

## PERFORMANCE SCRUTINY COMMITTEE

Thursday, 21 November  
2019

6.00 pm

Committee Room 1, City Hall

- Membership: Councillors Gary Hewson (Chair), Helena Mair (Vice-Chair), Thomas Dyer, Ronald Hills, Rebecca Longbottom, Laura McWilliams, Lucinda Preston, Pat Vaughan and Loraine Woolley
- Substitute member(s): Councillors Jackie Kirk and Adrianna McNulty
- Officers attending: Steve Bird, Democratic Services, Jaclyn Gibson, Clare Stait, Nathan Walker and Colleen Warren

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### A G E N D A

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<b>SECTION A</b>	<b>Page(s)</b>
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. Confirmation of Minutes - 3 October 2019	<b>3 - 10</b>
3. Q2 2019-2020 Operational Performance Report	<b>11 - 32</b>
4. Financial Performance - Quarterly Monitoring: Quarter 2	<b>33 - 66</b>
5. Treasury Management and Prudential Code Update Report - Half Year Ended 30th September 2019	<b>67 - 80</b>
6. Budget Review Process 2020/21	<b>81 - 84</b>
7. Work Programme for 2019-20	<b>85 - 96</b>
8. Strategic Risk Register - Quarterly Report: Quarter 2	<b>97 - 100</b>
9. Exclusion of Press and Public	<b>101 - 102</b>

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

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**SECTION B**

10. Strategic Risk Register - Quarterly Review

**[Exempt Para(s) 3]**

**103 - 114**

**Present:** Councillor Gary Hewson (*in the Chair*),  
Councillor Helena Mair, Councillor Thomas Dyer,  
Councillor Ronald Hills, Councillor Rebecca Longbottom,  
Councillor Laura McWilliams, Councillor Lucinda Preston  
and Councillor Loraine Woolley

**Apologies for Absence:** Councillor Pat Vaughan

**32. Confirmation of Minutes - 22 August 2019**

RESOLVED that the minutes of the meeting held on 22 August 2019 be confirmed.

**33. Housing Scrutiny Sub-Committee Minutes - 12 August 2019**

RESOLVED that the minutes of the Housing Scrutiny Sub-Committee from 12 August 2019 be noted.

**34. Declarations of Interest**

Councillor Laura McWilliams declared a Personal Interest. Reason: Her partner works for the Lincolnshire Football Association.

Councillor Ronald Hills declared a Disclosable Pecuniary Interest with regard to the agenda item titled 'Portfolio Holder under Scrutiny - Economic Growth'. Reason: He lived in the Western Growth catchment area. He left the room whilst this item was being discussed.

Councillor Ronald Hills declared a Disclosable Pecuniary Interest with regard to the agenda item titled 'Vision 2020 - Economic Growth Progress Report'. Reason: He lived in the Western Growth catchment area. He left the room whilst this item was being discussed.

**35. Portfolio Holder under Scrutiny - Economic Growth**

Cllr Neil Murray, Portfolio Holder for Economic Growth presented a report to update on the progress made within the portfolio in the last year. The following areas were covered:

- Western Growth Corridor
- Parking and Transport
- Heritage and Tourism
- Planning Policy
- Park Ward Regeneration
- City Centre
- Partnerships

Invited members' comments and questions.

Question: Members asked what was meant by 'enjoying high quality speed broadband' and whether the houses in the Western Growth Corridor would be fitted with solar panels?

Response: Officers wanted to offer cheap environmentally friendly energy.

Comment: Members were surprised that the members briefing for WGC was pulled recently and it would be good to have another one arranged to keep members updated.

Response: New members had not had the benefit of being able to attend the briefing that took place last year. Originally the City Council had been working with Taylor Wimpey but they withdrew. The City Council then tried to enter an agreement with the Scarborough family but this could not be reached. Lindums then offered the Scarborough Family more money for the land and were successful in purchasing this. The City Council and Lindums were now working together as land owners for the delivery of the WGC. The Land Owner Delivery Partnership was signed in April 2019 and planning application process had started but was a very large application.

Question: Members asked whether more investment in cycling routes in the City would be included in the Transport Plan?

Response: The Transport Strategy covered more than Lincoln and covered parts of North Hykeham. The Strategy was going to County Council's Scrutiny Committee in December. This document was to include more emphasis on cycling and walking. This Strategy was originally going to be shared with partners in September. This had now been delayed so the members briefing was cancelled and re-arranged for 11<sup>th</sup> November 2019. If the Strategy was not received by this date then the briefing would be moved to reflect this. Amendments would not be put forward to County Council until the members briefing had taken place in order for members to have an input. The new Central Car Park was built to replace the one that was originally there and there was a need for parking as a lot of people still drove cars. In future years this would be reviewed. Car parking income was very important at the moment for the Medium Term Financial Strategy. Safe roads and cycle routes were being looked at. Officers were looking at working with other Local Authorities to help with the model shift and getting people to use more public services.

Question: Members asked how the Park Ward Regeneration Scheme was going as no data had been seen and a report hadn't been received.

Response: Officers were working with businesses on improving shop fronts and had £1.7m to contribute towards this. The Residents Parking Scheme went down well with residents living in the area and they voted in favour. Vernon Street and Princess Street residents had also voted for a Residents Parking Scheme.

Question: Members asked whether the WGC would impact the New Homes Strategy and the Local Plan?

Response: New homes were incorporated in the Local Plan and money received from Homes England helped to accelerate the building of new homes. If consent for the WGC was received in February then building could begin on helping to deliver the Housing Strategy.

Question: Part of the regeneration project for Park Ward was about skills and getting residents into work. Members asked how this was progressing?



Response: Cllr N Murray agreed to speak to Paul Carrick tomorrow regarding this.

Question: Members stated that they would like to see some statistics on what was trying to be achieved at the start of the Park Ward regeneration project and how these compared to what had been achieved so far.

Response: A lot of work was around building relationships within the community and to help build up community spirit. The neighbourhood team was doing a good job in difficult circumstances but there was still a lot more to do.

Question: Members asked what could be done to improve the Hermit Street area?

Response: Officers were looking at a small development that was used a lot by criminals and how this could be turned around to make it a place people would want to live.

Question: Members asked whether we could do anything as landlords if we knew that some of our tenants were drug dealers?

Response: Officers were working with the Police to try and solve some of these issues. The process needed to be looked at again. If tenants were to be evicted by the City Council and made homeless then we would have a duty of care as a Local Authority to house them. Police gathered evidence for drug dealers but the forensics took a while to come through so this slowed the process down.

Question: Members asked what officers ideas were for the Town Fund Scheme?

Response: The City Council were able to apply for a bid of up to £25m. Once the prospectus was released in the next few weeks a bid would be written and would need to be submitted by the end of March. One of the requirements of the BID would be to show a huge community and business input.

Question: Members asked when they would receive an update briefing for the central market?

Response: There were some funds available to sort out the cornhill kiosk and the square first. The market had not come forward as the costs of refurbishing the market were not commercially viable to do. Officers were looking at all potential options available but there needed to be a holistic approach to markets within the city. An agreement had been made with Lincoln Big so that they would deal with events in the city and City Council would deal with markets. This could potentially bring in funding that could be put back into the market. A report would be produced next year with proposals for this.

Question: Members asked what the City Councils position was for the Usher Gallery as it had been leased to Lincolnshire County Council?

Response: The Usher Gallery was built using funds bequeathed to the City Council by James Usher for use as an art gallery. The City Council did not have available heritage budget to operate this facility or fund it direct.

Question: Members asked why there was no mention of climate change in the report?

Response: Climate change was captured within the Economic Growth Portfolio but would be covered in the Remarkable Place Portfolio.

### **36. Lincoln City Profile 2018/19**

Pat Jukes, Business Manager, Corporate Policy and Nathan Walker, Senior Corporate Performance and Engagement Officer (Acting) presented the updated Lincoln City Profile for 2018/19.

a) Highlighted the following key opportunities:

- Median annual earning for full time worker increased to £24,976
- Over 90% of new businesses were surviving their first year of trading
- There were less council tax support claimants – down to 8,598 as of April 2019
- The number of affordable homes delivered in 2018/19 was 231, which was an increase of 21 on the previous year
- The average price paid for a property increased for the 6<sup>th</sup> consecutive year to £164,372
- The number of people on the housing waiting list dropped to its lowest figure since 2013/14 to 1,172
- Lincoln performed at the expected level against the Police Audit Family.
- Gas and electricity consumption decreased for the 6<sup>th</sup> consecutive year
- Commercial and domestic Co2 contribution decreased for the 4<sup>th</sup> consecutive year
- Household waste per person in tonnes decreased to 0.36pp, which was lower than both England and East Midlands.

b) Described the following key challenges:

- More people (both male and female) were claiming benefits such as universal credit
- Both female and male life expectancy dropped by 0.9 and 0.4 years respectively whilst the English averages were static or improved
- Lincoln's rate of people aged under 75 with cardiovascular and cancer related deaths continued to be the highest and second highest (respectively) in comparison to our nearest neighbours.
- The prevalence of obesity and excess weight in children increased
- The average Attainment 8 and Progress \* scores had both reduced
- The total reported offences had increased (more than that of East Midlands and England)

Explained the changes in the 2018/19 edition by introducing new information on Climate Change and merging the Environmental chapter to create a single chapter.

Invited members' comments and questions.

Comment: Members commented that the Lincoln City Profile was outstanding and the visuals were really good to look at. The raw data was attached in the profile with links.

Comment: Members felt that it was disturbing to see rape, sexual assault and hate crime had increased. This rang alarm bells for performance as Lincoln was considered a great place to live.

Response: Officers were very concerned about this and it had been discussed amongst management. The crimes seem to have increased as victims were being encouraged to report them through an awareness campaign. Weapon crimes didn't appear on the figures but did nationally.

Question: Members asked whether the statistics for the crimes had incident numbers associated with them?

Response: If the description stated 'incident' then this would have an incident number associated with it.

Question: Members asked whether data was available for how many people were registered disabled and received a state pension?

Response: This data was available and the percentage would be added.

Question: Members asked how the Lincoln City Profile would be disseminated as there would be a lot of groups that would be interested in a copy?

Response: The Lincoln City Profile needed to go to Executive to be approved. This would then get sent out electronically to businesses that wanted a copy and the voluntary centre services would send it out to charities. The profile would be put on our website.

### **37. Vision 2020 - Economic Growth Progress Report**

Kate Ellis, Director of Major Developments on behalf of Gill Wilson, Principle Development Officer provided Performance Scrutiny Committee with an update on progress towards the 'Let's drive economic growth' strategic priority in Vision 2020.

Explained what was covered in Appendices A B and C as follows:

- Appendix A was the position statement which captured some of the key 'day to day' work by the Council that supported the delivery of the strategic priority
- Appendix B was the Economic Growth Project Monitoring Table which provided an overview of the main projects that were being delivered in the second phase of the strategic priority
- Appendix C was Contextual Performance Indicators which summarised performance against key economic indicators based on the targets and forecasts outlined in the Central Lincolnshire Economic Needs Assessment (ENA) 2015. The assessment reviewed a series of indicators across the Labour Market, Employment Sectors, Business Type, Business Accommodation/Commercial Property Market, and future demand trends to estimate growth expectations for the plan period 2012-2036.

Invited members' comments and questions.

Question: Members asked what the vision was for the Greyfriars building as it was a wonderful asset?

Response: The idea for the Greyfriars building was to open it up to the public. The ground floor would tell you all about the history of Greyfriars and that it was once part of an estate. The second floor was being considered as a function room and an organisation was looking at running their operations from there.

Question: Members asked why the percentages for Jobs in were the most negative?

Response: The issue with the figures was that the baseline was established by economic forecasters. Construction percentages related to 2017 returns. Traditional skills were on the decline due to modular construction techniques and modern construction types.

Question: Members asked what was going to happen to the office space above the coffee shop at the bus station?

Response: There was interest in the office space and this was being dealt with by Property Services.

Question: Members asked what the Visit Lincoln Winter Launch 2019/20 public launch was?

Response: Officers explained that there hadn't been a big launch due to changes in Visit Lincoln over the past year. There was a campaign that had been prepared for health and new medical students were due to arrive. This launch should take place in January and would hopefully bring better health provisions to the city.

Question: Members asked why Officers thought the economy in the last 6 years was out performing what was predicted?

Response: This went back to the late 1980's as the decline in manufacturing meant that the economy needed to diversify and the University occupied a brown area which brought in a whole range of students who wanted to stay and set up their own businesses. Compared to other cities, Lincoln still had some very skilled people. There were big expansion plans for Waddington and Cranwell. Tourism and Heritage was very strong.

### **38. Pre-Christmas Market 2020 Verbal Event Report**

Simon Colburn, Assistant Director for Health and Environmental Services provided a verbal event report for the Christmas Market.

Explained that:

- 94 coach bookings had been received already out of a possible 200.
- 166 stalls had confirmed and paid out of a possible 210 which was more than the previous year.
- Stalls for the medieval market would be placed at Wickham Gardens near the water tower.
- A new area at St Paul in the Bail offered a great opportunity for live performances, including a possibility of a brass band.

- The theme would be Victoriana for stalls and stallholders and there would be a prize for the best dressed stall and holder.
- There would be a new lighting scheme where the castle wall walk would be lit up, new lighting scheme at the cathedral and the water tower at Wickham Gardens.
- The castle wall walk would be open for visitors.
- St Paul's area would be more child friendly.

Invited members' comments and questions.

Question: Members asked whether the wall walk would be charged for?

Response: Yes, the wall walk would be charged for and the income from this would be kept by Lincolnshire County Council. Our costs for the hire of the castle grounds would not increase this year as a positive consequence.

### **39. Work Programme for 2019/20**

Clare Stait, Democratic Services Officer:

- a. presented the draft work programme for 2019/20 as detailed at Appendix A of her report
- b. advised that the work programme for the Performance Scrutiny Committee was put forward annually for approval by Council; the work programme was then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its Chair
- c. reported that items had been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information could be reported to the committee; the work programme also included the list of portfolio holders under scrutiny
- d. requested any relevant comments or changes to the proposed work programme for 2019/20.

RESOLVED that the work programme 2019/20 as detailed at Appendix A to the report be noted.

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**SUBJECT: Q2 2019-2020 OPERATIONAL PERFORMANCE REPORT**

**DIRECTORATE: CHIEF EXECUTIVE'S**

**REPORT AUTHOR: HEATHER GROVER – PRINCIPAL POLICY OFFICER**

## 1. Purpose of Report

- 1.1 To present to Performance Scrutiny a summary of the operational performance position for quarter two of the financial year 2019/20 (from July 2019 to September 2019)

## 2. Executive Summary

- 2.1 As part of the development of the new performance system (PIMS), all strategic measures were reviewed, with new targets allocated at the start of 2019/20. Some measures are marked as “V” for volumetric – these are contextual measures which support targeted measures.
- 2.2 This is the second quarter working on the new set of measures and targets. In line with the refresh of measures, the Policy team has redesigned the Operational Performance Report (Appendix A) to bring it in line with the council's corporate branding. Along with the redesigned report is the new strategic quarterly measures table (Appendix B), which is also in a new format. The new format displays the summary of authority wide and directorate performance in a much more visual way, to further enhance the transparency of the council's performance.
- 2.3 Quarter two's performance shows significant improvement in a number of service areas, particularly in Housing Benefit Administration, Planning and Housing Maintenance. We still have challenges in Customer Services and Housing Voids, although resolution plans are in place for both of these services to bring them back to within their targets.

## 3. Main body of report

- 3.1 Regular monitoring of the Council's operational performance is a key component of the Local Performance Management Framework. This report covers key service performance measures identified by Members and CMT as of strategic importance.
- 3.2 The main body of the report is now found as two appendices:
  - **APPENDIX A** – Detailed report of the council's strategic performance, broken down by authority, directorate and service area.
  - **APPENDIX B** – Strategic quarterly measures table (all directorates)

## 4 Strategic Priorities

- 4.1 Let's drive economic growth; Let's reduce inequality; Let's deliver quality housing; Let's enhance our remarkable place – As this report is purely concerned with service performance there are no direct impacts on Strategic Priorities, although clearly the

better the performance the more services can contribute towards priorities.

## 5. Organisational Impacts

- 5.1 Finance (including whole life costs where applicable) - there are no direct financial implications as a result of this report. Further details on the Council's financial position can be found in the financial performance quarterly report elsewhere on the agenda.
- 5.2 Legal Implications including Procurement Rules – There are no direct legal implications
- 5.3 Equality, Diversity & Human Rights - Any impact of poor performance on individual groups is the responsibility of the relevant service area to consider. This report is simply a summary monitoring tool.

## 6. Risk Implications

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

## 7. Members are asked to:

- 7.1 a) Comment on the achievements, issues and future concerns noted this quarter
- 7.2 b) Highlight any area for which they want to look at performance in more detail at a future meeting
- 7.3 c) Refer the report to Executive to ensure relevant portfolio holders are placing a local focus on those highlighted areas showing deteriorating performance

**Is this a key decision?**

No

**Do the exempt information categories apply?**

No

**Does Rule 15 of the Scrutiny Procedure Rules apply?**

No

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

Two – Appendix A and B

**List of Background Papers:**

None

**Lead Officer:**

Nathan Walker – Senior Corporate Performance and Engagement Officer - Ext 3315





# Q2 2019/2020 OPERATIONAL PERFORMANCE REPORT

Heather Grover – Principal Policy Officer

# HOW TO READ THIS REPORT

Let's enhance  
our remarkable  
place

Measures belonging to Directorate for Communities and Environment under Remarkable Place

Let's deliver  
quality  
housing

Measures belonging to Directorate for Housing and Investment under Quality Housing

Let's reduce  
inequality

Measures belonging to Chief Executives Directorate under Reducing Inequality

Professional,  
high performing  
service delivery

Corporate measures belonging to the authority under Professional, high performing services

Directorate for Major Developments doesn't monitor its performance through strategic measures, and instead is performance managed by the progress of the various projects DMD owns under "Driving Economic Growth".

The report details all measures by individual directorate grouping, with annual and quarterly measures split separately.

The report also includes data on our corporate measure categories:

- Sickness
- Corporate complaints including Ombudsman rulings
- Resource information

In addition, key headlines from operational measures collected and reported by directorates are summarised below and reported in full.

**R**

Below target

**A**

Acceptable performance - results are within target boundaries

**G**

At or above target

**V**

Volumetric/contextual measures that support targeted measures



Performance has improved since last quarter/year



Performance has deteriorated since last quarter/year



Performance has stayed the same since last quarter/year

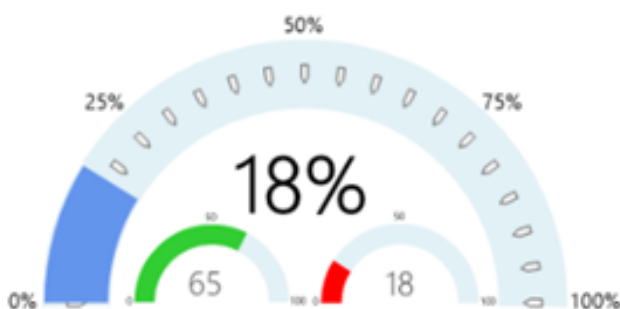
# AUTHORITY WIDE SUMMARY

## Q2 2019/2020

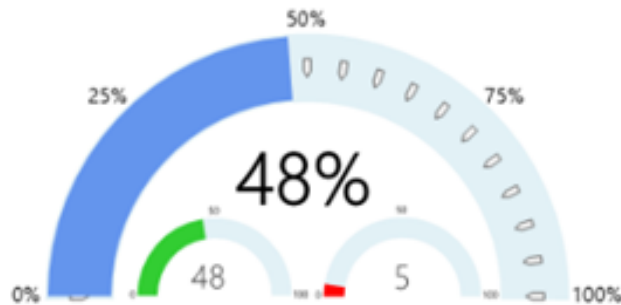
Below shows a summary of the performance measures statuses for each directorate and as an authority. The information is presented as a percentage based on the total number of measures for each directorate and the whole authority.

### QUARTERLY

**CX - 17 Measures**



**DCE - 21 Measures**



**DHI - 14 Measures**



**Authority Wide - 52 Measures**



Directorate	Total number of FTE employees	Total sickness days per FTE	Average time in working days to respond to complaints
<b>Authority Wide</b>	562.7	2.48	7.1

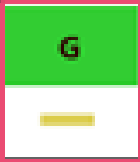


# CHIEF EXECUTIVE'S DIRECTORATE



Quarter two sees a long list of really positive results, with 65% of measures above their target. Just 18% of measures were below target in CX, and whilst some measures' negatively changed in direction (just five), the majority of these measures still remain above or within target, and have positively changed direction.

Service Area	Measure	Current Value	Status	Direction
Communications	Percentage of media enquiries responded to within four working hours	72.00	A	▲
Communications	Number of proactive communications issued that help maintain or enhance our reputation	38	A	▲
Work Based Learning	Percentage of apprentices completing their qualification on time	100.00	G	▬
Work Based Learning	Number of new starters on the apprenticeship scheme	8	A	▲
Work Based Learning	Percentage of apprentices moving into Education, Employment or Training	100.00	G	▬
Customer Services	Number of face to face enquiries in customer services	4,226	V	▬
Customer Services	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	28,477	V	▬
Customer Services	Average time taken to answer a call to customer services	197	R	▼
Customer Services	Average customer feedback score (face to face enquiries - score out of 10)	10	G	▲
Customer Services	Customer satisfaction with their phone call to Customer Services	98.00	G	▼
Accountancy	Average return on investment portfolio	0.86	G	▲
Accountancy	Average interest rate on external borrowing	3.38	G	▼
Revenues Administration	Council Tax - in year collection rate for Lincoln	52.87	G	▲
Revenues Administration	Business Rates - in year collection rate for Lincoln	59.58	R	▲
Revenues Administration	Number of outstanding customer changes in the Revenues team	1,177	R	▼
Housing Benefit Administration	Average (YTD) days to process new housing benefit claims from date received	23.42	G	▲
Housing Benefit Administration	Average (YTD) days to process housing benefit claim changes of circumstances from date received	4.88	G	▲
Housing Benefit Administration	Number of Housing Benefits / Council Tax support customers awaiting assessment	939	G	▼
Housing Benefit Administration	Percentage of risk-based quality checks made where Benefit entitlement is correct	95.57	G	▲
Housing Benefit Administration	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	96	V	▬



# CUSTOMER SERVICES

In quarter two, Customer Services experienced less face to face enquiries in reception than last quarter and the same quarter last year, with a figure of 4,226. However, there has been an increase in the number of calls answered compared to the same time last year (reporting at 28,477 compared to 24,799 in 2018-2019). Customer Services are also answering Housing Solutions calls on a trial basis which has an impact on the waiting times (now at 197 seconds) and as mentioned above the increase in calls.

As explained in previous editions of this report, a number of factors that would contribute to an increase in answering time such as call complexity, average length of call and the increased need for call backs have all been experienced by our Customer Services team. As well as that, over the last year staff recruitment and training has led to an increase in the time taken for calls to be answered. During quarter two, five new members of staff with a wide range of skills have been recruited into the team and whilst these new members of staff are picking up their new roles quickly, it is expected to be quarter three before the effect of their presence is felt in the figures. It is pleasing to report however that whilst the time taken to answer these calls has increased, customer satisfaction with their phone calls was again above target with a figure of 98%. Out of the 429 surveys taken, 420 responses were categorised as 'happy'. It is also encouraging to see that for the second consecutive quarter, our average customer feedback score for face to face customers is above target with an unbeatable score of 10/10, an increase on the already impressive 9/10 achieved last quarter.



# HOUSING BENEFIT ADMINISTRATION

In quarter two all targeted measures surpassed their targets. After a year of anticipated deterioration's, we are now comparing like with like and can see that progress is being made despite the challenging workload that Universal Credit continues to bring. The average time to process new housing benefit claims in quarter two was above target with a figure of 23.42 days (compared to 27.10 last quarter). Throughout quarter two, staff have monitored new claims to ensure prompt decision making, hence the further improvement in the time taken to process claims (both standard claims and change of circumstance). The average (YTD) days to process housing benefit claim changes of circumstances from date received has also improved, reporting at 4.88 days in quarter two, compared to the figure of 5.09 reported in quarter one.

In quarter two, the number of Housing Benefits/Council Tax support claimants awaiting assessment has improved dramatically compared to the quarter two 2018/19 figure of 1,491 with a figure of 939. Changes to procedures after Universal credit roll out in March 2018 and other Welfare reforms led to slower processing times and more outstanding work, as Benefit Officers worked through new legislation. We are now a year on and Benefit Officers are more familiar with the processes and legislation. Officers have also reviewed processes within the team and are managing workloads on a day to day basis, with weekly reviews of performance being undertaken with management. The percentage of risk based quality checks where benefit entitlement is correct, is above target at 95.57%. Changes introduced to the quality control procedure have increased the number of checks taking place.



# REVENUES ADMINISTRATION

Two of the three targeted measures within Revenues Administration have unfortunately reported as below target. The collection rate for council tax has however reported as above target, with a figure of 52.87% (compared to 52.80 in quarter two last year). Collection is above quarter two 2018/19 by 0.07% equating to £31,429. The net collectible debit has also increased by £2.955m.

The collection rate for Lincoln Business Rates is still reporting below its lower target of 59.77% with a figure of 59.58%. Collection is below that reported in quarter two 2018/19 by 0.99%. The team is currently down by one FTE (usually three) so is working with 33% less resource. The vacant role is now out for internal recruitment (expected to be completed during November), but this is of course having an impact on the team. It should be noted that all districts across the county are also seeing a reduction in business rates collection compared to the same position in 2018 – this is indicative of the current economic climate and the issues businesses are facing as a result of future business uncertainty. Although this reduction in collection equates to £446,555. However, our total net liability (the total amount of business rates all businesses are liable to pay) is above quarter two 2018/19 by £60,889.

The number of outstanding customer changes in the revenues team has increased since quarter one's figure of 616 to 1,177 in quarter two. This is an increase from quarter one, it should be noted that there have been 563 additional properties within the taxbase to maintain and administer alongside a temporary reduction in staffing with three positions currently vacant and an unusual increase in customer contact. Officers are currently recruiting into four vacant posts.

# COMMUNITIES AND ENVIRONMENT

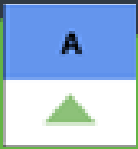


Quarter two sees a long list of really positive results, with 48% measures above their target. Just 5% of measures were below target in DCE, and whilst ten measures negatively changed in direction, most of these measures still remain above or within target.

Service Area	Measure	Current Value	Status	Direction
Food and Health & Safety Enforcement	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	98.20	G	▲
Food and Health & Safety Enforcement	Average time from actual date of inspection to achieving compliance	15.90	R	▼
Food and Health & Safety Enforcement	Percentage of food inspections that should have been completed and have been in that time period	88.00	A	▼
Development Management (Planning)	Number of applications in the quarter	249	V	▬
Development Management (Planning)	End to end time to determine a planning application (Days)	55.01	G	▲
Development Management (Planning)	Number of live planning applications open	84	G	▲
Development Management (Planning)	Percentage of applications approved	98.00	G	▲
Development Management (Planning)	Percentage of decisions on planning applications that are subsequently overturned on appeal	0.00	G	▲
Development Management (Planning)	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	94.65	G	▼
Development Management (Planning)	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	95.45	G	▼
Private Housing	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	21.00	A	▲
Private Housing	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	Data Due	Data Due	▼
Private Housing	Number of empty homes brought back into use	17	A	▲
Public Protection and Anti-Social Behaviour Team	Number of cases received in the quarter (ASB)	854	V	▬
Public Protection and Anti-Social Behaviour Team	Number of cases closed in the quarter	676	V	▲
Public Protection and Anti-Social Behaviour Team	Number of live cases open at the end of the quarter	778	A	▼
Public Protection and Anti-Social Behaviour Team	Satisfaction of complainants relating to how the complaint was handled	83.30	A	▲
Sport & Leisure	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	247,189	G	▲
Sport & Leisure	Artificial Grass Pitch usage at Yarborough Leisure Centre (exp. to open July 19) & Birchwood Leisure Centre (exp. to open June 19)	555.00	A	▲
CCTV	Total number of incidents handled by CCTV operators	3,373	V	▬
Waste & Recycling	Percentage of waste recycled or composted	37.13	A	▲
Waste & Recycling	Contractor points achieved against target standards specified in contract - Waste Management	55	A	▲
Street Cleansing	Contractor points achieved against target standards specified in contract - Street Cleansing	85	A	▼
Grounds Maintenance	Contractor points achieved against target standards specified in contract - Grounds Maintenance	5	G	▲
Allotments	Percentage occupancy of allotment plots	89.00	G	▲
Parking Services	Overall percentage utilisation of all car parks	46.00	A	▼
Parking Services	Number of off street charged parking spaces	3,750	V	▬
Licensing	Total number of committee referrals (for all licensing functions)	4	V	▬
Licensing	Total number of enforcement actions (revocations, suspensions and prosecutions)	2	V	▼

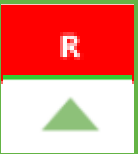
Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Year	Current Value	Unit	Status
Grounds Maintenance	GM 2	Satisfaction with play areas, parks and open spaces (collected via Citizens' Panel)	High is good	85.00	90.00	2017/18	86.08	2018/19	87.00	%	A
Street Cleansing	SC 2	Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)	High is good	70.00	80.00	2018/19	66.89	2019/20	69.00	%	R





## WASTE AND RECYCLING

Note that the data presented here is as usual lagged and thus refers to quarter one 2019/20. The percentage of waste recycled or composted is slightly lower in quarter two this year with a figure of 37.13%, compared to 38.20% same quarter last year. This is however within target boundaries and is classed as acceptable performance. Acceptable performance is not usually reported on in this report, however, it has been almost a year (previous three quarters) since this measure has been above its lower target of 35%. 16.94% of waste was composted, and 20.19% of waste was recycled, equating to 37.13% of waste being composted or recycled. As reported previously, we are continuing to work with Lincolnshire County Council to encourage recycling, however the lower figures are not unique to Lincoln and reflects the national recycling rates, which are also (despite our increase this quarter) still falling.



## STREET CLEANSING

Using the annual Citizen Panel survey data from June, the percentage of people that felt public land and highways were being kept clean has improved slightly this year, from 67% in 18/19 to 69% in 19/20. This is welcome, and although still just below the challenging target that has been set, does suggest that actions to improve standards are filtering through. This is especially encouraging given that it is not possible to invest further in these services beyond the existing budgets at this time.



## FOOD HEALTH AND SAFETY

The percentage of premises fully or broadly compliant with Food Health & Safety inspection is above its target of 97% with a figure of 98.20% (which is also another increase on last quarters figure of 97.90%). The total number of registered food businesses is 1,036. 19 of those businesses are considered to be non compliant of which one has a zero food hygiene rating, seven one star rated and 14 are rated two. These are the businesses that we continue to work with to improve food hygiene and safety standards. Whilst there has been slight drop in the percentage of food inspections that should have been completed (decreasing only 0.3% from 88.30% in quarter one to 88% in quarter two), this is still within its target boundaries.

There are 63 inspections outstanding, with one being a high risk red. The remainder are three yellows (all evening economy businesses) and 59 greens. The average time taken from actual date of inspection to achieving compliance has increased from quarter ones figure of 13.50 to 15.90, which puts this measure below target. This measure continues to be affected by the time spent in the Private Sector Hosing Team by one of our Environmental Health Officers. The officer was initially delayed in carrying out revisits to the businesses that had been inspected prior to their secondment. Additionally, a business that has had long term monitoring following an infestation, was signed off as being compliant in this quarter.



## DEVELOPMENT MANAGEMENT

Quarter two saw 249 planning applications submitted, an increase on last quarters figure of 223. Overall, the time taken to determine these applications has improved from 66.11 in quarter one to 55.01 in quarter two (an improvement 11.1 days). As well as that, we have only 84 planning applications still open. There has been a slight dip in the number of live applications, due to an unusually slower start to the financial year. This has decreased the number of complex applications submitted, meaning less complex applications are dealt with in a quicker time frame.

The key measures now required centrally are the percentage of non-major and major planning applications determined within the government target (70% in eight weeks and 60% in 13 weeks respectively measured on a two year rolling basis). These have maintained well since last quarter, and are still above target of 90%, at 94.65% and 95.45% respectively. The Development Management team continues to prioritise major developments and manages the timescales effectively with the applicant to ensure that this level of performance is maintained. This workload was completed against a background where 98% of planning applications were approved, with a 100% success rate at appeals.

## SPORT AND LEISURE

In comparison to quarter two last year, the total number of users across all of our health and recreation facilities has risen by 17,965, reaching an impressive 247,189 as of quarter two. We are now seeing regular increases in usage at both leisure centres due to effective marketing between Active Nation and the City of Lincoln Council, promoting the facilities much more. The improved facilities at Birchwood Leisure Centre (as part of its renovation in 2018) have undoubtedly increased the number of users, showing a 15% increase on last year.

Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre has reported at 555 hours. This is the first quarter of reporting figures for this measure, so cannot be compared to previous quarters. The target of 520 is based on an hour booking of either the full sized pitch, two halves or four quarters, which takes up the full playing surface. In following fiscal quarters, an average usage figure can be produced to provide an additional interpretation as some quarters will of course have more usage than others based on seasonal variations e.g. summer months.

# HOUSING AND INVESTMENT



Quarter two sees a long list of really positive results, with 49% of measures above their target and 23% of measures below target in DHI. Whilst seven measures negatively changed in direction, 12 others remained at or above target

Service Area	Measure	Current Value	Status	Direction
Housing Investment	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	0.84	R	▼
Housing Investment	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	206	V	▬
Housing Investment	Percentage of dwellings with a valid gas safety certificate	99.89	A	▼
Control Centre	Percentage of Lincare Housing Assistance calls answered within 60 seconds	98.71	A	▼
Rent Collection	Rent collected as a proportion of rent owed	98.04	G	▼
Rent Collection	Current tenant arrears as a percentage of the annual rent debit	3.72	A	▼
Housing Solutions	The number of people currently on the housing list	1,342	V	▬
Housing Solutions	The number of people approaching the council as homeless	356	V	▬
Housing Solutions	Successful preventions against total number of homelessness approaches	290.00	A	▲
Housing Voids	Percentage of rent lost through dwelling being vacant	1.06	R	▲
Housing Voids	Average re-let time calendar days for all dwellings - standard re-lets	35.71	R	▲
Housing Voids	Average re-let time calendar days for all dwellings (including major works)	44.06	R	▼
Housing Maintenance	Percentage of reactive repairs completed within target time	98.26	G	▲
Housing Maintenance	Percentage of repairs fixed first time	95.04	G	▲
Housing Maintenance	Percentage of tenants satisfied with repairs and maintenance	98.72	G	▲
Housing Maintenance	Appointments kept as a percentage of appointments made	97.73	G	▲
Business Development	Number of users logged into the on-line self service system this quarter	8,427	G	▼
IT	Number of calls logged to IT helpdesk	1,087	V	▬
IT	Percentage of first time fixes	52.50	V	▲



## RENT COLLECTION

At quarter two, the rent collection has decreased to 98.04%, which although slightly less than that achieved last quarter of 98.17%, is still above the recently increased target of 98%. Universal Credit continues to have an impact on our collection rates and at the last count, there were over 1,200 UC claimants, with a high percentage of claimants contributing to the total arrears.

Quarter two tenant arrears as a percentage of the annual rent debit has increased from 3.01% last quarter to 3.72% in quarter two – a sum of £1,044,000, an increase of £197,257 compared to the £846,743 in quarter one. With a target of 3.65%, this measure is close to being above target, and considering the impacts faced in other services within Housing and Investment its good to see that arrears (whilst slightly increasing again since last quarter) is remaining resilient and not seeing considerable deterioration.



## HOUSING VOIDS

The average re-let time in calendar days for all dwellings (including major works) is below target and has increased again from last quarter's figure of 42.69 to 44.06 in quarter two. This figure puts the measure 13.6 days outside its lower target of 31. Whilst the average re-let time for standard re-lets has also reported below target, it has improved from last quarter's figure of 36.05 with a figure of 35.71 days with a new contractor now in place.

Consequently, the percentage of rent lost through dwellings being vacant has seen a small improvement, from 1.15% in quarter one to 1.06% in quarter two. As explained previously in quarter one, the increased re-let time in both standard re-lets and major works had caused a significant impact on the rent loss figure. As the re-let time is being seen as the predominant reason for the rise in rent loss, we hope to see much improved performance in our void turnaround time from October onwards which will be reported in quarter three.



## HOUSING INVESTMENT

The percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals) has increased from 0.72% in quarter one to 0.84% in quarter two. The increase in the percentage of homes failing to reach our strict standard follows on from the upgrade to our system which means additional work is now easier to identify and log. The majority of these new failures relate to doors, which have now been added to our improvement works programme. In September, a significant number of these 'non-decent' doors have already been replaced, resulting in a drop from 138 non-decent properties in August to just 65 in September. We expect this measure to improve in time for quarter three reporting.

# HOUSING MAINTENANCE



Housing maintenance continues to see excellent performance, with all but one measure increasing since quarter one and all measures remaining above their recently revised targets.

The percentage of reactive repairs completed within the target time has increased very slightly since last quarter, maintaining very strong performance, with a figure of 98.26% which is above the recently increased target of 98%. With the new repair task codes implemented, along with making sure the team are identifying the repairs correctly at the first point of contact, it is allowing repairs to be completed in a more efficient time frame. The contracts team within HRS (Housing Repairs Service) are also concentrating on longer/planned repairs, allowing the reactive side of the service to solely focus on common short term repairs.

At the same time as seeing this excellent repairs performance we are also continuing to see improvements in both the percentage of repairs fixed first time – moving up from 94.85% to 95.04% along with appointments being kept as a percentage of appointments being made also increasing from 97.61% to 97.73%. Satisfaction with the repairs that have been carried out has also seen an increase since last quarter's figure of 98.62% with a figure of 98.72%, against a Service Level Agreement which requires at least 60 satisfaction surveys completed.

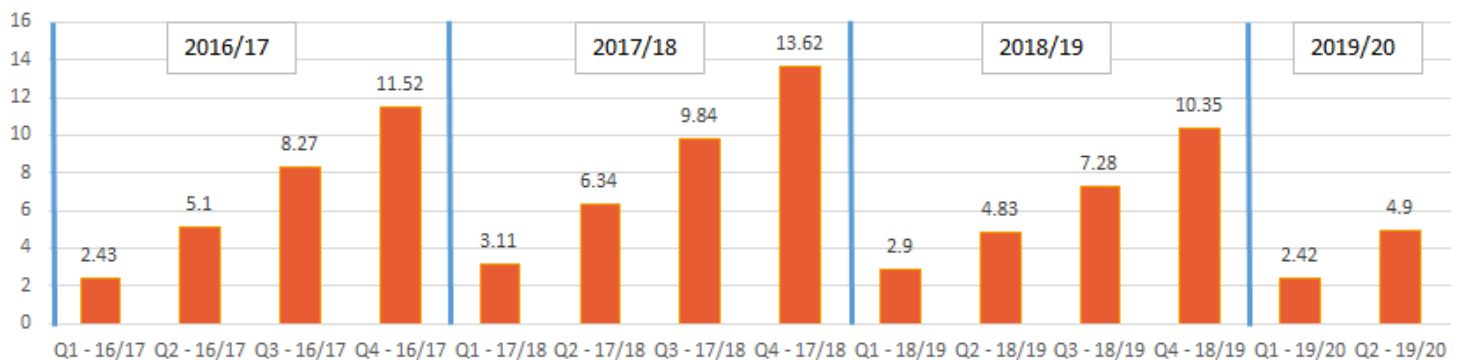
This area of performance has significantly improved from previous years. With better intelligence on the repairs before the visit and improved material/repair stock on the fleet has allowed us to complete repairs at the first visit without the need to return at a later date in order to mark a repair as complete.

# SICKNESS PERFORMANCE

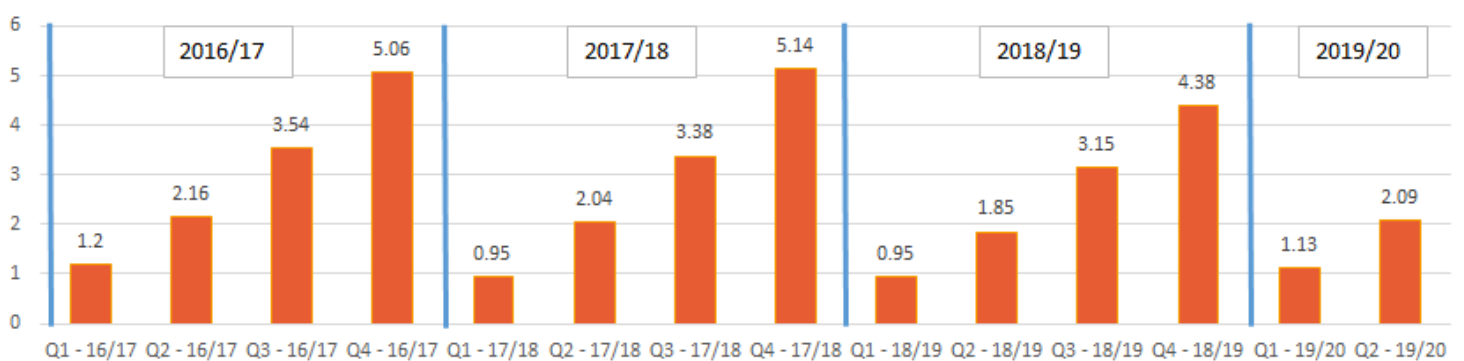
The cumulative sickness data at the end of quarter two is 4.9 days per FTE (excl. apprentices), which is only slightly higher than the 4.83 days per FTE last quarter two. During quarter two, the long term sickness (sickness over 14 days) per FTE stood at 2.81 days, slightly better than the 2.99 days in quarter two last year. Short term sickness stood at 2.09 days, which is 0.24 days per FTE higher than the same point last year.

Q2 2019/20 ONLY							
Directorate	Short Term Days Lost	Long Term Days Lost	Total days lost	Number of FTE	Short Term Days lost per FTE	Long Term Days lost per FTE	Total Days lost per FTE
CX (Excluding Apprentices)	201	475	676	185.73	1.08	2.56	3.64
DCE	116	133	249	142.385	1.15	2.24	3.38
DMD	4	0	4	8.4	0.81	0.93	1.75
DHI	217	344	561	226.2	0.48	0.00	0.48
TOTAL (Excluding Apprentices)	538	952	1490	562.715	0.96	1.52	2.48
Apprentice Sickness	19.5	38	57.5	17	0.41	0.80	1.20

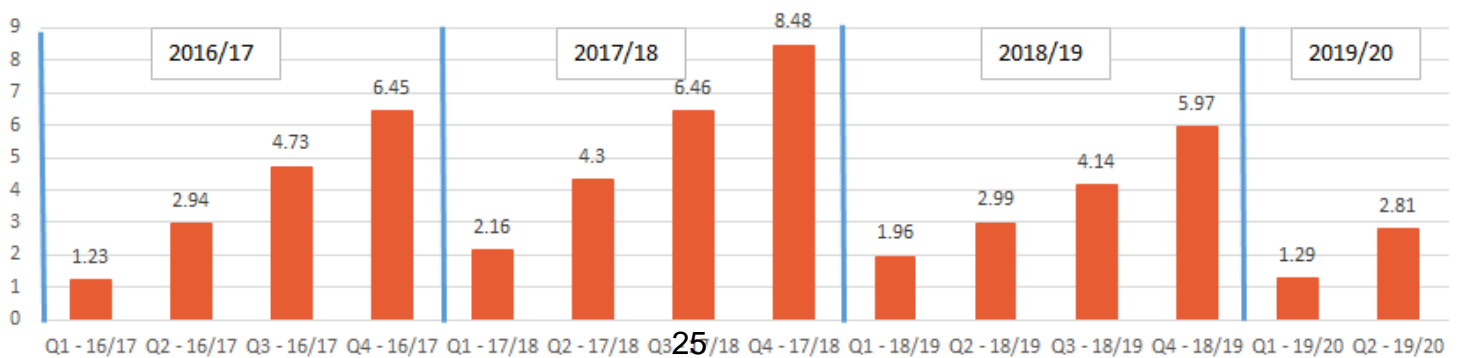
Cumulative Total Sickness Per FTE



Cumulative Short Term Sickness Per FTE



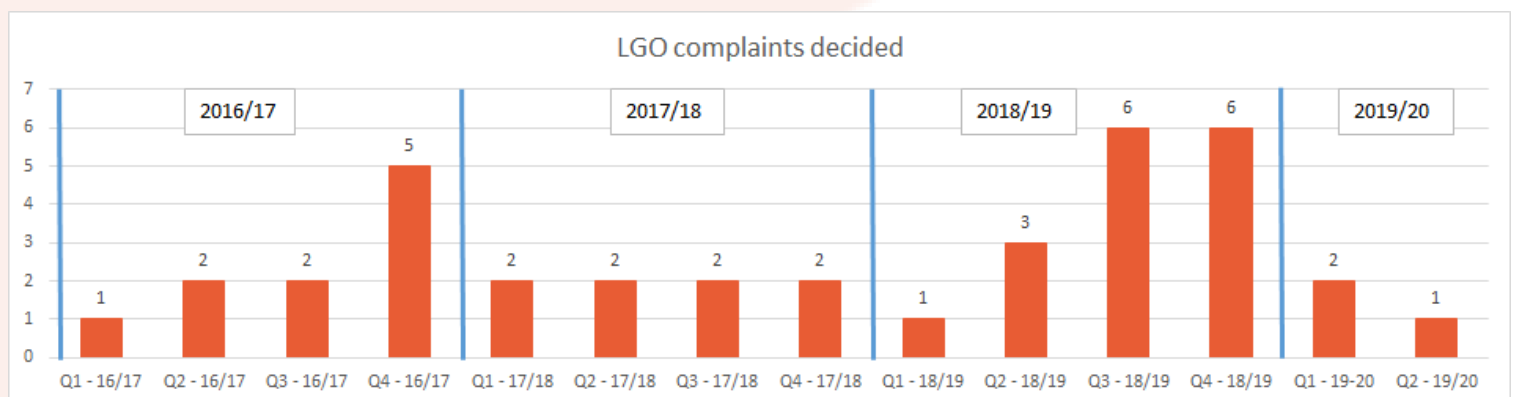
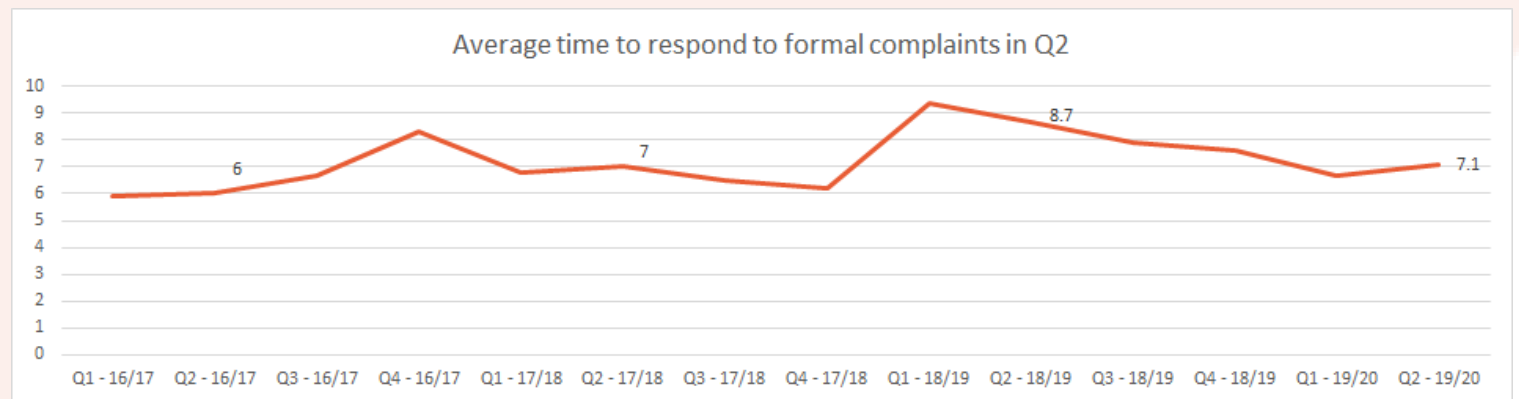
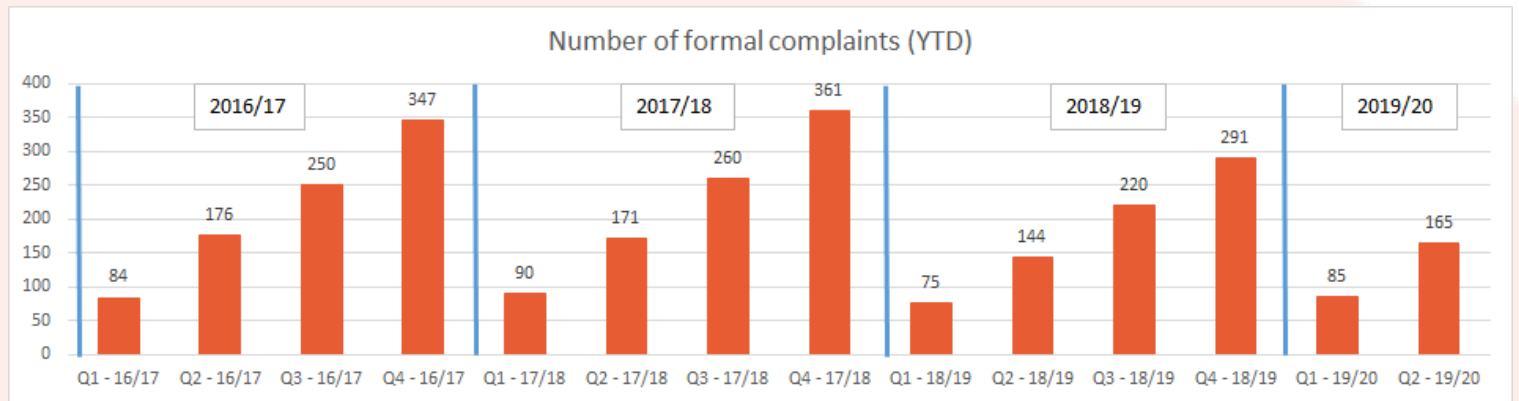
Cumulative Long Term Sickness Per FTE in Days



# COMPLAINTS PERFORMANCE

In quarter two there were 80 complaints, five less than in quarter one. The cumulative average time year to date across all directorates to respond to formal complaints was 6.8 days (7.1 in quarter two alone), which is an increase of just 0.1 days compared to quarter one. In quarter two we had one LGO complaints decided - which wasn't upheld.

Q2 2019/20								
Directorate	Number of Formal complaints dealt with this quarter	Number of Formal complaints Upheld this quarter	YTD total number of complaints investigated Cumulative (Q1+2)	Average response time in days this quarter	LGO complaints decided	Number of ombudsman decisions upheld	YTD Number of Formal complaints Upheld	YTD average response time
CX	9	4	22	12.10	0	0	10	10.70
DCE	16	1	38	4.80	0	0	7	5.80
DMD	0	0	2	0.00	0	0	0	7.50
DHI	55	20	103	7.00	1	0	40	6.50
<b>TOTAL</b>	<b>80</b>	<b>25</b>	<b>165</b>	<b>7.10</b>	<b>1</b>	<b>0</b>	<b>57</b>	<b>6.80</b>



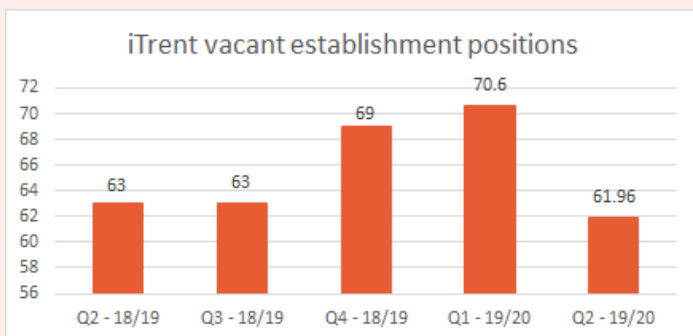


# RESOURCE INFORMATION

The total number of FTE employees (excluding apprentices) at the end of quarter two was 562.7 with an average of 17 apprentices over the period. In terms of the level of vacancies at quarter two - budgeted establishment unfilled positions (FTE) stood at 61.96. This figure has decreased from that reported at quarter one. It should be noted that the Council are actively recruiting 11 FTE. The percentage of staff turnover at the end of quarter two was 2.60% (excluding apprentices). Appraisal percentages are low in CX and DMD, and investigation shows that many more appraisals have been completed but have not yet been recorded on the iTrent HR system which calculates the below percentages.

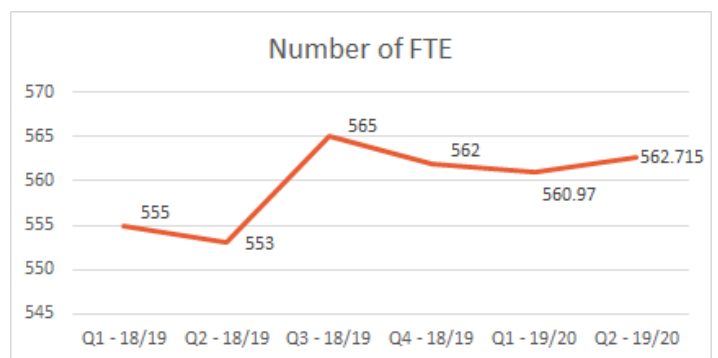
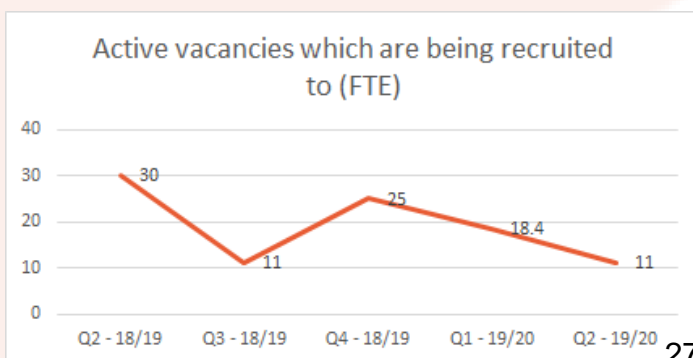
Q2 2019/20					
Directorate	Number of FTE employees	Average number of apprentices across the board	Percentage of staff turnover	I-Trent budgeted establishment positions (FTE)	Active vacancies which are being recruited (FTE)
CX (Excluding Apprentices)	185.73	Authority Wide	Authority Wide	Authority Wide	Authority Wide
DCE	142.385				
DMD	8.4				
DHI	226.2				
<b>TOTAL (Excluding Apprentices)</b>	<b>562.715</b>	<b>17</b>	<b>2.60%</b>	<b>61.96</b>	<b>11.00</b>

Directorate	On hold for a defined period	Elements of posts previously held but reduced	Posts that are currently or will be recruited to	Total for directorate
CX (Excluding Apprentices)	14.9	1.98	5.2	22.08
DCE	5.2	2.3	1.8	9.3
DMD	0.4	0	0	0.4
DHI	25.5	0.68	4	30.18
<b>TOTAL (Excluding Apprentices)</b>	<b>46</b>	<b>4.96</b>	<b>11</b>	<b>61.96</b>



Directorate	% of appraisals completed*
CX (Excluding Apprentices)	25%
DCE	88%
DMD	0%
DHI	77%
<b>OVERALL</b>	<b>71%</b>

\*See commentary above re completion of appraisals



# OUR ACHIEVEMENTS DURING QUARTER TWO

We believe our success is down to our staff - below explores some of the compliments received and achievements over the last three months.

## Happy 1st birthday to the Lincoln Social Responsibility Charter

The Lincoln Social Responsibility Charter celebrates one year of recognising star employers in Lincoln, with 61 socially responsible organisations already signed up! City of Lincoln Council launched the charter in October 2018 to provide a benchmark for organisations in Lincoln to work towards, and provide a recognisable stamp for socially responsible organisations that employees and the public can trust.

Graham Rose, Project Manager, said: "We are delighted with the fantastic response that the Lincoln Social Responsibility Charter has received in its first year and look forward to welcoming more organisations on board as the charter continues to grow.

## Some of the compliments we have received this quarter

"Thanks to whole Planning team for their help and support in getting a series of apps processed - a great team to work with, very knowledgeable and officers exceptionally personable".

Thanks to X for his help in getting a venue arranged for an NCS group - went above and beyond.

"Thanks to CEOs on-site at the bus station who helped her mum when she had a fall - gave first aid and called ambulance".

## Over 300 people supported through Homeless Intervention team

Formed in October 2018 with funding from the Ministry of Housing, Communities and Local Government totalling £1.4 million, the Rough Sleeping Initiative is being delivered through a small team of five people who have been working to support people who are street homeless in the city.

The Rapid Rehousing Programme, which received a total of just over £550,000 funding, is a service aimed at people who are, or are vulnerable to, sleeping rough by providing somewhere safe to stay. It provides a first step in the journey to finding longer term housing, as well as support to help people access GP and health services, and is supported by a team of six workers.

With a total of 354 enquiries, during the first year of the project 73 people have been housed, 81 have used the 'somewhere safe to stay hub', 146 have been assisted with their mental health and 28 people have been prevented from sleeping rough.



**QUARTERLY MEASURES**

G At or above target    
 A Acceptable performance - results are within target boundaries    
 R Below target    
 V Volumetric/contextual measures that support targeted measures

▲ Performance has improved since last quarter    
 ▬ Performance has stayed the same since last quarter    
 ▼ Performance has deteriorated since last quarter

Strategic Measures

Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Quarter	Current Value	Unit	Status	Commentary	
CX	Communications	COM 1	Percentage of media enquiries responded to within four working hours	High is good	70.00	85.00	Q4 - 18/19	0.00	Q2 - 19/20	72.00	%	A ▲	
CX	Communications	COM 2	Number of proactive communications issued that help maintain or enhance our reputation	High is good	25	40	Q4 - 18/19		Q2 - 19/20	38	Number	A ▲	
CX	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	High is good	92.00	95.00	Q1 - 19/20	100.00	Q2 - 19/20	100.00	%	G ▬	8/8 apprentices within Q2 achieved their framework on time.
CX	Work Based Learning	WBL 2	Number of new starters on the apprenticeship scheme	High is good	8	10	Q1 - 19/20	5	Q2 - 19/20	8	Number	A ▲	We had 8 new starts within quarter 2 - a combination of progressions and new apprentices
CX	Work Based Learning	WBL 3	Percentage of apprentices moving into Education, Employment or Training	High is good	92.00	95.00	Q2 - 19/20	100.00	Q2 - 19/20	100.00	%	G ▬	Within quarter 2 100% of apprentices on programme moved into EET.
CX	Customer Services	CS 1	Number of face to face enquiries in customer services	N/A	Volumetric	Volumetric	Q1 - 19/20	4,530	Q2 - 19/20	4,226	Number	V	Lower than previous quarter and the same quarter last year
CX	Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	N/A	Volumetric	Volumetric	Q1 - 19/20	29,629	Q2 - 19/20	28,477	Number	V	This is lower than Q1 as expected. However it is higher than Q2 last year when we were counting more calls, including Garden waste showing that calls are going up.
CX	Customer Services	CS 3	Average time taken to answer a call to customer services	Low is good	120	90	Q1 - 19/20	129	Q2 - 19/20	197	Seconds	R ▼	The average wait has gone up again, we have managed to fill 5 of the vacancies reported in previous quarter, but we have since gained another vacancy, we are currently recruiting again. during the last 3 months new staff have been trained and are now dealing with enquiries.
CX	Customer Services	CS 4	Average customer feedback score (face to face enquiries - score out of 10)	High is good	8	10	Q1 - 19/20	9	Q2 - 19/20	10	Number	G ▲	It is encouraging to see that for the second consecutive quarter, our average customer feedback score for face to face customers is above target with an unbeatable score of 10/10, an increase on the already impressive 9/10 achieved last quarter.
CX	Customer Services	CS 5	Customer satisfaction with their phone call to Customer Services	High is good	80.00	95.00	Q1 - 19/20	98.50	Q2 - 19/20	98.00	%	G ▼	The customer services management team are pleased with this data. Out of the 429 surveys undertaken only 9 were unhappy, we will of course evaluate the unhappy results and learn from them. I believe this score shows how good of a service we are delivering.
CX	Accountancy	ACC 1	Average return on investment portfolio	High is good	0.75	0.85	Q1 - 19/20	0.85	Q2 - 19/20	0.86	%	G ▲	The amount shown is the weighted average rate of return across the period April to September
CX	Accountancy	ACC 2	Average interest rate on external borrowing	Low is good	4.75	3.75	Q1 - 19/20	2.84	Q2 - 19/20	3.38	%	G ▼	Long term borrowing taken in year
CX	Revenues Administration	REV 1	Council Tax - in year collection rate for Lincoln	High is good	52.39	52.80	Q1 - 19/20	26.71	Q2 - 19/20	52.87	%	G ▲	Collection is above September 2018 by 0.07%. This equates to £31,429. The net collectable debit has also increased by £2.955m
CX	Revenues Administration	REV 2	Business Rates - in year collection rate for Lincoln	High is good	59.77	60.57	Q1 - 19/20	34.49	Q2 - 19/20	59.58	%	R ▲	Collection is below September 2018 by 0.99%. This equates to £446,555. However, total net liability is above September 2018 by £60,889
CX	Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues team	Low is good	600	400	Q1 - 19/20	616	Q2 - 19/20	1,177	Number	R ▼	Although this is an increased number from Q1 (due to a temporary reduction in staffing with 3 positions currently vacant - to be filled within the next month and an increase in customer contact), There have also been 563 additional properties within the taxbase to maintain and administer
CX	Housing Benefit Administration	BE 1	Average (YTD) days to process new housing benefit claims from date received	Low is good	29.50	26.50	Q1 - 19/20	27.10	Q2 - 19/20	23.42	Days	G ▲	Ongoing weekly monitoring of new claims to ensure prompt decision making
CX	Housing Benefit Administration	BE 2	Average (YTD) days to process housing benefit claim changes of circumstances from date received	Low is good	9.00	7.00	Q1 - 19/20	5.09	Q2 - 19/20	4.88	Days	G ▲	Ongoing weekly monitoring of performance to ensure prompt decision making
CX	Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Low is good	1,450	1,200	Q1 - 19/20	624	Q2 - 19/20	939	Number	G ▼	of the 939 , 529 customers are waiting a first contact from us.
CX	Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where Benefit entitlement is correct	High is good	84.50	87.50	Q1 - 19/20	90.41	Q2 - 19/20	95.57	%	G ▲	Financial accuracy has increased. We are currently still undertaking 100% checking on 4 new starters.
CX	Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	N/A	Volumetric	Volumetric	Q1 - 19/20	1,181	Q2 - 19/20	96	Number	V	We are currently 100% checking 4 new starters. Therefore, this would explain the slight reduction in the percentage of the correct quality control checks.
DCE	Food and Health & Safety Enforcement	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	High is good	95.00	97.00	Q1 - 19/20	97.90	Q2 - 19/20	98.20	%	G ▲	Of those 19 premises that are non compliant, there is 1 zero rated business, 7 one star rated businesses and 14 two star rated businesses
DCE	Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Low is good	13.00	8.00	Q1 - 19/20	13.50	Q2 - 19/20	15.90	Days	R ▼	This measure has continued to be affected by the time spent in the Private Sector Hosing Team by 1 FTE Environmental Health Officer. The officer was delayed in carrying out revisits to the businesses that had been inspected prior to his secondment. Additionally, a business that has had long term monitoring following an infestation of cockroaches, was signed off as being compliant in this quarter.
DCE	Food and Health & Safety Enforcement	FHS 3	Percentage of food inspections that should have been completed and have been in that time period	High is good	85.00	97.00	Q1 - 19/20	88.30	Q2 - 19/20	88.00	%	A ▼	Of those 63 businesses not inspected, there is 1 red, 3 yellows (all evening economy businesses) and 59 greens.

DCE	Development Management (Planning)	DM 1	Number of applications in the quarter	N/A	Volumetric	Volumetric	Q1 - 19/20	223	Q2 - 19/20	249	Number	V		This figure has increased as the industry get busier following the summer break
	Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Low is good	85.00	65.00	Q1 - 19/20	66.11	Q2 - 19/20	55.01	Days	G	▲	An improvement in end to end times echoes the commentary for DM3
	Development Management (Planning)	DM 3	Number of live planning applications open	Low is good	180	120	Q1 - 19/20	109	Q2 - 19/20	84	Number	G	▲	A slight dip in the number of live applications as it has been a slower start to the financial year and a therefore a drop in the number of complex applications submitted meaning more of the less complex ones are dealt with quicker
	Development Management (Planning)	DM 4	Percentage of applications approved	High is good	85.00	97.00	Q1 - 19/20	95.00	Q2 - 19/20	98.00	%	G	▲	This figure continues to represent the efforts put in at both pre-application and during the formal application process to proactively engage to seek acceptable solutions that can be approved
	Development Management (Planning)	DM 5	Percentage of decisions on planning applications that are subsequently overturned on appeal	Low is good	10.00	5.00	Q1 - 19/20	1.92	Q2 - 19/20	0.00	%	G	▲	100% success rate at appeals for this quarter
	Development Management (Planning)	DM 6	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	High is good	70.00	90.00	Q1 - 19/20	95.44	Q2 - 19/20	94.65	%	G	▼	As above
	Development Management (Planning)	DM 7	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	High is good	60.00	90.00	Q1 - 19/20	95.92	Q2 - 19/20	95.45	%	G	▼	Performance maintained at a very high level
	Private Housing	PH 1	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	Low is good	26.00	19.00	Q1 - 19/20	23.00	Q2 - 19/20	21.00	Weeks	A	▲	
	Private Housing	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	N/A	Volumetric	Volumetric			Q2 - 19/20	Data Due	Weeks	Data Due		
	Private Housing	PH 3	Number of empty homes brought back into use	High is good	12	25	Q1 - 19/20	13	Q2 - 19/20	17	Number	A	▲	
	Public Protection and Anti-Social Behaviour Team	ASB 1	Number of cases received in the quarter (ASB)	N/A	Volumetric	Volumetric	Q1 - 19/20	739	Q2 - 19/20	854	Number	V		this is in keeping with the level of service requests expected over the summer months
	Public Protection and Anti-Social Behaviour Team	ASB 2	Number of cases closed in the quarter	High is good	Volumetric	Volumetric	Q1 - 19/20	636	Q2 - 19/20	676	Number	V	▲	this is slightly higher than Q1 however this is stable for this time of year
	Public Protection and Anti-Social Behaviour Team	ASB 3	Number of live cases open at the end of the quarter	Low is good	780	660	Q1 - 19/20	653	Q2 - 19/20	778	Number	A	▼	this is up slightly which is most likely due to an increase in service requests during the summer months
	Public Protection and Anti-Social Behaviour Team	ASB 4	Satisfaction of complainants relating to how the complaint was handled	High is good	75.00	85.00	Q1 - 19/20	83.00	Q2 - 19/20	83.30	%	A	▲	This remains stable from Q1.
	Sport & Leisure	SP 1	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	High is good	213,355	213,991	Q1 - 19/20	246,303	Q2 - 19/20	247,189	Number	G	▲	Yarborough 190051 visits which is up 10,656 or approx. 6% on Q2 last year. Birchwood 57138 visits which is up 7,309 or approx. 15% on Q2 last year.
	Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre (exp. to open July 19) & Birchwood Leisure Centre (exp. to open June 19)	High is good	520.00	650.00	Q1 - 19/20	520.00	Q2 - 19/20	555.00	Hours	A	▲	Q2 July to September is the first quarter for monitoring this is in line with when the pitches opened for use. The target of 520 is based on an hour booking of the full sized pitch or 2 halves or 4 quarters, which takes up the full playing surface, 1 hour = a count of 1 This quarter there have been 555 hours of usage. In following quarters there will also be an average for the year, to provide an additional interpretation of the value as some quarters will have more usage than others based on the seasonality of the football use.
	CCTV	CCTV 1	Total number of incidents handled by CCTV operators	N/A	Volumetric	Volumetric	Q1 - 19/20	3,551	Q2 - 19/20	3,373	Number	V		
	Waste & Recycling	WM 1	Percentage of waste recycled or composted	High is good	35.00	38.00	Q1 - 19/20	28.53	Q2 - 19/20	37.13	%	A	▲	This figure relates to data from quarter 1. 16.94% of waste was composted, and 20.19% of waste was recycled, equating to 37.13% of waste being composted or recycled.
	Waste & Recycling	WM 2	Contractor points achieved against target standards specified in contract - Waste Management	Low is good	150	50	Q1 - 19/20	80	Q2 - 19/20	55	Number	A	▲	Contractor points have been recorded as 55 collectively. This has broken down to 20 in July, 15 in August, and 20 in September.
	Street Cleansing	SC 1	Contractor points achieved against target standards specified in contract - Street Cleansing	Low is good	150	50	Q1 - 19/20	30	Q2 - 19/20	85	Number	A	▼	The contractor has collected 85 points collectively overall in quarter 2. It has broken down to 30 points in July, 30 in August, and 25 in September.
	Grounds Maintenance	GM 1	Contractor points achieved against target standards specified in contract - Grounds Maintenance	Low is good	150	50	Q1 - 19/20	15	Q2 - 19/20	5	Number	G	▲	Contractor points have been recorded as 5 collectively. All points were recorded in September
	Allotments	AM 1	Percentage occupancy of allotment plots	High is good	80.00	88.00	Q1 - 19/20	87.00	Q2 - 19/20	89.00	%	G	▲	Allotment % occupancy has increased from last quarters figure of 87% to 89% this quarter. Its also the highest this measure has been since Q2 2013/14, suggesting the investment into this service is starting to show.
	Parking Services	PS 1	Overall percentage utilisation of all car parks	High is good	45.00	50.00	Q1 - 19/20	47.00	Q2 - 19/20	46.00	%	A	▼	Uphill car parks have done well over the Summer months but the figure has been tempered by Commuter car parks - holiday period and colleges closed.
	Parking Services	PS 2	Number of off street charged parking spaces	N/A	Volumetric	Volumetric	Q1 - 19/20	3,750	Q2 - 19/20	3,750	Number	V		



DCE	Licensing	LIC 1	Total number of committee referrals (for all licensing functions)	N/A	Volumetric	Volumetric	Q1 - 19/20	2	Q2 - 19/20	4	Number	V	
	Licensing	LIC 2	Total number of enforcement actions (revocations, suspensions and prosecutions)	N/A	Volumetric	Volumetric			Q2 - 19/20	2	Number	V	
DHI	Housing Investment	HI 1	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	Low is good	0.20	0.00	Q1 - 19/20	0.72	Q2 - 19/20	0.84	%	R	During quarter two there has been an increase in the number of properties failing decent homes. Following on from an upgrade to our system we have been able to identify additional works. The new failures are mainly doors, these have been added to our works programme. However in September, a significant number of non-decent doors have been replaced this resulting in the observed drop in non-decent properties compared to August.
	Housing Investment	HI 2	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	N/A	Volumetric	Volumetric	Q1 - 19/20	213	Q2 - 19/20	206	Number	V	
	Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	High is good	99.80	99.96	Q1 - 19/20	100.00	Q2 - 19/20	99.89	%	A	
	Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	High is good	97.50	98.75	Q1 - 19/20	99.11	Q2 - 19/20	98.71	%	A	
	Rent Collection	RC 1	Rent collected as a proportion of rent owed	High is good	96.50	98.00	Q1 - 19/20	98.17	Q2 - 19/20	98.04	%	G	At quarter two, the rent collection has decreased to 98.04%, which although slightly less than that achieved last quarter of 98.17%, is still above the recently increased target of 98%. Universal Credit continues to have an impact on our collection rates and at the last count, there were over 1,200 UC claimants, with a high percentage of claimants contributing to the total arrears.  Quarter two tenant arrears as a percentage of the annual rent debit has increased from 3.01% last quarter to 3.72% in quarter two – a sum of £1,044,000, an increase of £197,257 compared to the £846,743 in quarter one. With a target of 3.65%, this measure is close to being above target, and considering the impacts faced in other services within Housing and Investment its good to see that arrears (whilst slightly increasing again since last quarter) is remaining resilient and not seeing considerable deterioration.
	Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	Low is good	4.00	3.00	Q1 - 19/20	3.01	Q2 - 19/20	3.72	%	A	
	Housing Solutions	HS 1	The number of people currently on the housing waiting list	N/A	Volumetric	Volumetric	Q1 - 19/20	1,172	Q2 - 19/20	1,342	Number	V	
	Housing Solutions	HS 2	The number of people approaching the council as homeless	N/A	Volumetric	Volumetric	Q1 - 19/20	173	Q2 - 19/20	356	Number	V	
	Housing Solutions	HS 3	Successful preventions against total number of homelessness approaches	High is good	150.00	300.00	Q1 - 19/20	149.00	Q2 - 19/20	290.00	%	A	
	Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	Low is good	0.90	0.80	Q1 - 19/20	1.15	Q2 - 19/20	1.06	%	R	Due to the void times not meeting target this has naturally had an effect on the void loss figure. Once the void times decrease we will then see our void loss reduce as a result.
	Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Low is good	26.00	23.00	Q1 - 19/20	36.05	Q2 - 19/20	35.71	Days	R	The void times remain above target. During this year we have had issues with our previous void repairs contractor. We now have a new contractor in place (Woodlands). In September Woodlands were instructed to have all properties back by month end meaning the backlog of long terms voids have hit in this quarters stats. As a result we hope to see much improved performance in our void turnaround time from October onwards.
	Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Low is good	31.00	28.00	Q1 - 19/20	42.69	Q2 - 19/20	44.06	Days	R	The void times remain above target. During this year we have had issues with our previous void repairs contractor. We now have a new contractor in place (Woodlands). In September Woodlands were instructed to have all properties back by month end meaning the backlog of long terms voids have hit in this quarters stats. As a result we hope to see much improved performance in our void turnaround time from October onwards.
	Housing Maintenance	HM 1	Percentage of reactive repairs completed within target time	High is good	96.00	98.00	Q1 - 19/20	98.09	Q2 - 19/20	98.26	%	G	The percentage of reactive repairs completed within the target time has increased very slightly since last quarter, maintaining very strong performance, with a figure of 98.26% which is above the recently increased target of 98%. With the new repair task codes implemented, along with making sure the team are identifying the repairs correctly at the first point of contact, it is allowing repairs to be completed in a more efficient time frame. The contracts team within HRS (Housing Repairs Service) are also concentrating on longer/planned repairs, allowing the reactive side of the service to solely focus on common short term repairs.
	Housing Maintenance	HM 2	Percentage of repairs fixed first time	High is good	90.00	93.00	Q1 - 19/20	94.85	Q2 - 19/20	95.04	%	G	We are also continuing to see improvements in both the percentage of repairs fixed first time – moving up from 94.85% to 95.04%
	Housing Maintenance	HM 3	Percentage of tenants satisfied with repairs and maintenance	High is good	94.00	96.00	Q1 - 19/20	98.62	Q2 - 19/20	98.72	%	G	Satisfaction with the repairs that have been carried out has also seen an increase since last quarter's figure of 98.62% with a figure of 98.72%, against a Service Level Agreement which requires at least 60 satisfaction surveys completed.
	Housing Maintenance	HM 4	Appointments kept as a percentage of appointments made	High is good	94.00	96.00	Q1 - 19/20	97.61	Q2 - 19/20	97.73	%	G	Appointments being kept as a percentage of appointments being made also increasing from 97.61% to 97.73%.
	Business Development	BD 1	Number of users logged into the on-line self service system this quarter	High is good	8,084	8,321	Q1 - 19/20	8,610	Q2 - 19/20	8,427	Number	G	
	IT	ICT 1	Number of calls logged to IT helpdesk	N/A	Volumetric	Volumetric	Q1 - 19/20	898	Q2 - 19/20	1,087	Number	V	
	IT	ICT 2	Percentage of first time fixes	High is good			Q1 - 19/20	51.10	Q2 - 19/20	52.50	%	V	

## Operational Measures

Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Quarter	Current Value	Unit	Status	Commentary
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## PERFORMANCE SCRUTINY COMMITTEE

21 November 2019

**SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING: QUARTER 2**

**REPORT BY: CHIEF FINANCE OFFICER**

**LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER**

**1. Purpose of Report**

- 1.1 To present to PSC the second quarter's performance (up to 30<sup>th</sup> September) on the Council's:
- General Fund
  - Housing Revenue Account
  - Housing Repairs Service
  - Capital Programmes

**2. Executive Summary**

- 2.1 As at the end of the second quarter (up to 30<sup>th</sup> September) the forecast financial position of the Council for 2019/20 is:

	<b>MTFS Budget £'000</b>	<b>2019/20 Forecast at Q2 £'000</b>	<b>Variance at Q2 £'000</b>
<b>Revenue Accounts</b>			
General Fund –Contribution to/(from) balances	554	467	87
Housing Revenue Account (HRA) (Surplus)/Deficit in year	(52)	(53)	(1)
Housing Repairs Service	0	(200)	(200)
<b>Capital Programmes</b>			
General Fund Investment Programme	14,977	14,756	(222)
Housing Investment Programme	19,124	20,629	1,505
<b>Capital Receipts</b>			
General Fund	(2,675)	(1,650)	(1,025)
HRA	(820)	(845)	25
<b>Reserves &amp; Balances</b>			
General Fund Balances	2,452	2,318	(134)*

	<b>MTFS Budget £'000</b>	<b>2019/20 Forecast at Q2 £'000</b>	<b>Variance at Q2 £'000</b>
HRA Balances	1,075	1,077	2*
HRS Balances	89	89	0
General Fund Earmarked Reserves	6,674	5,714	(960)
HRA Earmarked Reserves	1,321	1,209	(112)

\* includes under/spend on 2018/19 outturn

2.2 The detailed financial position is shown in sections 3-7 and accompanying appendices.

### 3. General Fund Revenue Account

3.1 For 2019/20 the Council's net General Fund revenue budget was set at £13,655,090, including a planned contribution from balances of £554,410 (resulting in an estimated level of general balances at the year-end of £2,452,134).

3.2 The General Fund Summary is currently projecting a forecast over spend of £86,698 (appendix A provides a forecast General Fund Summary). This forecast variance is the result of a number of forecast year-end variations in income and expenditure against the approved budget. Full details of the main variances are provided in appendix B while the key variances are summarised below:

- Housing Benefit Overpayment – reduced income: £368,000
- HIMO - reduced income: £74,260
- Interest payable – reduced expenditure: (£200,000)
- Crematorium additional income: (£125,990)
- Car parking Income: (£119,000).

3.3 The most significant of the forecast variances is the reduction in the level of housing benefit overpayment being raised. Whilst this is positive in that the number of overpayments are reducing it in turn creates a budgetary pressure. This is a continuation of a trend from 2017/18 and 2018/19 with the transition of benefits customers to universal credit and the use of 'real time' information the level of overpayments raised as drastically reduced. This has led to the budget pressure due to reduced income from the reclaiming over the overpayment from the claimant. This reduction in overpayments raised is uncontrollable and will require a budget realignment as part of the 2020-25 MTFS process. In order to inform this a specific piece of work to assess the implications, encompassing the impact of the reduction in overpayments along with the transition to universal credit and its impact on historic overpayment debt is being undertaken to inform the MTFS process.

3.4 Although forecast outturn for the General Fund is a shortfall of £86,698, at this stage in the financial year, forecast outturns are difficult to predict and often subject to volatility, e.g. car parking income, and change, the forecast position will continue to be monitored and an update reported at quarter 3.

3.5 Included in the forecast outturn position in para 3.2 are additional contributions (to)/from earmarked reserves that the Chief Finance Officer (in accordance with Financial Procedure Rules) has identified as being required:

<b>Directorate</b>	<b>Reserve</b>	<b>Amount £</b>
CX	Asset Improvement Reserve – Dilaps claim costs	14,000
DCE	Leisure Centre Reserve – R&M/Utilities underspends as per AN Agreement.	(25,970)
DCE	Residents Parking – Permit stationery	15,400
DCE	Planning Delivery Fund – Vacant post, planned drawdown not required	(18,190)
DCE	Strategic Priorities Reserve – ASBO Prevention	3,240
DCE	Transport Hub Sinking Fund	(60,000)
<b>Total additional reserve movements:</b>		<b>(71,520)</b>

CMT are asked to consider these proposed transfers to and from reserves.

3.6 In addition to the key variances, mitigating action being taken and earmarked reserves, as set out above, the following other key areas of monitoring of the General Fund Revenue Account set out below.

3.7 **Towards Financial Sustainability Programme** - The savings target included in the MTFS for 2019/20 is £4,650,000. Progress against this target, based on quarter 2 performance shows that secured and confident projections total £4,631,710. This results in a current forecast under achievement of the target in 2019/20 of £18,290. In respect of this outstanding target work is currently underway through the ToFS Programme Board to progress a further phase of Year 6 projects. A summary of the current position is shown in the table below.

	<b>£ General Fund</b>
<b><u>Review/Business Case Approved/Delegated Decision Taken</u></b>	
One Council	33,290
Asset Acquisition	661,790
Commercialisation	889,800
Managing Demand (Withdrawal/Service Reduction)	2,863,370
<b>Total Savings – Secured</b>	<b><u>4,448,250</u></b>
<b><u>Subject to Review/Business Case</u></b>	
One Council	23,460
Asset Acquisition	160,000
Commercialisation	0
Managing Demand (Withdrawal/Service Reduction)	0
<b>Total Savings - Subject to Review/Business Case</b>	<b><u>240,600</u></b>
<b>Overall Savings</b>	<b><u><u>4,631,710</u></u></b>
<b>MTFS savings target</b>	<b>(4,650,000)</b>
<b>(Under)/ over achievement</b>	<b>(18,290)</b>

- 3.8 **Fees and charges income** – Income from fees and charges represents a significant proportion of income to the Council, with the primary sources being from car parking, development management and building regulations. Due to the importance of these income streams to the Council’s financial position and the impact external factors can have on the levels of income receive they are monitored regularly by the Corporate Management Team. A summary of the progress of these key income streams against the approved budget, together with the actual variance to the second quarter of the financial year to date is provided below:

	<b><u>Budget Q2</u> £'000</b>	<b><u>Actual Q2</u> £'000</b>	<b><u>Variance</u> £'000</b>
Car Parks	(2,836)	(2,866)	(30)
Crematorium	(669)	(725)	(56)
HIMO	(122)	(96)	26
Development Management	(360)	(289)	71
Building Regulations	(102)	(84)	18
<b>Total</b>	<b>(4,089)</b>	<b>(4,060)</b>	<b>29</b>

#### 4. Housing Revenue Account

- 4.1 For 2019/20 the Council’s Housing Revenue Account (HRA) net revenue budget was set at £52,040, resulting in an estimated level of general balances at the year-end of £1,075,141
- 4.2 The HRA is currently projecting an in-year forecast underspend of £610 (appendix C provides a forecast HRA Summary). This forecast variance is the result of a number of forecast year-end variations in income and expenditure against the



approved budget. Full details of the main variances are provided in appendix D while the key variances are summarised below:

- Staff Vacancies – Reduced Expenditure (£202,000)
- Increased Repairs Costs (Offset from HRS Surplus) £234,000
- Council Tax – Increased Expenditure £67,000
- Increased Depreciation re Revaluations £328,000
- Increased Interest Payable on Borrowings £73,000
- Decreased DRF Contribution – (£392,000)
- HRS Surplus – Additional Income (£200,000)

## 5. Housing Repairs Service

5.1 For 2019/20 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2 At quarter 2 HRS are forecasting a surplus of £200,000 in 2019/20 (appendix E provides a forecast HRS Summary), with full details of the main variances provided in appendix F.

## 6. Earmarked Reserves

6.1 The details of all the earmarked reserves and their forecast balance as at 31st March 2020 are attached in Appendix G. In summary:

	<b>Opening Balance</b>	<b>Contributions</b>	<b>Actuals Q2</b>	<b>Forecast Q3-Q4</b>	<b>Forecast Balance</b>
	<b>01/04/19</b>				<b>31/03/20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	6,674	156	(1,066)	(49)	5,715
HRA	1,321	0	0	(112)	1,209
Capital Resources	10,788	16,144	0	(18,182)	8,750

## 7. Capital Programme

### 7.1 General Investment Programme

7.2 The last quarterly report approved a General Fund Investment Programme for 2019/20 of £14,977,453. Movements in the programme during the second quarter have decreased overall planned expenditure in 2019/20 to £14,755,906. A summary of the overall changes to the programme is shown below:

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1	14,977	7,788	2,839	695	500
Budget changes for Executive approval at Q2	(222)	798	0	0	0
<b>Revised Budget</b>	<b>14,756</b>	<b>8,586</b>	<b>2,839</b>	<b>695</b>	<b>500</b>

7.3 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive.

The budget amendments approved by the Chief Finance Officer during the second quarter are detailed at Appendix I under the heading of "Approved by Chief Finance Officer".

- The Terrace Heat Mitigation Works - £246,547 re-profiled into 20/21.
- Flood alleviation scheme Hartsholme Park- £25,000 re-profiled back into 19/20 from 20/21.
- Planned capital works - allocation of £6,684 to the following existing schemes for additional expenditure requirements; £2,684 into Play Area Surfacing Improvements, £4,000 into Guildhall Electrical Works, £11,200 for the Birchwood Leisure Centre Roof.
- Planned capital works – allocation back into unallocated of £1,028 from the following completed schemes; £469 from Yarborough Leisure Centre Pipeworks, and £559 from Central Market Heating.

7.4 There are no changes that require Executive approval for quarter 2.

7.5 New projects agreed at Capital Programme Group are then subject to Executive Approval. The following projects have been initially agreed by the Chief Finance Officer during the second quarter. These are presented to the Executive for approval for inclusion within the Council's capital programme:-

- Planned capital work - allocation of £87,338 funded by borrowing into the following new schemes;
  - £20,000 for Broadgate Car Park asbestos removal & Dryrise Works,
  - £10,838 into City Hall Toilet Improvements,
  - £8,000 for Bridge works in West Common,
  - £10,000 for Michaelgate Structural Works,
  - £17,300 for Yarborough Leisure Centre Teaching Pool Pipeworks,
  - £10,000 for Hartsholme Park Drainage Improvements.

The following projects have been agreed by the Chief Finance Officer during the second quarter and have previously been approved at Executive.

- Boultham Park Lake Restoration Project of £994,247 subject to a successful National Lottery Heritage Fund bid of £658,700. Capital works of £576,034 is

expected to commence in 20/21 funded by a mixture of grant funding, S106 funding and external borrowing should grant funding opportunities be unsuccessful (Executive approval 28<sup>th</sup> August 2019)

- IT Infrastructure of £195,118, upgrade/replacement of existing servers and storage along with enhanced disaster recovery capability, funded from borrowing (Executive approval 23<sup>rd</sup> September 2019)

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

	<b>MTFS 2019-20 Budget following Qtr1 Report</b>	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Active Programme</b>				
Housing & Regeneration	389	389	389	0
Communities & Environment	4,070	4,095	4,095	0
Chief Executives Department	8,071	7,754	7,754	0
"Mega Projects"	1,602	1,602	1,602	0
<b>Total Active Schemes</b>	<b>14,132</b>	<b>13,840</b>	<b>13,840</b>	<b>0</b>
Schemes On Hold/Contingencies	845	916	916	0
<b>Total Capital Programme</b>	<b>14,977</b>	<b>14,756</b>	<b>14,756</b>	<b>0</b>

7.7 The overall spending on the General Fund Investment Programme for the second quarter is £8.57m, which is 58.09% of the 2019/20 programme and 61.93% of the active programme. This is detailed further at Appendix J.

## 7.8 Housing Investment Programme

7.9 The last quarterly report approved a Housing Investment Programme for 19/20 of £19,123,929. Movements in the programme since have increased overall planned expenditure in 2019/20 to £20,629,324. A summary of the changes are shown below:

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Revised budget following 2019/20 Qtr1 Report	19,124	21,563	15,772	12,595	10,348
Budget changes for Executive approval at Q2	1,505	2,144	1,649	3,271	475
<b>Revised Budget</b>	<b>20,629</b>	<b>23,707</b>	<b>17,421</b>	<b>15,866</b>	<b>10,823</b>

7.10 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive. Changes were approved by the Chief Finance Officer for the second quarter are shown in Appendix K and Ki summarised below:

- Within the new build programme 15 Property Acquisitions have been agreed under delegated authority utilising 1-4-1 receipts and borrowing totalling £1,849,046.
- The new build programme for 19/20 has been increased by £1,440,395 in order to finance the 70% match funding required to deliver 1-4-1 eligible spend, funded by borrowing.
- Re-phrasing-
  - £250,000 into 20/21 from the 19/20 door replacement programme,
  - £40,000 from 22/23 into the 19/20 HRA Asset programme,
  - £100,000 into 20/21 from the 19/20 Kitchen Improvements budget,
  - £55,000 into 20/21 and £55,000 into 21/22 from the 19/20 Replacement Door Entry Budget,
  - £40,000 into 22/23 from the 19/20 Communal TV aerials budget.
- Re-allocation of £70,000 from rewiring into communal electrics in 19/20

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

- Movements back to available resources from:
  - Over bath showers 19/20 £433,656,
  - Thermal Comfort Works 19/20 £129,297,
  - Rewiring 19/20 £130,000,
  - Wall structural repairs 19/20 £20,000
  - Decent Homes Decoration Allowances 19/20 £13,638
  - Canopy and Porches 19/20 £14,548
- Movements from available resources into
  - Hermit Street regeneration 19/20 £18,725.
  - Fire Alarms 19/20 £40,000

7.12 New projects agreed at Capital Programme Group are subject to Executive Approval. These are presented to the Executive for approval for inclusion within the Council's capital programme:-

The following projects have been agreed by the Chief Finance Officer during the second quarter and have previously been approved at Executive.

- Housing Delivery of £50,000 towards feasibility works at the Rookery Lane site from the unallocated new build programme, and £683,318 for the new build scheme at Markham house funded from 141 receipts and borrowing (Executive approval 28<sup>th</sup> August 2019).
- IT Infrastructure of £83,622, upgrade/replacement of existing servers and storage along with enhanced disaster recovery capability, funded from Housing Computer Fund (Executive approval 23<sup>rd</sup> September 2019)

7.13 The table below provides a summary of the 2019/20 projected outturn position:

	<b>MTFS 19/20 Budget following Qtr1 Report</b>	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Decent Homes/ Lincoln Standard	8,367	7,206	7,206	0
Health and Safety	440	370	370	0
Contingent Major Repairs/ Wor	2,216	2,809	2,809	0
New Build Programme	6,161	8,126	8,126	0
Land Acquisition Fund	95	95	95	0
Other Schemes	1,735	1,824	1,824	0
Computer Fund	199	199	199	0
<b>Total Capital Programme</b>	<b>19,124</b>	<b>20,629</b>	<b>20,629</b>	<b>0</b>

7.14 Expenditure against the HIP budget during the first 2 quarters was £4.83m, which is 23.16% of the programme. The expenditure is detailed further at Appendix L.

Although this would appear to be low at this stage of the financial year, the following points should be taken into consideration:-

- An element of the programme in 2019/20 is the De Wint new build scheme and Markham House, construction of which is yet to commence.
- 11 property acquisitions are yet to complete.

## 8. Resource Implications

- 8.1 The financial implications are contained throughout the report.
- 8.2 There are no legal implications arising from this report.
- 8.3 There are no equality and diversity implications as a direct result of this report.

**9.0 Risk Implications**

- 9.1 A full financial risk assessment is included in the Medium Financial Strategy 2019-24.

**10. Recommendations**

Members are recommended to:

- 10.1 Note the progress on the financial performance for the period 1<sup>st</sup> April to 30<sup>th</sup> September 2019 and the projected outturns for 2019/20.
- 10.2 Assess the underlying impact of the pressures and underspends identified in paragraphs 3.2 (and appendix B), 4.2 (and appendix D), and 5.2 (and appendix F).
- 10.3 Review the changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.4, 7.5, 7.11 and 7.12.
- 10.4 Review the proposed contributions to and from reserves in paragraph 3.5

Key Decision	No
Key Decision Reference No.	N/A
Do the Exempt Information Categories Apply	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain Appendices?	Yes

List of Background Papers: Medium Term Financial Strategy 2019-24

Lead Officer: Collen Warren, Financial Services Manager  
Telephone 873361

**GENERAL FUND SUMMARY - AS AT 30 SEPTEMBER 2019**

<b>Service Area</b>	<b>Ref</b>	<b>Revised Budget £'000</b>	<b>Projected Outturn £'000</b>	<b>Variance £'000</b>
Strategic Development	A	1,837	1,884	47
Chief Finance Officer (S. 151)	B	(551)	(289)	262
City Solicitor	C	1,517	1,550	33
Housing	D	558	712	153
Director of Major Developments	E	455	455	0
Communities and Street Scene	F	2,192	2,278	86
Health & Environmental Services	G	2,374	2,309	(65)
Planning	H	821	767	(53)
		<b>9,203</b>	<b>9,667</b>	<b>464</b>
Corporate Expenditure	I	1,756	1,745	(11)
<b>TOTAL SERVICE EXPENDITURE</b>		<b>10,959</b>	<b>11,412</b>	<b>453</b>
Capital Accounting Adjustment	J	3,571	3,516	(55)
Specific Grants	K	(778)	(721)	58
Contingencies	L	158	(8)	(166)
Savings Targets	M	(202)	(183)	18
Earmarked Reserves	N	(738)	(960)	(221)
Insurance Reserve	O	131	131	0
<b>TOTAL EXPENDITURE</b>		<b>13,101</b>	<b>13,187</b>	<b>87</b>
<b>CONTRIBUTION FROM BALANCES</b>		<b>554</b>	<b>468</b>	<b>(87)</b>
<b>NET REQUIREMENT</b>		<b>13,655</b>	<b>13,655</b>	<b>0</b>
Retained Business Rates Income	P	5,366	5,366	0
Collection Fund surplus/ (deficit)	Q	1,546	1,546	0
Revenue Support Grant	R	22	22	0
Council Tax	S	6,679	6,679	0
Council Tax Surplus	S	42	42	0
<b>TOTAL RESOURCES</b>		<b>13,655</b>	<b>13,655</b>	<b>0</b>

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

## General Fund Forecast Variances - Quarter 2

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an under spend of expenditure or additional income.

Ref	£	Reason for variance
<b><u>Additional Expenditure</u></b>		
F	92,000	Car Parking Additional NNDR charges following assessment by the Valuation office
F	50,000	Car Parking Overspend on specialist equipment
A	43,020	IT Management Consultancy support for IT Strategy development
B	28,150	City Square & Cornhill Markets Business Rates on unoccupied Kiosk (awaiting demolition)
B	45,901	Banking Increased transactional costs due to increased fees and volumes.
<b><u>Reduced Income</u></b>		
B	368,000	Housing Benefits Expected reduction in the level of Housing Benefits Overpayments raised compared to the budgeted amount £500k, offset by a contribution from reserves of £132K.
G	74,260	HIMO HIMO Licensable premises applications have not been as forecast in the business case in year (now expected in future years).
C	42,440	CX Workbased Learning & CoLC Apprentices Net overspend after loss of contractual income less staff vacancies and savings on the apprentice levy payable.
I	57,000	Specific Grants Government grant announced and budgeted for in 19/20, however was received in 18/19 and not carried forward.
<b><u>Reduced Expenditure</u></b>		
H	(42,710)	Development Management Vacancy savings
B	(52,920)	Revs & Bens Shared Services Staffing savings and additional New Burdens Grant
F	(15,000)	Car Parking Saving on utilities.



<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
G	Housing Regeneration	(38,170)	Vacancy savings and use of DFG admin fee to finance staffing costs incurred.
A	Business Development and IT	(31,320)	Vacancy Savings
A	Systems and Information	(27,220)	Vacancy Savings
B	City Hall	(25,950)	Gas & Electricity underspends/efficiencies
B	CX Business Management	(30,515)	Vacancy Savings
C	Democratic Support	(26,050)	Vacancy Savings
L	External Interest	(200,000)	Contingency for additional borrowing costs not required.
L	Vacancy Savings	(71,775)	1% vacancy savings target assumed, offset by actual vacancies achieved.
	<b><u>Additional Income</u></b>		
F	Car Parking Income	(119,000)	Additional car parking income.
G	Crematorium	(125,990)	Over achievement of income due to increased number of Cremations.
B	Interest Receivable	(27,280)	Additional interest received due to increased average cash balances
B	City Hall	(41,390)	Income budgets not reflective of current lease arrangements.

## HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 SEPTEMBER 2019

	Ref	Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(28,221)	(28,219)	1
Charges for Services & Facilities	B	(322)	(291)	30
Contribs towards Expenditure	C	(50)	(63)	(13)
Repairs & Maintenance	D	8,660	8,894	234
Supervision & Management:	E	7,072	6,849	(224)
Rents, Rates and Other Premises	F	95	162	67
Increase in Bad Debt Provisions	G	288	288	0
Insurance Claims Contingency	H	339	339	0
Contingencies	I	(104)	(0)	(104)
Depreciation	J	6,262	6,590	328
Debt Management Expenses	K	12	12	0
HRS Trading (Surplus) / Deficit	L	0	(200)	(200)
<b>Net Cost of Service</b>	<b>M</b>	<b>(5,968)</b>	<b>(5,641)</b>	<b>327</b>
Loan Charges Interest	N	2,352	2,425	73
Investment/Mortgage Interest	O	(37)	(48)	(8)
<b>Net Operating Inc/Exp</b>		<b>(3,653)</b>	<b>(3,261)</b>	<b>392</b>
Major Repairs Reserve Adjustment	P	4,172	3,780	(392)
Transfers to/from reserves	Q	(572)	(572)	0
<b>(Surplus)/Deficit in Year</b>		<b>(52)</b>	<b>(52)</b>	<b>(0)</b>

### Housing Revenue Account Variances - Quarter 2

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

Ref		£	Reason for variance
<b><u>Reduced Expenditure</u></b>			
E	Staff vacancies	(202,000)	Supervision & Management vacancies & General Savings.
<b><u>Reduced Income</u></b>			
B	Charges for Services & Facilities	31,000	Lifeline Alarms income moved from the HRA to General Fund Control Centre
<b><u>Increased Expenditure</u></b>			
G	Council Tax	67,000	Council Tax on Voids & De-Wint Court @ 150%
K	Depreciation	328,000	Revaluation of Dwellings
P	Loan Charges Interest	73,000	Increased Interest on borrowings due to asset acquisition programme
<b><u>Increased Income</u></b>			
L	HRS Trading Surplus	(200,000)	Forecast HRS Repatriation
T	Major Repairs Reserve	(392,000)	DRF Contribution Reduced re Revaluations of Dwelling

## HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 SEPTEMBER 2019

	Forecast Outturn		
	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	2,928	2,973	46
Premises	40	43	3
Transport	501	421	(80)
Materials	1,356	1,188	(168)
Sub-Contractors	2,273	1,888	(385)
Supplies & Services	134	191	57
Central Support Charges	320	320	0
Capital Charges	0	0	0
<b>Total Expenditure</b>	<b>7,552</b>	<b>7,025</b>	<b>(527)</b>
Income	(7,552)	(7,225)	327
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>(200)</b>	<b>(200)</b>

## Housing Repairs Service Variances - Quarter 2

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

	£	Reason for Variance
<b><u>Reduced Spending</u></b>		
Sub-Contractors	(385,304)	Continual reduction of sub-contractor works. Plus in year reduction with Meddo.
Materials	(167,869)	Continual reduction of sub-contractor works. Plus in year reduction with Meddo.
<b><u>Reduced Income</u></b>		
Income (Billing)	326,557	Continual reduction of sub-contractor works. Plus in year reduction with Meddo has resulted in lower forecast billing in year to the HRA.

**EARMARKED RESERVES – Q2 MONITORING 2019/20**

	<b>Opening Balance 01/04/2019 £'000</b>	<b>Contributions £'000</b>	<b>Actuals Q2 £'000</b>	<b>Forecast Q3-Q4 £'000</b>	<b>Forecast Balance 31/03/2020 £'000</b>
<b>General Fund</b>					
Grants & Contributions	1,465	(77)	(429)	(9)	950
Business Rates Volatility	1,456	745	0	0	2,201
Strategic Projects - Revenue					
Costs	303	0	(169)	0	135
Mercury Abatement	414	(42)	0	0	371
Budget Carry Forwards	172	0	(24)	(58)	90
Invest to Save (GF)	427	32	(5)	(81)	373
Unused DRF	203	(133)	0	55	125
Backdated rent review	220	0	(50)	0	170
IT Reserve	0	65	0	0	65
Revenues & Benefits shared					
service	163	(30)	(133)	0	0
Tree Risk Assessment	108	20	0	(15)	113
Strategic Growth Reserve	14	0	0	0	14
Asset Improvement	55	0	(32)	(14)	9
Private Sector Stock Condition					
Survey	45	(48)	48	0	45
Mayoral car	47	0	0	0	47
Property Searches	4	0	0	0	4
City Hall Sinking Fund	60	0	0	0	60
Managed Workspace	0	0	0	0	0
Section 106 interest	32	0	0	0	32
Funding for Strategic Priorities	1,219	(310)	(316)	(23)	570
Commons Parking	25	0	0	7	32
Electric Van replacement	11	4	0	0	15
Air Quality Initiatives	10	5	0	0	15
Christmas Decorations	14	0	0	3	17
Boston Audit Contract	14	0	0	0	14
Tank Memorial	10	0	0	0	10
Organisational Development	85	(76)	(9)	0	0
Crematorium Income	100	0	(100)	0	0
Yarborough Leisure Centre	2	0	0	0	2
WGC Planning	0	0	150	0	150
Birchwood Leisure Centre	0	0	0	26	26
	<b>6,674</b>	<b>156</b>	<b>(1,070)</b>	<b>(106)</b>	<b>5,654</b>
HRA Repairs Account	579	0	0	0	579
Capital Fees Equalisation					
Reserve	182	0	0	(41)	140
HRA Strategic Priority Reserve	240	0	0	(64)	176
Invest to Save (HRA)	140	0	0	0	140
Western Growth Corridor	25	0	0	0	25
De Wint Court Reserve	73	0	0	0	73
HRA Survey Works	60	0	0	(6)	54
Stock Retention Strategy	22	0	0	0	22
	<b>1,321</b>	<b>0</b>	<b>0</b>	<b>(112)</b>	<b>1,209</b>
<b>Total Earmarked Reserves</b>	<b>7,995</b>	<b>156</b>	<b>(1,070)</b>	<b>(218)</b>	<b>6,863</b>

**CAPITAL RESOURCES – Q2 MONITORING 2019/20**

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/2020
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	564	3,670	(4,137)	80
Capital receipts General Fund	1,166	1,650	(742)	2,074
Capital receipts HRA	0	845	(233)	792
Capital receipts 1-4-1	3,496	0	(1,261)	2,184
Major Repairs Reserve	5,675	6,589	(9,246)	2,956
HRA DRF	0	3,780	(3,301)	664
<b>Total Capital Resources</b>	<b>10,901</b>	<b>16,534</b>	<b>(18,920)</b>	<b>8,515</b>

As the contributions for 1:4:1 receipts depend upon levels of RTB sales no budget is set for these receipts. As shown above the amount of 1:4:1 receipts which require spend on eligible developments creating new social housing units is £1.26m, to avoid repayment to MHCLG. The amount shown above represents 30% of eligible spend (therefore £2.94m of funding is required to support eligible spend). At quarter 2 there was £1.83m of 1:4:1 eligible spend. To avoid repayment of 1:4:1 receipts a further £2.38m of eligible spend will be required before 31 March 2020 of which £0.71m may be funded through 1:4:1 receipts. Currently the HIP does not include firm schemes to facilitate this although officers are working on schemes to ameliorate this.

**General Investment Programme – Summary of Financial Changes**

<b>Project Name</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Notes</b>
	£'000	£'000	£'000	£'000	£'000	
<b>2019/20 MTFS Budget as at Q1</b>	14,977	7,788	2,839	695	500	
<b>Budget for approval</b>	14,756	8,586	2,839	695	500	
<b>Total changes for Q2</b>	<b>(221)</b>	<b>798</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Approved by Chief Finance Officer</b>						
	£	£	£	£	£	
The Terrace Heat Mitigation Works	(246,547)	246,547	0	0	0	Re-profile to 2020/21
Flood alleviation scheme - Hartsholme Park	25,000	(25,000)	0	0	0	Re-profile to 2019/20
Planned Capitalised Works	(92,994)					Re-profile to below schemes
Play Area Surfacing Works	2,684					Re-profiled from planned works
Broadgate Carpark asbestos removal & Dryriser	20,000					Re-profiled from planned works
City Hall Toilets	10,838					Re-profiled from planned works
Guildhall Electrical Works	4,000					Re-profiled from planned works
BLC Roof	11,200					Re-profiled from planned works
Bridge in West Common	8,000					Re-profiled from planned works
40 Michaelgate Structural works	10,000					Re-profiled from planned works
YLC Teaching Pool Pipework	17,300					Re-profiled from planned works



Appendix I

Hartsholme Park Drainage Improvements	10,000					Re-profiled from planned works
YLC Pipework/Water Quality	(469)					Re-profiled from planned works
Central Market Heating	(559)					Re-profiled from planned works
<b>Approved by Executive</b>						
IT Reserve (Part of Infrastructure Upgrade approved Exec 23/9/19)	(195,118)	0	0	0	0	Re-profiled into IT reserve
Infrastructure Upgrade (Part of Infrastructure Upgrade approved Exec 23/9/19)	195,118					New Scheme
Boultham Park Lake (Execs 28/8/19)		576,034				New Scheme
	<b>(221,547)</b>	<b>797,581</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**General Investment Programme – Summary of Expenditure as at 30<sup>th</sup> September 2019**

Scheme	2019/20 MTFS Budget as at Qtr1 Report	Budget to be Approved	Actuals as at Q2	Variance	Spend	
	£	£	£	£	%	
<b>ACTIVE SCHEMES</b>						
<b>DCE - Communities &amp; Environment</b>						
Skate Park	0	0	0	0	0.00%	Budget in 20/21
Compulsory Purchase Orders	234,954	234,954	0	234,954	0.00%	
Disabled Facilities Grant	1,218,568	1,218,568	108,272	1,110,296	8.89%	
Transformation of Birchwood Leisure Centre	30,000	30,000	0	30,000	0.00%	
Artificial Grass Pitches (AGP)	1,856,964	1,856,964	1,648,263	208,701	88.76%	
New Software- Crem	20000	20000	8,625	11,375	43.13%	
	<b>3,360,486</b>	<b>3,360,486</b>	<b>1,765,160</b>	<b>1,595,326</b>		
<b>DCE - Community Services</b>						
Flood alleviation scheme - Hartsholme Park	3,130	28,130	13,880	14,250	49.34%	Moved back £25k from 20/21
Boultham Park Masterplan	84,460	84,460	34,760	49,700	41.16%	
Boultham Park Lake	0	0	0	0	0.00%	Budget in 20/21
CCTV Upgrade	0	0	0	0	0.00%	
Allotment Capital Improvement Programme	102,158	102,158	30,206	71,952	29.57%	
Car Park Improvements - ticket machines	120,000	120,000	97,721	22,279	81.43%	
Car Park Improvements - CCTV in MSCPs	100,000	100,000	0	100,000	0.00%	
	<b>409,748</b>	<b>434,748</b>	<b>176,567</b>	<b>258,181</b>		

<b>General Fund Housing</b>						
Housing Renewal Area Unallocated	388,877	388,877	0	388,877	0.00%	
	388,877	388,877	0	388,877		
<b>Major Developments</b>						
Lincoln Transport HUB	0	0	(123,361)	123,361	0.00%	
Central Markets	300,000	300,000	5,071	294,929	1.69%	
Western Growth Corridor (Phase 1 Development exc land app)	1,601,700	1,601,700	0	1,601,700	0.00%	
	<b>1,901,700</b>	<b>1,901,700</b>	<b>(118,290)</b>	<b>2,019,990</b>		
<b>Chief Executives Department - Corporate Policy</b>						
New Telephony System	40,165	40,165	0	40,165	0.00%	
New Website	49,200	49,200	36,760	12,440	74.72%	
Infrastructure Upgrade	0	195,118	0	195,118	0.00%	
	89,365	284,483	36,760	247,723		
<b>Chief Executives - Chief Finance Officer</b>						
Planned Capitalised Works	112,312	19,318	0	19,318	0.00%	
Allotments Asbestos Sheds	33,795	33,795	0	33,795	0.00%	Moved into 19/20
City Hall Improvements	13,788	13,788	2,220	11,568	16.10%	
Guildhall Works	17,630	17,630	0	17,630	0.00%	
Stamp End Demolition	5,238	5,238	0	5,238	0.00%	
Fire Stopping Works	0	0	(12,544)	12,544	0.00%	
Grandstand CC Stairs Improvements	2,119	2,119	0	2,119	0.00%	
Greyfriars Roof Improvements	5,000	5,000	0	5,000	0.00%	
City Hall 3rd Floor Fire Works	5,001	5,001	0	5,001	0.00%	
YLC Pipework/Water Quality	469	0	0	0	0.00%	
High Bridge Cafe Improvements	5,117	5,117	0	5,117	0.00%	

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Guildhall	11,000	15,000	0	15,000	0.00%	
Play Area Surfacing Works	20,175	22,859	22,859	0	100.00%	
Long Leys Road Drainage	10,438	10,438	0	10,438	0.00%	
High Bridge Canopy's	0	0	0	0	0.00%	
Broadgate Distribution Board/Emergency Lighting	10,487	10,487	4,824	5,663	46.00%	
Lucy Tower Lifts	4,215	4,215	0	4,215	0.00%	
YLC Diving Boards	42,550	42,550	0	42,550	0.00%	
Hartsholme Country Park Play Area Imps	2,018	2,018	2,018	0	100.00%	
Boultham Tennis Court Fencing Improvements	16,234	16,234	0	16,234	0.00%	
BLC Roof	120,354	131,554	0	131,554	0.00%	
City Hall Toilets	0	10,838	1,403	9,435	12.95%	
42 Michaelgate Boundary Wall	5,140	5,140	5,140	0	100.00%	
Central Market Heating	16,000	15,441	10,000	5,441	64.76%	
YLC Fire Escape Stairs	8,750	8,750	8,750	0	100.00%	
Hartsholme Fire Escape Stairs	3,850	3,850	0	3,850	0.00%	
Temple Gardens Roman Wall	4,000	4,000	0	4,000	0.00%	
Broadgate Carpark asbestos removal & Dryriser		20,000	0	20,000	0.00%	
Bridge in West Common	0	8,000	0	8,000	0.00%	
40 Michaelgate Structural works	0	10,000	0	10,000	0.00%	
YLC Teaching Pool Pipework	0	17,300	0	17,300	0.00%	
Hartsholme Park Drainage Improvements	0	10,000	0	10,000	0.00%	
Land and Property Acquisition	361,743	96,063	(165,287)	261,350	-172.06%	
The Terrace	0	0	(2,712)	2,712	0.00%	
The Terrace Heat Mitigation Works	246,547	0	0	0	0.00%	Moved into 20/21
Deacon Road	6,897,950	6,897,950	6,834,632	63,318	99.08%	
	<b>7,981,920</b>	<b>7,469,693</b>	<b>6,711,303</b>	<b>758,390</b>		
<b>TOTAL BUDGET FOR ACTIVE SCHEMES</b>	<b>14,132,096</b>	<b>13,839,987</b>	<b>8,571,500</b>	<b>5,268,487</b>		

<b>Schemes Currently Under Review</b>						
Capital Contingencies	845,357	845,357	0	845,357	0.00%	
IT Reserve	0	70,562	0	70,562	0.00%	
<b>TOTAL BUDGET FOR SCHEMES UNDER REVIEW</b>	<b>845,357</b>	<b>915,919</b>	<b>0</b>	<b>915,919</b>		
<b>TOTAL GENERAL INVESTMENT PROGRAMME</b>	<b>14,977,453</b>	<b>14,755,906</b>	<b>8,571,500</b>	<b>6,184,406</b>		

## Housing Investment Programme – New Build/Acquisitions Programme– Summary of Financial Changes

Appendix Ki

Project Name	2019/20 MTFS Budget as at Qtr1 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile (to) from future years	Notes
New Build Programme	532,839	142,740	675,579		Increased budget for 70% requirement on housing programme
New Build Programme (141 eligible)	830,684	(759,709)	70,975		Budget reallocated to approved schemes
New Build Partnership - Westleigh	10,000	0	10,000		
New Build Site - Searby Road	62,497	0	62,497		
New Build Site - Rookery Lane	28,237	50,000	78,237		Feasibility works from unallocated new build programme
New Build Capital Salaries	38,760	0	38,760		
New Build- De Wint Court	2,568,250	0	2,568,250		
New Build - Markham House	0	683,318	683,318		New Scheme 70% New Build, 30% 141 New Build
Western Growth Corridor	691,985	0	691,985		
Buyback - 91 Holly Street	126,250	0	126,250		
Buyback - 41 Coleridge Gardens	138,950	0	138,950		
Buyback - 117 Swift Gardens	136,100	0	136,100		
Buyback - 318 Newark Road	95,590	0	95,590		
Buyback - 14 Wellingore Road	139,900	0	139,900		
Acquisition - 8 Woodburn Close	133,700	0	133,700		
Acquisition - 114 Camwood Cres	104,400	0	104,400		
Acquisition - 42 Cydonia Approach		133,640	133,640		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 12 Bardney Close		181,600	181,600		New Scheme 70% New Build, 30% 141 eligible

## Appendix Ki

Acquisition - 5 Frank Swaby Court		79,830	79,830		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 7 Baywood Close		127,300	127,300		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 62 Little Bargate Street		81,360	81,360		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 54 De Wint Avenue		151,400	151,400		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 14 Scawby Crescent		148,800	148,800		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 280 Laughton Way Nth		124,212	124,212		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 109 St Botolphs		68,060	68,060		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 31 Bourne Close		169,295	169,295		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 29 Welbourn Gardens		145,220	145,220		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 23 Lake View Road		121,620	121,620		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 2 Aylsby Close		149,860	149,860		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 77 Lamb Gardens		137,870	137,870		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 16 Wellingore Avenue		158,800	158,800		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 8 Allenby Close		158,700	158,700		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 6 Trent View		60,552	60,552		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 39 Hermit Street		89,787	89,787		New Scheme 70% New Build, 30% 141 eligible
Acquisition - 4 Honington Approach		83,510	83,510		New Scheme 70% New Build, 30% 141 eligible
Buyback - Offers accepted	522,370	(522,370)	0		Allocation into above schemes
<b>New Build Programme</b>	<b>6,160,512</b>	<b>1,965,395</b>	<b>8,125,907</b>		
<b>Land Acquisition</b>					
Land Acquisition Fund	94,689	0	94,689		
<b>Land Acquisition</b>	<b>94,689</b>	<b>0</b>	<b>94,689</b>		
<b>Total Housing Strategy &amp; Investment</b>	<b>6,255,201</b>	<b>1,965,395</b>	<b>8,220,596</b>		

**Housing Investment Programme – Decent Homes– Summary of Financial Changes**

Project Name	2019/20 MTFS Budget as at Qtr1 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile (to) from future years	Notes
	£	£	£	£	
<b><u>Decent Homes</u></b>					
Bathrooms & WC's	518,772		518,772		
DH Central Heating Upgrades	1,470,470	0	1,470,470		
Thermal Comfort Works	279,297	(129,297)	150,000		Reallocated to unallocated resources
Kitchen Improvements	758,680	(100,000)	658,680	(100,000)	Re-profiled to 20/21
Rewiring	220,826	(200,000)	20,826		£130k Unallocated, £70k communal electrics
Re-roofing	695,501	0	695,501		
Lincoln Standard Windows Replacement	841,120	0	841,120		
Structural Defects	54,397	0	54,397		
Wall Structure Repairs	20,000	(20,000)	0		Budget now contained within structural defects
Door Replacement	1,155,682	(250,000)	905,682	(250,000)	Slippage re-profile into 20/21
Decent Homes Decoration Allowance	13,638	(13,638)	0		Budget now contained within revenue
Canopy & Porches	14,548	(14,548)	0		Budget now contained within Re-roofing
New services	56,828	0	56,828		



Appendix Kii

Void Capitalised Works	,308,455	0	1,308,455		
<b>Decent Homes</b>	<b>7,408,214</b>	<b>(727,483)</b>	<b>6,680,731</b>		

<b>Lincoln Standard</b>					
Over bath showers (10 year programme)	933,656	(433,656)	500,000		Reallocated to unallocated resources
Safety flooring - Supported Housing	25,342	0	25,342		
<b>Lincoln Standard</b>	<b>958,998</b>	<b>(433,656)</b>	<b>525,342</b>		
<b>Health &amp; Safety</b>					
Asbestos Removal	151,407	0	151,407		
Asbestos Surveys	145,479	0	145,479		
Replacement Door Entry Systems	120,060	(110,000)	10,060	(110,000)	Re-profile £55k 20/21, £55k 21/22
Renew stair structure	23,550	0	23,550		
Fire Alarms	0	40,000	40,000		From unallocated to fund communal works
<b>Health &amp; Safety</b>	<b>440,496</b>	<b>(70,000)</b>	<b>370,496</b>		
<b>Other</b>					
Environmental new works	250,000	0	250,000		
Landscaping and Boundaries	464,215	0	464,215		
2 Gunby Avenue	56,928	0	56,928		
Communal Hardstanding Areas	596,878	0	596,878		
Communal Electrics	79,559	70,000	149,559		Reallocated from rewiring budget
Garages	109,796	0	109,796		
HRA Assets - Shops/Buildings	69,319	40,000	109,319	40,000	Re-profiled from 22/23. Requirement in year
Hermit Street Regeneration	0	18,725	18,725		Reallocation from unallocated resources in year
Communal TV Aerials	42,919	(40,000)	2,919	(40,000)	Re-profiled to 22/23
<b>Other</b>	<b>1,669,614</b>	<b>88,725</b>	<b>1,758,339</b>		

## Appendix Kii

<b>Contingency Schemes</b>					
Contingency Reserve	2,126,377	682,414	2,808,791		Reallocation within year to free up resources to fund pressures
<b>Contingency Schemes</b>	<b>2,126,377</b>	<b>682,414</b>	<b>2,808,791</b>		
<b>Other Schemes</b>					
Housing Support Services Computer Fund	199,362	(83,622)	115,740		Allocation towards Infrastructure upgrade
Infrastructure Upgrade	0	83,622	83,622		Allocation from Housing Support Services Computer Fund
Operation Rose	65,667	0	65,667		
<b>Other Schemes</b>	<b>265,029</b>	<b>0</b>	<b>265,029</b>		
		0			
<b>Total Housing Strategy &amp; Investment</b>	<b>2,868,728</b>	<b>(460,000)</b>	<b>12,408,728</b>		

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<b>Housing Investment Programme – Summary of Expenditure as at 30<sup>th</sup> September 2019</b>						
Project Name	2019/20 MTFS Budget as at Qtr1 Report	Budget to be Approved	Budget Change	Actuals as at Q2	Variance	Spend
	£	£	£	£	£	%
Decent Homes						
Bathrooms & WC's	518,772	518,772	0	1,313	(517,460)	0.25%
DH Central Heating Upgrades	1,470,470	1,470,470	0	603,331	(867,139)	41.03%
Thermal Comfort Works	279,297	150,000	(129,297)	72,397	(77,603)	48.26%
Kitchen Improvements	758,680	658,680	(100,000)	37	(658,643)	0.01%
Rewiring	220,826	20,826	(200,000)	2,111	(18,715)	10.14%
Re-roofing	695,501	695,501	0	235,101	(460,400)	33.80%
Lincoln Standard Windows Replacement	841,120	841,120	0	210,389	(630,731)	25.01%
Structural Defects	54,397	54,397	0	596	(53,801)	1.09%

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Wall Structure Repairs	20,000	0	(20,000)	0	0	0.00%
Door Replacement	1,155,682	905,682	(250,000)	308,632	(597,050)	34.08%
Decent Homes Decoration Allowance	13,638	0	(13,638)	12,550	12,550	0.00%
Canopy & Porches	14,548	0	(14,548)	0	0	0.00%
New services	56,828	56,828	0	0	(56,828)	0.00%
Void Capitalised Works	1,308,455	1,308,455	0	617,513	(690,942)	47.19%
Prelim Costs & Exceptionals to be allocated			0	116,097	116,097	0.00%
<b>Decent Homes</b>	<b>7,408,214</b>	<b>6,680,731</b>	<b>(727,483)</b>	<b>2,180,066</b>	<b>(4,500,665)</b>	
Lincoln Standard						
Over bath showers (10 year programme)	933,656	500,000	(433,656)	19,363	(480,637)	3.87%
Safety flooring - Supported Housing	25,342	25,342	0	15,172	(10,170)	59.87%
<b>Lincoln Standard</b>	<b>958,998</b>	<b>525,342</b>	<b>(433,656)</b>	<b>34,536</b>	<b>(490,806)</b>	
Health & Safety						
Asbestos Removal	151,407	151,407	0	60,477	(90,930)	39.94%
Asbestos Surveys	145,479	145,479	0	71,947	(73,532)	49.46%
Replacement Door Entry Systems	120,060	10,060	(110,000)	1,212	(8,848)	12.05%
Renew stair structure	23,550	23,550	0	0	(23,550)	0.00%
Fire Alarms	0	40,000	40,000	0	(40,000)	0.00%
<b>Health &amp; Safety</b>	<b>440,496</b>	<b>370,496</b>	<b>(70,000)</b>	<b>133,636</b>	<b>(236,860)</b>	
Other						
Environmental new works	250,000	250,000	0	115,622	(134,378)	46.25%
Landscaping and Boundaries	464,215	464,215	0	93,298	(370,917)	20.10%
2 Gunby Avenue	56,928	56,928	0	53,595	(3,333)	94.15%
Communal Hardstanding Areas	596,878	596,878	0	88,301	(508,577)	14.79%
Communal Electrics	79,559	149,559	70,000	65,177	(84,382)	43.58%

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Garages	109,796	109,796	0	0	(109,796)	0.00%
HRA Assets - Shops/Buildings	69,319	109,319	40,000	0	(109,319)	0.00%
Hermit Street Regeneration	0	18,725	18,725	0	(18,725)	0.00%
Communal TV Aerials	42,919	2,919	(40,000)	0	(2,919)	0.00%
<b>Other</b>	<b>1,669,614</b>	<b>1,758,339</b>	<b>88,725</b>	<b>415,993</b>	<b>(1,342,346)</b>	<b>23.66%</b>
Contingency Schemes						
Contingency Reserve	2,126,377	2,808,791	682,414	0	(2,808,791)	0.00%
<b>Contingency Schemes</b>	<b>2,126,377</b>	<b>2,808,791</b>	<b>682,414</b>	<b>0</b>	<b>(2,808,791)</b>	
Other Schemes						
Housing Support Services Computer Fund	199,362	115,740	(83,622)	86,682	(29,058)	74.89%
Infrastructure Upgrade		83,622	83,622	0	(83,622)	0.00%
Operation Rose	65,667	65,667	0	25,000	(40,667)	38.07%
<b>Other Schemes</b>	<b>265,029</b>	<b>265,029</b>	<b>0</b>	<b>111,682</b>	<b>(153,347)</b>	
<b>Total Housing Strategy &amp; Investment</b>	<b>12,868,728</b>	<b>12,408,728</b>	<b>(460,000)</b>	<b>2,875,913</b>	<b>(9,532,815)</b>	<b>23.18%</b>
New Build Programme						
New Build Programme	532,839	675,579	142,740	0	(675,579)	0.00%
New Build Programme (141 eligible)	830,684	70,975	(759,709)	0	(70,975)	0.00%
New Build Partnership - Waterloo Housing	0	0	0	0	0	0.00%
New Build Partnership - Westleigh	10,000	10,000	0	10,000	0	100.00%
New Build Partnership - Lytton Street	0	0	0	0	0	0.00%
New Build Site - Searby Road	62,497	62,497	0	0	(62,497)	0.00%
New Build Site - Allotment Site	0	0	0	0	0	0.00%
New Build Site - Rookery Lane	28,237	78,237	50,000	0	(78,237)	0.00%
Blankney Crescent New Build Scheme			0	20	20	0.00%
New Build Site - Queen Elizabeth Road	0	0	0	58,501	58,501	0.00%

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Ingleby Crescent New Build Scheme	0	0	0	0	(0)	0.00%
Land Acquisition - 93 Rookery Lane	0	0	0	0	0	0.00%
New Build Capital Salaries	38,760	38,760	0	0	(38,760)	0.00%
New Build- De Wint Court	2,568,250	2,568,250	0	68,000	(2,500,250)	2.65%
New Build- Westwick	0	0	0	0	0	0.00%
Buyback - Turner	0	0	0	20	20	0.00%
Buyback - Williamson	0	0	0	95	95	0.00%
Buyback - Naval Court	0	0	0	0	0	0.00%
New Build - Trelawney Crescent	0	0	0	0	0	0.00%
New Build - Markham House	0	683,318	683,318	0	(683,318)	0.00%
Western Growth Corridor	691,985	691,985	0	0	(691,985)	0.00%
Buyback - 91 Holly Street	126,250	126,250	0	115,845	(10,405)	91.76%
Buyback - 41 Coleridge Gardens	138,950	138,950	0	132,852	(6,098)	95.61%
Buyback - 117 Swift Gardens	136,100	136,100	0	122,554	(13,546)	90.05%
Buyback - 318 Newark Road	95,590	95,590	0	93,697	(1,893)	98.02%
Buyback - 14 Wellingore Road	139,900	139,900	0	132,215	(7,685)	94.51%
Acquisition - 8 Woodburn Close	133,700	133,700	0	131,842	(1,858)	98.61%
Acquisition - 114 Camwood Crescent	104,400	104,400	0	94,598	(9,802)	90.61%
Acquisition - 42 Cydonia Approach		133,640	133,640	123,493	(10,147)	92.41%
Acquisition - 12 Bardney Close		181,600	181,600	178,048	(3,552)	98.04%
Acquisition - 5 Frank Swaby Court		79,830	79,830	75,011	(4,819)	93.96%
Acquisition - 7 Baywood Close		127,300	127,300	115,161	(12,139)	90.46%
Acquisition - 62 Little Bargate Street		81,360	81,360	76,021	(5,339)	93.44%
Acquisition - 54 De Wint Avenue		151,400	151,400	146,453	(4,947)	96.73%
Acquisition - 14 Scawby Crescent		148,800	148,800	135,861	(12,939)	91.30%
Acquisition - 280 Laughton Way North		124,212	124,212	118,251	(5,961)	95.20%
Acquisition - 109 St Botolphs		68,060	68,060	0	(68,060)	0.00%
Acquisition - 31 Bourne Close		169,295	169,295	111	(169,184)	0.07%

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Acquisition - 29 Welbourn Gardens		145,220	145,220	111	(145,109)	0.08%
Acquisition - 23 Lake View Road		121,620	121,620	0	(121,620)	0.00%
Acquisition - 2 Aylsby Close		149,860	149,860	0	(149,860)	0.00%
Acquisition - 77 Lamb Gardens		137,870	137,870	111	(137,759)	0.08%
Acquisition - 16 Wellingore Avenue		158,800	158,800	1,250	(157,550)	0.79%
Acquisition - 8 Allenby Close		158,700	158,700	0	(158,700)	0.00%
Acquisition - 6 Trent View		60,552	60,552	0	(60,552)	0.00%
Acquisition - 39 Hermit Street		89,787	89,787	0	(89,787)	0.00%
Acquisition - 4 Honington Approach		83,510	83,510	0	(83,510)	0.00%
Buyback - Offers accepted still in legal	522,370	0	(522,370)	0	0	0.00%
<b>New Build Programme</b>	<b>6,160,512</b>	<b>8,125,907</b>	<b>1,965,395</b>	<b>1,930,121</b>	<b>(6,195,786)</b>	
Land Acquisition						
Land Acquisition Fund	94,689	94,689	0	0	(94,689)	0.00%
Lillicrap Court	0	0	0	19,695	19,695	0.00%
<b>Land Acquisition</b>	<b>94,689</b>	<b>94,689</b>	<b>0</b>	<b>19,695</b>	<b>(74,994)</b>	
<b>Total Housing Strategy &amp; Investment</b>	<b>6,255,201</b>	<b>8,220,596</b>	<b>1,965,395</b>	<b>1,949,816</b>	<b>(6,270,780)</b>	<b>23.72%</b>
<b>GRAND TOTALS</b>	<b>19,123,929</b>	<b>20,629,324</b>	<b>1,505,395</b>	<b>4,825,728</b>	<b>(15,803,596)</b>	<b>23.39%</b>

## PERFORMANCE SCRUTINY

21 NOVEMBER 2019

**SUBJECT: TREASURY MANAGEMENT AND PRUDENTIAL CODE UPDATE REPORT – HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2019**

**REPORT BY: CHIEF EXECUTIVE**

**LEAD OFFICER: SARAH HARDY, GROUP ACCOUNTANT**

## 1. Purpose of Report

- 1.1 This report covers the Council's treasury management activity and the actual prudential indicators for the period April 1<sup>st</sup> to September 30<sup>th</sup> 2019. This is in accordance with the requirements of the Prudential Code.

## 2. Executive Summary

- 2.1 Treasury Management position and performance results for the 6 months ended 30<sup>th</sup> September 2019.

### 2.1.1 Investment portfolio

The Council held £35.9 million of investments at 30<sup>th</sup> September 2019. The investment profile is shown in Appendix A.

Of this investment portfolio 100% was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments.

*Liquidity* – The Council seeks to maintain liquid short-term deposits of at least £5 million available with a week's notice. The weighted average life (WAL) of investments for the year was expected to be 0.35 years (128 days). At 30<sup>th</sup> September 2019 the Council held liquid short term deposits of £16.9 million and the WAL of the investment portfolio was 0.22 years (81 days). The decrease in the WAL of the investment portfolio is due to a larger proportion of the portfolio being placed in shorter term investments.

*Security* - The Council's maximum security risk benchmark for the portfolio as at 30<sup>th</sup> September 2019 was 0.012%, which equates to a potential loss of £0.0043m on an investment portfolio of £35.9m. This is slightly higher than budgeted maximum risk of 0.005% in the Treasury Management Strategy. It represents a very low risk investment portfolio.

*Yield* – The Council achieved an average return of 0.85% on its investment portfolio for the 6 months ended 30<sup>th</sup> September 2019. This compares favourably with the target 7 day average LIBID at 30<sup>th</sup> September of 0.57% and is on par with the budgeted yield of 0.85% for 2019/20 in the MTFS 2019-24.

### 2.1.2 External borrowing

At 30<sup>th</sup> September 2019 the Council held £123.25 million of external borrowing, of

which 100% were fixed rate loans (Appendix A).

As at 30<sup>th</sup> September 2019, the average rate of interest paid during quarters 1 and 2 on external borrowing was 3.6%. This is slightly lower than the budgeted rate set in the MTFS 2019-24; there has been an increase external borrowing during the first 6 months of the year to reschedule short term borrowing to long term and take advantage of low rates available.

### **3. Background**

- 3.1 The prudential system for capital expenditure is now well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 30<sup>th</sup> September 2019. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 26 February 2019.
- 3.2 This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.
- 3.3 This report highlights the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporates any new or revised schemes previously reported to Members. Changes required to the residual prudential indicators and other related treasury management issues are also included.

### **4. Prudential Indicators**

- 4.1 This part of the report is structured to provide an update on:
- The Council's capital expenditure plans;
  - How these plans are being financed;
  - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
  - Compliance with the limits in place for borrowing.



## 4.2 Capital Expenditure

The table below summarises the changes to the capital programme that have been approved by or are subject to Executive approval since Council approved the original budget in February 2019.

Capital Expenditure	2019/20 Original Estimate £000	2019/20 Revised Estimate £000	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000
General Fund	3,123	14,756	500	8,586	500	2,839
HRA	16,225	20,669	11,267	23,707	11,352	17,421
<b>Total</b>	<b>19,348</b>	<b>35,425</b>	<b>11,767</b>	<b>32,293</b>	<b>11,852</b>	<b>20,260</b>

## 4.3 Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above) and the expected financing arrangements for this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council in the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt.

Indicators 1 & 2	2019/20 Original Estimate £000	2019/20 Revised Estimate £000	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000
<b>Capital Expenditure</b>						
<b>Total Spend</b>	<b>19,348</b>	<b>35,425</b>	<b>11,767</b>	<b>32,293</b>	<b>11,852</b>	<b>20,260</b>
<b>Financed by:</b>						
Capital receipts	3,158	1,948	79	2,958	42	3,814
Capital grants & contributions	1,618	6,005	300	3,841	300	3,310
Major Repairs Reserve (Depreciation)	10,098	9,246	6,481	9,237	6,237	6,588
Revenue/Reserve Contributions	3,902	3,903	4,707	4,405	5,073	4,087
<b>Net borrowing for the year</b>	<b>572</b>	<b>14,323</b>	<b>200</b>	<b>11,852</b>	<b>200</b>	<b>2,461</b>

The principal changes in the financing, from the original estimates approved in February 2019 are as a result of the re-profiling of expenditure and schemes approved subsequently e.g. De Wint Court, Deacon Road, Western Growth Corridor and dwelling buy backs.

## 4.4 The Capital Financing Requirement and External Debt

The table below shows the Council's Capital Financing Requirement (CFR), which is the Council's underlying need to borrow for a capital purpose. It also shows the expected debt position over the period.

<b>Indicators 3 &amp; 4</b>	<b>2019/20 Original Estimate £000</b>	<b>2019/20 Revised Estimate £000</b>	<b>2020/21 Original Estimate £000</b>	<b>2020/21 Revised Estimate £000</b>	<b>2021/22 Original Estimate £000</b>	<b>2021/22 Revised Estimate £000</b>
General Fund	69,635	70,561	67,328	73,288	65,118	71,765
HRA	58,503	62,624	58,503	69,327	58,503	71,588
Total CFR	128,138	133,185	125,831	142,615	123,621	143,353
<b>Net movement in CFR</b>	<b>(838)</b>	<b>13,055</b>	<b>(2,307)</b>	<b>9,430</b>	<b>(2,210)</b>	<b>11,112</b>
<b>Indicator 5</b>	<b>2019/20 Original Estimate £000</b>	<b>2019/20 Revised Estimate £000</b>	<b>2020/21 Original Estimate £000</b>	<b>2020/21 Revised Estimate £000</b>	<b>2021/22 Original Estimate £000</b>	<b>2021/22 Revised Estimate £000</b>
Borrowing	101,353	118,500	100,498	126,100	99,643	127,500
Other long term liabilities *	105	105	0	0	0	0
<b>Total Debt 31 March</b>	<b>101,458</b>	<b>118,605</b>	<b>100,498</b>	<b>126,100</b>	<b>99,643</b>	<b>127,500</b>

\* Other long term liabilities includes Finance leases

The Council is currently under-borrowed against the CFR, as, whilst the Council has adequate cash balances and employs internal resources until cash flow forecasts indicates the need for additional borrowing or rates are available that reduce the cost of carrying debt. PWLB borrowing rates have increased by 100bps (9/10/19) and are currently forecast to rise over the next year. Borrowing has been taken in 2019/20 (£23m) some of which has replaced short term borrowing (£15m) - further borrowing will be dependent upon any additional capital programme requirements not anticipated at this point.

The HRA borrowing requirement is considered independently from that of the General Fund and recent rates available have made it advantageous for the HRA to borrow rather than employ internal balances. Further borrowing is anticipated and will be reported as part of the MTFs and Treasury Management Strategy.

#### 4.5 Limits to Borrowing Activity

The first key control over the Council's borrowing activity is a prudential indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of 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. The Council has approved a policy for borrowing in advance of need, which will be adhered to if this proves prudent.

<b>Indicator 6</b>	<b>2019/20 Original Estimate £000</b>	<b>2019/20 Revised Estimate £000</b>	<b>2020/21 Original Estimate £000</b>	<b>2020/21 Revised Estimate £000</b>	<b>2021/22 Original Estimate £000</b>	<b>2021/22 Revised Estimate £000</b>
Gross Borrowing	101,353	118,500	100,498	126,100	99,643	127,500
Investments	(24,100)	(24,100)	(21,100)	(21,100)	(21,900)	(21,900)
<b>Net Borrowing</b>	<b>77,253</b>	<b>94,400</b>	<b>79,398</b>	<b>105,000</b>	<b>77,743</b>	<b>107,100</b>
CFR	<b>128,138</b>	<b>133,185</b>	<b>125,831</b>	<b>135,911</b>	<b>123,621</b>	<b>143,837</b>
<b>Net borrowing is below CFR</b>	50,885	38,785	46,433	30,911	45,878	36,737

\*revised estimates as at 31 March

Due to changes in accounting practice the CFR in future years will include lease liabilities that are currently not recognised on the balance sheet. The council is engaged in establishing the amounts of these liabilities (previously treated as operating leases and treated as rental expenditure) and estimates will be made in the Treasury Management Strategy.

The Chief Finance Officer reports that no difficulties are envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in the budget report.

A breakdown of the loans and investments profile is provided in Appendix A.

A further two prudential indicators control the overall level of borrowing. These are:

1. **The Authorised Limit** – This represents the limit beyond which borrowing is prohibited, and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.
2. **The Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. CIPFA anticipate that this should act as an indicator to ensure the authorised limit is not breached.

<b>Indicator 7</b>	<b>2019/20 Original Estimate £000</b>	<b>2019/20 Revised Estimate £000</b>	<b>2020/21 Original Estimate £000</b>	<b>2020/21 Revised Estimate £000</b>	<b>2021/22 Original Estimate £000</b>	<b>2021/22 Revised Estimate £000</b>
<b>Authorised limit for external debt*</b>						
Borrowing	149,600	147,050	145,700	166,000	143,200	167,500
Other long term liabilities**	1,400	1,400	2,300	1,400	1,800	1,400
<b>Total Authorised limit</b>	<b>151,000</b>	<b>148,450</b>	<b>148,000</b>	<b>167,400</b>	<b>145,000</b>	<b>168,900</b>
<b>Indicator 8</b>	<b>2019/20 Original Estimate £000</b>	<b>2019/20 Revised Estimate £000</b>	<b>2020/21 Original Estimate £000</b>	<b>2020/21 Revised Estimate £000</b>	<b>2021/22 Original Estimate £000</b>	<b>2021/22 Revised Estimate £000</b>
<b>Operational boundary for external debt*</b>						
Borrowing	136,195	133,145	131,900	151,000	130,100	152,500
Other long term liabilities**	1,205	105	2,000	1,200	1,600	1,200
<b>Total Operational Boundary</b>	<b>137,400</b>	<b>133,250</b>	<b>133,900</b>	<b>152,200</b>	<b>131,700</b>	<b>153,700</b>

\* The highest level of external debt during the first half of 2019/20 was £123.254m.

\*\* Other long term liabilities include Finance leases.

There have been revisions to the capital programme since the Medium Term Financial Strategy was set in February 2019 which have impacted on authority's capital financing requirement and as a result, to the figures calculated for the operational boundary for borrowing. The limits for the Operational Boundary allow for previous use of internal borrowing to be replaced by external borrowing should the Chief Finance Officer decide that it is appropriate and prudent to do so.

#### Other Prudential Indicators

4.6 Appendix B details the updated position on the remaining prudential indicators and the local indicators.

### **5. Treasury Management Strategy 2019/20 to 2021/22 Update**

#### 5.1 Economic Update

5.1.1 The prolonged nature of the Brexit uncertainty, including the still real risk of a no-deal exit along with the political uncertainty of a General Election, together with a deterioration in global economic conditions are resulting in a weakening forecast for the UK's economy. Growth in 2018 at 1.4% was at its lowest since 2012, down from 1.8% in 2017. For 2019 growth improved slightly to 0.5% for the first quarter but then the second quarter showed the economy going into reverse with a contraction of 0.2%. Latest economic forecasts expect the economy to expand by 0.2% in the third quarter, avoiding a technical recession, defined as two consecutive quarters of economic decline. Growth expectations for the UK for 2019 are now estimated at 1.2%, a downgrade from earlier forecasts and reflective of a weaker outlook for trade, investment and productivity amid the continued lack of clarity over the outcome of Brexit and deteriorating global conditions.

Beyond 2019, the latest outlook indicates that the UK economy is set to stumble

down an ever more sluggish growth path over the near term, unless decisive action is taken. The latest forecast for UK growth is a fall back to 0.8% in 2020 before increasing back to 1.2% in 2021. There are however still considerable downside risks to these growth projections given the uncertainties associated with the outcome of the General Election and Brexit (and the possibilities of trade wars), but there are also upside possibilities if a Brexit deal is negotiated.

CPI forecasts are that it is likely to fall back further during 2019 and 2020, remaining below the Government's target rate until late 2020.

Members of the Bank's MPC voted unanimously to keep rates at their current level of 0.75%. The Bank signalled that prolonged Brexit uncertainty will keep interest rates lower for longer, however it stressed that interest rates could move up or down if the UK left the EU without a deal.

The longer the uncertainty around the General Election and Brexit continues, particularly against the background of a weak global economy, the more likely that growth and also inflation will slow reducing the need for the Bank of England to raise interest rates.

5.1.2 Current medium term interest rate forecasts are shown below:

Link Asset Services Interest Rate View										
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	2.30	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.60	2.80	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40
25yr PWLB Rate	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00
50yr PWLB Rate	3.20	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90

This forecast includes the increase in margin over gilt yields of 100bps introduced on 9<sup>th</sup> October 2019.

## 5.2 Borrowing activity

5.2.1 The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.

5.2.2 Long-term fixed interest rates are currently low, although have increased following a government increase of 1% on all PWLB borrowing. Interest rates are expected to rise over the three-year treasury management planning period. The Chief Finance Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. The approved funding of the current capital programme does require borrowing to be taken during 2019/20 and 2020/21. In addition to this there has been internal borrowing (i.e. using cash balances), to fund previous years' capital expenditure, which may need to be replaced at some point in the future with external borrowing. The current key challenge is anticipating the

optimum point at which any future borrowing should be taken. Any future borrowing will increase cash holding at a time when counterparty risk remains high and investment returns are low. In this scenario, borrowing is likely to be postponed until cash flow need is more apparent.

- 5.2.3 Opportunities for debt restructuring will be continually monitored. Action will be taken when the Chief Finance Officer feels it is most advantageous.

### 5.3 Investment Strategy 2019/20 to 2021/22

- 5.3.1 The objectives of the Council's investment strategy are the safeguarding of the repayment of the principal and interest of its investments on time first, and ensuring adequate liquidity second – the investment return being a third objective. Following on from the economic background above, the current investment climate is one of over-riding risk consideration i.e. that of counterparty security risk. As a result of these underlying concerns, officers continue to implement an operational investment strategy, which tightens the controls already in place in the approved investment strategy.

- 5.3.2 The Council held £35.9 million of investments at 30<sup>th</sup> September 2019 and the investment profile is shown in Appendix A.

### 5.4 Risk Benchmarking

The Investment Strategy for 2019/20 includes the following benchmarks for liquidity and security. Yield benchmarks are contained within section 6.

- 5.4.1 *Liquidity* – The Council has no formal overdraft facility and seeks to maintain liquid short-term deposits of at least £5 million available with a weeks notice.

The weighted average life (WAL) of investments for the year was expected to be 0.35 years (128 days). At 30<sup>th</sup> September 2019 the Council held liquid short term deposits of £16.9 million and the WAL of the investment portfolio was 0.22 years (81 days). The shorter length in the WAL of the investment portfolio is due to investments being held in shorter term accounts to service cash flow requirements and a lower return environment.

The Chief Finance Officer can report that liquidity arrangements were adequate during the year to date

- 5.4.2 *Security* – The Council's maximum security risk benchmark for the portfolio as at 30<sup>th</sup> September 2019 was 0.012%, which equates to a potential loss of £0.0043m on an investment portfolio of £35.9m. This is slightly higher than the budgeted maximum risk of 0.005% in the Treasury Management Strategy. It represents a very low risk investment portfolio which carries a very much lower level of risk than Link's model portfolio and other local authorities within our benchmarking group.

The target set within the 2019/20 Strategy is that a minimum of 25% of the portfolio must be held in low risk specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this overall benchmark during the year to date. At 30<sup>th</sup> September 2019, 100% of the investment portfolio was held in low risk specified investments.

6. Yield Benchmarking

6.1 The Council participates in a benchmarking group run by our Treasury Management advisors (Link). To 30<sup>th</sup> September 2019 the benchmarking group achieved average yields of 0.92% on an average portfolio of investments of £80.1m compared to City of Lincoln's yield of 0.85% on £35.9m of investments.

7. **Strategic Priorities**

7.1 High Performing Services - Through its Treasury Management Strategy the Council seeks to reduce the amount of interest it pays on its external borrowing and maximise the interest it achieves on its investments.

8. **Organisational Impacts**

8.1 Finance - The financial implications are covered in the main body of the report.

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

9. **Recommendations**

9.1 It is recommended that members note the Prudential and Local Indicators and the actual performance against the Treasury Management Strategy 2019/20 for the half-year ended 30<sup>th</sup> September 2019.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

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

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

**List of Background Papers:** Treasury Management Strategy 2019/20 (Approved by Council February 2019)

**Lead Officer:** Sarah Hardy, Group Accountant (Technical and Exchequer)  
Telephone (01522) 873839

**Borrowing Profile at 30<sup>th</sup> September 2019**

	<b>Long term borrowing</b>	
	<b>Fixed rate</b>	<b>Variable rate</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>PWLB loans</b>	94,693	0
<b>Other Market loans</b>	16,000	0
<b>Local Authority loans</b>	12,000	
<b>3% stock</b>	561	0
<b>TOTAL</b>	<b>123,254</b>	<b>0</b>

**Investment Profile at 30<sup>th</sup> September 2019**

	<b>Total Principal invested</b>	<b>Short term</b>	
		<b>Fixed rate</b>	<b>Variable rate</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>UK Banks &amp; Building societies (including Call accounts)</b>	<b>19,000</b>	19,000	0
<b>UK Money Market Funds</b>	<b>16,900</b>	0	16,900
<b>TOTAL</b>	<b>35,900</b>	<b>19,000</b>	<b>16,900</b>



### Updated Position on the Remaining Prudential and Local Indicators

#### Affordability Prudential Indicators

Actual and estimates of the ratio of financing costs to net revenue stream – This indicator identifies the trend in the cost of capital (borrowing costs net of interest and investment income) against the net revenue stream.

Table 5. Ratio of Financing Costs to Net Revenue Stream

Indicators 9 & 10	2019/20 Original Estimate £000	2019/20 Revised Estimate £000	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000
General Fund	24.4%	19.7%	26.6%	27.2%	24.4%	29.4%
HRA	30%	31.4%	29.1%	28.8%	28.4%	28.2%

The General Fund ratio is expected to increase in 2020/21 and 2021/22 as a result of additional interest and MRP payments on the borrowing that is taken to finance the capital programme. The HRA ratios have increased in 2019/20 and are expected to decrease slightly in future years as the four year period of a 1% annual reduction in rents comes to an end.

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#### Treasury Management Prudential Indicators

The first treasury indicator requires the adoption of the CIPFA Code of practice on Treasury Management. This Council adopted the Revised Code of Practice on Treasury Management on 1st March 2011, and as a result adopted a Treasury Management Policy & Practices statement (1st March 2011). There are four further indicators:

**Upper Limits On Variable Rate Exposure** – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.

**Upper Limits On Fixed Rate Exposure** – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

These indicators are complemented by four local indicators:

- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

During the first half of the year the highest and lowest exposure to fixed and variable rates were as follows:

Indicators 11 & 12	2019/20 Limit (Upper) £million	2019/20 Max Q1 & Q2 £million	2019/20 Min Q1 & Q2 £million
<b>Upper limits on interest rate exposures</b>			
Upper limits on fixed interest rates	112.1	104.3	104.3
Upper limits on variable interest rates	47.3	0	0

	2019/20 Limit %	2019/20 Max Q1 & Q2 %
<b>Local indicator limits based on debt only</b>		
Limits on fixed interest rates	100%	100%
Limits on variable interest rates	40%	0%
<b>Local indicator limits based on investments only</b>		
Limits on fixed interest rates	100%	53%
Limits on variable interest rates	75%	47%

**Maturity Structures Of Borrowing** – These gross limits are set to reduce the Council’s exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing.

Indicator 13	2019/20 Original Estimate %	2019/20 Revised Estimate %	2020/21 Original Estimate %	2020/21 Revised Estimate %	2021/22 Original Estimate %	2021/22 Revised Estimate %
<b>Maturity Structure of fixed borrowing (Upper Limits)</b>						
Under 12 months	40%	40%	40%	40%	40%	40%
12 months to 2 years	40%	40%	40%	40%	40%	40%
2 years to 5 years	60%	60%	60%	60%	60%	60%
5 years to 10 years	80%	80%	80%	80%	80%	80%
10 years and above	100%	100%	100%	100%	100%	100%
<b>Maturity Structure of fixed borrowing (Lower Limits)</b>						
Under 12 months	0%	0%	0%	0%	0%	0%
12 months to 2 years	0%	0%	0%	0%	0%	0%
2 years to 5 years	0%	0%	0%	0%	0%	0%
5 years to 10 years	0%	0%	0%	0%	0%	0%
10 years and above*	10%	10%	10%	10%	10%	10%

As at 30<sup>th</sup> September 2019 the maturity structure of borrowing during the first half of the year was as follows:

Indicator 13	At 30/9/2019	At 31/3/2020
Maturity Structure of fixed borrowing	%	%
Under 12 months	4	8
2 years to 5 years	12	5
5 years to 10 years	6	8

10 years to 15 years	11	14
15 years to 25 years	23	19
25 years to 30 years	3.5	4
30 years to 40 years	17	17
40 years and over	23.5	25

**Total Principal Funds Invested** – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.

Indicator 14	2019/20 Original Estimate £000	2019/20 Revised Estimate £000	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000
Maximum principal sums invested > 1 year	£5m	£0m	£5m	£0m	£5m	£0m

As at 30<sup>th</sup> September 2019, there were no principal funds invested over 1 year.

### Local Prudential Indicators

In addition to the statutory and local indicators listed above the Director of Resources has set four additional local indicators aimed to add value and assist in the understanding of the main indicators. These are:

#### 1. Debt – Borrowing rate achieved against average 7 day LIBOR

	2019/20 Target %	2019/20 Actual – 30 <sup>th</sup> September %	2020/21 Target %	2021/22 Target %
Debt – borrowing rate achieved (i.e. temporary borrowing of loans less than 1 year)	Less than 7 day LIBOR	No temporary loans taken 7 day LIBOR rate 0.69%	Less than 7 day LIBOR	Less than 7 day LIBOR

#### 2. Investments – Investment rate achieved against the average 7 day LIBID

	2019/20 Target %	2019/20 Actual – 30 <sup>th</sup> September %	2020/21 Target %	2021/22 Target %
Interest rate achieved	Greater than 7 day LIBID	Achieved 0.85% compared to 0.57% LIBID (+0.28%)	Greater than 7 day LIBID	Greater than 7 day LIBID

The interest rate achieved on investments compares favourably to the 7 day LIBID due to the use of fixed term, fixed rate investments, plus the greater use of semi-fixed rate call accounts and money market funds which pay a premium over the LIBID rate.

3. Average rate of interest paid on the Council's debt during the year (this will evaluate performance in managing the debt portfolio to release revenue savings).

	<b>2019/20 Target %</b>	<b>2019/20 Average Q1&amp;Q2 %</b>	<b>2020/21 Target %</b>	<b>2021/22 Target %</b>
Average rate of interest paid on Council debt	4.75%	3.6%	4.75%	4.75%

The average rate on debt outstanding at 30 September is 3.55%, the average rate paid during quarters 1 and 2 is 3.6% and the average rate expected for 2019/20 to be paid is 3.65%.

4. The amount of interest on debt as a percentage of gross revenue expenditure. The results against this indicator will be reported at the year-end.

**SUBJECT: BUDGET REVIEW PROCESS 2020/21**

**DIRECTORATE: CHIEF EXECUTIVE**

**REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER**

## **1. Purpose of Report**

- 1.1 To present to Members the process for the scrutiny of the proposed budget and Council Tax for the 2020/21 financial year and the Medium Term Financial Strategy 2020-2025.

## **2. Background**

- 2.1 The Council's Medium Term Financial Strategy (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 Strategic Priorities.
- 2.2 The Council's scrutiny function have an important role to play in providing a challenge during the development of the MTFS questioning the assumptions behind the budget and examining the principles and planning process that underlie its development.
- 2.3 The scrutiny of the budget should be as inclusive as possible and members should have sufficient background and understanding of the issues affecting the budget so it is important that there are opportunities for all members to be involved in the development of the budget and MTFS so that they fully understand the financial position of the Council. It is also important that there is an effective scrutiny in place of the proposed budget in order to support the Executive in reaching the right decisions with regard to finances.
- 2.4 As in previous years the process to be followed operates as a hybrid of all member awareness sessions along with a separate review process involving members of the scrutiny and audit committees, this has proven to be the most effective approach.

## **3. Proposed Process for 2020/21**

- 3.1 It is proposed that the scrutiny of the budget is undertaken in two separate stages; firstly all members will be invited to a briefing session which will;
- assist them to gain a greater understanding of the financial environment in which the Council is currently operating;
  - provide the opportunity to ensure that they are up to date with the latest changes in local government finance, and;
  - understand the impacts that these conditions have had on the financial position of the Council, the issues that it faces and how the Council is

responding to these.

This briefing session will afford all members the opportunity to gain a greater understanding and awareness of the Council's financial position, thus aiding further scrutiny of the budget and in the case of the opposition party if desired the preparation of an alternative budget.

3.2 Secondly, a more traditional scrutiny process will be undertaken to review in more detail the MTFS and the robustness of the proposed budget options and Council Tax for the 2020/21 financial year. This will be undertaken in a committee format as the Budget Review Group with the appropriate governance arrangements in place.

3.3 The main objective of the Group will be to examine the principles and planning process that underlie the proposed budget and Council Tax to be recommended by the Executive for the 2020/21 financial year. In general the Group's aim will be to establish that at each stage the budget;

- is clear, focused, achievable, realistic and based on sound financial practices;
- has clear linkages with corporate and other plans that form the Policy Framework to establish that they are identifiable and designed to improve services in the Council's strategic priority areas

3.4 It is proposed that the following governance arrangements shall be in place for the Group;

- The Group will be made up of 9 non-Executive Members with a 7:2 proportionality share
- The Group will be a sub group of the Performance Scrutiny Committee, although Members do not have to be Members of this committee.
- The chair of the Group will be the Chair of the Performance Scrutiny Committee
- The Group will be the main mechanism by which the Executive will formally consult scrutiny on the consideration of their budget proposals.
- The meetings will be held in public and will be administered by Democratic Services.
- Specific Portfolio Holders and Directors (or Assistant Directors) will be invited to attend the meetings of the group or be requested to provide written responses if so required.
- Advice will be provided to the Group members by officers from the Council's Financial Services Team.
- The Chair of the Group shall be required to provide a report to the next full

Performance Scrutiny Committee summarising the Groups findings and making recommendations to the Executive.

3.5 Party Groups have been asked to submit nominations to the group, which will be confirmed prior to the provision of any agendas for the Group.

3.6 The following timetable is proposed for the process for 2020/21.

Executive – Approve draft budget proposals for 2020/21 and Medium Term Financial Strategy	20 <sup>th</sup> January 2020
All Member Briefing <ul style="list-style-type: none"> <li>• Current financial climate</li> <li>• Latest developments in local government finance</li> <li>• Impact on the Council and the Council's strategy for responding</li> </ul>	TBC -week commencing 20 <sup>th</sup> January 2020
Budget Review Group – presentation of the MTFFS 2020-2025 and the proposed budget and Council Tax for 2020/21.	5 <sup>th</sup> February 2020
Performance Scrutiny Committee – Consider response from Budget Review Group and refer to the Executive	20 <sup>th</sup> February 2020
Executive – Consider response from the Performance Scrutiny Committee and approve for referral to Council the final budget proposals for 2020/21 and Medium Term Financial Strategy	25 <sup>th</sup> February 2020
Council – Approval of budget proposals and Council Tax for 2020/21 and Medium Term Financial Strategy	26 <sup>th</sup> February 2020

#### 4. Strategic Priorities

4.1 The budget process will set out the resources in support of the Council's new Vision 2025 and strategic priorities and determines the service plans for the year ahead. Effective scrutiny of the budget process should support the Executive in reaching the right decisions with regard to finances.

#### 5. Organisational Impacts

5.1 Finance – There are no direct financial implications arising as a result of this report.

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

## **6. Risk Implications**

6.1 There are no specific risks associated with this report.

## **7. Recommendation**

7.1 Members are asked to:

- a) Note the objectives and confirm the governance arrangements of the Budget Review Group for 2020/21 as set out in paragraphs 3.3 – 3.4
- b) Note the timetable for the Group as set out in paragraph 3.6
- c) Delegate responsibility for nominations to membership of the Group to the leaders of the respective political groups, including the Vice Chair to be recommended by the larger political group.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

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

**How many appendices does the report contain?** None

**List of Background Papers:** None

**Lead Officer:** Jaclyn Gibson, Chief Finance Officer  
Telephone (01522) 873258



## PEFORMANCE SCRUTINY COMMITTEE

21 NOVEMBER 2019

**SUBJECT: WORK PROGRAMME FOR 2019/20**

**DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK**

**LEAD OFFICER: CLARE STAIT, DEMOCRATIC SERVICES OFFICER**

**1. Purpose of Report**

- 1.1 To present members with the Performance Scrutiny Committee work programme for 2018/19 (Appendix A).

**2. Background**

- 2.1 The work programme for the Performance Scrutiny Committee is put forward annually for approval by Council. The work programme is then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its chair.
- 2.2 Items have been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information can be reported to the committee.
- 2.3 The work programme includes the list of portfolio holders under scrutiny.

**3. Recommendation**

- 3.1 That members offer any relevant comments or changes on the proposed work programme.

**Key Decision** No

**Do the Exempt Information Categories Apply** No

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

**Does the report contain Appendices?** Yes

**If Yes, how many Appendices?** 1

**Lead Officer:** Clare Stait, Democratic Services Officer  
Telephone 873239

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**5 June 2019 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Vision 2020 Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
<b>Monitoring Items</b>		
Financial Performance (Detailed): Outturn 2018/19 Quarter 4	Jaclyn Gibson/ Colleen Warren	Quarterly Report Professional High Performing Services
Strategic Performance Measures	Graham Rose	
Performance Monitoring Outturn 2018/19 Quarter 4	Pat Jukes	Quarterly Report-Professional High Performing Services
Treasury Management Stewardship and Actual Prudential Indicators Report 2018/19 (Outturn)	Jaclyn Gibson/Colleen Warren	Six Monthly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report	Jaclyn Gibson/Colleen Warren	Quarterly Report Professional High Performing Services
Corporate Performance Targets	Pat Jukes	Report-Professional High Performing Services
Introduction of a New Homelessness Act (deferred from 28 March 2019)	Alison Timmins	

11 July 2019

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Portfolio Performance Overview	Pat Jukes	Regular Report Professional High Performing Services
Portfolio Under Scrutiny Session – Our People and Resources	Portfolio Holder	Annual Session Professional High Performing Services
<b>Monitoring Item(s)</b>		
Central Lincolnshire Local Plan Annual Report 2018/19 including Financial Update	Toby Forbes-Turner	Annual Report Lets Drive Economic Growth

**22 August 2019 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20	Democratic Services	Regular Report
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 1	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 1	Pat Jukes	Quarterly Report Professional High Performing Services
Quarterly Strategic Risk Register Report-Quarter1	Jaclyn Gibson	Quarterly Report Professional High Performing Services
Revenues and Benefits Shared Service Update	Martin Walmsley	Annual Report Professional High Performing Services
Income/Arrears Monitoring report	Martin Walmsley	Annual Report Professional High Performing Services
Christmas Market Outturn Report 2018 (deferred from 11 July)	Simon Colburn	Annual Report Lets Drive Economic Growth
Car Parking Income Generation Strategy	Simon Walters	

**3 October 2019 (Thematic Reviews)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Economic Growth	Portfolio Holder	Annual Session Lets Drive Economic Growth
Economic Growth Vision 2020 Progress Report	Kate Ellis	Regular Report Lets Drive Economic Growth
<b>Other Item(s)</b>		
Pre-Christmas Market 2020 verbal event report	Simon Colburn	Requested Lets Drive Economic Growth
The Lincoln City Profile	Pat Jukes/Nathan Walker	Professional High Performing Services

**21 November 2019 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 2	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 2	Nathan Walker	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 2	Jaclyn Gibson	Quarterly Report Professional High Performing Services Services
Treasury Management and Prudential Code Update Report – Half Yearly Report	Colleen Warren	Half Yearly Report Professional High Performing Services
<b>Other Items:</b>		
Budget Theme Group – Nominees	Jaclyn Gibson	Annual Appointment Professional High Performing Services

23 January 2020

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Quality Housing	Portfolio Holder	Annual Session Lets Deliver Quality Housing
Quality Housing Vision 2020 Progress Report	Kate Ellis/Daren Turner	Lets Deliver Quality Housing
Portfolio Under Scrutiny Session – Reducing Inequality	Portfolio Holder	Annual Session Lets Reduce Inequality
Reduce Inequality Vision 2020 Progress Report	Angela Andrews	Regular Report Lets Reduce Inequality
City of Lincoln Council Annual Report 2019 (moved from August)	Angela Andrews	Regular Report
<b>Monitoring Item(s)</b>		
Performance Report-HRS	Gareth Griffiths	Annual Report Lets Deliver Quality Housing
Homelessness Act 2018	Alison Timmins	Annual Progress Report Quality Housing
Modern Day Slavery Performance Report	Francesca Bell	Requested Report
Asset Management	Angela Andrews	Requested Report
Scrutiny Annual Report	Democratic Services	Annual Report Professional High Performing Services



**20 February 2020 (Monitoring Overview)**

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Remarkable Place	Portfolio Holder	Annual Session Lets Enhance Our Remarkable Place
Remarkable Place Vision 2020 Progress Report	Simon Walters	Regular Report Lets Enhance Our Remarkable Place
<b>Monitoring Items</b>		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 3	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Feedback from Budget Review Group	Colleen Warren	Annual Report Professional High Performing Services

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
<b>Standard Items</b>		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Draft Work Programme for 2020/21	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Customer Experience and Review	Portfolio Holder	Annual Session Vision 2020 (Mixed)
High Performing Services Vision 2020 Progress Report	Angela Andrews	Annual Progress Report Professional High Performing Services
Strategic Performance Measures	Pat Jukes	Professional High Performing Services
<b>Other item(s)</b>		
Christmas Market 2019 Outturn Report	Simon Colburn	Annual Report Lets Drive Economic Growth
Section 106 Contributions Update	Nicola Collins	Annual Report Lets Drive Economic Growth

## Portfolio Under Scrutiny Sessions

Date	Portfolio
11 July 2019	Our People and Resources
3 October 2019	Economic Growth
21 November 2019	Reducing Inequality
23 January 2020	Housing
20 February 2020	Remarkable Place
26 March 2020	Customer Experience and Review

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**PERFORMANCE SCRUTINY COMMITTEE**

**21<sup>ST</sup> NOVEMBER 2019**

<b>SUBJECT:</b>	<b>STRATEGIC RISK REGISTER - QUARTERLY REPORT: QUARTER 2</b>
<b>REPORT BY:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

**1. Purpose of Report**

1.1 To provide Members with a status report of the revised Strategic Risk Register as at the end of the second quarter 2019/20.

**2. Executive Summary**

2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to this Committee in August 2019 and contained ten strategic risks.

2.2 Since reporting in August 2019, the Strategic Risk Register has been reviewed and updated by the Corporate Leadership Team and has identified that there have been some positive movement in the Risk Register.

2.3 The updated Register is contained with Part B of this agenda, it contains ten strategic risks which are listed below, along with details of relevant mitigations.

**3. Movements in the Strategic Risk Register**

3.1 The Strategic Risk Register currently contains 10 risks, as follows:

- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against e.g. Council's Vision 2020/2025.
- 2) Failure to deliver a sustainable Medium term Financial Strategy (that supports delivery of Vision 2020).
- 3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.
- 4) Failure to ensure compliance with statutory duties/functions and appropriate governance arrangements are in place,
- 5) Failure to protect the local authority's vision 2020/2025 due to changing structures and relationships in local government and impact on size, scale and scope of the Council.

- 6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020/2025 and the transformational journey to one Council approach.
- 7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.
- 8) Decline in the economic prosperity within the City Centre.
- 9) Failure to mitigate against the implications for the Council following the outcome of Brexit.
- 10) Failure to deliver key strategic projects.

3.2 A number of control actions have now been progressed or completed and the key movements are outlined as follows:

- Risk 1. Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the Council's Vision 2020/2025 - Vision 2025 is in development, evidence based gathered, key priority areas emerging and work is progressing with CLT and Portfolio Holders. All member briefings scheduled to be held in November 19, followed by staff, business and residents consultation
- Risk 4. To ensure compliance with statutory duties and appropriate governance arrangements are in place – Executive approval of investment in a new IT infrastructure has been secured with implementation to be completed by December 2019.
- Risk 6. Unable to meet the emerging changes required in the Council's culture, behavior and skills to support the delivery of the council's Vision 2025 and the transformational journey to one Council approach – One Council launched with Service Managers. Project Boards with ToR's and work programme for four pillars established.
- Risk 7. Insufficient levels of resilience and capacity to deliver key strategic projects and services – development of Vision 2025 focuses on ensuring sufficient capacity exists to deliver legacy and new schemes. A new approval process incorporating Portfolio Holders is being developed to allow for resources to be flexed as and when new priorities/projects emerge.
- Risk 8. Decline in the economic prosperity within the City Centre – the Council has been successful in securing approval for a Heritage Action Zone Bid, work has now commenced on development of the detailed scheme. In addition the Council has been awarded Towns Fund Capacity funding to support the development of a Town Deal Board and Investment Plan. GLLEP Pipeline Funding Bids have been submitted for City Centre vibrancy schemes.

- Risk 9. Failure to mitigate against the implications for the Council following the outcome of Brexit – Nominated Brexit Officer in place, internal working group continues to implement actions in relation to regulatory services, staffing, communications, business continuity, community leadership etc.

3.3 Whilst positive progress has been made in relation to control actions, and these continue to be implemented and risks managed accordingly, this has not resulted in any changes to the assessed levels of likelihood and impacts. The levels of assessed risks are summarised as follows:

3.4 The levels of assessed risks are summarised as follows:

<b>Risk No.</b>	<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
2	Red/High	Probable	Critical
7	Red/High	Almost Certain	Major
3, 6 & 5, 8 & 10	Amber/Medium	Probable	Major
1, 4, & 9	Amber/Medium	Possible	Major

#### **4. Strategic Priorities**

4.1 Sound risk management is one way in which the Council ensures that it discharges its functions in accordance with its expressed priorities, as set out in the Vision 2020, and that it does so in accordance with statutory requirements.

#### **5. Organisational Impacts**

5.1 Finance – There are no direct financial implications arising as a result of this report. The Council’s Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme.

5.2 Legal Implications including Procurement Rules – The Council is required under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council’s functions and which includes arrangements for the management of risk. The maintenance of a Strategic Risk Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.

#### **6. Risk Implications**

6.1 The Strategic Risk Register contains the key strategic risks to the delivery of the Council’s medium and longer term priorities. A failure to monitor the action that is being taken to manage these risks would undermine the Council’s governance arrangements.

#### **7. Recommendations**

7.1 Performance Scrutiny Committee are asked to are asked to note and comment

on the key strategic risks and control actions, as at the end of the second quarter 19/20.

[

**Key Decision**

No

**Do the Exempt Information Categories Apply?**

No

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

No

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

None

**List of Background Papers:**

N/A

**Lead Officer:**

Jaclyn Gibson, Chief Finance Officer



<b>SUBJECT:</b>	<b>EXCLUSION OF THE PRESS &amp; PUBLIC</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>CAROLYN WHEATER, MONITORING OFFICER</b>

**1. Purpose of Report**

1.1 To advise members that any agenda items following this report are considered to contain exempt or confidential information for the reasons specified on the front page of the agenda for this meeting.

**2. Recommendation**

2.1 It is recommended that the press and public be excluded from the meeting at this point as it is likely that if members of the press or public were present there would be disclosure to them of exempt or confidential information.

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