued as Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her

leadership.

- Other minority EU governments. Sweden, Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile.
- Italy, Austria, the Czech Republic and Hungary now form a strongly anti-immigration bloc within the EU. Elections to the EU parliament are due in May/June 2019.
- The increases in interest rates in the US during 2018, combined with a potential trade war between the USA and China, sparked major volatility in equity markets during the final quarter of 2018 and into 2019. Some emerging market countries which have borrowed heavily in dollar denominated debt, could be particularly exposed to investor flight from equities to safe havens, typically US treasuries, German bunds and UK gilts.
- There are concerns around the level of US corporate debt which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- Brexit – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

4.0 The Council’s Borrowing and Debt Strategy 2019/20

4.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high and will be maintained for the borrowing.

4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances as follows.

4.3 If it was felt that there was a significant risk of a sharp fall in long term rates e.g. due to a marked increase of risks around a relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

4.4 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still relatively cheap

4.5 The Council’s overall core borrowing objectives will remain uniform and follow a similar pattern to previous years as follows:

- To reduce the revenue costs of debt in line with the targets set for the Chief Finance officer (see local indicators).
- To manage the Council's debt maturity profile, leaving no one future year with a high level of repayments that might cause problems in re-borrowing.
- To effect funding at the cheapest cost commensurate with future risk.
- To forecast average future interest rates and borrow accordingly i.e. short term/variable when rates are 'high', long term/fixed when rates are 'low'.
- To monitor and review the level of variable rate loans in order to take greater advantage of interest rate movements.
- To proactively reschedule debt in order to take advantage of potential savings as interest rates change. Each rescheduling exercise will be considered in terms of the effect of premiums and discounts on the General Fund and the Housing Revenue Account.
- To manage the day-to-day cash flow of the Council in order to, where possible, negate the need for short-term borrowing. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.

4.7 There is unsupported borrowing in the General Fund Investment Programme (GIP) as detailed in the Capital Strategy – the requirement to produce a Capital Strategy was introduced in 2018. The Council expects to take out loans for the General Fund before current low borrowing interest rates are forecast to rise significantly, and it will continue to use internal balances whilst interest rates on investments remain low. Officers are continually evaluating the cost effectiveness of borrowing as opposed to selling capital assets. Proposals are presented to Members when borrowing becomes more cost effective.

4.8 There are currently no plans to borrow for the HRA planned new build programme during the next MTFS period, starting in 2019/20. It is planned to fund the programme using alternative sources of funding.

4.9 The strategy allows for additional borrowing in line with the expected movement in the Capital Financing Requirement (CFR), should it become necessary for cash flow requirements. The Council will consider PWLB loans, Market loans, the Municipal Bond Agency and other financial institutions, if attractive rates are offered. In addition, should schemes be identified that benefit the Council's strategic aims and be deemed cost effective, i.e. Invest to Save schemes where the income streams more than pay for the borrowing costs, unsupported borrowing will be considered.

5.0 The Council's Investment Strategy 2019/20

5.1 The Council's investment strategy's primary objectives are safeguarding the repayment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective.

The intention of the strategy is to provide security of investment and minimisation of risk.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

In line with this aim, the Council will ensure:

- It maintains a policy covering the types of specified and unspecified investments it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security. This is set out in the paragraphs below.

  - Specified Investments – these are high security investments (i.e. high credit quality) and high liquidity investments in sterling with a maturity of no more than one year.
  - Non-specified Investments – investments that do not fall into the category of Specified Investments, representing a potential greater risk (e.g. over one year).

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

5.2 Risk benchmarking

Yield benchmarks are widely used to assess investment performance. Discrete security and liquidity benchmarks are also requirements to Treasury Management reporting, although the application of these is more subjective in nature. Additional background in the approach taken is shown at the end of this appendix.

5.3 These benchmarks are simple guides to maximum risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

5.4 Security

The Council's expected security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.005% historic risk of default when compared to the whole portfolio.

5.5 Liquidity

In respect of this area the Council seeks to maintain:

- Bank overdraft - £nil.
- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.35 years.

5.6 Yield

Local measure of yield benchmark employed is:

- Investments – return above the 7 day LIBID rate

5.7 Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.

It has sufficient liquidity in its investments. For the purpose it will set out procedures for determining the maximum periods for which funds may be prudently committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

5.8 The Chief Finance Officer will maintain a counterparty list in compliance with the criteria set out in the table contained within this appendix and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which chooses Specified and Non-Specified investments as they provide an overall pool of counterparties considered high-quality which the Council may use rather than defining what its investments are.

5.9 Following the Comprehensive Spending Review on the Council's grant funding settlement and the ongoing financial pressures, the identification of savings and income generation are critical to the delivery of the Medium Term Financial Strategy. Treasury Management is an important area for further income generation and therefore, the main theme of the Council's investment strategy must continue to be to maximise interest from investments, after ensuring adequate security and liquidity. The Investment Strategy 2019-20 seeks to achieve this objective by establishing a pool of counterparties available for investment whilst still containing overall risk within acceptable levels.

5.10 The Council uses Link Asset Services' creditworthiness service. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard and Poor's.

In accordance with the guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

As with previous practice, ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the creditworthiness methodology provided by Link Asset Services. The result is a colour coding system, which shows the varying degrees of suggested creditworthiness.

Alongside the credit ratings other information sources are used and include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process with regard to the suitability of potential investment counterparties.

The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Yellow	5 years
Purple	2 years
Blue	1 year (only applies to part-government owned UK banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	Not to be used

The Link Asset Services creditworthiness service uses a wider array of information than primary ratings alone and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

5.11 Typically, the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The credit ratings specified above are defined as follows:-

F1 (short term rating) – Highest credit quality

A- (long term rating) – High credit quality, denoting a very strong bank

5.12 All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of Link's creditworthiness service.

- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's counterparty list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

5.13 Country and sector considerations

Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part the country selection will be chosen by the credit rating of the Sovereign state. In addition:

- No more than 50% will be placed with any non-UK country at any time (see below).
- Group limits have been set to ensure that the Council is not exposed to excessive risk due to concentration of investments within any one institution or group. These are detailed in the Investment Counterparty Limits table contained within this appendix.

Although the strategy sets a limit for investment in non-UK countries at no more than 50%, the Council has been operating a tighter operational strategy in the light of the Eurozone difficulties and has not been investing outside the UK. This operational restriction will continue until the problems in the Eurozone economy have been sufficiently resolved.

5.14 In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be used for the control of liquidity as both categories allow for short-term investments. The Chief Finance Officer will strive to keep investments within the Non-specified category to a prudent level (having regard to security and liquidity before yield). To these ends the Council will maintain a maximum of 75% of investments in Non-specified investments.

5.15 The use of longer-term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. The investment in longer-term instruments is also limited by the prudential indicator 14 shown in paragraph 6.3, which gives the maximum amount to be invested over 1 year, as well as the limits on the amounts that can be placed with the categories within the non-specified range of investments (see above paragraph 5.14).

5.16 Expectations on shorter-term interest rates, on which investment decisions are based, reflect the fact that an increase in the current 0.75% Bank Rate is unlikely until June 2019. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

5.17 There is a clear operational difficulty arising from the ongoing economic conditions. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security

5.18 The criteria for choosing counterparties set out above provide a sound approach to investment in the current difficult market circumstances.

5.19 Sensitivity to Interest Rate Movements

The Council's Statement of Accounts is required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 0.5% increase/decrease in the average interest rates for investments for next year. That element of the debt and investment portfolios, which are of a longer term, fixed interest rate nature, will not be affected by interest rate changes. There will be no effect on borrowing costs as all the Council's existing debt is fixed rate and the additional borrowing planned will also be fixed rate and has been included within the budget figures in this report at the forecast rate for 2019/20.

£000	2019/20 Estimated + 0.5%*	2019/20 Estimated - 0.5%
Revenue Budgets		
Investment income	175,765	51,265
Related HRA Income	58,303	15,115
Net General Fund/Other Income	117,462	36,150

*This assumes that the rise of 0.50% would be reflected in the rates available to invest– in practice a rate rise of 0.50% would not equal an increase in the rates available.

6.0 Treasury Management Limits on Activity

6.1 There are four further treasury activity limits, which were previously prudential indicators. The purpose of these is to contain the activity of the treasury function within certain limits, thereby managing the risk and reducing the impact of an adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunity to reduce costs. The indicators are:

- **Upper limit on variable rate exposure** – this identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- **Upper limit on fixed rate exposure** – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- **Maturity structures of borrowing** – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing at the same time and are required for upper and lower limits.
- **Total principal sums invested for periods longer than 1 year** – These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

6.2 In addition the Chief Finance Officer has set eight additional local indicators. The aim of these indicators is to increase the understanding of the treasury management indicators.

6.3 The 4 treasury limits above together with the adoption of the Code of Practice indicators are shown below:

Indicator 11	**2019/20 Target £m**	**2020/21 Target £m**	**2021/22 Target £m**
Upper Limit on variable interest rate exposure	40.5	40.2	39.9

Indicator 12	**2019/20 Target £m**	**2020/21 Target £m**	**2021/22 Target £m**
Upper Limit on fixed interest rate exposure	95.3	95.2	94.2

Indicator 13	**2019/20**		**2020/21**		**2021/22**	
Maturity Structure of fixed borrowing	**Lower**	**Upper**	**Lower**	**Upper**	**Lower**	**Upper**
Under 12 months	0%	40%	0%	40%	0%	40%
12 months to 2 years	0%	40%	0%	40%	0%	40%
2 years to 5 years	0%	60%	0%	60%	0%	60%
5 years to 10 years	0%	80%	0%	80%	0%	80%
10 years and above	10%	100%	10%	100%	10%	100%

Indicator 14	2019/20 £m	2020/21 £m	2021/22 £m
Maximum principal sums invested for longer than 1 year	5	5	5

Indicator 15
CIPFA Code of Practice for Treasury Management in the Public Services (Revised December 2017) adopted by Council on 2nd March 2010.

6.4 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury management function over the year. The Chief Finance Officer has therefore set 8 local indicators, which are believed to add value and assist the understanding of the main prudential indicators. These indicators are:

- Debt – Borrowing rate achieved against average 7 day LIBOR.
- Investments – Investment rate achieved against average 7 day LIBID.
- Average rate of interest paid on the Councils Debt – this will evaluate performance in managing the debt portfolio to release revenue savings.
- Amount of interest on debt as a percentage of gross revenue expenditure.
- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

6.5 The 8 indicators are shown below:

	2019/20 Target	2020/21 Target	2021/22 Target
Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year)	Less than 7 day LIBOR	Less than 7 day LIBOR	Less than 7 day LIBOR

	2019/20 Target	2020/21 Target	2021/22 Target
Investment rate achieved	Greater than 7 day LIBID	Greater than 7 day LIBID	Greater than 7 day LIBID

	2019/20 Target	2020/21 Target	2021/22 Target
Average rate of Interest Paid on Council Debt (%)	4.75%	4.75%	4.75%

	2019/20 Target	2020/21 Target	2021/22 Target
Interest on Debt as a % of Gross Revenue Expenditure	3.5%	4.1%	3.9%

	2019/20 Target	2020/21 Target	2021/22 Target
Upper Limit on fixed interest rate Investments	100%	100%	100%

	2019/20 Target	2020/21 Target	2021/22 Target
Upper Limit on fixed interest rate debt	100%	100%	100%

	2019/20 Target	2020/21 Target	2021/22 Target
Upper Limit on variable interest rate investments	75%	75%	75%

	2019/20 Target	2020/21 Target	2021/22 Target
Upper Limit on variable interest rate debt	40%	40%	40%

6.6 **Treasury Management Advisers**

The Council uses Link Asset Services as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt rescheduling advice surrounding the existing portfolio;
- Credit ratings/market information service comprising the three main credit rating agencies.

Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

6.7 **Member and Officer Training**

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers.

This Council has addressed this important issue by:

- Member Training – Our treasury management advisers provided training to the Audit Committee prior to the consideration of this year's strategy. They also provided training to the Performance Scrutiny Committee to support their consideration of the mid-year report. The training needs will be regularly reviewed and updated as necessary in 2019/20.
- Staff Training – training needs for staff engaged in treasury management are addressed through the appraisal process. Training is provided both by the Council's treasury management advisers, other external providers and internally. In addition, the Council encourages staff engaged in treasury to undertake a professional accountancy qualification and ensures that the day-to-day trading is overseen by a professionally qualified accountant following the CIPFA Code of Practice.

7.0 Breakdown of Investment Categories with Maximum Amounts and Periods

The Chief Finance Officer, in accordance with TMP 1 (1) within the Council's Code of Practice, is authorised to invest funds surplus to immediate requirements with the following types of institutions subject to the minimum ratings produced by the three credit rating agencies Fitch, Moody's and Standard & Poor's. The Link Asset Services creditworthiness service is applied to determine a list of suitable counterparties available for investment. The minimum ratings applied by Link Asset Services in compiling their recommended counterparty list are set out in section 5.11 of the investment strategy.

All counterparty ratings are updated on a regular basis on the advice of the Council's Treasury Consultants. Notifications of rating changes are received as they happen.

Investment Counterparty Limits

Institution	Minimum credit criteria/colour band	Maximum limit per group or institution £ million	Maximum maturity period
SPECIFIED INVESTMENTS			
UK Bank *1	Orange/Blue Red Green	£5 million	1 year 6 months 100 days
Non-UK Banks*1 Sovereign rating AA	Orange Red Green	£5 million	1 year 6 months 100 days
Building Society*2	Orange Red	£5 million	1 year 6 months

	Green		100 days
Money Market Fund*3	Yellow	£5 million	Liquid
UK Government*4	Yellow	unlimited	6 months
UK Local Authority*4	Yellow	£2 million	1 year
NON-SPECIFIED INVESTMENTS			
UK Bank*1	Purple	£5 million	2 years
Non-UK Banks*1 Sovereign rating AA	Purple	£3 million	2 years
Building Society*2	Purple Yellow	£2 million	2 years 5 years
UK Local Authority*4	Yellow	£2 million	5 years
Lincoln Credit Union	N/A	£10K	N/A
Council's own bank*5 (operational cash limit in addition to the investment group limit)	N/A	£500K	Overnight

***1**Where the term 'Bank' is used, this denotes a UK or European Bank authorised to accept deposits through a bank account incorporated within the UK banking sector. The maximum amount indicated is the 'Group total' and covers the total amount that can be invested when spread over any number of subsidiaries within that group.

***2** Where the term Building Society is used, this denotes a UK Building Society.

***3** Money market funds (MMF) are mutual funds that invest in short-term high quality debt instruments. The assets are actively managed within very specific guidelines to offer liquidity and competitive returns. Recently MMFs have changed from a constant net asset value basis to a low volatility net asset value. Although money funds are regarded as short-term investments the rating agencies use a classification system based on long-term debt ratings.

***4** The UK Government (i.e. HM Treasury and its Executive Agency, the Debt Management Office) and Local Authorities, although not rated as such, are classified as having the equivalent of the highest possible credit rating.

***5**This limit covers normal treasury management activities but excludes any deposits received after money market trading has closed.

It allows up to £500K of operational cash to be held in the Council's main bank account in addition to the group investment limit for the bank, if the bank is included on the Council's counterparty list.

Approved Investment Instruments

In addition to determining the rating and limits of authorised counterparties TMP 4 "Approved instruments, methods and techniques" within the Council's Code of Practice requires the Council to define the instruments that the Authority will use in undertaking its Treasury Management activities. In accordance with this, and the investment regime issued as part of the prudential capital finance system, the Instruments that the Chief Finance Officer will consider investing surplus funds in are shown below:

Instruments of Specified Investments *1

1. Gilt-edged securities issued by the United Kingdom Debt Management Office (UK DMO), an Executive Agency of HM Treasury.
2. Treasury Bills issued by the UK DMO.
3. Deposits with the Debt Management Office Debt Management Account Deposit Facility (DMADF).
4. Deposits with a Local Authority, Parish Council or Community Council.
5. Deposits with Banks and Building Societies (Including opening Business Accounts).
6. Certificates of deposit issued by Banks and Building societies.
7. Pooled investment vehicles (e.g. money market funds)

***1** To be defined as a Specified Investment the above instruments will have these features common to all:

- Be denominated in Sterling,
- Of not more than 1 year maturity,
- Of longer than 1 year maturity but the Council has the right to be repaid within 12 months,
- For instruments numbered 5 to 7 these must be with institutions of high credit quality.

Instruments of Non-Specified Investments *2

1. Deposits with Banks, Building Societies and their subsidiaries.
2. The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.
3. Certificates of deposit issued by Banks and Building Societies.

***2** To be defined as a Non-Specified Investment the above instruments will have these features common to all:

- Denominated in Sterling,
- Of more than 1 year maturity,
- Of less than 1 year maturity with an institution that does not meet the basic security requirements under Specified Investments e.g. a deposit with a non-credit rated Bank or Building Society

Security, Liquidity and Yield benchmarking

Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service

A requirement for Treasury Management reporting is the consideration and approval of security and liquidity benchmarks.

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

Yield – These benchmarks are widely used to assess investment performance. Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day LIBID rate

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. Benchmarks for the cash type investments are set out below and these will form the basis of reporting in this area. In other investment categories appropriate benchmarks will be used where available.

Liquidity – This is defined as "having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives" (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - nil
- Liquid short term deposits of at least £5m available with a week's notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – a shorter WAL would generally embody less risk. In this respect the proposed benchmark to be used is:

- WAL benchmark is expected to be 0.35 years.
- Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poor's). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy.

The Council's expected security risk benchmark from its budgeted investment strategy is:

- 0.005% historic risk of default when compared to the whole portfolio which equates to a potential loss of £1,205 on an investment portfolio of £21.4m. In addition that the security benchmark for each individual year is:

	1 year	2 year	3 year	4 year	5 year
Maximum	0.30%	0.30%	0.30%	0.30%	0.30%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported

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