

EXECUTIVE

Monday, 11 March 2019

6.00 pm

Committee Room 1, City Hall

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

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

A G E N D A

SECTION A	Page(s)
MINUTES AND EXTRACTS	
1. Confirmation of Minutes - 25 February 2019	3 - 12
2. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
OUR PEOPLE AND RESOURCES	
3. Financial Performance - Quarterly Monitoring	13 - 44
4. Quarter 3 2018-2019 - Operational Performance Report	45 - 66
5. Strategic Risk Register - Quarterly Review	67 - 82
ECONOMIC GROWTH	
6. Cornhill, Markets and City Centre Vibrancy Project	83 - 88
7. Commerical Property Investment Strategy	89 - 106
8. Amendment to Strategic Property Manager Delegated Powers	107 - 108
QUALITY HOUSING	
9. Housing, Health and Care - Memorandum of Understanding	109 - 120

REMARKABLE PLACE

- | | |
|---|-----------|
| 10. Lincoln Crematorium - A Strategy for Investment | 121 - 140 |
| 11. Exclusion of the Press and Public | 141 - 142 |

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

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

This item is being considered in private as it is likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations have been received in relation to the proposal to consider this item in private.

SECTION B

ECONOMIC GROWTH

- | | |
|------------------------|-----------|
| 12. Property Purchases | 143 - 148 |
|------------------------|-----------|
- [Exempt Para(s) 3]

Present: Councillor Ric Metcalfe (*in the Chair*),
Councillor Donald Nannestad, Councillor Jackie Kirk,
Councillor Rosanne Kirk, Councillor Neil Murray and
Councillor Fay Smith

Apologies for Absence: None.

96. Confirmation of Minutes - 21 January 2019

RESOLVED that the minutes of the meeting held on 21 January 2019 be confirmed.

97. Declarations of Interest

No declarations of interest were received.

98. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of items 99 to 103 because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

Items 99 to 103 were considered in private as they were likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposal to consider these items in private.

99. The Future Delivery of the Visitor Information Centre from April 2020 Onwards

Purpose of Report

To consider the future delivery of the Visitor Information Centre from April 2020 onwards.

Decision

- (1) That the recommendation contained within the report be approved.
- (2) That delegated authority be granted to the Strategic Director of Communities and Environment and the Chief Finance Officer to determine the proportion of savings allocated as a contribution to the Council's Towards Financial Sustainability Programme.

Alternative Options Considered and Rejected

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

Reason for Decision

Reasons for the decision were set out in the report.

100. Management of Change - Legal and Democratic Services

Purpose of Report

To seek approval for a management of change in the Legal and Democratic Services Team.

Decision

That the management of change in the Legal and Democratic Services Team be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The scope of the proposed change was to create a permanent post of a Solicitor in the Legal Services Team and delete two vacant posts from the wider Legal and Democratic Services Team. The cost of this change would be met within the existing budget for the team.

101. Historic Building Project

Purpose of Report

To provide an update to the Executive on progress made to secure external funding to refurbish a historic building in the city and approve a partnership agreement with Heritage Lincolnshire.

Decision

That the recommendations contained within the report be approved.

Alternative Options Considered and Rejected

The project viability report, as set out in paragraph 2.3 of the report, sets out alternative options considered and rejected.

Reason for Decision

The building in question had been vacant for many years. Working in partnership with Heritage Lincolnshire, the Council was successful in a bid to the Heritage Lottery Fund and the Architectural Heritage Fund to carry out a project viability report. This set out a number of options to bring the building back into use, as detailed within the report.

Members welcomed this opportunity to bring the building back into use.

102. Proposed Amendment to the Housing Repairs Service Establishment

This item was withdrawn.

103. De Wint Court Redevelopment

Purpose of Report

To provide the Executive with a progress report, demand analysis and cost plan update for the De Wint Court project and to seek approval for the redevelopment.

Decision

That the recommendations contained within the report be approved.

Alternative Options Considered and Rejected

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

Reason for Decision

The reason for the decision was set out in minute number 104.

Details relating to the cost plan were set out in the report.

104. De Wint Court Redevelopment

Purpose of Report

To provide the Executive with a progress report, demand analysis and cost plan update for the De Wint Court project and to seek approval for the redevelopment.

Decision

That the redevelopment of De Wint Court to include the procurement and delivery of the scheme and the leasing of the commercial kitchen and salon be approved.

Alternative Options Considered and Rejected

The delivery options for De Wint Court had been explored through a number of frameworks, with key risks associated with the scheme set out at paragraph 7.2 of the report.

Reason for Decision

In line with agreements made by the Executive, a scheme for the redevelopment of De Wint Court had now been drafted with approval granted by the Planning Committee at its meeting on 5 December 2018, which would consist of 70 Extra Care flats. The option for an Extra Care facility, replacing existing supporting housing provision in the Moorland area, had been considered and agreed in principle by the Executive. This would be delivered in partnership with Lincolnshire County Council and Homes England with both contributing investment to the scheme at the level of £2.8 million and £3.22 million respectively. As part of the Planning Committee approval, the planning decision notice was subject to the signing of a Section 106 Agreement to provide the NHS contribution of £35,392.50.

Technical design work was underway to enable a detailed specification and tender package to go out to market in March 2019. An indicative programme for the project, which indicated a start on site in late 2019 and completion in 2021 had been produced.

Subject to approval of the scheme, the City of Lincoln Council and Lincolnshire County Council would set up an allocations board as set out in the Head of Terms document. This would be the standard mechanism used to allocate apartments based on care requirement and need. The County Council had confirmed that it had an existing list of prospective residents who currently lived within Lincoln and needed an extra care facility such as De Wint Court.

The delivery of new affordable homes would enable access to housing by residents of Lincoln who found it most difficult to find their needs met by the private sector offering.

The Executive received a presentation which provided a three dimensional animation of the scheme's design and how the redevelopment would look upon completion. It was noted that elements of the scheme had been changed following consultation undertaken with the local community. This had been welcomed and Members reported that the changes made now reflected what the local community wanted and had made a real difference.

Members welcomed this scheme, particularly in that it would help people remain independent within their community, stating that it was an exciting concept and that it was very positive that the Council had invested in this facility.

105. Regulation 7 Direction on Lettings Boards

Purpose of Report

To seek approval for the implementation of a Regulation 7 Direction to remove deemed consent for lettings boards in certain areas of the city following approval from the Secretary of State.

Decision

That the implementation of the Regulation 7 Direction to remove deemed consent for the display of lettings boards in the Monks Road area, West End area, Sincil Bank area, Union Road and Waterloo Street be approved, with a view to implementing a ban on lettings boards in these areas.

Alternative Options Considered and Rejected

None.

Reason for Decision

In May 2017, work commenced on an application to the Secretary of State for a Direction under Regulation 7 of the Town and Country Planning (Control of Advertisements) Regulations 2007. This would remove deemed consent for lettings boards usually given under Class 3(A) of the regulations and would mean that express advertisement consent would be required for lettings boards in the specific areas covered by the Regulation 7.

The areas of concern for the City of Lincoln were the Monks Road area, West End area, Sincil Bank area, Union Road and Waterloo Street. These areas had been identified through enforcement complaints from residents and councillors, as well as those identified by officers of the Council.

Consultation on the proposed Regulation 7 Direction took place between 16 October and 30 November 2017. The Policy Scrutiny Committee at its meeting on 16 January 2018 supported the proposal which was subsequently approved by the Executive on 26 February 2018.

The evidence report had been submitted to the Secretary of State in March 2018 and notice was received of approval of the Direction by the Secretary of State on 11 January 2019.

It was reported that lettings boards could be removed from these areas by 15 April 2019 and that this was not just a visual problem but that this also had an implication from a community cohesion perspective, particularly given that the feeling of transiency would be removed.

Members reported that implementation of a ban on lettings boards was welcomed by residents and that some estate agencies had already anticipated this and no longer erected their lettings boards on properties for let in the areas identified.

106. Medium Term Financial Strategy 2019 - 2024

Purpose of Report

To recommend to the Executive the draft Medium Term Financial Strategy for the period 2019-2024, the draft budget for 2019/20 and the draft Capital Strategy 2019-2024 for consideration.

Decision

That the Executive:

- (1) Recommends to Council for approval the draft Medium Term Financial Strategy 2019-2024 and the draft Capital Strategy 2019-2024, including the following specific elements:
 - a proposed Council Tax increase of 2.93% for 2019/20;
 - a proposed housing rent decrease of 1% for 2019/20;
 - the inclusion of the Council as a member of the Lincolnshire Business Rates Pool in 2019/20;
 - the draft General Fund revenue forecast 2019/20 – 2023/24 as shown in Appendix 1 of the report and the main basis on which the budget has been calculated;
 - the draft General Investment Programme 2019/20 – 2023/24 as shown in Appendix 2 of the report and the main basis on which the programme has been calculated;
 - the draft Housing Revenue Account forecast 2019/20 – 2023/24 as shown in Appendix 3 of the report and the main basis on which the programme has been calculated;
 - the draft Housing Investment Programme 2019/20 – 2023/24 as shown in Appendix 4 of the report and the main basis on which the programme has been calculated.

Alternative Options Considered and Rejected

None.

Reason for Decision

Further to consideration of the Medium Term Financial Strategy 2019-2024 and the budget and Council Tax proposal for 2019/20 at the meeting of the Executive held on 21 January 2019, the initial draft had been subject to public consultation and scrutiny via the Council's Budget Review Group. In addition, an all member workshop was undertaken during January 2019 to ensure that as large a number of members as possible had the opportunity to fully understand the financial position of the Council.

The minutes of the Budget Review Group's meeting held on 6 February 2019 were appended to the report and it was noted that the Group had supported the Medium Term Financial Strategy in terms of its principles and the process that had been followed to develop it. No comments had been received in response to the public consultation.

The Council's Capital Programme was included as part of the Medium Term Financial Strategy and it was noted, as a caveat, that some significant capital schemes had not yet been reflected in the Capital Programme. These included:

- the De Wint Court redevelopment;
- the proposed Crematorium enhancements;
- the proposed development of the Western Growth Corridor.

Upon approval by the Executive it was reported that these schemes would have an impact on the Council's Medium Term Financial Strategy.

107. Council Tax 2019/20

Purpose of Report

To provide the Executive with an opportunity to make a formal recommendation to Council for the overall levels of Council Tax for 2019/20.

Decision

That Council be recommended to:

- (1) Accept the 7 January 2019 Executive recommendation that the Council Tax Base for 2019/20, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, be 24,299.
- (2) Calculate the following amounts for the year 2019/20 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
 - a) £105,017,630 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

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

g) **City of Lincoln Council**

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

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

- (3) Note that for the year 2019/20 Lincolnshire County Council have stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Lincolnshire County Council

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

- (4) Note that for the year 2019/20 Police & Crime Commissioner Lincolnshire have stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Police & Crime Commissioner Lincolnshire

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

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

Total Council Tax Charge 2019/20

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

Alternative Options Considered and Rejected

None.

Reason for Decision

In terms of the City Council requirement for 2019/20, the net General Fund budget requirement as set out in the Medium Term Financial Strategy report totalled £13,654,870 which included a contribution to balances of £554,410.

For 2019/20 a Council Tax increase of 2.93% had been applied, with the Council Tax requirement for 2019/20 noted as £6,678,820. By reference to the Band D level, the 2019/20 Council Tax would rise by £7.83 to £274.86 per annum, with the range of Council Taxes for bandings set out in paragraph 2.4 of the report.

The requirements of Lincolnshire County Council and the Lincolnshire Police and Crime Commissioner were also set out in the body of the report.

As an observation, it was noted that the precept of the Lincolnshire Police and Crime Commissioner, at 13.3% of the share, was nearly as high as the City of Lincoln Council's share which would be 15.2%.

108. Prudential Indicators 2018/19 - 2021/22 and Treasury Management Strategy 2019/20

Purpose of Report

To provide the Executive with an opportunity to consider the adoption of the 15 statutory prudential indicators and eight local indicators for the period 2018/19 to 2021/22, together with the 2019/20 Treasury Management Strategy prior to reporting to Council for final approval.

Decision

The Executive recommended to Council for approval:

- (1) The Prudential Indicators detailed in paragraph 4.1 and Appendix 1 of the report.
- (2) The Treasury Management Strategy, including the treasury management prudential indicators and the Investment Strategy, set out in paragraph 4 and Appendix 3 of the report.
- (3) The revised Minimum Revenue Provision Policy in Appendix 2 of the report.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report set out the operation of the Council's prudential indicators, its treasury function and its likely activities for the forthcoming year which incorporated the following key reporting requirements:

- the reporting of the statutory prudential indicators together with local indicators, in accordance with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice;
- the reporting of the Minimum Revenue Provision Policy which set out how the Council would pay for capital assets through revenue each year, as required by regulation under the Local Government Act 2003;
- the Treasury Management Strategy which set out how the Council's treasury activity would support capital decisions, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator was the authorised limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This was the authorised borrowing limited required by Section 3 of the Local Government Act 2003 and was in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice;
- the Investment Strategy, which was included within the Treasury Management Strategy and set out the criteria for choosing investment counterparties and limiting exposure to the risk of loss. It was reported annually in accordance with the Department of Housing, Communities and Local Government Investment Guidance.

109. Council House and Garage Rents 2019/20

Purpose of Report

To provide the Executive with an opportunity to seek approval of the revised rents for council housing accommodation in 2019/20.

Decision

That the Executive recommends to Council for approval:

- (1) The basis of rent calculation for charges to individual Council house rents as set out in paragraph 6 of the report, which represents a decrease in the average 52 week council house net rent in 2019/20 of 1% equating to a £0.68 per week loss for social housing rents and £1.08 per week loss for affordable rents per property.
- (2) A 3% increase in garage rents for 2019/20 in accordance with the proposal in paragraph 6.1 of the report.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Welfare Reform and Work Act 2016 determined that all social and affordable rents, inclusive of supported housing, be reduced by 1% year on year between 2016/17 and 2019/20. For the City of Lincoln Council this would result in a further reduction of an average weekly net social housing rent, over 52 weeks, from £68.44 in 2018/19 to £67.76 per week for 2019/20, equating to an average loss of income per property of £0.68 per week over 52 weeks.

There were currently 129 properties charged at an affordable rent which was higher than social housing rent. The reduction, on the average weekly net rent, over 52 weeks, would result in a reduction from £108.71 in 2018/19 to £107.63 per week over 52 weeks.

The restriction on house rents did not apply to garage rents. It was therefore proposed that garage rents would increase by 3% in line with the authority's general fees and charges increase.

Work was ongoing to both increase garage lettings and appraise low demand sites for their redevelopment potential.

It was noted that no comments had been received from the Lincoln Tenants' Panel on the proposals for Council House and Garage rents.

SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present to the Executive the third quarter's performance (up to 31st December 2018) on the Council's:
- General Fund
 - Housing Revenue Account
 - Housing Repairs Service
 - Capital Programmes
- and, to provide a review of the key budget risk assessments.
- 1.2 Financial Procedure Rules require members to receive, on a quarterly basis, a report prepared jointly by the Chief Finance Officer and Corporate Management Team commenting on financial performance to date. This report is designed to meet this requirement.

2. Executive Summary

- 2.1 As at the end of the third quarter (up to 31st December 2018) the forecast financial position of the Council for 2018/19 is:

	2018/19		
	Revised Budget £'000	Forecast at Q3 £'000	Variance at Q3 £'000
Revenue Accounts			
General Fund –Contribution to/(from) balances	288	82	206
Housing Revenue Account (HRA) (Surplus)/Deficit in year	0	(5)	(5)
Housing Repairs Service	0	(146)	(146)
Capital Programmes			
General Fund Investment Programme	16,867	16,635	(232)
Housing Investment Programme	33,048	31,458	(1,590)
Capital Receipts			

	2018/19		
	Revised Budget £'000	Forecast at Q3 £'000	Variance at Q3 £'000
General Fund	3,555	2,191	(1,364)
HRA	1,719	1,719	0
Reserves & Balances			
General Fund Balances	1,898	1,692	(206)
HRA Balances	1,023	1,028	5
HRS Balances	89	89	0
General Fund Earmarked Reserves	6,238	6,081	157
HRA Earmarked Reserves	1,374	1,374	0

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

3. General Fund Revenue Account

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

3.2 The General Fund Summary is currently projecting a forecast budget shortfall of £206,302 (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:

- Car Parking - Reduced Income/Reduced Expenditure £908,090
- Christmas Market – Increased Expenditure/Reduced Income £85,950
- Housing Benefit Overpayments – Reduced Income £225,280
- Homelessness Bed & Breakfast – Increased Cost £157,990
- Development Management - Increased Income £(114,190)
- HIMO Fees Increased Income - £(65,930)
- Borrowing Costs/Contingency - Reduced Cost £(272,050)
- Balance Sheet Review - Increased Income £(70,170)
- Earmarked Reserves - Released Increased Income £(280,220)
- Contingencies Released - Reduced Cost £(175,930)

3.3 Given the scale of the shortfall in car parking income targets, as identified in previous quarterly reports, CMT have accelerated the implementation of the car parking income generation strategy. This strategy focuses on 5 key strands, as follows:

- Car park improvements – focussing on making our car parks the preferred choice including enhanced ticket machines to improve connectivity and to offer contactless payment and improved security arrangements.
 - Promotion of the City as a destination – focussing on maximising the linkages between visitor numbers into the City and an improving offer in the City with the utilisation of the Council’s parking stock.
 - Maximisation of car parking stock – focussing on ensuring that the Council’s car parks are in the correct location and condition, in line with the Car Parking Strategy, and considering alternative income generation opportunities for some sites.
 - Permit parking – focussing on increasing the number of permit parking arrangements with major employers in the city.
 - Residents parking – focussing on responding to residents’ concerns and encouraging commuters to modal shift or to move into city centre car parks.
- 3.4 Longer term, there is forecasted to be an increase in the demand for City Centre parking through developments such as the Cornhill Quarter, further expansion in the University and direct Lincoln to London trains with consequent increased passenger numbers. These future changes and growth over the next few years are set to increase utilisation of the Council’s car parks, reducing the shortfall against income targets.
- 3.5 This action taken to date has had a positive effect in terms of the forecast shortfalls against the car parking income targets which have improved from a forecasted shortfall of £1.141m at quarter 1 to £1.011m at quarter 3. It is anticipated that this positive trend will continue, however reflective of the significant shortfall in achieving the income targets the MTFS 2019-24 has been revised with a significant reduction in income targets to be set in the early years of the MTFS, increasing over time as per paragraph 3.4.
- 3.6 Although a mitigation strategy for car parking income is being implemented, officers have also undertaken other appropriate action in order to address the forecast budget shortfall. This has included a full review of earmarked reserves, contingencies budgets and balance sheet items, which has released a significant amount of one off resources. Despite this release of resources, the forecast overspend still remains significant and will continue to be closely monitored during the final quarter, it is however anticipated that there will be a reduction in the planned contribution to general balances, an allowance for which will be made in the MTFS 2019-24.
- 3.7 Included within the forecast budget shortfall of £206,302 are a number of proposed transfers to earmarked reserves, as follows:
- Planning Delivery Fund – Transfer of £95,000 grant income received to fund additional post to support large scale applications in 2019/20.

- Overachievement of Crematorium Income – Transfer £100,000 of surplus income (net of increased cost) to an income equalisation reserve to mitigate against future fluctuations in income levels.
- Revenues and Benefits Shared Service – Transfer £100,000 of New Burdens funding to a reserve to be utilised in 2019/20, as determined by Joint Committee.

3.8 At the quarter 3 stage it is usual for a list of initial carry forward requests to be proposed, subject to final outturn. Given the forecasted shortfall against the budget it was agreed at quarter 2 that any budget carry forwards would be limited to contractually committed obligations at year end. As at quarter 3 there have been no such requests received, this will be reviewed again during the closedown period.

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

3.10 **Towards Financial Sustainability Programme** - The savings target included in the MTFS for 2018/19 is £3,850,000. Progress against this target, based on quarter 3 performance shows that secured and confident projections total £3,828,050. This results in a current forecast under achievement of the target in 2018/19 of £21,950. A summary of the current position is shown in the table below.

	£ General Fund
<u>Review/Business Case Approved/Delegated Decision Taken</u>	
Shared Services/Savings/Managing Demand	2,547,890
Commercialisation	833,680
Asset Rationalisation	408,980
Total Savings – Secured	<u>3,790,550</u>
<u>Subject to Review/Business Case</u>	
Shared Services/Savings/Managing Demand	37,500
Commercialisation	0
Asset Rationalisation	0
Total Savings - Subject to Review/Business Case	<u>37,500</u>
Overall Savings	<u><u>3,828,050</u></u>
MTFS savings target	(3,850,000)
(Under)/ over achievement	(21,950)

3.11 **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, crematorium, 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 received 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 forecast variance for the second quarter of the financial year is provided below:

	<u>Budget</u> <u>Q3</u> <u>£'000</u>	<u>Actual</u> <u>Q3</u> <u>£'000</u>	<u>Variance</u> <u>£'000</u>	<u>Forecast</u> <u>Variance</u> <u>Q3</u> <u>£'000</u>
Car Parks	(4,715)	(3,878)	837	1,011
Crematorium	(929)	(1,079)	(150)	(170)
Development Management	(334)	(475)	(140)	(114)
Building Regulations	(149)	(121)	28	9
Total	(3,516)	(2,883)	634	804

4. Housing Revenue Account

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

4.2 The HRA is currently projecting an in-year underspend of £4,849, which would increase General Balances to £1,027,950 at the end of 2018/19 (appendix C provides a forecast HRA Summary). The assessed prudent minimum balance for the HRA is currently £1,000,000. The level of forecast HRA balances will be monitored closely during the coming quarter and will be subject to a fundamental review as part of the MTFs 2018-23 process which is currently underway.

4.3 The components of this overspend are detailed in Appendix D and a summary of the key variances are provided below:

- Staff Vacancies - Reduced Spending £(90,000)
- Council Tax Payable on Void Properties – Increased Spending £74,000
- Repairs & Maintenance (void properties) – Increased Spending £208,000
- Rental Income – Additional Income £(80,000)
- HRS Surplus – Additional Income £(145,570)

5. Housing Repairs Service

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

5.2 At quarter 3 HRS are forecasting a surplus of £145,570 in 2018/19 (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 2019 are attached in Appendix G. In summary:

	Opening Balance	Contributions	Withdrawals	Forecast Balance
	01/04/18			31/03/19
	£'000	£'000	£'000	£'000
General Fund	4,559	3,055	(1,532)	6,081
HRA	1,572	3	(202)	1,374
Capital Resources	22,579	15,788	(28,374)	9,994

7. Capital Programme

7.1 General Investment Programme

7.2 The last quarterly report approved a General Fund Investment Programme for 2018/19 of £16,867,296. Movements in the programme during the third quarter have decreased overall planned expenditure in 2018/19 to £16,635,318. A summary of the overall changes to the programme is shown below:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q2 Report	16,867	846	500	500	500
Budget Changes by CFO approval Q3	-270	351	0	0	0
Budget Changes requiring Executive approval	38	0	0	0	0
Budget Changes by Executive approval	6,900	1,853	0	0	0
Revised Budget	23,535	3,050	500	500	500

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

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

- Skate Park - £183,021 re-profiled into 2019/20
- Land and Property Acquisition - £168,037 Travelodge retention re-profiled into 2019/20
- Disabled Facility Grant - £81,530 additional grant funding received in 2018/19.

- Planned Capitalised Works – various movements within 2018/19 from central budget to specific projects – refer to Appendix I for a detailed split of movements.

7.4 The budget changes this quarter that require Executive approval for the third quarter are provided below:

- Non-Disabled Facility Grant - £26,026. Current scheme completed, re-profile into contingencies pending new grant scheme.
- Diving Boards YLC - £37,550. New scheme to improve the existing 3 diving boards at Yarborough Leisure Centre funded from DRF.

The budget changes this quarter which have already been approved by Executive are provided below:

- Transformation of Birchwood Leisure Centre - £300,000 re-profiled into new Artificial Grass Pitches scheme. Executives 29/5/18 Item 11.

7.5 New projects agreed at Capital Programme Group are then subject to Executive Approval. There are no new projects to be presented to the Executive for the third quarter.

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

	MTFS 2018-23 Budget Qtr1&2	Revised Budget Qtr3	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing & Regeneration	415	415	415	0
Communities & Environment	2,524	2,123	2,123	0
Chief Executives Department	12,293	19,062	19,062	0
"Mega Projects"	1,393	1,393	1,393	0
Total Active Schemes	16,624	22,992	22,992	0
Schemes On Hold/Contingencies	243	543	543	0
Total Capital Programme	16,867	23,535	23,535	0

7.7 The overall spending on the General Fund Investment Programme for the third quarter is £12,430,196, which is 74.72% of the agreed programme and 83.8% 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 2018/19 of £33,047,788. Movements in the programme since have reduced overall planned expenditure in 2018/19 to £31,457,789. A summary of the changes are shown below:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Revised budget following 2018/19 Qtr1&2 Report	33,048	11,425	11,667	12,704	12,338
Budget Changes by CFO approval Q3	-1,120	849	39	157	
Budget Changes requiring Executive approval	-470	544	1,000	(1,550)	550
Budget Changes by Executive approval	0				
Revised Budget	31,458	12,818	12,706	11,311	12,888

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. The following changes approved by the Chief Finance Officer in the third quarter are summarised below:

- Kitchen Improvements re-profile £73,901 to 19/20 Central Heating Upgrades.
- Thermal Comfort Works £306,210 rephrase to 21/22.
- Rewiring £16,486 rephrase to Communal Electrics Budget.
- Re-roofing £300,000 21/22 rephrase to 19/20 budget.
- Door Replacement £437,025 rephrase to 19/20 budget.
- Landscaping & Boundaries £20,251 re-profile into Communal Hardstanding.
- Over bath Showers £150,974 rephrase to 21/22 budget.
- Safety flooring £32,746 rephrase into 20/21 budget.
- Replacement Door Entry System £52,034 rephrase into 19/20 budget.
- Renew stair structure £23,133 rephrase into 19/20 budget.
- Garages £37,345 rephrase into 19/20 budget.
- CCTV £6,685 rephrase into 20/21 budget.

7.11 Executive approval was granted on the 17th of December to allocate £543,500 towards pre-construction at De Wint from the new build programme within the 2018/19 programme.

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

- Bathrooms & WC's £255,937 and Kitchen Improvements £214,009 re-profile to the Central Heating Upgrades 19/20 budget due to budget pressure.
- Landscaping & Boundaries £2,000,000 21/22, re-profile to the Central Heating Upgrades programme due to budget pressure on current scheme roll out £1,000,000 20/21, £450,000 21/22, £550,000 22/23.
- Movements from the land acquisition fund of £115,000 with regards to Lillicrap Court.
- Movements into the contingency reserve of £105,000 due to completion of the De Wint alteration programme.

7.12 New projects agreed at Capital Programme Group are then subject to Executive Approval.

There are no new projects that require Executive approval for the third quarter.

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

	MTFS 2018-23 Budget Qtr1&2 Report	Revised Budget Qtr3	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	8,678	7,065	7,065	0
Health and Safety	675	600	600	0
Contingent Major Repairs/ Works	1,319	1,424	1,424	0
New Build Programme	18,329	18,329	18,329	0
Land Acquisition Fund	3,015	3,015	3,015	0
Other Schemes	920	912	912	0
Computer Fund	111	111	111	0
Total Capital Programme	33,048	31,458	31,458	0

7.14 Expenditure against the HIP budget during the third quarter was £15,681,670, which is 49.85% of the approved 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:-

- A large element of the programme in 2018/19 is the new build programme, which is planned to be delivered during quarter four of 2018/19.

8. Strategic Priorities

8.1 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 financial performance there are no direct impacts on Strategic Priorities, although the use of the Council's financial resources is the primary way in which it seeks to deliver its priorities.

9. Organisational Impacts

9.1 Finance (including whole life costs where applicable) - The financial implications are contained throughout the report.

9.2 Legal Implications including Procurement - There are no legal implications arising from this report.

9.3 Equality, Diversity and Human Rights - There are no equality and diversity implications as a direct result of this report.

10.0 Risk Implications

10.1 A full financial risk assessment is included in the Medium Financial Strategy 2018-23.

11. Recommendations

Executive are recommended to:

11.1 Note the progress on the financial performance for the period 1st April to 31st December 2018 and the projected outturns for 2018/19.

11.2 Note the underlying impact of the pressures and underspends identified in paragraphs 3.2 (and appendix B), 4.3 (and appendix D), and 5.2 (and appendix F)

11.3 Approve the proposed contributions to earmarked reserves as set out in paragraph 3.7.

11.4 Approve the changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.4 and 7.10.

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? Twelve

List of Background Papers: Medium Term Financial Strategy 2018-23

Lead Officer: Jaclyn Gibson, Chief Finance Officer
Telephone 873258

GENERAL FUND SUMMARY - AS AT 31 DECEMBER 2018

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	1,869	1,836	(33)
Chief Finance Officer (S. 151)	B	912	784	(128)
City Solicitor	C	1,489	1,456	(34)
Housing	D	657	850	193
Director of Major Developments	E	567	558	(9)
Communities and Street Scene	F	2,688	3,718	1,030
Health & Environmental Services	G	3,574	3,429	(144)
Planning	H	886	681	(205)
		12,642	13,312	670
Corporate Expenditure	I	1,645	1,623	(23)
TOTAL SERVICE EXPENDITURE		14,287	14,934	647
Capital Accounting Adjustment	J	193	121	(72)
Specific Grants	K	(2,574)	(2,574)	0
Contingencies	L	334	99	(235)
Savings Targets	M	(59)	0	59
Earmarked Reserves	N	1,679	1,522	(157)
Insurance Reserve	O	128	92	(36)
TOTAL EXPENDITURE		13,988	14,194	206
CONTRIBUTION TO BALANCES		288	82	206
NET REQUIREMENT		14,276	14,276	0
Retained Business Rates Income	P	28,041	28,041	0
Tariff	Q	(20,620)	(20,620)	0
Collection Fund surplus/ (deficit)	R	462	462	0
Council Tax	S	6,393	6,393	0
TOTAL RESOURCES		14,276	14,276	0

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 3

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
	<u>Additional Spending</u>		
D	Control Centre	48,080	Purchases of new equipment for Ageing Lifelines plus increased maintenance costs.
F	Waste/Street Cleansing	56,430	Overspend projected on the Waste Contract due to increasing property number and historic inflationary pressures
F	CCTV	36,170	Staffing costs are in excess of budgeted levels as well as additional charges for relocation of equipment which is not rechargeable.
G	Christmas Market	85,950	Increased costs for security and waste collection were incurred. In addition a reduction in park and ride numbers and coach number visiting resulted in a shortfall against income targets. A detailed report will be submitted in PSC in March 2019.
	<u>Reduced Income</u>		
B	Housing Benefits	225,280	Expected reduction in the level of Housing Benefits Overpayments raised compared to the budgeted amount which is based on the average amount for the last three years.
F	Car Parks	908,090	The budget for the new Lincoln Central Car Park is projected to underachieve due to it not being fully operational or at the demand level budgeted. Income shortfalls offset by reduction in costs, primarily contractual payments.
D	Homelessness Bed & Breakfast	157,990	Increased demand for Bed & Breakfast accommodation due to rising numbers of presentations. In addition the level of costs incurred to be offset by Housing Benefit payments has not reached the targeted levels.
	<u>Reduced Spending</u>		
L/J	Borrowing Costs	(272,050)	Through proactive management of cash balances, anticipated level of external borrowing has not been required during the first three quarters.

Appendix Aii

Ref		£	Reason for variance
L	Pay Contingency	(82,600)	At the time of the setting the MTFs the Local Government Pay award was still pending therefore additional amounts were set aside to fund any increases and this amount is no longer required.
L	Other Contingencies	(93,330)	Release of one off contingency budgets no longer required.
F	City Bus Station	(48,240)	A number of variances in relation to both income and expenditure have arisen as the services operates within its business plan. The most significant of these is an underspend of £48,500 in relation to repairs and maintenance.
	<u>Additional Income</u>		
N	Income Volatility Reserve	(178,010)	Earmarked Reserve previously set aside to mitigate the peaks and troughs in income levels. Reserve to be released.
N	Release of Earmarked Reserves	(102,150)	Following mitigation undertaken, as agreed at quarter 2, a number of earmarked reserves which are no longer required will be released.
H	Development Management	(114,190)	Overachievement of income projected in the year due to an increase in larger applications.
I	Release of Balance Sheet Items	(70,170)	A review of the Balance Sheet at outturn 2017/18 has led to the identification of amounts set aside which are no longer required.
G	HIMO Fees	(65,930)	Increased income due to new fees and charges coming into force.

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 31 DECEMBER 2018

	Ref	Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(27,767)	(27,847)	(80)
Charges for Services & Facilities	B	(339)	(314)	25
Contribs towards Expenditure	C	(45)	(80)	(35)
Repairs & Maintenance	D	8,298	8,506	208
Supervision & Management:	E	6,693	6,652	(41)
Rents, Rates and Other Premises	F	34	108	74
Increase in Bad Debt Provisions	G	290	283	(7)
Insurance Claims Contingency	H	253	253	0
Contingencies	I	3	0	(3)
Depreciation	J	10,697	10,697	0
Debt Management Expenses	K	12	12	0
HRS Trading (Surplus) / Deficit	L	0	(146)	(146)
Net Cost of Service	M	(1,870)	(1,875)	(5)
Loan Charges Interest	N	2,352	2,352	0
Investment/Mortgage Interest	O	(31)	(31)	0
Net Operating Inc/Exp		451	446	(5)
Major Repairs Reserve Adjustment	P	0	0	0
Transfers to/from reserves	Q	(451)	(451)	0
(Surplus)/Deficit in Year		0	(5)	(5)
Balances b/f @ 1st April		(1,023)	(1,023)	0
(Increase)/Decrease in Balances		0	(5)	(5)
Balances c/f @ 31st March		(1,023)	(1,028)	(5)

Housing Revenue Account Variances - Quarter 3

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
	<u>Reduced Spending</u>		
E	Staff vacancies	(90,000)	Supervision & Management Vacancies Q3 - under review.
	<u>Additional Income</u>		
A	Rental Income	(80,000)	Effect of Revised New Build Phasing
C	Court Fee Income	(35,000)	Court Fee Income Expected to be higher than budget at Q3.
L	HRS Trading Surplus	(145,570)	Forecast HRS Repatriation
	<u>Increased Spending</u>		
F	Rents Rates & Other Premises	74,000	Council Tax on voids.
D	Repairs & Maintenance	208,000	Increased spending projected on void properties as a result of the new build programme.
E	Supervision & Management	£92,000	Internal Recharges to capital schemes re capitalisation of new build staff removed from the forecast. Staff are no longer HRA moved to General Fund.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 31 DECEMBER 2018

	Forecast Outturn		
	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	2,539	2,467	(73)
Premises	28	31	3
Transport	450	450	0
Materials	1,329	1,309	(20)
Sub-Contractors	2,229	2,226	(3)
Supplies & Services	113	170	55
Central Support Charges	753	753	0
Capital Charges	0	0	0
Total Expenditure	7,443	7,405	(38)
Income	(7,443)	(7,551)	(107)
(Surplus)/Deficit	0	(146)	(146)

Housing Repairs Service Variances - Quarter 3

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
<u>Reduced Spending</u>		
Employees	(72,680)	YTD vacancy savings, ongoing.
Materials	(20,197)	Less Responsive expenditure work versus budget.
Sub Contractors	(3,319)	Reduced savings from Q2 regarding additional sub-contractor work re void properties for new build allocations.
<u>Reduced Income</u>		
Recharges	(107,534)	Increased Voids income to the HRS for more subcontractor costs re additional voids to fill the new builds.
<u>Increased Spending</u>		
Overheads	55,390	Increased spending on Equipment Hire and Purchases. Under Review hire should be costed to jobs.

EARMARKED RESERVES – Q3 MONITORING 2018/19

	Opening Balance 01/04/2018 £'000	Contributions £'000	Withdrawals £'000	Forecast Balance 31/03/2019 £'000
General Fund				
Grants & Contributions	787	95	(44)	838
Business Rates Volatility	539	917	0	1,456
Strategic Projects - Revenue Costs	496	0	(193)	303
Mercury Abatement	378	94	(58)	414
Budget Carry Forwards	324	47	(195)	175
Invest to Save (GF)	307	137	(69)	375
Unused DRF	221	0	(84)	137
Backdated rent review	220	0	0	220
IT Reserve	217	100	(317)	0
Income Volatility	178	0	(178)	0
Revenues & Benefits shared service	163	100	(45)	218
Tree Risk Assessment	106	20	(15)	110
Strategic Growth Reserve	100	0	(100)	0
Asset Improvement	72	0	(13)	58
Private Sector Stock Condition Survey	63	12	(35)	40
MA Reserve	51	0	(41)	10
Mayoral car	47	0	0	47
Property Searches	36	0	0	36
City Hall Sinking Fund	36	0	0	36
Managed Workspace	35	0	(30)	5
Section 106 interest	32	0	0	32
Funding for Strategic Priorities	28	1,342	(91)	1,278
Commons Parking	27	5	0	32
Electric Van replacement	22	4	0	26
Air Quality Initiatives	22	6	(18)	10
Christmas Decorations	17	0	(4)	14
Boston Audit Contract	14	0	0	14
Tank Memorial	10	0	0	10
Organisational Development	8	76	0	84
Yarborough Leisure Centre	2	0	0	2
Crematorium Income Equalisation	0	100	0	100
	4,559	3,055	(1,532)	6,081
HRA Repairs Account	624	0	0	624
Capital Fees Equalisation Reserve	238	0	(24)	214
HRA Strategic Priority Reserve	240	0	0	240
Invest to Save (HRA)	140	0	0	140
Western Growth Corridor	178	0	(178)	0
De Wint Court Reserve	73	0	0	73
HRA Survey Works	57	3	0	60
Stock Retention Strategy	22	0	0	22
	1,572	3	(202)	1,374
Total Earmarked Reserves	6,131	3,058	(1,734)	7,455

CAPITAL RESOURCES – Q3 MONITORING 2018/19

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/2019
	£'000	£'000	£'000	£'000
Capital Grants	385	1,110	(1,495)	0
Capital receipts General Fund	41	2,191	(1,195)	1,037
Capital receipts HRA	7,334	819	(8,153)	0
Capital receipts 1-4-1	1,958	900	(262)	2,596
Major Repairs Reserve	12,640	10,710	(16,989)	6,361
DRF	221	58	(280)	0
Total Capital Resources	22,579	15,788	(28,374)	9,994

General Investment Programme – Summary of Financial Changes

Project Name	2018/19	2019/20	2020/21	2021/22	2022/23	Notes
	£	£	£	£	£	
2018/19 MTFS Budget as at Q2	16,867,296	846,258	500,000	500,000	500,000	
Budget for approval	23,535,318	3,050,546	500,000	500,000	500,000	
Total changes for Q3	6,668,022	2,204,288	0	0	0	
Approved by Chief Finance Officer						
Skate Park	(183,021)	183,021				re-profiled into 19/20
Planned Capitalised Works (32 Schemes below)	(175,886)					
City Hall Improvement Works- Phase 2	(2,590)					Scheme Completed
High Bridge Improvements	(4,115)					Scheme Completed
Asbestos Removals following survey outcomes	(17,480)					Scheme Completed
Land and Property Acquisition	(168,037)	168,037				re-profiled into 19/20
Disabled Facilities Grant	81,530					Additional grant
Yarborough Leisure Centre Capital Improvements	(15,807)					Scheme Completed
Broadgate Lift Refurbishment	26,000					Additional funding required to deliver scheme
City Square Lighting	(5,000)					Scheme Completed
Hartsholme Play Area	(15,000)					Scheme Completed
Hartsholme Water Mains	109					Additional funding required to deliver scheme
Hartsholme Kitchen Improvements	(3,000)					Scheme Completed
Greetwell Hollow	(29,579)					Scheme Completed

Appendix J

Fixed Wire Remedial Works	(5,513)					Scheme Completed
Fire Stopping Works	10,767					Additional funding required to deliver scheme
20/22 Steep Hill improvements	8,000					New planned works
Grandstand CC Stairs Improvements	2,119					New planned works
Hartsolme Park Barrier Improvements	14,000					New planned works
Greyfriars Roof Improvements	5,000					New planned works
City Hall Stairwell Improvements	5,123					New planned works
City Hall 3rd Floor Fire Works	27,835					New planned works
City Hall CP Resurfacing	9,783					New planned works
YLC Surfacing	4,827					New planned works
YLC Control Centre	8,765					New planned works
YLC Pipework	10,000					New planned works
YLC New Heating System Phase 1	20,000					New planned works
YLC New Heating System Phase 2	14,000					New planned works
High Bridge Cafe Improvements	5,117					New planned works
Guildhall	11,000					New planned works
Guildhall Boiler Upgrade	6,525					New planned works
Play Area Surfacing Works	15,000					New planned works
Long Leys Road Drainage	20,000					New planned works
High Bridge Canopy's	10,000					New planned works
Broadgate Distribution Board/Emergency Lighting	20,000					New planned works
Lucy Tower Lifts	20,000					New planned works
Approved by Executive						
Car Park Improvements - ticket machines (MTFS)		100,000				New Scheme to commence 19/20

Appendix J

Car Park Improvements - CCTV in MSCPs (MTFS)		100,000				New Scheme to commence 19/20
Central Markets (MTFS)		300,000				New Scheme to commence 19/20
Transformation of Birchwood Leisure Centre (Execs 29.5.18)	(300,000)					Reallocation to AGP Scheme 18/19
AGP (Execs 29.5.18)	300,000	1,353,230				New Scheme 18/19 funding from BLC scheme
Purchase of Deacon Road	6,900,000					Purchase of property
To be approved by the Executive						
Non Disabled Facilities	(26,026)					Reallocation due to scheme completion
Capital Contingencies	26,026					Reallocation
Diving Boards YLC	37,550					DRF
Diving Boards YLC	5,000					Balance funded from Planned Capitalised Works
Planned Capitalised Works	(5,000)					

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

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
<u>ACTIVE SCHEMES</u>					
<u>DCE - Communities & Environment</u>					
Skate Park	183,021	0	0	0	0.00%
Compulsory Purchase Orders	83,700	83,700	0	83,700	0.00%
Disabled Facilities Grant	1,080,980	1,162,510	419,690	742,820	36.10%
Transformation of Birchwood Leisure Centre	401,364	101,364	116,144	(14,780)	114.58%
Bereavement Services Lighting	24,290	24,290	24,482	(192)	100.79%
Memorial Tree	20,000	20,000	24,200	(4,200)	121.00%
Verso	25,000	25,000	25,000	0	100.00%
	1,818,355	1,416,864	609,516	807,348	
<u>DCE - Community Services</u>					
Flood alleviation scheme - Hartsholme Park	0	0	0	0	0.00%
Boultham Park Masterplan	134,413	134,413	31,078	103,335	23.12%
CCTV Upgrade	7,135	7,135	32,344	(25,209)	453.31%
Allotment Capital Improvement Programme	564,224	564,224	262,782	301,442	46.57%
	705,772	705,772	326,204	379,568	
<u>General Fund Housing</u>					

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
Housing Renewal Area	414,545	414,545	21,657	392,888	5.22%
	414,545	414,545	21,657	392,888	
<u>CX - Corporate Policy</u>					
New Telephony System	40,165	40,165	0	40,165	0.00%
	40,165	40,165	0	40,165	
<u>CX - Chief Finance Officer</u>					
The Terrace	0	0	(2,712)	2,712	0.00%
The Terrace Heat Mitigation Works	0	0	0	0	0.00%
Planned Capitalised Works	685,401	722,951	326,640	396,311	45.18%
Land and Property Acquisition	11,567,232	11,399,195	11,037,452	361,743	96.83%
Purchase of Deacon Road	0	6,900,000	0	6,900,000	0.00%
	12,252,633	19,022,146	11,361,380	7,660,766	
Lincoln Transport HUB	1,392,840	1,392,840	93,733	1,299,107	6.73%
TOTAL BUDGET FOR ACTIVE SCHEMES	16,624,310	22,992,332	12,412,490	10,579,842	77.13%
<u>Schemes Currently Non Active</u>					
Compulsory Purchase Orders	154,504	154,504	3,250	151,254	2.10%
Non Disabled Facilities Grants	26,026	0	0	26,026	0.00%
Capital Contingencies	46,380	72,406	0	72,406	0.00%
Electric Vehicle Replacement	16,076	16,076	14,456	1,620	89.92%
Artificial Grass Pitches	0	300,000	0	300,000	0.00%

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
TOTAL BUDGET FOR SCHEMES NON ACTIVE	242,986	542,986	17,706	551,306	
TOTAL GENERAL INVESTMENT PROGRAMME	16,867,296	23,535,318	12,430,196	11,131,148	

Housing Investment Programme – Summary of Financial Changes

Project Name	2018/19 MTFS Budget as at Qtr2 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile (to) from future years	Notes
	£	£	£	£	
<u>Decent Homes</u>					
Bathrooms & WC's	625,938	(255,937)	370,001	0	19/20 Central Heating
DH Central Heating Upgrades	1,433,837		1,433,837	2,543,847	Future year requirement
Responsive Capitalised Heating Replacements	346,122	(73,901)	272,221	0	19/20 Central Heating
Thermal Comfort Works	408,831	(306,210)	102,621	306,210	21/22
Kitchen Improvements	570,276	(214,009)	356,267	0	19/20 Central Heating
Rewiring	33,911	(16,486)	17,425	0	Communal Electrics
Re-roofing	756,776		756,776	0	
Lincoln Standard Windows Replacement	600,000		600,000	0	
Structural Defects	105,015		105,015	0	
Wall Structure Repairs	6,951		6,951	0	
Door Replacement	1,426,799	(437,025)	989,774	437,025	Slippage to 19/20
Decent Homes Decoration Allowance	13,371	0	13,371	0	
CO Detector Installation	40,058		40,058	0	
New services	47,046		47,046	0	
Void Capitalised Works	1,282,797		1,282,797	0	
Landscaping and Boundaries	419,410	(20,251)	399,159	(2,000,000)	18/19 Communal. Future year to Central Heating

Project Name	2018/19 MTFS Budget as at Qtr2 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile (to) from future years	Notes
	£	£	£	£	
Alterations to De Wint Court	105,010	(105,010)	0	0	Scheme completion
Decent Homes	8,222,148	(1,428,829)	6,793,319	1,287,082	
<u>Lincoln Standard</u>					
Over bath showers (10 year programme)	400,110	(150,974)	249,136	150,974	Reprofile to 21/22
Safety flooring - Supported Housing	55,369	(32,746)	22,623	32,746	Reprofile to 20/21
Lincoln Standard	455,479	(183,720)	271,759	183,720	
<u>Health & Safety</u>					
Asbestos Removal	117,424	0	117,424	0	
Asbestos Surveys	230,583		230,583	0	
Replacement Door Entry Systems	81,034	(52,034)	29,000	52,034	Reprofile to 19/20
Renew stair structure	23,133	(23,133)	0	23,133	Reprofile to 19/20
Plastering (HHSRS)	222,854		222,854	0	
Health & Safety	675,028	(75,167)	599,861	75,167	
<u>New Build Programme</u>					
New Build Programme	4,111,649	(543,500)	3,568,149	0	
New Build Partnership - Waterloo Housing	4,483,680		4,483,680	0	
New Build Partnership - Westleigh	1,502,054		1,502,054	0	
New Build Partnership - Lytton Street	700,000		700,000	0	
New Build Site - 1	74,767		74,767	0	
New Build Site - 2	20,027		20,027	0	
New Build Site - 3	38,769		38,769	0	
Blankney Crescent New Build Scheme		0	5,298	5,298	

Project Name	2018/19 MTFS Budget as at Qtr2 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile (to) from future years	Notes
	£	£	£	£	
New Build Site - Queen Elizabeth Road	0	0	11,557	11,557	
Ingleby Crescent New Build Scheme	7,198,399		7,198,399	0	
Land Acquisition - 93 Rookery Lane	200,000		200,000	200,000	
New Build - De Wint Court	0	543,500	543,500	0	
New Build Programme	18,329,345	0	18,329,345	0	
<u>Land Acquisition</u>					
Land Acquisition Fund	1,185,213	(115,000)	1,070,213	0	
Land Acquisition – site 1	1,695,000	0	1,695,000	0	
Land Acquisition – site 2	135,000	0	135,000	0	
Land Acquisition – site 3	0	115,000	115,000	0	
Land Acquisition	3,015,213	0	3,015,213	0	
Other	919,755	(7,293)	912,462	237,202	
<u>Contingency Schemes</u>					
Contingency Reserve	1,319,393	105,010	1,424,403	(193,172)	
Contingency Schemes	1,319,393	105,010	1,424,403	(193,172)	
<u>Other Schemes</u>					
Housing Support Services Computer Fund	111,427	0	111,427	0	
Other Schemes	111,427	0	111,427	0	
GRAND TOTALS	33,047,788	(1,589,999)	31,457,789	1,589,999	

Housing Investment Programme – Summary of Expenditure as at 31st December 2018

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
<u>Decent Homes</u>					
Bathrooms & WC's	625,938	370,001	364,836	(5,165)	98.60%
DH Central Heating Upgrades	1,433,837	1,433,837	1,053,830	(380,007)	73.50%
Responsive Capitalised Heating Replacements	346,122	272,221	145,256	(126,965)	53.36%
Thermal Comfort Works	408,831	102,621	55,685	(46,936)	54.26%
Kitchen Improvements	570,276	356,267	346,637	(9,630)	97.30%
Rewiring	33,911	17,425	12,425	(5,000)	71.31%
Re-roofing	756,776	756,776	279,941	(476,835)	36.99%
Lincoln Standard Windows Replacement	600,000	600,000	139,644	(460,356)	23.27%
Structural Defects	105,015	105,015	6,083	(98,932)	5.79%
Wall Structure Repairs	6,951	6,951	0	(6,951)	0.00%
Door Replacement	1,426,799	989,774	147,868	(841,906)	14.94%
Decent Homes Decoration Allowance	13,371	13,371	13,712	341	102.55%
CO Detector Installation	40,058	40,058	64,458	24,400	160.91%
New services	47,046	47,046	4,562	(42,484)	9.70%
Void Capitalised Works	1,282,797	1,282,797	352,293	(930,504)	27.46%
Landscaping and Boundaries	419,410	399,159	14,981	(384,178)	3.75%
Alterations to De Wint Court	105,010	0	0	0	0.00%
<i>Prelim Costs & Exceptionals to be allocated</i>			0	0	0.00%
Decent Homes	8,222,148	6,793,319	3,002,211	(3,791,108)	

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
<u>Lincoln Standard</u>					
Over bath showers (10 year programme)	400,110	249,136	224,212	(24,924)	90.00%
Safety flooring - Supported Housing	55,369	22,623	0	(22,623)	0.00%
Lincoln Standard	455,479	271,759	224,212	(47,547)	
<u>Health & Safety</u>					
Asbestos Removal	117,424	117,424	109,776	(7,648)	93.49%
Asbestos Surveys	230,583	230,583	63,378	(167,205)	27.49%
Replacement Door Entry Systems	81,034	29,000	1,919	(27,081)	6.62%
Renew stair structure	23,133	0	0	0	0.00%
Plastering (HHSRS)	222,854	222,854	0	(222,854)	0.00%
Health & Safety	675,028	599,861	175,073	(424,788)	
<u>New Build Programme</u>					
New Build Programme	4,111,649	3,558,710	0	(3,558,710)	0.00%
New Build Partnership - Waterloo Housing	4,483,680	4,483,680	0	(4,483,680)	0.00%
New Build Partnership - Westleigh	1,502,054	1,502,054	1,527,506	25,452	101.69%
New Build Partnership - Lytton Street	700,000	700,000	693,043	(6,957)	99.01%
New Build Site - 1	74,767	74,767	0	(74,767)	0.00%
New Build Site - 2	20,027	20,027	0	(20,027)	0.00%
New Build Site - 3	38,769	38,769	11,782	(26,987)	30.39%
Blankney Crescent New Build Scheme		0	5,298	5,298	0.00%
New Build Site - Queen Elizabeth Road	0	0	11,557	11,557	0.00%
Ingleby Crescent New Build Scheme	7,198,399	7,198,399	6,855,161	(343,238)	95.23%
Land Acquisition - 93 Rookery Lane	200,000	200,000	186,621	(13,379)	93.31%

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
New Build Capital Salaries	0	9,439	0	(9,439)	0.00%
New Build - De Wint Court	0	543,500	411,332	(132,168)	75.68%
New Build Programme	18,329,345	18,329,345	9,702,300	(8,627,045)	
<u>Land Acquisition</u>					
Land Acquisition Fund	1,185,213	1,070,213	0	(1,070,213)	0.00%
Land Acquisition – site 1	1,695,000	1,695,000	1,550,000	(145,000)	91.45%
Land Acquisition – site 2	135,000	135,000	129,000	(6,000)	95.56%
Land Acquisition – site 3	0	115,000	115,000	0	100.00%
Land Acquisition	3,015,213	3,015,213	1,794,000	(1,221,213)	
Other	919,755	912,462	756,888	(155,574)	82.95%
<u>Contingency Schemes</u>					
Contingency Reserve	1,319,393	1,424,403	0	1,424,403	0.00%
Contingency Schemes	1,319,393	1,424,403	0	1,424,403	
<u>Other Schemes</u>					
Housing Support Services Computer Fund	111,427	111,427	26,986	(84,441)	24.22%
Other Schemes	111,427	111,427	26,986	(84,441)	
GRAND TOTALS	33,047,788	31,457,789	15,681,670	(15,776,119)	

SUBJECT:	QUARTER 3 2018-2019 OPERATIONAL PERFORMANCE REPORT
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	PAT JUKES, BUSINESS MANAGER – CORPORATE POLICY

1. Purpose of Report

- 1.1 To present to Executive a summary of the operational performance position for quarter three of the financial year 2018/19 (Sept to December 2018)
- 1.2 The report is in the following format:
 - Executive Summary – highlighting key points of note
 - Background – recent changes to the report
 - Operational performance overview – issues and successes
 - Appendix A details all measures by individual directorate grouping – with annual and quarterly measures split separately

2. Executive Summary

- 2.1 The report includes four corporate measures:
 - Sickness – split by long and short term
 - Corporate complaints including Ombudsman rulings
 - Employee FTE headcount, vacancies & turnover.
 - Staff appraisals completed

In addition, key headlines from operational measures collected and reported by Directorate are summarised below and reported in full in section 4.

Some measures throughout this report are considered ‘volumetric’ measures e.g. The number of claims...They are needed to set the context of performance, but cannot be changed by the performance of the team – these are marked as ‘V’

2.2 Key headlines from performance results:

A summary of the key headlines are found below:

<ul style="list-style-type: none"> ✓ The number of users logged into the self-service system MyInfo this quarter has increased from 6,409 Q3 last year to 7,651 Q3 this year ✓ The in year collection rate for business rates has surpassed its upper target of 84.22% at a figure of 86.23% ✓ The total number of users of our 	<ul style="list-style-type: none"> × The average time taken to answer a call in customer services has increased by 73 seconds compared to Q3 last year, at 122 seconds, below the lower target of 50 seconds × The level of outstanding customer changes in the Revenues team has increased to 401 in Q3 this year, from 80 in Q3 last year × The % of waste recycled or composted
--	---

<p>health and recreation facilities has increased by 55,176 users since Q3 last year</p> <ul style="list-style-type: none"> ✓ The satisfaction of PPASB complainants relating to how the complaint was handled has seen a large increase of 12.4%, increasing from 80.3% last quarter to 92.7% in Q3 ✓ The percentage of premises that are full or broadly compliant with food health and safety inspections has improved on its target of 97% with a figure of 97.6% ✓ The percentage of Non-Major and Major Planning Applications determined within the government targets are above their targets at 94.51% and 97.96% respectively ✓ The rent collected as a proportion of rent owed has surpassed its target of 96.50% at 99.83% ✓ The current level of tenant arrears is better than the target of 3.50% with a figure of 2.47% - but is still a little higher than at the same time last year (2.22%) ✓ The percentage of reactive repairs completed within target time is above the target of 97.50% with a figure of 98.51% 	<p>has decreased from 38.20% in last year to 34.70% in this year, below its lower target of 35% (lagged Q2 data)</p> <ul style="list-style-type: none"> ✗ The average re-let time calendar days for all dwellings (including major works) is slightly below its lower target of 28 with a figure of 28.35 ✗ The % of rent lost through dwellings being vacant has deteriorated 0.14% to 0.84% this quarter <p><i>Following the introduction of full Universal Credit in March 2018, there has been a lengthening of time taken in most aspects of Housing Benefits work.</i></p> <ul style="list-style-type: none"> ✗ The average days taken to process new housing benefit claims has decreased slightly since Q2 but is still below its lower target of 26 at 27 days ✗ The average days taken to process housing benefit claim changes of circumstances is outside its lower target of 6 with a figure of 8.03 ✗ The number of housing benefits and council tax support customers awaiting assessment has increased from last year's Q3 figure of 556, now at 1,339 ✗
<p>The following indicators are VOLUMETRIC ones (V). This means that they are important to report, as they provide contextual data to support the performance data above. None of these will have a target allocated as it is not true performance– as in the team cannot affect the numbers coming in directly.</p>	
<ul style="list-style-type: none"> ✓ (V) The number of face to face enquiries at city hall has decreased again in Q3 to 4,893, compared to 10,388 in Q3 last year 	<p>Due to the introduction of the Homelessness ACT in April 2018, we are seeing increased numbers of applicants, thus helping more people for longer</p> <ul style="list-style-type: none"> ✗ (V) The number of Homelessness applications progressed within the Housing team has increased from Q3 last year by 343, now reporting at 526.

2.3 Key headlines from the corporate measures:

- ✓ The overall sickness data for Quarter 3 is 2.45 days per FTE (excl. apprentices). This brings the cumulative total of sick days to 7.28 days which is 2.56 days less than last year and is the lowest quarter three average in the last 5 years.
- The cumulative average time across all directorates to respond to formal complaints was 7.9 days, which is an increase of 1.4 days from quarter two 2017/18.
- ✓ 90.2% of all staff appraisals were completed by Q3 in the year 2018/19

The total number of FTE employees (excluding apprentices) at the end of quarter three was 564.63, an increase of 11.37 FTE. During quarter three, there was also an average of 15.22 apprentices.

3. Background

3.1 Regular monitoring of the Council's operational performance is a key component of the Local Performance Management Framework. This report covers key service performance measures identified by Members and CMT as of strategic importance.

4. Main Performance achievements

Please note the icons used in the summary highlight the trend performance of the measure.



The figure is improving
(high is good)



The figure is improving
(low is good)



The figure is worsening
(low is good)



The figure is worsening
(high is good)



The figure is maintaining

The report will predominantly report on improving and declining performance.

4.1 Key performance areas in Chief Executives Directorate

The number of apprentices moving into Education, Employment or Training has achieved its target of 100%	
(V) The number of face to face enquiries at City Hall has decreased again in Q3 to 4,893, compared to 10,388 in Q3 last year	
The number of users logged into the self-service system MyInfo this quarter has increased from 6,409 Q3 last year to 7,651 Q3 this year	
The average time taken to answer a call in customer services has increased by 73 seconds compared to Q3 last year, at 122 seconds, which is also below the lower target of 50 seconds	
The average interest rate on external borrowing has decreased from 4.07% Q3 last year to 3.55% Q3 this year	
The in year collection rate for council tax has decreased by 0.30% since Q3 last year, now reporting at 79.47%, which is still on target	
The in year collection rate for business rates has surpassed its upper target of 84.22% with a figure of 86.23%	
The level of outstanding customer changes in the Revenues team has increased to 401 in Q3 this year, from 80 in Q3 last year	
The average days taken to process new housing benefit claims from date received has decreased slightly since Q2 but is still below its lower target of 26 with a figure of 27	
The average days taken to process housing benefit claim changes of circumstances from date received is below its lower target of 6 with a figure of 8.03	
The number of housing benefits and council tax support customers awaiting assessment has increased by 783 from last year's Q3 figure of 556, now at 1,339	

The percentage of risk based quality checks made where the benefit entitlement is correct is below its lower target of 86.50% with a figure of 86.34%	↓
The number of new benefit claims year to date has decreased again from 5,513 in Q3 last year to 4,058 Q3 this year	↓

4.2 Customer Services

The average time to answer a call in Customer Services has seen an increase from last quarter's figure of 96 seconds, increasing this quarter to 122 seconds. This is higher than the figure reported at the same time last year of 49 seconds, and the measure is outside its lower target of 50 seconds.

There was a marginal increase in demand in customer services during quarter three compared to the last quarter with just 20 more customers visiting to make a face to face enquiry and 3,075 more calls answered. One customer services assistant has been transferred to assist Housing Solutions in taking their calls (which are not included in these totals).

Although the length of calls across all skillsets is getting longer, a contributing factor in this has been the problems we have had in changing IT systems. The issue has been raised with the Business Development and IT Manager. Future investment in infrastructure should allieviate these issues and in the meantime a number of short term interventions have helped

It is pleasing to report that yet again the number of users who logged into the self-service system 'MyInfo' has increased; from 6,409 in quarter three last year to 7,651 in quarter three this year. 4,893 people came to City Hall in quarter three, a drop of 5,495 compared to the same point last year, with the lack of the travel concession contract contributing significantly to this decrease. 1,685 less customers called in quarter three this year, reducing from 32,102 in quarter three last year to 30,417 in quarter three this year. Again, this can be primarily explained due to the lack of the travel concessions contract.

Although we are seeing less face to face demand following the end of the concessions contract, the Customer Services team is still running below previous staffing levels with one vacancy, a 0.6 FTE drop in team leader time and reduced apprentice capacity alongside increased responsibilities in Housing areas.

4.3 Revenues Administration

The in-year collection rate for Lincoln Council Tax at 79.47% has dropped below that collected by the same time last year, but is still within its target of 78.56% - 79.76%. Whilst decreasing by 0.30% in quarter three this year compared to quarter three last year, meaning a reduction of £125,330 collected, our total net receipt has in fact increased from the same point last year by £2,550,282.

In a similar way, although the in-year collection rate for Lincoln Business Rates has maintained its direction with a figure of 86.23% in quarter three this year compared to the quarter three figure of 86.43% last year, it still remains above its quarter three target of 84.22%. Whilst the collection rate is lower, our total net receipt has

increased by £1,039,217 from the same point last year, and in turn we have actually collected an additional £870,678.

Outstanding revenues customer changes have increased from the record low of 80 in quarter three last year to 401 in quarter three this year, an increase of 321. It should be noted that as well as temporary unseen reduction in staffing resources, additional workload has been undertaken within the Revenues team compared to quarter three last year such as Single Person Discount Review and Student Review. During Q1 and Q2, reduced staffing resulted in this increase in outstanding workload – but the team has since decreased this level by 258 and continues to work on the backlog.

4.4 Housing Benefit Administration

The number of Housing Benefit and Council Tax Support claims processed has continued to decrease compared to the same quarter in 2017/18, - in particular Housing Benefit, which is not unexpected due to some new claims now being for Universal Credit instead of Housing Benefit. Resources in the Benefits Service has been re-allocated to take account of new demands on the team.

Number of new claims processed	Q3 2017/18	Q3 2018/19
Housing Benefits	2,190	1,063
Council Tax Support	3,323	2,295

There is now an expected lengthening of time taken in almost all aspects of Housing Benefits work, caused by the introduction of full Universal Credit earlier this year. The average cumulative days to process housing benefit claim changes of circumstances remains relatively stable at 8.03 days compared to 7.93 days last year. A reallocation of resource in the team to try and decrease the outstanding workload related to Universal Credit (UC) claims, the number of UC related documents requiring assessment, as well as diversion to other key areas of benefits administration (such as fraud and error) is impacting on the time taken to process housing benefit changes.

It is worth noting that the average cumulative days to process new housing benefit claims has decreased slightly from 28.16 in quarter two this year to 27 in quarter three, however, the figure of 27 is still below its target of between 24 and 26 days.

The number of Housing Benefit / Council Tax support customers awaiting assessment has increased significantly from 556 at quarter three last year to 1,339 in quarter three this year. Of these customers, 968 are awaiting a first contact from a Benefits Officer. For the remaining 371 customers, Benefits Officers have made contact and are now awaiting information from the customer.

Although the amount of outstanding Housing Benefit work has increased, this is predominantly due to the volume of Universal Credit related documents, of the outstanding items, only 300 of these are non-Universal Credit related work. Since the end of quarter 3, officers have reviewed the work allocations and as a result, the oldest date is now 7 January 2019. Allocation of work is continuing to be reviewed and will continue to be monitored daily by management.

The percentage of risk based quality checks where benefit entitlement is correct, has seen a 2.34% increase from the quarter two figure of 84%, now reporting at 86.34%. Whilst it has increased slightly, this is still just below the lower target of 86.50%. It is worth noting that changes introduced to the quality control procedure has increased the number of checks taking place and also now includes Universal Credit assessments being checked. The changes are much more complex, and require more time to be taken to ensure accurate processing.

4.5 Key performance areas in Directorate for Communities and Environment

The total number of users of our health and recreation facilities has increased by a sizeable 55,176 users since Q3 last year	↑
The percentage of waste that is recycled or composted has decreased from 38.20% in the same quarter last year to 34.70% this year. (Lagged Q2 data)	↓
The number of off street charged parking spaces now stands at 3,621	↑
The overall percentage utilisation at our car parks has decreased from 70% in Q3 last year to 52% in Q3 this year, and is below the lower target of 60%	↓
The satisfaction of complainants relating to how the complaint was handled has increased from 80.3% in Q2 to 92.7% in Q3 which is above its upper target of 87.5%	↑
The percentage of premises that are full or broadly with food health and safety inspections has beaten its target of 97% with a figure of 97.6%	↑
The percentage of Non-Major and Major Planning Applications determined within the government targets are above their targets at 94.51% and 97.96% respectively	↑
The percentage of planning applications approved met its target of 97%	↑

4.6 CCTV

The total number of CCTV incidents handled by our operators (Volumetric measure) has seen a decrease from the record high 4,068 reported in quarter two to 3,326 in quarter three. It is worth noting that quarter two included the period of sustained police activity to deal with the drug issues within the city centre. As a part of that initiative the unit shifted focus to gather the required data that would provide police with the necessary information for the operation, both prior to police commencement of the operation and during the operational period which is still ongoing. This data gathering was only possible because of the significantly increased technology and functionality of the upgraded CCTV system. The continuing success of the Police operation is now reflected in the reduced number of operator driven activity in quarter three.

4.7 Recreation and Leisure

In comparison to quarter three last year, the total number of users across all of our health and recreation facilities has risen by a significant 55,176, totalling an impressive 245,374 as of quarter three this year. With the new improved facilities at Birchwood Leisure Centre now fully open for the third quarter, customers have been able to return to the facility and indeed this has been the case with an increase of 37,493 users this quarter compared to quarter three last year. The continuation of effective marketing between Active Nation and the City of Lincoln

Council has also promoted the facility much better than ever before, and is proving to be a success with residents across the city. As of the July 2018 Citizens Panel the satisfaction of the standard of service at Birchwood Leisure Centre was 86%.

However, Birchwood is not the only leisure centre with higher usage rates. Yarborough Leisure Centre has also increased its usage by 3783 on Q3 last year.

4.8 Waste & Recycling

Note that the data presented here is as usual lagged and thus refers to quarter two 2018/19. The percentage of waste recycled or composted has decreased from 38.2% in quarter two last year to 34.7% in quarter two this year. This is also below the lower target of 35%. 17.35% of waste was recycled and 17.35% was composted. We are continuing work with Lincolnshire County Council to encourage recycling, however the lower figure is not unique to Lincoln and reflects the national recycling rates, which are also falling.

4.9 Parking Services

The number of off street parking spaces operated by City of Lincoln Council (now standing at 3,621) is 741 spaces above the same point last year. Overall utilisation of the car parks has decreased from 70% in quarter three last year (before the new multi-storey was built) to 52% in quarter three this year, which is not a drop in total usage, but the effect of having more spaces available. Whilst this is below the lower target of 60%, income figures for the car parks first three quarters show a 27.3% increase (plus £766,471.) with season tickets also at a 23.6% increase (plus £54,597.) Although penalty charges show a decrease of 23% (minus £10,800.) The extra capacity at the Lincoln Central car park and the return of cars to Tentercroft Street car park has boosted income. The Lincoln Central car park continues to show a growing usage, which we will continue to closely monitor.

4.10 Public Protection and Antisocial Behaviour

The number of service requests has seen a large increase, from 612 in quarter three last year to 836 in quarter three this year. There has been strong Police activity over the summer and Autumn, so this may have prompted an increase in reporting

The satisfaction of complainants relating to how the complaint was handled in the Anti-Social Behaviour team has seen a significant 12.4% increase, rising from 80.3% in quarter two to 92.7% in quarter three. It is worth noting that not all of the service requests relate to vagrancy and begging, and are a spread of different types of PPASB incidents.

4.11 Food Health and Safety

The percentage of premises fully or broadly compliant with Food Health & Safety inspection has again surpassed its target with a figure of 97.6%, which is also slightly higher than the figure of 96.8% in quarter two. The total number of registered food businesses is 1033. Just 25 of those businesses are considered to be non-compliant of which seven of those are new businesses.

A watchful brief will to be kept on the number of official FHS controls that should be completed by year end. There are currently 94 inspections outstanding. There are no high risk red inspections overdue, however there are 10 amber inspections overdue of which 7 are evening economy visits, 3 are new businesses and the remainder (84) are green.








4.12 Development Management

Quarter three saw 211 standard planning applications submitted, a small decrease of just 18 compared to last quarter. They were dealt with in a marginally slower average of 59.40 days, compared to the 56.25 days in quarter two.

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 have maintained since last quarter, and are still above target of 90%, at 94.51% and 97.96% respectively. The Development Management team prioritises 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 97% of planning applications were accepted. Five planning appeals were submitted of which just two were allowed.

It is pleasing to see that despite the new requirements introduced by the National Planning Policy Framework (where the team now has to seek agreement with the applicants of all pre-commencement conditions prior to determination), no Development Management measures have deteriorated in quarter three.

4.13 Key performance areas in Directorate for Housing and Regeneration

The rent collected as a proportion of rent owed has surpassed its target of 96.50% with an almost perfect figure of 99.83%	
The current level of tenant arrears is above the target of 3.50% with a figure of 2.47% (low is good)	
The number of people on the council housing waiting has decreased considerably since Q3 last year's figure of 1,653, with a figure of 978 in Q3 this year	
(V) The number of Homelessness applications progressed within the Housing team has increased from Q3 last year by 343, reporting at 526.	
Percentage of rent lost through dwellings being vacant has increased from 0.7% to 0.84%	
The average re-let time calendar days for all dwellings (including major works) is slightly below its lower target of 28 with a figure of 28.35	
The percentage of reactive repairs completed within target time is above the target of 97.50% with a figure of 98.51%	

4.14 Rent Collection and arrears

In quarter three the level of rent collection increased again slightly from 98.19% in quarter two to a high level figure of 99.83% this quarter and is still above its target of 96.50%. Despite having two rent free weeks over the Christmas period we still collected £557,167 in rent during that time. Outstanding workload in relation to

Universal Credit (existing tenants experiencing delays in receiving their first payment) has been reduced, and at this stage in the financial year, we have collected £20,754,564 in rent. The current tenant arrears as a percentage of the annual rent debit has decreased this quarter to 2.47%, down from 2.95% in the last quarter, with arrears now standing at £682,178.28. This is however still well above its target of 3.5%.

4.15 Housing Solutions (Homelessness and Housing Waiting List)

Due to the Homelessness Reduction Act changes which came into force in April 2018, we must now open a homeless application/case for anyone eligible, threatened with homelessness within 56 days or is already homeless. The revised focus is to prevent homelessness and to help support people to find and secure accommodation. This means the Council has a duty to start working with people who approach for help and advice, at an earlier stage and help should initially be offered regardless of whether the person has a local connection to Lincoln or a priority need for assistance. It is therefore almost certain that homelessness presentations will increase in the first year but the number of cases where homelessness is prevented should also increase. The team has been working to ensure that the service complies with legislation and over the next few months more work will take place to further develop and enhance the services offered. The team have also introduced changes to the Allocations Policy which means that they can secure accommodation for those households who are statutory homeless, more quickly.

The number of homeless applications received includes everything from triage, advice, under prevention, under relief, successfully prevented and successfully relieved. For quarter three this year, the number was 526 - this is a considerable increase of 343 more than in quarter three last year, but is expected as explained above. Comparisons externally have shown that this is in line with national averages and not a Lincoln phenomenon.

4.16 Housing Voids

The average re-let time in calendar days for all dwellings (including major works) has increased from last quarter's figure of 26.47 to 28.35 this quarter. This figure puts the measure slightly outside its lower target of 28. The re-let time for all voids at the end of December was 28.4 days, against a target of 25 days. The number of void properties within the process has significantly increased due to the New Build Project and an increased amount of evictions taking place, which in turn has increased the workload and pressures on all areas within voids. Receiving offers on available properties from applicants is a contributing factor for the delay on the overall void time. Work is continuing within the Housing Solutions team to remedy the situation and in the coming months, we will be reviewing the voids letting standard in order to improve processes and further streamline the service.

4.17 Housing Maintenance

Despite a small decrease, the percentage of reactive repairs completed within the target time is still seeing very strong performance, reaching a figure of 98.51%, above the target of 97.5%. 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 the team to complete repairs in a more efficient timeframe.

OTHER ACHIEVEMENTS DURING THIS QUARTER

4.18 #OurDay – what a day for CoLC!

We had more than 50 members of staff attend our photoshoots at Hamilton House and City Hall, ensuring we were able to present a broad cross-section of our services to the public.



The day was a massive success for local government. There were more than 33,000 tweets sent out using the Our Day hashtag from more than 9,000 contributors. The hashtag trended at number one in the UK throughout the day and even got as high as number four in the world at one point.

However, most impressively of all was the success of our tweets which were liked more than 340 times from twitter users as far away as Australia and Canada. It was a great opportunity to show people locally, regionally, nationally and internationally exactly what we do and to put faces to an organisation which can sometimes be viewed as faceless. However, saving the best for last, by far the biggest surprise of the day was just how popular some of our tweets performed. In fact, out of the 33,000 #OurDay tweets sent out on the day, four of ours made the Top 50 in the table of the most interacted.

4.19 **LINCOLN** Lincoln Social Responsibility Charter

SOCIAL RESPONSIBILITY CHARTER

- There are currently 30 businesses signed up to the charter
- Plus recent expressions of interest that include Barclays, Globe Consultants and Stokes with work ongoing to get these businesses formally signed up
- The Charter has been promoted in a number of ways
 - o It was promoted in the December 18 & January 19 Business supplement of the Lincolnshire Echo
 - o It was promoted on the Transport Hub TV screen during mid-January listing all signees to the charter
 - o It was also promoted at the January Lincolnshire Business Expo event
- Following the above promotion, this resulted in media interest from the Lincolnshire Echo and Siren FM with subsequent news stories run by both

4.20 Lincoln Transport Hub awards

The Transport Hub has won another award – this time for the Development Project (Over £5 million) at the Greater Lincolnshire Property Awards 2019



Over 350 people gathered to celebrate the Construction and Property sector in Lincolnshire, which took place at the Doubletree by Hilton in Lincoln on February 5 2019.



The Lincoln Transport Hub has also been shortlisted for a further award – this time in the Regeneration and Infrastructure categories at the RICS (Royal Institute of Chartered Surveyors) Awards 2019, East Midlands.

Judges will visit the Lincoln site in early March to make final decisions, which will then be announced at an award dinner in Leicester in May 2019

4.21 Lincoln Community Fund Lottery

The Lottery is currently supporting 70 local good causes in and around the city:

- Average number of tickets entered into each draw is 800
- 660 people have won prizes in the draw, including 4 x £250's
- Currently on target to raise around £43k in the first year for local good causes
- Of the above, it is estimated £5,000-£6,000 will be raised in the community fund pot which will be allocated by the lottery Member panel
- Some good causes are raising as much as £300 each month for themselves
- The council is actively encouraging new good causes to sign up
- To help boost ticket sales, the council is continuing to offer bolt on prizes during times of expected low ticket sales



4.22 Housing Teams are shortlisted

Our Housing teams have been shortlisted for an award at the UK Housing Awards 2019 for the “Homebuilder of the year – less than 1000 programme”. These awards are seen as the symbol of excellence in the housing sector.



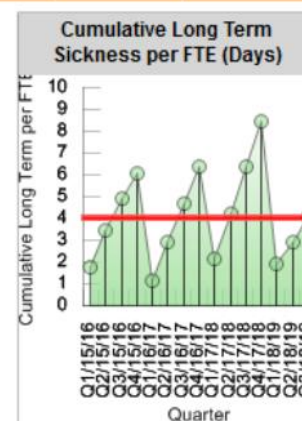
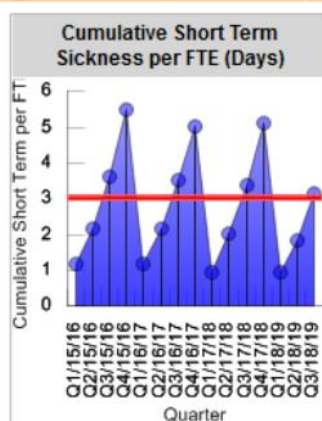
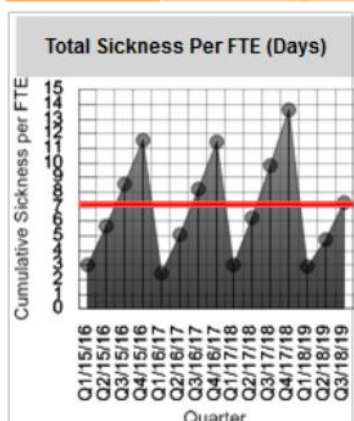
We have been invited to a further meeting on 14th March this year to pitch our case for why we should be the overall winners. The final decision will then be announced at an event on May 1st 2019

4.23 CORPORATE MEASURES

4.24 Sickness Indicators – Q3 cumulative (Year to date)

In quarter three the average short term total stood at 1.30 days per FTE, and the average long term sickness stood at 1.15 days. The cumulative total sickness per FTE as at the end of December 2018 was 7.28 days (excl. apprentices). This is 2.56 days less per FTE compared to quarter three last year. Notably this is the lowest quarter three average in the last 5 years, however CMT will continue to place a keen focus on these levels.

	Short Term Sickness	Long Term Sickness	Total Sickness	No. of FTE Employees	Short Term Per FTE	Long Term Per FTE	Total Sickness per FTE
CX (exc.appr's)	702.00	882.00	1,584.00	199.10	3.41	4.26	7.67
DCE	328.50	479.00	807.50	141.77	2.39	3.55	5.94
DMD	3.00	0.00	3.00	7.92	0.27	0.00	0.27
DHI	724.50	944.50	1,669.00	215.84	3.48	4.56	8.03
TOTAL	1,758.00	2,305.50	4,063.50	564.63	3.15	4.14	7.28



4.25 Apprentices sickness – Q3 cumulative

During quarter three, the apprentices lost a total of 24 days due to short term sickness, which equates to a total of 1.58 days per FTE. This brings the average YTD to 6.55 days

Cumulative sickness to Q3	Short term days lost	Long term days lost	Total days lost	Average Number of FTE this Q	Short term days lost per FTE	Long term days lost per FTE	Total days lost per FTE
Apprentice sickness	96	16	12	15.22	5.71	0.84	6.55

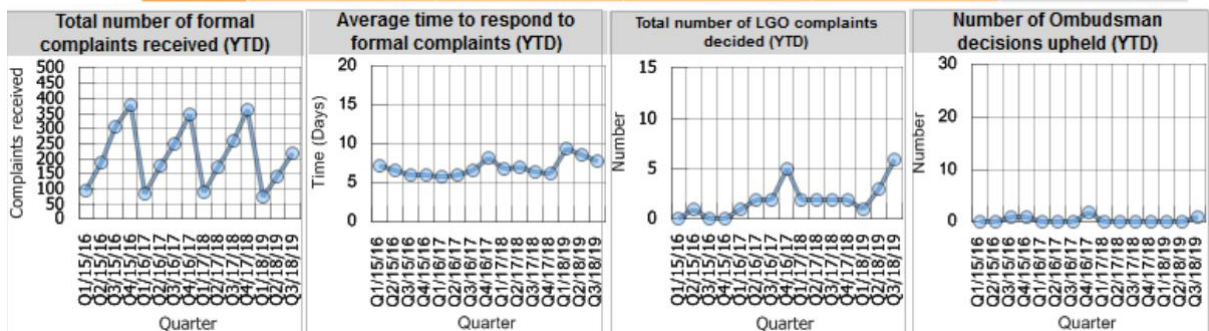
4.26 Corporate Complaints – Q3 cumulative

In quarter three alone there were 76 complaints of which 25 were upheld. The cumulative number of formal complaints received up to quarter three was 220 which is a decrease of 40 when compared to the same period last year. The cumulative average time across all directorates to respond to formal complaints was 7.9 days, which is an increase of 1.4 days compared to the same point in 2017/18.

In quarter three we had one LGO complaint raised for DCE Directorate, and two raised in DHI Directorate, which have yet to be considered.

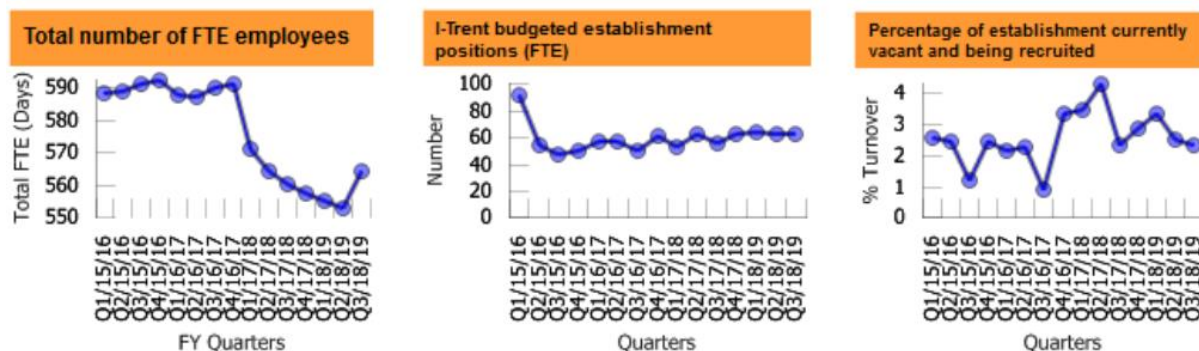
Complaints

	Number of Formal Complaints Received (YTD)	Average time to respond to Formal complaints (Days) (YTD)	LGO complaints decided (YTD)	Number of Ombudsman decisions upheld (YTD)	LHO complaints decided (YTD)
CX	42	7.3	0	0	
DCE	56	11.5	2	1	
DHI	120	6.5	4	0	0
DMD	2	2.0	0	0	
TOTALS	220	7.9	6	1	



4.27 Employees (FTE, vacancies and turnover) for Q3

Number of FTE employees (exc. App.s)	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19
CX - Number of FTE employees	209.46	209.08	210.77	210.08	199.10
DCE - Number of FTE employees	139.18	137.59	133.95	133.05	141.77
DHI - Number of FTE employees	204.18	203.63	203.27	202.71	215.84
DMD - Number of FTE employees	7.81	1.82	7.42	7.42	7.92
TOTAL	560.63	557.92	555.41	553.26	564.63
Average number of apprentices across the period					15.22
	Q3 2017/2018	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19
I-Trent budgeted establishment positions (FTE)			64.50	62.69	62.80
Active vacancies which are being recruited (FTE)	25.50	17.00	30.60	29.79	11.00
	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19
Percentage of staff turnover	2.35%	2.83%	3.31%	2.50%	2.30%



The total number of FTE employees (excluding apprentices) at the end of quarter three was 564.63 with an average of 15.22 apprentices over the period.

In terms of the level of vacancies at quarter three - budgeted establishment unfilled positions (FTE) stood at 62.80. This figure has slightly increased from that reported at quarter two. It should be noted that the Council are actively recruiting to 11 FTE positions.

The percentage of staff turnover at the end of quarter one was 2.30% (excluding apprentices). In comparison to the previous quarter, this has decreased by 0.20%.

Budgeted establishment vacancy positions by Directorate (FTE)

Directorate	i-Trent Budgeted establishment positions (FTE)
CX	21
DCE	11.8
DHI	29.5
DMD	0.5
OVERALL	62.8

4.28 Appraisal Monitoring

Directorate	Percentage of appraisals completed
CX	88%
DCE	100%
DHI	92%
DMD	50%
OVERALL	90.2%

The overall completed appraisal percentage as entered into the HR i-Trent system shows that 90.2% of appraisals have been completed. It is accepted that it is difficult to complete 100% as there will be cases of Maternity Leave, long term sickness and resignations which cannot be covered.

5 Strategic Priorities

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 the better the performance the more services can contribute towards priorities.

6 Organisational Impacts

6.1 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.

6.2 Legal Implications including Procurement Rules - there are no direct implications

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

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

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

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. However, should implications be seen when considering the data - they will be passed to services for resolution.

6.4 Human Resources - there are no direct implications

6.5 Land, Property and Accommodation - there are no direct implications

6.6 Significant Community Impact - there are no direct implications

6.7 Corporate Health and Safety implications - there are no direct implications

7 Risk Implications

7.1 (i) Options Explored – not applicable

7.2 (ii) Key risks associated with the preferred approach – not applicable

8. Recommendations

8.1 Executive is asked to:

a) Comment on the achievements, issues and any future concerns noted this quarter

b) Relevant portfolio holders to ensure management has a local focus on those highlighted areas showing deteriorating performance

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules apply? No

How many appendices does the report contain? One – Appendix A: table of relevant quarterly and annual strategic measures

List of Background Papers: None

Lead Officer: Nathan Walker, Senior Corporate Performance & Engagement Officer. Telephone (01522) 873315

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q3/17/18	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Status	Q3/18/19 (Row Comment)	Under Performing	Target	Last Target Status
Work Based Learning	WBL 5 - Number of apprentices completing on time	10	Cumulative	High is good	Seasonal	100%	100%	100%	100%	100%	Maintaining	12/12 apprentices within quarter 3 achieved their framework on time			
Work Based Learning	WBL 6 - Number of new starters on apprenticeships	5	Cumulative	High is good	Seasonal	17	5	6	9	12	Maintaining	We had 12 new starts within quarter 3 - a combination of progressions and new apprentices			
Work Based Learning	WBL 7 - Number of apprentices moving into Education, Employment or Training	5	Cumulative	High is good	Seasonal	100%	75%	100%	100%	100%	Maintaining	Within quarter 3 100% of apprentices on programme moved into EET	90%	100%	At target
Work Based Learning	WBL 8 - Number of early leavers	5.00	Cumulative	Low is good	Seasonal	0	1	0	3	0	Maintaining	There were no early leavers within quarter 3			
Work Based Learning	WBL 9 - Employers / supervisors rating the WBL team as good or very good	5.00	Quarterly	High is good	Seasonal	100%	100%	100%	100%	100%	Maintaining	100% of employers rated the WBL team as good or very good in quarter 3			
Customer Services	CS 4 - Number of face to face enquiries	1000	Quarterly	Volumetric	Seasonal	10,388	9,826	5,550	4,873	4,893	Improving	Almost the same as the previous quarter			
Customer Services	CS 5 - Number of telephone enquiries answered	3000	Quarterly	Volumetric	Seasonal	32,102	33,254	29,395	27,342	30,417	Maintaining	Although this is similar to previous quarter 3, we are no longer taking bus pass calls (3774 calls in last quarter 3) so a slight increase on other calls			
Customer Services	CS 6 - Number of users logged into the self-service system MyInfo this quarter	400	Quarterly	High is good	Seasonal	6,409	9,865	7,925	7,298	7,651	Improving				
Customer Services	CS 8 - Average time taken to answer a call to customer services	10	Quarterly	Low is good	Seasonal	49	104	110	96	122	Deteriorating	This is higher from the previous quarter, we are still assisting housing solutions, we also changed phone systems on 15th October, using the new system has affected our performance.	50	40	Below Target
Human Resources	HU 4 - Number of grievances	5	Quarterly	Low is good	Quarterly	1	0	1	2	3	Maintaining				
Human Resources	HU 5 - Number of disciplinary sanctions	5	Quarterly	Low is good	Quarterly	2	0	2	2	5	Maintaining				
Accountancy	ACC 8 - Average return on investment portfolio	0.50	Cumulative	High is good	Seasonal	0.53%	0.67%	0.57%	0.73%	0.74%	Maintaining	Bank of England base rate has remained the same and rates are steady			
Accountancy	ACC 9 - Average interest rate on external borrowing	0.25	Cumulative	Low is good	Seasonal	4.07%	3.90%	3.90%	3.90%	3.55%	Improving	Recent borrowing has been taken over a shorter period at a lower rate of interest			
Revenues Administration	REV 4 - Council Tax - in year collection rate for Lincoln	0.29	Cumulative	High is good	Seasonal	79.77%	97.17%	27.09%	52.80%	79.47%	Deteriorating	0.30% below 2017/18 = £125,330 However, the total net receipt has increased from 17/18 by £2,550,282	78.56%	79.76%	On Target
Revenues Administration	REV 5 - Business Rates - in year collection rate for Lincoln	0.4%	Cumulative	High is good	Seasonal	86.43%	98.87%	35.86%	60.57%	86.23%	Maintaining	0.20% below 2017/18 = £89,756 However, the total net receipt has increased from 17/18 by £1,039,217	83.55%	84.22%	Above Target
Revenues Administration	REV 6 - Level of outstanding customer changes in the Revenues team	100	Quarterly	Low is good	Seasonal	80	121	659	749	401	Deteriorating	Additional work has been undertaken within the Revenues team compared to Q3 2017/18 - such as Single Person Discount Review and Student Review. During Q1 and Q2 2018, reduced staffing resulted in outstanding workload increasing. This has reduced since Q1 2018 by 258 customers and continues to decrease			

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q3/17/18	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Status	Q3/18/19 (Row Comment)	Under Performing	Target	Last Target Status
Housing Benefit Administration	BE 4 - Average (YTD) days to process new housing benefit claims from date received	4.00	Cumulative	Low is good	Quarterly	23.73	24.29	30.13	28.16	27.00	Maintaining	Increase in time to provide income details for those HB customers who claim UC may be impacting on processing times, although processing times are improving since quarter 1.	26	24	Below Target
Housing Benefit Administration	BE 5 - Average (YTD) days to process housing benefit claim changes of circumstances from date received	3	Cumulative	Low is good	Seasonal	7.93	4.00	4.72	8.09	8.03	Maintaining	Work undertaken to bring down outstanding work and delay in UC claims being decided impacting on time taken to process changes	6	5	Below Target
Housing Benefit Administration	BE 6 - Number of Housing Benefits / Council Tax support customers awaiting assessment	200	Cumulative	Low is good	Seasonal	556	696	1,312	1,491	1,339	Deteriorating	Of these 1339 customer, 968 are waiting a first contact from us. The remainder will have been contacted and we are waiting for information to be able to process.			
Housing Benefit Administration	BE 7 - Percentage of risk-based quality checks made where Benefit entitlement is correct	3	Cumulative	High is good	Quarterly	91.00%	92.00%	87.50%	84.00%	86.34%	Maintaining	There was an increase over the last few months - due to the amount of quality checks that are being done.	86.50%	91.50%	Below Target
Housing Benefit Administration	BE 8 - The number of new benefit claims year to date (Housing Benefits / Council Tax Support)	1000	Cumulative	Volumetric	Seasonal	5,513	7,296	1,322	2,860	4,058	Improving	1063 Housing Benefit and 2995 Council Tax reduction. Strong reductions mainly due to UC introduction			

62

CX Q3 Annual Measures – APPENDIX A

Service Area	Full Name	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	2017/2018	2018/2019	Status	2017/2018 (Row Comment)	Under Performing	Target	Last Target Status
Democratic Services	DEM 8 - The number of individuals registered on the electoral register	4000		High is good	Annual	61,635	60,138	Maintaining	Q4 2016 - 62552 Q1 2017 - 66841 Q2 2017 - 63096 Q3 2017 - 61635	60,000	62,500	On target

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q3/17/18	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Status	Q3/18/19 (Row Comment)	Under Performing	Target	Last Target Status
CCTV	CCTV 6 - Total number of incidents handled by CCTV operators	1000	Quarterly	Volumetric	Quarterly	3,374	3,380	3,191	4,068	3,326	Maintaining	Q2 included the period of sustained police activity to deal with the drug issues within the city centre. As a part of that initiative the unit shifted focus to gather the required data that would provide police with the necessary information for the operation, both prior to police commencement of the operation and during the operational period which is still ongoing. This data gathering was only possible because of the significantly increased technology and functionality of the upgraded CCTV system. The continuing success of the police operation is now reflected in the reduced number of operator driven activity in Q3.			
Recreation Services	RES 17 - Total number of users of our Health & Recreation facilities per quarter	5000	Quarterly	High is good	Seasonal	190,198	218,181	244,381	247,762	245,374	Improving	Yarborough 162,202 (up on Q3 last year by 3,783) Birchwood 49,670 (up on Q3 last year by 37,493) Community Centres 15,131 (Down on Q3 last year by 4,386) Recreation 3,270 (Recreation grounds up on Q3 last year by 3,185) This quarter, the number of users at our Health and Rec facilities has reduced. This is largely due to less activity over the Christmas and New Year periods.			
Waste & Recycling	WM 5 - Percentage of waste recycled or composted	2.5	Quarterly	High is good	Seasonal	38.20%	33.70%	27.40%	38.20%	34.70%	Deteriorating	For quarter 2 (they work 1 quarters behind) % of waste recycled = 17.35% % of waste composted = 17.34% % of waste recycled or composted = 34.7%	35%	45%	Below Target
Parking Services	PS 6 - Overall percentage utilisation of all car parks (P8)	5	Quarterly	High is good	Seasonal	70.00%	45.00%	48.00%	45.00%	52.00%	Deteriorating	Last quarter of 2018 so Christmas shoppers contributed to increase on last quarter. Income figures for the car parks first three quarters show a 27.3% increase (plus £766,471.) Season tickets are also at a 23.6% increase (plus £54,597.) Although penalty charges show a decrease of 23% (minus£10,800.)	60.00%	70.00%	Below Target
Parking Services	PS 7 - Number of off street charged parking spaces	20	Quarterly	Volumetric	Seasonal	2,880	3,621	3,621	3,621	3,621	Improving	Expected increase in spaces due to Lincoln Central being open			
Allotments	AM 8 - Percentage occupancy of allotment plots	5	Quarterly	High is good	Seasonal	82.50%	80.10%	84.20%	85.70%	86.80%	Maintaining	As at the end of December 2018, 902 plots of a total 1098 plots were let, equating to 82%. Of the 1039 lettable plots, 902 occupied plots equates to 86.8%.			
Public Protection and Anti-Social Behaviour Team	AB 4 - Number of service requests for Public Protection and ASB	300	Quarterly	Volumetric	Seasonal	612	587	817	904	836	Maintaining	This represents a typical figure in terms of the number of service requests commonly received via the team during Q3. The team have continued to deliver good service in spite of the reduction of 1 FTE seconded to the intervention team.			
Public Protection and Anti-Social Behaviour Team	AB 5 - Satisfaction of complainants relating to how the complaint was handled	5	Cumulative	High is good	Quarterly	89.00%	87.00%	80.00%	80.30%	92.70%	Improving	How many surveys attempted: October: 49 November: 43 December: 28 How many people refused to answer October: 4 November: 9 December: 3 How many people didn't answer the phone* October: 23 November: 26 December: 13	85%	87.50%	Above Target

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q3/17/18	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Status	Q3/18/19 (Row Comment)	Under Performing	Target	Last Target Status
Food and Health & Safety Enforcement	FHS 4 - Percentage of premises fully or broadly compliant with Food Health & Safety inspection	3	Quarterly	High is good	Quarterly	98.1%	98.0%	98.7%	96.8%	97.6%	Maintaining	The total number of registered food businesses is 1033. 25 businesses are considered to be non-compliant of which 7 of those are new businesses.	95%	97%	Above Target
Food and Health & Safety Enforcement	FHS 5 - Average time from actual date of inspection to achieving compliance	2.00	Quarterly	Low is good	Quarterly	13.25	10.40	9.50	8.30	8.50	Maintaining	A slight increase although this figure is within the normal range.			
Food and Health & Safety Enforcement	FHS 6 - Percentage of official controls that should have been completed and have been in that time period (cumulative data)	4	Quarterly	High is good	Quarterly	84.50%	94.00%	90.00%	81.60%	82.10%	Maintaining	A watchful brief needs to be kept on this measure for the next quarter. Staff resources are continuing to be an influencing factor 1FTE EHO in early February 2019 this should improve the quarter 4 out turn from the end of the quarter 3 out turn. There are 94 inspections outstanding. There are no high risk red inspections overdue, however there are 10 amber inspections overdue of which 7 are evening economy visits, 3 are new businesses and the remainder (84) are green. This measure continues to be very closely monitored.	75%	97%	On target
Development Management (Planning)	DM 11 - End to end time to determine a planning application (Days)	5	Quarterly	Low is good	Quarterly	58.04	67.34	57.44	56.25	59.40	Maintaining	Marginal increase in end to end times and is a natural fluctuation. Still very good performance and too early to reflect the potential implications of changes to the NPPF.			
Development Management (Planning)	DM 13 - Number of live planning applications open	20	Quarterly	Low is good	Quarterly	97	126	121	117	120	Maintaining	A very similar position to last quarter for the same reasons.			
Development Management (Planning)	DM 16 - Percentage of applications approved	5	Quarterly	High is good	Quarterly	95%	96%	93%	93%	97%	Maintaining		85%	97%	At Target
Development Management (Planning)	DM 20 - Number of planning appeals allowed	5	Quarterly	Low is good	Quarterly	1	0	0	2	0	Maintaining				
Development Management (Planning)	DM 21 - Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	10	Quarterly	High is good	Quarterly	95.00%	95.00%	94.67%	95.05%	94.51%	Maintaining	We continue to perform at the highest level, but is too early to see if the NPPF changes will have a significant impact.	70.00%	90.00%	Above Target
Development Management (Planning)	DM 22 - Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	5	Quarterly	High is good	Quarterly	98.28%	100.00%	100.00%	98.04%	97.96%	Maintaining	Performance continues to be held at a very high level with focus continuing on major applications.	60.00%	90.00%	Above Target
Development Management (Planning)	DM 8 - Number of applications in the quarter	40	Quarterly	Volumetric	Quarterly	264	234	247	229	211	Maintaining				

Service Area	Measure	Tolerance	Cumulative or Quarterly	High / Low is Good	Trend - Quarterly or Seasonal	Q3/17/18	Q4/17/18	Q1/18/19	Q2/18/19	Q3/18/19	Status	Commentary	Under Performing	Target	Last Target Status
Housing Investment	HI 4 - Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	2	Cumulative	Low is good	Seasonal	0.00%	0.00%	0.94%	0.48%	0.27%	Maintaining				
Housing Investment	HI 6 - Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	30	Quarterly	Low is good	Quarterly	4	4	174	192	167	Maintaining	There has been a modest decrease in the number of properties failing decent homes. This decrease will continue over the next few months as our planned works programmes nears completion. An action plan will be created for all properties that will remain non-decent at the end of our 2018/2019 works programme.			
Housing Investment	HI 7 - Percentage of dwellings with a valid gas safety certificate	2	Cumulative	High is good	Quarterly	99.95%	99.96%	99.85%	99.93%	99.93%	Maintaining				
Control Centre	CC 5 - Percentage of calls answered within 60 seconds	1	Quarterly	High is good	Quarterly	98.36%	98.25%	99.09%	99.16%	99.06%	Maintaining				
Rent Collection	RC 3 - Rent collected as a proportion of rent owed	5	Cumulative	High is good	Quarterly	99.27%	99.68%	97.56%	98.19%	99.83%	Maintaining	The collection rate has increased over the last quarter. Despite having 2 rent free weeks over the Christmas period we still collected £557,167 during that time.	94.50%	96.50%	Above Target
Rent Collection	RC 4 - Current tenant arrears as a percentage of the annual rent debit	1	Cumulative	Low is good	Quarterly	2.22%	2.11%	2.72%	2.95%	2.47%	Maintaining	A stretching target of 3.65% was set for current tenant arrears despite the implication of full implementation of Universal Credit. As is always the case there has been a significant drop in the arrears during December from 3.23% to 2.47%. It is anticipated that the year-end figure will meet the target.	5.20%	3.50%	Above Target
Housing Solutions	HS 3 - The number of people currently on the housing waiting list	100	Cumulative	Low is good	Quarterly	1,653	1,693	1,692	1,663	978	Improving	Work has been continuing on closing down applications where there has been no activity by the applicant. This means that the applicant has not logged onto Abrisas, not bid on any properties or made contact with us.			
Housing Solutions	HS 4 - The number of Homelessness applications progressed within the Housing team	10	Cumulative	Volumetric	Seasonal	183	279	167	368	526	Deteriorating	The figure is continues to rise, this figure is taken from the stage of the application at that time. It has significantly increased because of the changes to the Homelessness Reduction Act, in which we now have to open a homeless application/case for anyone who is eligible.			
Housing Voids	HV 7 - Percentage of rent lost through dwelling being vacant	0.1	Cumulative	Low is good	Quarterly		0.97%	0.72%	0.70%	0.84%	Deteriorating	The void loss figure has risen during Quarter 3 due to the increase in void times. During this quarter we had some properties which had a significant void time against them, which would have had an effect on the void loss percentage.			
Housing Voids	HV 9 - Average re-let time calendar days for all dwellings (including major works)	5	Cumulative	Low is good	Quarterly	27.16	26.77	26.42	26.47	28.35	Maintaining		28	25	Below target
Housing Maintenance	HM 3 - Percentage of reactive repairs completed within target time	2.00	Cumulative	High is good	Quarterly	96.98%	97.49%	98.00%	99.36%	98.51%	Maintaining	The housing repairs service continues to work well. In the current financial year, all emergency repairs (2,700+) have been completed on time. We are also performing above target for all responsive repairs in time. Our current fleet has been in situ for just over 2 years and has been operating smoothly as is evidenced with performance levels alongside the new stores system at Hamilton House with Travis Perkins.	95.00%	97.50%	Above Target
Housing Maintenance	HM 4 - Percentage of repairs fixed first time	5	Cumulative	High is good	Quarterly	88.91%	90.21%	93.38%	93.60%	93.57%	Maintaining				
Housing Maintenance	HM 5 - Appointments kept as a percentage of appointments made	5	Cumulative	High is good	Quarterly	95.71%	95.85%	96.56%	96.66%	96.67%	Maintaining				

This page is intentionally blank.

SUBJECT:	STRATEGIC RISK REGISTER - QUARTERLY REVIEW
REPORT BY:	CHIEF EXECUTIVE AND TOWN CLERK
LEAD OFFICER:	JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

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

2. Executive Summary

2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to Members in November 2018 and contained eight strategic risks.

2.2 Since reporting to Performance Scrutiny Committee in November 2018, the Strategic Risk Register has been reviewed and updated by the relevant Assistant Directors and Corporate Management Team. This review has identified that there have been some positive movement in the Risk Register.

2.3 The updated Register is attached at Appendix A, this contains ten strategic risks.

3. Movements in the Strategic Risk Register

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

- Risk 2. Failure to deliver a sustainable Medium Term Financial Strategy – A draft MTFS 2019-24 has been developed and will be subject to consultation and scrutiny during quarter 4 ahead of approval by Council on 4th March.
- Risk 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council - progress continues to be made against the existing TFS programme with only a small number of schemes left to complete. Work has been progressing during quarter 3 on the development on a new programme of schemes in order to deliver the increased savings targets as per the draft MTFS.
- 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 2020 and the transformational journey to one Council approach – As part of the People Strategy the Council has launched an annual staff recognition scheme. This scheme will assist in celebrating the hard work and success of our employees. Work is ongoing to submit award submissions to Local Government Chronical and Municipal Journal to promote rising stars and recognize the work of our teams. To aid future development a team will also be put forward for the East Midland Challenge in quarter 4. In quarter 3 a transformation change lead will be recruited to in order to support the "One Council" approach to deliver a 'one organisational' approach more efficiently and cost effectively. When delivered alongside the People strategy, this approach will support cultural change and develop the skills required now and in the future.

- Risk 7. Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council – Service planning has commenced and work allocations for Vision 2020 projects. Revised management structure changes are continuing to take place with recruitment for AD- Growth in progress.
- Risk 8. Decline in the economic prosperity within the City Centre – A fundamental review of the place shaping strategy has commenced alongside review of the market within the city centre. Work has also started on scoping the development of activity and investment to support the vibrancy of the city centre engaging with government to submit an application to the Future High St Fund.
- NEW Risk 9. Failure to mitigate against outcome of Brexit. Monitoring continues and regular updates are provided to CMT/Leadership. Representation at LRF lead meetings with partners/public organisations and third sectors are scheduled with regular reporting into CMT.
- NEW Risk 10. Failure to deliver key strategic projects i.e. WGC, New build project, Crematorium, Dewint Court. Relevant Boards are in place to monitor key milestones including financial/reputational and resource and partnership implications and effective communication plans /risk registers which are owned and understood. Work is commencing to share and understand the implications of delivery and non – delivery and utilizing external experts for advice and independent review.

3.2 Whilst positive progress has been made in relation to control actions, and this 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:

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

3.3 A revised Strategic Risk Register is attached at Appendix A.

4. Strategic Priorities

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

5. Organisational Impacts

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

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

6. Risk Implications

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

7. Recommendations

7.1 The Executive is asked to note and comment on the Strategic Risk Register as at the end of the third quarter 18-19.

Key Decision No

Do the Exempt Information Categories Apply? No

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

How many appendices does the report contain? Strategic Risk Register – Appendix A

List of Background Papers: N/A

Lead Officer: Jaclyn Gibson
Chief Finance Officer



Strategic Risk Register Template

Likelihood	4 Almost Certain			9.	
	3 Probable			6. 7.	2.
	2 Possible			1. 3. 4. 8.	5. 10.
	1 Hardly Ever				
		1 Negligible	2 Minor	3 Major	4 Critical
		Impact			

RISK REGISTER:

REVIEWED:

CMT 07/11/17
 Risk owners 06.02.18 CMT 08/02/18
 Risk owners 25.04.18
 CMT 08.05.18
 Reviewed 06.09.18
 Reviewed 08.10.19
 CMT 13.11.18
CMT 12.02.19

Tool 1. Risk Appetites - <U:\Current RISK Management\Toolkit - JULY 2018\Tool No 1 Risk appetites.pdf>

Those "green" risks that have been on the risk register for 6 months or more can now be classed as "business as usual" risk and therefore be removed

71

The matrix below, helps you define where the risk is by scoring it on a basis of 'Likelihood' and 'Impact':

Likelihood	4 Almost certain	Retain	Transfer Modify Retain	Avoid Transfer Modify	Avoid Transfer Modify	Description of occurrence	Occurs several times per year. It will happen.
	3 Probable	Retain	Prioritise for Modifying Retain	Transfer Modify Retain	Avoid Transfer Modify		It has happened before and could happen again.
	2 Possible	Retain	Prioritise for Modifying Retain	Prioritise for Modifying Retain	Transfer Modify Retain		It may happen but it would be unusual.
	1 Hardly ever	Retain	Retain	Retain	Prioritise for Modifying Retain		Never heard of it occurring. We can't imagine it occurring.

Impact	Service Delivery	Delay	Finance	Reputation	People
Critical	Very significant	>1month	>£1m	National media story	Loss of life
Major	Significant	1week - 1month	£500k - £1m.	Local media story	Serious Injuries
Minor	Major	1day - 1week	£100k - £500k	Limited Local publicity	Minor injuries
Negligible	Minor	<1day	<£100k	Little/No publicity	-

1 Negligible	2 Minor	3 Major	4 Critical
-----------------	------------	------------	---------------

Those “green” risks that have been on the risk register for 6 months or more can now be classed as “business as usual” risk and therefore be removed from the register

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
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.	CX	<u>Creative & Aware</u> Projects & Major Change Partnerships	<ul style="list-style-type: none"> • New Vision 2020 including 4 new strategic priorities launched internally • Vision developed following extensive consultation with, businesses, partners and community groups. • Strong focus internally on 4 very clear strategic priorities within the Vision 2020 • Resources in MTFS directed towards strategic projects • Dedicated officer support to ensure delivery of the 3-year programme, ‘keeping the Vision alive’. • Communications plan and stakeholder mapping done • Review of internal delivery groups to ensure focus on delivery of projects • All Vision 2020 related internal comms now being clearly flagged as being Vision 2020 projects • Comms log’ now being kept, to keep abreast of all Vision 2020 comms activity – both internal and external • External launch of Vision including 	<ul style="list-style-type: none"> • High Performing Services monitoring arrangements in place • Revision of internal and external communication methods to be undertaken– Ongoing • Annual staff briefings to be undertaken March 19 • CMT to begin to develop Vision 2025 – Q1 2019-20 • Transformational Change Lead recruitment – Q4 • One Council approach rollout 20-21 • 			Substantial	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<p>engagement with the GLLEP, Chamber of Commerce etc. –Feb 2017</p> <ul style="list-style-type: none"> • Promotion of the Vision • Continuation of partner meetings and 3rd sector - ongoing through hoarding displays • “‘Engine Room’ launched June 2017 • Annual Report with a focus on achievements towards Vision 2020 – to be sent to stakeholders by CX/Leader – Nov 2017 • Vision 2020 staff roadshows undertaken in January 2018. • Sponsorship of Lincolnshire Construction and Property Awards in February 2018 • Successful COL Vision 2020 Conference held in March 2018. • Alignment of Vision 2020 with Portfolios – May 2018 • Continue meetings with key partners following COL Vision 2020 Conferences -ongoing 					
2.	Failure to deliver a sustainable Medium term Financial Strategy (that supports delivery of Vision 2020 (Council plan))	CFO	<p><u>Creative & Aware/ Opportunistic</u></p> <p>Finance & Money</p>	<ul style="list-style-type: none"> • MTF5 2018-23 approved in March 2018, continues to support Vision 2020. • Good financial management with <ul style="list-style-type: none"> ◦ Quarterly monitoring and reporting to CMT, Exec and Performance Scrutiny Committee (including specific 	<ul style="list-style-type: none"> • Link to TOFS Programme, risk no 3 below. • Continued assessment of future funding reforms, including The Fair Funding Review, reset of business rates baselines and 75% retention of business rates – Ongoing – • Implementation of 			Substantial	Static

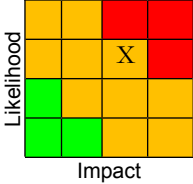
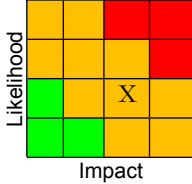
Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance - Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> risks) <ul style="list-style-type: none"> o SPIT monitoring of capital programme o Savings targets monitored through Towards Financial Sustainability (Risk No 4) o Key income budgets monitored monthly by CMT with mitigation plans for areas of target monitored quarterly. • 100% Business Rates Pilot in place for 2018/19 with all Lincolnshire Districts together with the County and North Lincolnshire Council.. • Mitigation action plan developed in response to forecast overspend reported at Q1, specifically car parking • Budget Strategy including review of assumptions and budget pressures to be prepared – Sept 18 BR Pilot Bid for 2019/20 submitted Sept 18 – Bid unsuccessful • Review of earmarked reserves to release one-off resources – Oct 18 	<ul style="list-style-type: none"> action plans developed in response to Q1 forecast overspend – ongoing • Draft MTFS 2019-24 prepared, with increased savings targets, subject to final approval – Mar 19 • Proposals for Crematorium business case in progress – Mar 19 • 				
3.	Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council	CFO	<p>Opportunist</p> <p>Projects & Major Change</p> <p>Hungry</p> <p>Reputation</p>	<ul style="list-style-type: none"> • TFS Board and Programme Team in place. • Established procedures and monitoring arrangements • Reporting of achievement against targets included within 	<ul style="list-style-type: none"> • Monitor delivery of Phase 5 Programme through established arrangements – ongoing • Development of a high level commercial strategy, – Mar 19 • Investment Strategy for 			Substantial	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
			and Public Confidence	<ul style="list-style-type: none"> quarterly financial monitoring/performance monitoring reports to Executive/Performance Scrutiny Committee Inclusion of ToFS Projects on DMT agendas to ensure focus remains on delivering against timescales. Annual reporting of progress and forward programme PSC Programme of reviews in place and monitored monthly through Board and Team. Target of £3.5m for 2017/18 overachieved. Savings targets increased as part of MTFS 2018-23. Delivery of Phase 5 (designed to overachieve targets in MTFS) commenced in November 2017. Phase 6 proposals developed to achieve increased targets – Dec 18 	<ul style="list-style-type: none"> property acquisition developed, subject to approval– Mar 19 Linkages to Organisational Development and Leadership Development to be explored – Mar 19 Project plans and programme mapping for Phase 6 to be prepared – Mar 19 				
4..	Failure to ensure compliance with statutory duties / functions and appropriate governance arrangements are in place,	CLT	Cautious Regulatory standing & legal compliance	<ul style="list-style-type: none"> Annual Governance Statement reviewed on an annual basis with plan/milestones developed for all significant issues, delivery of which is monitored quarterly through the Assistant Directors Team/Audit Committee Internal audit reviews undertaken as part of 	<ul style="list-style-type: none"> Waiting outcome of HSE inspection – expected end Q4 			Substantial	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance - Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> • annual audit plan • Health and Safety Development Plan/Work Programme in progress (includes the development of specific action plans e.g Asbestos • Corporate Groups in place which monitor work programmes/ actions for H&S, e.g, Safety Matters Review Group/Champions • Information Asset Register created and updated Retention schedules. • Continued progression of GDPR Action Plan and Training Needs Plan • ITDR plan endorsed and now needs testing which is to be scheduled in new financial year. Internal Audit completed with actions referred to BCP Group for consideration • Good progress on supporting IT DR with Business Continuity work • All Information Management Polices reviewed, updated and approved May 18. To be rolled out to staff Sept 18. • GDPR guidance provided to all Members May 18 and training for new members. All members to receive training 11.10.18. 					

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance - Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
5.	Failure to protect the local authority's vision 2020 due to changing structures in local government and impact on size, scale and scope of the Council	CX	<u>Opportunist</u>	<ul style="list-style-type: none"> Information gathering and a watching brief on national and local developments Formation of RLG Group (Reshaping Local Government) has been formed and meets regularly to review local and national developments, which continue to be monitored regularly. This includes the proposed business rate retention consultation, and any proposals for fairer funding arrangements. 	<ul style="list-style-type: none"> Information gathering and a watching brief on national and local developments – ongoing. Reviewing a range of policies, statistics and potential scenarios and keeping a watching brief nationally 			Substantial	Static
6.	Unable to meet the emerging changes required in the Council's culture, behavior and skills to support the delivery of the council's Vision 2020 and the transformational journey to one Council approach	CS	<u>Opportunist</u>	<ul style="list-style-type: none"> Leadership development delivered to CMT, Assistant Directors and Service Managers Lead roles within HR developed for Health and Wellbeing and Performance. New People Strategy and action plan developed, approved March 2017 New appraisal system implemented – June 2017 Coaching Programme for CMT, Assistant Directors and Service Managers to be delivered – started August 2017 Volunteering programme rolled out to support people strategy enhance staff wellbeing and corporate social responsibility – CLT in Nov-Dec 2017 Registration of Virgin Corporate Global Challenge for staff – May 2018 Sickness Clinics to be progressed in areas of concern – June 2018 CMT workshop to review People Strategy – October 2018 Global challenge award event to be held end of October 19 	<ul style="list-style-type: none"> Implementation of People Strategy action plan – annual review. Transformation lead recruitment scheduled to support "One Council" approach – February 19 Staff Recognition scheme in progress – first winners to be announced March 2019 Award submissions to LGC and MJ to promote rising stars and recognize the work of our teams – March 19 East Midlands Challenge Team put forward for future development opportunities – March 19 Service planning 20-21 to help identify skill requirements moving forward Review wider Leadership requirements to support new Lincoln Leader model – Q1 20-21 			Substantial	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance - Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
7.	Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council	CX	<u>Creative & Aware / Opportunist</u> Projects & Major Change	<ul style="list-style-type: none"> BCP Plans in place for critical services New Vision 2020 launched, with associated 3 year programme, forming basis of service plans and priorities Strategic Projects reported on a quarterly basis to CMT/Exec/PSC Programme Boards established for key strategic projects. MTFS 2018-23 allocates resources in line with Vision 2020. Lincoln Project Management model in place including allocation of Project Managers, Sponsors, appropriate project management records and Identification of critical tasks within specific project plans Regular reporting of other all Strategic Plan schemes Development of skills and abilities of key leaders and staff through Leadership Development Programme Appointments have been made and Officers are in post for the two vacant Assistant Directors in Housing & Regeneration Interim Assistant Director – Strategic Development is in post. Priority setting for Phase 2 projects, 2018/19 – 2019/20 commenced through CMT and Portfolio Holders Vision 2020 Phase 2 projects agreed and work allocations within Directorates reviewed Health and Wellbeing group being set up with staff to support People Strategy – 	<ul style="list-style-type: none"> Recruitment to AD Growth (external advert March 2019) Recruitment to Transformation Lead to support "One Council" approach – March 19 Recruitment to Strategic Project Manager – Feb/March 19 			Substantial	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance – Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
				<ul style="list-style-type: none"> Ongoing Recruitment of vacant Director of Housing & Investment – Sept 18 Management restructure approved by Executive 					
8.	Decline in the economic prosperity within the City Centre	CLT	<u>Opportunistic</u>	<ul style="list-style-type: none"> COLC representatives continue to sit on Bailgate Guild/Healthy High Streets/Chamber of Commerce etc City Stakeholder Group set up with MP/Police and third sector organizations to review pathways into support – Sept 2017 City Centre Masterplan in place Public Realm Strategy in place Townscape Assessment has been undertaken Range of partner developed strategies in place <input type="checkbox"/> New intervention team set up to support rough sleeping/homelessness/street begging – October 2018 Rollout of Business Growth Policy – Q2 <input type="checkbox"/> 	<ul style="list-style-type: none"> Research work in the city continues to understand the causes of the increases in rough sleeping and ASB. Markets Business case developed – March 2019 Review of Cities Masterplan/ongoing work with Central Lincs Review Public Arts Strategy – January 2019 Development of a programme of activity/investment to support the vibrancy of the city centre – Q3 Newly set up High Street Task Force now in place – continue to scope and monitor actions required Work on “evening economy” to commence January 2019 Review /engage with government on Future High St Fund – bid submission by 22 March Working Together on tackling Homelessness Conference (working with a range of partners) scheduled for March 2019 Ongoing “Be Lincoln” campaign 			Limited	Static

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance - Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
9.	Failure to mitigate against the implications for the Council following the outcome of Brexit	CX	Cautious Regulatory standing & legal compliance	<input type="checkbox"/> Internal working group focusing on BCP established, liaising with CMT/Leadership <input type="checkbox"/> Attendance at Brexit Strategic Gold Command (SGC) meetings to consider the implications of a No Deal Brexit and its impact on Lincolnshire	<ul style="list-style-type: none"> 19-20 to support promotion of place SCG conference calls scheduled with relevant Gold Command Officers at COLC – Jan – April 2019 Regular updates provided by officers at CMT following SGC meetings - Ongoing Localised Brexit exercise to be scheduled by LRF with partners/organisations – Feb 2019 Liaison with LCC and other districts to ensure common approach – ongoing Internal action plan/risk register to be developed - February 2019 Continued Information gathering from a wide range of sources including government/LRF/East Mids Councils and a watching brief on national and local developments. – ongoing Internal working group set up to understand impacts on residents/governance including current partnerships/contracts pending delay of Brexit vote/Article 50 Work ongoing to understand impact on pending 			Limited	N/A

Risk No:	Risk Description	Risk Owner	Risk Appetite	Controls/Actions		Current Risk Score	Target Risk Score at end of March 2019	Assurance - Status (Full, Substantial, Limited, No)	Assurance - Direction of Travel (Improving, Static, Declining)
				Current/Already in Place	Required Mitigation (inc timescales)				
					<i>election in May 19</i>				
10.	Failure to deliver key strategic projects i.e <ul style="list-style-type: none"> WGC New build project Crematorium Dewint Court 	CMT	Cautious Regulatory standing & legal compliance Projects & Major Change	<input type="checkbox"/> Relevant Boards are in place to monitor key milestones including financial/reputational and resource and partnership implications <input type="checkbox"/> Effective communication plans /risk registers which are owned and understood	<ul style="list-style-type: none"> Thorough shared understanding of implications of delivery and non - delivery. Use of external experts for advice and independent review 			Substantial	-

This page is intentionally blank.

SUBJECT:	CORNHILL, MARKETS AND CITY CENTRE VIBRANCY PROJECT
DIRECTORATE:	DIRECTORATE OF MAJOR DEVELOPMENTS
REPORT AUTHOR:	MICHELLE SMITH – DEVELOPMENT OFFICER

1. Purpose of Report

1.1 To seek Executive approval for:

1. Demolition of the Cornhill Kiosk and subsequent reinstatement of the associated public realm.
2. Removal of a tree adjacent to the Cornhill Kiosk to open up Cornhill Square
3. Allocation of funds for:
 - i. The demolition of the Cornhill Kiosk and removal of the adjacent tree.
 - ii. Costs incurred in obtaining vacant possession of the Cornhill Kiosk which is currently leased, and;
4. Extension of the outdoor market offer on City Square to explore the viability of an outdoor market offer in this location.
5. Identify sources of external funding to bring forward the redevelopment of the Central Market and the Cornhill and City Squares.
6. Develop the financial business case to ensure the Council's risks and financial exposure are minimised
7. To negotiate any legal agreements required to enable delivery of the proposals as the scheme develops.

2. Executive Summary

- 2.1 The City Council has made a public commitment through both the City Centre Masterplan and Vision 2020 to develop an enhanced market offer for the City and provide improved public realm on the Cornhill Square. We are now in a position, subject to planning and some tenancy negotiations, to move forward with capital works to demolish the Cornhill Kiosk and make good the associated public realm in order to create an enhanced space for events.

- 2.2 Currently half of City Square is leased to Lincoln BIG. From April 2019 both the Council and BIG have agreed to cease this agreement and the council will operate the whole of the square as an outdoor market space.
- 2.3 Internal funds have been identified to initiate this work and a range of external funding opportunities have been identified to help deliver improvements to the Market offer, Public Realm and core City Centre vibrancy. The Council is working with key stakeholders in preparing bids to support improvements to the market and public realm to deliver the Vision and objectives.

3. Background

- 3.1 The City Centre Masterplan was developed with partners in 2006/7 to create a vision, principles, objectives and interventions in and around the city centre to strengthen the vibrancy of the city centre for now and the future. The Council and partners have continued to deliver these interventions in the spirit of that masterplan, including:
- Lincoln Transport Hub;
 - Cornhill Redevelopment; and
 - Creation of a Public Realm strategy for the City Centre adopted in 2017. The opening of Cornhill Square to the High Street is a core proposal within this strategy.
- 3.2 In 2014, City of Lincoln Council, Lincolnshire Co-operative, and Lincoln Big Commissioned the National Association of British Market Authorities (NABMA) to undertake a review of markets in Lincoln. NABMA identified that in order to achieve a vibrant and long-term sustainable market offer, change was necessary.
- 3.3 In September 2018 NABMA reviewed this work for the Council and whilst nationally markets continue on a slow decline, Lincoln still had the potential to develop a very strong indoor and outdoor market offer provided delivery of the offer is effectively co-ordinated and supported by investment.
- 3.4 The Grimsey Review was updated in 2018. This fact-based review of town and city centres/high streets included a number of case studies from across the country, to identify what had changed between the original review 2013 and 2018, along with the nature of change and opportunities for the future of our high streets. In response to this and other influences, the government launched a range of High Street based initiatives in late 2018, including the High Street Task Force, Future High Streets Funding and the “High Street Report”.
- 3.5 The Council has already updated its and policy framework for markets and as part of delivering the commitment within Vision 2020, officers have been developing a business case for future investment and developing a much more vibrant market offer for Lincoln.
- 3.6 The Council, in its MTFS 2019-24 has allocated £300k from the additional resources set to be achieved through the 100% Business Rates Retention pilot to support the implementation of the Vision 2020 market and city centre improvements.

3.7 An application for funding under the GLLEP's call for future projects was submitted in December 2018 for £6.8m and it is expected that a decision of successful projects will be made in March 2019.

4. Programme of Work

4.1 Whilst the full proposals for the city centre are still being developed, all partners agree that the removal of the Kiosk on Cornhill Square to open it up to the High Street and create a much more effective public open space as part of the public Realm Strategy, is long overdue. The demolition of the Cornhill Kiosk and removal of the tree in front of the building therefore forms the first phase of improvements. This then allows the City Council to focus on creating a robust market offer around Central Market and City Square, whilst Cornhill can become a more appropriate space for events that encourage additional footfall and activity within the city centre.

4.2 A procurement exercise will be undertaken to appoint a contractor to remove the kiosk and make good the public realm.

4.3 Officers also propose to trial the extension of an outdoor market on City Square to enhance the current market offer, and encourage more footfall into the indoor market by visually promoting a joined up market offer.

4.4 Work is also currently being undertaken to bring together in a more joined-up approach the use, application and enforcement of a range of rights and licenses affecting trading in the city centre to further support the vibrancy, health and future of the City Centre including:

- City of Lincoln Council Market rights (based on a combination of Royal Charter rights and through the doctrine of lost modern grant, supplemented by the provisions under the Food Act 1984); and
- Street trading and licensing.

4.5 The next phase of delivery therefore will identify further proposals for the Central Market building, City Square and Waterside South along with other initiatives to support the vibrancy of the city centre.

4.6 The Council is also working with support from key project partners, to submit a bid under the Governments Future High Street Fund for city centre vibrancy projects including the market, public realm and accessibility projects. The £675M Fund aims to provide funding towards capital projects that bring transformative change and regeneration of city/town centres. Applications for Phase 1 requires local authorities to submit Expressions of Interest by 22 March 2019.

5. Strategic Priorities

5.1 Let's drive economic growth: Markets provide a low cost and low risk opportunity for start-up businesses, by acting as a small business incubator.

5.2 Let's reduce inequality: An enhanced semi-permanent market on City Square, just outside Central Market, would provide the perfect opportunity to focus a retail offer around value for money items; allowing the Central Market itself to become a community space for residents to mix, with an embedded retail offer.

5.3 Let's enhance our remarkable place: The main hall of Central Market was constructed in 1938, and replaced the former Butter Market sited on St Peter's Arches since 1736. The premises are Grade II listed and would benefit from investment. In addition, an improved market offer would help consolidate Lincoln's position as a regional centre for retail and culture.

6. Organisational Impacts

6.1 Financial Implications:

The capital costs of the demolition of the Cornhill Kiosk, tree, reinstatement works and associated costs is anticipated to be in the region of £50k and will be funded from the £300k allocated from the additional resources set to be achieved from the 100% Business Rates Retention pilot monies for the Market project. This leaves £250k for the future proposals (that will be the subject of a future Executive report). The inclusion of these capital resources has already been provided for within the MTFs 2019-24.

As part of the Council's project management processes all capital schemes are required to be developed and monitored using the Lincoln Project Management Model, release of funds will be dependent on completion and approval by the Project Sponsor of the relevant project brief.

The revenue income potential lost as a result of the Cornhill kiosk demolition will be £22,000 per annum. The income generated from the outdoor market offer utilising all of City Square is anticipated to off-set this loss of income. This income target will be incorporated into the Markets Business Case that is being developed and will be presented at a future Executive.

6.2 Legal Implications including Procurement Rules

All procurement activity will be undertaken in accordance with the Council's Contract Procedure Rules and ultimately Public Contract Regulations 2015

6.3 Equality, Diversity and Human Rights.

These have been considered but there are no implications arising from this report.

6.4 Land, Property and Accommodation

Negotiations with the existing kiosk tenant have taken place and an agreement reached in relation to the termination of the lease.

6.5 Significant community impact

The Council's 2020 Vision sets out the key priorities for driving economic growth. One of the top 3 priorities being to develop a Market Strategy to transform City Square that creates one strong, sustainable market offer in Lincoln. In addition to this, a number of other complementary projects are identified including:

- Supporting the redevelopment of the Cornhill area and Sincil Street which the Central Market, City Square and Cornhill Square are key components of;

- Completion of the City Centre Public Realm Strategy and the start of its implementation including the squares and spaces impacted by the Market Strategy;
- Enhancing the City's retail offer;
- Delivery of the Lincoln Growth Strategy which is about growing Lincoln's vibrant economy in both value and employment terms.

Markets generally also have an important role within the City Centre of enhancing place, supporting the tourism and cultural offer of Lincoln and a wider community cohesion role.

6.6 Corporate Health and Safety implications

External contractors used for the demolition will be managed in line with our Control of Contractors requirements.

7. Risk Implications

7.1 (i) Options Explored

Do nothing – This is not the preferred option. Over recent years the retail sector has declined dramatically, and for the markets traders, they have also been through the changes with the new transport hub being built, and temporary relocation of the bus station during the works, which had an adverse effect on footfall for businesses in the area, many of which have had to close during the period of works. Now the works have been completed, Lincolnshire Co-operative are undertaking multi-million pound investment in the Cornhill Quarter making this the right time to invest in the market and the market offer for the City. This will ensure we are offering facilities on a par with the other businesses adjacent to the market and assisting in improving the vibrancy of the area. The Market serves a niche requirement for the residents and visitors to the City, and investment is required to ensure it is not lost. Non demolition of the kiosk will mean that the use of Cornhill Square isn't utilised to its full potential.

7.2 (ii) Key risks associated with the preferred approach

Disruption: The removal of the tree will be undertaken on a Sunday to minimise disruption on the High Street. The schedule for the kiosk demolition will similarly ensure that disruption is kept to a minimum.

Costs: The costs of the works could increase, although indicative quotes have been obtained to inform the budget identified within this report.

The demolition could be more complicated than envisaged increasing both cost and disruption. This has been mitigated by referring to the original plans, which will be included in the demolition procurement process along with any other available information on services and other factors.

8. Recommendation

8.1 That Executive give consent to remove the Cornhill kiosk and tree, subject to planning permission and vacant possession.

- 8.2 That the Executive authorises officers to trial an extension of the outdoor market on City Square.
- 8.3 That the Executive authorises the development of proposals for the remaining £250k budget, and work with stakeholders to agree on a schedule of delivery.

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: Michelle Smith
Telephone (01522) 873329

SUBJECT: COMMERCIAL PROPERTY INVESTMENT STRATEGY

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To approve a revised Commercial Property Investment Strategy.
- 1.2 To approve an amendment to the delegation of Executive powers given to the Strategic Property Manager with respect to the acquisition of General Fund commercial property investment opportunities.

2. Executive Summary

- 2.1 This report presents a revised Commercial Property Investment Strategy, which has been updated to reflect recent guidance issued by MHCLG and the Council's latest financial position and desire to achieve further sustainable income through property investment.
- 2.2 The strategy also includes a strengthened set of assessment criteria by which all proposed commercial property assessments will be scored.
- 2.3 The report also sets out changes to delegated Executive powers in order to allow the Council to respond to opportunities in a fast paced market place.

3. Background

- 3.1 The Executive at its meeting on 30th August 2017 approved an Asset Rationalisation Strategy including specific criteria for proposed purchases to be assessed against along with the appropriate governance arrangements required.
- 3.2 Following approval of this policy the Council has undertaken three commercial property investments, totalling £28m and generating annual revenue returns of £1.5m, resulting in additional revenue income of £412k p.a. after the cost of financing.
- 3.3 Each of these investments have been made in Lincoln demonstrating that the Council is focussed on influencing the regeneration and economic development of the City, whilst also seeking financial returns. This is an approach that has seen the Council being shortlisted for the Entrepreneurial Council of the Year award at the LGC Awards (the winner will be announced on 13th March).
- 3.4 However, since approval of the original strategy in August 2017 there have been a number of developments in the local authority environment that have triggered both CIPFA and the MHCLG to issue both new guidance and warnings in relation

to local authority commercial investments that require an update in the Council's strategy for commercial property investment. Furthermore the Council's financial position has necessitated an increase in the revenue savings required and as such a need to identify further commercial property investment opportunities.

- 3.5 Early in 2018 MHCLG issued a revised investment code including requirements around the proportionality of commercial investments to the relative size/budgets of local authorities and also attempted to limit what authorities could borrow funds in advance of need for e.g. restricting borrowing to invest purely for a wholly commercial purpose, unless it can be demonstrated that there are service delivery objectives and/or place making role of the authority. However the code also stated that where a Council chooses to disregard the code it's investment strategy should set out why this is the case and what the Council's relevant policies are. As a result some local authorities continued to pursue aggressive commercial property investment strategies.
- 3.6 In response, in October 2018, CIPFA released a statement announcing new guidance to address the failure of the MHCLG's revised investment code to curb some instances of councils borrowing to invest in commercial property. This is set to clarify the definitions of "borrowing in advance of need" and "proportionality". Although details of what is included in the guidance has not yet been consulted upon, the institute's Head of UK Policy & Technical has said that;
- "It may well be that we actually specify and think about what exactly is 'borrowing in advance of need. We are likely to push the parameters of the code and clarify where local authorities could and should be borrowing to invest. "We have to distinguish between those authorities who are taking on debt for regeneration and serving objectives of local authorities, and those who borrow in advance purely to get a return on that investment".
 - "We may set parameters of what proportionality looks like"
 - We may give guidance on what the appropriate ratios are for commercial income associated with net service expenditure."

There is a real danger that the guidance could reverse freedoms introduced under the prudential code introduced in 2004. CIPFA's response to this has been "the guidance should be within the flexible framework we have all enjoyed and any steps to minimise that flexibility starts to take away from the 15 years of success of the prudential framework and operation of the prudential code. But in the current climate it seems additional guidance is certainly needed".

- 3.7 The MHCLG's revised investment code has already made property investment less attractive by requiring local authorities to set aside in the revenue account provision for the repayment of the amount borrowed, making the returns on investments significantly lower. It's likely that CIPFA's new guidance will place limits on the level of property investments that we can make through the use of proportionality ratios and clarity of the definition of 'borrowing in advance of need', further reducing our opportunities.
- 3.8 As a result of the financial pressures the Council's continues to face it has been necessary to increase the savings targets by a further £1m p.a. by 2020/21. A key strand of this will be to continue to explore opportunities to invest in both

commercial properties as well as in regeneration and redevelopment schemes that support the local economy; and to optimise usage and commercial returns of the City's property and land portfolio. A specific target of revenue savings of £250,000 has been identified for commercial property investments.

4. Commercial Property Investment Strategy – Key Extracts

4.1 The proposed Commercial Property Investment Strategy is designed to provide a framework for the Council to compete in the market place on an equal footing enabling the acquisition of properties for investment at a pace whilst ensuring that governance processes are in place, full assessments are made and risks are minimised.

4.2 The principle reason for property investment by the Council is defined as being to secure the economic well being of the City by generating additional income for the provision of services, for the purpose of economic development or regeneration, or a combination of both. This is supported by five key objectives, as follows:

- Deliver sustainable income, to support the continued provision of Council services, by growing the Council's property portfolio in a measured and incremental way.
- Build financial resilience through the creation of a diverse portfolio in order to balance risk and return.
- Acquire land or property for the social and economic wellbeing of the City on a long term investment basis.
- Support the economic development of the City by acquiring assets that encourage local business growth, inward investment and/or new entrepreneurial business start-ups.
- Develop a governance framework that enables the Council to move at a timely pace in line with the market.

4.3 The strategy builds on the criteria for investment as agreed by the Executive in August 2017 and strengthens this criteria through the development of an assessment matrix. All investments would be subject to an initial pass or fail criteria in respect of the initial yield, which is expected to be in the range of 5-8% p.a. Subject to meeting this criteria investment opportunities would then be assessed against the following criteria;

- Tenure
- Covenant
- Occupiers Lease Length
- Building Quality/Obsolescence
- Repairing Obligations
- Location/Sector
- Sector
- Rent Review Mechanism

The assessment criteria does not assess an investment dependent on whether or not it is located within the City boundary. Acquiring property outside of the City will not be discounted but opportunities should be explored in the following location hierarchy;

1. Lincoln
2. Central Lincolnshire
3. Greater Lincolnshire
4. UK

4.4 In terms of governance process wherever possible a report will be submitted to the Executive for approval to acquire the investments. However, given the often fast pace of the property market and the 4 weekly frequency of Executive meetings the situation may arise where an offer for an investment meeting the assessment criteria is needed to be submitted ahead of the next available meeting. In such cases, and with the agreement of the Corporate Management Team, the following approval process, akin to a virtual Asset Management Group, would be undertaken:

- The Strategic Property Manager, in consultation with the City Solicitor, Chief Finance Officer, Leader of the Council, Deputy Leader of the Council and the Portfolio Holder for Economic Growth shall have authority to submit, offer and negotiate on behalf of the Council with a subsequent report to be submitted to the next available Executive meeting.

4.5 The proposed Commercial Property Investment Strategy is attached at Appendix A.

5. Strategic Priorities

5.1 The expansion of the Council's portfolio of investments, covering investment in property and assets with a focus on investment within Lincoln, supports the Council's priority of driving economic growth as well as supporting the Council's other priorities by seeking to generate additional income to enhance it's financial resilience and to support the provision of services.

6. Organisational Impacts

6.1 Finance

The objective of the Strategy is to invest in commercial property to secure the economic wellbeing of the City by generating additional income to enhance financial resilience and to protect service provision, for the purpose of economic development and regeneration, or a combination of both.

The Council may fund investments through using its reserves, capital receipts and prudential borrowing, where the council has the powers to do so. Any borrowing required would need to be made in accordance with the conditions of the Prudential Code, which includes the council approving any changes required to the prudential indicators. The code requires borrowing to be affordable, sustainable and provide value for money. The return on any investment would therefore need to be in excess of the capital financing costs of the borrowing,

which consist of the interest payable and the statutory minimum revenue provision (MRP) that sets aside funds for the repayment of the borrowing.

The strategy requires that all investments are supported by a robust business case considering the financial appraisals, detailed valuations, physical appraisals, and risk assessments. This is to ensure that any investments made are affordable, sustainable and demonstrate value for money.

6.2 Legal Implications including Procurement Rules

The proposal to create an Investment Strategy is made possible by the “general power of competence” introduced by Section 1 of the Localism Act 2011. Local authorities now have a general power that enables them to do anything that a private individual is entitled to do, subject to certain statutory limitations. The power is designed to give local authorities considerable breadth of operation. There are, however, some specific restrictions and it would be important that each individual investment proposal is thoroughly examined before proceeding, particularly if the sole purpose is to achieve a commercial gain.

6.3 Equality, Diversity and Human Rights

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

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

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no direct equality, diversity and human rights implications arising as a result of approval of the revised strategy. Each individual acquisition would be assessed to ascertain whether there were any specific implications that the Council would need to consider dependent on the structure and details of the acquisition.

6.4 Land, Property and Accommodation – These are as specifically set out in the report

7. **Risk Implications**

7.1 It is necessary for the Council to take a prudent approach to the management of its financial affairs, it needs to ensure that it strikes the correct balance between risk and reward in a prudent manner so that the cost of funding its commercial property investments do not fall on the public purse.

7.2 It will be essential that the strategy and governance arrangements are legally sound and are deemed to be reasonable and robust by the Council’s external auditors.

- 7.3 Investment in commercial property brings with it a range of financial risks some of which the Council may not previously have been exposed to. The strategy sets out what these key risks are. It will be important that the Council actively monitors and mitigates against these risks.
- 7.4 As set out in this report it is essential that all proposals for investment opportunities are based upon robust business cases that are developed by the relevant technical officers, and external advice if required, with all due diligence processes having been undertaken, ensuring compliance with the financial stewardship duty that the Council holds to its tax payers.

8. Recommendation

8.1 That the Executive;

- 1) Approve the revised Commercial Property Investment Strategy as set out in Appendix A.
- 2) Approve the amendment to Strategic Property Manager delegated function as set out in the Constitution in that the postholder can negotiate terms to acquire the freehold of land or premises, in consultation with the City Solicitor, Chief Finance Officer, the Leader of the Council, the Deputy Leader of the Council and the Portfolio Holder for Economic Growth.

Is this a key decision? Yes

Do the exempt information categories apply? No

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

How many appendices does the report contain? One

List of Background Papers: Asset Rationalisation Strategy - Executive 30th August 2017

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

Commercial Property Investment Strategy

1. Introduction

The principle reason for property investment by the City of Lincoln Council is to secure the economic well-being of the City.

Acquisition of assets provides the Council with a financial ‘future-proofing’ effect, underpinning the financial sustainability of the Council by generating a wider asset base providing an alternative source of income, independent of government support and council tax and business rates income, which in turn can be used to support the revenue budget and protect vital services.

Importantly though acquisition of land or property assets is also a direct way of influencing regeneration and the economic development of an area. Councils can, and do, play an important role in regenerating areas where the market alone has failed to deliver regeneration transformation. Through selective involvement this strategy can enable the Council to increase the impact of its place shaping role, acting as a catalyst to encourage economic activity and development potential. A prime example of this is the significant investment the Council made in the Transport Hub development.

This Commercial Property Investment Strategy therefore sets out the Council’s approach to such investment that is in support of its Vision 2020 and Medium Term Financial Strategy as a means of income generation, for provision of services, for the purpose of economic development or regeneration, or a combination of both.

The property investment market is a crowded arena, particularly as local authorities, both locally and nationally appear to be seeking similar investment opportunities in prime locations with long leases and strong covenants

This strategy is designed to provide a framework for the Council to compete in that market on an equal footing enabling the acquisition of properties for investment at pace whilst ensuring that governance processes are in place, full assessments are made and risks are minimised. It forms part of the overall strategic management of the Council’s estate and concentrates specifically on the investment portfolio and commercial property investment decisions.

2. Background

Current Portfolio

In support of its Strategic Plan, Vision 2020, and its Medium Term Financial Strategy the Council is already actively involved with property as a land owner, investor, regenerator and developer. It undertakes property development and acquisition activities and is proactive in using its own resources to deliver significant benefits to the local community.

Over the last 10 years the Council has invested in and developed; The Terrace (Creative Industries), The Lincoln Transport Hub (Bus Station and Car Park), City Hall

Public Sector Hub, and The Think Tank. These assets have been facilitated by direct investment from the Council, supported by external grants and have contributed towards the economic development of the City and generated rental income to support the overall financial sustainability of the Council and deliver its strategic priorities.

Specifically in relation to commercial property investment the Council has in the last two years acquired two tenanted car parks and a Travelodge, all within the City boundary.

These acquisitions have added to the Council's already substantial investment portfolio, currently valued at around £17.044 million (with further investment of £19.7m underway), generating an income stream of circa £0.781 million, representing a gross yield of approximately 3.8%. The portfolio includes the commercial investments above as well as industrial units, shops and a number of grounds leases and agricultural land.

Resource Pressures

Like the majority of other local authorities the Council has since the onset of austerity measures in 2008 experienced fundamental and unprecedented reductions in resources. In response the Council has developed robust plans to maintain a sustainable financial position through its Towards Financial Sustainability Programme (TFS). This approach centres on organisational redesign (The 'One' Council approach), commercialisation, investment/economic development opportunities and service redesign. The direct investment in commercial property and active management of the portfolio, generating new ongoing revenue streams, plays a key role in the delivery of the TFS programme.

Having already delivered a net additional revenue stream of £520k through asset rationalisation (including commercial investments) a further target of £250k by 2020/21 to be achieved through investment/economic development opportunities has now been set.

Adopting such an approach is not dissimilar to many other local authorities, who are taking advantage of favourable borrowing interest rates from the government. 'Prudential Borrowing' interest rates or long term annuities from the government currently run between sub 1% and 2.45%, and with property investment yields generally ranging between 4.5% - 8%, there is therefore a margin which the local authority may benefit from, subject to the requirement for minimum revenue provision (MRP).

In addition to the additional revenue generated, the assets will also increase in capital value in the medium to long term and be capable of re-sale in the future.

Investment Guidance

New guidance on local government investments came into effect from April 2018 to reflect changes in patterns of local authority behaviour. As set out above many authorities are investing in commercial assets with the primary aim of generating profit to support front line services. Others are entering into very long term investments or

providing loans to enterprises or the third sector as part of their wider place shaping role.

Consequently the definition of investments has now been extended to cover all of the financial assets of an authority (including lending) as well as non-financial assets that the authority holds primarily or partially to generate a profit, e.g. investment property portfolios.

As part of the guidance Councils are required to have at least one Investment Strategy that should meet all of the disclosures and reporting requirements specified. In addition the revised Prudential Code, updated in line with the Investment Guidance, also introduces the need for an annual Capital Strategy. For the City of Lincoln Council there will be three separate elements to the Strategy;

1. The annual Treasury Management Strategy which covers all cash investments
2. The Commercial Property Investment Strategy which covers the Council's approach to investing in property
3. The annual Capital Strategy which covers the Council's approach to deploying and managing the Council's capital resources, including borrowing in advance of need and proportionality disclosures.

This Strategy sets out how the Council will seek to generate the required additional resource from investment in commercial assets and how the risks and costs associated with such activity will be managed. Further to the need to generate investment returns the Strategy also seeks to aspirationally go beyond this and aid redevelopment and regeneration within the City.

3. Objectives

The key objectives of this strategy are to;

- Deliver sustainable income, to support the continued provision of Council services, by growing the Council's property portfolio in a measured and incremental way.
- Build financial resilience through the creation of a diverse portfolio in order to balance risk and return.
- Acquire land or property for the social and economic wellbeing of the City on a long term investment basis.
- Support the economic development of the City by acquiring assets that encourage local business growth, inward investment and/or new entrepreneurial business start-ups.
- Develop a governance framework that enables the Council to move at a timely pace in line with the market.

4. Investment Portfolio Principles and Decision Making/Criteria

Acquisition Criteria

In order to form a view on the strength of a given investment opportunity it will be essential that the investment opportunity is assessed against a defined and agreed set of asset acquisition criteria.

This assessment will be based on an initial pass or fail criteria in respect of the initial yield. Due to the Council's requirement to generate income through satisfactory levels of return on investments, the net initial yield range that would be expected is between 5 – 8%.

Investments not meeting this criteria will not be considered for acquisition, subject to the caveat below in respect of economic development and regeneration objectives.

Any investments meeting this initial criteria will then be against the scoring criteria shown in the table set out in Appendix A. This criteria includes;

- Tenure
- Covenant
- Occupiers Lease Length
- Building Quality/Obsolescence
- Repairing Obligations
- Location
- Sector
- Rent Review Mechanism

For each investment opportunity it will be assessed against the whole set of criteria and nothing will be considered in isolation. The assessment will be recorded for future reference.

The minimum score should be at least 120 out of a maximum score of 157, this is equivalent to at least the 70th percentile of the maximum score. There will, however, always be a trade-off between the level of return and the score, e.g. a high return would reflect a higher risk and vice versa. A property which scores 'unacceptable' for any of the scoring criteria in the table will be rejected.

The assessment criteria does not assess an investment dependent on whether or not it is located within the City boundary. Acquiring property outside of the City will not be discounted but opportunities should be explored in the following location hierarchy;

1. Lincoln
2. Central Lincolnshire
3. Greater Lincolnshire
4. UK

Inclusion in the City boundary or the impact on the economy of the City will be the deciding factor when all other attributes are equal.

The Council will reserve the discretion to acquire investment property assets that may fall outside the investment criteria outlined above if a strong case can be made that the target property provides an exceptional opportunity to promote the economic development and/or regeneration of the City.

Business Case

An initial business case will be required for each acquisition opportunity which will include the purpose of the acquisition, an initial assessment of how the proposal meets the acquisition criteria as set out in the Appendix One, amount of acquisition cost budget to undertake initial due diligence (to include legal title checks, some survey works, and draft valuations).

Once this initial business case has been prepared and approved a further robust business case will be required which will report on the outcomes of this work and also include a more detailed financial appraisal, detailed valuations, physical appraisals, risk assessments and maximum bid/offer prices. This business case will also consider the overall portfolio and its diversity in order to spread risks via a balanced portfolio, e.g. the use types of properties.

Subject to approval of this business case further due diligence will continue to be taken until the purchase is complete.

It is worth noting that the Council, as a public body, may not wish to invest in properties where the occupiers are generally seen to be undertaking business which is contrary to its corporate values. Such examples would include the following activities;

- Alcohol or tobacco production or sale
- Animal exploitation
- Armaments and nuclear weapons production or sale
- Environmentally damaging practices
- Gambling
- Human Rights Abuse / Oppressive regimes
- Pornography

These subject headings will inform the assessment but will not necessarily preclude the Council from investment in a property asset that has a link to these activities.

5. Acquisition process and governance

Commercial property investment opportunities often arise unexpectedly and it is important to be able to take advantage of opportunities when they arise. The Council needs to be in a position to assess investment opportunities in a systematic manner but should also be able to move quickly when a compelling opportunity arises.

Potential opportunities for investment will be primarily identified through the proactive work of the Strategic Property Manager, but that does preclude other officers from identifying opportunities for consideration. A team of officers consisting of the Strategic Property Manager, Chief Finance Officer and City Solicitor will undertake the legal negotiation and necessary due diligence on all risks and carry out the financial

assessment to determine which investments met the criteria outlined in this strategy and present the business cases for these to the Corporate Management Team for consideration and initial approval for referral to the Council's Executive.

A typical timetable for the purchase of commercial property is:

- Negotiation period – 3 weeks
- Heads of Terms agreed – 2 weeks
- Executive Approval – 4 weeks
- Legal implications – 4-6 weeks

Wherever possible a report will be submitted to the Council's Executive for approval to purchase the investments. However, given the timescales above and the 4 weekly frequency of Executive meetings the situation may arise where an offer for an investment meeting the assessment criteria is needed to be submitted. In such cases, and with the agreement of the Corporate Management Team, the following approval process, akin to a virtual Asset Management Group, would be undertaken:

- The Strategic Property Manager in consultation with the City Solicitor, Chief Finance Officer, Leader of the Council, Deputy Leader of the Council and the Portfolio Holder for Economic Growth. shall have authority to submit, offer and negotiate terms to acquire the freehold of land and premises on behalf of the Council with a subsequent report to be submitted to the next available Executive meeting.

6. Risk Management

It is necessary for the Council to take a prudent approach to the management of its financial affairs, it needs to ensure that it strikes the correct balance between risk and reward in a prudent manner so that the cost of funding its commercial property investments do not fall on the public purse.

There are a number of risks the Council should consider, all of which could have an impact on the net return to the Council. These risks not only address issues of investment risk at the point of purchase but also issues of emerging financial risks for owned property over the time the property remains in Council ownership. These include;

- Capital values and rentals values can fall as well as rise
- Borrowing costs could increase
- Voids in the portfolio will reduce average yield. As well as lost rental income the Council may also become liable for on-going costs which a tenant would normally be liable for e.g. empty property business rates.
- Disputes with tenants. Common disputes include ongoing maintenance and repair costs of buildings and the ability to recover those costs from tenants.
- Tenant default
- Further Government intervention and changes to the Prudential Code

The overall investment value and range of properties held needs to represent a good mix and spread of risk across differing sectors.

It is important that the Council maintains an adequate level of reserves and balances to ensure it can manage any down turn in the property market and limit the impact it will have on revenue income.

All forms of investment carry an element of risk and the acceptance of a risk factor is rewarded by the potential for a financial return. The Council will be investing from the public purse and will therefore be seeking investments at the more secure end of the risk spectrum.

7. Management of assets

Property management varies between properties. Managerial issues include rent collection, service charge calculation and collection, building maintenance, security, dealing with tenants, re-letting empty units, negotiating terms of rent reviews, dilapidation claims and the general miscellany of property management.

The means of ongoing management of acquired commercial property investments will be determined on a case by case basis however the default position will be that the properties will be managed through Property Services. In some management intensive cases, such as multi-let properties, day to day management fees may be largely recoverable by way of service charge. However, there does remain a 'client side' management function for all owned properties and the time commitment will increase relative to the number and type of properties acquired.

8. Ongoing performance review

The day to day responsibility for implementing and managing the performance of the portfolio will reside with the Strategic Property Services Manager. This will be reviewed by the Chief Finance Officer and will be periodically scrutinised by the Towards Financial Sustainability Board (CMT).

9. Conclusion

In summary the objectives of this strategy are to invest in commercial property for the purpose of securing the economic wellbeing of the City of Lincoln, by generating additional income for the provision of services, for the purpose of economic development or regeneration, or a combination of both.

The Strategy details the financial and business case, including setting out the criteria required, for assessing opportunities and an assessment of the associated risks.

The Strategy also clearly sets out that commercial property investments should in the first instance be within the City boundary in order to fully exploit the economic development and regeneration opportunities. However the Strategy also provides the discretion for the Council to invest beyond the City.

Scoring Criteria

	Score	4	3	2	1
	Weighting Factor	Excellent/ Very Good	Good	Acceptable	Unacceptable
Covenant Strength	10	Tenants with strong financial covenant and minimum risk of failure.	Tenants with good financial covenant	Majority of tenants with good financial covenant	Tenants with poor financial covenant
Rent Review Mechanism	10	RPI Increases with cap and collar	3 to 5 years upwards only rent review with good prospects of increase	3 to 5 years upwards only rent review with medium prospects of increase	Over 5 years upwards/downwards review, poorly drafted and low prospects of increase
Occupiers Lease Length	8	Greater than 20 years	Between 15 and 20 years	Between 15 and 10 years	Less than 10 years or vacant
Location	8	Prime	Prime/Secondary	Secondary	Tertiary
Tenure	5	Freehold	Lease 100 years plus	Lease between 50 and 100 years	Lease less than 50 years
Building Quality/ Obsolescence	5	Newly Built/Land	Recently refurbished	Second hand and likely to continue to be fit for current use for 25+ years	Nearing end of useful life/use unlikely to continue when lease expires

Repairing Terms	5	Full repairing and insuring	Full repairing and insuring with service charge for common areas recoverable	Internal repairing with external repairs recoverable	Landlords obligations, not recoverable
Sector	5	Thriving/expanding sector	Good stable sector	Emerging sector/stable sector	Declining sector

The key components of the scoring criteria are looked at in detail below:

Yield/Rate of return – the rental return on the capital investment should be at an appropriate level to ensure an increase in rent is secured in the portfolio. This needs to be weighed against risk as the higher the level of return that is required from an investment, the higher the level of risk it will carry. The experience of other local authorities indicates that a gross yield of between 5%-7% is achievable over the longer term and through a full economic cycle. The Council’s current investment estate is attaining an average gross return of 3.8%. As a minimum the Council would therefore seek to achieve a net initial yield of 5% with a maximum yield, driven by an acceptable level of risk, in the range of 7-8%.

Covenant Strength - the quality of the tenant and, more importantly, their ability to pay the rent on time and in full is essential. This is particularly important where the Council has borrowed against the investment, and minimum acceptable financial strength for any given tenant will be determined through a financial appraisal of company accounts and the use of appropriate methods of risk assessment and credit scoring.

Rent Review Mechanism – the Council would wish to see periodic rent reviews, taking into account inflation and upward market movements.

Lease length - the unexpired length of the term of the lease is of key importance in ensuring that the landlord’s revenue stream is secure and uninterrupted. The Council will take into consideration the risks associated with a tenant vacating and the potential to attract good quality replacements tenants at acceptable rental levels.

Location – this is an important consideration in terms of the area being viewed as economically buoyant and having the ability to sustain financial and economic growth over the life time of the asset. The sector e.g. office, retail, industrial will assist in deciding risks associated with individual properties and the mix of sectors within the portfolio.

Tenure – freehold is preferable but long leasehold interests may also be suitable and more available for certain types of investment.

Building Quality/Obsolescence – this will affect the ability of the Council to let or sell the asset in the future and in conjunction with the lease repairing terms is a consideration in protecting the value of the investment.

Repairing Terms – this is an important consideration as the Council does not want to be exposed to costs incurred in repairing property. Therefore, the only properties suitable will be leases on full repairing and insuring terms or leases on internal repairing and insuring terms with a service charge in place to recover 100% of costs incurred.

Sector – information as to the sector of use of the property will assist in deciding on the risks associated with specific properties and will ensure that it does not expose itself to an underperforming sector.

This page is intentionally blank.

SUBJECT: AMENDMENT TO STRATEGIC PROPERTY MANAGER DELEGATED POWERS

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: ANGELA ANDREWS, CHIEF EXECUTIVE AND TOWN CLERK

1. Purpose of Report

- 1.1 To approve an amendment to the delegation of Executive powers given to the Strategic Property Manager to enable the postholder to negotiate terms to acquire the freehold of land or premises in relation to the Housing Revenue Account.

2. Main Report

- 2.1 The Strategic Property Manager currently has delegated authority to 'negotiate terms to acquire the freehold of land or premises where Executive approval has been sought'. This is specified in paragraph 35 of Table 2C under Part 3 of the Constitution under functions of the Executive delegated to the Chief Executive.
- 2.2 Elsewhere on this agenda a report on the Council's Commercial Property Investment Strategy is presented which requests a change in the delegation of Executive powers in respect of the purchase of commercial property investments, as follows:

In terms of governance process, wherever possible, a report will be submitted to the Executive for approval to acquire the investments. However, given the often fast pace of the property market and the 4 weekly frequency of Executive meetings the situation may arise where an offer for an investment meeting the assessment criteria is needed to be submitted ahead of the next available meeting. In such cases, and with the agreement of the Corporate Management Team, the following approval process, akin to a virtual Asset Management Group, would be undertaken:

- *The Strategic Property Manager, in consultation with the City Solicitor, Chief Finance Officer, the Leader of the Council, the Deputy Leader of the Council and the Portfolio Holder for Economic Growth shall have authority to submit, offer, and negotiate terms to acquire the freehold of land or premises on behalf of the Council with a subsequent report to be submitted to the next available Executive meeting.*

- 2.3 These investments covered by the Commercial Property Investment Strategy are specific to the General Fund but the delegation in powers should also be replicated for any acquisitions to be made through the Housing Revenue Account.

3. Strategic Priorities

3.1 High performing services

Enabling the Strategic Property Manager to negotiate terms to acquire the freehold of land or premises without the requirement to seek prior Executive approval will significantly improve the opportunities available to the Council.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)

There are no specific financial implications arising as a direct result of this report. All proposals to acquire land or property will still be supported by a robust business case considering the financial appraisals, detailed valuations, physical appraisals, and risk assessments. This is to ensure that any investments made are affordable, sustainable and demonstrate value for money. Delegation of authority from the Executive does not remove the need for such business cases.

4.2 Legal Implications including Procurement Rules

As outlined in the report

5. Recommendation

5.1 That Executive approve that the amendment to the Strategic Property Manager delegated function as set out in the Constitution in that the postholder can negotiate terms to acquire the freehold of land or premises, in consultation with the City Solicitor, Chief Finance Officer, the Leader of the Council, the Deputy Leader of the Council and the Portfolio Holder for Economic Growth, also covers acquisitions through the Housing Revenue Account.

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: Graham Watts, Democratic Team Leader and
Elections Manager
Telephone (01522) 873439

SUBJECT: HOUSING, HEALTH AND CARE – MEMORANDUM OF UNDERSTANDING

DIRECTORATE: HOUSING AND INVESTMENT

REPORT AUTHOR: YVONNE FOX, ASSISTANT DIRECTOR

1. Purpose of Report

- 1.1 To advise Members that City Of Lincoln Council, along with all Lincolnshire District Authorities, Lincolnshire County Council and NHS Health Trusts, is a signatory to the Memorandum of Understanding (MOU). The MOU is to support joint action in Lincolnshire on improving health and wellbeing throughout the home and provides for local government, housing, health, care and the voluntary sector to work together

2. Background

- 2.1 In Lincolnshire, local government, housing, health and care sectors are committed to working together to understand and respond to current and future needs in order to deliver better housing, health and wellbeing outcomes.
- 2.2 The Government has enacted several Acts of Parliament which requires key agencies to co-operate with each-other at all levels. These include:
- The Health and Social Care Act 2012
 - The Children and Social Work Act 2017
 - The Care Act 2014
 - The Homelessness Reduction Act 2018
- 2.3 The Health and Wellbeing Board is a partnership of key agencies in Lincolnshire. The Board must undertake a Joint Strategic Needs Assessment (JSNA) and Lincolnshire's Strategy includes a Housing Priority. The key signatories of the MOU will review progress annually, against the agreed priorities for housing.

3. Strategic Priorities

- 3.1 Let's reduce inequality
Indicator of success – a better understanding of the preventative role of housing and improved signposting
- 3.2 Let's deliver quality housing
Indicator of success – better strategic planning and better understanding of the preventative role of housing
3. High performing services
All 7 indicators of success

4. Organisational Impacts

4.1 Finance

There are no financial implications arising from this report.

If there are any proposed changes to service delivery as a result of the MOU, these proposals will be agreed in line with normal Council procedures

5. Recommendation

5.1 That the Memorandum of Understanding be endorsed.

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? 1

List of Background Papers: None

Lead Officer: Yvonne Fox – AD Housing
Telephone (01522) 873716

A Memorandum of Understanding (MoU) to support joint action in Lincolnshire on improving health and wellbeing through the home



Housing, Health and Care – A practical partnership

Why a Memorandum of Understanding (MoU)?

1. The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.
2. We in Lincolnshire will work together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs.
3. This Memorandum of Understanding sets out:
 - Our shared commitment to joint action across local government, housing, health and care sectors, in Lincolnshire;
 - Principles for joint-working to deliver better housing, health and wellbeing outcomes and reduce health inequalities;
 - The context and framework for local cross-sector partnerships to design and deliver:
 - o Appropriate levels and types of housing, to meet a range of needs;
 - o Healthy homes, communities and neighbourhoods which promote health and wellbeing;
 - o Integrated and effective services that meet individuals', their carer's/carers' and their family's needs;
 - A shared action plan, with specific actions agreed by individual partners in accordance with their own policies, to help deliver these aims.
4. Working together, we will:
 - Establish ways to secure, interpret and share evidence to support local dialogue and decision-making across local government, health, social care and housing sectors;
 - Enable improved collaboration and integration between housing, health and care agencies in planning, commissioning and delivering homes and services;
 - Promote the housing sector's contribution to:
 - o Addressing the wider determinants of health and health equity.
 - o Improving the patient experience and outcomes.
 - o 'Making Every Contact Count' (MECC).
 - o Safeguarding.
 - Promote the contribution of health and care services, whether directly delivered or commissioned from others to:
 - o Enable people to secure and remain in their homes.
 - o Reduce homelessness.
 - o Maintain access to education, employment and their wider community.
 - Develop the workforce across all sectors so they are confident and skilled in understanding the relationship between where people live and their health and wellbeing and are able to identify suitable solutions to improve outcomes.

Context

5. The Health and Social Care Act 2012 introduced a number of provisions intended to improve the quality of care received by patients and patient outcomes, efficiency, and to reduce inequalities of access and outcomes. Provisions require co-operation between the NHS and local government at all levels. The Health and Wellbeing Board (a partnership of all those working to advance the health and wellbeing of the people in Lincolnshire), also have a duty to encourage commissioners to work together.
6. The Children and Social Work Act 2017 outlines that Local Authorities and Partners must consider the needs of looked after children, care leavers and young people. Through this group we are able to ensure that service planning and designs meet the needs of young people and reduce the need for intervention and support in later life. We should afford all children the same care, nurture, health and well-being opportunities, and ensure Looked After Children and Care Leavers have the same life chances as any other child or young person. The corporate parenting principles outline that good, responsible parenting involves, but is not limited to:
 - Making sure that children and young people have a strong sense of belonging, and that they are cared about as well as cared for.
 - Supporting children and young people through school, college or work, being ambitious for them and helping them develop a sense of aspiration and self-belief.
 - Making sure children and young people are safe.
 - Making sure children and young people are healthy, and health-aware, and are offered the very best parenting.
 - Making sure children and young people have the best start in life and opportunities to thrive and grow.
 - Making sure children and young people are actively listened to, respected and valued, encouraging them to develop and participate as citizens now, not simply as 'citizens in waiting'.
 - Encouraging and supporting children and young people to form and sustain a range of healthy relationships, developing how they manage their feelings and behaviours, and understanding those of others.

Safe and secure accommodation is fundamental to ensuring all of the above and ensuring the wellbeing of young people and those transitioning into adulthood at 18 years old. By working together we can reduce the need for local authority and health intervention in later life by offering young people stability and suitable accommodation earlier.

7. The Care Act 2014 aims to improve people's quality of life, delay and reduce the need for care, ensure positive care experiences and safeguard adults from harm¹. Local authorities in Lincolnshire are required to consider the physical, mental and emotional wellbeing of the

¹ The Care Act relates primarily to people aged 18 and over but young people approaching adulthood and those caring for an adult or in families of someone receiving care should also benefit. The Children and Families Act 2014 is also relevant to young people with care and support needs.

individual needing care, and assess the needs of carers. They must ensure the provision of preventative services and carry out their care and support functions with the aim of integrating services with those provided by the NHS or other health-related services.

8. The Care Act calls for:

- A shared vision and culture of cooperation and coordination across health, public health, social care and local authority roles, e.g. as housing commissioners, working closely with public, voluntary and private sector providers to improve services.
- A whole system, outcomes based approach to meeting the needs of individuals, their carer(s) and family, which is based on a robust understanding of the needs of individuals, their carer(s) and families now and in the future.
- Consideration to the health and wellbeing of the workforce and carers.
- Solutions to meet local needs based on evidence of 'what works'.
- Services that will address the wider determinants of health, e.g. housing, employment. Integrated health, care and support, and housing solutions could make best use of the budgets across the NHS, local authorities and their partners to achieve improved outcomes for less; for example, drawing on the Better Care Fund to support service transformation.

9. The Homelessness Reduction Act (2018) requires a stronger focus on preventing homelessness, extending the statutory duties of local housing authorities and places a duty to refer on a wide range of agencies to support prevention and early intervention.

10. Lincolnshire's Health and Wellbeing Board has legal duties to undertake Joint Strategic Needs Assessment (JSNA). Lincolnshire's JSNA includes a topic on Housing. The Board must also produce a Health and Wellbeing Strategy. Lincolnshire's Strategy includes a Housing Priority. This recognises that:

- Poor housing, unsuitable housing and precarious housing circumstances affect our physical and mental health. Generally speaking, the health of older people, children, disabled people and people with long-term illnesses is at greater risk from poor housing conditions. The home is a driver of health inequalities, and those living in poverty are more likely to live in poorer housing, precarious housing circumstances or lack accommodation altogether.
- Key features of the right home environment (both permanent and temporary) are:
 - o It is warm and affordable to heat.
 - o It is free from hazards, safe from harm and promotes a sense of security.
 - o It enables movement around the home and is accessible, including to visitors.
 - o There is support from others if needed.
- The right home environment can:
 - o Protect and improve health and wellbeing and prevent physical and mental ill-health.
 - o Enable people to manage their health and care needs, including long-term conditions, and ensure positive care experiences by integrating services in the home.
 - o Allow people to remain in their own home for as long as they choose.

- In doing so it can:
 - o Delay and reduce the need for primary care and social care interventions, including admission to long-term care settings.
 - o Prevent hospital admissions.
 - o Enable timely discharge from hospital and prevent re-admissions to hospital.
 - o Enable rapid recovery from periods of ill-health or planned admissions.

11. In Lincolnshire the right home environment is enabled by a range of stakeholders (not exhaustive):

- The Health and Wellbeing Board has a duty to understand the health and wellbeing of their communities, the wider factors that impact on this and local assets that can help to improve outcomes and reduce inequalities. The inclusion of housing and housing circumstances, e.g. homelessness in Joint Strategic Needs Assessments and the Board's Strategy supports this MoU and steers local commissioning.
- Local housing and planning authorities² commission the right range of housing to meet the needs of people living in Lincolnshire, and intervene to protect and improve health in the private sector, to prevent homelessness and enable people to remain living in their own home should their needs change.
- Housing providers' knowledge of their tenants and communities, and expertise in engagement, informs their plans to develop new homes and manage their existing homes to best meet needs. This can include working with NHS providers to re-design care pathways and develop new preventative support services in the community;
- Housing, care and support providers provide specialist housing and a wide range of services to enable people to re-establish their lives after a crisis, e.g. homelessness, or time in hospital, and to remain in their own home as their health and care needs change. Home improvement agencies and handyperson services deliver adaptations and a wide range of other home improvements to enable people to remain safe and warm in their own home.
- The voluntary and community sector offers a wide range of services, from day centres for homeless people to information and advice to housing support services.

12. All stakeholders understand the needs of their customers and communities; their knowledge and insight can enable health and wellbeing partners to identify and target those who are most in need.

² Local housing and planning authorities in two-tier areas are the district councils.

Oversight

13. We aim to act and work together to ensure momentum continues in the coming years.
14. The key signatories to this MoU will be represented at the Housing, Health and Care Delivery Group. The group will review progress annually and agree if changes are required to the MoU or the action plan.
15. The Joint Health and Wellbeing Strategy (JHWS) identifies housing as a priority. A delivery plan is in place and puts the responsibility on a range of people across housing, health and care. We will use JHWS delivery plan for housing as the basis for our actions, but it will not be limited to this.
16. All relevant agencies are invited to adopt this MoU, contributing to the local evidence base, needs analysis, commissioning and service delivery, and agree to work towards and meet the aims and delivery plan of this document.

Indicators of Success

1. Better strategic planning:

Include housing and homelessness in key strategy and planning processes for health, social care and local government at a local level. The planning processes should be responsive to the needs and input of local communities. They should deliver good quality housing options for all, meeting both current health needs across the lifespan and be responsive to future changes.

2. Better understanding of the preventative role of housing:

Place greater recognition the role a stable and secure housing situation plays in keeping people healthy, independent and preventing ill health or injury. There is a strong case for investment in improving poor housing, as well as providing new and specialised housing.

3. Greater collaborative care:

Greater joint action on the contribution housing can make in different care pathways, including prevention, transfer of care or discharge planning.

4. Better use of resources:

Use our resources more effectively to improve health through the home, prevent illness, manage demand and deliver service improvements across local housing, health and social care sectors.

5. Improved signposting:

Frontline housing, homelessness, health and social care professionals should know which services and interventions are available locally across other sectors, and how to refer people into these. There should be greater awareness among the general public about the services they can access to improve their home environment where this is affecting their health and wellbeing outcomes.

6. *More shared learning:*

Housing, homelessness health and social care professionals to have the appropriate training to better prevent ill health and promote good health and wellbeing through the home, and deliver integrated care and support across the sectors.

7. *Wider sector engagement:*

Increase the number of signatories to the MoU, including organisations representing frontline professionals and experts by experience.

Declaration Statement for Lincolnshire

We, the organisations listed below, support this Memorandum of Understanding.

<p>Boston Borough Council</p>	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	<p>We support the aims of the Memorandum of Understanding</p>
<p>East Lindsey District Council</p>	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	<p>We support the aims of the Memorandum of Understanding</p>
<p>City of Lincoln Council</p>	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	<p>We support the aims of the Memorandum of Understanding</p>
<p>Lincolnshire Community Healthcare Services NHS Trust</p>	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	<p>We support the aims of the Memorandum of Understanding</p>
<p>Lincolnshire County Council</p>	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	<p>We support the aims of the Memorandum of Understanding</p>

Lincolnshire Partnership NHS Foundation Trust	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	We support the aims of the Memorandum of Understanding
North Kesteven District Council	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	We support the aims of the Memorandum of Understanding
South Holland District Council	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	We support the aims of the Memorandum of Understanding
South Kesteven District Council	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	We support the aims of the Memorandum of Understanding
United Lincolnshire Hospitals NHS Trust	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	We support the aims of the Memorandum of Understanding
West Lindsey District Council	<p>The right home environment is essential to health and wellbeing, throughout life. Timely and appropriate support services enable people to live at home safely and independently.</p> <p>We are committed to working together, across local government, housing, health, care, and voluntary and community sectors to understand and respond to current and future needs in Lincolnshire.</p>	We support the aims of the Memorandum of Understanding

This page is intentionally blank.

SUBJECT: LINCOLN CREMATORIUM – A STRATEGY FOR INVESTMENT

DIRECTORATE: COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: SIMON WALTERS STRATEGIC DIRECTOR

1. Purpose of Report

- 1.1 To update Members on the outline concept stage design work to enhance the facilities at Lincoln Crematorium. To further seek Executive approval to progress the next stage of work to finalise these designs and hence crystallise the level of capital investment required. The proposed scheme of changes to the building and surrounding grounds is designed to further enhance the compassionate, sympathetic service we offer to the bereaved choosing our crematorium to say goodbye to their loved ones.

2. Executive Summary

- 2.1 This report offers a strategy for maintaining the high standards of service the Lincoln crematorium offers residents of the city and surrounding areas, and for growing the service to meet developing customer needs both now and for the future.

The strategy consists of three strands:

- i) Options for capital Investment in the existing crematorium site to enable it to continue to maintain its unique compassionate and professional offer and to increase its capacity to meet the future demands of a fast growing city and surrounding area
- ii) Pursue options for the development of new service offerings – some of which will be the subject of a further detailed report in the spring of 2019
- iii) Continue discussions with funeral directors to explore joint relationships, ensuring we continue to deliver their requirements now and in the future so that together we can continue to deliver exactly what our service users need at such a difficult emotional time for them.

3. Background – Key Drivers for this next stage of development

- 3.1 The Lincoln Crematorium recently celebrated its 50th anniversary. It is a very well established service, with staff who have extensive experience of dealing with the sensitive nature of this service and beautiful, mature grounds for bereaved friends and families to use. The service maintains time-honoured relationships with the funeral directors in the local area.

The users of Lincoln crematorium are very complimentary about the service offered during such a difficult time for them, however, the City Council is never complacent about such a sensitive service and is always looking to enhance further the facilities on offer to the bereaved. Keeping the facility up to date and in touch with changing trends, to meet the needs of our users, is the council's primary aim.

Following internal renovations started in 2016 and completed in 2018, we have now identified key areas for investment in order to build capacity for future growth in the city and enhance the grounds within which the crematorium is located.

This development will concentrate on the following three strands:

- **Strand 1:** Further investment in the existing crematorium facilities in a way that transforms provision and future proofs the service - There are two phases to be considered
 1. **Phase 1:** Replace the existing two cremators, with consideration to leaving one of these in situ (as additional capacity), extending the rear of the building for this purpose and incorporating enhancements to staff areas. In addition, develop new hard standing car parking spaces (up to 87 extra spaces) to cater for additional mourners at the larger services we now experience
 2. **Phase 2:** Investment in the grounds and external look and feel of the buildings by making extensive enhancements to the aesthetic appearance, refining the movement through the crematorium site for the bereaved, ensure individual funeral services retain separation and further develop the external facilities of the crematorium to enhance its modern and welcoming feel
- **Strand 2:** To explore the possibility of extending the existing range of services to cover new complimentary options that the bereaved are increasingly requesting.
- **Strand 3:** To work directly with Funeral Directors to understand whether there are additional opportunities for further joint arrangements

Together these three strands will ensure the sustainable delivery of our exemplar services for the benefit of the bereaved and at the same time deliver options demanded as part of a modern 21st century facility.

3.2 Population Growth in and around Lincoln

The growth in the city, both now and projected over the period of the Local Plan, is notable, with sustainable urban extensions on Western Growth Corridor (up to 3200 houses), South East quadrant (up to 6,000 houses), North East Quadrant (up to 1,400 houses), and ultimately the South West quadrant (up to 2,000 houses), all serving to increase the population of the city and surrounding areas and hence demand for a range of services.

If RAF Scampton were to become another significant housing development in the future on the outskirts of the city (especially with the Eastern Bypass being constructed) this could significantly add to housing numbers.

Without doubt the market for all services is expanding.

3.3 **Lincoln Crematorium today**

As noted above the crematorium has completed investment to improve the seating capacity of the chapel and improve the front of house experience for the bereaved. This significant investment delivered:

- i) New entrance to waiting room and office
- ii) Extension of the size of the chapel, new chairs and carpet
- iii) New office design to include reception area
- iv) Extension to overspill car park area
- v) New Book of Remembrance cabinets
- vi) Decoration of waiting room and corridor
- vii) New signage throughout the crematorium and grounds

This has enabled the council to continue to meet service user's expectations and those of funeral directors by improving the internal facilities in the public areas.

Following this investment, the City Council now needs to consider the less visible but equally important aspects of the back room workings of the crematorium as well as some new additional external facilities of direct benefit to service users.

The two existing cremators are approaching an age where they need to be replaced as part of prudent asset management.

Additionally, it is proposed that a new extended area of permanent parking is developed on the area of ground behind the existing car park – leaving the current overflow as additional parking for occasional use when needed.

This will enhance our service provision to match the demand for the increasingly larger number of mourners attending some funerals.

4. **The proposed next phase investment in the crematorium service**

This section investigates in more detail the options summarised in section 3.1

The council has engaged the services of an architect, landscape architect and quantity surveyor for the design and cost options in respect of the various refurbishments.

Some of their concept visuals are attached to this report in **Appendix A**.

Officers are now in a position to present two phases for improving the sustainability, capacity, flow and look of the crematorium, depending upon the capital investment available.

4.1 Phase 1 - Crematorium facility improvements

- One existing cremator removed and two modern cremators installed. Both of the new cremators will handle the larger coffins that are becoming more commonplace. This will also provide energy efficiency benefits.
- The initial design team's drawings indicate that a reconfiguration of the rear space will allow for one of the existing cremators to remain, whilst housing the two new cremators in a bespoke extension to the rear area.
- Phase 1 would also include the creation of a new car parking area behind the existing hard surface car park to enable the crematorium to manage increasing attendance sizes. The proposed surface is 'gravel cell' which has a superior surface for walking on. It is also more in keeping with the look and feel of the crematorium providing a more natural green environment finish to the parking provision. The existing overflow parking area would remain in place for use for very large funerals.
- This option also includes works to enhance staffing and washroom facilities in the existing building. These facilities will also be used by funeral director staff cementing further our relationships with FDs.

In summary, this phase future proofs the crematorium service in terms of modernising the technology and equipment and increases capacity of cremators to accommodate growth in the city's population.

If, in the future, the housing growth around the city expands as predicted, then a second chapel could be added at that time to develop significant capacity increases.

4.2 Phase 2 – facility and aesthetic improvements

This phase will have a dramatic impact on the look and feel of the crematorium as:

- It enhances the aesthetic appeal for users with a modern refresh of the grounds and buildings
- It refines the natural flow of service users from the car park to a well-designed congregating point (with facilities provided at that point including an extended waiting room for the bereaved)
- It facilitates a clear separation of incoming and outgoing funeral parties

The full list of options are described and pictured in **Appendix A** however, the key proposals currently include:

- Oak and stone cladding to key external walls of the crematorium to give it a contemporary but quality look and feel. Visitors will be drawn to the attractive building, which will emphasise the respectful, quality service to be received inside.

- Changes to the way visitors exit the crematorium after the service. They will move into a newly designed covered area. The walls of the crematorium in that area will be clad in wood to soften the building and provide a tactile surface. In addition, there will be a new water garden to animate the space and naturally take people from the courtyard garden through to a new memorial flower garden area. This again will offer space for reflection, contemplation and celebration of the loved one's life and will then naturally lead back to the car park. Throughout, mourners leaving the crematorium will be screened (through landscaping and natural wood partitions) from those arriving for the next funeral so both parties can appropriately remember loved ones within their own groups.
- Enhancements to gateways throughout the site through new landscaping. These gateways, created through revised planting schemes and repainting the hard infrastructure elements at entrances, will ensure the bereaved arrive to calm, green, and attractive facilities.
- The canopy above the main entrance will be refreshed with a modern equivalent in keeping with the other proposed external cladding works around the building
- A completely reconfigured Book of Remembrance building opposite the main entrance. Extended internally to provide an inside waiting area, washrooms and a small refreshment offer and externally a canopy erected around the building to allow mourners to congregate externally in good weather, this option represents significant investment for the future. A new rose garden adjacent to the building will complement this area to offer a space for peaceful additional reflection, both for funeral attendees and those who come to remember loved ones at other times.

4.3 In order to move forward the design, provide further cost certainty as well as enabling a submission to planning submission in early summer, the Council has, through the Scape Procurement framework engaged a contractor to work alongside the design team to deliver its aspirations. At this stage any costs associated with this appointment will be contained within the budget allocation detailed in paragraph 8.1. However as designs are finalised there may be a requirement for enabling works to be undertaken prior to approval of the final scheme. Officers will provide a report to committee prior to commencement should this be the case.

5 Options for developing new customer interaction and service enhancements

This section details a number of additional activities that are to be considered as part of the overall plan to enhance service provision for our users

5.1 Updating interaction with bereaved families and Funeral Directors

One of the key proposals is to install new service specific IT software. This will enable a live feed onto a dedicated website so not only FDs but also the bereaved will be able to see slots available for services. This will directly counter the inaccurate perception that there are occasions where families have to wait extended periods for a funeral due to availability of slots. This system will make it

very transparent where slots exist and enable the bereaved to negotiate funeral services with their chosen FD.

In addition, this software offers many features in other aspects of management such as performance figure collation

The team is currently mid-way through sourcing a suitable system. It is proposed that this will be funded through additional service income that is received during 2018/19 and hence represents a direct reinvestment in the service.

5.2 Memorials

A myriad of additional options may be considered that would support families to commemorate loved ones.

- Plaques – kerb or bench plaques;
- Garden benches for lease for a memorial plaque; Marble plaques; Planter marble plaques
- Urns – various types
- Individual or family record miniature remembrance books
- Jewellery to contain small amounts of ashes
- Glass remembrance ornaments
- Living memorials (trees or shrubs where plaques can be placed)

5.3 Use of crematorium staff as bearers

There exists an option to offer one or two members of the Bereavement Services team as additional pallbearers to assist the Funeral Directors during staffing shortages. As some FD's have asked for this facility in the past, there is a clear potential service enhancement here.

5.4 Additional opening hours

Although Funeral Directors have in the past suggested there is limited demand for weekend funerals, we will once again revisit this question with them to ensure that a complete package of services exists for the bereaved.

5.5 As covered in the introduction to this report, there are other options for enhanced service delivery currently being developed which will be reported to Members in Spring 2019.

6 Building a stronger relationship with funeral directors

6.1 Whilst the City Council has an excellent working relationship with local FD's, this is not a contractual relationship. In practice, this means that any funeral director is able to arrange funerals with any crematorium they or the family of the deceased prefers. Most come to the City Council's crematorium because it is the local option and to travel further afield would (in reality) mean an FD could undertake fewer funerals per day due to increased travelling time.

The wishes of the deceased and the bereaved family should take precedence in deciding the location of the funeral.

- 6.2 The project team will continue to work directly with FD's to understand whether there are other opportunities for partnership/joint working that would enhance service delivery.

A key factor in this will be the proposed enhancements to the facilities identified earlier, which will enable FD's to continue to see CoLC as the preferred service provider.

- 6.3 Officers have had exploratory discussions with some of the FDs who use our crematorium to ascertain their views on the further investment proposals at the crematorium. In summary the views obtained so far are:

- Extremely supportive of the City of Lincoln Council cremation services
- Impressed with the proposal to develop a new external waiting area to help separate funeral parties and increase covered waiting space
- In favour of the idea to redesign and extend the floral tribute area
- Mixed views expressed over the use of crematorium staff as bearers
- Compliments on the quality of the service from the Crematorium staff

7. Strategic Priorities

7.1 Let's drive economic growth

A consequence of economic growth is that additional demand is placed on council services. In relation to the crematorium, the service needs to invest to ensure it continues to meet the demand, both in the short and long term. An increasing population means we must have a service that can cope with the anticipated increase in demand.

7.2 Let's deliver quality housing

An increase in the number of houses built in and around Lincoln to meet the expected growth in population will, over time, result in a higher demand for cremation services as the number of deaths naturally increase in line with the growing population, both in the city and surrounding areas.

7.3 High performing services

The council is committed to providing high quality services; the proposals contained in this report will maintain the quality of an exemplar service.

8. Organisational Impacts

8.1 Finance

- 1) The Phase 1 and Phase 2 proposals contained in this report will require a multi-million pound investment by the council. This report seeks approval for further spend on technical and design work necessary to provide detailed financial costings to Executive in May 2019.

During 2018/19, expenditure of £23,277 has been incurred to date on pre-construction activities in relation to planning, surveys, investigations and design work. Further work on detailed technical design, in order to support a procurement exercise with final designs, final costings and clear project timescales, is required between March and May 2019 to enable the project to proceed should the Executive decide to do so in late May 2019.

This further package of work is forecast to cost £210,000, bringing the overall expenditure on the scheme in to £233,277. At this stage incurred costs have been funded from the Bereavement Services Revenue Budget and additional planned costs will be taken from the estimated figure of ring-fenced surpluses of £100k subject to the outturn of the service as agreed by the Executive at quarter 3 financial monitoring. However as the costs of the additional work required exceeds the £100,000 surplus, further resources of £110,000 will be allocated from the strategic priorities revenue reserve, which currently has an unallocated balance of £183,090.

Although Phase 1 and Phase 2 will ultimately be treated as capital schemes, at this stage the technical and design work will be treated as revenue expenditure and will continue to be so until sufficient assurance exists that the scheme will take place. At such time as this assurance exists it will be determined as to whether the costs incurred to date are subsequently capitalised with the revenue funds replenished, this will be considered as part of report to the Executive in May 2019.

- 2) A new software package will cost £20,000 and will be treated as capital expenditure. This will be funded from the strategic priorities revenue reserve, transferred via Direct Revenue Financing. There is an additional annual revenue costs associated with this new package of £2,600 p.a. which will be met from within the existing bereavement services cash limited budgets.

As part of the Council's project management processes all capital schemes are required to be developed and monitored using the Lincoln Project Management Model, release of funds from the strategic priorities reserve will be dependent on completion and approval by the Project Sponsor of the relevant project brief.

8.2 Legal & procurement Implications

The appointment of the Design Team (architects/quantity surveyors) has been undertaken using the compliant Scape Procure framework. The appointment has been split into the relevant RIBA stages in order to mitigate risk if the project does not move forward.

As detailed in para 4.3 the engagement of a main contractor has been undertaken using the compliant Scape Procure framework. In order to mitigate exposure the Council will not be entering into a formal delivery agreement with the contractor until cost certainty has been established and formal approval granted for the scheme.

8.3 Land, property and accommodation

There are no land changes/requirements for the Phase 1 and 2 improvement projects

9. Risk Implications

9.1 Options Explored

With improvements to the road infrastructure in and around the city, investing in the existing site offers the most environmentally and economically sustainable solution.

Building a new facility outside the city boundary would necessitate building in or near a village which would fail the council's sustainability tests. We believe that investment in the current site will provide all the benefits of the look, feel and operation of a brand new facility without negative environmental impacts.

9.2 Key risks associated with the preferred approach will be detailed as part of the full business case to Exec in May 2019

10. Recommendation

10.1 Executive is asked to:

- i) Give authority to sanction a further budget in 2019/20 of up to £210,000 for design work, survey work and professional fees to conclude RIBA stage 4 to be funded from existing revenue budgets and earmarked reserves.
- ii) Approve the submission of relevant planning permissions as landowner
- iii) Approve the purchase a new software package as proposed and to allocate £20,000 in the General Investment Programme, funded from the strategic priorities reserve.
- iv) Comment on the additional options for developing new or extended service enhancements and building stronger relationships with Funeral Directors

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules apply? No

How many appendices does the report contain? One

List of Background Papers: None

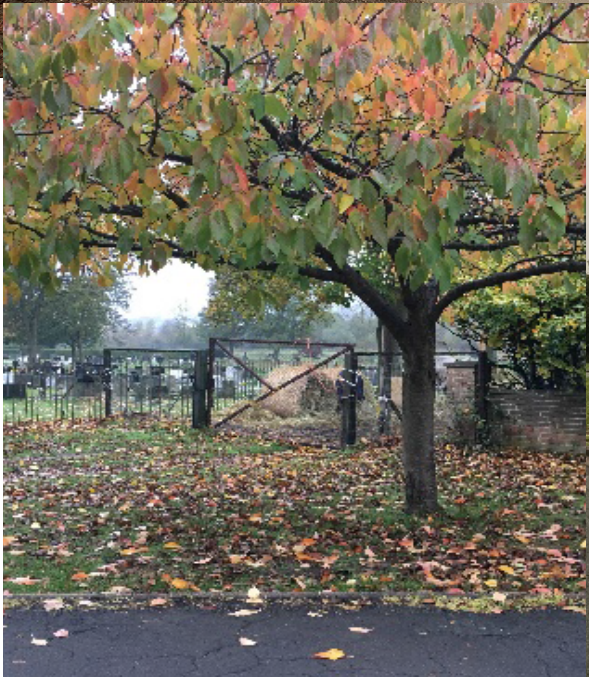
Lead Officer:

Simon Walters, DCE
Pat Jukes, Business Manager, Corporate
Policytelephone (01522) 873657

Washingborough Crematorium – today

APPENDIX A

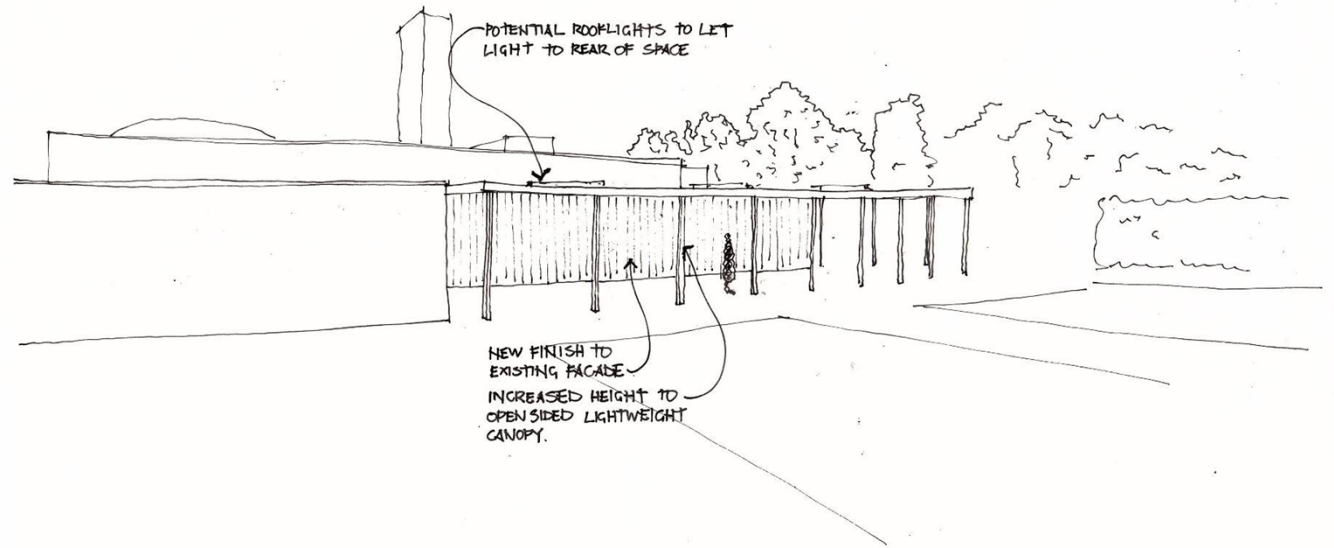
131



PROPOSALS FOR CHANGE - VISUALS

Canopies & structured Landscape

The old canopies will be replaced with new modern canopies, light bright and furnished with a mix of warm wood and local stone



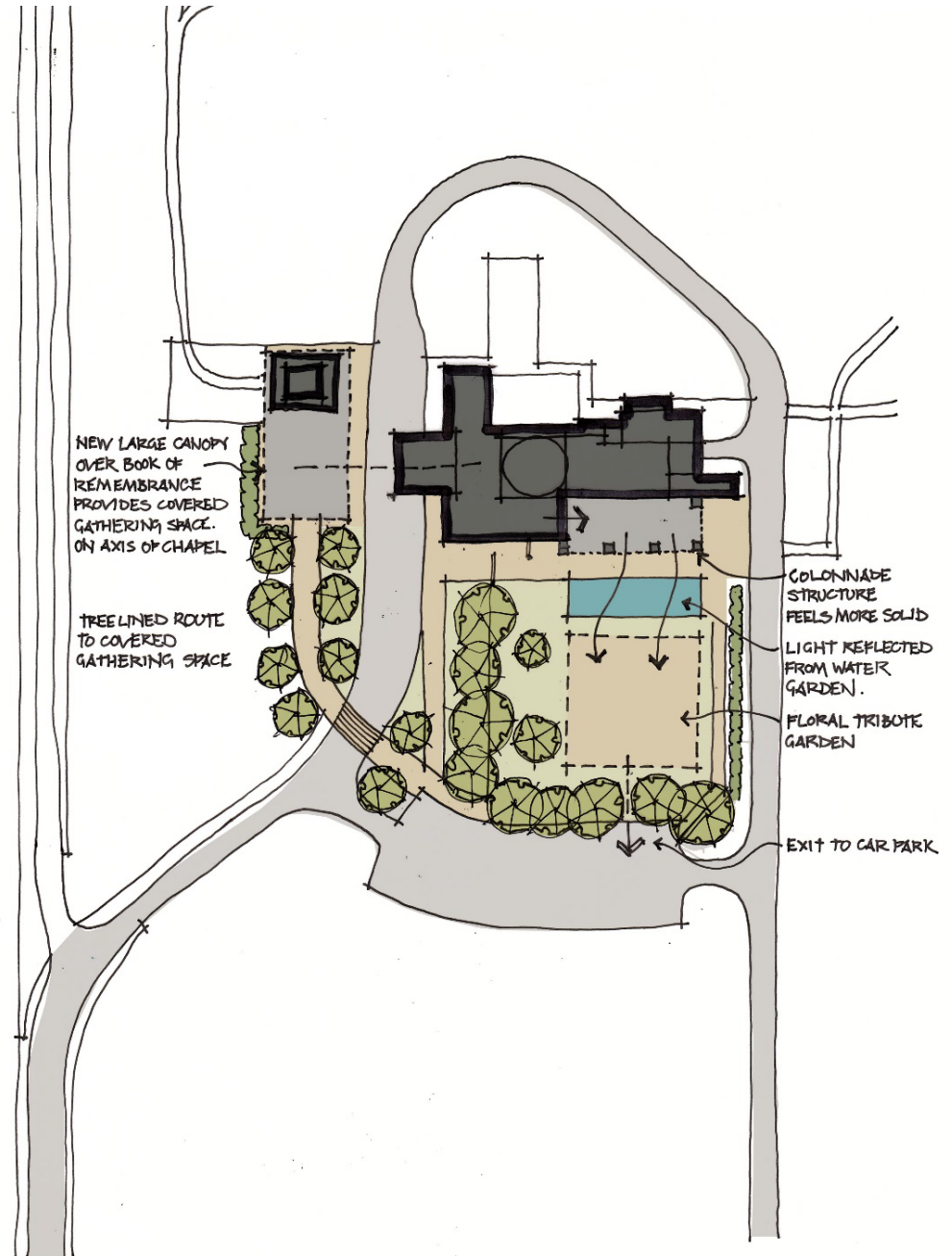
132



Re-structured approach and an Extension to the book of remembrance

This change explores the opportunity to move visitors west to a gathering space opposite the chapel entrance. This will provide greater separation between the various access/egress points on the building and use a current underutilised area adjacent to the book of remembrance

The tree lined route leads to a covered gathering space formed via an extension to the canopy over the book of remembrance, matching the new one over the crematorium entrance





Detail of Front Elevation

Over cladding the existing facades with Lincolnshire limestone gives the build feeling of quality that tie building to the heritage city.

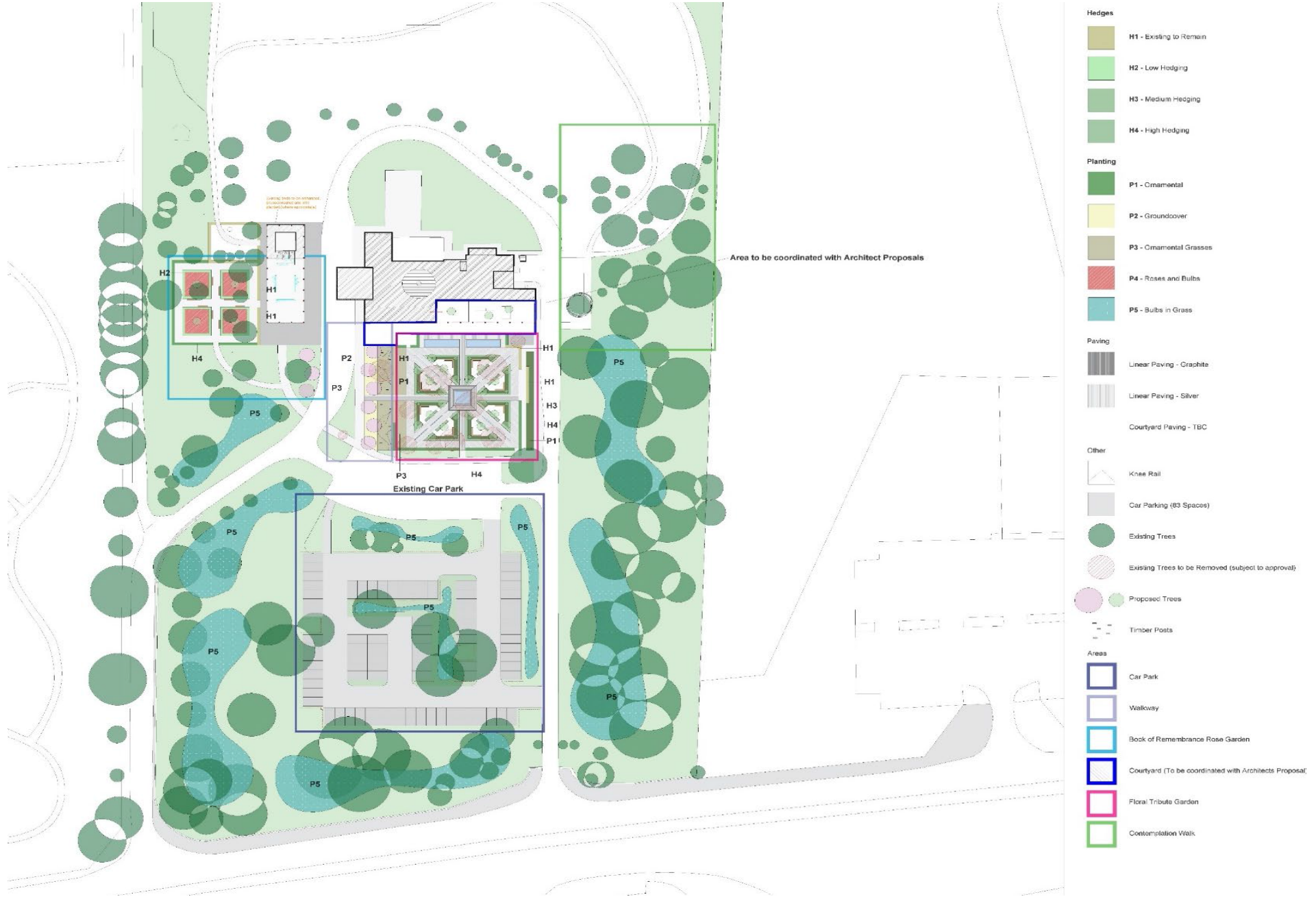
Timber linings where people come into contact with the building provide a softer tactile finish that gives a sense of warmth.

The canopy and timber lining provides an intermediate hold space between outside and inside.



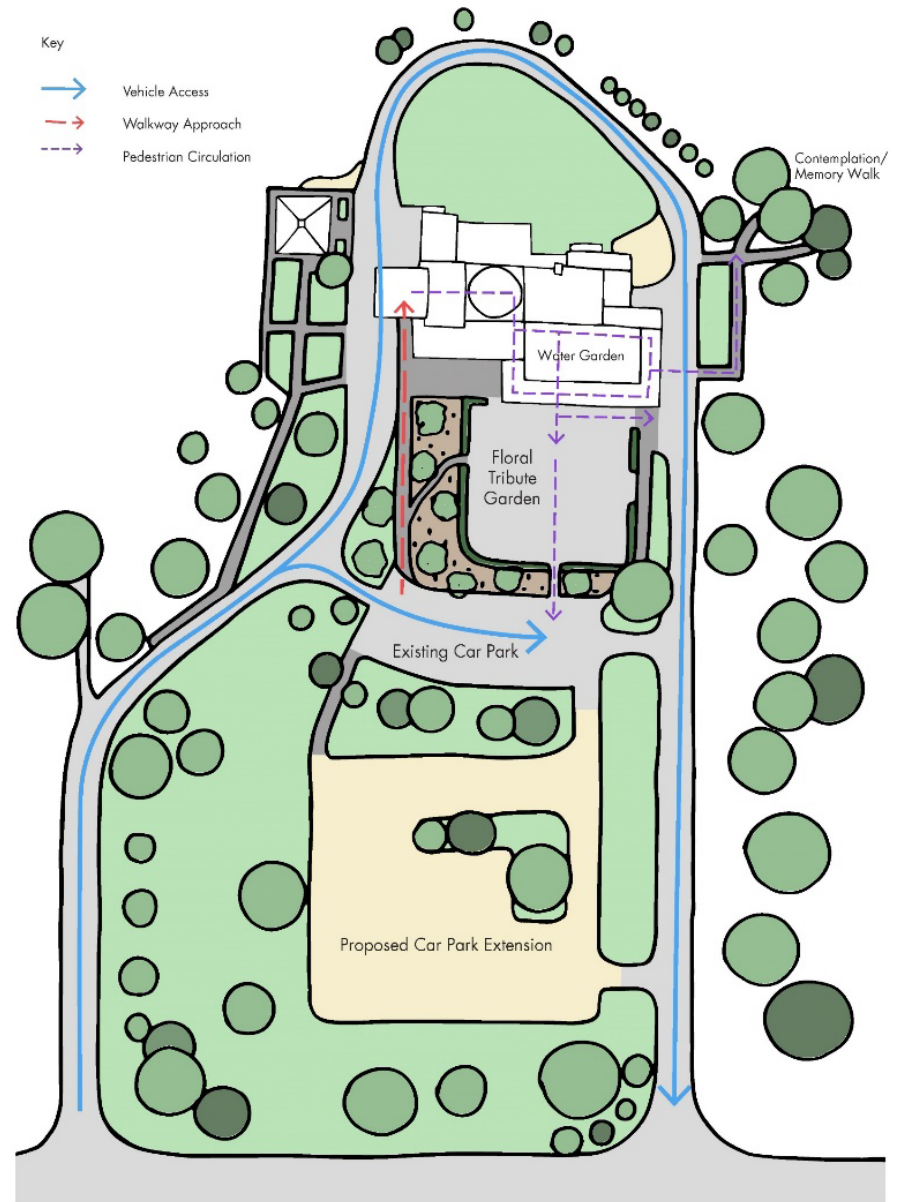
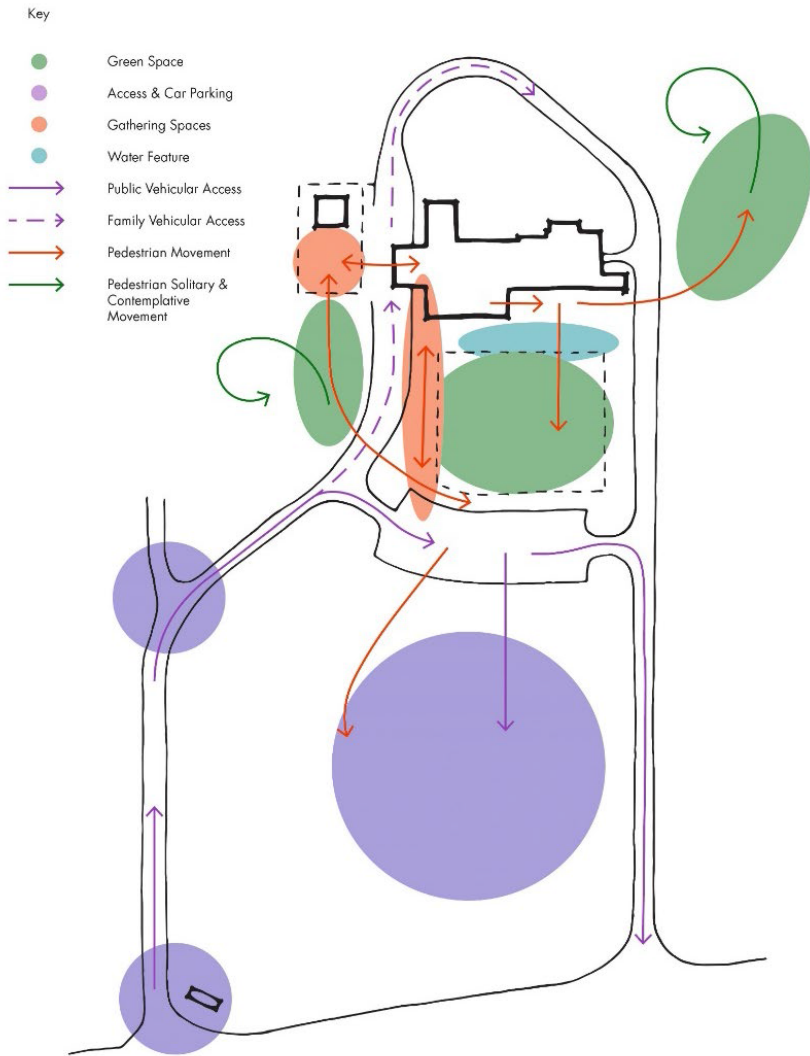
Landscape - Aspirational Scheme

136



- Hedges**
 - H1 - Existing to Remain
 - H2 - Low Hedging
 - H3 - Medium Hedging
 - H4 - High Hedging
- Planting**
 - P1 - Ornamental
 - P2 - Groundcover
 - P3 - Ornamental Grasses
 - P4 - Roses and Bulbs
 - P5 - Bulbs in Grass
- Paving**
 - Linear Paving - Graphite
 - Linear Paving - Silver
 - Courtyard Paving - TBC
- Other**
 - Knee Rail
 - Car Parking (83 Spaces)
 - Existing Trees
 - Existing Trees to be Removed (subject to approval)
 - Proposed Trees
 - Timber Posts
- Areas**
 - Car Park
 - Walkway
 - Book of Remembrance Rose Garden
 - Courtyard (To be coordinated with Architects Proposal)
 - Floral Tribute Garden
 - Contemplation Walk

Approach of the design – Circulation and Zonal Plan

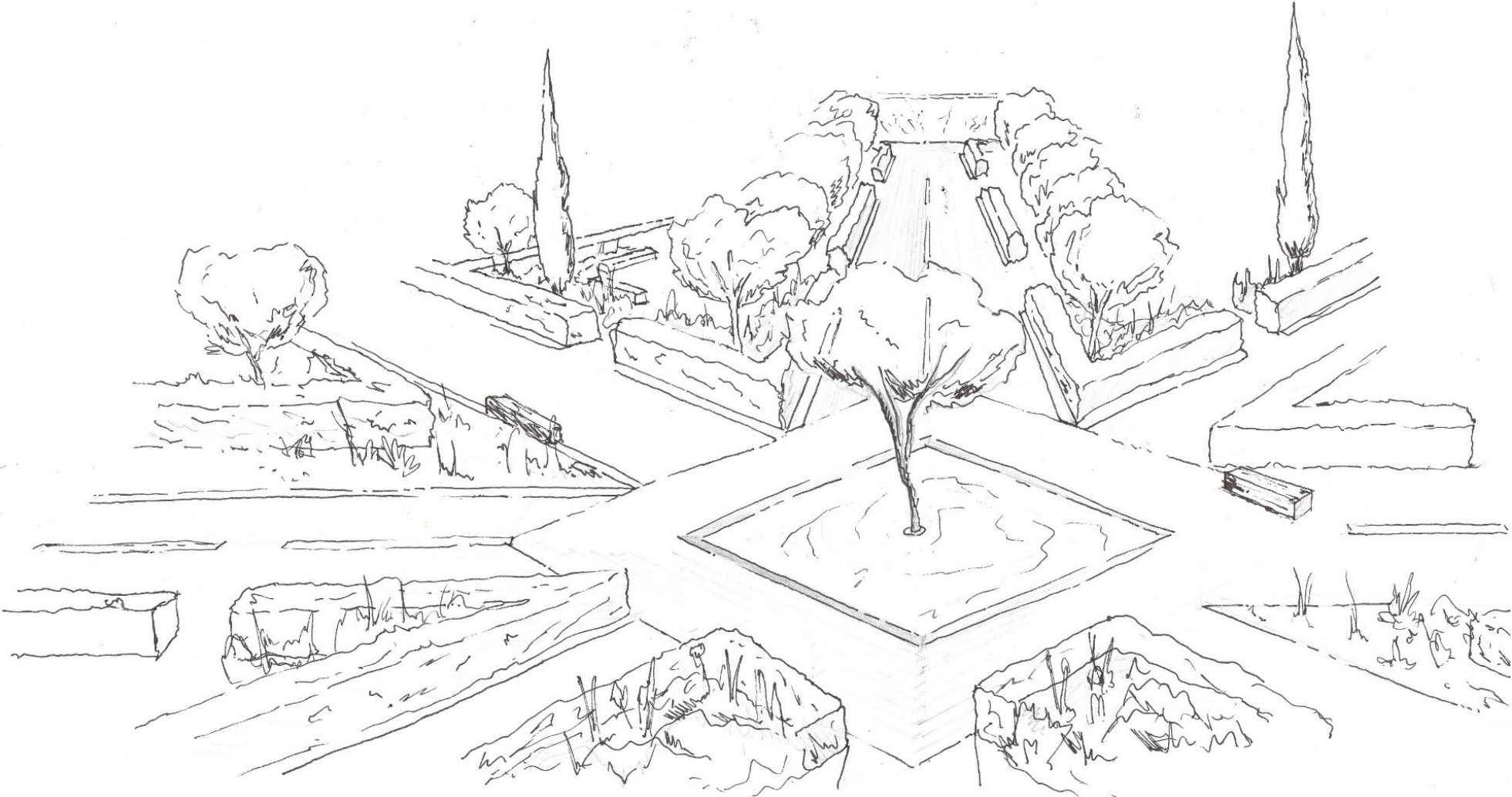


Proposals for the new natural screening between the incoming and exiting bereaved



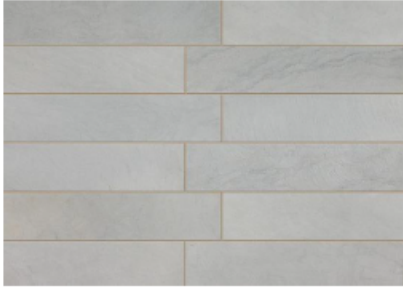
Approach of the design –Floral Tribute Garden Concept Sketch

139



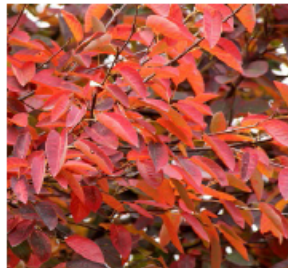
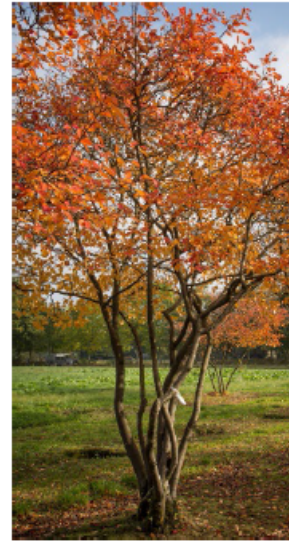
Material Palette

Hard Materials



Grey Linear Paving

Soft Landscaping



Landscape Elements and Form



Proposed features through the landscape to create a peaceful and respectful journey through from arrival to the gathering of people at the end of a ceremony.

Year round colour and interest

SUBJECT:	EXCLUSION OF THE PRESS & PUBLIC
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	CAROLYN WHEATER, MONITORING OFFICER

1. Purpose of Report

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

2. Recommendation

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

This page is intentionally blank.

Document is Restricted

This page is intentionally blank.

Document is Restricted

This page is intentionally blank.