

PERFORMANCE SCRUTINY COMMITTEE

**Thursday, 19 November
2020**

6.00 pm

Virtual Meeting

Membership: Councillors Gary Hewson (Chair), Helena Mair (Vice-Chair), Thomas Dyer, Rebecca Longbottom, Bill Mara, Laura McWilliams, Lucinda Preston, Pat Vaughan and Loraine Woolley

Substitute member(s): Councillors Jackie Kirk and Adrianna McNulty

Officers attending: Jaclyn Gibson, Simon Walters, Clare Stait, Heather Grover, Sarah Hardy and Colleen Warren

VIRTUAL MEETING

To join this meeting please click on the link below:

<https://zoom.us/j/95582635269?pwd=eDFsTzg4RzRVOHF2ZHk3a1FodzRnZz09>

Or join via phone by calling:

0330 088 5830

And using the following ID: **955 8263 5269**

A G E N D A

SECTION A	Page(s)
1. Confirmation of Minutes - 1 October 2020	3 - 8
2. Housing Scrutiny Sub Committee Minutes - 12 October 2020	9 - 14
3. 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.	
4. Q1/2 Operational Performance Report	15 - 54
5. Financial Performance - Quarterly Monitoring	55 - 96

6. Treasury Management and Prudential Code Update Report - Half Year Ended 30 September 2020	97 - 114
7. Budget Review Process 2021/22	115 - 118
8. Work Programme 2020/21	119 - 128
9. Strategic Risk Register - Quarterly Review	129 - 134
10. Exclusion of Press and Public	135 - 136

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

SECTION B

11. Strategic Risk Register - Quarterly Review	137 - 156
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[Exempt Para(s) 3, 4]

Present: Councillor Gary Hewson (*in the Chair*),
Councillor Thomas Dyer, Councillor
Rebecca Longbottom, Councillor Bill Mara, Councillor
Lucinda Preston, Councillor Pat Vaughan and Councillor
Lorraine Woolley

Apologies for Absence: Councillor Helena Mair and Councillor Laura McWilliams

19. Declarations of Interest

No declarations of interest were received.

20. Housing Scrutiny Sub Committee Minutes: 20 July 2020

The minutes from the Housing Scrutiny Sub Committee meeting that took place on 20 July 2020 were noted.

21. Confirmation of Minutes - 20 August 2020

RESOLVED that the minutes of the meeting held on 20 August 2020 be confirmed.

22. Portfolio Holder under Scrutiny - Economic Growth

Councillor Neil Murray, Portfolio Holder for Economic Growth:

a) presented a report to Performance Scrutiny Committee in the following areas:

- **Economic Recovery** – Officers were working with a range of partners on the Lincoln Towns Fund Project and the Heritage Action Zone Project which put together would make a substantial contribution to the recovery of the economy in Lincoln.
- **Planning Policy** – Planning Officers had an excellent record in processing planning applications. 95% were approved within the prescribed time limits.
- **Heritage** – a footbridge had been placed over the remains of the Roman Wall located between the two wings of City Hall to protect remaining historic fabric and would be safer to walk on.
- **Park Ward Regeneration** – due to COVID19, regeneration of the Sincil Bank Area had slowed.
- **The Visitor Economy** – due to COVID19 the Christmas Market and the Christmas lights switch on had been cancelled. On a positive note, the Visitor Information Centre had been transferred back to the City Council from Lincoln BIG.

b) invited members' comments and questions

Question: Members asked if the City of Lincoln Council were working with any organisations within the City to help support the economy?

Response: The Towns Fund issued by Government was crucial along with economic recovery work that was being carried out by Lincoln City Council. The City Council had given and were continuing to give a lot of support to businesses. The impact of Covid19 on unemployment in the city was 6% and classed as high, along with 13,000 people that had been affected by the furlough scheme. Issues in the economy had been flagged up to government.

Question: Members asked for more detail on digital connectivity and what different types of planning applications were received?

Response: Officers were to forward details of the types of planning applications received to the committee. Digital connectivity needed to be addressed in the city. There was a digital strategy that was being submitted alongside the Towns Fund deal. This made sure that people within the city had the appropriate skills to use technology.

Question: Members asked what work was taking place on Newport Arch?

Response: Overall there was very little money available for heritage sites. Officers were to forward details of the work that was taking place on Newport Arch to the committee.

Comment: Members commented that there wasn't a lot of detail in the report.

Response: An additional Performance Scrutiny Committee was to be set up early in the New Year for the Economic Growth report to be taken for more detail to be available.

Question: Members asked what the position was with the Usher Gallery and commented that the investment in the Cathedral was fantastic work and added to the city's heritage.

Response: Lincolnshire County Council had temporarily shut the Usher Gallery due to Covid19. We owned the building but couldn't do anything about the current closure. Wider discussions concerning its long term future were still ongoing. The Cathedral was a really good use of lottery money for the improvements made.

Question: Members asked why no-one else was appointed when Cllr Murray stepped down from the Drill Hall Board?

Response: No-one took over from Cllr Murray due to not knowing what was to happen in the future.

Question: Members asked whether students were included in the unemployment figures for young people?

Response: Students in education didn't count in the unemployment figure as they were not normally eligible for job seeker allowance/universal credit. Students were included in the employment rate percentage/figures.

Question: Members asked who dealt with applications such as the Towns Fund?

Response: Decisions were made by the Towns Fund Board that was made up of all different parties and chaired by Mary Stuart from the University of Lincoln.

RESOLVED that:

1. Details of the types of planning applications received be forwarded to Performance Scrutiny Committee.
2. Details of the works taking place at Newport Arch be forwarded to Performance Scrutiny Committee.
3. A further report be brought back to Performance Scrutiny Committee early in the New Year.

23. Central Lincolnshire Joint Strategic Planning Committee/Local Plan Annual Report 2019/20

Toby Forbes Turner, Planning Policy Manager:

- a) presented members with an annual report detailing work undertaken by the Central Lincolnshire Joint Strategic Planning Committee (CLJSPC) over the period 1 April 2019 through to 31 March 2020
- b) explained that for the coming year, it was anticipated that the impacts of Covid19 on society, the economy and plan-making would start to be understood
- c) reported that the plan would need to adapt to these impacts as they emerged, however, as officers working on the plan were working from home, progress continued on developing the evidence and the drafting of the plan
- d) highlighted that the work of the Local Plan Team included:
 - Progressing and finalising key evidence for the Local Plan;
 - Drafting the Local Plan;
 - Undertaking the Regulation 18 'Further Draft' consultation on the Local Plan;
 - Carrying out statutory plan-making functions such as fulfilling the Duty to Cooperate and undertaking a Sustainability Appraisal and a Habitats Regulations Assessment; and
 - Maintaining existing functions such as responding to neighbouring plan consultations, producing and publishing the five-year land supply report, providing planning application and appeals support where requested, and dealing with queries from the public
- e) highlighted evidence-based work on climate change with specialist consultants appointed in July to assess the extent to which the new Local Plan should address the issue, including the establishment of a position statement to set out the role the Local Plan could play in delivering climate change objectives; identifying what the plan could and could not influence in respect of carbon reductions. define what net zero carbon meant for the plan and what needed to be done to achieve it
- f) attached the budget for 2019/20 as set out in Appendix 1, representing the first year of a three-year budget which was approved by Members of the Joint Planning Committee on 13 January 2020
- g) reported that overall, the Local Plans budget was in a healthy position, with the following material variances to note;

- There was a saving on employee costs arising from a vacancy within the Local Plans Team. The Team was now fully resourced following a successful appointment of a Planning Policy Officer.
- There were additional consultancy costs associated with the commissioning of evidence base to support the plan making process, which reflected the scope of the issues that the revised Local Plan was seeking to address.

h) invited members' comments and questions.

Question: Members asked what collaboration took place with North Kesteven?

Response: The City of Lincoln Council was joined with North Kesteven District Council and West Lindsey District Council for the local plan. Growth for the whole area was considered when a planning application was submitted for consideration such as impact of traffic etc. There was a thorough process that was in place for applications going to Planning Committee where the developer had to prove that they met certain constraints.

Question: Members asked for anticipated consequences when the eastern bypass was completed and whether there would be any more room for development?

Response: The ring road would open areas of land. Developers would look at these pockets of land but would still have to go through the planning process. The green element of the plan was very important, especially in the current time as more people were using open spaces.

Question: Members asked what happened to the information gathered by consultants around climate change and how this was moved forward?

Response: There were two strands of work, climate change in respect of the local plan and the own authority's climate change work. This work would steer what was to be done over the next 30 years to reduce carbon footprints. The findings from the consultancy work would hopefully be endorsed by the joint committee. All officers across authorities were working together to make sure the work was embedded across authorities and not duplicated.

RESOLVED that the annual report of activity of the Central Lincolnshire Joint Strategic Planning Committee for 2019/20 be noted.

24. Our Befriending Service

Paul Carrick, Neighbourhood Manager – Sincil Bank:

a) presented Performance Scrutiny Committee with a report on the befriending service that was set up during the Covid19 lockdown in Lincoln with the following aims to be achieved by this service:

- A trusted service to support those who were most isolated in our communities
- A service that would provide mutual benefits for our customers and our staff

- Effective working with our signposting service, created to aid and support organisations to deliver vital help to those most in need.

b) explained what had been achieved:

- There was a peak of over 500 people using the service during May
- 54 befrienders from across the council's workforce were deployed to make calls
- Over 18,000 people across the city were contacted to see if they wanted calls

c) highlighted that:

- The befriending service positively impacted almost every person who was involved.
- Residents and staff were more connected, had support when they wanted and needed it, and above all – were listened to when they felt they had no-one to talk to.
- Whilst our intention was for light-hearted conversation to ease the potential loneliness of lockdown, we could never have anticipated the friendships and meaningful conversations that were created as a result of the befriending service.

d) invited members' questions and comments.

Comment: Members wanted to say a huge thankyou to everyone involved in the befriending service and that it had been an amazing service and project. Members were very proud of the City Council and pleased that the work had been passed on to third parties to continue the service.

Comment: Members commented that it was lovely to read the comments that had been received. There were so many positive stories to come out of the Covid19 lockdown and this was one of them.

RESOLVED that the report be noted.

25. Work Programme 2020/21

Clare Stait, Democratic Services Officer:

- a) presented the draft work programme for 2020/21 as detailed at Appendix A of her report
- b) advised that the work programme for the Performance Scrutiny Committee was put forward annually for approval by Council; the work programme was then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its Chair
- c) reported that items had been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information could be reported to the committee; the work programme also included the list of portfolio holders under scrutiny
- d) requested any relevant comments or changes to the proposed work programme for 2020/21.

RESOLVED that the work programme 2020/21 be noted.

Present: Councillors Councillor Gary Hewson (*in the Chair*),
Liz Bushell, Christopher Reid, Edmund Strengiel,
Pat Vaughan and Loraine Woolley

Apologies for Absence: Steven Bearder, Debbie Rousseau and Sheila Watkinson

Also in Attendance: Mick Barber (Chair of LTP)

83. Confirmation of Minutes - 7 September 2020

RESOLVED that the minutes of the meeting held on 7 September 2020 be confirmed.

84. Matters Arising

The Chair referred to minute number 81 and asked for an update on the communal facilities within the Councils Sheltered Accommodation.

Yvonne Fox, Assistant Director – Housing advised that the situation had changed since the last meeting due to the increase in Covid-19 cases. Therefore the communal areas were unable to open for safety reasons.

The Chair asked if the cleaning regimes could be increased within the communal areas within flats?

Yvonne Fox, Assistant Director – Housing advised that at the start of the pandemic the cleaning of the communal areas in low rise flats had stopped on the advice of Health and Safety. Since then cleaning had re-started however, to keep staff safe they were not allowed to brush or mop as Covid -19 was an airborne virus. The guidance would be closely monitored and the full cleaning regime would be resumed once allowed to do so.

The Chair commented that everyone should be made aware of this, Members had received complaints regarding the cleanliness of the communal areas.

Yvonne Fox, Assistant Director – Housing advised that messages had been displayed on the intranet as well as Facebook to explain why the communal areas had not been cleaned.

Mick Barber, Chair of LTP asked if tenants were aware that they should not be brushing or mopping the communal areas?

Yvonne Fox, Assistant Director – Housing confirmed that she would find out what advise had been provided to tenants and she would report back .

85. Declarations of Interest

In the interest of transparency Councillor L Bushell stated that a member of her family was currently looking to become a tenant of the Council. She left the virtual meeting during the discussion on the item entitled “Voids”

86. LTP Matters

Mick Barber, Chair of LTP presented a report to update committee on the activities of the Lincoln Tenants Panel. He gave an overview of the following:

- The proposed new structure of the Lincoln Tenants Panel
- A scrutiny review of gardens
- LTP members had taken part in the judging of the garden competition and have selected the winners
- Carried out an estate inspection to check the work being undertaken and hear about plans for the seasons work at the Hospital Plantation land in Birchwood which was maintained by Hill Holt Wood.
- LTP were looking to build a closer bridge between the Birchwood Neighbourhood Board and Hill Holt Wood.
- A parking survey would be carried out on the Hartsholme Estate to assess the scale of parking on grass verges and what sort of solutions tenants would like to see.
- At the next LTP meeting the restarting of Estate Inspections would be discussed.
- Requested an update report on Tenancy Sustainability be brought to a future meeting of Housing Scrutiny Sub Committee.

Yvonne Fox, Assistant Director Housing of Housing responded that an update on tenancy sustainability would be provided as part of the Performance update, but if further information was required then a report could be provided early in the new year.

Members commented on the fantastic work that had taken place at the Hospital Plantation Land at Birchwood.

The Chair referred to parking on grass verges and expressed concern that the majority of houses in the Hartsholme area were privately owned and suggested that if the money was coming from the Housing Revenue Account then would it be better to look at an area that were mostly tenants of the Council.

Mick Barber, Chair of LTP responded that the area had been chosen at random and voted on by LTP. The project would be undertaken and if it went well it could be rolled out across the City.

RESOLVED that

- 1.) the report be noted.
- 2.) an update report on Tenancy Sustainability be provided at a future meeting of Housing Scrutiny Sub Committee.

87. Our Befriending Service During COVID-19

Paul Carrick, Neighbourhood Manager – Sincil Bank:

- a) presented Housing Scrutiny Sub Committee with a report on the Befriending Service that was set up during the Covid19 lockdown in Lincoln with the following aims to be achieved by the service:
 - A trusted service to support those who were most isolated in our communities

- A service that would provide mutual benefits for our customers and our staff
- Effective working with our signposting service, created to aid and support organisations to deliver vital help to those most in need.

b) explained what had been achieved:

- There was a peak of over 500 people using the service during May
- 54 befrienders from across the council's workforce were deployed to make calls
- Over 18,000 people across the city were contacted to see if they wanted calls

c) highlighted that:

- The Befriending Service positively impacted almost every person who was involved.
- Residents and staff were more connected, had support when they wanted and needed it, and above all – were listened to when they felt they had no-one to talk to.
- Whilst our intention was for light-hearted conversation to ease the potential loneliness of lockdown, we could never have anticipated the friendships and meaningful conversations that were created as a result of the befriending service.

d. invited Members questions and comments

Members commented on the fantastic work undertaken on this project.

The Chair asked if those people who had wanted to continue receiving calls had been followed up.

Paul Carrick, Neighbourhood Manager responded that everyone who wanted to continue receiving calls had been transferred to one of the third sector partners which were Age UK, YMCA/ Community Lincs or Assist.

RESOLVED that the contents of the report be noted.

88. Quarter 2 (2020/21) - Performance and Finance Report (To Follow)

Yvonne Fox, Assistant Director of Housing

- a. presented the Housing Scrutiny Sub Committee with an end of quarter report on performance for the second quarter of the year 2020/21 (July 2020 – September 2020)
- b. advised that of the 21 measures, 10 were on or exceeding targets for the year, 6 had not met the targets set and 5 indicators were currently not available.
- c. referred to paragraph 4 of the report and highlighted areas of good performance:
 - Arrears as a % of rent debit
 - % of rent collected as a percentage of rent due

- d. further highlighted areas that had not achieved their target and explained the reason for this:
- % of homes with valid gas safety certificate
 - Voids – a separate report was provided and considered later in the meeting.
- e. advised that performance in relation to allocations, repairs and ASB were all performing well despite the challenges of the Covid-19 pandemic and demonstrated how well the service and its staff teams had responded and supported tenants.
- f. invited committees questions and comment.

Question: A report to Audit Committee showed that the number of complaints received in this area had increased substantially and asked for the reason why?

Response: The target of 10 working days to respond to complaints was a locally agreed target with the Lincoln Tenants Panel. There was not a target for responding to complaints corporately. All complaints were different and some took longer to respond to than others. The 10 working day target needed to be considered to see if it could be realistically achieved and would need to be discussed with the Lincoln Tenants Panel. It would be better to measure an average time taken to deal with complaints. The level of complaints had decreased in quarter 1 and quarter 2 of this year. We needed to clarify where the numbers reported to Audit committee had come from.

The Chair requested that a verbal update on complaints be provided at the next meeting of Housing Scrutiny Sub Committee.

Question: Would the tenants with a large amount of arrears be supported?

Response: Yes, we work very closely with the tenants who would engage to support them wherever we can. Action would need to be taken for those tenants who would not engage. The moratorium for evicting tenants with arrears was coming to an end. We do not want to evict people and would provide all of the support that we could before action would be taken.

RESOLVED that

1. the report be noted
2. a verbal report on Complaints be provided at the next Housing Scrutiny Sub Committee.

89. Voids

Yvonne Fox, Assistant Director of Housing

- a) presented an update to provide information relating to the current number of void properties and the time taken to let void properties.

- b) advised that as of 30th September 2020 there were 65 properties in the void process and highlighted which stage of the repairs or lettings procedure each property was at, as detailed at Appendix A of the report.
- c) advised that of the 65 properties:
- 37 were in the repairs process
 - 28 were in the early void stages (lock change, asbestos check, cleansing or works ordering)
 - 16 were ready to let
- d) advised that of the 16 ready to let:
- 4 supported living properties had no one place bids on them
 - All of the other properties that were ready to let had bids on them and they were currently in the process of signing up.
- e) referred to the table at Appendix A of the report and advised that it provided details of keys that were due in and the property types, and also provided details of the number of days taken to let properties from April to September 2020.
- f) explained that due to Government Directives regarding the allocation of properties and operational constraints relating to repairing properties, it was difficult to effectively monitor the re-let times using the normal targets.
- g) invited members questions and comments

Comment: Referred to the overall void time and commented that 50.4 days was a significant increase.

Response: It was difficult at the moment to complete all of the repairs as quickly as normal due to the supply chain being affected by Covid-19. Senior Officers were holding weekly meetings to monitor each property in the voids process and to identify any issues that needed rectifying. The overall target would not be met by year end, however, it was expected to see an improvement month on month.

Question: Were any safety precautions put in place for viewing properties?

Response: Yes guidance was being followed for example all doors were opened prior to visits so that they did not have to touch door handles, officers did not go into the property with the prospective tenant. If the property was refused it would be re-cleaned. Very few people were refusing properties at the moment which meant that the offer accepted first time target had seen an improvement.

Question: What was the cost in money terms of voids properties?

Response: It was different at the moment due to the pandemic, there was not the usual availability of materials due to the supply chain being affected. The number of workers allowed to work on a property at the same time was also currently reduced. Some decent homes work had been completed and the quality of the kitchen units etc had been improved, this would mean that they would last longer.

The Chair requested that a report reflecting the costs of voids be brought to a future meeting of Housing Scrutiny Sub Committee.

RESOLVED that the contents of the report be noted.

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SUBJECT:	Q1/2 OPERATIONAL PERFORMANCE REPORT
DIRECTORATE:	CHIEF EXECUTIVE'S
REPORT AUTHOR:	HEATHER GROVER – PRINCIPAL POLICY OFFICER

1. Purpose of Report

- 1.1 To present to Members a summary of the operational performance position for quarters one and two of the financial year 2020/21 (from April 2020 to September 2020)

2. Executive Summary

- 2.1 City of Lincoln Council, like all other businesses, has had to make dramatic changes as a result of the lockdown resulting from the COVID19 pandemic, not only to ensure that we kept our critical services functioning, but also like councils across the country, to deliver a community leadership role for our city in this time of crisis.
- 2.2 As a result, the council was not in a position to produce a performance report for quarter one, and therefore we have now produced a combined report for the first two quarters of 2020/21. This gives an indication, beyond the usual operational measures, of how the whole council has performed in effectively leading our communities during the emergency response and rising to the challenge of reprioritising our workload to meet different needs.

3. Main body of report

- 3.1 The full report is attached as Appendix A and provides information on performance for quarters one and two. It covers key operational performance measures identified by Members and CMT as of strategic importance.
- 3.2 Not all data is available because of the changes which arose as a result of the different needs and ways of working required in our response to the first period of lockdown. The report therefore includes in addition to commentary on operational performance measures further commentary on how service areas, including many not usually reported on, responded to the pandemic. Where it has not been possible to get data, commentary has been provided for that service.
- 3.3 We have also taken this opportunity to record how, many staff have gone above and beyond in their service to the council, city and its residents during the pandemic. The statistics do not measure this response, but it is evidence which demonstrates the council's performance in responding to the challenges of the current situation.
- 3.4 Appendix B provides the full quarterly measures table for all directorates.
- 3.5 The format for the report has been changed. This is to ensure better web accessibility in line with new legislation.

4 Strategic Priorities

- 4.1 Let's drive inclusive economic growth; Let's reduce all kinds of inequality; Let's deliver quality housing; Let's enhance our remarkable place; Let's address the challenge of climate change – As this report is purely concerned with service performance there are no direct impacts on Strategic Priorities, although clearly the better the performance the more services can contribute towards priorities.

5. Organisational Impacts

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

6. Risk Implications

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

7. Performance Scrutiny Committee is asked to:

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

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules apply? No

How many appendices does the report contain? Two - Appendices A and B

List of Background Papers: None

Lead Officer:

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

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CITY OF
Lincoln
COUNCIL

Quarter 1 and Quarter 2 2020/2021 Operational Performance Report

Heather Grover – Principal Policy Officer
November 2020

Contents

Introduction

Chief Executive's Directorate Performance

Directorate for Communities and Environment Performance

Directorate for Housing and Investment Performance

Directorate for Major Developments

Authority Wide Corporate Measures Summary

Sickness Performance

Complaints Performance

Resource Information

Above and beyond

Comments

Awards



Introduction

Performance measures are reported by directorate and include comment on how the service is contributing to helping the council in its response to COVID-19. The report details all measures by individual directorate grouping, with annual and quarterly measures split separately. The values are for quarter 2 performance.

Measures are included for:




- ▶ Directorate for Communities and Environment
- ▶ Measures belonging to Directorate for Housing and Investment
- ▶ Measures belonging to Chief Executives Directorate
- ▶ Corporate measures across the authority

Directorate for Major Developments does not monitor its performance through strategic measures, and instead its performance is managed by the progress of the various projects DMD owns under "Driving Economic Growth". However, a section is included in this report for the directorate providing information on their role in helping the council and local businesses during the pandemic.

The report also includes data on our corporate measures under the following categories:

- ▶ Sickness
- ▶ Corporate complaints including Ombudsman rulings
- ▶ Resource information

Key: How to read this report

R	Below Target
A	Acceptable performance – results are within target boundaries
G	At or above target
V	Volumetric/contextual measures that support targeted measures
	Performance has improved since Q1 2020/21
	Performance has deteriorated since Q1 2020/21
	Performance has stayed the same since Q1 2020/21



Chief Executive's Directorate Performance



A message from Angela Andrews, Chief Executive:

“CX Directorate has a mix of frontline and support services, and I am hugely proud of the dedication and support provided by staff in all of these teams. Customer Services, including the Welfare Team, together with both the Revenues and Benefits teams have done a fantastic job in supporting some of our most vulnerable residents, with Communications getting messages out to staff and residents about what the council is doing to provide help and support during the pandemic. At the start of lockdown we quickly established new services and I am massively impressed by how back office staff from Democratic and Electoral Services, Policy, Central Support Services, Procurement, Civic and Twinning and Audit came forward to work with other teams to provide immediate help. Financial Services worked under difficult circumstances to successfully deliver our year end accounts as well as assisting in a time of severe financial strain. Working from home has been a big challenge for some, both physically and mentally, and our HR team have worked tirelessly to provide guidance to managers and support to staff to ensure their wellbeing, with additional remote support for apprentices from WBL. Throughout the whole of Q1/2 our Property Services, including the Facilities Management team have ensured City Hall and Hamilton House are safe and ‘Covid clean’ environments to work in and Legal Services have continued their vital behind the scenes work to provide legal support, advice and guidance as required.”



Considering we are amid a pandemic, quarter two sees a long list of positive results in Chief Executives, with 8 out of 20 measures above their target. Just 4 of 20 measures were below target in CX, and whilst 5 measures negatively changed direction, most of these measures remain above or within target and have positively changed direction. Two of the measures had no data collected, with an additional 5 annual measures also having no data available.

Service Area	Measure	Current Value	Status	
Communications	Percentage of media enquiries responded to within four working hours	86%	G	▲
Communications	Number of proactive communications issued that help maintain or enhance our reputation	38	A	▲
Work Based Learning	Percentage of apprentices completing their qualification on time	100.00	G	▬
Work Based Learning	Number of new starters on the apprenticeship scheme	2	V	▼
Work Based Learning	Percentage of apprentices moving into Education, Employment or Training	100.00	G	▬
Customer Services	Number of face to face enquiries in customer services	67	V	▬
Customer Services	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	25,690	V	▬
Customer Services	Average time taken to answer a call to customer services	109	A	▲
Customer Services	Average customer feedback score (face to face enquiries - score out of 10)	Not being collected due to impact on customer services due to COVID-19		
Customer Services	Customer satisfaction with their phone call to Customer Services	Not being collected due to impact on customer services due to COVID-19		
Accountancy	Average return on investment portfolio	0.18	R	▼
Accountancy	Average interest rate on external borrowing	3.69	G	▬
Revenues Administration	Council Tax - in year collection rate for Lincoln	50.53	R	▲
Revenues Administration	Business Rates - in year collection rate for Lincoln	65.15	G	▲
Revenues Administration	Number of outstanding customer changes in the Revenues team	685	R	▼
Housing Benefit Administration	Average (YTD) days to process new housing benefit claims from date received	16.69	G	▲
Housing Benefit Administration	Average (YTD) days to process housing benefit claim changes of circumstances from date received	4.63	G	▲
Housing Benefit Administration	Number of Housing Benefits / Council Tax support customers awaiting assessment	1,338	R	▼
Housing Benefit Administration	Percentage of risk-based quality checks made where Benefit entitlement is correct	91.52	G	▼
Housing Benefit Administration	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	3,073	V	▬
Procurement Services (Annual)	Percentage spend on contracts that have been awarded to "local" contractors (as the primary contractor)	No data has been supplied		
Procurement Services (Annual)	Percentage value of the top 10 spend contracts that have been sub-contracted (wholly or partly) to "local" suppliers to deliver			
Procurement Services (Annual)	Percentage of total contract spend that is with an SME			
Procurement Services (Annual)	Percentage of total contract spend that is with an SME who meets the "local" definition			
Procurement Services (Annual)	Return on new commercial investments - (Annual rental yield = Net Income/Purchase Price plus initial purchase costs)			



Communications

The Communications team continues to work from home, as do many other officers in the organisation. This has meant that all but the most difficult of enquiries can be responded to within the upper target of 85%. In both quarter one and two, the percentage of media enquiries responded to within four working hours was above its target of 85% with figures of 89% and 86% respectively. The number of proactive communications issued that help maintain or enhance our reputation was above target in quarter one with a figure of 46, decreasing slightly to 38 in quarter two, the slight drop on quarter one being due to the normal quietening of activities over the summer period. We continue to highlight all we are doing at this unprecedented time, both relating to COVID-19 and other work across the council. We have also had a focus on social media to get messages relating to COVID-19 out to as many people as possible.

Customer Services

During quarters one and two, Customer Services have seen some dramatic decreases in the number of faces to face enquiries held at City Hall. Through the national lockdown, face to face enquiries were limited to only essential appointments only. As a result, in quarter four, 2,403 people held a face to face appointment, this dropped to just 13 face to face enquires during quarter one, increasing only to 67 during quarter two as restrictions were lifted across the country.

Please note that as there has been such a large decrease in the number of faces to face enquiries, there is no reliable data to report for the average customer feedback score for face to face enquiries.

With this decrease of face to face enquiries in mind, it is therefore likely that those appointments will now be made over the phone. However, in both quarters one and two, the number of phones enquires answered is still lower than this point last year, and previous quarters. At 18,086 in quarter one, this is substantially lower than the 29,739 calls answered in quarter four. In quarter two, calls have returned to a more “normal” level of 25,690, but as stated is still below those figures from all of 2019/20.

Of those calls answered in quarter one, they were answered on average, in 124 seconds. This is another pleasing decrease from the 142 seconds reported in quarter four, and is the third consecutive decrease, from its high of 197 this time last year. In quarter two, this has further decreased to 109 seconds, despite the number of calls increasing as stated above from quarter one to quarter two.

Customer satisfaction with housing repairs calls was also suspended at the beginning of lockdown, when non urgent repairs were deferred until restrictions were eased. Now that restrictions have been eased, the logging of customer satisfaction with phone calls will resume in early November. Because of the above, there is no reliable data to provide for customer satisfaction with phone calls.

Obviously taking a high volume of calls in a home environment is very different from being in a contact centre with the support of colleagues and management on hand. Staff have had to handle very difficult and challenging calls – which seem much worse for being in their own home, because they then don't have anyone to turn to for instant support. I'm proud to say that we have managed to provide customers with a seamless service. There has not been a single minute when the council have not offered phone access to a real person for our customers, even at the height/start of the lockdown. The team have had to deal with things differently including supporting additional teams who have seen their own demands change.



Revenues Administration

One of the three targeted measures within Revenues Administration has reported as below target. The collection rate for Council Tax reported at 50.53%, below its cumulative quarter two lower target of 52.50%. Collection is therefore 2.34% below the same point in 19/20, equating to £1,079,296. As a result of COVID-19, the team has undertaken deferrals (on request) of April and May instalments, totalling 636 customers with a value of £135,247. These instalments will now be due in February and March 2021. Council Tax Support Hardship funding has also been awarded to 6,331 customers to a value of £331k. Throughout the rest of this financial year, the team still has £891k of funding to award which should help to reduce the gap in collection by 1.93%. Reminders began to be issued from the 7 September (for the first time this year) for all instalments due for April to June. Those who were due a reminder in July to September were issued as part of a new batch of reminders sent in October.

The collection rate for Lincoln Business Rates is reporting above its quarter two target of 59.50% with a figure of 65.15%, which is also an increase on quarter one's above target figure of 34.50% with a figure of 41.31%. Business rates collection is 5.57% above the same point in 2019/20, however because of COVID-19 a significant amount of this increase in collection is due to the award of the Expanded Retail Discount - reducing the net liability and making it more difficult to enable a true comparison to previous quarters and the same point last year. The collection rate of 65.15% means that we have collected £12,502,176 of the £19.2m liability (roughly £2.08m a month) - which leaves £6,687,657 to collect between now and the 31st March, approximately £1.128m per month.

The number of outstanding changes in the revenues team reported at 249 in quarter one, which was above its target of 600. Although reporting at an increased 685 in quarter two, this is still a reduction of 492 compared to September 2019 and is classed as acceptable performance. As a result of national COVID-19 lockdown restrictions being eased, workload has increased due to the increased number of house moves and changes to households that can now take place under the new guidelines. In quarter one, we also launched our new digital e-form. The e-forms are interactive and will ask the customer questions based on previous answers, which reduces the need for interaction between staff and residents to make changes. The e-form is integrated into the Revenues system, resulting in quick and efficient changes taking place and amended bills being issued.

All team members are currently working from home and although face to face contact was limited prior to COVID-19, there has been no physical contact with the Benefits team since March, other than through appointments with the Welfare Team. This has meant customers have been asked to provide documents in other ways, causing email correspondence to increase. In the first 2 months of this financial year the number of new claims for Council Tax Reduction (CTR) processed was 1,311 compared to 613 in the first 2 months of last year, changes in circumstances for CTR customers for the same period this year were 7292, and last year 4956, which shows the increase in workload experienced. Despite this processing times have not shown a significant increase. From the end of September 2020, the Benefits Team has also been responsible for processing Test and Trace Support Payments. There have also been legislation changes and the introduction of the Self-Employed Income Support Scheme and Furlough schemes resulting in customers having changes in circumstances, which in turn increases workload and interactions with customers. There has been six times the number of new claims received, a 79% increase in emails received relating to benefit support, and a 163% increase in Universal Credit related documents.



Housing Benefit Administration

In quarters one and two, the average time to process new housing benefit claims was above its respective cumulative target of 26 days in quarter one, and 25 days in quarter two, with a figure of 15.89 in quarter one and 16.69 in quarter two. Officers continue to undertake ongoing weekly monitoring to ensure prompt decision making, and although there has been a slight slip in days to process, the team are still well above their respective quarter one and two targets. In respect of processing changes of circumstance, whilst there has been a small increase since Q4 of 2019/20, quarters one and two are both above their respective cumulative targets for 7.50 in quarter one and 7 in quarter two with figures of 4.22 and 4.63 respectively. In quarters one and two, the number of Housing Benefits/Council Tax support customers awaiting assessment has decreased, from 1,510 in quarter four, to 1,365 in quarter 1 and finally 1,338 in quarter two. Both respective figures are below their lower targets of 1,250, however this can for the most part be explained by the increased numbers of people seeking financial support as COVID-19 continues to place pressure on families facing unemployment and reduced income.

Procurement

COVID-19 impacted on the Procurement Service in a variety of ways. Initially it was anticipated that there would be a downturn in the requirement for procurement support, hence the Procurement Manager being trained to support the Lincare function, but the opposite happened. Government issued various Procurement Policy Notes in respect of ensuring that support would be provided to current suppliers through the Supplier Relief Scheme. In addition to this there was also the impact of suppliers within the marketplace furloughing staff which meant that it was not feasible to undertake procurement exercises during the lockdown period. This meant that we had to review legislation to ensure that we acted compliantly whilst ensuring contract provisions continued to be delivered.

HR and Work Based Learning

This service is another area which has seen a huge change in the way it delivers its service. HR have produced a whole range of new procedures and guidance, particularly to support health and wellbeing of employees, as well as updated recruitment procedures to include Teams interviews, annual leave procedures, flexi time procedures and working from home. The team has undertaken several surveys including on staff health and wellbeing, training required by managers, and a working from home survey. Other work specifically relating to the pandemic has been extra administration required for furloughing of employees keeping records of employees who are self-isolating, those who have had tests and whether they were positive/negative and other related information. The team has also had to ensure full understanding of national guidance for employers. There have been some positive outcomes from the new ways of working in that we are learning how staff can work more flexibly for the benefit of both personal and business needs. The council once again participated in the Virgin Pulse Go Challenge with 152 registered participants spread over 24 teams. Work Based Learning have had to develop remote support for apprentices including training, reviews, planning and feedback, resulting in reduced progress and achievement of targets. Keeping in touch has been a challenge, especially when on furlough.



Support Services

This includes all other service areas within CX which are not normally reported on but have undertaken essential work during the pandemic to support, enable, and in some cases deliver, critical services.

As a support service, **Legal Services** do not have any operational measures. However, legal support from both the team and City Solicitor for other service areas is vital to the work of the council in providing advice and guidance on legal matters and in taking legal action where required. For example, during the pandemic legal advice was provided on the regulations in relation to member meetings and suspension of elections and the AGM, and new procedures and member training for virtual committees were provided. Advice was given to housing and homelessness in respect of the stay of evictions and more recently the lifting of this stay, assistance was also provided to the Council Tax Team in administering Small Business Grant Relief including considering appeals and the team helped Licensing to set up and decide pavement licence applications. Legal staff have continued to attend court cases virtually or over the phone, as well as continuing with normal day to day work.

Financial Services assisted with the emergency budget, with the issuing of the Business Rates grants and Discretionary grants, carried out additional financial assessments, assisted with COVID-19 schemes in terms of financing and reconciliations for things such as Homelessness and Rough Sleepers. This was in addition to the usual day job, including preparation of year end accounts.

With the 20-21 **Internal Audit** planned work mainly postponed until September 2021, planned audit days have been reduced. The team has therefore been able to support other service areas including undertaking some core benefits work and supporting the Business Support Service linked to COVID-19 business grants led by Major Developments.

The work of the **Property Services** team includes both the property management side and the caretakers. From the property management and valuation side, restrictions on travel, guidance on undertaking internal inspections and viewings, etc have meant changes in approach to get details for right to buys etc. In terms of the commercial portfolio, COVID-19 and the impact on businesses and the economy has increased work with increased interactions with business tenants forced to close or otherwise struggling at this time, with requests for e.g. rent holidays or deferments. The work of the caretakers has been vital in keeping our buildings safe, compliant, and providing a safe environment for customers visiting the council and DWP. Additional cleaning has been undertaken on a daily basis, furniture and equipment delivered to staff at home, as well as increased operational hours at City Hall for DWP including weekends and bank holidays. The team was supported by staff from other areas to cover for those shielding

The **Democratic Services** Team have had to come to terms with a completely new way of working and support committees to operate virtually. Alongside this the whole service area was involved in delivering the Community Helpline at the start of the pandemic. Business Administration have continued to provide support for CMT, as well as making befriending calls. The Policy Team also had significant involvement with the Befriending Service, not only making calls, but also in maintaining the databases, allocating calls to befrienders, and regular reporting of statistics for CMT.



Directorate for Communities and Environment Performance



A message from Simon Walters, Strategic Director for Communities and Environment:

"I am immensely proud as director of how all of the staff within the directorate have adapted to operate in new and flexible ways during this pandemic. Through that willingness to work in different ways, to go "the extra mile" for customers and to help deliver services in different ways, we have maintained standards of service beyond what we could have envisaged in March 2020.

This on top of being at the forefront of the COVID-19 response, be that our Environmental Health Officers offering advice and assistance to businesses, our licensing team similarly out on the streets advising a range of businesses, our Health and Safety team making sure our services remain COVID-19 compliant, our Public Sector Housing team making sure landlords know their responsibilities, our Leisure team working so hard with our leisure centre provider to get them open as soon as we could to benefit people's mental and physical health, our Bereavement Services team who have prepared so well for such difficult operating conditions earlier in the year (and have had to prepare once again during this second wave), and to all the other staff within the directorate that have embraced mobile/home working to keep delivering be it Planning, Building Control, Waste and Cleansing, CCTV, Public Protection and Anti-social Behaviour, indeed all of the services we offer in the directorate and beyond.

The statistics don't measure this response, but the stories from the staff on just how they have kept services functioning over the summer or have readily got involved in areas of work they have not experienced before do capture the central role played (and we continue to play) in tackling this pandemic."



Out of 31 measures (of which two are annual measures), five reported above target, six were volumetric and therefore have no status, three were below target, six reported as Acceptable, with the remaining 11 measures reporting no data as a result of COVID-19. Eleven targeted measures positively changed direction, whilst just two changed in a negative direction.

Food and Health & Safety Enforcement	Percentage of premises fully or broadly compliant with Food Health & Safety inspection			Unlikely to have data supplied for quarter two	
Food and Health & Safety Enforcement	Average time from actual date of inspection to achieving compliance				
Food and Health & Safety Enforcement	Percentage of food inspections that should have been completed and have been in that time period				
Development (Planning) Management	Number of applications in the quarter	233	V		—
Development (Planning) Management	End to end time to determine a planning application (Days)	74.91	A		▲
Development (Planning) Management	Number of live planning applications open	105	A		▲
Development (Planning) Management	Percentage of applications approved	93.06	A		▲
Development (Planning) Management	Percentage of decisions on planning applications that are subsequently overturned on appeal	0.96	G		▲
Development (Planning) Management	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	96	G		▲
Development (Planning) Management	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	88.37	A		▼
Private Housing	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)			Unlikely to have data supplied for quarter two	
Private Housing	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level				
Private Housing	Number of empty homes brought back into use				
Public Protection and Anti-Social Behaviour Team	Number of cases received in the quarter (ASB)	93	V		—
Public Protection and Anti-Social Behaviour Team	Number of cases closed in the quarter	730	V		▲
Public Protection and Anti-Social Behaviour Team	Number of live cases open at the end of the quarter	201	G		▲
Public Protection and Anti-Social Behaviour Team	Satisfaction of complainants relating to how the complaint was handled			Not being collected due to impact on customer services due to COVID-19-	
Sport & Leisure	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	37,412	R		▲
Sport & Leisure	Artificial Grass Pitch usage at Yarborough Leisure Centre (exp. to open July 19) & Birchwood Leisure Centre (exp. to open June 19)	315.00	R		▲
CCTV	Total number of incidents handled by CCTV operators	3,082	V		—
Waste & Recycling	Percentage of waste recycled or composted	38.07	G		▲
Waste & Recycling	Contractor points achieved against target standards specified in contract - Waste Management	100	A		▲
Street Cleansing	Contractor points achieved against target standards specified in contract - Street Cleansing	90	A		▼
Grounds Maintenance	Contractor points achieved against target standards specified in contract - Grounds Maintenance			No points have been recorded throughout Q2	
Allotments	Percentage occupancy of allotment plots	95.00	G		▲
Parking Services	Overall percentage utilisation of all car parks	37.00	R		▲
Parking Services	Number of off street charged parking spaces	3,750	V		—
Licensing	Total number of committee referrals (for all licensing functions)	3	V		—
Licensing	Total number of enforcement actions (revocations, suspensions and prosecutions)			No data to provide for Q2	
Grounds Maintenance (Annual)	Satisfaction with play areas, parks and open spaces (collected via Citizens' Panel)			No results available	
Street Cleansing (Annual)	Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)				



Development Management (Planning)

Quarter two saw 233 planning applications submitted. Work levels have increased significantly in this area, as smaller scale domestic applications are being submitted as more people are staying at home. Overall, the time taken to determine these applications has taken 74.91 days in quarter two. Whilst this figure is an increase on quarter one, this is largely due to the reduced staffing capacity during quarter one, combined with a natural progressive increase in workload. This figure is still within a manageable tolerance and will reduce now the team is back to full strength. As well as that, we have 105 planning applications still open. This increase reflects the increase in work over the quarter but is being managed now all staff have returned from furlough. The key measures now required centrally are the percentage of non-major and major planning applications determined within the government target (70% in eight weeks and 60% in 13 weeks respectively measured on a two-year rolling basis). These have maintained well since last quarter, with non-major applications above the high target of 90% at 96% and major applications reporting at 88.37%. The Development Management team continues to prioritise major developments and manages the timescales effectively with the applicant to ensure that this level of performance is maintained. This workload was completed against a background where 93.06% of planning applications were approved, with a 96% success rate at appeals.

Public Protection and Anti-Social Behaviour Team

The number of cases received in the quarter has increased from quarter one's figure of 76, to 93 in quarter two. This is up slightly on the equivalent quarter two 2019/20 figure and up considerably from quarter one which can be explained by the initial lockdown period of quarter four and one. This quarter there have been 705 requests for service (not cases) received, with 730 service requests being completed and closed. This is significantly higher than the service requests made in the same quarter last year. This is on top of the team managing an increase in workload, with some staff being furloughed during one, as well as working remotely. The number of live cases open at the end of quarter two is above target at 201 and is lower than the 226 reported in quarter one. In quarter two, this is broken down into:

- July - 242
- August - 248
- September – 201

Satisfaction of complainants relating to how the complaint was handled is not currently being collected due to the impact on our Customer Services because of COVID-19. COVID-19 has of course had the usual impact of the team working from home including taking all calls from home. For PPASB COVID-19 has brought a number of challenges, due to the nature of the work the support and camaraderie of being part of a physical team is critical and working from home has been a strain on the team, they've had to adapt processes, temporarily halt some investigations and reduced staffing capacity means that we have had to reduce services, increase wait times and stop doing some functions.

Sport and Leisure

Leisure Centres opened part way through July, with a phased re-opening of the usual activities due to pandemic social distancing and compliant facility UK rules. The amount of spaces available for activities has been reduced by the protective measures and all activities are bookable in advanced. The return of members is increasing as members are reporting good experiences with the activities on offer and the protective measures put in place at the



centres. Leisure Centres could re-open the all-weather pitches on 25 July with limited return of teams, initially for training purposes for professional and amateur teams approved by the Football Association, followed later by local grass roots training. Football games recommenced in September under controlled conditions. Other sports returning when governing bodies allow, with some still waiting to return. This means that uptake is still reduced from pre COVID-19 times.

We have been keeping all enquirers up to date and informed on the most recent guidance, including why the centres are not able to open, as well as informing about progress on when we might have the potential to reopen. In terms of football bookings, our pitches are now open (although with reduced capacity). We are supporting all bookings in finding pitches to accommodate all our local teams, including keeping everyone updated on government guidance on pitches. We have also been adhering to not only central government guidance, but also Football Association regulations to ensure we are fully compliant. We have also been assisting the Football Association in accommodating teams from outside Lincoln with pitch problems, to ensure physical exercise can be supported to people outside Lincoln. We have worked hard over the last couple of months to convert all our physical paper files to electronic files in order to better facilitate working from home. (note this is up to end September, thus before Lockdown 2)

Waste and Recycling

Note that the data presented here is as usual lagged and thus refers to quarter one 2020/21. The percentage of waste recycled or composted is slightly higher in quarter one this year with a figure of 38.07%, compared to 37.13% for the same quarter last year. This is however within target boundaries and is classed as acceptable performance. Acceptable performance is not usually reported on in this report, however, it has been almost a year (previous three quarters) since this measure has been above its lower target of 35%. 19.92% of waste was composted, and 18.15% of waste was recycled.

These services have continued throughout the period from restrictions first being put in place in March, with minimal impact on our customers. Officers worked with contractors on early business continuity planning and there are plans in place should operational staff be affected by COVID-19 to the extent that services are impacted. We continue to work closely with contractors so that we will be as prepared as possible should this be the case. COVID-19 risk assessments in relation to our own staff were implemented at the start so that site visits and customer complaints could continue to be dealt with without interruption

Grounds Maintenance

These services have continued throughout the COVID-19 period. COVID-19 risk assessments in relation to our own staff were implemented at the start so that site visits and customer complaints could continue to be dealt with without interruption.

Parking Services

The overall percentage utilisation of all car parks has for obvious reasons seen large decreases. In quarter one, surveys were not completed as resources were focused on immediate COVID-19 recovery, however in quarter two our utilisation surveys have resumed and has reported at 37%. Whilst this is below its target of 45%, some lenience should be given to this area of performance, as the guidance during quarter one and even early quarter two, was to avoid unnecessary travel, which will of course affect utilisation as more people stay at home. During quarter two, pay and display



income has continued to grow since the end of lockdown but is of course still significantly under budget. There has been a significant decline in season ticket income as many previous commuters are now working from home. Following the end of the reduced prices offer on PayByPhone and at the Central car park demand has remained reasonably solid. The shortfall on income is now £2,101,760, with the year-end shortfall being mitigated by central government support up to a maximum of 75% of lost income, after allowing for a 5% deductible and net of reduced operating expenditure.

Civil Enforcement team have maintained the sites throughout the pandemic and have assisted for a short while on the government COVID-19 testing at Yarborough Leisure Centre. A comprehensive COVID-19 risk assessment is in place to protect the public and staff.

CCTV

CCTV has continued to work 24/7 throughout the pandemic and has been the 'eyes and ears' for other services including Environmental Health, Licensing, PPASB, Homelessness and Parks as well as Lincolnshire Police. The nature of the work changed in early lockdown, when the types of incidents, and the focus of monitoring, changed to meet the new legislation and restrictions. As the city centre has returned to something like normal, so has the focus of much of the CCTV monitoring and incidents, but alongside this there is now the ongoing importance of ensuring compliance with COVID-19 restrictions. In the first quarter, there was an increase in the number of incidents (compared with the previous quarter and the same quarter last year).

Despite most shops and night-time establishments being closed, there were many occasions when CCTV operators picked up COVID-19 restriction infringements, which were forwarded to Lincolnshire Police, Lincolnshire Resilience Forum (LRF) etc. CCTV was used to help locate people sleeping on the street as well as gatherings of people, people not social distancing and businesses not complying with the rules. The 'usual' offences / incidents continued, if at a lower level in many cases. For example, there was generally less shop lifting whilst most shops were closed, but shoplifting activity still took place. Many businesses have relied on CCTV more than ever as their premises were closed and therefore at higher risk of break-ins or vandalism. Critical strategic information was provided daily by CCTV to the LRF, helping to support the decisions being made.

In quarter 2, The total number of incidents dropped, largely due to there being fewer COVID-19 restriction violations as some restrictions were lifted. Other crimes / public order incidents began to rise again. Based on total incidents, the first half of 2020/21 had 2.7% fewer than 2019/20. This is a remarkably small difference given that city centre businesses were largely closed for all of quarter 1. The rota, which was previously mostly single staffed with some double staffed periods (linked to the typical high-demand periods), has moved to single staffed only. This reduces the risk of COVID-19 transmission within the team and provides additional flexibility and resilience to ensure 24/7 coverage.

Parks and Open Spaces

Our parks and open spaces have been very well used throughout COVID-19, with many people relying on them for their exercise, fresh air and to feel part of their community, especially when they weren't seeing people otherwise. We have received compliments in respect of the good maintenance of our parks, and that the main operations have all continued throughout. People are aware more than ever of the importance of public open spaces, and the benefit that well-managed green space has on mental and physical well-being. The campsite at Hartsholme Country Park was forced to close



for a period in response to COVID-19 requirements and re-opened in July. The Visitor Centre at Hartsholme Country Park has been closed since the start of lockdown, and events / activities in the park have stopped for now.

At Boutham Park, it has been a key year for the Lake Restoration project as the delivery phase started. COVID-19 affected the timetable for project staff recruitment, activities, volunteer works and main contractor procurement. The hard work and determination of the project team of city council officers and external consultants has allowed the project to keep moving throughout, and we are very close to programme schedule. Activities and volunteering have been, and will continue to be, impacted by COVID-19 restrictions but we have a plan in place to deal with that so that the main project outcomes are still met. The Board has continued to be involved, thanks to the internal team and external board members from the Park Advisory Group Chair and Lincolnshire Wildlife Trust. We have been complimented by the National Lottery Heritage Fund on keeping the project progressing despite the very many hurdles that COVID-19 has created

Street Cleansing

These services have continued throughout the COVID-19 period. COVID-19 risk assessments in relation to our own staff were implemented at the start so that site visits and customer complaints could continue to be dealt with without interruption.

Public Toilets

Except for the bus station, public toilets were closed at the outbreak of COVID-19. The bus station facilities have remained open throughout. Castle Square toilets were reopened in July in response to public demand. One public toilet attendant worked as a City Hall caretaker for a period, to help with covering that service, whilst public toilets were largely closed.

Allotments

At the end of September 2020, 1,033 of the 1,090 currently lettable allotment plots were let. This equates to the 95% occupancy rate. There has been a significant increase in demand for allotment tenancies since the COVID-19 pandemic began. This occupancy level is the highest it has been for several years. It is hoped that the high levels of occupancy remain when “normality” resumes, as we have always communicated both the mental and physical benefits of owning an allotment plot, and whilst these benefits are especially important during a pandemic (when many people’s social and active lifestyles can be limited), the benefits are equally important outside of a pandemic. For the first time in several years, there is now a waiting list on most sites, totalling 99 people at the end of quarter two. We are often asked why we have less than 100% occupancy when there is a waiting list, and that is because prospective allotment tenants usually request a plot on a specific site or sites which are local to them, and so would rather be on the waiting list than take the first plot available.

Licensing

Licensing have been at the forefront of much of the response work to COVID-19 through the recovery phases. This has included implementing new processes on pavement licences, undertaking city patrols to monitor compliance, providing additional guidance and assistance to businesses, undertaking enforcement and working in partnership. This is in addition to delivering the normal licensing services.



Bereavement Services

Although there are no regularly reported measures, Bereavement Services has been classed as a critical service over quarters one and two and therefore data has been requested from the service. This shows that the number of burials and cremations has been slightly less than in previous years with a total of 147 burials and 946 cremations during the period compared to 161 and 964 respectively in the same period last year.

Although the number of burials and cremations has not increased, this does not reflect the impact of the pandemic on the work of the team with new rules and regulations being implemented. This has meant keeping up with new announcements and changes such as the number of people able to attend services which at one point was six but has now risen to 30 people in attendance. Additional tasks, for example sanitising the chapel, has also needed to be worked into preparations for each service, which has been achieved whilst still offering the same number of services each week. The service was also initially offered for extended periods at weekends and Bank Holidays. There has also been a big increase in the number of enquiries received by phone. Generally, people have been very understanding and the service has a good working relationship with funeral directors and ministers.

To ensure staff sickness through COVID-19 does not impact on the service staff have now been split into two teams working alternate weeks, with one team working and the other on standby. As reported in quarter 4, two additional staff have been trained as cremator technicians but so far have not been required.

The reception room and Book of Remembrance at the Crematorium remain closed. However, a software upgrade, put on hold at the start of the year, is now progressing and should go live before the end of the year.

Events, including Visitor Information Centre

There have been no physical events in the reporting year for City of Lincoln Council and therefore we have been concentrating on alternatives and working with partners as well as supporting other service areas within the organisation. Our focus now is delivering a virtual Lincoln Christmas Market. Over the last six months, our overall responsiveness to queries from businesses and our partners has been much quicker, as we have naturally had a lot less interaction with the public. A member of the team helped with the implementation in the first round of Business Rates Grants until June, with another member of staff supporting our Lincare service with calls when they needed support, and more recently has been supporting our Environmental Health team.



Directorate for Housing and Investment Performance

A message from Daren Turner, Director for Housing and Investment

“Quarter 2, being September, brings to the end of one of the most testing periods in my Local Government career to date and no doubt that can be echoed across the council and our housing directorate. We have performed incredibly well under the most challenging of circumstances and we continue to do so. Whether this has been the incredible work of tenancy services and elderly services keeping tenants safe and a roof over their heads, or the fantastic work of the Housing Repairs team and caretakers keeping our homes secure, clean, and in good working order! We have brought properties back into use quickly with our voids team pulling out all the stops to meet unprecedented demand. Despite all the COVID-19 challenges we have improved our stock thanks to our brilliant partnership arrangements and investment team. We continue to help people find a home through the superb solutions team and have continued to help the most vulnerable find a safe place to stay as result of the tireless interventions and hard work of the homelessness and rough sleeping team. None of this, what we could call customer facing activity, would be possible without the hard work of our admin teams, resident involvement team, IT support and Safety assurance team; also the troops who work with our lease holders ensuring direct debits are set up and paid and that the Right to Buy process is smooth for those who want to buy their council home. We still aim to grow our stock and the housing strategy team, working alongside colleagues in Major Developments, continue to build new homes and buy back the properties we need today and in the future as well as planning for the next chapter of Housing in the City. It is difficult to express my gratitude to everyone who has played their part in teams across the directorate. You all amaze me every day”.



There are 19 measures in total, with five out of those 19 measures have reported as below target for quarter 2, and two have reported above target. Three of these measures are volumetric and therefore do not return a status. Three measures reported as acceptable, with the remaining 6 having no data supplied for the reporting period.

Service Area	Measure	Current Value	Status	
Housing Investment	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	0.81	R	▲
Housing Investment	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	207	V	▬
Housing Investment	Percentage of dwellings with a valid gas safety certificate	93.58	R	▲
Control Centre	Percentage of Lincare Housing Assistance calls answered within 60 seconds	97.67	A	▼
Rent Collection	Rent collected as a proportion of rent owed	100.75	G	▼
Rent Collection	Current tenant arrears as a percentage of the annual rent debit	3.47	A	▼
Housing Solutions	The number of people currently on the housing list	1,418	V	▬
Housing Solutions	The number of people approaching the council as homeless	290	V	▬
Housing Solutions	Successful preventions against total number of homelessness approaches	259	A	
Housing Voids	Percentage of rent lost through dwelling being vacant	0.99	R	▼
Housing Voids	Average re-let time calendar days for all dwellings - standard re-lets	46.16	R	▲
Housing Voids	Average re-let time calendar days for all dwellings (including major works)	46.16	R	▲
Housing Maintenance	Percentage of reactive repairs completed within target time	No data available - no surveys completed in quarter two		
Housing Maintenance	Percentage of repairs fixed first time	90.11	A	▲
Housing Maintenance	Percentage of tenants satisfied with repairs and maintenance	No data available - no surveys completed with quarter		
Housing Maintenance	Appointments kept as a percentage of appointments made	99.95	G	▲
Business Development	Number of users logged into the on-line self-service system this quarter	No data has been supplied for quarter two		
IT	Number of calls logged to IT helpdesk			
IT	Percentage of first-time fixes			



Housing Investment

The percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals) has increased from the 0.23% reported in quarter four, to 0.88% in quarter, but decreased slightly to 0.81% in quarter two. Failures can now be broken down into the following categories:

- Doors x41,
- Electrical Testing x23,
- Roofs x2
- Thermal Comfort x1 (x4 properties failing on two of the above criteria)

The number of properties 'not decent' as a result of tenant's refusal to allow work (excluding referrals), has also decreased from quarter one's figure of 216 to 207 this quarter.

The percentage of dwellings with a valid gas safety certificate has increased from 85.84% in quarter one to 93.58% in quarter two. The number of gas services not completed by the deadline date has seen a steep rise this year due to COVID-19. Additional COVID-19 guidance has increased the number of failed gas service attempts as older people were asked to be shielded. The Health and Safety Executive instructed landlords that the annual gas service must still be undertaken during the pandemic. This left the Investment Team and our gas contractor Aaron Services with a tough challenge over the last few months to continue to deliver the annual gas servicing programme.

Collectively we have worked very hard with our tenants to provide reassurance that our contractor had the appropriate Risk Assessments and Method Statements in place, in accordance with the latest government guidance to protect everyone during the annual gas service visit. In May we reached a peak of 135 households without a current gas safety inspection due to refused access. We have seen the numbers fall in subsequent months and now have only a small number of failed accesses. We have also recently taken legal action in a couple of instances to address failed access that was not linked to COVID-19. The response and performance of the council's gas servicing team and our contractor Aaron Services has been exceptional during the last few months in managing the gas servicing programme.

Rent Collection

Despite the substantial impact of COVID-19 on tenants, Tenancy Services continues to successfully mitigate against the impact on rent arrears and collection. Rent arrears are currently £64,617 less than the same point last year with 100.75% collection rate which is an increase of 2.71% from last year. This month has seen £820,000 collected which is the highest collection rate since April 2020. The number of Universal Credit claims continues to increase with 1,899 claimants which is also 632 more than September last year. The number of tenants that are under occupying their property continues to decrease as officers work with tenants to ensure accommodation is adequate for the number in the household. Moving the rent-free weeks has made it difficult to directly compare rent arrears with the previous financial year, and it is likely that we will not see the true impact on rent arrears until the end of March 2021. The forecast for rent arrears provided to Ministry for Housing and Local Government for this year end is between £1.2-£1.5 million and the team continues to work hard to support tenants and reduce arrears. The success of the Discretionary Rental Hardship Fund has assisted 179 tenants at a time of financial hardship and is an example of one of the positive actions we have taken.



Housing Voids

As of 30 September 2020, there were 65 properties in the void process. Of the 65 properties:

- ▶ 37 were in the repairs process
- ▶ 28 were in the early void stages (lock change, asbestos check, cleansing or works ordering)
- ▶ 16 were ready to let

Of the 16 that were ready to let:

- ▶ 4 supported living properties had no one placing bids on these properties
- ▶ All the other properties that were ready to let had offers on and we were in the process of signing everyone up

The percentage of rent lost through dwelling being vacant, has increased from quarter one's figure of 0.90 to 0.99 in quarter two, which is below target. The average re-let time for standard re-lets and major work re-lets has also increased, 47.81 and 40.40 in quarter one respectively, to a joint 46.16 in quarter two.

Housing Maintenance

Of the four housing maintenance measures two have not been collected over the past two quarters. As a result, data for the percentage of reactive repairs completed within target time is not available but is expected to be available again from quarter three.

The percentage of tenants satisfied with repairs and maintenance is the other measure which due to COVID-19 prioritising resources to other areas, has not been able to be collected. It is expected for this to be available in quarter three.

The percentage of repairs fixed first time has increased from quarter one's figure of 89.57%, to 90.11% in quarter two. Whilst this is an increase and is between its lower and upper target (making it acceptable performance), it is still a decrease compared to the previous year due to COVID-19 and the subsequent changes enforced to the responsive repairs service, to ensure compliance with government safety guidelines.

Appointments kept as a percentage of appointments made is again above target, rising from 99.57% in quarter one, to an almost unbeatable 99.95% in quarter two. This is a significant upturn in performance on the previous year. Due to COVID-19, and our move towards scheduled repairs (see below), we now have less responsive repairs (1-and 3-day tickets) coming through with associated appointments.

In quarter one of 2020, we introduced a new way of managing housing repairs. These are called 'Scheduled Repairs' and will be carried out at set times of the year across set areas of the city. We will continue to carry out our priority repairs within 24 hours and urgent repairs within 3 days. Moving to this way of managing repairs allows us to plan all the work in each area and ensure that we have all the right resources and materials in the right place so we can complete any repairs reported in one visit. This gives everyone more certainty that the repair will be carried out on the expected date.



Housing Solutions - Rough Sleeping

The Rough Sleeping Team have continued to work from City Hall throughout the pandemic. In order to do this, they have created 'team bubbles' and worked to strict COVID-19 guidelines. There has been significant pressure on the team as other service providers stopped doing any face to face work at the beginning of lockdown, providing at best a telephone service. The team have therefore helped with arranging food packages, furniture, clothing, medication and other support, which would normally have been provided through signposting to other services. The successful action taken to ensure all street sleepers were provided with safe internal accommodation through the central government 'Everyone In' scheme was reported in the quarter four report. Initially this reduced the number of street sleepers to just four people, but as the pandemic has progressed the numbers have risen again during August and into September. The team have been continuing to work with providers and putting people into temporary accommodation and the numbers are now coming down again. They have had help from caretakers in Tenancy Services in preparing temporary accommodation.

Housing Solutions – Homelessness

Whilst initially there was no increase in homelessness, the number of enquiries has gone up. The team have all been working remotely and therefore have had to cope with dealing with people over the phone who are often very vulnerable and may be frightened or confused with very shocking stories to tell. There has been an increase too in the number of email enquiries, and more complex cases including domestic abuse. During lockdown sourcing temporary accommodation was a challenge as although hotels could stay open to support people in specific categories, which included those who were homeless, not all these premises remained open. As a result it took longer to find accommodation.



Supported Housing

Supporting some of our most vulnerable tenants the service has needed to adapt to provide the assistance needed by residents in our Supported Housing schemes. The service went from making six monthly contact with residents to making weekly phone calls. This meant the team were making an average of 207 welfare calls a day in June. In addition, at the beginning of July the team took on 183 council residents to make befriending calls to, with a total of 548 befriending calls made in the month. As people came out of shielding and families became more involved the average number of welfare calls fell to 167 in August and September, with the team able to revert to less than weekly calls. All community halls were closed at the beginning of lockdown. Additional work to deep clean the halls prior to planned re-opening took place during August, but in the event halls remained closed. Staff were mostly working from home but went into City Hall to make calls and undertake routine maintenance such as Legionella checks. Both Derek Miller Court and Broomhill have resident Independent Living Co-ordinators who were able to provide some limited help with shopping and ensured those who needed it were referred to the helpline.



Control Centre

As a critical service, Lincare has continued to operate its 24/7 telecare services for clients throughout the pandemic. In order to protect staff, the team is now split with 50% working at home and 50% in the office. The data shows that response times have fallen slightly, although there is no obvious reason for this. Calls are still being answered in the acceptable range and the flexibility of working from home also has benefits for some staff.

Neighbourhood Working

The Neighbourhood Team usually work out of Sincil Bank Community Hub in Portland Street, but during the initial lockdown period this office was closed. During this time the team took a leading role in running the Befriending Service which operated for four months from the end of March to 31 July 2020. The scale and speed at which the project was developed was impressive with over 18,000 people being contacted to see if they wanted calls. During May over 500 people were benefitting from the service, with almost 65 befrienders across the council making calls. At the start of August, as shielding ended and people were able to meet up more, many felt they no longer needed the service and those who wished to continue to receive calls were transferred to external agencies. On winding down the service, we asked those receiving calls if they would like us to retain their details for a period of six months in case of a second wave of Coronavirus or further lockdown and most agreed to this. Therefore, we can consider re-introducing the service if the need arises. A Community Signposting Helpline was also supported by the team, providing an independent source to verify the service, as well as signposting where to go to get support in acquiring food and medication deliveries for those who needed it. They also supported Befriending Service staff, and other voluntary sector organisations reach the people who needed the services they were providing. The Neighbourhood team was able to reopen the Community Hub for a week in mid-September on a part time basis to offer support to residents in Sincil Bank on a range of issues including school admissions and applying for the EU settlement scheme.

Business Development and IT

With staff and members being required to work from home for the majority of the past few months Business Development and IT has been busy throughout the reporting period. As part of enabling home working this has included enabling remote committee meetings, facilitating remote phone calls, provision of Microsoft Teams to all staff on personal devices, developing new ways of working and technologies, support for COVID-19 related initiatives such as Test and Trace payments and Business Support, enabling online services, consideration of IT Security measures and developing an appointments system for 'in person' issues. The team have been continuing to work on other projects and Business Development have been working on ensuring our website is fully accessible to meet new regulations brought in on 23 September 2020. Whilst the usual strategic performance measures are unavailable this quarter, quarterly call volumes to the helpdesk are provided as an indication of activity these are not like-for-like with previous years, as processes for monitoring and collection have changed.

- ▶ Q1 2020/2021 – 1,127
- ▶ Q2 2020/2021 – 863



Directorate for Major Developments

A message from Kate Ellis, Director for Major Developments

“Proud To Be Lincoln” has never been more true for me than when reviewing our response to the COVID pandemic. The work of the Major Development Team does not normally feature in the performance report, as so much of it is project based over long time periods and in support of other areas in a way that does not lend itself to statistics reporting. True performance by every single member of the team has been absolutely outstanding - whether as individuals, as a part of the Major Developments team, as part of corporate working teams or as part of a team delivering with external partner organisations. In a crisis, you all stepped up, continued to go above and beyond and are delivering to the very highest standards. The speedy and early delivery of business grants to our City’s small businesses was exemplary – getting key building and project schemes back up and running within the restrictions was fantastic – supporting the community helpline was selfless -supporting the Greater Lincolnshire economic recovery plans was amazing - and then added to that the team submitted the Town Investment Plan in a bid to secure up to £24.5M in grant funding to kickstart the city’s economic recovery with a high quality and professional approach which was brilliant. Working in the Lincoln Way, collaboratively, flexibly and dynamically both within and outside of the organisation – definitely Proud to be Lincoln!”



Directorate for Major Developments Performance

This directorate does not have any performance key operational performance measures but has nevertheless made a significant contribution to the council’s response to COVID-19.

At the beginning of lockdown, the government made available various options to help support businesses. As reported in the quarter 4 report, Major Developments led a cross directorate team of around 20 staff to ensure local businesses were able to access the support they needed, and this included administration of two business support grant schemes.

The team drew staff from a wide range of service areas across the council with staff from Events, Finance, Audit, Revenues, Democratic Services and Business Development as well as legal support from the Legal Team. This enabled the council to provide support to local businesses in a timely manner and shows the value of the One Council approach.



Authority Wide Corporate Measures

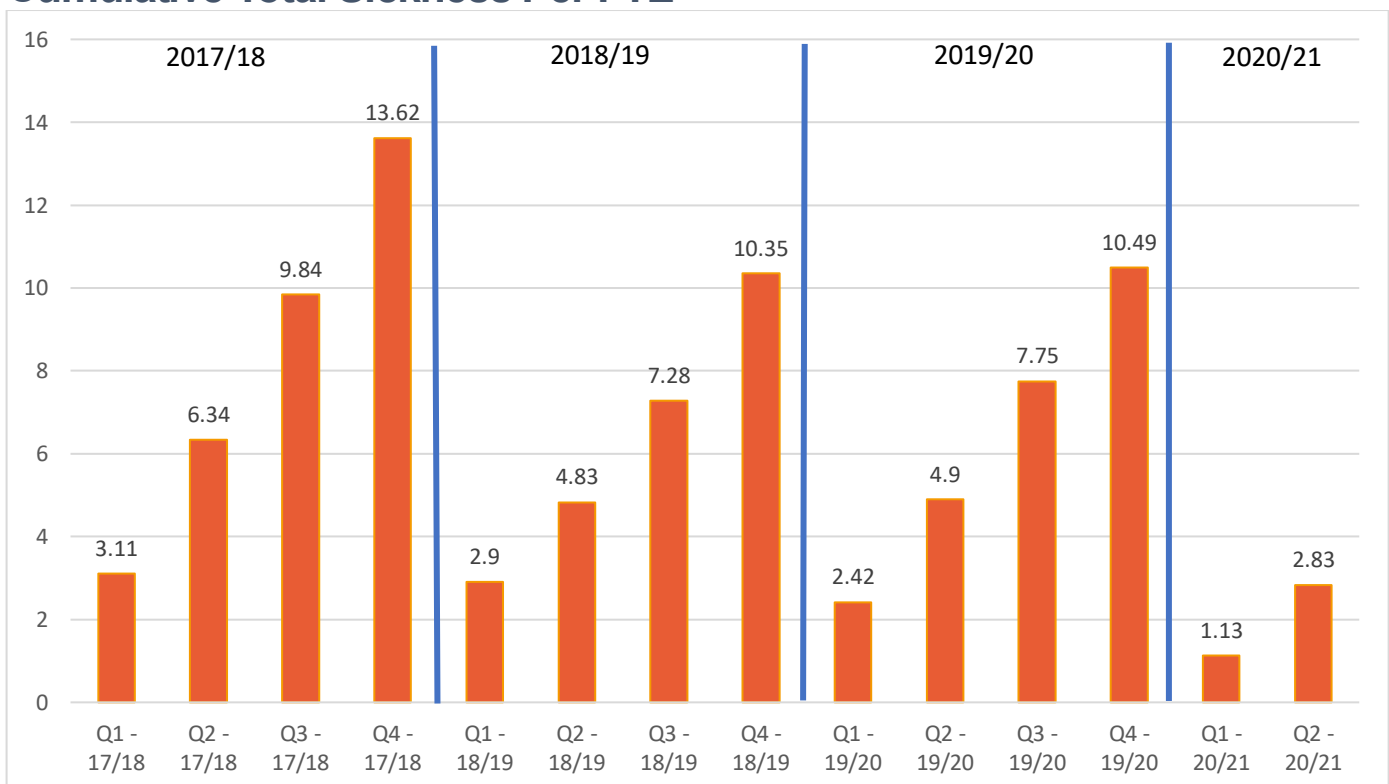
Sickness performance

Whilst overall sickness absence rates have reduced since the COVID-19 pandemic and staff began working from home, health and wellbeing remains a priority. The HR team regularly provides a range of advice and guidance to support all staff with their physical and mental wellbeing

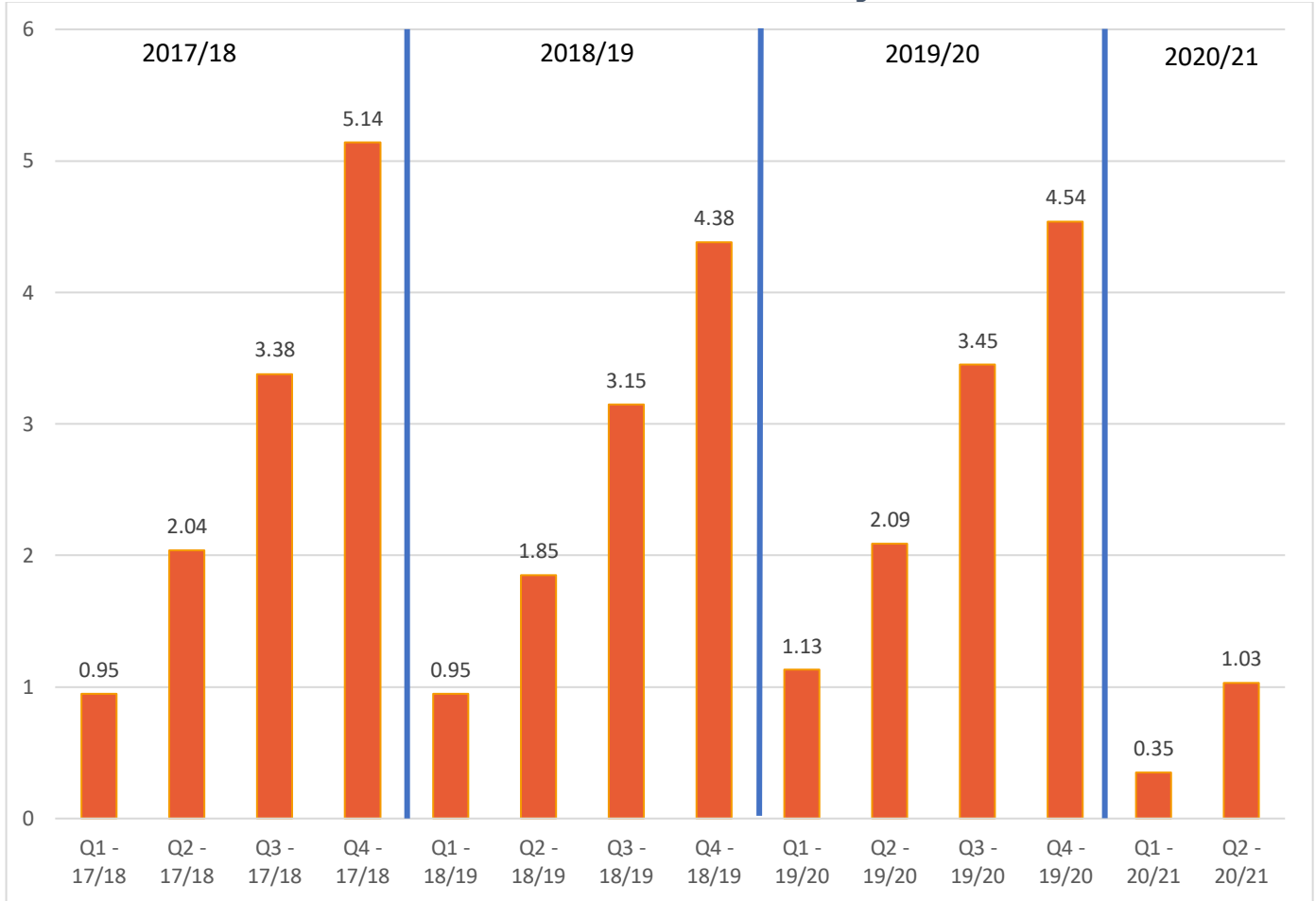
Q2 2020/21 ONLY

Directorate	Short Term Days Lost	Long Term Days Lost	Total days lost	Number of FTE	Average Short-Term Days lost per FTE	Average Long-Term Days lost per FTE	Average Total Days lost per FTE
CX (Excluding Apprentices)	121	109	230	184.61	0.66	0.59	1.25
DCE	27	25	52	141.5	0.19	0.18	0.37
DMD	0	0	0	8.4	0	0	0
DHI	232.5	441	673.5	226.43	1.03	1.95	2.97
Total (Excluding Apprentices)	380.5	575	955.5	560.94	0.68	1.03	1.70
Apprentice Sickness	0	0	0	12.8	0	0	0

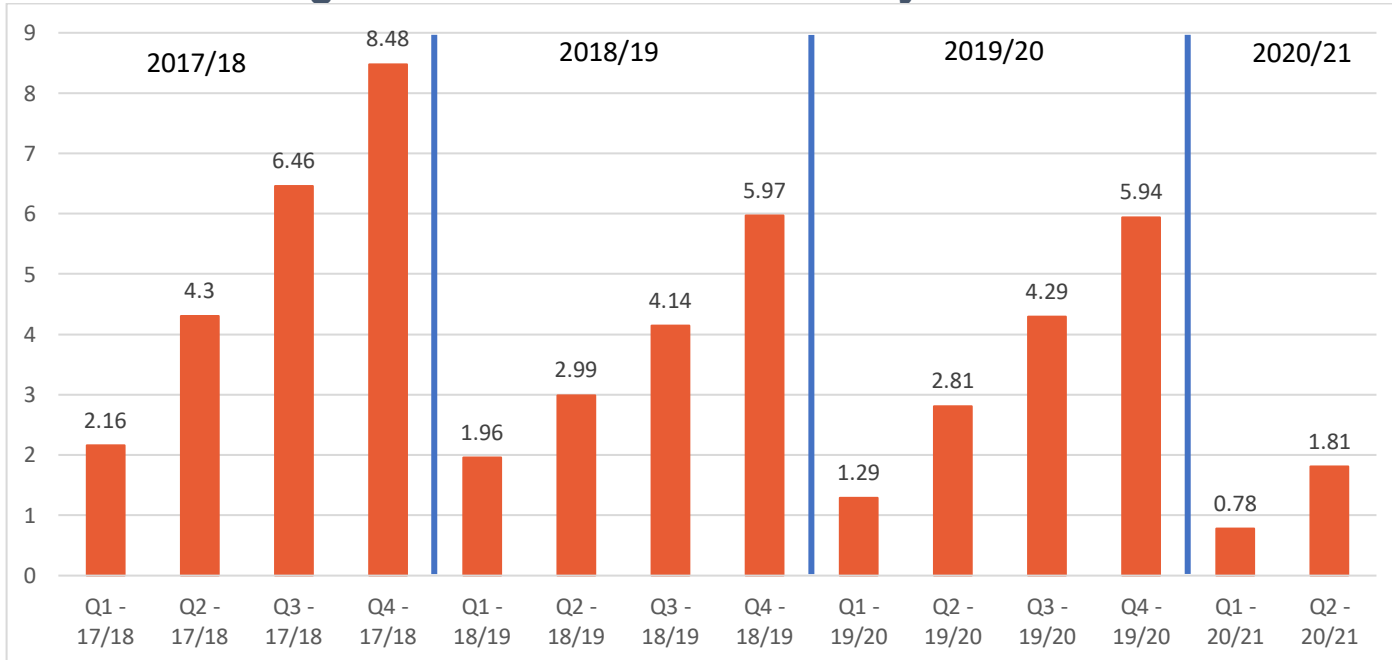
Cumulative Total Sickness Per FTE



Cumulative Short-Term Sickness Per FTE in Days



Cumulative Long-Term Sickness Per FTE in Days

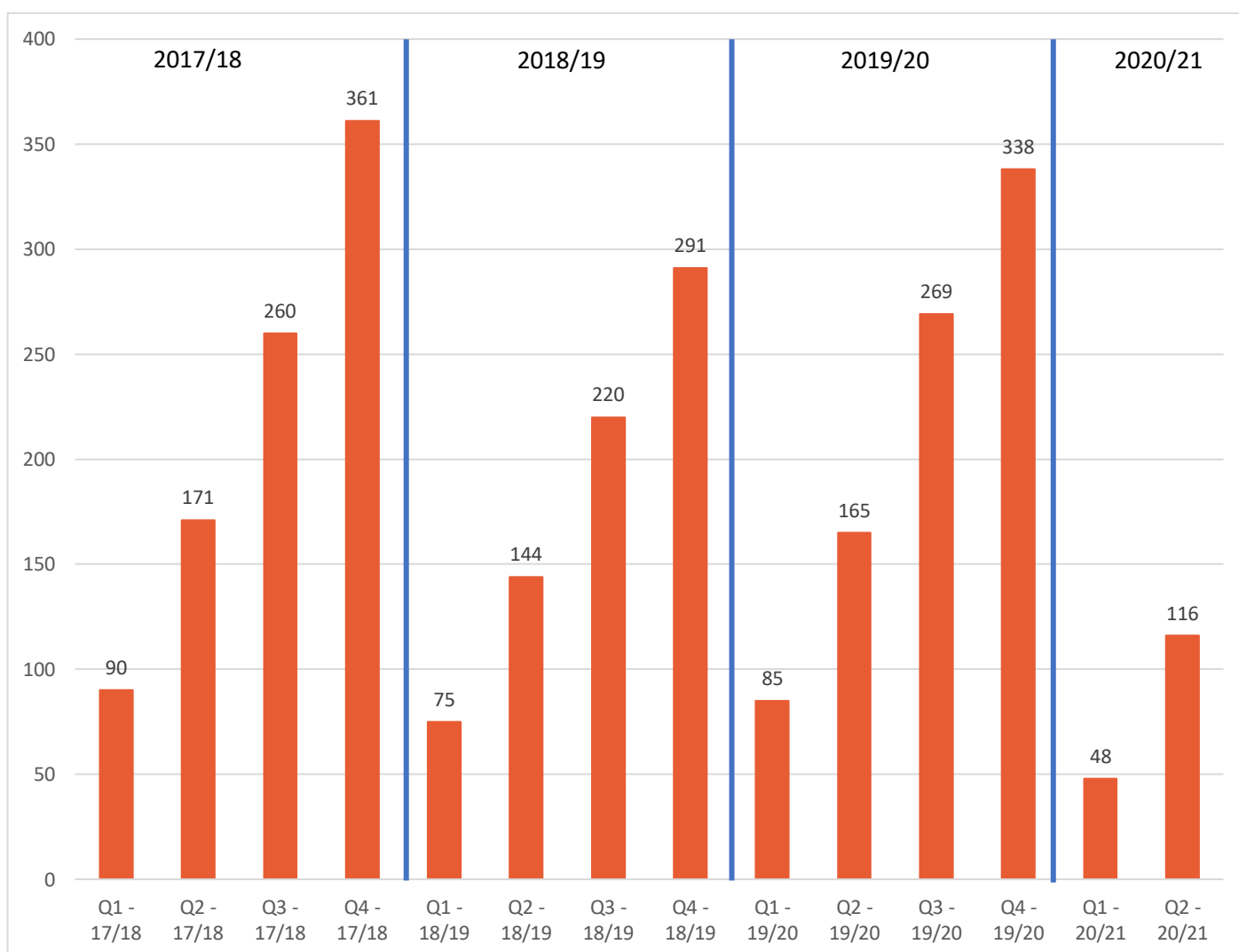


Complaints Performance

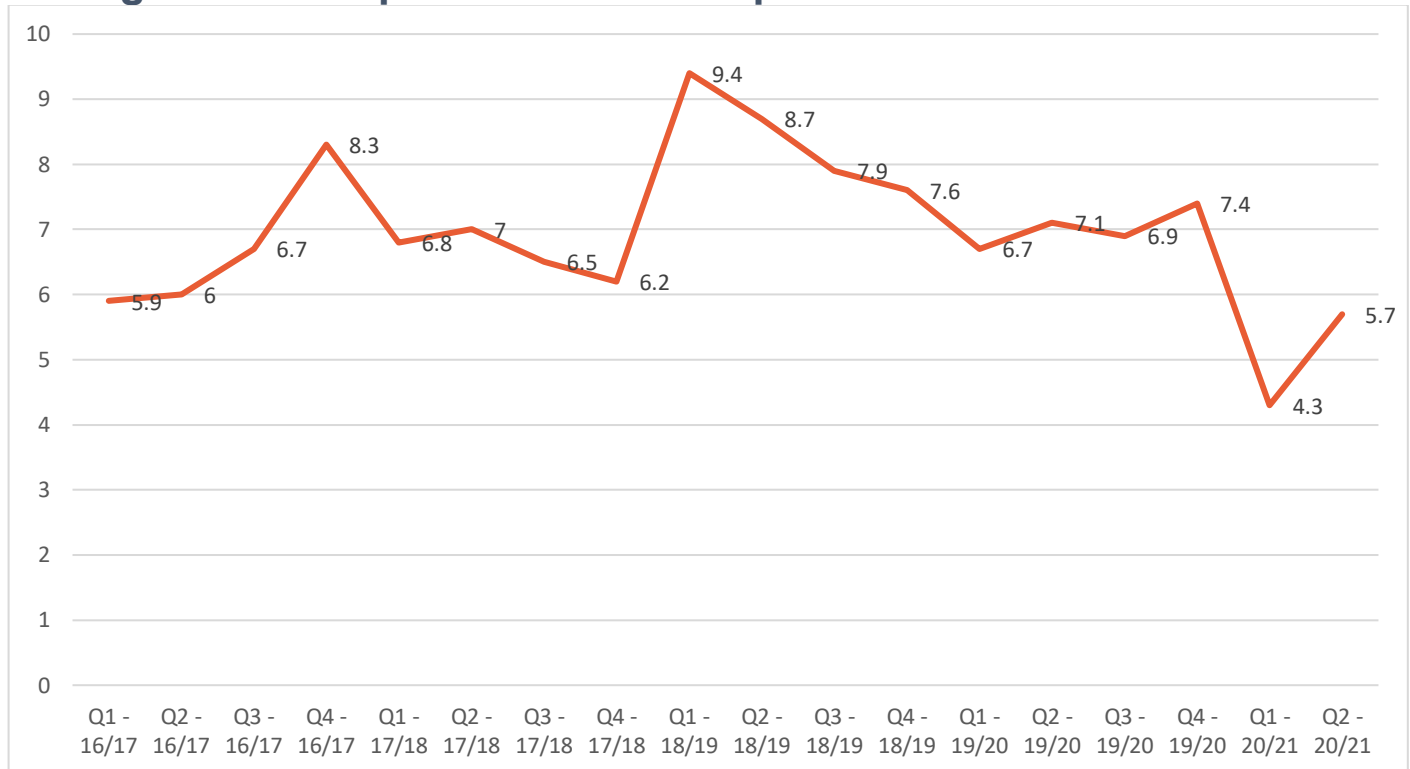
In quarter two there were 68 complaints. The cumulative average time year to date across all directorates to respond to formal complaints was 5.1 days. In quarter two, we had one LGO complaint decided - which was upheld.

	Number of Formal complaints dealt with this quarter	Number of Formal complaints Upheld this quarter	YTD total number of complaints investigated Cumulative (Q1)	Average response time in days this quarter	LGO complaints decided	Number of ombudsmen decisions upheld	YTD Number of Formal complaints Upheld	YTD average response time
CX	7	4	11	7	0	0	7	5.3
DCE	20	4	31	2.8	1	1	7	2.6
DMD	0	0	1	4	0	0	1	6.2
DHI	41	11	73	6.9	0	0	22	4
TOTAL	68	19	116	5.7	1	1	37	5.1

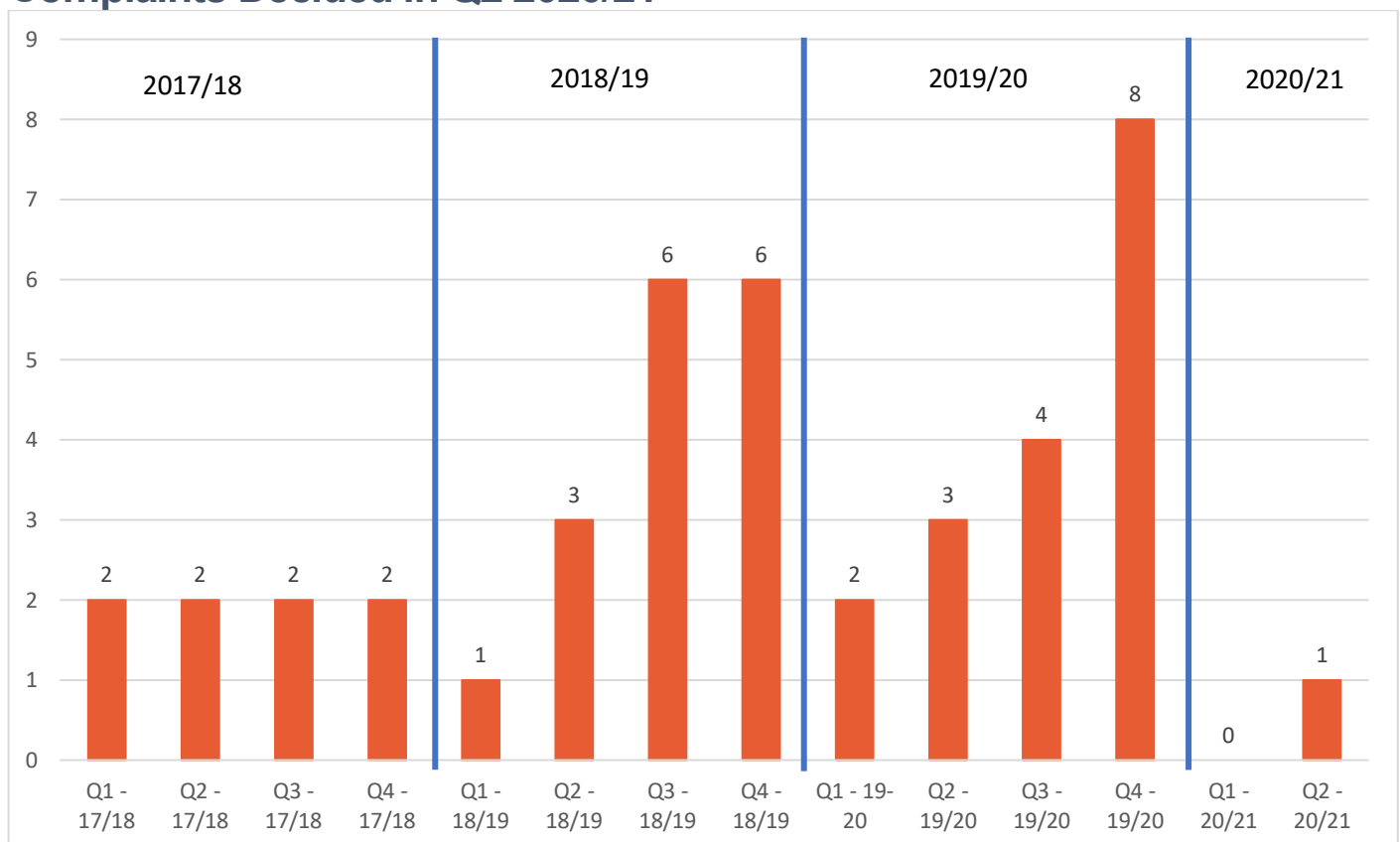
Number of formal complaints (YTD)



Average time to respond to formal complaints in Q2 2020/21



Local Government Ombudsman and Local Housing Ombudsman Complaints Decided in Q2 2020/21



Resource Information

The total number of FTE employees (excluding apprentices) at the end of quarter two was 560.94 with an average of 13 apprentices over the period. In terms of the level of vacancies at quarter two - budgeted establishment unfilled positions (FTE) stood at 82.7. This figure has increased from that reported at quarter two. It should be noted that the Council are actively recruiting 15.6 FTE. The percentage of staff turnover at the end of quarter two was 2.44% (excluding apprentices). Appraisals are currently on hold whilst COVID-19 takes priority and therefore there is nothing to report this period.

Q2 2020/21

Directorate	Number of FTE employees	Average number of apprentices across the board	Percentage of staff turnover	I-Trent budgeted establishment positions (FTE)	Active vacancies which are being recruited (FTE)
CX (Excluding Apprentices)	184.61	Authority Wide	Authority Wide	Authority Wide	Authority Wide
DCE	141.50				
DMD	8.4				
DHI	226.43				
Total (Excluding Apprentices)	560.94	13	2.44%	82.7	15.6

Directorate	Active vacancies per directorate per FTE
CX (Excluding Apprentices)	2
DCE	3
DMD	0
DHI	10.6
TOTAL (Excluding Apprentices)	15.6



Above and beyond

During the first two quarters of 2020/21 staff and members had to get used to doing things differently, with new working arrangements, changes in the way services were delivered and for some doing different work altogether. As well as highlighting awards, this time we are also providing some comments offered by the Leader, Cllr Ric Metcalfe and extracts from Chief Executive, Angela Andrews' updates to staff throughout the reporting period recognising the work of staff. Although only a small selection of comments made in the updates, they illustrate where staff have gone above and beyond to keep the council operating and achieve an enviable level of performance.

Comments from the Leader, Councillor Metcalfe at the Council meeting on 28 May 2020.

"Councillor Ric Metcalfe as leader and took the opportunity to place on record his thanks and pay tribute on behalf of all members to the Council's staff who had ensured that essential services continued to run during the coronavirus outbreak, whilst supporting communities, in particular the most vulnerable in the city, and protecting future jobs and employment in the city by supporting local businesses. Many staff had continued to provide these services in difficult circumstances whilst working from home, working overtime or being re-trained to undertake duties completely different to their usual role at the Council. Councillor Metcalfe said that the response from staff had been magnificent and that this was an extraordinary example of 'One Council'."

Councillor Hilton Spratt, Leader of the Opposition, associated himself and his group with the Leader's sentiments and said that: *"the Council's response to the crisis had been magnificent – fabulous praise to you all from our members – their thanks for your hard work and incredible efforts is now on record for ever in our Council Minutes – it will become history."*

From Angela's updates:

7 April 2020. *"... we are so very thankful that many of you have offered your skills to undertake some completely different critical roles that are so desperately needed – we have also needed to adapt shifts and redeploy some staff to different roles ... so I am so very grateful to you all who are wearing the incredible 'one council' virtual badge."*

14 April 2020. *"... thank you tonight to Keeley and Gareth in housing ... really impressive analysis of rent arrears ... Great work!"*

15 April 2020. *"... a big thank you to a member of the finance team, Ian Davison, who has been essential in ensuring that our Lincoln businesses received very promptly the grants that they're entitled to, now over £14million ... to make sure we are making payments to suppliers every day to keep their cashflow going in these very tricky times - Many thanks Ian"*

16 April 2020. *"...thank you tonight to members of the Rough Sleeping team who worked tirelessly to get all rough sleepers in accommodation for the bank holiday weekend."*

17 April 2020. *"Our IT team continue to do a fabulous job – using Citrix to get most of you working from home, utilising M365 for some of us with a roll out planned and also now looking at solutions for virtual member/public meetings."*

22 April 2020. *"... thank you to Claire Moses and her team who have, behind the scenes, been manually checking over 1,000 business rates accounts ..."*



22 April 2020. "... a big thank you to all of our Refuse Collection Team – we contract with Biffa to provide our Refuse Collection service and they are doing an amazing job in incredibly difficult circumstances – The team receive such fabulous feedback please see the wonder wall attached."



14 May 2020. "... excellent feedback from DWP Contact Centre and Job Centre for the work our cleaners are doing for them. The cleaners are at reduced staffing now due to the Coronavirus, they are working very hard ensuring City Hall is clean and tidy and all high contact surfaces are wiped down for the buildings occupants – thank you so much for all your hard work it is much appreciated. ... Also, our fabulous volunteer caretakers are getting amazing feedback from the DWP ... we couldn't operate without you all stepping in."

26 May 2020. "... a big thank you tonight to all our staff who were working over the Bank Holiday weekend ensuring that we continued to operate so many services that touch so many lives, help keep the City safe and clean, and keep the vulnerable protected – well done team."

12 June 2020. "COVID-19 has had such an impact on everything we do ... but we have still been able to continue with some amazing projects ... work that is currently being undertaken on Queen Elizabeth Road as planned - fabulous work by all involved in this from both Housing and Major Developments."

"Work is still progressing on Boultham Park ... a huge thank you to Steve and Caroline Bird and all the corporate teams ensuring that this project stays on track. Heritage Lottery Fund (our funder) ... were very impressed that we had kept this moving, where they have had so many projects fall back or by the wayside of late."

"And ... a final thank you tonight to all in Corporate Health and Safety – I have had numerous compliments and praise for the work that you have undertaken in many services to ensure the best advice is available to protect our staff, customers and businesses."

18 June 20. Following meetings across Lincolnshire about the longer term impact of the pandemic Kate Ellis said "What is coming through time after time is that the work we are all doing in Lincoln is ahead of the game, whether it is where we have used the last few months to review and redesign services; innovate methods of service delivery; re-examined priorities or challenged our approaches – we are all working to ensure that Lincoln emerges from the crisis in the best possible shape."

29 June 2020. "Some of the work done and outcomes achieved has been fantastic:

- Tenancy Services set up a Tenancy Hardship fund to directly help those tenants impacted on financially
- Rent collection levels have been maintained within the Council's target and rent arrears have not risen significantly, demonstrating we are working hard to help our tenants



- *The Rough Sleeping Team had to get 'everybody in' at the start of the pandemic, the team successfully found accommodation for all the rough sleepers in Lincoln and have helped people maintain this accommodation by visiting and supporting them at this difficult time*
- *The Homelessness Team currently have 123 open homelessness applications and are working hard to prevent homelessness or find alternative accommodation*
- *The Allocations Team and Voids teams are dealing with an average of 85 applications per week, but we are only getting about 4 properties becoming void every week*
- *Independent Living Coordinators (equivalent to 8ftes) are making on average 284 calls per day to council tenants plus currently an extra 35+ Befriending Calls per day*
- *LinCare Control Centre receive and make on average 3200 calls per week;*
- *Within our Independent Living accommodation, we have had no reported symptoms/cases of COVID-19; this is down to ensuring residents maintain social distancing and thorough cleaning of all areas within the accommodation."*

2 July 2020. "Francesca has been coordinating a multi-agency team ... out patrolling the retail area from St Marks to Newport Arch 6 days a week ensuring advice and support is given to those businesses that have been reopening and ensuring that queuing in public areas has been managed well, with Louise's team ensuring that inside the businesses are 'covid complaint' - well done from us all!

15 September 2020. At Corporate Management Team today we had a report from Paul Carrick on an assessment of the Befriending Scheme ... I know I have talked about it many times BUT my goodness what an amazing life line that was developed at incredible speed to support the most vulnerable in the City ... Contact was made initially to around 18,000 residents to ascertain needs and then a regular call programme to tackle basic needs and loneliness ... our scheme has had national recognition because it deserved it ... well done to everyone involved."



Awards

- Our Visitor Information Centre has received the Travellers' Choice award by TripAdvisor
- Winners of 'The Top Employer for the Public Sector' award at the national Virtual School Leavers Award Ceremony. This was the national school leavers award and there were huge companies involved here, including NHS, Goldman Sachs, McDonald's, TUI
- Awarded the 'Lincolnshire Carers Quality Award – You Care, We Care' recognising the commitment organisations demonstrate in valuing the important role carer's play and recognises that carers are an important source of information about those they care for.
- Achieved a Silver Award from Investors in the Environment. The team drawn from across the council is evidence of our successful One Council approach.
- The Arboretum, Boultham Park and Hartsholme Country Park have all been given Green Flag Awards, which recognises well managed parks and green spaces.
- Attained 'Loo of the Year' awards for Castle Square and Bus Station toilets again this year.

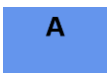
And last but not least – *“a lovely good news story from Carole Priestley. During lock down she joined a group called 'For the love of Scrubs Lincolnshire'. ... Carole has been making scrubs and masks since the middle of March and has already got through one old sewing machine. The group have been making Noah rainbow scrubs and these have been handed over to ICU and A and E at Lincoln County hospital ... well done Carole – we are very proud of you.”*



Q1+2 2020/21 Quarterly Strategic Measures – CX/DCE/DHI



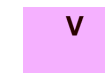
At or above target



Acceptable performance - results are within target boundaries



Below target



Volumetric/contextual measures that support targeted measures



Performance has improved since last quarter



Performance has stayed the same since last quarter



Performance has deteriorated since last quarter

Strategic Measures

Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Quarter	Current Value	Unit	Status	Commentary	
CX	Communications	COM 1	Percentage of media enquiries responded to within four working hours	High is good	70.00	85.00	Q1 - 20/21	89.00	Q2 - 20/21	86.00	%	G ▼ The communications team continues to work from home, as do many other officers. This has meant that all but the most difficult of enquiries can be responded to within the timeframe.	
	Communications	COM 2	Number of proactive communications issued that help maintain or enhance our reputation	High is good	25	40	Q1 - 20/21	46	Q2 - 20/21	38	Number	A ▼ A slight drop on Q1 due to the normal quietening of activities over the summer period, but we continue to highlight all we are doing at this unprecedented time.	
	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	High is good	92.00	95.00	Q1 - 20/21	100.00	Q2 - 20/21	100.00	%	G — In Q2 2020/21 7/7 apprentices completed their apprenticeships on time	
	Work Based Learning	WBL 2	Number of new starters on the apprenticeship scheme	High is good	Volumetric	Volumetric	Q1 - 20/21	3	Q2 - 20/21	2	Number	V ▼ We had 2 new starts within Q2 - both of which were progressions. The cumulative figure up to Q2 is 5	
	Work Based Learning	WBL 3	Percentage of apprentices moving into Education, Employment or Training	High is good	92.00	95.00	Q1 - 20/21	100.00	Q2 - 20/21	100.00	%	G — In Q2 2020/21 100% of apprentices on programme moved into Employment Education or Training	
	Customer Services	CS 1	Number of face to face enquiries in customer services	N/A	Volumetric	Volumetric	Q1 - 20/21	13	Q2 - 20/21	67	Number	V Limited appointments mainly for the collection of communal door keys	
	Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	N/A	Volumetric	Volumetric	Q1 - 20/21	18,086	Q2 - 20/21	25,690	Number	V In quarter two, calls have returned to a more "normal" level of 25,690, but as stated is still below those figures from all of 2019/20.	
	Customer Services	CS 3	Average time taken to answer a call to customer services	Low is good	120	90	Q1 - 20/21	124	Q2 - 20/21	109	Seconds	A ▲ This is lower than previous quarter even though the number of calls has gone up	
	Customer Services	CS 4	Average customer feedback score (face to face enquiries - score out of 10)	High is good	8	10	Q1 - 20/21		Q2 - 20/21				Not being collected due to impact on customer services due to COVID-19
	Customer Services	CS 5	Customer satisfaction with their phone call to Customer Services	High is good	80.00	95.00	Q2 - 19/20	98.00	Q2 - 20/21				
	Accountancy	ACC 1	Average return on investment portfolio	High is good	0.75	0.85	Q1 - 20/21	0.45	Q2 - 20/21	0.18	%	R ▼ 0.18% in Q2, average for the year to 30/9/20 = 0.32% BoE base rate = 0.10%	
	Accountancy	ACC 2	Average interest rate on external borrowing	Low is good	4.75	3.75	Q4 - 19/20	3.69	Q2 - 20/21	3.69	%	G — 3.69% in Q2, average for the year to 30/9/20 = 3.70%	
	Revenues Administration	REV 1	Council Tax - in year collection rate for Lincoln	High is good	52.50	53	Q1 - 20/21	25.90	Q2 - 20/21	50.53	%	R ▲ Collection is 2.34% below 19/20 - this equates to £1,079,296. As a result of COVID, we have undertaken deferrals (upon request) of April & May instalments - a total of 636 customers with a value of £135,247. These instalments will now be due later in the year (February and March 2021). Council Tax Support Hardship funding has been awarded to 6,331 customers to a value of £331k. We still have £891k of funding to award throughout the year - this will help to reduce the gap in collection by 1.93%.Reminders started to be issued from 7 September (for the first time this year). All instalments due for April to June have had a reminder. July to September will be issued in batches from WC 5 October.	
	Revenues Administration	REV 2	Business Rates - in year collection rate for Lincoln	High is good	58	59.50	Q1 - 20/21	41.31	Q2 - 20/21	65.15	%	G ▲ Collection is 5.57% above 2019/20. However, a significant amount of this is due to the award of the Expanded Retail Discount - which has reduced the net liability and so this does not enable a true comparison. The collection rate of 65.15% means that we have collected £12,502,176 of the £19.2m liability (roughly £2.08m for each of the 6 months) - which leaves £6,687,657 to collect between now and 31 March - which is £1.128m per month	
	Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues team	Low is good	750	600	Q1 - 20/21	249	Q2 - 20/21	685	Number	A ▼ Although this is an increase from Q1, this is a reduction of 492 compared to September 2019. As a result of COVID lockdown being eased, the workload has increased due to the increased number of house moves and changes to households. Our customers are contacting us using smart digital e-forms. The e-forms are interactive and will ask the customer questions based on previous answers. The e-form is integrated into the Revenues system resulting in quick and efficient changes taking place and amended bills being issued.	
	Housing Benefit Administration	BE 1	Average (YTD) days to process new housing benefit claims from date received	Low is good	27.00	25.00	Q1 - 20/21	15.89	Q2 - 20/21	16.69	Days	G ▼ Increase in workload over the period has led to a slight slip in days to process - weekly monitoring is ongoing.	
	Housing Benefit Administration	BE 2	Average (YTD) days to process housing benefit claim changes of circumstances from date received	Low is good	9	7	Q1 - 20/21	4.22	Q2 - 20/21	4.63	Days	G ▼ slight increase due to increase in workload over the last few months	
	Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Low is good	1200	1050	Q1 - 20/21	1,365	Q2 - 20/21	1,338	Number	R ▲ Of 1338 customers 952 are waiting a first contact from us.	
	Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where Benefit entitlement is correct	High is good	86	89	Q1 - 20/21	94.03	Q2 - 20/21	91.52	%	G ▼ Increase in the amount of Housing Benefit checks.	
	Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	N/A	Volumetric	Volumetric	Q1 - 20/21	1,987	Q2 - 20/21	3,073	Number	V — 466 Housing benefit and 2607 Council Tax Reduction	
DCE	Food and Health & Safety Enforcement	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	High is good	95.00	97.00	Q3 - 19/20	98.40	Q2 - 20/21				Unlikely to have data supplied for quarter two
	Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Low is good	13.00	8.00	Q4 - 19/20	17.00	Q2 - 20/21				
	Food and Health & Safety Enforcement	FHS 3	Percentage of food inspections that should have been completed and have been in that time period	High is good	85.00	97.00	Q3 - 19/20	93.80	Q2 - 20/21				

Development Management (Planning)	DM 1	Number of applications in the quarter	N/A	Volumetric	Volumetric	Q3 - 19/20	209	Q2 - 20/21	233	Number	V	Quarter two saw 233 planning applications submitted. Work levels have increased significantly in this area, as smaller scale domestic applications are being submitted as more people are staying at home.
Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Low is good	85.00	65.00	Q3 - 19/20	67.25	Q2 - 20/21	74.91	Days	A	Overall, the time taken to determine these applications has taken 74.91 days in quarter two. Whilst this figure is an increase on quarter one, this is largely due to the reduced staffing capacity during quarter one, combined with a natural progressive increase in workload.
Development Management (Planning)	DM 3	Number of live planning applications open	Low is good	180	120	Q3 - 19/20	95	Q2 - 20/21	105	Number	A	This increase reflects the increase in work over the quarter but again is being managed now all staff have returned
Development Management (Planning)	DM 4	Percentage of applications approved	High is good	85.00	97.00	Q3 - 19/20	95.00	Q2 - 20/21	93.06	%	A	This figure remains consistently high to reflect how the service operates
Development Management (Planning)	DM 5	Percentage of decisions on planning applications that are subsequently overturned on appeal	Low is good	10.00	5.00	Q2 - 20/21	74.91	Q2 - 20/21	0.96	%	G	This figure remains very low and reflects the quality and robustness of the decisions we make
Development Management (Planning)	DM 6	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	High is good	70.00	90.00	Q3 - 19/20	93.67	Q2 - 20/21	96	%	G	This figure remains consistently high to reflect how the service operates
Development Management (Planning)	DM 7	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	High is good	60.00	90.00	Q3 - 19/20	93.02	Q2 - 20/21	88.37	%	A	This remains high despite the current pressure and is due to the way we prioritise the decision making on those areas where we are measured nationally
Private Housing	PH 1	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	Low is good	26.00	19.00	Q4 - 19/20	7.80	Q2 - 20/21	Unlikely to have data supplied for quarter two			
Private Housing	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	N/A	Volumetric	Volumetric	Q4 - 19/20	2.80	Q2 - 20/21				
Private Housing	PH 3	Number of empty homes brought back into use	High is good	Volumetric	Volumetric	Q4 - 19/20	54	Q2 - 20/21				
Public Protection and Anti-Social Behaviour Team	ASB 1	Number of cases received in the quarter (ASB)	N/A	Volumetric	Volumetric	Q1 - 20/21	76	Q2 - 20/21	93	Number	V	This is up slightly on Q2 2019/20 and up considerably from Q1 which was most likely down due to the initial lockdown period of Q1.
Public Protection and Anti-Social Behaviour Team	ASB 2	Number of cases closed in the quarter	High is good	Volumetric	Volumetric	Q1 - 20/21	553	Q2 - 20/21	730	Number	V	This quarter there have been 705 requests for service received and 730 service requests completed and closed. this is significantly higher than the service requests made in the same quarter last year, it is also worth noting that the team have managed this increase of demand whilst dealing with less staff capacity.
Public Protection and Anti-Social Behaviour Team	ASB 3	Number of live cases open at the end of the quarter	Low is good	780	660	Q1 - 20/21	226	Q2 - 20/21	201	Number	G	This is slightly lower than the monthly number of live cases as reported across the monthly number of live cases. In Q2 these have been July 242, August 248 and September 201
Public Protection and Anti-Social Behaviour Team	ASB 4	Satisfaction of complainants relating to how the complaint was handled	High is good	75.00	85.00	Q1 - 20/21	0.00	Q2 - 20/21	Unlikely to have data supplied for quarter two			
Sport & Leisure	SP 1	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	High is good	213,355	213,991	Q1 - 20/21		Q2 - 20/21	37,412	Number	R	Leisure Centres opened in July (only part month), phased reopening of activities due to pandemic social distancing and compliant facility UK rules. The amount of spaces available for activities has been reduced by the protective measures and all activities are bookable in advanced. The return of members is increasing as members are reporting good experiences with the activities on offer and the protective measures put in place at the centres.
Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre (exp. to open July 19) & Birchwood Leisure Centre (exp. to open June 19)	High is good	520.00	650.00	Q1 - 20/21	0.00	Q2 - 20/21	315.00	Hours	R	Quarter 2, Leisure Centres could reopen the AGP's on the 25th of July, limited return of teams, initially for training purposes for professional and amateur teams approved by the FA, followed at a later date by local grass roots training. Football games recommenced in September under controlled conditions. Other sports returning when governing bodies allow, some are still waiting to return. This means that uptake is still reduced from pre Covid times.
CCTV	CCTV 1	Total number of incidents handled by CCTV operators	N/A	Volumetric	Volumetric	Q1 - 20/21	3,649	Q2 - 20/21	3,082	Number	V	The type of incidents has changed to a degree since the start of the Covid-19 restrictions. There was something of a return to 'normal' in the second quarter, although the nature of incidents and the peak times were still different. We continue to monitor for Covid-19 issues as well as the usual type of incidents and public health and safety issues.
Waste & Recycling	WM 1	Percentage of waste recycled or composted	High is good	35.00	38.00	Q1 - 20/21	28.70	Q2 - 20/21	38.07	%	G	This figure relates to Quarter 1 1.19.92% of waste was composted, 18.15% of waste was recycled, equating to 38.07% of waste being composted or recycled.
Waste & Recycling	WM 2	Contractor points achieved against target standards specified in contract - Waste Management	Low is good	150	50	Q1 - 20/21	115	Q2 - 20/21	100	Number	A	Contractor points were collected as 100 collectively, broken down by 40 points in July, 30 points in August and 30 points in September.
Street Cleansing	SC 1	Contractor points achieved against target standards specified in contract - Street Cleansing	Low is good	150	50	Q1 - 20/21	45	Q2 - 20/21	90	Number	A	The street cleansing contractor points were collected as 90 overall. This has been broken down to 15 in July 20 in August, and 55 in September.
Grounds Maintenance	GM 1	Contractor points achieved against target standards specified in contract - Grounds Maintenance	Low is good	150	50	Q1 - 20/21	15	Q2 - 20/21	No points have been recorded throughout quarter 2 of 2020/21 year			
Allotments	AM 1	Percentage occupancy of allotment plots	High is good	80.00	88.00	Q1 - 20/21	92.00	Q2 - 20/21	95.00	%	G	As at the end of September 2020, 1090 plots of a total 1135 were let. Of the 1135 total plots, 1090 plots are currently lettable. 1090 occupied lettable plots equates to 95% occupancy rate. There has been a significant increase in demand for allotment tenancies since the Covid-19 pandemic

Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Low is good	31.00	28.00	Q1 - 20/21	49.40	Q2 - 20/21	46.16	Days	R	▲	
Housing Maintenance	HM 1	Percentage of reactive repairs completed within target time	High is good	96.00	98.00	Q1 - 20/21	98.00	Q2 - 20/21	Data for the percentage of reactive repairs completed within target time is not available but is expected to be available again from quarter three.				
Housing Maintenance	HM 2	Percentage of repairs fixed first time	High is good	90.00	93.00	Q1 - 20/21	89.57	Q2 - 20/21	90.11	%	A	▲	Performance down compared to the previous year due to C-19 and the subsequent changes enforced to the responsive repairs service.
Housing Maintenance	HM 3	Percentage of tenants satisfied with repairs and maintenance	High is good	94.00	96.00	Q1 - 20/21	97.00	Q2 - 20/21	Data for the percentage of tenants satisfied with repairs and maintenance is not available but is expected to be available again from quarter three.				
Housing Maintenance	HM 4	Appointments kept as a percentage of appointments made	High is good	94.00	96.00	Q1 - 20/21	99.57	Q2 - 20/21	99.95	%	G	▲	A significant upturn in performance on the previous year. Due to C-19 and our move towards scheduled repairs we now have less responsive repairs (1- and 3-day tickets) coming through with associated appointments.
Business Development	BD 1	Number of users logged into the on-line self-service system this quarter	High is good	8,084	8,321	Q2 - 19/20	8,427	Q2 - 20/21	No data has been supplied for quarter two				
IT	ICT 1	Number of calls logged to IT helpdesk	N/A	Volumetric	Volumetric	Q2 - 19/20	1,087	Q2 - 20/21					
IT	ICT 2	Percentage of first-time fixes	High is good	Volumetric	Volumetric	Q2 - 19/20	52.50	Q2 - 20/21					

Annual Q2 Measures – CX/DCE

Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Year	Current Unit Value	Status	Commentary
CX	Procurement Services	PRO 1	Percentage spend on contracts that have been awarded to "local" contractors (as the primary contractor)	High is good	20.00	45.00		2019/20	This data is unavailable in Q2, and will be updated in Q3		
	Procurement Services	PRO 2	Percentage value of the top 10 spend contracts that have been sub-contracted (wholly or partly) to "local" suppliers to deliver	High is good	70.00	90.00		2019/20			
	Procurement Services	PRO 3	Percentage of total contract spend that is with an SME	High is good	20.00	40.00		2019/20			
	Procurement Services	PRO 4	Percentage of total contract spend that is with an SME who meets the "local" definition	High is good	20.00	40.00		2019/20			
	Procurement Services	PRS 1	Return on new commercial investments - (Annual rental yield = Net Income/Purchase Price plus initial purchase costs)	High is good	5.00	7.00		2019/20			
DCE	Grounds Maintenance	GM 2	Satisfaction with play areas, parks and open spaces (collected via Citizens' Panel)	High is good	85.00	90.00	2018/19	87.00	2019/20	These results usually come from the Citizens Panel, but as this has yet to be sent out (due to COVID-19) – so the results are now lagged until the next Citizens Panel due in November – so these results will be updated in quarter three.	
	Street Cleansing	SC 2	Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)	High is good	70.00	80.00	2019/20	69.00	2019/20		

PERFORMANCE SCRUTINY COMMITTEE

19 NOVEMBER 2020

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 Members the second quarter’s performance (up to 30th September), specifically including the financial impact of the Covid19 pandemic, on the Council’s:

- General Fund
- Housing Revenue Account
- Housing Repairs Service
- Capital Programmes

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 This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year. It sets out the estimated impact on the budget of the COVID19 pandemic following the application of the budget revisions, approved at Q1, in order to maintain a balanced budget for 2020/21. The applied budget changes are temporary changes for this financial year; the impact on future years budgets and the MTFS are considered in a separate report to the Executive.

2.2 COVID19 has taken its toll on the financial resilience of the Council as income streams have plummeted and there has been a requirement to incur costs to ensure services are being provided throughout this difficult period and to respond to consequences of the pandemic. The impacts of this are not simply restricted to the current financial year but will have a significant impact over the period of the current MTFS and possibly beyond. In terms of the current financial year, 2020/21, the key challenges faced are in respect of:

- Exceptional costs of dealing with Covid19 and increased service demand
- Loss of income

The cumulative impact of these challenges has resulted in significant shortfalls on the General Fund and on the Housing Revenue Account prior to the offset of any Government funding.

- 2.3 In response to calls from the sector the Government have allocated a total of £4.6bn of general purpose grant funding to support local authorities to cover expenditure related pressures and announced an income compensation scheme to recompense councils for approx. 75p in every £1 of lost sales, fees and charges income. To date the Council has received funding support of £1.877m for COVID19 related pressures and is forecasting to receive c£2.980m through the income compensation scheme. There has however been no additional financial support provided to the Housing Revenue Account.
- 2.4 Despite this financial support package announced by the Government the General Fund and HRA cannot absorb the level of budget shortfalls without having to take some measures to reduce some areas of expenditure. This decisive action taken by the Council, approved at Q1, has allowed the Council to be able to continue to deliver its critical services in 2020/21 and to ensure it's balances remain at an adequate level to provide resilience for future years.
- 2.5 Based on a significant number of planning variables, and after offsetting the government funding support package and measures taken to address the budget pressures, as at the end of the second quarter (up to 30th September), the forecast financial position of the Council for 2020/21 is:

	2020/21		
	Budget £'000	Forecast @ Q2 £'000	Variance @ Q2 £'000
Revenue Accounts			
General Fund – Contribution to/(from) balances	286	102	184
Housing Revenue Account (HRA) (Surplus)/Deficit in year	75	(404)	(479)
Housing Repairs Service	0	(169)	(169)

Capital Programmes				
General Investment Programme	16,430	11,104	(5,326)	
Housing Investment Programme	28,505	22,286	(7,038)	

Reserves & Balances			
General Fund Balances	2,522	2,338	184
HRA Balances	921	1,400	(479)
HRS Balances	127	127	0

General Fund Earmarked Reserves	6,513	6,342	171
HRA Earmarked Reserves	1,403	1,270	133

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

3. General Fund Revenue Account

3.1 For 2020/21 the Council's net General Fund revenue budget was set at £12,963,220, including a planned contribution from balances of £286,310 (resulting in an estimated level of general balances at the year-end of £2,522,188, after allowing for the 2019/20 outturn position).

3.2 The General Fund Summary is currently projecting a forecast budget shortfall of £183,968 (appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,338,220 (subject to any final contributions to earmarked reserves). There are a significant number of forecast year-end variations in income and expenditure against the approved budget, primarily as a result of Covid-19 along with variances arising from measures taken to address the budget pressures and the financial support provided by Government. Full details of the main variances are provided in appendix B while the table below sets out the key variances:

	Forecast £'000
Increased expenditure arising as a result of Covid19	615
Income losses as a result of Covid19	6,341
Income Compensation Scheme	(2,980)
Government Grants (Covid19, Rough Sleeping, New Burdens, Test & Trace support. Re-Opening High Street & Compliance & Enforcement).	(2,276)
Measures approved at Q1 (budget review, furlough, review of capital, increased TFS)	(1,898)
Contribution to earmarked reserves of Tranche 4 of Covid funding	622
Coronavirus Job Retention Scheme (in addition to Q1)	(50)
2020/21 national pay award implications	110
Net other variances	(300)
Overall forecast budget shortfall	184

3.3 The following paragraphs, 3.4 – 3.8 set out further detail on the key financial challenges arising as result of Covid19 that the Council is facing in 2020/21.

3.4 Exceptional costs of dealing with Covid19 and increased service demand

In response to the emergency situation arising in March 2020, the Council has had to adjust its service provision to meet the needs of its users and residents as well as establish new services/responses cells and meet increased costs through

contractual arrangements. This has increased costs across of a range of services including:

- **Setting up the Civic Society (including the befriending service) and Business Support Cells** – these support cells saw; the establishment of a community help phone line to provide signposting support e.g. to community support and referrals to foodbanks; the establishment of a befriending service to prevent feelings of loneliness; and the provision of supporting to businesses impacted by COVID19 by awarding grant funding to all eligible businesses in accordance with the Government schemes.
- **Moving rough sleepers into temporary accommodation** – early on in the pandemic all local authorities were asked to house all rough sleepers in appropriate temporary accommodation. Although an element of these costs are reclaimable through Housing Benefit there is still a cost to the Council of providing the accommodation as well as the provision of furniture, food and cleaning services.
- **Provision of PPE and COVID secure status for Council services and buildings** – during the national lockdown, although the significant majority of Council officers were able to continue to deliver services from their homes there were still a number of service areas where this was not possible, in these such circumstances the Council had to ensure that sufficient measures were in place to protect both the officers as well as service users. In addition, as services recover and Council buildings are re-opened the Council must ensure that these meet the COVID secure status which has required additional cleaning regimes, physical changes to public spaces, signage etc.
- **Requirements under existing contracts for services** – in some cases the Council has contractual arrangements in place which allow for a profit share with its partners, these agreements also provide for the sharing of any losses incurred, e.g. the Council is required to share in losses of income of its leisure provider.
- **Increased demand on the Revenues and Benefits Service** – the service has seen a significant increase in the number of both new and change in circumstances claims for Housing Benefits as well as a large increase in the number of new Local Council Tax Support scheme claims.
- **Increased demand on Licensing and Health & Safety Teams** – both service areas have supported the recovery phase including the re-opening of retail, hospitality and leisure services as well as providing support to local test and trace and outbreak planning services.
- **Other costs** – in addition to the key areas of increased costs set out above there have also been a number of other costs incurred in order to keep services running and respond to service pressures e.g. increased fly tipping.

3.5 In total the estimated cost in supporting the response to the emergency situation and recovery phase, as well as meeting rising demand for some services is currently estimated to be £0.609m in the General Fund.

3.6 **Income losses**

The most significant impact of Covid19 has been on the Council's income streams with monthly income levels plummeting across a range of discretionary services as well as through investments and rental streams, as a result of the shutdown of the economy and its likely phased path to recovery. The Council's reliance on local income streams has increased significantly in recent years as Government funding has reduced through austerity measures and new funding mechanisms have been introduced resulting in the Council having to be more self-sufficient and secure its own funding sources. Prior to the implement of new funding mechanisms in 2013 less than 20% of the Council's funding sources were subject to any level of volatility, for 2020/21 90% is now subject to volatility and emphasises the financial risk that the Council faces from its income streams.

3.7 The most significant of income losses has been:

- **Car parking** – as a result of the lockdown measures that were imposed in March people were staying at home except for essential journeys, and key workers who have had to use their cars have been given free parking. This has had a profound effect on carpark usage with income down by 97% in April and May resulting in a loss of income against budget of £1.038m. Although the retail sector re-opened mid-June with the hospitality and leisure sectors following in July and August income levels are still significantly below budgeted levels with losses of a further £1.073m in June - September. A further national lockdown will further exacerbate the losses, and beyond this income levels cannot be forecasted to return to normal levels, as a result of both ongoing changes in peoples habits and their concerns about 'going out'; and changing business operations e.g. a number of large local employers are advising their workforces to work at home for the foreseeable future. Based on a range of assumptions it is anticipated that further income losses of £1.739m can be expected during the second half of the year, taking total forecasted losses to £3.850m
- **Development Management, Land Charges & Building Control** – income levels for these service areas have fallen by 40% over the first two quarters and are estimated to remain at around 60% of normal levels for the remainder of the year. The recovery of this income source will be dependent on the local economy and how it responds to the current financial climate and whether the housing and development market is able to return to its pre-COVID levels or whether the impending recession will dampen growth, as well as the length and impact of the second national lockdown.
- **Leisure, Recreation & Tourism** – as a result of lockdown measures the majority of our facilities in this area were closed at the end of March. This covers our recreation grounds, Hartsholme Country Park campsite and activities programme, our community centres and Tourist Information

Centres. Whilst some of these services re-opened for a period of time, others remain closed for now.

- **Christmas Market** – Following the decision to not hold a Christmas Market in 2020 the Council will suffer income losses of £651,200, however these losses are offset by a reduction in costs incurred of £603,930, a net loss of income of £47,270.
- **Commercial Rents** – COVID19 has had a significant impact on many of the businesses in premises owned by the Council. The majority of them were initially required to close, had then re-opened and begun adapted to a new operating environment and now face prospect of further closures. Whilst the Government has provided a package of financial support for businesses, through NNDR reliefs, grants for small business and effected industries, loans and the Coronavirus Job Retention Scheme, it is likely that some businesses will be unable to pay their rent in full this year. The Council has been supporting its tenants who are experiencing financial difficulties and signposting them to the relevant Government support however in some circumstances it has been agreed that rental payments can be deferred and repaid over the course of the financial year. Despite all of this support it is inevitable that some businesses will look to terminate their leases, some may fall into administration and others will look to use options such as Company Voluntary Agreements. Total losses of £0.698m are predicated over the year, a total loss of income of approx. 28% of the rental yield.
- **Treasury Management** – following the drop in interest rates on 19th March 2020 to 0.1% the level of investment interest earned by the Council is set to reduce. Although a number of fixed term deposits are currently in place as these expire during the course of the year the level of interest earned on new investments will fall away.
- **Court Cost charges** – as a result of the closure of the Court service the Council has been unable to progress on Council Tax and Business Rate arrears through the court system and has subsequently not generated fees payable by the taxpayer in addition to the arrears.
- **Other income areas** – in addition to the key income areas set out above the Council is also experiencing income losses through licensing fees, public conveniences which are either closed or being offered free of charge, bus station departure charges due to a reduction in bus services and the non-issuing for enforcement fines in the City Centre.

3.8 The table below set out the losses incurred during quarter one and two of 2020/21 along with estimates, based on a ‘most likely scenario’ of what the income losses are forecasted to be over the remainder of the year. Although based on a set of planning assumptions the accuracy of these estimates will ultimately be impacted by the length of the phased recovery period and the local and national economies ability to recover. It is expected that some of this lost income will be impaired permanently and will never recover to previous levels. Actual income continues to

be closely monitored alongside performance/usage information (this figures are gross income losses prior to compensation through MHCLG).

Income Area	2020/21 Budget	Income Loss Q2	Forecast Income Loss Q3-Q4	2020/21 Total Forecast Income Loss
	£'000	£'000	£'000	£'000
Car Parks	5,996	2,111	1,739	3,850
Hartsholme Country Park	75	36	13	49
Leisure Services	85	35	35	70
Community Centres & Rec Grounds	81	41	41	81
Visitor Information Centre	146	58	57	115
Development Management	420	86	124	210
Land Charges	127	26	16	42
Building Control	211	38	34	71
Licensing	126	10	1	11
Hackney Carriages & Private Hire	122	19	4	23
Enforcement Officer	25	12	12	24
Public Conveniences	32	10	6	16
Fairs & Circuses	18	9	9	18
Events	651	0	651	651
Bus Station	133	28	26	54
Markets	219	21	26	47
Lincoln Properties	1,988	287	309	596
The Terrace	272	27	28	55
Court Cost Income - CT	310	155	155	310
Treasury Investment Income	89	0	49	49
Total Income at risk	11,127	3,006	3,335	6,341

3.9 MHCLG Financial Support

Financial support received from the Government has been provided through a package of measures:

- £4.6bn of un-ringfenced funding to respond to spending pressures – from this allocation of funding the Council has received three allocations totalling £1,876,803.
- An income compensation scheme recognising the unprecedented impact the pandemic has had on councils' income the government is introducing a scheme to compensate them for these losses. The new income loss scheme will involve a 5% deductible rate, whereby councils will pay the first 5% of all lost planned sales, fees and charges income, with the government compensating them for 75p in every pound of net loss (after deducting expenditure saving and other funding e.g. CRJS) thereafter. Although commercial and investment income is specifically

excluded from the scheme the Council estimates that c£2.980m of lost income will be compensated for.

- Targeted grants in relation to specific costs pressures and new burdens arising during Covid19, for the Council these include:
 - New Burdens: Business Support Grants - £130,000
 - Rough Sleepers - £82,276
 - Test & Trace (ringfenced) - £41,383 (currently allocated in line with expenditure, total available £100k).
 - Re-Opening High Streets Safely (ringfenced) - £87,816
 - Compliance and Enforcement (ringfenced) - £58,022

The total of this package of financial support is currently estimated to be £5.256m which still leaves the General Fund facing a budget shortfall of £1.7m, prior to the offset of any expenditure savings arising as a result of Covid19.

3.10 Measures to address budget shortfall

As the General Fund could not absorb this level of budget shortfall a range of measures aimed at reducing expenditure in the current financial year were approved at Q1, these included:

- **Budget Review** – A review of all of the Council’s revenue budgets undertaken to identify one off budget reductions.
- **Coronavirus Job Retention Scheme** – a range of staff from primarily income generating areas were placed on furlough.
- **Towards Financial Sustainability** – in the year savings programme target was increased.
- **Direct Revenue Finance (DRF)** – a review of capital financing was undertaken.
- **Covid19 Reserve** – monies allocated as part of the 19/20 closedown process and held in an earmarked reserve.

The total of these measures amounted to £2.194m, although as a result of further government grant allocations the use of the Covid19 reserve is not currently required in 2020/21, resulting in measures totalling £1.898m.

- 3.11 As a result of the decisive action taken by the Council during the initial response to the pandemic, these effect of these measures now currently exceed the forecasted in-year shortfall of Covid income losses/expenditure pressures of £1.7m. In addition, the General Fund is forecasting further overspends in a number of services due to the pro-longed recovery period and further lockdowns. It is therefore proposed that the latest tranche of MHCLG Covid19 un-ringfenced grant support is allocated to the Covid Recovery Reserve to support the financial pressures in future years that will arise from the legacy of Covid. However, as the forecast budget shortfalls are based on a number of planning assumptions which will no doubt change over the course of the next 6 months dependent on national or local lockdowns and subsequent recovery periods, this proposed allocation to reserves will still be subject to the final outturn position.

3.12 Although the measures taken were primarily one-off opportunities and not ongoing reductions in services they will still, in some circumstances, reduce service standards and performance during 2020/21 as recruitment activity has been restricted, expenditure budgets have been reduced and staff were placed on furlough for period of time.

3.13 Contributions from Earmarked Reserves

Included in the forecast outturn of £0.184m are a number of proposed additional contributions to and from earmarked reserves that are required, as follows:

Directorate	Reserve	Amount £
CX	Invest to Save Reserve – Travelodge Valuation Fees	5,000
CX	Vision 2025 – The Harlequin – Steep Hill & Michaelgate	6,440
DCE	2019/20 Cfwd Reserve – Housing Regeneration Agency funding	15,000
DCE	Invest to Save Reserve – Drill Hall SLA (as per Executive 15.10.20)	68,774
	Total additional reserve contribution required:	95,214

Further details of the General Fund earmarked reserves are set out in paragraph 6 and Appendix G.

4. Housing Revenue Account

4.1 For 2020/21 the Council's Housing Revenue Account (HRA) net revenue budget was set at a £75,000 use of balances, resulting in an estimated level of general balances at the year-end of £921,071, after allowing for the 2019/20 outturn position.

4.2 The HRA is currently projecting an in-year variance of a £479,378 underspend, which would increase the General Balances to £1,400,449 at the end of 2020/21.

4.3 Although the forecast position is an underspend there are a number of forecast year-end variations in income and expenditure as a result of Covid19 along with variances arising from measures taken to address the budget pressures. Full details of the main variances are provided in Appendix D while the table below sets out the key variances:

	Forecast £'000
Increased expenditure arising as a result of Covid19	117
Income losses as a result of Covid19	446
Earmarked reserve to fund new Rent Hardship Fund	(100)
Reduced repairs and maintenance expenditure	(229)

Measures approved at Q1 (budget review, furlough)	(370)
Coronavirus Job Retention Scheme (in addition to Q1)	(52)
2020/21 national pay award implications	46
Increased rental income arising from Buy-Backs	(181)
HRS Repatriation	(66)
Net other variances	(90)
Overall forecast budget surplus	(479)

4.4 The following paragraphs, 4.5 – 4.6 set out further detail on the key financial challenges arising as result of Covid19 that the Council is facing in 2020/21.

4.5 **Exceptional costs of dealing with Covid19**

In response to the emergency situation arising in March 2020, the Council has had to adjust its service provision in order to meet the needs of its tenants. This has increased costs as follows:

- **Establishment of Housing Rent Hardship Fund** – in support of the existing Discretionary Housing Payments scheme the Council established an additional hardship fund specifically for Council tenants who were experiencing problems with meeting their housing rent payments.
- **Provision of PPE and COVID secure status for HRA services and buildings** – during the national lockdown, although the significant majority of Council officers were able to continue to deliver services from their homes there were still a number of service areas where this was not possible, in these such circumstances the Council had to ensure that sufficient measures were in place to protect both the officers as well as service users. In addition as services recover and Council buildings are re-opened the Council must ensure that these meet the COVID secure status which has required additional cleaning regimes, physical changes to public spaces, signage etc

4.6 The more significant pressure facing the HRA is in relation to it's income streams, primarily it's housing rent income, as follows:

- **Housing Rents** – in order to provide assistance to the Council's housing rent payers the Council undertook a number of positive actions by moving the 2-week rent free period usually awarded in December to the beginning of April as well as establishing a specific hardship fund. These positive actions helped in keeping rent arrears in a positive position. However, as the impact of these measures has already been applied and as the financial impacts in the economy begin to take effect it is estimated that the level of rent arrears will increase to around £1.2m-£1.5m by the end of March 2021 (from £0.825m at March 2020). Whilst a provision for bad debts is maintained this increase in arrears will require additional contributions to the provision of approx. £375,000. The Council will though continue to support it's housing tenants with the aim of keeping arrears as low as possible.

- **Housing Voids** – during the period of lockdown it was not possible to re-let a number of void properties in the Council’s housing stock resulting in a loss of rental income. As the restrictions of lockdown are reducing the Council is still experiencing a higher than average level of voids just to social distance measures in place increasing the amount of time that it takes for newly void properties to be prepared for re-letting.
- **Treasury Management** – following the drop in interest rates on 19th March 2020 to 0.1% the level of investment interest earned by the Council is set to reduce. Although a number of fixed term deposits are currently in place as these expire during the course of the year the level of interest earned on new investments will fall away.
- **Court Cost charges** – as a result of the closure of the Court service the Council has been unable to progress on Housing Rent arrears through the court system and has subsequently not generated fees payable by the rent payer in addition to the arrears.

4.7 As per the General Fund, the HRA could not absorb this level of budget shortfall without a range of measures aimed at reducing expenditure in the current year. The measures taken to ensure the HRA maintains a balanced budget for 2020/21 were similar to those in the General Fund and are summarised as follows:

- **Budget Review** – A review of all of the Council’s revenue budgets undertaken to identify one off budget reductions.
- **Coronavirus Job Retention Scheme** – a range of staff from primarily income generating areas were placed on furlough.
- **Savings through Repairs and Maintenance** – further savings in addition to the budget review.
- **Earmarked Reserves** - When announcing the Rent Hardship Fund, as set out above, funding for the initiative was agreed from a specific earmarked reserve.

4.8 As a result of the decisive action taken by the Council at the start of the pandemic the total of these measures along with other income and expenditure variances in year have resulted in the HRA currently forecasting a budget underspend at the year end. As with the General Fund there are a number of financial assumptions which may change during the course of the next 6 months and could reduce the current forecast position. At this point it is therefore proposed that the use of the earmarked reserve to resource the Rent Hardship is reviewed following the final outturn position and in addition that the underspend on repairs and maintenance is considered for allocation, subject to the final outturn position.

5. **Housing Repairs Service**

5.1 For 2020/21 the Council’s Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2 At quarter 2 HRS are forecasting a surplus of £169,909 in 2020/21 (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 2021 are attached in Appendix G. In summary:

	Opening Balance	Contribution	Actuals Q1-Q2	Forecast Q3-Q4	Forecast Balance
	01/04/20				31/03/21
	£'000	£'000	£'000	£'000	£'000
General Fund	6,513	(460)	(300)	589	6,342
HRA	1,403	(34)	-	(100)	1,270
Capital Resources	19,490	(8,372)	1,385	(8,372)	11,118

7. Capital Programme

7.1 General Investment Programme

7.2 The original General Investment Programme for 2020/21 in the MTFS 2020-25 amounted to £15.586m. This was increased to £16.430m following quarter 4 approvals and year end re-profiles from 2019/20. There were no changes to the programme at quarter 1. At quarter 2 the programme has been reduced by £5.326m to £11.104m, as shown below.

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 Report	16,430	3,699	740	508	500
Budget changes Approved by CFO Q2	(6,625)	6,821	0	0	0
Budget Changes for Approval by Exec Q2	1,299	450	420	440	0
Revised Budget	11,104	10,970	1,160	948	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 following budget changes/re-profiles were approved by the Chief Finance Officer during the second quarter:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Flood alleviation scheme - Hartsholme Park	(10)	10	0	0	0
Central Markets	(263)	263	0	0	0
Western Growth Corridor (Phase 1 Development)	(6,313)	6,313	0	0	0
Deacon Road	(12)	0	0	0	0
Capital Contingencies	(27)	0	0	0	0
Compulsory Purchase orders (from 19/20)	0	235	0	0	0
	(6,625)	6,821	0	0	0

7.4 There are no changes that require Executive approval for the second quarter

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

During the second quarter the following were considered and approved by Executive:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Heritage Action Zone (Exec approval 27/07/20)	260	450	420	440	0
Town's Fund (Exec approval 26/10/20)	1,000	0	0	0	0
Brayford Viewing Platform (Delegate approval 6/10/20)	39	0	0	0	0
	1,299	450	420	440	0

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

	2020-21 Budget following Q1 report	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing & Investment	50	50	50	0
Communities & Environment	2,657	2,907	2,907	0
Chief Executive	709	736	736	0
Major Developments	7,577	2,000	2,000	0

Total Active Schemes	10,993	5,693	5,693	0
Schemes on Hold/Contingencies	5,437	5,411	5,411	0
Total Capital Programme	16,430	11,104	11,104	0

7.7 The overall spending on the General Investment Programme for the first and second quarter is £0.58m, which is 5.2% of the 2020/21 programme and 10% of the active programme. This is detailed further at Appendix J.

Although this appears to be a relatively low percentage of expenditure at this stage of the financial year, quarter 1 was constrained by the national lockdown as well as the diversion of internal resources to focus on the Covid19. During quarter 2 the majority of schemes recommenced either on site or in terms of their development stages, however it is likely that a number of schemes will not be complete by their original targets and that budgets will have to be re-profiled further.

7.8 Housing Investment Programme

7.9 The original Housing Investment Programme for 2020/21 in the MTFs 2020-25 amounted to £25.640m. This was increased to £28.505m following approvals and year end re-profiles as part of the 2019/20 outturn. This was been further adjusted to £29.324m during the first quarter of 2020/21 and adjusted to £22.286m during quarter 2. A summary of the changes are shown below:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 Report	29,324	17,638	14,537	10,567	10,769
Budget changes Approved by CFO Q2	(6,660)	0	0	0	0
Budget Changes to be Approved by Exec Q2	(377)	3,824	350	815	0
Revised Budget	22,286	21,462	14,887	11,382	10,769

7.10 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive. Changes approved by the Chief Finance Officer during the second quarter were:

Project Name	2020/21 Budget Following Q1 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
	£'000	£'000	£'000	£'000
New Build Programme 70% Match funding	0	0	0	(273)

New Build Programme (141 eligible)	0	0	0	(117)
New Build- De Wint Court	9,326	(4,344)	4,983	4,344
Western Growth Corridor	1,260	(1,250)	10	1,250
Property Acquisitions	4,377	390	4,767	0
New Build Programme	14,963	(5,203)	9,760	5,203
<u>Decent Homes</u>				
Bathrooms & WC's	456	(190)	266	190
Thermal Comfort Works	100	(70)	30	70
Structural Defects	102	(50)	52	50
Door Replacement	808	(200)	608	200
New services	38	(10)	288	0
Total Decent Homes	1,505	(520)	985	510
Lincoln Standard				
Over bath showers (10 year programme)	292	(92)	200	92
Total Lincoln Standard	292	(91)	200	92
Health & Safety				
Replacement Door Entry Systems	106	(50)	56	50
Renew stair structure	43	(43)	0	43
Total Health & Safety	149	(93)	56	93
Other				
Environmental new works	1,193	(693)	500	693
Garages	139	(50)	89	50
Communal TV Aerials	31	(10)	21	10
Total Other	1,362	(753)	609	753
Total budget movements approved by CFO	18,270	(6,660)	11,609	6,650

*Indicates budget has been reduced and returned to available resources

7.11 The following changes require Executive approval for the second quarter:

Project Name	2020/21 Budget Following Q1 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
	£'000	£'000	£'000	£'000
<u>Decent Homes</u>				

*Kitchen Improvements	661	(200)	461	0
*Re-roofing	296	(100)	196	0
*Lincoln Standard Windows Replacement	677	(77)	600	0
Total budget movements to be approved by Executive	1,635	(377)	1,258	0

*Indicates budget has been reduced and returned to available resources

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

There were no new projects approved by the Executive during the second quarter.

7.13 The table below provides a summary of the 2020/21 projected outturn position:

	20/21 Budget following Q1 report	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	6,802	5,813	5,813	0
Health and Safety	562	470	470	0
Contingent Major Repairs/ Works	500	500	500	0
New Build Programme	19,328	14,124	14,124	0
Land Acquisition Fund	95	95	95	0
Other Schemes	1,516	763	763	0
Computer Fund	521	521	521	0
Total Capital Programme	29,324	22,286	22,286	0

7.14 Expenditure against the HIP budget during the second quarter was £6.69m, which is 30% of the revised programme. A further £1.051m has been spent as at the end of October 2020. The expenditure is detailed further at Appendix L.

Although this is a lower percentage than would be expected at this stage of the financial year, quarter 1 was constrained by the national lockdown as well as the diversion of internal resources to focus on the Covid19. The majority of schemes have now recommenced either on site or in terms of their development stages, some schemes have been reprofiled into future years however it is likely further schemes will need re-profiling at quarter 3.

8. Strategic Priorities

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

strategic priorities. Vision 2025 identifies the Council's strategic priorities, setting the vision and direction for the council and the city for the next five years. The proposals in this report allow the Council to maintain a balanced budget position in 2020/21 in order that we can continue to deliver services in support of Vision 2025.

9. Resource Implications

9.1 The financial implications are contained throughout the report.

Under the Local Government Act 2003 the Chief Finance Officer (S151 Officer) is required to give Council an opinion on the robustness of the budget estimates and the adequacy of reserves. Although there remains some uncertainty around the latest budget estimates based on the information to date on income and expenditure it is evident that without a number of measures being taken the Council would face a significant budget shortfall, even after Government funding.

General Balances, on both the General Fund and HRA, are the only resource not ear-marked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the latest forecasts of income and expenditure and measures to be applied the level of balances in 2020/21 will be maintained within these ranges.

Although the primary focus of this report has been to set out the financial challenges being faced in the current financial year and the measures actioned to mitigate the budget shortfalls, this does not mean that the financial issues for the Council are resolved, it simply means that the in-year budget challenges, as they are currently assessed, have been addressed. Beyond 2020/21 the Council is set to face ongoing reductions in resources and increased service costs from the legacy of impacts of Covid19. The combined potential impact in future is possibly greater than that experienced in 2020/21 and will require ongoing reductions in the net cost base in order to live within a significantly reduced resources envelope.

A report updating the financial planning assumptions for the Budget 2021/22 and MTFS 2021-2026 will be presented to the Executive on 23rd November 2020. Work also continues on a TFS Phase 7 programme aimed at delivering a significantly higher savings target which will be required to ensure the longer term sustainability of the MTFS.

9.2 Legal Implications including Procurement Rules

There are no legal implications arising from this report.

9.3 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

10. Risk Implications

10.1 As set out in the report the measures actioned to maintain a balanced budget position in 2020/21 are primarily one-off opportunities and not ongoing reductions in services. However, they will still, in some circumstances limit service standards and performance during 2020/21 as recruitment has been restricted, expenditure budgets have been reduced and staff were furloughed. These interventions are not all 'easy wins' and will have implications for the Council both now and in future years.

11. Recommendations

PSC are recommended to:

- 11.1 Review the financial performance for the period 1st July to 30th September 2020, the projected outturns for 2020/21, and the impact of Covid19 on the Council's financial position.
- 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 Review the proposed contribution to earmarked reserves as set out in paragraph 3.11.
- 11.4 Review the proposed contributions from earmarked reserves as set out in paragraph 3.13.
- 11.5 Review the changes to the General Fund Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraph 7.3 and 7.10 respectively.
- 11.6 Review the changes made by the Executive to the Housing Investment Programme as detailed in paragraphs 7.11.
- 11.7 Consider any specific recommendations to be referred to the Executive when considering this report.

Is this a key decision?

Yes

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

Thirteen

List of Background Papers:

MTFS 2020-2025

Lead Officer:

Jaclyn Gibson, Chief Finance Officer
Telephone (01522) 873258

GENERAL FUND SUMMARY - AS AT 30 SEPTEMBER 2020

	Ref	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Strategic Development	A	1,653	1,754	101
Chief Finance Officer (S. 151)	B	(698)	373	1,071
City Solicitor	C	1,450	1,399	(51)
Housing	D	902	929	27
Growth & Regeneration	E	0	0	0
Director of Major Developments	F	480	486	6
Communities and Street Scene	G	3,538	7,487	3,949
Health & Environmental Services	H	5	430	425
Planning	I	890	1,137	247
		8,220	13,975	5,755
Corporate Expenditure	J	1,817	1,737	(80)
TOTAL SERVICE EXPENDITURE		10,037	15,702	5,665
Capital Accounting Adjustment	K	3,038	3,045	7
Specific Grants	L	(771)	(2,648)	(1,877)
Contingencies	M	1,313	(2,950)	(4,264)
Savings Targets	N	(193)	(193)	0
Earmarked Reserves	O	(793)	(171)	622
Insurance Reserve	P	45	45	0
TOTAL EXPENDITURE		12,677	12,861	184
CONTRIBUTION TO BALANCES		286	102	(184)
NET REQUIREMENT		12,963	12,963	0
Retained Business Rates Income	Q	5,823	5,823	0
Tariff	R	0	0	0
Section 31 grant	S	0	0	0
Levy	T	0	0	0
Collection Fund surplus/ (deficit)	U	202	202	0
Revenue Support Grant	V	23	23	0
Council Tax	W	6,915	6,915	0
TOTAL RESOURCES		12,963	12,963	0

General Fund Forecast Variances - Quarter 2

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

Ref		£	Reason for variance
	<u>Additional Expenditure</u>		
B	Buildings Cleaning/City Hall	49,860	Additional costs of enhanced cleaning regimes and other Covid secure buildings measures.
B	Property Management	60,910	Agency costs incurred to cover vacant post and consultancy fees for asset appraisals/schemes.
D	Rough Sleeping	97,140	Costs incurred in ensuring all rough sleepers are provided accommodation as part of Covid-19 measures (net cost after offset of housing benefit).
D	Control Centre	32,170	Additional costs due to supplying digital equipment rather than analogue as a result of Covid restrictions.
H	Service Contracts	75,000	Contingency for any future claims arising from contractors in event of 2 nd wave/local lockdown.
H	Health & Safety	41,380	Additional staffing requirements to support testing, tracing, outbreak planning and support to businesses (offset by funding from Government)
H	Health & Safety	58,020	Additional costs incurred relation to compliance and enforcement (Covid marshalls) ((offset by Government grant).
G	City Services	87,820	Additional costs incurred in supporting the re-opening of the High Street and City Centre (offset by Government grant)
I	Corporate Services	35,000	Anticipated share of LGR Consultancy Fees and Investor Membership in Lincoln Business Improvement Group
M	Staffing Costs	110,000	Estimated additional cost of national 2.75% pay award in excess of budget assumption of 2%.
M	Annual vacancy savings target	72,680	Vacancy savings target, offset by vacancies within service areas.
	<u>Reduced Income</u>		
A	Land Charges	41,840	Anticipated shortfall in income due reduced demand during lockdown.

Ref		£	Reason for variance
B	The Terrace	54,830	Reduction in Rental & Fees & Charges income as a result of Covid-19 and lower occupancy levels (offset by reduced expenditure below).
B	Lincoln Properties	596,345	Reduction in rental income as a result of Covid, including impact of CVA for Travelodge.
B	Council Tax	310,200	Expected reduction in court cost income due to closure of courts as a result of Covid.
B	Treasury Investment Income	48,630	Expected reduction in interest received due to lower base rate.
F	Car Parks	3,849,920	Anticipated loss of income following Covid lockdown and ongoing impact of local economic recovery.
F	Bus Station	54,320	Reduction in departure fees due to reduction in the service levels during Covid and recovery period (offset by reduced expenditure below).
F	Hartsholme Country Park	49,160	Reduction of income due to park and camp site being closed during lockdown periods.
G	Enforcement Officer	24,420	Anticipated shortfall of income following Covid disruption.
G	Visitor Information Centre	114,500	Loss of income at VIC due to Covid closure and impact on footfall and tourism during recovery (see reduced expenditure below).
G	Markets	47,320	Reduction in stall licence fee income as a result of Covid and lower occupancy levels.
G	Xmas Market	651,200	Loss of income from cancellation of 2020 Xmas Market (see reduced expenditure below).
G	Yarborough/Birchwood Leisure Centres	70,030	Loss of swimming and pitch income due to closure of centres during to lockdown and ongoing impact of social distancing.
G	Community Centre & Recreational Grounds	81,030	Loss of income due to ongoing closure of centres and reduction in demand at recreational grounds (see reduced expenditure below).
H	Building Control	71,060	Fees and charges losses anticipated following Covid and subsequent impact on local economy and market conditions.
H	Development Control	210,000	Fees and charges losses anticipated following Covid and subsequent impact on local economy and local development.

Reduced Expenditure

Ref		£	Reason for variance
L	Contingencies – Budget measures taken Q1	(1,168,170)	A combination of all the budgets measures approved at Q1 to offset the income and expenditure pressures as a result of the national lockdown and subsequent recovery period.
B	The Terrace	(44,040)	Underspend on Direct Business Rates and Utilities as a result of lower occupancy levels due to the ongoing impact of covid restrictions (offsets income losses above, net effect £10,790).
C	Civic	(25,110)	Underspend due to a reduction in Civic activities as a result of ongoing Covid restrictions.
C	Municipal Elections	(30,000)	Underspend due to the postponement of the Elections until May 2021 as a result of Covid restrictions.
F	Bus Station	(50,750)	Underspend on repairs and maintenance requirements, potential to contribute to Bus Station Sinking Fund subject to year-end outturn.
G	Xmas Market	(601,730)	Savings arising from non-delivery of 2020 Christmas Market (offsets income losses above, net effect £49,470).
G	Community Centre & Recreational Grounds	(26,990)	Underspend on utilities & cleaning costs due to ongoing closure of centres and reduction in demand at recreational grounds (offsets income losses above, net effect £52,250).
G	Visitor Information Centre	(23,420)	Reduced costs at VIC due to Covid closure and impact on footfall and tourism during recovery (offsets income losses above, net effect £82,580).
H	Development Control	(28,470)	Vacancy savings, not identified during budget review (will offset against vacancy savings target)
<u>Additional Income</u>			
H	Health & Safety	(58,020)	Ring fenced Government grant for Local Authority Compliance and Enforcement.
G	City Services	(87,820)	Ring fenced Government grant for Reopening High Streets Safely Fund.
G	Health & Safety	(41,380)	Additional funding to resource staffing requirements to support testing, tracing, outbreak planning and support to businesses.

Ref		£	Reason for variance
I	Corporate Services	(130,000)	New Burdens funding to compensate for work associated with administering the business support grants.
L	Contingencies – Income	(38,630)	No asset sales anticipated in year with income losses.
L	Contingencies – Job Retention Scheme	(50,440)	Anticipated funding through access to Job Retention Scheme, income relates to August and September claims (previous months included in Q1 measures).
L	Contingencies – Income Compensation Scheme	(2,980,000)	Estimate of income losses arising as result of Covid to be compensated for through government scheme. Net income losses, after a 5% deductible and offset for savings arising during period, are compensated for a 75p for each £1 loss.
L	Government Grant	(1,876,800) 622,107	Government funding to offset local authority expenditure pressures arising due to Covid-19. (Tranche 4 £622,107 to be contributed to earmarked reserves).
L	Government Grant	(82,276)	Grant received in respect of increased rough sleeping costs as a result of Covid-19 measures (additional expenditure set out above)

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 SEPTEMBER 2020

	Ref	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Gross Rental Income	A	(28,666)	(28,699)	(32)
Charges for Services & Facilities	B	(306)	(298)	7
Contribn towards Expenditure	C	(50)	(40)	10
Repairs & Maintenance	D	8,959	8,731	(229)
Supervision & Management:	E	6,860	6,899	38
Rents, Rates and Other Premises	F	95	94	(1)
Increase in Bad Debt Provisions	G	297	672	375
Insurance Claims Contingency	H	106	106	0
Contingencies	I	452	(56)	(504)
Depreciation	J	6,637	6,637	0
Debt Management Expenses	K	12	12	0
HRS Trading (Surplus) / Deficit	L	(104)	(170)	(66)
Net Cost of Service	M	(5,707)	(6,109)	(402)
Loan Charges Interest	N	2,530	2,530	0
Investment/Mortgage Interest	O	(43)	(20)	23
Net Operating Inc/Exp		(3,219)	(3,599)	(379)
Major Repairs Reserve Adjustment	P	3,184	3,184	0
Transfers to/from reserves	Q	111	11	(100)
(Surplus)/Deficit in Year		75	(404)	(479)

Housing Revenue Account Variances - Quarter 2

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

Ref		£	Reason for variance
	<u>Reduced Expenditure</u>		
I	Contingencies – Budget Measures taken Q1	(369,835)	A combination of all the budgets measures approved at Q1 to offset the income and expenditure pressures as a result of the national lockdown and subsequent recovery period.
I	Towards Financial Sustainability Programme	(43,050)	Savings attributable to the HRA and HRS arising from savings reviews undertaken in the General Fund as part of the TFS programme.
I	Contingencies – Job Retention Scheme	(52,490)	Anticipated funding through access to Job Retention Scheme, income relates to August and September claims (previous months included in Q1 measures).
D	Repairs & Maintenance	(228,610)	External decoration & painting and asbestos survey savings incurred during lockdown and recovery period.
	<u>Increased Expenditure</u>		
O	Investment Interest	22,550	Expected reduction in interest received due to lower base rate.
H	Bad Debt Provision	374,460	Additional year end contribution forecasted due to anticipated increase in level of housing rent arising due to Covid19.
I	Staffing Costs	46,000	Estimated additional cost of national 2.75% pay award in excess of budget assumptions of 2%.
	<u>Increased Income</u>		
L	HRS Trading Surplus	(66,000)	Estimated surplus as at Q2 from trading activities, see HRS variances for further detail.
A	Gross Rental Income	(202,000)	Additional affordable and social rental income arising due to an increased number of property buybacks.
	<u>Reduced Income</u>		

Ref		£	Reason for variance
A	Dwelling Rents	49,000	Increase in void numbers during lockdown and increased length of time voids being re-let due to social distancing requirements resulting in lost rental income.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 SEPTEMBER 2020

	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Employees	3,222	3,055	(167)
Premises	40	40	0
Transport	760	782	22
Materials	1,415	1,415	0
Sub-Contractors	1,916	1,916	0
Supplies & Services	218	298	80
Central Support Charges	(137)	(241)	(104)
Capital Charges	0	0	0
Total Expenditure	7,434	7,265	(169)
Income	(7,434)	(7,434)	0
(Surplus)/Deficit	0	(169)	(169)

Housing Repairs Service Variances - Quarter 2

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

	£	Reason for Variance
<u>Reduced Spending</u>		
Towards Financial Sustainability Programme	(3,390)	Savings attributable to the HRS arising from savings reviews undertaken in the General Fund as part of the TFS programme.
Contingencies	(52,740)	Funding though access to the Job Retention Scheme for the period June – September.
Budget Review	(47,720)	A review of all revenue budgets, to identify one-off reductions arising as a result of lockdown and subsequent recovery period or budgets were expenditure can be deferred during the year. This includes any attributable savings arising in General Fund and HRA support services.
Employee Costs	(167,120)	Operative/labourer vacancies
<u>Increased Spending</u>		
Supplies & Services	79,195	Additional equipment hire costs.
Transport	21,865	Hire of additional truck and increased repairs.

EARMARKED RESERVES – Q2 MONITORING 2020/21

	Revised Opening Balance 01/04/2020 £'000	Budgeted Contribution £'000	Actuals Q1-Q2 £'000	Forecast Q3-Q4 £'000	Forecast Balance 31/03/2021 £'000
General Fund					
Grants & Contributions	987	(140)	0	(80)	766
Budget Carry Forwards	90	0	(15)	(24)	52
Active Nation Bond	0	0	0	83	83
Air Quality Initiatives	5	6	0	0	11
Asset Improvement	4	0	0	0	4
Backdated Rent Review	0	0	0	0	0
Birchwood Leisure Centre	26	0	0	20	46
Boston Audit Contract	0	0	0	0	0
Business Rates Volatility	1,959	27	0	0	1,987
Christmas Decorations	14	0	0	0	14
City Hall Sinking Fund	60	0	0	0	60
Commons Parking	27	0	0	0	27
Corporate Training	45	0	0	0	45
Covid-19 Recovery	425	0	0	0	425
Covid-19 Response	354	0	0	622	1,047
Crem Income	0	0	0	0	0
DRF Unused	199	(167)	113	0	145
Electric Van replacement	15	4	0	0	19
Funding for Strategic Priorities	721	(276)	(272)	0	174
Income Volatility Reserve	0	0	0	0	0
Invest to Save (GF)	336	7	(83)	0	260
IT Reserve	94	29	0	0	124
Mayoral Car	27	0	0	0	27
Mercury Abatement	371	(54)	0	0	317
MSCP & Bus Station Sinking Fund	60	0	0	0	60
Organisational Development	0	0	0	0	0
Private Sector Stock Condition Survey	15	12	0	0	27
Property Searches	0	0	0	0	0
Revenues & Benefits Share Service	25	0	(25)	0	0
Section 106 Interest	32	0	0	0	32
Strategic Growth Reserve	57	0	0	0	57
Strategic Projects – Revenue Costs	131	(120)	(11)	0	0
Tank Memorial	10	0	0	0	10
Tree Risk Assessment	106	20	0	(33)	93
Vision 2025	220	191	(6)	0	404
WGC Planning	100	0	0	0	100
Yarborough Leisure Centre	0	0	0	0	0
	6,513	(460)	(300)	589	6,342

Appendix G

	Revised Opening Balance 01/04/2020 £'000	Budgeted Contribution £'000	Actuals Q1-Q2 £'000	Forecast Q3-Q4 £'000	Forecast Balance 31/03/2021 £'000
HRA					
Capital Fees Equalisation	140	(30)	0	0	110
De Wint Court	73	0	0	0	73
Housing Business Plan (New)	0	77	0	0	77
Housing Repairs Service	126	0	0	0	126
HRA Repairs Account	579	(79)	0	0	500
Housing Strategic Priority	176	75	(100)	0	151
HRA Survey Works	54	(54)	0	0	0
Invest to Save (HRA)	133	0	0	0	133
Rent Hardship Fund (New)	0	0	100	(100)	0
Stock Retention Strategy	22	(22)	0	0	0
Strategic Growth Reserve	101	0	0	0	101
	1,403	(33)	0	(100)	1,270
Total Earmarked Reserves	7,916	(493)	(300)	489	7,612

CAPITAL RESOURCES – Q2 MONITORING 2020/21

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/2020
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	5,225	3,081	(8,164)	142
Capital receipts General Fund	801	0	(273)	528
Capital receipts HRA	1,065	400	(1,303)	162
Capital receipts 1-4-1	3,280		(1,757)	1,523
Major Repairs Reserve	5,061	6,750	(7,568)	4,243
HRA DRF	4,058	3,184	(2,722)	4,520
Total Capital Resources	19,490	13,415	(21,787)	11,118

As the contributions for 1:4:1 receipts depend upon levels of RTB sales no budget is set for these receipts. The amount of 1:4:1 receipts which require spend on eligible developments creating new social housing units is £1.3m in 19/20, to avoid repayment to MHCLG. Currently the HIP has firm schemes to facilitate this. The expected amount to be spent in 20/21 shown above represents 30% of eligible spend (therefore £3.43m of funding is required to support eligible planned spend). At quarter 2 there was £2,594k of 1:4:1 eligible spend 30% of which will be funded by 1-4-1 receipts. The Covid 19 pandemic has impacted on the RTB sales during 20/21 resulting in lower than projected capital receipts being forecast for the year.

General Investment Programme – Summary of Financial Changes

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 Report	16,430	3,699	740	508	500
Budget changes for Executive approval at Q2	-5,326	7,271	420	440	0
Revised Budget	11,104	10,970	1,160	948	500
Approved by Chief Finance Officer					
Flood alleviation scheme - Hartsholme Park	-10	10	0	0	0
Central Markets	-263	263	0	0	0
Western Growth Corridor (Phase 1 Development)	-6,313	6,313	0	0	0
Deacon Road	-12	0	0	0	0
Capital Contingencies	-27	0	0	0	0
Compulsory Purchase orders	0	235	0	0	0
	-6,625	6,821	0	0	0
Approved by Executive					
Heritage Action Zone	260	450	420	440	0
Town's Fund	1,000	0	0	0	0
Brayford Viewing Platform	39	0	0	0	0
	1,299	450	420	440	0
Total Changes	-5,326	7,271	420	440	0

General Investment Programme – Summary of Expenditure as at 30th SEPTEMBER 2020

Scheme	Revised Budget following Q1 report	Budget to be approved	Actuals as at Q2	Variance	Spend	
	£	£	£	£	%	
ACTIVE SCHEMES						
DCE - Communities & Environment						
Disabled Facilities Grant	1,504,472	1,504,472	281,312	-1,223,160	19%	
Transformation of Birchwood Leisure Centre	30,000	30,000	0	-30,000	0%	
Artificial Grass Pitches (AGP)	188,301	188,301	95,405	-92,896	51%	
New Software- Crematorium	11,375	11,375	0	-11,375	0%	
Swift Gardens Play Area	74,200	74,200	74,200	0	100%	
	1,808,348	1,808,348	450,917	-1,357,431		
DCE - Community Services						
Flood alleviation scheme - Hartsholme Park	10,000	0	0	0	0%	Re-profiled to 21/22
Boultham Park Masterplan	49,700	49,700	0	-49,700	0%	
Boultham Park Lake	695,026	695,026	60,371	-634,655	5%	
Allotment Capital Improvement Programme	679	679	0	-679	0%	
Car Park Improvements - ticket machines	87,360	87,360	0	-87,360	0%	
Car Park Improvements - CCTV in MSCPs	6,142	6,142	0	-6,142	0%	
	848,907	838,907	60,371	-778,536		
DCE - Planning						
Heritage Action Zone	0	260,000	0	-260,000	0%	
	0	260,000	0	-260,000	0	
DCE Total	2,657,255	2,907,255	511,288	-2,395,967	0	

General Fund Housing						
Housing Renewal Area Unallocated	50,000	50,000	9,985	-40,015	20%	
	50,000	50,000	9,985	-40,015		
Major Developments						
Lincoln Transport HUB	0	0	-104,202	-104,202	0%	Retention Payment
Central Markets	263,383	0		0	0%	Re-profiled into 21/22
Western Growth Corridor (Phase 1 Devt)	7,313,010	1,000,000	517	-999,483	0%	Re-profiled into 21/22
Towns Fund	0	1,000,000	48,217	-951,783	5%	New grant funding
	7,576,393	2,000,000	-55,468	-2,055,468		
Chief Executives - Corporate Policy						
New Telephony System	16,066	16,066	0	-16,066	0%	
New Website	2,240	2,240	0	-2,240	0%	
Infrastructure Upgrade	3,772	3,772	0	-3,772	0%	
	22,078	22,078	0	-22,078		
Chief Executives - Chief Finance Officer						
Planned Capitalised Works	127,759	127,759	0	-127,759	0%	
Allotments Asbestos Sheds	33,795	33,795	0	-33,795	0%	
City Hall Improvements	931	931	0	-931	0%	
Guildhall Works	17,630	17,630	0	-17,630	0%	
Stamp End Demolition	139,400	139,400	0	-139,400	0%	
Greyfriars Roof Improvements	4,050	4,050	0	-4,050	0%	
City Hall 3rd Floor Fire Works	5,001	5,001	0	-5,001	0%	
Guildhall	609	609	0	-609	0%	
Michaelgate Structural Works	2,283	2,283	0	-2,283	0%	
Long Leys Road Drainage	10,438	10,438	0	-10,438	0%	
Lucy Tower Lifts	137,005	137,005	116,106	-20,899	85%	
YLC Diving Boards	42,550	42,550	0	-42,550	0%	
BLC Roof	3,267	3,267	0	-3,267	0%	

Appendix J

The Terrace	0	0	-2,712	-2,712	0%	Retention Payment
Greetwell Hollow	150,000	150,000	0	-150,000	0%	
Deacon Road	12,287	20	20	0	0%	Retention Payment
Brayford Viewing Platform	0	38,900	0	-38,900	0%	
	687,005	713,638	113,414	-600,224		
TOTAL BUDGET FOR ACTIVE SCHEMES	10,992,731	5,692,971	579,219	-5,113,752		
Schemes Currently Under Review						
Capital Contingencies	666,910	640,277	0	-640,277	0%	
IT Reserve	70,562	70,562	0	-70,562	0%	
Crematorium - remodelling	4,700,000	4,700,000	0	-4,700,000	0%	
	5,437,472	5,410,839	0	-5,410,839		
TOTAL GENERAL INVESTMENT PROGRAMME	16,430,203	11,103,810	579,219	-10,524,591		

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

Project Name	2020/21 Budget Following Q1 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Unallocated new build budget	1,330,282	0	1,330,282	0
New Build Programme 70% Match funding	0	0	0	-273,210
New Build Programme (141 eligible)	0	0	0	-117,090
New Build Capital Salaries	40,560	0	40,560	0
New Build- De Wint Court	9,326,313	-4,343,759	4,982,554	4,343,759
New Build - Markham House	510,118	0	510,118	0
New Build – Searby Road	62,497	0	62,497	0
Western Growth Corridor	1,259,766	-1,250,000	9,766	1,250,000
New Build - QER	195,051	0	195,051	0
Rookery Lane	446,935	0	446,935	0
Property Acquisitions	4,376,933	390,300	4,767,233	0
New Build Acquisition - Riseholme Road	1,779,149	0	1,779,149	0
New Build Programme	19,327,604	-5,203,459	14,124,145	5,203,459
Land Acquisition				
Land Acquisition fund	94,689	0	94,689	0
Land Acquisition	94,689	0	94,689	0
Total New Build/Acquisitions	19,422,293	-5,203,459	14,218,834	5,203,459

Housing Investment Programme – Decent Homes– Summary of Financial Changes

Project Name	2020/21 Budget Following Q1 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from)future years
	£	£	£	£
<u>Decent Homes</u>				
Bathrooms & WC's	456,011	-190,000	266,011	190,000
DH Central Heating Upgrades	1,728,972	0	1,728,972	0
Thermal Comfort Works	100,000	-70,000	30,000	70,000
*Kitchen Improvements	661,147	-200,000	461,147	0
Rewiring	28,791	0	28,791	0
*Re-roofing	296,442	-100,000	196,442	0
*Lincoln Standard Windows Replacement	677,233	-77,233	600,000	0
Structural Defects	102,361	-50,000	52,361	50,000
Door Replacement	808,378	-200,000	608,378	200,000
*New services	37,964	-10,000	27,964	0
Void Capitalised Works	1,334,628	0	1,334,628	0
Fire doors	238,680	0	238,680	0
Fire compartment works	40,000	0	40,000	0
Total Decent Homes	6,510,607	-897,233	5,613,374	510,000
Lincoln Standard				
Over bath showers (10 year programme)	291,653	-91653	200,000	91,653
Total Lincoln Standard	291,653	-91,653	200,000	91,653
Health & Safety				
Asbestos Removal	183,816	0	183,816	0
Asbestos Surveys	189,885	0	189,885	0
Replacement Door Entry Systems	105,890	-50,000	55,890	50,000

Renew stair structure	42,799	-42,799	0	42,799
Fire Alarms	40,000	0	40,000	0
Total Health & Safety	562,390	-92,799	469,591	92,799
Other				
Environmental new works	1,192,517	-692,517	500,000	692,517
Gunby Avenue	3,333	0	3,333	0
Communal Electrics	81,150	0	81,150	0
Garages	138,778	-50,000	88,778	50,000
HRA Assets - Shops/Buildings	42,962	0	42,962	0
CCTV	26,685	0	26,685	0
Communal TV Aerials	30,376	-10,000	20,376	10,000
Total Other	1,515,801	-752,517	763,284	752,517
Contingency Schemes				
Contingency Reserve	500,000	0	500,000	0
Total Contingency Schemes	500,000	0	500,000	0
Other Schemes				
Housing Support Services Computer Fund	231,156	0	231,156	0
Infrastructure Upgrade	251,633	0	251,633	0
Operation Rose	38,611	0	38,611	0
Total Other Schemes	521,400	0	521,400	0
Total Housing Investment	9,901,851	-1,834,202	8,067,649	1,446,969

*Budgets returned to available resources

Housing Investment Programme – Summary of Expenditure as at 30th September 2020

Project Name	2020/21 Budget following Q1 report	Revised Budget	Q2 Budget Change	Actuals as at Q2	Variance	Spend
	£	£	£	£	£	%
Decent Homes						
Bathrooms & WC's	456,011	266,011	-190,000	80,785	-185,226	30.37%
DH Central Heating Upgrades	1,728,972	1,728,972	0	493,068	-1,235,904	28.52%
Thermal Comfort Works	100,000	30,000	-70,000	1,330	-28,670	4.43%
Kitchen Improvements	661,147	461,147	-200,000	121,086	-340,061	26.26%
Rewiring	28,791	28,791	0	2,008	-26,783	6.97%
Re-roofing	296,442	196,442	-100,000	0	-196,442	0.00%
Lincoln Standard Windows Replacement	677,233	600,000	-77,233	0	-600,000	0.00%
Structural Defects	102,361	52,361	-50,000	0	-52,361	0.00%
Door Replacement	808,378	608,378	-200,000	23,738	-584,640	3.90%
New services	37,964	27,964	-10,000	5,657	-22,307	20.23%
Void Capitalised Works	1,334,628	1,334,628	0		-1,334,628	0.00%
Fire Doors	238,680	238,680	0		-238,680	0.00%
Fire Compartment Works	40,000	40,000	0		-40,000	0.00%
<i>Prelim Costs to be allocated</i>			0	30,669	30,669	
Decent Homes	6,510,607	5,613,374	-897,233	758,341	-4,855,033	
Lincoln Standard						
Over bath showers (10 year programme)	291,653	200,000	-91,653	8,929	-191,071	4.46%
Lincoln Standard	291,653	200,000	-91,653	8,929	-191,071	
Health & Safety						

Asbestos Removal	183,816	183,816	0	56,245	-127,571	30.60%
Asbestos Surveys	189,885	189,885	0	26,771	-163,115	14.10%
Replacement Door Entry Systems	105,890	55,890	-50,000	0	-55,890	0.00%
Renew stair structure	42,799	0	-42,799	0	0	0.00%
Fire Alarms	40,000	40,000	0	0	-40,000	0.00%
Health & Safety	562,390	469,591	-92,799	83,015	-386,576	
New Build Programme						
Unallocated New Build	1,330,282	1,330,282	0	0	-1,330,282	0.00%
New Build Programme	4,294,076	3,044,076	-1,250,000	2,186,962	-857,114	71.84%
Purchase and repair	4,376,933	4,767,233	390,300	2,455,438	-2,311,795	51.51%
De Wint Court	9,326,313	4,982,554	-4,343,759	1,197,689	-3,784,865	24.04%
New Build Programme	19,327,604	14,124,145	-5,203,459	5,840,089	-8,284,056	
Land Acquisition						
Land Acquisition Fund	94,689	94,689	0	0	-94,689	0%
Land Acquisition	94,689	94,689	0	0	-94,689	0
Other						
Environmental works	1,192,517	500,000	-692,517	0	-500,000	0%
Gunby Avenue	3,333	3,333	0	0	-3,333	0%
Communal Electrics	81,150	81,150	0	0	-81,150	0%
Garages	138,778	88,778	-50,000	0	-88,778	0%
HRA Assets - Shops/Buildings	42,962	42,962	0	0	-42,962	0%
CCTV	26,685	26,685	0	0	-26,685	0%
Communal TV Aerials	30,376	20,376	-10,000	0	-20,376	0%
Other	1,515,801	763,284	-752,517	0	-763,284	
Contingency Schemes						

Contingency Reserve	500,000	500,000	0	0	-500,000	0%
Contingency Schemes	500,000	500,000	0	0	-500,000	-
<u>Other Schemes</u>						
Housing Support Services Computer Fund	231,156	231,156	0	0	-231,156	0%
Operation ROSE	38,611	38,611	0	0	-38,611	0%
IT Infrastructure Upgrade	251,633	251,633	0	0	-251,633	0%
Other Schemes	521,400	521,400	0	0	-521,400	
GRAND TOTALS	29,324,144	22,286,483	-7,037,661	6,690,374	-15,596,109	

PERFORMANCE SCRUTINY

19 NOVEMBER 2020

SUBJECT: TREASURY MANAGEMENT AND PRUDENTIAL CODE UPDATE REPORT – HALF YEAR ENDED 30TH SEPTEMBER 2020

REPORT BY: CHIEF EXECUTIVE

LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

1.1 This report covers the Council's treasury management activity and the actual prudential indicators for the period April 1st to September 30th 2020. This is in accordance with the requirements of the Prudential Code.

2. Executive Summary

2.1 Treasury Management position and performance results for the 6 months ended 30th September 2020.

2.1.1 Investment portfolio

The Council held £33million of investments at 30th September 2020. The investment profile is shown in Appendix A.

Of this investment portfolio 100% was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments. During the 6 months to 30th September on average 92% of the portfolio was held in low risk specified investments and an average of 8% of the portfolio was held in non-specified investments (with other local authorities).

Liquidity – The Council seeks to maintain liquid short-term deposits of at least £5 million available with a week's notice. The weighted average life (WAL) of investments for the year was expected to be 0.25 years (91 days). At 30th September 2020 the Council held liquid short term deposits of £23 million and the WAL of the investment portfolio was 0.07 years (24 days). The decrease in the WAL of the investment portfolio is due to a larger proportion of the portfolio being placed in shorter term investments to ensure the council has enough liquid resources available at short notice during the pandemic.

Security - The Council's maximum security risk benchmark for the portfolio as at 30th September 2020 was 0.003%, which equates to a potential loss of £0.001m on an investment portfolio of £33m. This is lower than budgeted maximum risk of 0.009% in the Treasury Management Strategy. It represents a very low risk investment portfolio.

Yield – The Council achieved an average return of 0.32% on its investment portfolio for the 6 months ended 30th September 2020. This compares favourably with the target 7 day average LIBID at 30th September of -0.0555% and is significantly lower than the budgeted yield of 0.85% for 2020/21 in the MTF5 2020-25. This is primarily due to reductions in the Bank of England base rate as a result of the Covid

19 pandemic and the effects on rates available in the market as a result.

2.1.2 External borrowing

At 30th September 2020 the Council held £117.551 million of external borrowing, of which 100% were fixed rate loans (Appendix A).

As at 30th September 2020, the average rate of interest paid during quarters 1 and 2 on external borrowing was 3.7%. This is lower than the budgeted rate set in the MTFs 2020-25; there has been a reduction in external borrowing during the first 6 months of the year as some borrowing has been repaid.

3. Background

3.1 The prudential system for capital expenditure is now well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 30th September 2020. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 03 March 2020.

3.2 This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.

3.3 This report highlights the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporates any new or revised schemes previously reported to Members. Changes required to the residual prudential indicators and other related treasury management issues are also included.

4. Prudential Indicators

4.1 This part of the report is structured to provide an update on:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing.

4.2 Capital Expenditure

The table below summarises the changes to the capital programme that have been approved by or are subject to Executive approval since Council approved the original budget in March 2020.

Capital Expenditure	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
General Fund	15,586	11,104	2,847	10,971	703	1,160
HRA	25,640	22,287	16,608	21,462	13,761	14,887
Total	41,226	33,391	19,455	32,433	14,464	16,047

4.3 Financing of the Capital Programme

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

Indicators 1 & 2	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
Capital Expenditure						
Total Spend	41,226	33,391	19,455	32,433	14,464	16,047
Financed by:						
Capital receipts	2,344	3,183	4,330	3,586	1,374	1,925
Capital grants & contributions	6,414	8,164	3,310	4,079	300	720
Major Repairs Reserve (Depreciation)	10,673	7,568	6,520	9,384	6,099	7,559
Revenue/Reserve Contributions	4,361	2,751	3,344	7,550	3,991	2,736
Net borrowing for the year	17,434	11,725	1,951	7,834	2,700	3,107

The principal changes in the financing, from the original estimates approved in March 2020 are as a result of the re-profiling of expenditure.

4.4 The Capital Financing Requirement and External Debt

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

Indicators 3 & 4	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
General Fund	78,739	73,507	77,335	78,531	75,923	77,153
HRA	68,807	67,297	70,558	68,502	73,058	71,373
Total CFR	147,546	140,805	147,893	147,033	148,981	148,526
Net movement in CFR	15,757	10,069	347	6,228	1,088	1,493
Indicator 5	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
Borrowing	127,000	127,000	127,000	127,000	125,000	127,000
Other long term liabilities *	Nil	Nil	Nil	Nil	Nil	Nil
Total Debt 31 March	127,000	127,000	127,000	127,000	125,000	127,000

* Other long term liabilities includes Finance leases- a change in accountancy practice will result in finance liabilities in 21/22 onwards which will be reported in the Treasury management Strategy

The Council is currently under-borrowed against the CFR, as, whilst the Council has adequate cash balances and employs internal resources until cash flow forecasts indicates the need for additional borrowing or rates are available that reduce the cost of carrying debt. PWLB borrowing rates have decreased and are currently forecast to remain steady over the next year. Borrowing has been arranged for later in 2020/21 some of which has replaced short term borrowing (£5m) - further borrowing of £2m is anticipated to replace borrowing which is maturing in the forthcoming months.

The HRA borrowing requirement is considered independently from that of the General Fund and a recent change in the rates available have made it advantageous for the HRA to borrow rather than employ internal balances. Further borrowing of £2m is anticipated and will be reported as part of the MTFs and Treasury Management Strategy.

4.5 Limits to Borrowing Activity

The first key control over the Council's borrowing activity is a prudential indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need, which will be adhered to if this proves prudent.

Indicator 6	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
Gross Borrowing	127,000	127,000	128,000	128,000	125,000	127,000
Investments	(18,500)	(18,500)	(18,500)	(18,500)	(18,500)	(18,500)
Net Borrowing	108,500	108,500	109,500	109,500	106,500	108,500
CFR	147,546	140,805	147,893	147,033	148,981	148,526
Net borrowing is below CFR	38,192	32,305	36,685	37,533	40,773	40,026

*revised estimates as at 31 March

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

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

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

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

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

Indicator 7	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
Authorised limit for external debt*						
Borrowing	156,855	120,678	157,605	125,863	154,890	128,498
Other long term liabilities**	1,200	1,380	1,200	1,380	1,200	1,380
Total Authorised limit	158,055	150,648	158,805	155,833	156,090	158,468
Indicator 8	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
Operational boundary for external debt*						
Borrowing	141,855	134,355	142,605	139,605	139,890	142,240
Other long term liabilities**	1,200	1,200	1,200	1,200	1,200	1,200
Total Operational Boundary	143,055	135,555	143,805	140,805	141,090	143,440

* The highest level of external debt during the first half of 2020/21 was £120.154m.

** Other long term liabilities include Finance leases.

There have been revisions to the capital programme since the Medium Term Financial Strategy was set in March 2020 which have impacted on authority's capital financing requirement and as a result, to the figures calculated for the operational boundary for borrowing. The limits for the Operational Boundary allow for previous use of internal borrowing to be replaced by external borrowing should the Chief Finance Officer decide that it is appropriate and prudent to do so.

Other Prudential Indicators

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

5. Treasury Management Strategy 2020/21 to 2022/23 Update

5.1 Economic Update

- 5.1.1
- As expected, the Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 6th August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:
 - The fall in **GDP** in the first half of 2020 was revised from 28% to 23% (subsequently revised to -21.8%). This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
 - The peak in the **unemployment rate** was revised down from 9% in Q2 to 7½% by Q4 2020.
 - It forecast that there would be excess demand in the economy by

Q3 2022 causing CPI **inflation** to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.

- It also squashed any idea of using **negative interest rates**, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including QE and the use of forward guidance.
- The MPC expected the £300bn of **quantitative easing** purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.
- In conclusion, this would indicate that the Bank could now just sit on its hands as the economy was recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to **downside risks**, which were judged to persist both in the short and medium term. One has only to look at the way in which second waves of the virus are now impacting many countries including Britain, to see the dangers. However, rather than a national lockdown, as in March, any spikes in virus infections are now likely to be dealt with by localised measures and this should limit the amount of economic damage caused. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down of the initial generous furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in the year. Admittedly, the Chancellor announced in late September a second six month package from 1st November of government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours. There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce still on furlough in mid September.
- Overall, **the pace of recovery** is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.
- There will be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services is one area that has already seen huge growth.

- One key addition to **the Bank's forward guidance** was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate
- The **Financial Policy Committee** (FPC) report on 6th August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.
- **US.** The incoming sets of data during the first week of August were almost universally stronger than expected. With the number of new daily coronavirus infections beginning to abate, recovery from its contraction this year of 10.2% should continue over the coming months and employment growth should also pick up again. However, growth will be dampened by continuing outbreaks of the virus in some states leading to fresh localised restrictions. At its end of August meeting, the Fed tweaked **its inflation target** from 2% to maintaining an average of 2% over an unspecified time period i.e. following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This change is aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade so financial markets took note that higher levels of inflation are likely to be in the pipeline; long term bond yields duly rose after the meeting. The Fed also called on Congress to end its political disagreement over providing more support for the unemployed as there is a limit to what monetary policy can do compared to more directed central government fiscal policy. The FOMC's updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.
- **EU.** The economy was recovering well towards the end of Q2 after a sharp drop in GDP, (e.g. France 18.9%, Italy 17.6%). However, the second wave of the virus affecting some countries could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support.

- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and has enabled it to recover all of the contraction in Q1. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.
- **Japan.** There are some concerns that a second wave of the virus is gaining momentum and could dampen economic recovery from its contraction of 8.5% in GDP. It has been struggling to get out of a deflation trap for many years and to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. The resignation of Prime Minister Abe is not expected to result in any significant change in economic policy.
- **World growth.** Latin America and India are currently hotspots for virus infections. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

5.1.2 Current medium term interest rate forecasts are shown below:

Link Group Interest Rate View 11.8.20										
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

5.2 Borrowing activity

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

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

investment returns are low. In this scenario, borrowing is likely to be postponed until cash flow need is more apparent.

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

5.3 Investment Strategy 2020/21 to 2022/23

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

- 5.3.2 The Council held £33million of investments at 30th September 2020 and the investment profile is shown in Appendix A.

5.4 Risk Benchmarking

The Investment Strategy for 2020/21 includes the following benchmarks for liquidity and security. Yield benchmarks are contained within section 6.

- 5.4.1 *Liquidity* – The Council has no formal overdraft facility and seeks to maintain liquid short-term deposits of at least £5 million available with a weeks' notice which has been increased in the light of the pandemic to ensure adequate liquidity.

The weighted average life (WAL) of investments for the year was expected to be 0.25 years (91 days). At 30th September 2020 the Council held liquid short term deposits of £23 million and the WAL of the investment portfolio was 0.07 years (24 days). The shorter length in the WAL of the investment portfolio is due to investments being held in shorter term accounts to service cash flow requirements and a lower return environment.

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

- 5.4.2 *Security* – The Council's maximum security risk benchmark for the portfolio as at 30th September 2020 was 0.003%, which equates to a potential loss of £0.001m on an investment portfolio of £33m. This is lower than the budgeted maximum risk of 0.009% in the Treasury Management Strategy. It represents a very low risk investment portfolio which carries a very much lower level of risk than Link's model portfolio and other local authorities within our benchmarking group.

The target set within the 2020/21 Strategy is that a minimum of 25% of the portfolio must be held in low risk specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this overall benchmark during the year to date. At 30th September 2020, 100% of the investment portfolio was held in low risk specified investments.

6. Yield Benchmarking

- 6.1 The Council participates in a benchmarking group run by our Treasury Management advisors (Link). For the month ending 30th September 2020 the benchmarking group achieved average yields of 0.28% on an average portfolio of investments of £82m with a weighted average maturity of 69 days compared to City of Lincoln's yield of 0.15% on £33m of investments with a weighted average maturity of 24 days – the results reflect the council's approach to keeping investments shorter term.

7. **Strategic Priorities**

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

8. **Organisational Impacts**

- 8.1 Finance - The financial implications are covered in the main body of the report.
- 8.2 Legal - The Treasury Management Strategy and Prudential Indicators meet the requirements under legislation and code of practice.

9. **Recommendations**

- 9.1 It is recommended that members note the Prudential and Local Indicators and the actual performance against the Treasury Management Strategy 2020/21 for the half-year ended 30th September 2020.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? Two

List of Background Papers: Treasury Management Strategy 2020/21 (Approved by Council March 2020)

Lead Officer: Colleen Warren, Financial Services Manager
Telephone (01522) 873361

Borrowing Profile at 30th September 2020

	Long term borrowing	
	Fixed rate	Variable rate
	£ 000	£ 000
PWLB loans	91,990	0
Other Market loans	16,000	0
Local Authority loans	9,000	
3% stock	561	0
TOTAL	117,551	0

Investment Profile at 30th September 2020

	Total Principal invested	Short term	
		Fixed rate	Variable rate
	£ 000	£ 000	£ 000
UK Banks & Building societies (including Call accounts)	10,000	10,000	0
UK Money Market Funds	23,000	0	23,000
TOTAL	33,000	10,000	23,000

Updated Position on the Remaining Prudential and Local Indicators

Affordability Prudential Indicators

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

Table 5. Ratio of Financing Costs to Net Revenue Stream

Indicators 9 & 10	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
General Fund	24.3%	23.8%	26.3%	26.1%	23.5%	25.2%
HRA	31.0%	30.9%	30.6%	30.5%	30.9%	30.1%

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

Treasury Management Prudential Indicators

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

There are four further indicators:

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

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

These indicators are complemented by four local indicators:

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

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

Indicators 11 & 12	2020/21 Limit (Upper) £million	2020/21 Max Q1 & Q2 £million	2020/21 Min Q1 & Q2 £million
Upper limits on interest rate exposures			
Upper limits on fixed interest rates	120	108.2	107.2
Upper limits on variable interest rates	49.9	41.4	16

	2020/21 Limit %	2020/21 Max Q1 & Q2 %
Local indicator limits based on debt only		
Limits on fixed interest rates	100%	100%
Limits on variable interest rates	40%	0%
Local indicator limits based on investments only		
Limits on fixed interest rates	100%	22.5%
Limits on variable interest rates	75%	77.52%

The use of variable rate, instant access instruments increased at the beginning of the pandemic to ensure that the council had liquid funds available to meet payments to support businesses and council activities. The 75% limit on variable rate investments was exceeded on 34 days between April and June.

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

Indicator 13	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
Maturity Structure of fixed borrowing (Upper Limits)						
Under 12 months	40%	40%	40%	40%	40%	40%
12 months to 2 years	40%	40%	40%	40%	40%	40%
2 years to 5 years	60%	60%	60%	60%	60%	60%
5 years to 10 years	80%	80%	80%	80%	80%	80%
10 years and above	100%	100%	100%	100%	100%	100%
Maturity Structure of fixed borrowing (Lower Limits)						
Under 12 months	0%	0%	0%	0%	0%	0%
12 months to 2 years	0%	0%	0%	0%	0%	0%
2 years to 5 years	0%	0%	0%	0%	0%	0%
5 years to 10 years	0%	0%	0%	0%	0%	0%
10 years and above*	10%	10%	10%	10%	10%	10%

As at 30th September 2020 the maturity structure of borrowing during the first half of the year was as follows:

Indicator 13	At 30/9/2020	At 31/3/2021
Maturity Structure of fixed borrowing	%	%
Under 12 months	8%	7%
2 years to 5 years	5%	5%
5 years to 10 years	9%	9%
10 years to 15 years	10%	13%
15 years to 25 years	21%	19%
25 years to 30 years	4%	4%
30 years to 40 years	17%	18%
40 years and over	25%	25%

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

Indicator 14	2020/21 Original Estimate £000	2020/21 Revised Estimate £000	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000
Maximum principal sums invested > 1 year	£5m	£0m	£5m	£0m	£5m	£0m

As at 30th September 2020, there were no principal funds invested over 1 year.

Local Prudential Indicators

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

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

	2020/21 Target %	2020/21 Actual – 30 th September %	2021/22 Target %	2022/23 Target %
Debt – borrowing rate achieved (i.e. temporary borrowing of loans less than 1 year)	Less than 7 day LIBOR	No temporary loans taken 7 day LIBOR rate 0.06949%	Less than 7 day LIBOR	Less than 7 day LIBOR

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

	2020/21 Target %	2020/21 Actual – 30 th September %	2021/22 Target %	2022/23 Target %
Interest rate achieved	Greater than 7 day LIBID	Achieved average 0.32% compared to -0.05551% LIBID	Greater than 7 day LIBID	Greater than 7 day LIBID

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

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

	2020/21 Target %	2020/21 Average Q1&Q2 %	2021/22 Target %	2022/23 Target %
Average rate of interest paid on Council debt	4.75%	3.7%	4.75%	4.75%

The average rate on debt outstanding at 30 September is 3.69%, the average rate paid during quarters 1 and 2 is 3.7% and the average rate expected for 2020/21 to be paid is 3.67%.

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

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SUBJECT: BUDGET REVIEW PROCESS 2021/22

DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present to Members the process for the scrutiny of the proposed budget and Council Tax for the 2021/22 financial year and the Medium Term Financial Strategy 2021-2026.

2. Background

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

3. Proposed Process for 2021/22

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

responding to these, specifically the impact of the Covid19 pandemic on the Council's financial position;

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

- 3.2 Secondly, a more traditional scrutiny process will be undertaken to review in more detail the MTFs and the robustness of the proposed budget options and Council Tax for the 2021/22 financial year. This will be undertaken in a committee format as the Budget Review Group with the appropriate governance arrangements in place.
- 3.3 Due to the current Covid19 pandemic both the briefing session and Budget Review Group will be undertaken in a virtual environment.
- 3.4 The main objective of the Group will be to examine the principles and planning process that underlie the proposed budget and Council Tax to be recommended by the Executive for the 2021/22 financial year. In general the Group's aim will be to establish that at each stage the budget;
 - is clear, focused, achievable, realistic and based on sound financial practices;
 - has clear linkages with corporate and other plans that form the Policy Framework to establish that they are identifiable and designed to improve services in the Council's strategic priority areas
- 3.5 It is proposed that the following governance arrangements shall be in place for the Group;
 - The Group will be made up of 9 non-Executive Members with a 7:2 proportionality share
 - The Group will be a sub group of the Performance Scrutiny Committee, although Members do not have to be Members of this committee.
 - The chair of the Group will be the Chair of the Performance Scrutiny Committee
 - The Group will be the main mechanism by which the Executive will formally consult scrutiny on the consideration of their budget proposals.
 - The meetings will be held in public and will be administered by Democratic Services.
 - Specific Portfolio Holders and Directors (or Assistant Directors) will be invited to attend the meetings of the group or be requested to provide written responses if so required.

- Advice will be provided to the Group members by officers from the Council's Financial Services Team.
- The Chair of the Group shall be required to provide a report to the next full Performance Scrutiny Committee summarising the Groups findings and making recommendations to the Executive.

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

3.7 The following timetable is proposed for the process for 2021/22.

Executive – Approve draft budget proposals for 2021/22 and Medium Term Financial Strategy	18 th January 2021
All Member Briefing <ul style="list-style-type: none"> • Current financial climate • Latest developments in local government finance • Impact on the Council and the Council's strategy for responding 	28 th January 2021
Budget Review Group – presentation of the MTFS 2021-2026 and the proposed budget and Council Tax for 2021/22.	3 rd February 2021
Performance Scrutiny Committee – Consider response from Budget Review Group and refer to the Executive	18 th February 2021
Executive – Consider response from the Performance Scrutiny Committee and approve for referral to Council the final budget proposals for 2021/22 and Medium Term Financial Strategy	22 nd February 2021
Council – Approval of budget proposals and Council Tax for 2021/22 and Medium Term Financial Strategy	23 rd February 2021

4. Strategic Priorities

4.1 The budget process will set out the resources in support of the Council's Vision 2025 and strategic priorities and determines the service plans for the year ahead.

Effective scrutiny of the budget process should support the Executive in reaching the right decisions with regard to finances.

5. Organisational Impacts

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

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

6. Risk Implications

6.1 There are no specific risks associated with this report.

7. Recommendation

7.1 Members are asked to:

- a) Note the objectives and confirm the governance arrangements of the Budget Review Group for 2021/22 as set out in paragraphs 3.3 – 3.4
- b) Note the timetable for the Group as set out in paragraph 3.6
- c) Delegate responsibility for nominations to membership of the Group to the leaders of the respective political groups, including the Vice Chair to be recommended by the larger political group.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? None

List of Background Papers: None

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

PEFORMANCE SCRUTINY COMMITTEE

19 NOVEMBER 2020

SUBJECT: WORK PROGRAMME FOR 2020/21

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: CLARE STAIT, DEMOCRATIC SERVICES OFFICER

1. Purpose of Report

- 1.1 To present members with the Performance Scrutiny Committee work programme for 2020/21 (Appendix A).

2. Background

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

3. Recommendation

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

Key Decision No

Do the Exempt Information Categories Apply No

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

Does the report contain Appendices? Yes

If Yes, how many Appendices? 1

Lead Officer: Clare Stait, Democratic Services Officer
Telephone 873239

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9 July 2020

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Quarter 4 Performance Report	Pat Jukes	Quarterly Report
Financial Performance (Detailed): Outturn 2018/19 Quarter 4	Jaclyn Gibson/ Colleen Warren	Quarterly Report Professional High Performing Services
Treasury Management Stewardship and Actual Prudential Indicators Report 2019/20 (Outturn)	Jaclyn Gibson/Colleen Warren	Six Monthly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report	Jaclyn Gibson/Colleen Warren	Quarterly Report Professional High Performing Services

20 August 2020 (Monitoring Overview)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20	Democratic Services	Regular Report
Portfolio under Scrutiny Session: Our People and Resources	Cllr R Metcalfe	
Monitoring Items		
Quarterly Strategic Risk Register Report-Quarter1	Jaclyn Gibson	Quarterly Report Professional High Performing Services
Revenues and Benefits Shared Service Update	Martin Walmsley	Annual Report Professional High Performing Services
Income/Arrears Monitoring report	Martin Walmsley	Annual Report Professional High Performing Services

16th September 2020 – additional meeting

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 1	Colleen Warren	Quarterly Report Professional High Performing Services

1 October 2020 (Thematic Reviews)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Economic Growth (To include recovery plans for the City and businesses)	Portfolio Holder	Annual Session Lets Drive Economic Growth
Other Item(s)		
Central Lincolnshire Local Plan Annual Report 2019/20 including Financial Update	Toby Forbes-Turner	Annual Report Lets Drive Economic Growth
Befriending Service	Paul Carrick	

19 November 2019 (Monitoring Overview)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 – Update	Democratic Services	Regular Report
Monitoring Items		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 2	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Q1 & Q2 (including an update on service Covid recovery plans)	Heather Grover/Nathan Walker	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 2	Jaclyn Gibson	Quarterly Report Professional High Performing Services Services
Treasury Management and Prudential Code Update Report – Half Yearly Report	Colleen Warren	Half Yearly Report Professional High Performing Services
Other Items:		
Budget Review Group – Nominees	Jaclyn Gibson	Annual Appointment Professional High Performing Services

21 January 2021

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Quality Housing	Portfolio Holder	Annual Session Lets Deliver Quality Housing
Monitoring Item(s)		
Performance Report-HRS	Gareth Griffiths	Annual Report Lets Deliver Quality Housing
Fire Safety Update	Andrew McNeil/Matt Hillman	Annual Report
Scrutiny Annual Report	Democratic Services	Annual Report Professional High Performing Services
The Lincoln City Profile	Pat Jukes/Nathan Walker	

18 February 2021 (Monitoring Overview)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2019-20 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Reducing Inequality	Portfolio Holder	Annual Session Lets Reduce Inequality
Monitoring Items		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 3	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Feedback from Budget Review Group	Colleen Warren	Annual Report Professional High Performing Services

25 March 2021

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Draft Work Programme for 2021/22	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Customer Experience and Review	Portfolio Holder	Annual Session Vision 2020 (Mixed)
Portfolio Under Scrutiny Session – Remarkable Place	Portfolio Holder	Annual Session Lets Enhance our Remarkable Place
Other item(s)		
Section 106 Contributions Update	Nicola Collins	Annual Report Lets Drive Economic Growth

Portfolio Under Scrutiny Sessions

Date	Portfolio
20 August 2020	Our People and Resources
1 October 2020	Economic Growth
18 February 2021	Reducing Inequality
21 January 2021	Housing
25 March 2021	Remarkable Place
25 March 2021	Customer Experience and Review

SUBJECT: STRATEGIC RISK REGISTER – QUARTERLY REVIEW

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To provide Members with a status report of the revised Strategic Risk Register as at the end of the second quarter 2020/21.

2. Background

- 2.1 An update of the Strategic Risk Register was developed under the risk management approach of 'risk appetite', was last presented to Members in August 2020 and contained thirteen strategic risks.
- 2.2 Since reporting Members in August 2020, the Strategic Risk Register has been refreshed and updated by the Corporate Leadership Team. The Strategic Risk Register reflects the significant change in circumstances in which the Council is now operating and the different challenges and opportunities it faces. This review has identified that there have been some positive movement in the register along with the addition of two new, emerging, risks.
- 2.3 The updated Register is contained with Part B of this agenda, it contains fifteen strategic risks which are listed below, along with details of relevant mitigations.

3. Strategic Risks

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

- 6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020/2025 and the transformational journey to one Council approach.
- 7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.
- 8) Decline in the economic prosperity within the City Centre.
- 9) Failure to mitigate against the implications for the Council following the outcome of Brexit.
- 10) Failure to deliver key strategic projects.
- 11) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money
- 12) Failure to work in partnership to sustain support to vulnerable residents post COVID19.
- 13) Failure to put in place safe working practices and social distancing measures to protect officers and service users.

3.2 A number of 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 that supports delivery of Vision 2025 – as a result of the significant financial implications of Covid19 the Council has implemented a number of short term measures, which along with a package of funding from government will ensure the Council maintains a balanced budget in 2020/21. These budget revisions were agreed by the Executive in September 2020.
- Risk 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council – Development of a new phase of TFS programme, required to meet an increased savings target, from 2021/22 onwards, following Covid-19 outbreak has now been undertaken. Detailed business cases will start to be developed in quarter three.
- Risk 4. Failure to ensure compliance with statutory duties / functions and appropriate governance arrangements are in place – The Council's Annual Governance Statement has now been agreed which concludes that the overall level of assurance provided in 2019/20 was substantial (green) and is in line with the Code of Corporate Governance. However, it did identify three defined significant issues, for which action plans will now be developed.
- Risk 5. Failure to protect the local authority's vision 2025 due to changing structures and relationships in local government and impact on size, scale and scope of the Council – During quarter two work commenced on a high business case to support options for local government re-organisation in Greater Lincolnshire. Following notification from the Secretary of State as

to which areas will move forward in this first phase of re-organisation, work on this has now paused.

- 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 future Vision and the transformational journey to one Council approach – Whilst the refresh of recruitment process is currently on hold, work is underway to review flexible working options (during and post Covid-19) with policy and development plan to support managers working in a remote working environment, with the Lincoln Way being finalised and adopted in quarter three. Revision of workstyles has progressed alongside Office 365 rollout commencing to enhance new ways of working.
- Risk 8. Decline in the economic prosperity within the City Centre – Whilst we continue to work with businesses and partnership working to share intelligence and enable effective response e.g. Lincoln BIG, High Streets, Town Board we are offering immediate support to businesses via grant distribution (£22.5m of grants distributed), providing advice and guidance via our business cell and through our Environmental Health Officers during the pandemic. During quarter two the High Street Heritage Action Zone contract with Historic England was entered into for c£1.6m of intervention in the City, in addition £1m was awarded through the Accelerated Towns Fund to regenerate the Cornhill.
- Risk 10. Failure to deliver key strategic projects – following the ceasing of the majority of key projects during quarter one due to closing down of construction sites and the redeployment of officers in response to the pandemic, quarter two has seen all key projects recommence, although it is accepted that revised timescales will now be in place and in some instances additional costs are being incurred.
- Risk 13. Failure to put in place safe working practices and social distancing measures to protect officers and service users – The Council continues to review and follow government guidance on working practices to allow staff to come into work safely where required. An appointments system is in place to control customers coming into the buildings with regular monitoring of City Hall and Hamilton House occupancy.

3.3 In addition to the thirteen existing risks, two new risks have emerged, as follows:

- Risk 14. Failure to comply with current safeguarding legislation and procedures – Red (Critical/Probable)
- Risk 15. Failure to Meet the councils PREVENT duties – Amber (Critical/Possible)

3.4 The above movement in control actions has resulted in a change to the assessed levels of likelihood and impact of one risk identified on the risk register:

- Risk 5 has been decreased from Red: Almost Certain/Major to Amber: Probable/major.

The levels of assessed risks for all risks are summarised as follows:

Risk No.	Risk Rating	Likelihood	Impact
8	Red/High	Almost Certain	Critical
2, 3, 11 &14	Red/High	Probable	Critical
7	Red/High	Almost Certain	Major
1, 5, & 10	Amber/Medium	Probable	Major
4, 6, 9, 12 &13	Amber/Medium	Possible	Major
15	Amber/Medium	Possible	Critical

Control actions continue to be implemented and risks managed accordingly.

3.5 The revised Strategic Risk Register is contained within Part B of this agenda.

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 2025, and that it does so in accordance with statutory requirements and within a balanced and sustainable budget and MTFS.

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, the risk registers that support these are also being reviewed in light of the current financial challenges the Council is facing.

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.

5.3 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.

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. Recommendation

7.1 Members are asked to note and comment on the Strategic Risk Register as at the end of the second quarter 2020/21.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Jaclyn Gibson, Chief Finance Officer
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SUBJECT:	EXCLUSION OF THE PRESS & PUBLIC
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	CAROLYN WHEATER, MONITORING OFFICER

1. Purpose of Report

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

2. Recommendation

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

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