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CITY OF Lincoln COUNCIL

EXECUTIVE

Monday, 22 February 2021	5.00 pm	Virtual Meeting

Membership:	Councillors Ric Metcalfe (Chair), Donald Nannestad (Vice-Chair), Chris Burke, Bob Bushell, Rosanne Kirk and Neil Murray
Officers attending:	Angela Andrews, Democratic Services, Kate Ellis, Jaclyn Gibson, Daren Turner, Simon Walters and Carolyn Wheater

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Virtual Meeting

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A G E N D A

SECTION A | **Page(s)**

MINUTES AND EXTRACTS

1. Confirmation of Minutes - 18 January 2021 **3 - 12**

2. Declarations of Interest

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

OUR PEOPLE AND RESOURCES

3. Medium Term Financial Strategy 2021 - 2026 **13 - 170**

4. Council Tax 2021/22 **171 - 174**

QUALITY HOUSING

REMARKABLE PLACE

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

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

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

SECTION B

REMARKABLE PLACE

Executive **18 January 2021**

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

Apologies for Absence: None.

65. Confirmation of Minutes - 4 January 2021

RESOLVED that the minutes of the meeting held on 4 January 2021 be confirmed.

66. Declarations of Interest

No declarations of interest were received.

67. Draft Medium Term Financial Strategy 2021-26

Purpose of Report

To recommend the draft Medium Term Financial Strategy for the period 2021-26 and the draft budget and Council Tax proposal for 2021/22, for consultation and scrutiny.

Decision

(1) That the Executive agree, for consultation and scrutiny, the Draft Medium Term Financial Strategy 2021-2026 and the Draft Capital Strategy 2021-2026, including the following specific elements:

- a proposed council tax increase of 1.9% for 2021/22;
- a proposed housing rent increase of 1.5% for 2021/22;
- the Council is member of the Lincolnshire Business Rates Pool in 2021/22;
- the Draft General Fund Revenue Forecast 2021/22-2025/26 as shown in Appendix 1 and paragraph 4 of the report and the main basis on which this budget has been calculated;
- the Draft General Investment Programme 2021/22-2025/26 as shown in Appendix 2 and paragraph 6 of the report and the main basis on which the programme has been calculated;
- the Draft Housing Revenue Account Forecast 2021/22-2025/26 as shown in Appendix 3 and paragraph 5 of the report and the main basis on which this budget has been calculated;
- the Draft Housing Investment Programme 2021/22-2025/26 as shown in Appendix 4 and paragraph 7 of the report and the main basis on which the programme has been calculated.

(2) That the Executive agree to delegate to the Chief Finance Officer approval of the final Business Rates Base for the financial year commencing 1 April 2021 and ending 31 March 2022 and submission of the base (via the NNDR1 return) to the Department for Communities and Local Government by 31 January 2021.

(3) That all changes to the base estimated in the Draft Medium Term Financial Strategy 2021/26 be reported to the Executive as part of the Final Medium Term Financial Strategy 2021-26 on 22 February 2021.

Alternative Options Considered and Rejected

None.

Reason for Decision

The financial landscape for local government presented an unprecedented challenge to the Council. The Covid-19 pandemic was having immediate effects on the Council's budgets as a result of increases in spending on local services and plummeting income from sales, fees and charges and commercial activities. Beyond the immediate impact, the crisis would cast a longer term shadow on the Council's finances. The Government had pumped billions of pounds into the economy to support the response phase of the pandemic and to protect jobs and services. In the medium-term the levels of additional national borrowing and the United Kingdom's budget deficit would need to be managed down at the same time as meeting ongoing needs to invest in recovery to achieve the growth required to repay the national deficit. The Government's strategy to address this challenge was not yet known, nor what it would mean for local government funding more generally. Furthermore, there remained potential longstanding impacts on the Council's local income sources if behaviour, working practices and spending patterns in the city continued to change.

The Council's reliance on local income streams had increased significantly in recent years as Government funding had reduced through austerity measures and new funding mechanisms introduced, resulting in the Council having to be more self-sufficient and secure its own funding sources. Historically, less than 20% of the Council's funding sources were subject to any level of volatility. For 2021/22, 90% was now subject to volatility and emphasised the financial risk that the Council faced from its income streams. In addition, the Council faced further financial uncertainty surrounding significant national reforms to the allocation of funding to local government though the Fairer Funding Review, the implementation of the 75% Business Rates Retention scheme and Business Rates reset, all of which would affect the Council's Medium Term Financial Strategy. These reforms, intended for implementation in 2021/22, had now been delayed with no firm date set.

In this current exceptionally difficult financial situation, faced with volatility, complexity and uncertainty, the Council's overriding financial strategy had been, and would continue to be, to drive down its net cost base to ensure it maintained a sound and sustainable financial position. The key mechanism for carrying out this strategy was through the Towards Financial Sustainability Programme, which sought to bring service costs in line with available funding and, alongside this, to use the Council's influence and direct investment to create the right conditions for the city's economy to recover and once again grow.

Although there was a significant level of uncertainty about future funding, based on what was currently known, or could be reasonably assumed, there still remained a current projected budget gap of £1,750,000 which the Council had to close to ensure its financial sustainability. Although closing a gap of this size was a huge challenge, it was not unprecedented and the Council should have the confidence that it had a track record of delivering strong financial discipline and that it could rise to the challenge once again. However, as a result of the previous level of savings delivered and with a reduced number of alternatives from which to deliver reductions, the Council was left with little option but to revert to a more traditional cost cutting measures approach in order to deliver the scale of reductions required within the short lead in time. It would also require the careful use reserves and balances in the short term.

The Council would ultimately have to make some difficult decisions over the next twelve months as it prioritised which services it could afford to continue to deliver. The Council would continue to build on its successful financial planning to date and seek to protect the core services for the people of Lincoln, whilst at the same time allowing for significant investment in the city, and its economy, and delivery of the Council's vision. Adopting this approach would ensure that it carefully balanced the allocation of resources to its vision and strategic priorities, whilst ensuring it maintained a sustainable financial position.

Prior to submission of the Medium Term Financial Strategy 2021-2026 and budget and Council Tax proposal for 2021/22 to Full Council on 23 February 2021, this initial draft, as appended to the report, would be subject to public consultation and member scrutiny.

Specific details relating to the following aspects of the Medium Term Financial Strategy were set out in the report:

- The General Fund:
    - provisional finance settlement 2020/21;
    - Revenue Support Grant;
    - Business Rates retention;
    - Council Tax;
    - other specific grants;
    - Covid-19 support;
    - fees and charges;
    - spending plans;
    - the Towards Financial Sustainability Programme;
    - robustness and adequacy of the budget and reserves.
- The Housing Revenue Account:
    - housing rents;
    - financing the capital programme;
    - robustness and adequacy of the budget and reserves.
- The General Investment Programme;
- The Housing Investment Programme;
- The Capital Strategy.

Budget consultation would be undertaken primarily based on an online survey, the key purpose of which would be to:

- highlight the proposed budget and Council Tax for 2021/22, seeking views on the proposed increase;
- outline the scale of significant financial challenges facing the Council.

In terms of elected member budget scrutiny, an all member workshop would be undertaken during January 2021, albeit virtually, to ensure that as large a number of members as possible had the opportunity to fully understand the financial position of the Council. This would be followed by a Budget Review

Group which would focus on the detail of the draft Medium Term Financial Strategy, proposed budget and Council Tax recommendation.

Consultation and scrutiny comments and responses would be considered when the Executive made its final budget recommendations to Council at its meeting on 22 February 2021.

68. Collection Fund Surplus or Deficit - Business Rates

Purpose of Report

To inform the Executive of the estimated balance for the Business Rates element of the Collection Fund and the surplus or deficit to be declared for 2020/21.

Decision

(1) That the Executive confirms the action of the Chief Finance Officer in declaring a business rates deficit of £30,070,943 for 2020/21 subject to the confirmation of the business rates base by 31 January 2021.

(2) That any amendments to the declared deficit be notified to the relevant preceptors and be included in the Final Medium Term Financial Strategy 2021-26 to be presented to the Executive on 22 February 2021.

Alternative Options Considered and Rejected

None.

Reason for Decision

Prior to setting the Council Tax for 2021/22 the City Council was required to estimate whether there was to be a surplus or deficit on both the Council Tax and Business Rates elements of the Collection Fund for the current financial year.

At the Executive meeting on 4 January 2021 the Council declared a deficit on Council Tax of £1,105,616 for the financial year 2020/21, of which its share was £165,680. The Council would declare a deficit on the Business Rates Collection Fund of £30,070,943 for 2020/21 subject to the confirmation of the Business Rates base by 31 January 2021, of which its share was £12,028,378.

Whilst this was a significant deficit, £26,397,692, of which the Council's share was £10,559,077, of the deficit was offset by Government grants received to compensate local authorities in respect of the expanded retail rate reliefs awarded to business in response to the Covid-19 pandemic. The remaining £3,673,251 deficit, of which the Council's share was £1,469,301, had arisen primarily due to an increase in provision for business rates appeals and an increase in empty property reliefs, both of which had been adversely affected by the Covid-19 pandemic.

In response to these significant financial pressures that Councils were facing arising from the impacts of Covid-19 on local taxes as part of the Spending Review 2020, the Government announced a compensation scheme for irrecoverable local tax losses. Based on the principles of the consultative policy paper on this scheme, and the estimated deficit, the Council would receive compensation of £1,082,564 towards its remaining share of the business rates deficit, leaving a balance of approximately £386,737 to be resourced by the Council through the General Fund.

69. Council House and Garage Rents 2020/21

Purpose of Report

To enable the Executive to consider a proposition to increase council house rents in line with the Government's Rent Policy for social housing (April 2020) and to seek approval for the introduction of revised rents from Monday 5 April 2021.

To seek approval for an increase of 3% on Council garage rents for 2021/22 in line with other fees and charges revisions by the Council.

Decision

That the Executive:

(1) Support the basis of rent calculation for changes to individual Council house rents as set out in the report, which represents an increase in the average calculated 52-week Council house net rent in 2021/22 of 1.5% for social housing rents (£1.05 per week) and affordable rents (£1.61 per week) increase per property and that this be recommended to Council for approval.

(2) Support the increase in Council garage rents for 2021/22 in accordance with the proposal set out in the report, equating to a 3% increase, and that this be recommended to Council for approval.

Alternative Options Considered and Rejected

None.

Reason for Decision

In keeping with the Housing Business Plan approved by Council and the Government's Rent Guidelines, the formula rent rise for 2021/22 was based on the Consumer Price Index in the previous September. In Lincoln's case this equated to an average rent increase of 1.5% from Monday 5 April 2021.

During the last nine months the Council had continued to add to its housing stock via the buy-back programme. Between 1 April 2020 to 18 December 2020 the following properties had been acquired as part of this programme:

- one bedroomed properties – 3;
- two bedroomed properties – 11;
- three bedroomed properties – 10;
- four bedroomed properties – 2;
- four/five bedroomed properties – 1.

The Government's Right to Buy Programme sales had negatively impacted on the Council's current stock and rental income between April to December 2020. To date, 17 properties had been sold which was lower than projected due to the Covid-19 pandemic but since July the Council had received 37 Right to Buy applications. The loss of three-bedroomed properties in particular had a significant impact on the Council's ability to provide family homes.

The average weekly rent for the City of Lincoln Council, based on data at 18 December 2020 for net social housing rent calculated over 52 weeks, would increase from £69.79 in 2020/21 to £70.84 for 2021/22. This equated to an average equivalent increase of income per property of £1.05 per week over 52 weeks. The 50-week average rent would be charged at £73.67.

There were currently 260 properties charged at an Affordable Rent which was higher than social housing rent. Based on data at 18 December 2020 the increase, on the average weekly net rent calculated over 52 weeks, would result in rents moving from £107.82 in 2020/21 to £109.43 per week for 2021/22, equating to an average equivalent increase of £1.61 per week over 52 weeks

An increase in garage rents of 3% was proposed in line with the authority's fees and charges increase. This would result in an average increase in the rent charged to £8 per week for 2021/22 based on a calculated 52-week charge period, equating to an increase of £0.24 per week. Research had shown that the garage rents in Lincoln were mid-range when compared to similar locations in the East Midlands.

Councillor Donald Nannestad shared his concern that the Government's Right to Buy Programme continued to impact the Council's housing stock, with every property sold decreasing the amount of rent the authority was able to collect. Lots of people were still waiting for Council properties with there being significant pressure on the housing register and he added that the authority was losing properties to this scheme at a faster rate than it would able to acquire or build them.

Councillor Ric Metcalfe made the point that a significant proportion of those houses purchased through the Right to Buy Programme were now owned by private landlords as opposed to former tenants enjoying the benefits of owning their own home.

70. Allotment Fees and Charges

Purpose of Report

To outline a proposal to increase allotments charges in order to deliver a contribution to the Towards Financial Sustainability Programme.

Decision

That the Executive supports changes to the fees and charges for allotments with effect from the annual billing in 2022 and new leases thereafter, as follows:

(a) Removal of the 50% discount based on age.

(b) Protection of discounts for those on means tested benefits at 50%.

(c) Increase in base charges by 50%.

(d) Income achieved above £30,000, linked to inflation, be ringfenced for allotment projects.

Alternative Options Considered and Rejected

Numerous options had been explored as indicated by the pricing matric set out in the report.

Reason for Decision

As a result of the financial challenges the Council faced, the Medium Term Financial Strategy 2021-26 would require a significant reduction in the Council's net cost base to ensure it maintained a sustainable financial position.

A programme of individual reviews had been developed which included a review of the net cost of the allotments service, with a requirement to reduce the net cost by £20,000 per annum. In addition, the review would also address the existing £10,000 per annum underachievement of income which had been the position in recent years. Achievement of these two objectives would reduce the net cost of the allotment service to approximately £67,000 per annum.

Proposed changes to the fees and charges for allotments with effect from the annual billing in 2022 and new leases thereafter, were noted as follows:

- removal of the 50% discount based on age;
- protection of discounts for those on means tested benefits at 50%;
- increase in base charges by 50%;
- income achieved above £30,000, linked to inflation, be ringfenced for allotment projects.

Councillor Ric Metcalfe highlighted the challenging circumstances currently facing the Council in balancing its budgets and contributions from services such as this needed to be made. He reminded the Executive that a substantial capital investment had been made in respect of allotments in the city so it did not seem appropriate to start making cuts to the service or even close sites in order to achieve savings. The proposal therefore reflected a position where those using this valuable service were asked to contribute slightly more in order that service provision could be maintained. He was confident that service users would recognise this as being the preferred solution, particularly in view of it being a modest increase with concessions in place as well as changes not coming into effect for twelve months.

Councillor Bob Bushell agreed with Councillor Metcalfe's sentiments and reiterated that significant investment had been made in allotments, particularly in respect of security, access to water, accessibility and a new site. Councillor Bushell was very keen for the service to continue to operate, especially in the current circumstances, as owning and maintaining allotments did contribute to improvements in physical and mental health. He added that the proposed increase was a small amount and that service users would still consider the service as being good value for money.

71. **<u>Proposals for the Review of Existing Public Space Protection Order Within the City Centre</u>**

<u>Purpose of Report</u>

To review the existing Public Space Protection Order relating to intoxicating substances and consider a proposal to vary the scope of this Order in consultation with the public and relevant partners.

Decision

That the proposal to extend and vary the Public Space Protection Order to include Zone 3, as set out in Appendix C of the report, and the amendment to the wording to that shown in the draft Order as set out in Appendix E of the report be approved.

<u>Alternative Options Considered and Rejected</u>

None.

<u>Reason for Decision</u>

In April 2015 the Council enacted a Public Space Protection Order under the Anti-Social Behaviour Crime and Policing Act 2014. This was renewed in February 2018 and the current Order was set out at Appendix A of the report.

A Public Space Protection Order may not last more than three years so should be reviewed before its expiration and may then be extended for a further period of up to three years. As part of the review the Order may be amended to add or remove prohibitions or requirements, change the geographical area or discharge the Order.

Consultation had been undertaken for 28 days, commencing on 2 November 2020, further to which five responses had been received with four coming from partners and one being received from a member of the public. All five responses had called for the existing Public Space Protection Order to remain in place, with all four partner responses calling for the extension of the geographical area of the Public Space Protection Order to cover St Rumbolds Street.

In addition to consultation responses, the Citizens Panel had also returned comments relating specifically to drug users and drunks in the city centre and St Rumbolds Street area. 45 separate comments about drug and alcohol misuse in the city centre had been received.

Evidence in respect of the current geographical area to remain in place for the Public Space Protection Order was included within the report, outlining the number of surrenders, breaches, fixed penalty notices and prosecutions. The report also set out additional evidence for the extension of the Public Space Protection Order to include St Rumbolds Street, referred to as Zone 3 in Appendix C.

Councillor Christopher Burke supported the proposed extension of the geographical area of the Public Space Protection Order and commended the scheme as having been very successful. He was aware of residents in the area proposed who had been aggrieved and upset by the consistent occurrence of anti-social behaviour and understood that the Lincolnshire Police was also supportive of the proposal.

Councillor Neil Murray reflected on the introduction of the initial Public Space Protection Order and said it was a shame but necessary in order to protect people from such instances of anti-social behaviour.

Item No. 3

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**MEDIUM TERM FINANCIAL STRATEGY 2021 - 2026**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 To recommend to the Executive the Medium Term Financial Strategy for the period 2021-2026 and the budget for 2020/21 for referral to Council.

1.2 To recommend to the Executive the Capital Strategy 2021-2026 for referral to Council.

2. Executive Summary

2.1 The financial landscape for local government presents an unprecedented challenge to the Council. The Covid19 pandemic is having immediate effects on the Council's budgets as a result of increases in spending on local services and plummeting income from sales, fees and charges and commercial activities. Beyond the immediate impact the crisis will cast a longer term shadow on the Council's finances. The Government has pumped billions of pounds into the economy to support the response phase of the pandemic and to protect jobs and services. In the medium-term the levels of additional national borrowing and the UK's budget deficit will need to be managed down at the same time as meeting ongoing needs to invest in recovery to achieve the growth required to repay the national deficit. The Government's strategy to address this challenge is not yet known, nor what it will mean for local government funding more generally. Furthermore, there remains potential longstanding impacts on the Council's local income sources if behaviour, working practices and spending patterns in the city continue to change.

2.2 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. Historically less than 20% of the Council's funding sources were subject to any level of volatility, for 2021/22 90% is now subject to volatility and emphasises the financial risk that the Council faces from its income streams.

2.3 In addition the Council faces further financial uncertainty surrounding significant national reforms to the allocation funding to local government though the Fairer Funding Review, the implementation of the 75% Business Rates Retention (BRR) scheme and Business Rates reset, all of which will affect the Council's MTFS. These reforms intended for implementation in 2021/22 have now been delayed with no firm date set.

2.4 In this current exceptionally difficult financial situation, faced with volatility, complexity and uncertainty, the Council's overriding financial strategy has been, and will continue to be, to drive down its net cost base to ensure it maintains a sound and sustainable financial position. The key mechanism for carrying out this strategy is through the Towards Financial Sustainability (TFS) Programme which seeks to bring service costs in line with available funding and: alongside this, to use the Council's influence and direct investment to create the right conditions for the City's economy to recover and once again grow.

2.5 Although there is a significant level of uncertainty about future funding, based on what is currently known, or can be reasonably assumed, there still remains a current projected budget gap of £1.750m which the Council must close to ensure it's financial sustainability. Although closing a gap of this size is a huge challenge it is not unprecedented, and the Council should have the confidence that it has a track record of delivering strong financial discipline and that it can rise to the challenge once again. However, as a result of the previous level of savings delivered and with a reduced number of alternatives from which to deliver reductions, the Council is left with little option but to revert to a more traditional cost cutting measures approach in order to deliver the scale of reductions required within the short lead in time. It will also require the careful use reserves and balances in the short term.

2.6 The Council will ultimately have to make some difficult decisions over the next 12 months as it prioritises which services it can afford to continue to deliver. The Council will continue to build on its successful financial planning to date and will seek to protect the core services for the people of Lincoln, whilst at the same time allowing for significant investment in the City, and its economy, and delivery of the Council's Vision. Adopting this approach will ensure that it carefully balances the allocation of resources to its vision and strategic priorities, whilst ensuring it maintains a sustainable financial position.

2.7 Prior to submission of the MTFS 2021-2026 and budget to the Executive and Full Council, public consultation and member scrutiny has been undertaken.

3. Background

3.1 The MTFS sets out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities.

3.2 The MTFS integrates revenue allocations, savings targets and capital investment and provides the budget for the next financial year and provides indicative budgets and future council tax and housing rent levels for the period covered by the strategy.

3.3 In light of the unprecedent impact of Covid19 on the Council's finances the existing objectives of the MTFS have been reviewed to ensure they remain relevant. This review has highlighted the key overriding objective to be;

- To continue to drive down the net cost base, in line with available resources, to ensure the Council maintains a sound and sustainable financial base, delivering a balanced budget over the life of the MTFS;

The further objectives that the MTFS seeks to achieve are as follows:

- To ensure the Council uses its reserves and balances carefully, seeking to maintain robust levels and replenishing where necessary, to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes;

- To ensure that the Council's limited resources are directed towards its Vision and strategic priorities, redirecting where necessary to allow for improvement and investment.

- To seek to maximise income levels, including maintaining in the short term and growing over the medium term, the Council Tax and Business Rates tax bases, whilst ensuring that Council Tax rate increases are kept an acceptable level;

- To ensure the Council provides efficient, effective and economic services which demonstrate value for money.

3.4 Over the last decade the Council, alongside the majority of other local authorities, has experienced unprecedented financial challenges in various forms. They have had to to adapt to; the impact of severe, unprecedented, central government funding reductions; radical reform of the methodology for funding local government - where councils are self-sufficient funded from local taxes with limited reliance on Central Government, changes in the use and demand for services; as well as escalating costs. The reform of the methodology of funding local government has in particular transferred a significant amount of financial risk and uncertainty to local authorities, creating a greater degree of uncertainty over the budget planning parameters for the Council than has been experienced previously.

3.5 In response to this challenging financial environment the Council has embraced a forward thinking, ambitious and commercial approach in maintaining a sound financial position. This is an approach that has served the Council well and allowed savings in excess of £9m to be delivered over the last decade.

3.6 Looking ahead the financial landscape for local government has significantly worsened over the past year and continues to pose significant challenge to the Council due to the volatility, complexity and uncertainty about future funding. Therefore in order to ensure that the Council maintains a robust and sustainable financial position and is able to respond to the impact of volatile external events and increased financial risks that it faces, the MTFS needs to remain flexible, the council's reserves resilient and the sound track record of delivering savings needs to be sustained, whilst ensuring that resources are directed towards its vision and strategic priorities.

4. The General Fund

4.1 The Council's spending requirement, after capital charges and contributions to/from reserves are taken into account, for 2021/22 amounts to £0.978m which is £11.984m lower than the current year's budget. This significant reduction reflects the level of deficit declared on the Collection Fund and is a direct result of Covid19. No direct comparisons should therefore be made. The provisional forecast spending requirements for the remaining four years of the MTFS are, £10.922m for 2022/23, £11.596m for 2023/24, £12.834m for 2024/25 and £13.545m for 2025/26.

4.2 The following paragraphs outline the key elements and assumptions on which the General Fund Revenue estimates have been prepared.

4.3 **Finance Settlement 2020/21**

The Local Government Finance Settlement for 2021/22 is the first and only year of the Spending Review 2020 and sets out the Council's Core Spending Power which consists of; it's Settlement Funding Assessment (SFA) made up pf Revenue Support Grant (RSG) and Business Rates baselines figures; along with other specific grant allocations; and an assumed level of Council Tax. Overall, the Council's Core Spending Power has increased by 0% in comparison to an increase of 4.6% across all English local authorities.

4.4 **Revenue Support Grant**

In terms of the Council's RSG element of the SFA, as a result of the delays in the implementation of the new 75% BRR scheme and Fairer Funding Review, the grant has been extended for a further year and is at the same level as the 2020/21 allocations but uplifted by 0.55% in line with CPI inflation. Although historically RSG was the Council's core source of funding this has now been replaced by the BRR scheme and as such RSG has dramatically reduced, and for 2021/22 is now only £0.023m. Beyond 2021/22 RSG is no longer assumed in the MTFS.

4.5 **Business Rates Retention**

The calculation of income to be received through BRR is critical in determining the amount of resources that the Council will have available to fund local services. The level of net rates payable by businesses in the City has significantly reduced during 2020/21 due to a significant number of Government funded reliefs as well as an increase in empty property reliefs and business closures. Furthermore, there has been a significant increase in the level of appeals due to the impact of Covid. These reductions in net retainable rates will continue to impact over the period of the MTFS until the City's economy is able to recover and once again grow.

4.6 The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2021/22, based on this and after allowing for the allocation of resources to Central Government and to the County Council it is estimated that £5.142m of the £42.910m of net business rates receivable from Lincoln businesses will be retained by the Council. Beyond 2021/22, assumptions have been made in relation to the reform of the BRR system, these will continue to be assessed as further details of the changes are released by the Government. Although no specific implementation date has yet been confirmed the MTFS assumes this will be effective from 2022/23. However, as much of the design and relative starting positions in the new scheme are as yet unknown it is extremely challenging to forecast the likely level of resources.

4.7 As reported to the Executive on 18th January 2021, the Business Rates element of the Collection Fund has declared a deficit in relation 2020/21 of £30.071m of which the Council's share is £12.028m. Whilst this is a significant deficit, £26.398m (£10.557m City Council share) of the deficit is offset by Government grants received to compensate local authorities in respect of the expanded retail rate reliefs awarded to business in response to the Covid19 pandemic. The remaining £3.673m deficit, of which the Council's share is £1.469m, has arisen primarily due to an increase in provision for business rates appeals and an increase in empty property reliefs, both of which have been adversely affected by the Covid19 pandemic and will in part be funded through a Government compensation scheme (as per para 4.13).

4.8 This level of retained business rates is calculated on the basis that the Council participates in the Lincolnshire Business Rate Pool in 2021/22. The pool consists of this Council, Lincolnshire County Council and five other Lincolnshire District Councils (excluding South Holland District Council). Membership of this pool allows the Council to retain an element of growth that would have otherwise been payable via a levy to the Government, this equates to retained resources of £0.418m in 2021/22.

4.9 **Council Tax**

The Localism Act 2011 introduced a power for residents to approve or veto excessive council tax increases. This means that any local authority setting an excessive increase, as set by the Secretary of State, would trigger a referendum of all registered electors in their area. The Government confirmed in the Settlement that there will continue to be differential limits that will trigger the need for a referendum. There will be a referendum limit of up to 2% for all authorities except Shire Districts and Mayoral Combined Authorities. For District Councils, as in previous years, there will be additional flexibility, with an increase of less than 2% or up to and including £5 (whichever is higher).

4.10 In view of this and taking into consideration the Council's need to protect its financial position from further decline and maintain its local income streams, the MTFS for consideration proposes a 1.90% rise in Council Tax for 2021/22, and a further 1.9% p.a. in each of the subsequent years. An increase of 1.9% in 2021/22 equates to an additional 7p per week for a Band A property and 8p per week for a Band B property (80% of properties fall within Band A and B).

4.11 The Council Tax base on which the Council Tax yield is calculated has reduced for 2021/22 due to an increase in the working age claimant numbers under the Local Council Tax Support scheme. This increased caseload is set to gradually reduce over the period of the MTFS as the City's economy begins to recover.

4.12 **Other Specific Grants**

In addition to RSG the Council also receives other specific grants. Further New Homes Bonus allocations for 2021/22 have been announced and the Council will receive £0.213m. The Settlement also announced a new Lower Tier Services grant, aimed at supporting lower tier authorities and ensuring that no one authority suffered a reduction in core spending power. This is an unringfenced, one-off grant. The Council's allocation for 2021/22 is £0.266m.

4.13 **Covid19 Support**

Alongside the SFA and specific grant announcements the Government also announced a package of financial support in response to the pressures Local Authorities face in 2021/22 due to Covid19. This package included:

- A further £1.55bn of unringfenced grant in 2021/22, to respond to expenditure pressures e.g. homelessness, election 2021 etc. The Council's provisional allocation is £0.640m.

- An extension of the income compensation scheme to provide reimbursement, after a 5% deductible and offset of expenditure savings, of 75% of irrecoverable income. This extension of the scheme continues from 2020/21 until June 2021, i.e. covering the first quarter of 2021/22. This announcement proposes that the scheme in 2021/22 will compare losses during quarter 1 to the 2020/21 budgeted levels. Based on this the MTFS assumes compensation in 2021/22 of £0.357m

- Recognising the reduction in Council Tax income as a result of increased LCTS claimant numbers, £670m of grant funding was announced, to broadly meet the additional costs in 2021/22. This funding is un-ringfenced and can be used to provide other support to vulnerable households as well as offsetting the loss in Council Tax income. The Council's provisional allocation for 2021/22 is £0.200m and will be used to offset the loss in Council Tax income.

- A new local tax income guarantee for 2020/21. This proposed scheme will compensate councils for 75% of irrecoverable losses incurred during 2020/21. Based on the Collection Fund deficits declared, it is estimated that £1.1m of compensation would be due to the Council.

4.14 **Fees & Charges**
The fees and charges levied by the Council are an important source of income, however as a result of Covid19 many sources of fees and charges have plummeted, and whilst some have begun to recover, others are still detrimentally impacted and are unlikely to return to their pre-Covid levels in the short term, and in some cases are likely to be permanently eroded. The forecast of income levels for 2021/22 is £2.420m less than the levels previously assumed for 2021/22, this is a total reduction in income of c21%. The biggest reduction is in forecast car parking income. As set out in paragraph 4.13 the Government are extending the income compensation scheme until June 2021, based on this the Council is forecasting to receive £0.357m of compensation against the forecast reduction of over £2m.

4.15 **Spending Plans**
The annual delivery plans that support the overall Vision 2025 are now currently in the process of being refreshed to reflect the impact the pandemic has had on the Council, the City, it's residents and business, to ensure that the correct priority areas are focussed upon.

4.16 The following other key assumptions have been used in formulating the draft General Fund revenue estimates for 2021/22 – 2025/26 as follows:

- Non-Statutory fees and charges mean average increase is 2.3% in 2021/22 with a 3% p.a. increase in yield thereafter. Although individual service income budgets have been re-based to reflect the impact of Covid19, with significant reductions forecasted.
- An increase in employer pension contribution rates capped at 1% p.a. for the period 2020/21 to 2022/23.
- A provision for pay awards of 1.5% p.a. for 21/22 and 22/23 and 2.0% p.a thereafter.
- A provision for inflation of 3% p.a. for contractual commitments linked to RPI based

- A provision for 2% p.a. for general inflationary increases and contractual commitments linked to CPI
- Average interest rates on investments have been assumed at 0.18% in 2021/22, 0.18% in 2022/23, 0.25% in 2023/24, 0.25 in 2024/25 and 0.25% in 2025/26.
- Staff turnover targets of 1% pa

Towards Financial Sustainability

4.17 The Council has a successful track record in delivering savings and has, over the last decade, delivered £9m of annual revenue savings. Despite this success, the Council faces the challenge of having to further reduce its net cost base if it is to remain financially sustainable.

4.18 As part of developing the MTFS 2021-26, due to significant changes in key assumptions, it has been necessary to increase the existing savings target with new targets from 2021/22 onwards, as follows:

2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
850	**1,350**	**1,750**	**1,750**	**1,750**

4.19 The key mechanism for delivering the required budget savings is through the Towards Financial Sustainability (TFS) Programme, which seeks to bring net service costs in line with available funding. Despite the previous success of the TFS programme, it is becoming much more difficult to find additional efficiency savings and some being considered need to be delivered as part of longer-term transformational changes to the organisation, the Council is taking a more prudent approach to commercial ventures; and it cannot deliver the benefits from economic development measures in the short term. It is therefore left with little option but to revert to a more traditional cost cutting measures approach in order to deliver the scale of reductions required within the short lead in time.

4.20 The focus of the TFS programme will now be on two key strands:

- "One Council" – One Council defines how the Council, as an organisation, will need to work in the future to meet changing demands. Through four themes of; organisational development; technology; creating value processes' and better use of resources, cross organisational programmes of work will explore common to all issues and how these can best be combined to a deliver a 'one organisational' approach more efficiently and cost effectively.

- Service Withdrawal/Reduction - withdrawal from some services or a reduced level of service provided for those services not deemed to be of sufficient priority or any longer affordable.

4.21 Alongside this programme the Council believes that the longer-term approach to finding efficiencies, to close the funding gap, is fundamentally through economic growth and investment. This is ever more critical in light of the crippling effect Covid19 has had on the local economy. As part of the recovery of the City from

Covid19, the Council, through Vision 2025, will continue to seek ways to maximise its tax bases by creating the right conditions for the economy to recover and grow, to increase Business Rates income; and to encourage housebuilding to meet growing demand, generating additional Council Tax.

4.22 Closing a projected budget gap of this size is a challenge for the Council, but this is not unprecedented, and the Council has confidence that it has a track record of delivering strong financial discipline and that it can continue to rise to the challenge.

Robustness and Adequacy of the Budget and Reserves – General Fund

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

4.24 The level of earmarked reserves is shown in Appendix 6, which shows the estimated closing balances at the end of each of the next five financial years. These reserves will only be used for the specific purposes for which they were set up. In response to the financial challenges the General Fund faces there are a number of earmarked reserves, having been established for such a purpose, that will be used in 2022/23 and 2023/24 to support the General Fund whilst the ongoing reductions in the net cost base are delivered. Having reviewed the level of earmarked reserves the Chief Finance Officer has concluded that they are adequate to fund the planned expenditure identified by the Council.

4.25 As a result of the level of financial risk currently faced by the Council and the threat this poses to the Council's financial position the prudent minimum level of general reserves remains at an increased level. Based on an assessment of the estimated exposure, likelihood and possible mitigation of the financial risks that the Council faces it is deemed prudent to hold general reserves around £1.5m-£2m. Over the MTFS general reserves are maintained in line with this prudent minimum and show an estimated balance of £2.067m by the end of 2025/26.

4.26 Whilst the overall level of balances will still be maintained over the period of the MTFS there are planned uses of balances in the General Fund of £0.477m in 2021/22, £0.110m in 2022/23, £0.373m in 2023/24 and £0.041m in 2023/24. This use of balances, along with the application of specific earmarked reserves will provide the Council the opportunity to deliver ongoing reductions in its net cost base, which will by the end of the MTFS period leave the General Fund in the position of making a positive contribution of £0.546m to balances. The careful use of balances, along with earmarked reserves, in supporting the General Fund is seen as a short-term measure only to ensure a balanced budget position is maintained whilst savings are delivered, it is not foreseen as a long-term solution.

5. The Housing Revenue Account

5.1 The Council's Housing Revenue Account Business Plan 2016-2046 was approved in February 2016. This Business Plan is scheduled for review during 2021, following completion of refreshed stock condition surveys, agreement of a Lincoln housing specification, refresh of the Lincoln Standard to reflect low carbon/climate change, progression of the Social Housing White paper and to ensure the priority schemes from Vision 2025 are all fully reflected. Pending update of the Business Plan, the MTFS is based on the 2016-2046 Plan, updated for revised financial assumptions reflecting current market conditions and expectations, subsequent government policy changes, updated development and investment profiles and other emerging service factors.

5.2 **Housing Rents**
Housing Rent increases are assumed to increase by CPI+1%, in line with the Government's Social Rent Policy that requires, from April 2020, social rents to increase by CPI+1% for 5 years. The approach from 2025 remains uncertain but there is an expectation that social rent increases will remain at this level.

5.3 The Council approved, on 19th January 2021, the rent levels for 2021/22 in line with the requirement to increase rents by CPI + 1% for general purpose accommodation and also increase sheltered accommodation and affordable rents, by the same. The average 52 week rent will be £70.84 per week for general purpose accommodation, £69.87 per week for sheltered accommodation, and £109.43 for affordable rents.

5.4 **Financing the capital programme**
Under HRA self-financing, the primary sources of funding for capital investment in the Council's housing stock is from the revenue account through asset depreciation charges and direct revenue contributions. This has however been lessened to some extent by the removal of the HRA borrowing cap, but based on the current Housing Investment Programme (HIP), the need for £54.795m of revenue support is still anticipated over the MTFS period.

5.5 The following other key assumptions have been used in formulating the HRA estimates for 2021/22 – 2025/26 as follows:

- Assumptions for price inflation, interest rates, pay awards, vacancy savings and employer pension contributions are as per the General Fund
- Average Garage Rents increase of 3% pa
- Housing voids assumed at 1.0% pa.
- A collection rate of 99% p.a.
- Additional rental income from 75 new build properties.
- Additional rental income from 50 Purchase and Repair Properties
- Additional rental income from 10 Next Steps Programme properties

Robustness and Adequacy of the Budget and Reserves – HRA

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

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

5.8 The prudent level of general reserves on the Housing Revenue Account is considered to be £1m - £1.5m. Whilst in 2021/22 and 2022/23 the level of reserves is marginally below this prudent level, by the end of the MTFS period they are forecasted to be significantly in excess of this level, with an estimated balance of £2.610m at the end of 2025/26. During 2021/22 and 2022/23, and at the end of 2020/21, any underspends on the HRA budget will be prioritised to replenish general reserves.

6. The General Investment Programme

6.1 The General Investment Programme (GIP) for the period 2021/22 – 2025/26 is included within the MTFS at Appendix 2. The total allocated capital programme over the next five years is £17.501m of which £14.393m is estimated to be spent in 2021/22.

6.2 The GIP includes the delivery of key legacy schemes from Vision 2020 (some of which were delayed due to Covid19), new schemes from Vision 2025, with a focus on supporting the recovery of the City; or key One Council projects, and investment in existing assets to either maintain service delivery or existing income streams. Of the total £17.501m programme there are three key schemes:

- Western Growth Corridor Phase 1a - £9.7m
- Crematorium Investment - £2.5m
- Heritage Action Zone - £1.3m

6.3 Further schemes in support of the Vision 2025 are currently delayed until year 3-5 of the Vision and will be included in the GIP at the relevant stage in their development e.g. grant funding secure, design stage completed etc.

6.4 In addition, the Council is awaiting the outcome of the Lincoln Town Investment Plan submission, which if approved will have significant implications for the GIP. The Plan has the potential to secure £24.75m of funding to support proposals to deliver long-term economic growth in the City, of which £7.22m would be delivered directly by the Council.

7. The Housing Investment Programme

7.1 The Housing Investment Programme (HIP) for the period 2021/22 – 2025/26 is included within the MTFS at Appendix 4. The total allocated capital programme over the next five years is £71.751m of which £22.49m is estimated to be spent in 2021/22.

7.2 The 5-year HIP is based on the HRA 30 year business plan, updated to reflect revised spending and funding profiles of approved schemes as detailed schemes are developed. The key elements of the HIP are split into housing strategy and housing investment. In terms of housing strategy, the focus continues to be on maximising the use of 1-4-1 retained right to buy receipts, assessing the use of prudential borrowing and seeking government grant funding for new build schemes or purchase & repair schemes that generate a rental stream and delivering the De Wint Court Redevelopment. In relation to housing investment the HIP will continue to focus on the allocation of resources to the key elements of decent homes and supporting the Lincoln Standard.

7.3 Future spending plans for the HIP are expected to include capital investment in further progression of the Council House New Build Programme, initiatives through the Council's carbon neutral ambition, other new schemes emerging through Vision 2025 and implications arising from the anticipated Social Housing White Paper, particularly a revision to Decent Homes Standard. As set out above the HRA 30 year business plan is due to be refreshed during 2021, which will shape the direction of the HIP and its priority areas.

7.4 As set out in paragraph 5.3 above, the primary sources of financing for the HIP are from depreciation, with financing of £38.556m over the 5-year period and from revenue contributions, totaling £21.703m used over the 5-year period. In addition the HIP is set to utilise £5.208m of prudential borrowing to fund the Council House New Build Progamme this is further supported by capital receipts (including Right-to-Buy receipts) of £4.077m.

8. Capital Strategy

8.1 The CIPFA revised 2017 Prudential and Treasury Management Code now requires all local authorities to prepare a Capital Strategy which will provide the following;

- A high level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability.

8.2 The Capital Strategy should complement other key documents such as the MTFS, the Asset Management Plan, the Council's Strategic Plan, and Treasury Management Strategy, etc. by defining the approach, structure and governance for the effective management of the Council's capital investment needs and ambitions.

8.3 A draft Capital Strategy is attached at Appendix B.

9. Consultation and Scrutiny

9.1 Budget consultation has been undertaken online which consisted of the draft MTFS, proposed budget and council tax recommendation being publicised on the Council's website together with the opportunity for the public to comment. As at the date of writing report the public consultation is still open, a verbal update will be provided at the meeting of consultation responses received.

9.2 In terms of member budget scrutiny an all member workshop was undertaken during January 2021 to ensure that as large a number of members as possible had the opportunity to fully understand the financial position of the Council. This was followed in February by a Budget Review Group who focused on the detail of the draft MTFS, proposed budget and Council Tax recommendation.

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

10. Strategic Priorities

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

11. Organisational Impacts

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

11.2 Legal Implications including Procurement Rules - Local authorities must decide, prior to the 11th March, each year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for services; and

- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

11.3 Local government legislation requires an authority's Chief Finance Officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions.

11.4 Land, property and accommodation - Specific implications for the deployment and management of the Council's assets are included within the Capital Strategy and Asset Management Plan which support the achievement of the objectives of the MTFS.

11.5 Equality, Diversity and Human Rights –

This report provides a summary of the financial planning activities across the Council. As a consequence of the approval of the MTFS and budget for 2021/22 there may be an impact on certain council services which will be subject to review. Planning work undertaken to develop the Towards Financial Sustainability Programme and strands and investment in the Vision 2025 and strategic priorities, set out above, involves taking an overview of the potential cumulative impact. This is further expanded and built upon as the specific reviews and projects are developed and so detailed equalities implications will be assessed at the individual service level.

12. Risk Implications

12.1 The Council has a very proactive approach to managing risk and there are effective arrangements for financial control already in place. That said, there is always a risk that the Council will become liable for expenditure that it has not budgeted for or face a reduction in resource available (as has been experienced during 2020/21), the impact of which must be mitigated by holding reserves. Due to the significant reduction in forecast income levels, forthcoming changes in core funding mechanisms for local authorities and uncertainty around future funding settlements, the level of volatility and risk to which the Council is exposed has increased exponentially, the MTFS therefore needs to remain flexible and the council's reserves resilient.

12.2 The financial risks, Appendix 5 of the MTFS, have been identified and an assessment of the estimated exposure, likelihood and possible mitigation has been made in the context of the Council's overall approach to risk management and internal financial controls. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

13. Recommendation

13.1 That the Executive recommend to Council for approval, the

- The Medium Term Financial Strategy 2021-2026, and;
- The Capital Strategy 2021-2026

Including the following specific elements:

- A proposed council tax Increase of 1.9% for 2021/22.
- The Council is member of the Lincolnshire Business Rates Pool in 2021/22
- The General Fund Revenue Forecast 2021/22-2025/26 as shown in Appendix 1 and the main basis on which this budget has been calculated (as set out in paragraph 4).
- The General Investment Programme 2021/22-2025/26 as shown in Appendix 2, and the main basis on which the programme has been calculated (as set out in paragraph 6).
- The Housing Revenue Account Forecast 2021/22-2025/26 as shown in Appendix 3 and the main basis on which this budget has been calculated (as set out in paragraph 5).
- The Housing Investment Programme 2021/22-2025/26 as shown in Appendix 4, and the main basis on which the programme has been calculated (as set out in paragraph 7).

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

List of Background Papers:	Draft Medium Term Financial Strategy 2021-26 – Executive 18th January 2021
Lead Officer:	Jaclyn Gibson Chief Finance Officer Telephone: 01522 873258

Medium Term Financial Strategy

2021/22 - 2025/26

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Foreword

Welcome to this latest version of the City Council's Medium Term Financial Strategy covering the period 2021-2026.

The City of Lincoln Council is a high-performing and innovative organisation, focussed on providing quality services and delivering outcomes that matter. It's Vision 2025 is an ambitious strategic plan that is helping to transform both the Council and the City through it's five strategic priorities.

This Strategy sets out how the Council will use it's financial resources to underpin it's Vision 2025 and strategic priorities. It is the Council's commitment to use the financial resources it employs over the coming years to make a positive difference to the city and its residents.

The development of this latest strategy needs to be seen in the context of significant inherent uncertainty for the Council against the backdrop of the long term, and in many cases unknown impact of the Covid19 pandemic on income and expenditure assumptions, and a lack of any form of clarity of future funding settlements from government.

The Covid19 pandemic has fundamentally affected the way in which the Council works and will have long term and societal impacts. Elements of this change which relate directly to the response phase will, in time, revert largely back to normal. However, an event of this magnitude undoubtedly means the Council will need to consider closely how its business and services should operate in the future.

As a result of the pandemic the Council is facing an unprecedented financial detriment. The measures introduced nationally to combat the virus have had direct and indirect negative impacts on the Council's finances which will need to be managed over future years. The Government has pumped billions of pounds into the economy to support the response phase of the pandemic and to protect jobs and services. In the medium-term the levels of additional borrowing and the budget deficit will need to be managed down at the same time as meeting ongoing needs to invest in recovery to achieve the growth required to repay the deficit. The Government's national strategy to address this challenge is not yet known, nor what it will mean for local government funding more generally. Furthermore, there remains potential longstanding impacts on the Council's local income sources if behaviour, working practices and spending patterns in the city continue to change.

The financial implications are challenging to estimate with certainty, there continues to be a number of unknowns; from how long, and to what extent restrictions will continue; to what measures will remain to combat the spread of the virus; and to what recovery will look like, such as how customers/residents/businesses will behave over time.

The financial challenges created by the impact of Covid19, coming on top of a decade of austerity in local government, cannot be underestimated.

Although there is a significant level of uncertainty about future funding, based on what is currently known, or can be reasonably assumed, the Council will need to make further reductions in the net cost base of the General Fund of £1.75m by 2023/24.

This is a significant target for the Council to achieve, particularly in light of the annual revenue reductions of £9m that have been delivered over the past decade. This level of savings has been achieved by re-investing in more efficient ways of working; adopting a more commercial approach; and prioritising resources for economic development measures, whilst making careful use of reserves to meet funding gaps.

However; it is becoming much more difficult to find additional efficiency savings and some being considered need to be delivered as part of longer-term transformational changes to the organisation, the Council is taking a more prudent approach to commercial ventures; and it cannot deliver the benefits from economic development measures in the short term. The Council is left with little option but to revert to a more traditional cost cutting measures approach in order to deliver the scale of reductions required within the short lead in time, as well as using reserves in the short term. The Council will ultimately have to make some difficult decisions over the next 12 months as it prioritises which services it can afford to continue to deliver. It will also require the use of the Council's earmarked reserves as a short-term response.

Although closing a gap of this size is a huge challenge it is not unprecedented, and the Council should have the confidence that it has a track record of delivering strong financial discipline and that it can rise to the challenge once again.

In this current exceptionally uncertain period and funding position the Council's overriding financial strategy therefore continues to be, to drive down it's net cost base to ensure it maintains a sound and sustainable financial position. The key mechanism for carrying out this strategy is through the Towards Financial Sustainability Programme which seeks to bring service costs in line with available funding and, alongside this over the medium term, using the Council's influence and direct investment through its capital programmes to create the right conditions for the City's economy to recover and once again grow.

The Council's successful financial planning to date has enabled the protection of core services for the people of Lincoln, whilst at the same time allowing for significant investment in the City, and its economy, and delivery of the Council's Vision. The Council will continue to adopt this approach, carefully balancing the allocation of resources to Vision 2025, whilst ensuring it maintains a sustainable financial position and delivers the required reductions in its net cost base.

Jaclyn Gibson, FCCA
Chief Finance Officer

Section 1 – Introduction

The purpose of the MTFS is to set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. The Council currently has five clear strategic priorities, and in order to achieve those priorities the Council must have a clear and robust financial strategy which focuses on the long term financial sustainability of the organisation.

The MTFS draws on a review of the local economic landscape, and the impacts of the wider national economic and political landscape. It looks ahead over the coming five financial years to identify the resource likely to be required by the Council to finance its priorities and meet the financial consequences of the demand for council services. It also looks ahead to determine the resources likely to be available to the Council over the same period. This plays a critical role in ensuring that as the Council develops its key plans and strategies it has a sound understanding of the organisations longer term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints.

The MTFS integrates revenue allocations, savings targets, reserves and capital investment and provides indicative budgets and future Council Tax and Housing Rent levels for the period covered by the plan. This approach has been in place for a number of years now and is an essential part of the budget setting process.

Although the Strategy is set against a medium-term time frame, to fit with the Council's corporate planning framework, in principle it will exist for longer as it provides the overall direction and parameters for financial management at the Council.

Inevitably the Council's plans will need to evolve and develop in response to new financial opportunities and risks and new policy directions, this has never been more evident than in the current climate. Therefore, the Strategy will be reviewed on a regular basis and at least annually.

The MTFS is underpinned by a sound finance system, coupled with a solid internal control framework, sufficiently flexible to allow the organisation to respond to changing demands over time and opportunities that arise.

Objectives

In light of the unprecedent impact of Covid19 on the Council's finances the existing objectives of the MTFS have been reviewed to ensure they remain relevant. This review has highlighted the key overriding objective to be;

- To continue to drive down the net cost base, in line with available resources, to ensure the Council maintains a sound and sustainable financial base, delivering a balanced budget over the life of the MTFS;

The further objectives that the MTFS seeks to achieve are as follows:

- To ensure the Council uses its reserves and balances carefully, seeking to maintain robust levels and replenishing where necessary, to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes;

- To ensure that the Council's limited resources are directed towards its Vision and strategic priorities, redirecting where necessary to allow for improvement and investment.

- To seek to maximise income levels, including maintaining in the short term and growing over the medium term, the Council Tax and Business Rates tax bases, whilst ensuring that Council Tax rate increases are kept an acceptable level;

- To ensure the Council provides efficient, effective and economic services which demonstrate value for money.

Policy and Financial Planning Framework

The Council's Strategic Plan, Vision 2025 is the thread that links the Council's integrated policy and financial planning framework. It is underpinned by the MTFS, which aims to ensure that all financial resources are directed towards delivery of the vision and flows through to the Council's other key plans and strategies, service planning and individual staff performance appraisals. This ensures that the Council's vision and strategic priorities drive the activity and allocation of resources of the Council.

The Vision 2025 promotes a clear view of the Council's strategic focus and in particular its key priorities. These priorities are a commitment by the Council to use the resources it employs over the coming years to a make a positive difference to the city and its residents.

Section 2 – Context

In order to set the framework for the Council's approach to policy and financial planning it is important to understand the overall national policy context, and economic conditions as well as the policy and delivery priorities for the Council over the MTFS period.

Economic Climate

Covid19 has had an unprecedented impact on the economy locally, nationally and internationally. In August it was confirmed that the UK economy had entered an official recession for the first time in 11 years. GDP fell by 2.2% in the first quarter of 2020, as the economy began to feel the effects of lockdown and then suffered its biggest slump on record during the second quarter with GDP shrinking 20.4%, as the lockdown brought many areas of the economy to a complete standstill. As lockdown restrictions eased from June onwards, the official technical recession (the deepest recession on record) ended with very strong growth in June and July. But, the economy's bounce back from the pandemic shutdowns slowed from August through to October with a lower than expected figure for growth, raising fears about the recovery petering as the factors that supported the pick-up begin to fade. Latest predictions from analysts are that the coming months were likely to see growth slackening further because of new tier restrictions, more consumer caution and the end of the furlough. It is inevitable that the growth experienced in the third quarter will go into reverse during the last three months of 2020 with forecasters predicting that it may take to between 2021 and 2024 for the economy to return to pre-crisis levels.

As a result of the economic crisis and due to the billions of pounds pumped into the economy to support the response phase of the pandemic and to protect jobs and services, public sector borrowing is now at a level not experienced since the 1950's, following the end of WWII. Under normal circumstances Government would face the unpalatable choice of dealing with the deficit directly through a new round of austerity measures or through tax rises in order to 'balance the books'. However, due to the historically low cost of government debt, in a world of low interest rates public debt has a limited fiscal cost, neither of these approaches have had to be adopted in the short term. This provides the opportunity to avoid, for now, the need for any fiscal tightening and to maintain a higher level of public expenditure, supporting the economy. This position can though only be maintained in the short term, and whilst interest rates remain low.

In usual circumstances if the economy is not growing strongly enough, the Bank of England would consider lowering interest rates to encourage firms to invest and savers to spend. However, interest rates are already close to zero after two emergency rate cuts in March, firstly from 0.75% to 0.25%, followed swiftly by a further cut to 0.10%, the lowest rate in the Bank's 325-year history. Discussions have taken place around the use of negative interest rates to further stimulate the economy with the Bank recently writing to all UK banks asking them how ready they are if interest rates were cut to zero or turned negative. The Bank has also signaled that it had no intention of raising interest rates until "significant progress" had been made in getting inflation back to the Bank's 2% target.

As at December 2020, the rate of CPI is currently at a low of 0.8%, having increased from a 5-year low of 0.2% in July. The Bank said it did not expect inflation to return to target levels for another two years.

Whilst Covid19 has had an immediate impact on the UK economy, Brexit, the end of transition period in December 2020 and agreement of a new trade deal, has continued to dominant the economy's future outlook during 2020. With the UK and EU having now reached a trade agreement, avoiding the threat of a no deal Brexit, the years of extreme uncertainty on both sides have ended. However, economists have warned that the costs of Brexit are still large and will hamper the UK economy in the years to come. Whilst the uncertainty has been removed, that has caused UK firms to delay investment and hiring, the 'certainty dividend' it will receive from this may not be large enough to account for the additional costs of leaving the EU. In the long-term economists expect the UK to be richer than it would have been under a hard Brexit but substantially poorer than if it hadn't left the EU at all.

With certainty over Brexit now achieved, once the path of the economy's recovery from Covid19 has been firmly established, addressing the UK's structural deficit and putting the public debt-to-GDP ratio on a downward path will be critical. The Government's national strategy to address this challenge is not yet known but this will undoubtedly impact on plans for borrowing, taxes, and public expenditure, including Local Government. This threat along with the impact on other indicators highlighted throughout this strategy make financial forecasting beyond 2021/22 very difficult.

National Priorities

Covid19 has fundamentally impacted on the UK economy and on the political agenda of the Government. The Spending Review 2020 set out the key priorities of the Government to be; responding to the pandemic; investing in the UK's recovery and delivering on its promises to invest in key public services. A key part of the Government investment strategy is to continue its commitment to level up opportunity across all of the UK regions.

Spending Review 2020

On 24th November 2020 the Chancellor announced details of the Spending Review 2020. Originally intended to be a multi-year settlement the Review only set out the detailed resource departmental expenditure limits for 2021/22. This showed a substantial additional funding for public services to support the response to Covid19 and a continued increase in day-to-day departmental spending. The review also set out a significant level of capital investment for 2021/22 supported by a new National Infrastructure Strategy.

The review contained the following significant points effecting Local Authorities:

- In relation to national pay bargaining public sector pay increases are paused for one year except for NHS staff and public sector employees on low pay. Those employees on less than £24k per annum will receive a pay increase of £250.

- Core spending power i.e. the Governments assessment of increased income to Local Authorities is reported to have increased by 4.5% (£2.2 bn). This increase is largely due to the ability of social care authorities to increase their council tax bills by up to 5 percent.

- Revenue Support grant will continue for a further year and will increase in line with inflation.

- The referendum threshold for increases in Council Tax will be 2% in 2021/22. District Council have in the past few years been able to increase Council Tax by up to 2% or £5 whichever is the higher. For district councils the referendum level is exceeded if Council Tax is to be increased by 2% or more and more than £5.00 on a Band D property – i.e. an increase of more than 2% is permitted as long as it does not exceed £5.00 on a Band D property.

- Social care authorities will be able to charge an adult social care precept of up to 3%

- £300 million of new grant funding for adult and children's social care, in addition to the £1bn announced at SR19 that is being maintained in 2021/22

- Maintaining the existing New Homes Bonus scheme for a further year with no new legacy payments. The scheme will be changed in 2022/23 subject to a consultation although no further details are given.

- There will be £16m to support modernisation of local authorities' cyber security systems.

- £0.8bn of funding for tax revenue losses; this is intended to cover 75% of irrecoverable loss of council tax and business rates revenues in 2020/21 that would otherwise need to be funded through local authority budgets in 2021/22 and later years (i.e. collection fund deficits being dispersed).

- Extending the existing Covid19 sales, fees and charges reimbursement scheme for a further three months until the end of June 2021

- £1.55bn to meet additional expenditure pressures as a result of Covid19

- £670m of un-ringfenced grant funding to enable Councils to continue to reduce Council Tax bills for those least able to pay, including households affected by Covid19.

- £254m for rough sleepers and those at risk of homelessness during Covid19

- Business rates multiplier for 2021/22 will not be increased and there is no update on Business Rates Funding Reform, which is still listed as 'delayed', with no revised implementation date proposed. There is confirmation that there will not be a reset in 2021/22, as expected, given the lack of data to allow baselines to be set, which are reflective of the impact of the pandemic.

- Announced the outcome of the consultation on reforms to the Public Works Loan Board, intended to prevent the trend of Local Authorities taking on debt to buy assets primarily for income, and lowered the interest rate on PWLB lending by 100bps.

- A £4bn levelling up fund, which will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery.

Beyond 2021/22 the Review assumes a path of annual increases in departmental expenditure limits of 2.1% in real terms, in line with the assumption at Budget 2020. In terms of capital expenditure this has been kept at the same levels as set out at Budget 2020.

With no further details of the expenditure plans beyond 2021/22 available, the annual real terms increase of 2.1% is unlikely to applied uniformly to all departments, Local Government has no future certainty of funding levels. As set out above the Governments fiscal respond to the current economic crisis will be key in determining how future resources are allocated to Local Government. With the NHS, defence and school budgets expected to be protected, non-protected areas, including Local Government, could face significant pressures on their resources if the approach mirrors the austerity policies of the previous decade

Spending Review 2021

With the Spending Review 2020 concentrating on departmental budgets for 2021/22 a full multi-year Spending Review is due to be carried out in 2021. This is set to encompass a full departmental spending review setting out the departmental allocations across government including setting the quantum of funding for local government and will take into account the impact of the Brexit trade agreements and impact of Covid19 on the economy, and will set out the Government's fiscal response. The time period to be covered by the review is unknown but is expected to be up to 3-4 years.

The Institute for Fiscal Studies (IFS) independently reviewed the future funding outlook for councils prior to the Spending Review 20, including 'business as usual' pressures, cost impacts of the pandemic that might be permanent and the potential long-term impact of the economic changes on local income, such as local taxes, sales, fees and charges. The IFS's upper estimates of all the pressures councils were facing as well as challenges of recovering self-raised income suggest that the funding gap could end up being as high as £9.8 billion by 2023/24. These pre-existing pressures and new legacy impacts of the pandemic bring significant risks to councils' financial stability which needs to be addressed through additional national funding. Work continues through a range of organisations to continue to make the case ahead of the next Spending Review for further, substantial, financial support to ensure the financial resilience of Local Authorities is not undermined.

Other Reforms

Whilst the Spending Review will set the overall quantum for local government funding the specific allocation of funding to individual authorities is affected by a number of mechanisms. Prior to the outbreak of Covid19 the Government had intended on making a number of significant reforms these mechanisms, which will have significant impacts on the level of funding each Local Authority. These reforms had previously been delayed by one year from 2020/21 due to the impact of Brexit. These reforms are:

- The Fairer Funding Review
- Business Rates System Reset and introduction of 75% Rates Retention

Due to the impact of Covid these reforms have now been further delayed, however no specific date for implementation has been announced, creating a further extended period of uncertainty for local authorities. Updates on each of these key reforms are set out in the following paragraphs.

Fairer Funding Review

The Fairer Funding Review will create a new formula for the distribution of resources across local authorities by establishing new baselines at the start of the 75% Business Rates Retention scheme. The Review was expected to be completed last year alongside a multi-year Spending Review, to revise the formula for calculating how government funding is split between local authorities. The review was set to focus on three key elements;

- Determining Need – assessing the relative needs of local authorities determined by a combination of specific cost drivers

- Determining Resources (deducted from need) – assessing each authority's ability to raise resources locally

- Transition (to the new baselines – providing protection for those authorities facing severe funding reductions as a result of changes in their baseline needs.

Although previous technical consultations had been published, which indicated a shift in resources from district councils towards statutory social services a county and unitary level, there had been no consultation on the proposed new formula.

However, in releasing funding to support local authorities with Covid19 expenditure pressures in 2020/21 the MHCLG decided to use a new formula based on elements of the Fair Funding Review, perhaps indicating the possible outcomes of the review.

It is likely too that the Review will now also take into consideration any new policy decisions on what the focus of local government funding should be in light of any revised Government priorities following the pandemic.

Business Rates Retention Reform

Before the 2017 election, the Local Government Finance Bill 2016 was prepared with the aim of introducing primary legislation to enact the move from the 50% business rates retention (BRR) scheme to 100% BRR. Subsequently, as part of the Local Government Finance Settlement 2018/19 government announced that local business rate retention would move forward from 50% to 75% in 2020/21 rather than

100% as previously announced. The government has stated though that it is still committed to a long-term aspiration of 100% retention of business rates.

At the point of introduction of a 75% retention scheme a full business rate baseline reset will also take place, to better reflect how much Local Authorities are actually collecting in business rates. This reset has the effect of wiping out any business rate gains that individual authorities have built since the launch of the current system in 2013/14. Until the onset of the current pandemic it had been assumed that at a national level the total gains would be redistributed through the system of baseline need so it was likely that the Council would receive an element of this. The impact of Covid19 across the country is now likely to have wiped out many of the gains local authorities had been experiencing and now leave little for redistribution.

Alongside the publication of the fairer funding review in December 2018 the government published the consultation paper “Sharing risk and reward, managing volatility and setting up the reformed system”. This was the first consultation on 75% retention and reset, and included proposals to update the balance of risk and reward and to mitigate volatility in income and simplify the system, this allowed local authorities to assess to some degree how the future system would work and the likely financial implications. Although there is an established technical steering group and a number of sub-groups that provide information and expert advice on the setting up and implementation of the new system, the work of these groups has been disrupted by the pandemic and as such no further technical papers or consultation documents have been recently issued.

As well as significant uncertainties around Government policy in terms of the Fairer Funding Review and Business Rates Retention there are also potentially other major reforms with Green Papers on Social Care and White Papers on Devolution and Recovery and possible Planning reform due in the forthcoming year. However one such White Paper, with implications for Local Authorities, that was released during 2020 was the Social Housing White Paper.

Social Housing White Paper

The Government’s Social Housing White Paper was announced in November 2020 and set out a ‘new deal’ for social housing residents. Overall, there are seven themes all linked by one common thread – that the safety, wellbeing and opinions of social housing residents is paramount, and it’s down to landlords to demonstrate engagement and performance to their residents. The seven themes are:

- Be safe in your home
- To know how your landlord is performing
- To have your complaints dealt with promptly and fairly
- To be treated with respect, backed by a strong consumer regulator for tenants
- To have your voice heard by your landlord
- To have a good quality home and neighbourhood to live in
- To be supported to take your first steps towards ownership

The White Paper sets out wide ranging and compulsory changes to how social housing organisations operate, which includes Local Authorities.

The impact to the social housing sector cannot be underestimated. Not only are operational activities and performance measures under increased scrutiny by The Regulator, there are new requirements for resident engagement and complaints and a pledge to review the Decent Homes Standard.

Local Priorities

City Profile

Lincoln is a cathedral city, and is one of the oldest cities in Britain, with a population of around 99,299 (1% increase on the previous year). Lincoln is one of seven Districts in Lincolnshire and, being an urban area located within a predominantly rural county, faces both unique challenges and opportunities.

Although the population of Lincoln is around 99,299, almost twice as many people visit the city during the daytime as live here, boosting the local economy but also putting immense pressure on local services and infrastructure.

In the last ten years Lincoln has seen a significant increase in the number of people who live here at 9.3% from 2010 to 2020, with a larger proportionate increase than England (8.1%) as a whole. Lincoln has also had a bigger increase proportionately than many cities and towns in England that are considered characteristically similar.

There continues to be an increase in the number of residents aged 20-29, influenced by the expanding universities. There are well over 18,000 students at the University of Lincoln and Bishop Grosseteste University. Lincoln has a higher than average proportion of its population aged in their 20's. This age group accounts for 20.8% of the city's total population, compared to only 13.1% nationally.

In terms of the economy, the City faces a number of challenges. Before the pandemic the City's business base had been growing consistently for some years. Through the pandemic the Council has worked hard to mitigate business failure and unemployment rates, distributing grants to businesses, working with partners across the City to support the High Street, through direct investment in the City and progression of the Towns Fund bid as well as other measures. Nevertheless, lockdowns and ongoing restrictions have had a major impact on the local economy with many businesses forced to close or make staff redundant.

The number of Local Council Tax Support claimants had reduced year on year since April 2013, reducing from 11,018 in April 2013 to 8,524 in April 2020. However, as a direct result of the pandemic claimant numbers as at the end of November 2020 had increased by 5.3% with working age claimants increasing by 9%. Overall, approximately 19.33% of council tax payers receive Housing Benefit and/or Council Tax support. Only around 0.4% of properties fall within council tax bands G and H, and 80% fall within the lowest bands A or B. This low Council Tax base, compounded by the increased cost of the LCTS scheme, has a significant limiting impact on the Council's ability to raise revenue via the Council Tax and creates a higher dependency on other sources of income.

Like many places, Lincoln is made up of areas of relative affluence, and relative deprivation. The Indices of Multiple Deprivation 2019 shows Lincoln as 68th of 317 Local Authorities. The three domains that Lincoln has scored higher in the rankings are in crime, housing and living environment. These are all in the lowest (9.3%) weighting. Health remains Lincolns worst domain ranking.

Both male and female life expectancies are in line with national averages with male life expectancy decreasing a little to 76.9 years while female life expectancy reduced slightly to 80.6 years. Early deaths due to heart disease and cancer had been reducing but rates have seen an increase and Lincoln still ranks high amongst our nearest neighbours.

In addition Lincoln’s child poverty rate is above the county, regional, and national rate and fuel poverty rates are above the regional and national average.

There are approximately 44,600 households in the city – the City Council is landlord to approximately 7,800 of these, with more than one thousand more belonging to Registered Social Landlords. Despite the fact that housing is generally more affordable in Lincoln than elsewhere, there is still substantial demand for social housing of different types.

The impact of Covid19 has been felt, and will continue to be felt hardest, by the most vulnerable members of the City. Those who are most economically disadvantaged have experienced the pandemic differently as it interlinks with existing health inequalities and social conditions and increases that existing adversity: financial difficulties, unemployment, loneliness, social isolation, have been intensified by the pandemic.

These factors place significant demands on key services and resource allocation and are a key driver in the development of the Council’s Vision for the future of the City, its strategic priorities and it’s response to the recovery of the City and it’s economy following the Covid19 pandemic.

Vision 2025

Following the successful completion of the three-year strategic plan ‘Vision 2020’ in late 2019, a new five-year strategic plan ‘Vision 2025’ was developed and adopted by Executive on 24th February 2020, although due to the onset of the pandemic was not fully launched. It sets out the Council’s vision for the future of the City, strategic priorities and core values.

The Council’s current vision for 2025 is;

"Together, let’s deliver Lincoln’s ambitious future"

Underpinning this vision are five strategic priorities, each with a number of supporting aspirations. The aspirations are in turn supported by groups of projects that have been delivered by the Council and it’s partners throughout the five year programme. The five current strategic priorities are:

- 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

These five strategic priorities will be supported in Vision 2025 by a programme called One Council, which replaces the Professional High Performing Service Delivery section in Vision 2020. One Council is made up of the following pillars:

- Organisational development
- Best use of assets
- Technology
- Create value processes

It aims to put the customer at the heart of everything the Council does, understanding their needs, wants and preferences. One Council will also define how the Council will need to work in the future to meet those changing demands and to work in an effective and efficient way.

Additionally, the vision includes a set of core values which sum up the Council's culture, and what can be expected from its services and policies. They should also be present in the way its officers and member deal with others, its residents, and its partners. The core values are:

- Let's be approachable
- Let's be innovative
- Let's be trusted to deliver

The development of Vision 2025, prior to the Covid19 pandemic, provided the priorities and aspirations as well as a high-level view of how these would be achieved. It included a mix of exciting, high profile projects to shape the future of the city, with a range of other projects in keeping with the financial and officer capacity available at that time. The detail of what needed to be done each year to work towards the end goal was to be delivered through a specific Annual Delivery Plan for each year, in which individual projects would be agreed for each priority.

The year one Annual Delivery Plan was in the process of gaining approval when in March 2020 Covid-9 arrived and severely impacted the council's ability to delivery anything more than critical services and respond to the impacts of the pandemic. As the year moved on there was some ability to restart work on key projects without affecting services, but much of the other planned project work ceased.

The annual delivery plans that support the overall Vision are now currently in the process of being refreshed to reflect the impact the pandemic has had on the Council, the City and it's residents and business, to ensure that the correct priority areas are focussed upon. A key element of this will be officer resource to support the delivery of the increased savings programme, whilst also ensuring that resource is available to maximise external funding opportunities to bring forward new development to support the City and its economy.

The Annual Delivery Plan for year 2, 2020/21, is currently being developed, but due to the financial and resource effects of the Covid-19 impact, it is not possible to completely pick up were the Council was. The new plan has been developed with the following key assumptions in order of priority:

- Remobilisation of critical and then other services
- Agreed savings projects to be progressed
- Key legacy projects (already underway) to be completed
- Key One Council projects that will kick start new ways of working
- Necessary new projects that do not affect the ability of achieving the first four criteria and contribute towards key goals
- All other projects to be delayed for consideration in Year 3-5 Annual Delivery Plans

Section 3 – Revenue (General Fund)

Impacts of Covid19

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 cumulative impact of these challenges has resulted in significant shortfalls, assessed as at the end of December 2020 to be c£7m, on the General Fund.

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£3.048m through the income compensation scheme along with further specific grant support of c£0.4m.

Despite this financial support package announced by the Government the General Fund could not absorb the level of budget shortfalls without having to take some measures to reduce some areas of expenditure. Decisive action was therefore taken by the Council to; undertaken a budget review; access the Coronavirus Job Retention Scheme; review revenue funding of the capital programme; and allocate earmarked reserves. This allowed the Council to be able to continue to deliver its critical services in 2020/21 and to ensure its balances remain at an adequate level to provide resilience for future years.

The impacts of Covid19 are not though simply restricted to the 2020/21 but will have a significant impact over the period of the MTFS and possibly beyond.

The impact of Covid19 increases the risks and uncertainty associated with the level of government funding available from 2022/23 onwards; effects demand for services; increases business rate appeals; increases cost pressures; detrimentally impacts on Council Tax and Business Rate bases and reduces income receivable from sales, fees and charges. A summary of high-level financial pressures that are set to arise in future years include:

- **Ongoing increased service demand –** it is likely that there will be a number of service demands and cost pressures that will arise as a result of the economic impact that Covid19 has had, based on increased experience following the last recession, there is likely to be:

    - An increase in homelessness cases and demands on the Housing Solutions Team in both the short and long term.
    - An increase in demand for Council Housing
    - A longer term impact on the Council’s pension fund contributions.
    - An increase in demands on the Customer Services Team and Welfare Advice Team as more customers rely on the Council’s Services in the longer term.

- An increase in arrears and a requirement to set aside further contributions to bad debt provisions.

It is the threat to the Council's income streams, through local sources (Council Tax, Business Rates, Fees & Charges) that poses the most significant risk to the MTFS. 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.

- **Ongoing reductions in discretionary income levels** – although many of the discretionary income areas will bounce back in the medium term there are some income areas that are unlikely to ever return to their pre-Covid levels. This will be as a result in a change in people's habits and preferences as well as the way businesses operate. The largest of these reductions will be in carparking income which is set to drop permanently.

- **Impacts on local taxation** - in 2020/21 there will be no direct budgetary implications of any reductions in Council Tax or Business Rates bases due to the operation of the Collection Fund with pre-set precepts which must be distributed to the General Fund and major preceptors (LCC, PCC and Government).

  But from 2021/22 there will be a budgetary implication for both Council Tax and Business Rates. A significant deficit on the Collection Fund has been declared, ordinarily these deficits would be required to be charged to the General Fund in the 2021/22, however MHCLG implemented new regulations to allow these deficits to be spread over a three-year period.

  In addition to the distribution of the deficit there is also forecast to be ongoing reductions in the Council Tax and Business Rates bases, reducing resources from 2021/22 onwards.

- **Future financial settlement and funding mechanisms -** there is a significant amount of uncertainty around future reforms of local government funding as well as the impact of the current economic outlook on future public expenditure levels and ultimately local government finance settlements.

As set out further in this section the Local Government Finance Settlement announced a number of specific funding packages to support Local Authorities with the financial pressures they face in 2021/22. However, this financial support does not address all of the challenges the Council faces in 2021/22 and does not provide any additional resources in future years. The MTFS therefore forecasts a significant, ongoing, financial detriment to its income streams, which will need to be addressed through ongoing reductions in its net cost base.

Spending Plans

The MTFS is central to identifying the Council's financial capacity to deliver its vision and strategic priorities, this requires a balance to be struck between the need to support the delivery of the vision with the need to maintain a sustainable financial position. This balance has become extremely difficult given the impact of Covid19 on the Council's financial position and a need to continue to reduce it's net cost base.

The Year 2 Annual Delivery Plan of Vision 2025 recognises the need to reduce the Council's net cost base and prioritises this, alongside remobilisation of services, and completion of legacy schemes, ahead of further new investment. The majority of new investment that is included in the Delivery Plan for 2021/22 is primarily of a capital nature, aimed at supporting the recovery of the City, with little or no revenue implications. With the exception of key One Council projects required to kick start new ways of working all other schemes are delayed until years 3-5 of the Vision.

For these future years the General Fund has retained a specific earmarked reserve of £0.772m for further revenue investment.

Spending Assumptions

A review of the financial planning assumptions the Council over the period of the MTFS has been undertaken, this information has been drawn from experience in previous years, the advice of Directors and Assistant Directors, the current economic climate and other local and national issues that are likely to influence the financial outcomes.

Inflation – Pay and Prices

Automatic inflationary increases of budgets are not provided for all goods and services, instead individual inflation rates have been applied for specific items of expenditure, all remaining areas of expenditure are maintained at the previous year's levels, which is in effect a real terms reduction in spending power. The following rates of inflation have been assumed over the period of the MTFS:

	2021/22 % per year	2022/23 % per year	2023/24 % per year	2024/25 % per year	2025/26 % per year
Pay	1.5%	1.5%	2.0%	2.0%	2.0%
General	2.0%	2.0%	2.0%	2.0%	2.0%
RPI linked Contractual Commitments	3.0%	3.0%	3.0%	3.0%	3.0%
Non domestic rates	0%	2.0%	2.0%	2.0%	2.0%

These rates have been based on the Bank of England's target rate of inflation of 2% and a forecast of RPI, at the time of revising the MTFS assumptions, of 3.0% for 2021/22 onwards. A number of the Council's contractual commitments are linked to the CPI or RPI at a defined date in the year, primarily December and March; any movement in these indices by these dates will result in either an inflationary pressure for budget saving for the Council.

Employer’s Pension Fund Contributions

The latest triennial revaluation of the Council’s Pension Fund took place at 31 March 2019, and the results identified that there has been a significant improvement in the funding position since the last actuarial review from a 69% funding level to 84%.

Although the overall funding position has improved, the employer contribution rates are still required to increase in order to improve the funding position further. The Lincolnshire Pension Fund’s overall Funding Level has improved to 93% due, in the main, to excellent investment results during the period, although this level of investment performance is unlikely to be sustainable over the longer term. The Fund’s prudent assumption for future investment remains unchanged from the 2016 valuation, however the economic outlook on the whole is slightly more pessimistic than 3 years ago. For employers such as local authorities the Actuary, because of the guaranteed nature of their funding, is able to recommend a stabilisation overlay mechanism whereby the employer’s current contribution rate is capped at an affordable level. Without out this in place the Council would be facing significantly higher contribution rates in order to increase the funding position.

This stabilisation approach has allowed the annual increase in the contribution rate to be capped at 1% p.a. over the period 2020/21 to 2022/23.

A further actuarial review will take place in April 2022, which will inform the employer contributions from 2023/24 onwards.

Net Interest Receipts

Net interest receipts incorporate the cost of financing the capital programme (via internal and external borrowing) and interest paid and earned on revenue balances during the year.

Historically investment income, which is heavily dependent on how the Council uses its reserves and the prevailing interest rates, was an important source of income for supporting the Council’s service expenditure. However, as a result of the ongoing economic difficulties in both the domestic market and the Eurozone, the Council has seen a significant reduction in the interest rates offered on new investments. The prevailing risk in the financial markets has reduced the credit ratings of many institutions so there are also fewer counterparties available for investment purposes, and investments are being kept short and liquid to reduce the overall risk of the investment portfolio. The total interest income received significantly fallen over the last decade and the average interest rate achieved is barely above base rate.

Interest rates are forecast to remain at low levels until late 2022 and then the expectation is for a very slow recovery in the money markets. This is reflected in investment income forecasts in the MTFS.

Borrowing costs incurred on any short-term borrowings are minimal and the Council’s portfolio of long-term borrowings currently includes 4 loans that are due to be repaid during the coming five financial years. The council has short term loans which mature in 2021 and 2022. All other loans mature after 2024/25 and are fixed rate loans. Six of these loans have lender options to vary their terms at six monthly intervals.

Sensitivity to changes in interest rates is linked more markedly to investments rather than to the portfolio of borrowing as all borrowing is at fixed interest rates. As an indication, a change in interest rates of +/- 0.5% would have an estimated combined impact of approximately £35k.

Average interest rates on investments assumed within the MTFS are as follows:

	2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %
Interest Rate	0.18	0.18	0.25	0.25	0.25

Based on the current forecasts for interest payable on new borrowing (averaging around 2%) and receivable on investments (averaging around 0.18%), and the estimated level of balances available for investment, it is currently anticipated that new borrowing will be taken to fund the borrowing requirement for the General Fund over the 5 year strategy. Internal balances will be used to fund the existing borrowing requirement where it remains financially advantageous to do so, reducing the amount of interest that would have been payable on new debt, partially offset by a reduction in interest receivable (due to reduced balances available for investments).

Resource Assumptions

Settlement Funding Assessment: Revenue Support Grant/National Non-Domestic Rates

The Local Government Finance Settlement for 2021/22 sets out the distribution of centrally allocated resources for local authorities and provides authorities with a combination of grant allocations and their baseline figures within the BRR scheme.

With the 2021/22 figures being for a single year only and the deferral on the Fairer Funding Review, New Homes Bonus reform and the Business Rates Reset for a further year, the 2021/22 settlement is similar to the 2020/21 settlement. The majority of the headlines for this settlement are also similar to 2020/21, albeit with the added policy and funding announcements around Covid19.

The Settlement is based upon the funding levels announced in the Spending Review with individual authority allocations based on Spending Review 2015 and subsequent funding allocations.

Core Spending Power

The Core Spending Power calculation includes the main sources of Government funding for local authorities, in addition it also includes local resources in the form of assumed levels of Council Tax income.

The table below shows the national changes to Core Spending Power between 2015/16 and 2021/22 and the breakdown across the various funding sources. Overall, spending power will increase by £2.258bn from £48.999bn to £51.257bn, an overall increase for the period 2015/16 to 2021/22 of 14.8%. However within this, the Settlement Funding Assessment (SFA) will reduce by £6.440bn (30%) and NHB by £0.578bn (48%), which is largely offset by the governments estimate of council tax increasing by £9.156bn (41%).

England	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
	£bn	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**
Settlement Funding Assessment	21.250	18.602	16.633	15.574	14.560	14.797	14.810
Under-indexing business rates multiplier	0.165	0.165	0.175	0.275	0.400	0.500	0.650
Council Tax	22.036	23.247	24.666	26.332	27.768	29.227	31.192
Improved Better Care Fund	0	0	1.115	1.499	1.837	2.077	2.077
New Homes Bonus	1.200	1.485	1.252	0.947	0.918	0.907	0.622
Transition Grant	0	0.150	0.150	0	0	0	0
Rural Services Delivery Grant	0.016	0.081	0.065	0.081	0.081	0.081	0.085
Lower Tier Services Grant	0	0	0	0	0	0	0.111
Adult Social Care Support Grant	0	0	0.241	0.150	0	0	0
Winter Pressures Grant	0	0	0	0.240	0.240	0	0
Social Care Support Grant	0	0	0	0	0.410	1.410	1.710
Core Spending Power	**44.667**	**43.730**	**44.296**	**45.098**	**46.213**	**48.999**	**51.257**
Change %		**-2.1%**	**1.3%**	**1.8%**	**2.5%**	**6.0%**	**4.6%**
Cumulative change %		**-2.1%**	**-0.8%**	**1.0%**	**3.5%**	**9.7%**	**14.8%**

Although the national level of Core Spending Power is forecast to increase by 4.6% the variation between individual authorities and types of authority is significant. The calculation also contains assumptions around council taxbase changes and increased which may not be reflected in local projections.

Shire Districts, including Lincoln have experienced the worst reductions in core spending power, due to changes in the distribution of RSG and due to the top slicing of NHB to redirect towards social care pressures and the allocation of other specific grants towards upper tier or rural authorities. Lincoln's position is as set out in the table below, this shows a total reduction in core spending power of 15.2% over the six year period to 2021/22, with a 0% increase for 2021/22.

Lincoln	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
SFA	6.048	5.188	4.543	4.197	3.775	3.837	3.837
Council Tax;	5.637	5.916	6.145	6.393	6.679	6.915	7.160
Other grants	2.120	2.335	1.709	1.090	0.843	0.924	0.678

Core Spending Power	**13.804**	**13.439**	**12.396**	**11.680**	**11.297**	**11.676**	**11.676**
Change over the period (£m)							**-2.104**
Change (%)							**0%**
Cumulative Change (%)							**-15.2%**

Settlement Funding Assessment

The SFA for each authority comprises of NNDR Baseline funding level and Revenue Support Grant. For the Council this is broken down as follows:

	2015/16	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
RSG	2.585	1.698	0.981	0.000*	0.022	0.023	0.023
Baseline BR Funding Level	3.463	3.491	3.562	4.197	3.753	3.814	3.814
SFA	**6.048**	**5.188**	**4.543**	**4.197**	**3.775**	**3.837**	**3.837**
Change over the period (£m)							**-2.211**
Change over the period (%)							**-36.6%**

* added to Baseline BR Funding level as part of 100% business rates pilot in 2018/19

Revenue Support Grant

In terms of the Council's RSG element of the SFA, as a result of the delay in the implementation of the new 75% BRR scheme, the figures announced in the Finance Settlement are at the same level as the 2020/21 allocations uplifted by 0.5% in line with CPI inflation. Over the 6-year period from 2015/16, the Council's allocation has reduced by 99.1% from £2.585m in 2015/16 to £0.023m in 2021/22, as shown in the table below.

	2015/16 £m	**2016/17 £m**	**2017/18 £m**	**2018/19 £m**	**2019/20 £m**	**2020/21 £m**	**2021/22 £m**
RSG	2.585	1.698	0.981	0.528*	0.022	0.023	0.023
Change %		-34.3%	-42.2%	-46.2%	-95.8%	1.63%	0.55%
Cumulative change %		-34.3%	-62.1%	-79.6%	-99.1%	-99.1%	-99.1%

* added to Baseline BR Funding level as part of 100% business rates pilot in 2018/19 but shown here for comparison purposes.

Beyond 2021/22 it is assumed that there will be no further RSG payable by the Government.

Business Rates Retention

The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2021/22 and based on the principles of the current 50% Business Rates Retention scheme it's estimate of the level of NDR to be retained is set out in the table below.

The level of outstanding appeals continues to create a high level of uncertainty both in respect of the outstanding appeals from the 2010 and 2015 ratings lists already lodged with Valuation Office, but also in relation to appeal to the 2017 list that are submitted under the new Check, Challenge Appeal process. The Collection Fund is required to fully provide for the expected result of all appeals and using external assessments as to the likely level and value of these appeals. The current provision of outstanding appeals stands at £5.687m, of which the Council's share is £2.275m. Compounding this further is an increase in businesses submitting business rates appeals on the basis of a material change in circumstances arising from Covid19, this requires additional provisions to be set aside at a cost reducing the level of business rates retained by the Council and increasing the provision for appeals.

In addition to the backdated element of these appeals there is also an ongoing impact due to the reduction in the business rates base, which ultimately reduces the level of income to be retained in the future by the Council. As indicated above the number of appeals lodged citing a material change in circumstances as a result of Covid19 has been significant. This will have a further detrimental impact on the business rate base, this impact has been assumed at £2m p.a.in the BRR forecasts set out below.

For 2021/22 the Council along with the County Council, who are a top up authority, and five other Lincolnshire District Councils have received designation to act as a BRR pool. The governance arrangements for the pool allow for the allocation of any retained levy to be allocated 40% to the County Council and 60% allocated to the District Council that has generated the business rates growth. The estimated benefit of this to the Council is £418k in 2021/22.

An adjustment has however been made from 2022/23 onwards to remove the gains that are currently received from pooling as this element of the scheme will cease to exist in a 75% retained system.

Beyond 2021/22 forecasting the level of Business Rates income to be retained is extremely challenging due to the introduction of the new 75% retention schemes and full reset of the Business Rates baselines, with many of the parameters still unclear and the timing of its introduction still not set. These changes, when implemented, will wipe out gains the Council has built up since the launch of the current system in 2013/14. Until the onset of the current pandemic it had been assumed that at a national level the total gains would be redistributed through the system of baseline need so it was likely that the Council would receive an element of this. The impact of Covid19 across the country is now likely to have wiped out many of the gains Local Authorities had been experiencing and now leave little for redistribution, these further reduces the future level of resource the Council can expect to receive.

The MTFS therefore assumes a continuation of the existing 50% scheme, and BR pool in 2021/22 and then from 2022/23 has been developed on the basis of a 75%

retention scheme, a full reset of the system and with only a small element of assumed redistribution of the total national gain. These forecasts will continue to be assessed as further information regarding the design and implementation of the scheme is made available.

Based on the assumptions as set out above the level of retained business rates assumed in the MTFS is as follows:

Income Forecast	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**	**2024/15 £m**	**2025/26 £m**
Forecast retained Income	5.142	4.140	4.539	4.966	5.396

As set out throughout this MTFS, there are a number of key and dramatic changes to Business Rates due in the forthcoming years. These will have the potential to significantly affect the level of business rates retained by the Council, whilst assumptions have been made in the MTFS regarding the potential impacts the actual impact remains a high risk to the Council's future financial sustainability.

Council Tax

The Localism Act 2011 introduced a power for residents to approve or veto excessive council tax increases. This means that any local authority setting an excessive increase as set by the Secretary of State would trigger a referendum of all registered electors in their area. The Government confirmed in the Local Government Finance Settlement that there will continue to be differential limits that will trigger the need for a referendum. There will be a referendum limit of up to 2% for all authorities except Shire Districts and Mayoral Combined Authorities. For District Councils, as in previous years, there will be additional flexibility with increases of less than 2% or up to and including £5 (whichever is higher).

In light of the financial position of the Council and in accordance with the referendum thresholds to be applied for 2021/21, the MTFS assumes the following indicative council tax increases and subsequent overall yields:

	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
% Increase	1.9%	1.9%	1.9%	1.9%	1.9%
Council Tax Base	24,372	25,129	25,593	26.059	26.483
Council Tax Yield	£6.956m	£7.307m	£7.583m	£7.868m	£8.149m
Band D	£285.39	£290.79	£296.28	£301.95	£307.71
Band D £ Increase	£5.31	£5.40	£5.49	£5.67	£5.76

For 2021/22 the Council Tax amount for a Band D property (excluding County Council and Police Authority precepts) is £285.39, a 1.9%/£5.31 increase from 2020/21.

Following implementation of the localised council tax support scheme (LCTS) in April 2013 (which changed support from being a benefit to a council tax discount) the council tax base is now directly affected by the number of council tax support claimants. The more council tax support that is awarded the more the taxbase is reduced, therefore limiting the ability to raise council tax.

Since the introduction of the scheme in 2013 the number of claimants had as at April 2020 decreased by over 20%. However, between April 2020 and the end of November 2020 caseload had increased by 5.3%, with working age claimants increasing by 9%. This increase has been bought about due to the impact of Covid19 on household incomes. Although it is difficult to assess with any certainty what further increases in claimant numbers may be, due to the number of unknowns around economic recovery, current tier restrictions, etc, it can be reasonably assumed that there will be a further increase in claimants over the reminder of the financial year and that this level of increased claimant numbers will persist during 2021/22 before gradually reducing over the period of the MTFS.

The MTFS has been prepared on the basis of a further increase in working age claimant numbers of 3% for 2021/22, with a gradual reduction of 2% p.a. over the period of the MTFS. The council tax base in the table above reflects these estimated changes in caseload.

Recognising the reduction in Council Tax income as a result of increased LCTS claimant numbers, the Local Government Finance Settlement announced £670m of grant funding to broadly meet the additional costs in 2021/22. This funding is un-ringfenced and can be used to provide other support to vulnerable households as well as offsetting the loss in Council Tax income. The Council's allocation for 2021/22 is £0.200m and will be used to offset the loss in Council Tax income.

New Homes Bonus

The New Homes Bonus grant was introduced in 2011/12 and rewards local authorities based on the levels of new homes being built, particularly affordable homes, and empty properties returned into use. This grant is top sliced from the overall national level of funding for local government which creates a direct incentive for local authorities to promote growth and development or else risk a reduction in resources.

Previously been announced that a Spring 2020 consultation on the future of the scheme would be undertaken, stating that 'it is not clear that the New Homes Bonus in its current form is focused on incentivising homes where they are needed most' and the consultation will 'include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need, and which is aligned with other measures around planning performance'. Although this consultation did not take place the Settlement announced stated 'we will soon be inviting views on how we can reform the scheme from 2022/23 to ensure it is focussed where homes are needed the most'.

Due to the delay in the implementation of the reform of the scheme a further years allocation for 2021/22 has been announced, similar to the 2020/21 allocations there will be no future legacy payments attached to the allocation.

The MTFS is based on the allocations announced in the as follows:

2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
213	50	0	0	0

Lower Tier Services Grant

Included in the Finance Settlement was the announcement of a new (one off) Lower Tier Services grant of £111m for 2021/22. This is an unringfenced grant and the Council's allocation is £266,061.

Covid19 Support

During 2020/21 the Government have provided Local Authorities with unringfenced Covid19 grant allocations of £4.553bn to contribute towards additional costs incurred, this is in addition to a number of specific grants for specific purposes e.g. compliance and enforcement. The Council received allocations of £1.877m in 2020/21.

Recognising that Local Authorities will continue to face additional costs in 2021/22 the Local Government Finance Settlement announced a further £1.55bn of unringfenced grant in 2021/22. The Council's allocation is £0.640m. Although unringfenced the announcement stated that whilst recognising that Local Authorities are best placed to determine local priorities, it is expected that the funding will be focussed on a similar set of priority pressures as previously set out for 2020/21 unringfenced funding. These are: adult social care, children's services, public health services, household waste services, shielding the clinically extremely vulnerable, homelessness and rough sleeping, domestic abuse, managing excess deaths, support for re-opening the country and, in addition, the additional costs associated with the local elections in May 2021. This funding should be used in planning to cover any Covid related costs for the priority pressures above and any further Covid costs in 2021/22. Councils should plan on the basis of not receiving any additional funding for the above pressures.

Fees and Charges

The fees and charges levied by the Council are an important source of income, however as a result of Covid19 many sources of fees and charges have plummeted, and whilst some have begun to recover, others are still detrimentally impacted and are unlikely to return to their pre-Covid levels in the short term, and in some cases are likely to be permanently eroded. This will be as a result of changes in people's habits and preferences as well as the way business operate.

As part of the normal, annual, budget cycle fees and charges income budgets are increased by 3% per annum for their total yield. This increase of 3% does not preclude individual fees and charges being increased by more or less than 3%. Due to the impact of Covid on these income sources each area of fees and charges income has be assessed to model the likely impact of Covid on overall yield levels and the level of increase that can be sustained for each individual fee and charge.

This assessment has identified a reduction income levels of £2.420m from the levels previously assumed for 2021/22 to those levels now assumed to be achievable, the biggest reduction being in car parking. This is a total reduction in income of c21% and has had a significant impact on the MTFS. Although many sources of fees and charges are expected to bounce back to their pre-covid levels it is the car parking income that poses the greatest financial risk to the Council's MTFS. Whilst initial assumptions have been made over the 5-year period, at this stage there is a significant level of uncertainty has to how these income sources will perform.

In response to the financial pressures Local Authorities face from fees and charges losses the Government announced an income compensation scheme in 2020/21 to provide reimbursement, after a 5% deductible and offset of expenditure savings, of 75% of irrecoverable income. The Local Government Finance Settlement announced an extension of the scheme until June 2021, i.e. covering the first quarter of 2021/22. This announcement confirmed that the scheme in 2021/22 will compare losses during quarter 1 to the 2020/21 budgeted levels, based on this the MTFS assume compensation in 2021/22 of £0.357m.

The MTFS now assumes that the Council will raise £9.193m from fees and charges in 2021/22. The mean average overall increase in the non-statutory fees and charges is 2.3%, however this includes some fees that have been increased by higher and lower percentages.

Bridging the Gap

The previous MTFS 2020-25 was included a savings target of £0.5m in 2020/21, increasing to £0.850m in 2021/22 and £1.250m p.a. rom 2022/23 onwards. Despite the onset of the pandemic the Council has still been able to make significant progress towards these targets, achieving the target for 2020/21 and over 80% of the ongoing target, as set out below:

	2021/22 £'000	**2021/22 £'000**	**2022/23 £'000**	**2023/23 £'000**	**2024/25 £'000**
Savings required as per MTFS 2020-25	500	850	1,250	1,250	1,250
Savings delivered in 2020/21	(559)	(758)	(897)	(997)	(1,005)
Balance of savings to be achieved	**(59)**	**92**	**353**	**253**	**245**

However, as a result of the financial impacts of the Covid19 pandemic on the Council, it is once again, faced with a significant budget gap to address. Although the this MTFS highlights all of the uncertainties in terms of financial planning the Council must continue to focus on measures to drive down it's net cost base to ensure it maintains a sound and sustainable financial position.

On the basis of the revised financial planning assumptions assumed in this MTFS, further savings targets are required, as set out below:

2021/22 £'000	**2022/23 £'000**	**2023/24 £'000**	**2024/25 £'000**	**2025/26 £'000**
850	1,350	1,750	1,750	1,750

These revised targets incorporate the balance of savings required from the existing programme along with the impact of the revised financial planning assumptions.

The key mechanism for delivering the required budget savings is through the Towards Financial Sustainability (TFS) Programme, which seeks to bring net service costs in line with available funding. Over the last decade, through it's TFS Programme and precursor programmes, the Council has delivered annual savings in excess of £9m, a significant amount in comparison to its overall net budget.

This level of savings has been achieved by re-investing in more efficient ways of working; adopting a more commercial approach; and prioritising resources for economic development measures, whilst making careful use of reserves to meet funding gaps. However; it is becoming much more difficult to find additional efficiency savings and some being considered need to be delivered as part of longer-term transformational changes to the organisation, the Council is taking a more prudent approach to commercial ventures; and it cannot deliver the benefits from economic development measures in the short term. It is left with little option but to revert to a more traditional cost cutting measures approach in order to deliver the scale of reductions required within the short lead in time.

Work has now commenced on developing a new programme of proposals. Every possible effort is being made to find the least painful solutions and minimise the impact on jobs and services, but it will simply not be possible to achieve the level of savings required through the more forward thinking of ambitious approaches previously adopted. Inevitably there has had to be some withdrawal of services the Council has tried to keep this to a minimum and has sought to protect its core services that matter most.

The focus of the TFS programme will now be on two key strands:

- "One Council" – One Council also defines how the Council, as an organisation, will need to work in the future to meet changing demands. Through four themes of, organisational development, technology, creating value processes and better use of resources, cross organisational programmes of work will exploring common to all issues and how these can best be combined to a deliver a 'one organisational' approach more efficiently and cost effectively.

- Service Withdrawal/Reduction - withdraw from some services or reduce the level of service provided for those services not deemed to be of sufficient priority or any longer affordable.

Individual, specific proposals will be presented to the Executive in due course for consideration.

Alongside this programme the Council still believes that the longer-term approach to finding efficiencies to close the funding gap is fundamentally through economic growth and investment. This is evermore critical in light of the crippling effect Covid19 has had on the local economy. As part of the recovery of the City from Covid19 the Council, through Vision 2025, will continues to seek ways to maximise its tax bases by creating the right conditions for the economy to recover and grow, to increase Business Rates income and to encourage housebuilding to meet growing demand, generating additional Council Tax. As well as continuing to support these the Council will also seek through direct intervention, such as through; its Council House New Build Programme; Towns Fund submission; and HAZ scheme, to enhance the economic prosperity of the City. Although not directly contributing towards the TFS savings targets in the short term these measures allow future assumptions of growth in the Council's resources to be factored into the revenue forecasts and work towards the Council's objective of being financially sustainable.

Closing a projected budget gap of this size is a challenge for the Council, but this is not unprecedented, and the Council has confidence that it has a track record of delivering strong financial discipline and that it can continue to rise to the challenge.

Revenue Forecast

Based on the preceding financial objectives, underlying principles, national and local priorities, savings targets, spending and resources assumptions, Appendix 1 provides a summary five-year General Fund revenue budget for the Council.

Risks to the Revenue Budget

The Council has adopted a corporate approach to risk management, and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact that could yield additional resources, but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Fluctuations in fees and charges income and commercial income, particularly due to the legacy impacts of Covid19
- Fluctuations in the Business Rates Taxbase, particularly due to the legacy impacts of Covid19
- Implementation of revised BRR Scheme including full reset
- Future levels of Central Government funding e.g Fair Funding Review, New Homes Bonus etc.
- Implications of Brexit on national and local economies
- Implications of national government policies on the economy
- Delivery of challenging savings targets
- Impact of economic climate on demand for services
- Changes to other key assumptions within the MTFS
- Financial and budget management issues

Appendix 3 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 4 – General Investment Programme

The Council's approach to determining and funding its investment programmes is set out in its Capital Strategy, which explains the Council's financial framework for capital investment in support of its strategic priorities. The General Fund Investment Programme (GIP) covers all aspects of capital expenditure within the Council, with the exception of the Council's housing stock, and includes external capital investment that assists in achievement of the Council's Strategic Priorities.

Capital Spending Plans

The capital spending plans for the next five years include the delivery of key legacy from Vision 2020 (some of which were delayed due to Covid19), new schemes from Vision 2025, with a focus on supporting the recovery of the City or key One Council projects, and investment in existing assets to either maintain service delivery or existing income streams.

Total planned expenditure over the 5-year programme is estimated to be £17.501m of which there are the following key schemes:

- Western Growth Corridor Phase 1a - £9.7m
- Crematorium Investment - £2.5m
- Heritage Action Zone - £1.3m
- Disabled Facilities Grants - £1.5m
- Planned asset maintenance - £1m

In addition, the Council is awaiting the outcome of its Lincoln Town Investment Plan submission, which if approved will have significant implications for the GIP. The Plan has the potential to secure £24.75m of funding to support proposals to deliver long-term economic growth in the City, of which £7.22m would be delivered directly by the Council.

Further schemes in support of the Vision 2025 are currently delayed until year 3-5 of the Vision and will be included in the GIP at the relevant stage in their development e.g. grant funding secure, design stage completed etc.

The revenue implications of all capital schemes, including the corresponding reduction in investment income as a result of the application of capital resources, additional revenue running costs of any new assets and the cost of any prudential borrowing have been taken account of and included within the MTFS.

Spending Pressures

The Council's corporate property portfolio comprises operational properties and investment properties with a combined asset value of £130 million.

The Council's current Asset Management Plan identifies the need for significant investment to ensure that its assets are properly maintained and safe for use. Additional resources have previously been allocated, including works to income earning assets such as multi story car parks, City Hall and Leisure Centres with further resource allocated for investment in the Crematorium. Although these have tackled the most urgent issues arising in those years there still remains a considerable legacy of outstanding investment required in the council's assets.

Allocation of the annual planned capitalised works budget (£200k p.a.) to maintain specific assets will be determined by the structured approach being undertaken and will also be influenced by the outcomes of the continual review programme of all assets as part of the Best Use of Assets pillar of the One Council programme. Outcomes of this include the potential re-configuration of operational assets which as a result of changes in working practices following Covid19 are no longer required on such a scale; as well as the potential disposal/transfer of specific assets which may in turn relieve the Council on the ongoing repair liability.

Resources

Although historically the GIP has been reliant on the generation of capital receipts to fund the investment required to deliver the programme in the long term the use of capital receipts is not sustainable. In addition, due to revenue pressures the use of direct revenue financing of the capital programme is also not a sustainable, and other sources of funding are regularly sought to fund capital expenditure.

Due to revisions in the Public Works Loan Board (PWLB) lending terms, Local Authorities can now longer borrow from the PWLB with the intention to buy assets for yield. Authorities will still be able to access the PWLB for spending to improve or maintain existing properties and the Council will in the absence of capital receipts consider prudential borrowing for this purpose, particularly if additional income can be generated. The use of long-term prudential borrowing to fund other key projects, given the additional revenue costs this creates and the current financial challenges the General Fund is facing, will only be considered in exceptional circumstances.

Due to an ongoing lack of capital receipts and the lack of revenue resources to fund prudential borrowing it is essential that other sources of funding such as grant allocations and partner contributions continue to be sought. External grant funding has in recent years is enabling the delivery of a considerable number of capital schemes for the Council e.g. Local Authority Accelerated Construction funding for Western Growth Corridor, Heritage Lottery Fund for Re-imaging Greyfriars and English Heritage for the High Street Health Action Zone. The Council will continue to seek further external grant funding to support the delivery of its Vision and priorities and has recently submitted Lincoln's Town Investment Plan and is currently developing further Heritage Lottery Fund schemes and seeking funding for further phases of the Western Growth Corridor development. The Council is mindful though that whilst the additional resources that external funding brings are clearly beneficial to local people, there is the danger that schemes funded may not be the Council's highest priorities and the Council must consider carefully how to allocate its capacity, within its reduced resources, to support such schemes. Furthermore, the Council needs to carefully consider whether it is able to meet the outputs and outcomes required from external grant support.

Capital Receipts

As part of the Best Use of Assets pillar of the One Council programme and as sound asset management practice the Council continually reviews its land and property assets in order to:-

- reduce revenue costs,
- increase rental income,
- generate capital receipts,
- reduce repairs liabilities
- use assets to support the Council's growth plans.

The GIP assumes a capital receipt from a current land disposal in 2021/22, although this is earmarked it has not yet been allocated for use in financing the programme, this receipt and any further receipts from asset disposals will be prioritised for allocation to schemes in accordance with the Capital Strategy.

Further capital receipts are forecasted in 2021/22 and 2022/23 from land/property disposals as part of the development of Western Growth Corridor Phase 1a. These receipts, assumed at £3.374m, will be retained within the scheme to contribute towards the upfront capital costs of further phases of the development.

Prudential Borrowing

The basic principle of the Prudential System is that local authorities are free to invest so long as their capital spending plans are affordable, prudent and sustainable. The Council will need to meet the whole of the capital financing costs associated with any level of extra borrowing through its revenue account. For every £1m of prudential borrowing undertaken by the Council for investment in long life assets, the annual revenue consequence arising is c£55k.

The MTFS includes an unsupported prudential borrowing requirement of £9.7m over the period 2021/22-2025/26. This includes £4.59m temporary borrowing relating to Western Growth Corridor Phase 1a and £2m borrowing for the crematorium.

The use of long-term prudential borrowing will only be used as a funding mechanism for key projects (following a full financial assessment) in exceptional circumstances. It may however be used as a short-term measure to fund capital expenditure prior to a capital receipt being received.

Further details about the Council's borrowing requirements and the Prudential Indicators can be found in the Council's Treasury Management Strategy.

Capital Grants

The Council receives a number of external capital grants from a variety of sources which are either secured via a bidding process or are automatically allocated through government departments for specific purposes. Generally, those capital schemes that are funded by these sources can only be progressed subject to the funding being secured.

Over the 5 year planning period of the MTFS £4.4m is expected to be received from external capital grants, which is largely for Disabled Facilities Grant £1.5m, Western Growth Corridor Phase 1a £1.4m and for Heritage Action Zone projects of £1.3m. Subject to approval of the Lincoln Town Investment Plan the level of external funding could sustainably increase.

Projected Capital Resources

Resources to fund the General Investment Programme 2021/22-2025/26 are estimated to be approximately £17.501m, as follows:

	£'000
Capital Grants	4,656
Capital Receipts	3,019
Direct Revenue Financing	145
Prudential borrowing	9,681
TOTAL	**17,501**

General Investment Programme Forecast

Based on the spending requirements and resource assumptions, Appendix 2 provides a summary five-year GIP for the Council.

Risks to the General Investment Programme

The Council has adopted a corporate approach to risk management and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Loss of anticipated external resources
- Inability to secure further external funding.
- Increased project costs (including increased costs arising from Brexit).
- Unplanned emergency maintenance to Council's corporate properties

Appendix 5 of the MTFS details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 5 – Housing Revenue Account (HRA)

The Housing Revenue Account shows all expenditure and income relating to the Council's responsibilities as landlord of dwellings and associated property. It is a 'ring-fenced' account within the Council's General Fund.

Housing Revenue Account Business Planning

The current HRA Self-financing system has been in place since 2012 and incentivises social housing landlords to manage their assets well and yield efficiency savings. As part of this system it was anticipated that there would be greater certainty about future income as councils were no longer subject to annual funding decisions by Central Government, enabling them to develop long-term plans, and to retain income for reinvestment. Council landlords were to have greater flexibility to manage their stock in the way that best suits local need with more opportunity for tenants to have a real say in setting priorities looking to the longer term.

Self-financing, however, also passed significantly increased risks from Central Government to local authorities, meaning that the Council:

- now bears the responsibility for the long term security and viability of council housing in Lincoln.
- has to fund all activity related to council housing, from the income generated from rents, through to long term business planning.
- is more exposed to changes in interest rates, high inflation and the financial impact of falling stock numbers
- still needs to factor in the impact of changes in government policy e.g. Government Rent Policy and the impacts of the welfare reform on income recovery.

This places a greater emphasis on the need for long-term planning for the management, maintenance and investment in the housing service and housing stock.

Impacts of Covid19

Similar to the General Fund, Covid19 has taken its toll on the financial resilience of the Housing Revenue Account as income streams are under threat 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 cumulative impact of these challenges has resulted in shortfalls, assessed as at the end of December 2020 to be c£0.535m, on the Housing Revenue Account.

Although the Government have allocated additional grant and income compensation schemes covering General Fund income and expenditure, there has been no financial support provided to Housing Revenue Accounts. The Council has therefore had to take decisive action to; undertake a budget review; access the Coronavirus Job Retention Scheme; and allocate earmarked reserves. This has allowed the Housing Revenue Account to be able to continue to deliver its critical services in

2020/21 and to ensure its balances remain at an adequate level to provide resilience for future years.

The impacts of Covid19 are not though simply restricted to the 2020/21 and will have implications over the period of the MTFS although to a lesser degree.

Spending Plans

The HRA Business Plan

A key element of the self-financing regime is the Council's 30 year Business Plan. The Council's latest Housing Revenue Account Business Plan 2016-2046, was approved in February 2016 following a fundamental review of resources, investment requirements and priorities. The Business Plan reflected the impact of government policy changes, the results of stock condition surveys and financial assumptions at the time. The Business plan sets out:

- the long term plans for the Council's housing stock
- the finances to deliver plans
- how the Council will manage the income from its stock, demand for housing and stock condition
- identifies resources for its initial Council House New Build Programme.

The current Business Plan was scheduled for review during 2020, following completion of refreshed stock condition surveys, agreement of a Lincoln housing specification, refresh of the Lincoln standard to reflect low carbon/climate change and to ensure the priority schemes emerging from Vision 2025 were fully reflected. However due to the impact of Covid19 on officer resources this refresh has now been delayed until 2021. This review will now also need to take into consideration the implications arising from the Social Housing White Paper published in November 2020.

Spending Assumptions

A review of the financial planning assumptions the Council over the period of the MTFS has been undertaken, this information has been drawn from experience in previous years, the advice of Directors and Assistant Directors, the current economic climate and other local and national issues that are likely to influence the financial outcomes. The HRA includes a number of assumptions in line with the General Fund, primarily inflation, pension contributions and interest rate forecasts. Set out below are expenditure and income assumptions specific to the HRA.

Repairs and Maintenance

Repairs and maintenance is an essential part of the asset management of the Council's housing stock. Historically the repairs account has been under pressure to resource the required level of expenditure which, when benchmarked against other local authorities, has shown the cost of the Council's responsive repairs service to be relatively high.

Significant improvements have been made in the efficiency of the Housing Repairs Services (HRS), costs continue to be driven down through the implementation of improved processes, investment in IT and procurement activity, and there is continued capital investment in existing and new housing stock. The combined impact of these is expected to be a reduction in the costs of repairs over the MTFS period.

Funding the Capital Programme

Under the HRA self-financing system the primary source of funding for capital investment in the Council's housing stock will be from the revenue account through asset depreciation charges and direct revenue financing (DRF), via the Major Repairs Reserve. However, this has been lessened to some extent by the removal of the HRA borrowing cap.

There is a reliance on the HRA to support the capital programme to the value of £54.795m over the 5-year MTFS period through depreciation and direct revenue financing.

Resource Assumptions

Rents

The MTFS has been prepared on the basis of annual rent increases from 2021/22 of CPI+1%. This is in line with the Government's announcement in October 2017, followed by a consultation paper in September 2018, that from April 2020 social rents will increase by CPI+1% for 5 years. The approach from 2025 remains uncertain but there is an expectation that social rent increase will remain.

Included in the Council's housing stock are a number of properties that were partly funded by HCA grants on the condition that they are to be let on the basis of an affordable rent rather than on social rents. In addition, there are a number of other dwellings that are let on the basis of an affordable rather than social rent, including the assumed delivery of a number of new homes, including 70, 1 and 2 bedroom units at De Wint and 10 Next Steps Accommodation Programme properties. Affordable rents are not subject to Government Rent Restructuring Policies and are let at 80% of market rent levels in the local area. The MTFS assumes rental increases in line with social rents for its affordable rents.

Additionally, the MTFS 2021-26 assumes 20 Buy Back properties over the next year, again included at affordable rent levels.

The Council proposes to set the rent levels for 2021/22 in line with the requirement to increase rents by CPI + 1% for general purpose accommodation and also increase sheltered accommodation and affordable rents by the same. The average 52 week rent will be £70.84 per week for general purpose accommodation, £69.87 per week for sheltered accommodation, and £109.43 for affordable rents.

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

Average rent increase per property by number of bedrooms per week as 17/12/2020	
No. of beds	Increase per week
1 & bedsits	0.94
2	2.06
3	2.18
4	2.25
5	2.29
6+	2.43

Covid19 will undoubtedly affect the level of arrears as household incomes reduce and the effects of the Government response measures unwind. In order to provide early assistance, the Council undertook a number of positive actions to help keep rent arrears in a positive position. However, as the impact of these measures had already been applied and as the financial impacts in the economy have begun to take effect the level of rent arrears has increased. As at the end of January 2021 rent arrears were £231k higher than the same point last year. It is further estimated that the level of arrears will increase to around £1.2m-£1.5m by the end of March 2021 (from £0.825m at March 2020), this will require an increase in bad debts provision in 2020/21. The non-collection rate from 2021/22 onwards has though been maintained at 1%.

Net Interest Receipts

The HRA receives investment interest on the balances it holds (HRA balances are made up of General Balances, earmarked reserves and the Major Repairs Reserve). The MTFS 2021-26 includes interest income into the HRA based on the level of HRA balances assumed in the MTFS 2021-26. The HRA is sensitive to changes in interest rates linked to its investments, as an indication a change in interest rates of +/- 0.5% would have an estimated combined impact of approximately £18k.

Although the HRA is not sensitive to changes in interest rates linked to its portfolio of borrowing, as all borrowing is at fixed interest rates, it does face a pressure of increased borrowing costs due to new borrowing being taken in support of investment in its new build programme. Although new build schemes bring additional income to resource the cost of borrowing there is a timing risk of when the specific borrowing is taken, particularly when internal balances are used in the short term, against the assumptions used for the initial assessment of the scheme.

Releasing Resources

The HRA Business plan 2016-46 identified revenue resources to be released to support priority capital investment in council house new build and the Lincoln Standard. Although there is no specific savings target in the HRA the Council will continue to pursue the strands of its Towards Financial Sustainability Programme, where there are financial benefits for the HRA, releasing further resources for re-investment, it will also continue to ensure it's costs are contained so that expenditure levels do not put pressure on the required revenue contributions to the capital programme.

Housing Revenue Account Forecast

Appendix 2 provides a summary five-year Housing Revenue Account for the Council.

Risks to the Housing Revenue Account Budget

The Council has adopted a corporate approach to risk management and financial risk management which is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact that could yield additional resources, but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Risk of further government announcements limiting the flexibilities and freedoms offered by the HRA Self -Financing regime particularly housing rent levels
- Delivery of new build programme and associated rental streams
- Longer term impact of Covid19 on housing rent arrears.
- Implications for service delivery arising from the Social Housing White Paper.
- Changes to key assumptions within the MTFS e.g. interest rates.
- Financial and budget management issues.

Appendix 3 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 6 – The Housing Investment Programme

The Housing Investment Programme (HIP) covers all aspects of capital expenditure relating to the Council's landlord function. The Capital Strategy for the HIP reflects the 30-year Business Plan and details the 5-year capital programme.

Capital Spending Plans

The 5-year HIP has been drawn up to ensure that the Council meets its legal obligations as a landlord. The Council has already invested significant resources over recent years to achieve the Decent Homes Standard and now seeks to maintain an enhanced Lincoln Standard.

In terms of housing strategy, the focus continues to be on maximising the use of 1-4-1 retained right to buy receipts, assessing the use of prudential borrowing and seeking government grant funding for new build schemes or purchase & repair schemes that generate a rental stream. In relation to housing investment the HIP will continue to focus on the allocation of resources to the key elements of decent homes and supporting the Lincoln Standard.

The 5-year housing programme amounts to £71.751m and comprises the following main areas of work:

- Maintenance of the Decent Homes and the Lincoln Standard, £44.317m

- New Build Programme including use of retained 1-4-1 right to buy receipts, £17.17m (this is not yet allocated to specific schemes and will be dependent on approval of individual schemes) and the re-development of De Wint Court to an extra care sheltered housing scheme

As set out in the Section 5 above the 30-year HRA Business Plan is due to be refreshed during 2021, in light of updated development and investment profiles, Vision 2025 priorities, updated assumptions and the Social Housing White paper which pledges to review the Decent Homes Standard.

Resources

The resources necessary to fund the Council's HIP are provided by the following:

Major Repairs Reserve

The Major Repairs Reserve (MRR) is the main source of capital funding and the mechanism by which timing differences between resources becoming available and being applied are managed. The MRR may be used to fund capital expenditure and to repay existing debt. Depreciation is a real charge on the HRA and is paid into the MRR from the Housing Revenue Account to fund capital expenditure. The total charge to the revenue account over the 5-year MTFS period through depreciation is £33.75m.

Revenue Contributions

The 5-year MTFS includes contributions of £21.045m of direct revenue finance over the five year period of which £21.703m is planned to be utilised.

Grants and Contributions

The 5-year MTFS includes grants and contributions of £2.2m (from Homes England and Lincolnshire County Council) received over the five-year period, all of which is planned to be utilised.

Capital Receipts

Housing capital receipts fall within the Governments pooling regime. Under these arrangements capital receipts from Right-to-Buy (RTB) sales are pooled until a pre-set limit for government share of the income generated has been achieved. Once the target for the government share of the RTB receipts has been reached, the Council may retain 100% of the receipts from any additional Right-to-Buy sales. These are subject to a formal retention agreement between the Council and the MHCLG and must be used for replacement of the council housing sold, within an agreed timeframe.

In August 2018, alongside publication of the Social Housing Green Paper, the Government published a consultation on options for reforming the restrictions on the use of RTB sales to make it easier for councils to replace properties. Although the Social Housing White Paper was published in November 2020 there was no further reference to any planned reforms.

The proceeds of dwelling sales under the Right-to-Buy scheme provide a regular source of capital receipts with the number of sales increasing in recent years. The MTFS assumes 50 sales per year. However, this is a difficult area to predict accurately as it is affected by external factors, such as interest rates, property prices and Government initiatives aimed at further stimulating Right-to-Buy sales. Receipts of £3.4m are assumed over the MTFS period.

Non-RTB sales primarily are excluded from the pooling arrangement and are now retained in full by the Council for use as the Council sees fit.

Prudential Borrowing

The Prudential Code allows the Council to take borrowing if it can demonstrate that such borrowing is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy). Although the revision to PWLB lending terms prohibits borrowing from it to finance assets for yield it does still allow access to the PWLB for land release, housing delivery, or subsidising affordable housing. This follows on from the removal of the housing borrowing cap in 2018 and continues to allow significant opportunities for the Council to invest in new house building programmes and the potential redevelopment of areas of existing housing stock. This increased flexibility will be considered as part of the Business Plan refresh.

The Capital Financing Requirement (CFR) is forecast to rise to £72m by the final year of the MTFS with additional borrowing included in the MTFS and no allowance made for the repayment of existing debt. Actual borrowing utilised will be £5.2m to fund the new build programme alongside 1:4:1 receipts and borrowing taken during the MTFS period will be £5.2m.

Projected Capital Resources

Resources to finance the proposed £71.751m Housing Investment Programme 2021/22 – 2025/26, are currently estimated to be as follows:

	£000
Major Repairs Reserve (depreciation)	38,558
Direct Revenue Financing	21,703
Grants and Contributions	2,205
Capital Receipts (inc RTBs)	4,077
Borrowing	5,208
TOTAL	**71,751**

Housing Investment Programme Forecast

Based on the spending requirements and resource assumptions, Appendix 4 provides a summary five-year HIP for the Council.

Risks to the Housing Investment Programme

The Council has adopted a corporate approach to risk management and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Generation of sufficient revenue surpluses to resource required investment
- Achievement of capital receipts (including Right to Buy sales) targets
- Future building costs (including increased costs arising from Brexit).
- Condition of existing stock
- Interest rate increases impacting on future borrowing costs
- Implications from the change in delivery of the housing planned maintenance service
- Implications of the Social Housing White Paper, specifically the revision of the Decent Homes Standards

Appendix 5 of the MTFS details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 7 – Reserves and Balances

Some reserves and balances are essential for the prudent management of the Council's financial affairs. These will provide a working balance to cushion the impact of uneven cash flow, a contingency for the impact of unexpected events or emergencies (as experienced with Covid19) and allow the creation of earmarked reserves to meet known liabilities. The consequences of not keeping a minimum level of reserves can be serious and is therefore one of the considerations taken into account when setting the MTFS.

The minimum prudent levels of reserves and balances that the Council should maintain are a matter of judgement. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council unless contributions are made from future years' revenue budgets. It is currently for local authorities themselves, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be.

However, in response to some of the financial management issues that have arisen in local authorities in recent years, CIPFA have developed a Financial Resilience Index. This index is a comparative analytical tool designed to support good financial management and shows the Council's position on a range of measures associated with financial risks, including the Council's reserves position. There are currently three measures specifically related to reserves as follows:

	2015/16	**2016/17**	**2017/18**	**2018/19**
Reserves Sustainability	n/a	n/a	23.47	100
Level of Reserves	83.97%	79.31%	65.28%	73.59%
Change in Reserves	n/a	n/a	-11.33%	-2.48%

Whilst full data is not available through the index it does highlight areas of potential financial risk, this is demonstrated in 2017/18 when there was a 11.33% reduction in the level of reserves, reducing in turn the reserves sustainability factor. However, this use of reserves was planned and provided for in the MTFS as the Council used its earmarked reserves to cushion the revenue impacts during the building of the transport hub, as well as a planned use of unallocated reserves whilst savings were delivered through the TFS Programme.

Data for 2019/20 has not yet been published due to a delay in the completion of many local authorities, including this Council's, audit opinions. Once available the data will be reviewed, particularly in light of the Council's intentions to use reserves and balances as a short term measure to support the General Fund.

The Council has always maintained a very proactive approach to managing risk and there are effective arrangements for financial control already in place. However, as a result of the significant changes to local government funding, which saw a shift towards self –sufficiency and dependence on local funding sources, levels of volatility and risk have significantly increased. Given the threat that this posed to the Council's financial position the prudent minimum level of general reserves was increased to a level greater than previously held.

This increase in level of reserves has allowed the Council to be able to cushion the impact that Covid19 has had on its finances and will continue to so in future years. Whilst the overall level of balances will still be maintained over the period of the MTFS there are planned uses of balances in the General Fund of £0.477m in 2021/22, £0.110m in 2022/23, £0.373m in 2023/24 and £0.041m in 2024/25. This use of balances, along with the application of specific earmarked reserves will provide the Council the opportunity to deliver ongoing reductions in its net cost base, which will by the end of the MTFS period leave the General Fund in the position of making a positive contribution of £0.546m to balances. The careful use of balances, along with earmarked reserves, in the supporting the General Fund is seen as a short-term measure only to ensure a balanced budget position is maintained whilst savings are delivered, it is not foreseen as a long term solution.

The financial risks, in Appendix 5, have been identified and an assessment of the estimated exposure, likelihood and possible mitigation has been made in the context of the Council’s overall approach to risk management and internal financial controls. This information has been used to determine the optimum level of reserve holdings needed to meet the requirements of a working balance and contingency. The conclusion of this risk assessment is that it is deemed prudent that General Fund reserves should be maintained at around £1.5m - £2m, and that Housing Revenue Account reserves should maintained at around £1m - £1.5m, over the period of the MTFS.

The general reserves at the end of each year for 2021/22 to 2025/26 are summarised in the table below.

	2021/22 £’000	**2022/23 £’000**	**2023/24 £’000**	**2024/25 £’000**	**2025/26 £’000**
General Fund	2,045	1,935	1,562	1,521	2,067
Housing Revenue Account	936	971	1,280	1,621	2,610

The overall levels of General Fund and Housing Revenue Account balances in 2025/26 are in line with the prudently assessed minimum level of balances.

Earmarked reserves are sums specifically held to enable funds to be built up to meet known or predicted liabilities. A review of reserves and balances has been undertaken as part of the budget process and a schedule presenting the estimated closing balances at the end of each of the next five financial years is contained within Appendix 6. This includes the application of a number of specific reserves to support the General Fund during 2022/23 and 2023/34 whilst the ongoing reductions in the net cost base are delivered. The specific reserves being utilised to support the General Fund are: the insurance reserve, the Covid response reserve, the Covid recovery reserve and the income volatility reserve.

The levels of reserves and balances recommended within this strategy are believed to be sufficient to meet all of the Council’s obligations and have been based on a detailed risk assessment.

GENERAL FUND BUDGET SUMMARY 2021/22 - 2025/26

	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
Chief Executive & Town Clerk	3,253,0050	3,293,630	3,355,030	3,468,710	3,521,540
Communities & Environmental Services	6,105,720	5,171,480	4,620,860	4,394,420	4,444,380
Major Developments	447,530	469,520	476,880	483,920	490,960
Housing & Regeneration	818,890	737,680	752,370	762,380	771,030
Corporate	2,008,980	2,158,050	2,169,060	2,180,460	2,191,470
	12,634,170	**11,830,360**	**11,374,200**	**11,289,890**	**11,419,380**
Capital Accounting Adjustment	3,062,930	3,288,810	3,303,810	3,298,460	3,145,560
Base Requirement	**15,697,100**	**15,119,170**	**14,678,010**	**14,588,350**	**14,564,940**
Specific Grants	(1,319,870)	(50,250)	0	0	0
Contingencies	25,730	(173,370)	(176,580)	(179,550)	(181,910)
Savings Targets	(850,000)	(1,350,000)	(1,750,000)	(1,750,000)	(1,750,000)
Transfers to/(from) earmarked reserves	(11,619,060)	(2,033,200)	(799,830)	202,440	351,770
Transfers to/(from) insurance reserve	(478,250)	(480,520)	17,120	14,690	14,700
Total Budget	**1,455,650**	**11,031,830**	**11,968,720**	**12,875,930**	**12,999,500**
Use of Balances	(477,240)	(109,520)	(372,990)	(41,240)	545,530
NET REQUIREMENT	**978,410**	**10,922,310**	**11,595,730**	**12,834,690**	**13,545,030**
Business Rates	5,142,530	4,140,620	4,538,860	4,966,310	5,395,920
Business Rates Surplus	(11,066,100)	(481,140)	(481,140)	0	0
Revenue Support Grant	22,840	0	0	0	0
Council Tax Surplus	(76,490)	(44,600)	(44,590)	0	0
Council Tax	6,955,630	7,307,430	7,582,600	7,868,380	8,149,110
Total Resources	**978,410**	**10,922,310**	**11,595,730**	**12,834,690**	**13,545,030**
Balances b/f @ 1st April	**2,522,218**	**2,044,978**	**1,935,458**	**1,562,468**	**1,521,228**
Increase/(Decrease) in Balances	(477,240)	(109,520)	(372,990)	(41,240)	545,530
Balances c/f @ 31st March	**2,044,978**	**1,935,458**	**1,562,468**	**1,521,228**	**2,066,758**

HOUSING REVENUE ACCOUNT SUMMARY 2021/22 - 2025/26

	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
Income					
Gross Rental Income					
- Dwellings rents	(28,980,310)	(30,077,030)	(30,840,370)	(31,564,330)	(32,301,700)
- Non-Dwelling rents	(650,370)	(662,700)	(675,400)	(688,490)	(707,660)
Charges for Services & Facilities	(311,540)	(320,800)	(330,340)	(340,170)	(350,250)
Contributions towards Expenditure	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Income	**(29,992,220)**	**(31,110,530)**	**(31,896,110)**	**(32,642,990)**	**(33,409,610)**
Expenditure					
Repairs Account Expenditure	9,090,660	9,260,580	9,427,620	9,581,580	9,581,580
Supervision & Management:	7,339,460	7,466,580	7,606,910	7,730,480	7,852,470
Contingencies	55,880	54,830	52,680	50,520	48,320
Rents, Rates and Other Premises	98,170	98,400	98,640	98,880	99,150
Insurance Claims Contingency	62,760	264,630	66,570	68,570	70,630
Depreciation of Fixed Assets	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Debt Management Expenses	11,920	11,920	11,920	11,920	11,920
Increase in Bad Debt Provisions	304,880	311,880	318,880	318,880	318,880
Total Expenditure	**23,713,730**	**24,218,820**	**24,333,220**	**24,610,830**	**24,732,950**
Net cost of service	**(6,278,490)**	**(6,891,710)**	**(7,562,890)**	**(8,032,160)**	**(8,676,660)**
Loan Charges Interest	2,669,050	2,750,340	2,793,900	2,855,800	2,855,800
- Investment Interest	(20,350)	(9,290)	(5,000)	(5,490)	(5,490)
- Mortgages Interest	0	0	0	0	0
Surplus on HRA for the year	**(3,629,790)**	**(4,150,660)**	**(4,773,990)**	**(5,181,850)**	**(5,826,350)**
DRF used for Financing	3,514,370	3,931,420	4,281,530	4,658,620	4,658,620
Contribs to/(from) Reserves:					
- Insurance Reserve	187,240	185,370	183,430	181,430	179,370
- Capital Fees Equalisation	0	0	0	0	
- Strategic Priority Reserve	(56,910)	0	0	0	
(Surplus)/deficit in year	**14,910**	**(33,870)**	**(309,030)**	**(341,800)**	**(988,360)**
Balance b/f at 1 April	(951,569)	(936,659)	(970,529)	(1,279,559)	(1,621,359)
Balance c/f at 31 March	**(936,659)**	**(970,529)**	**(1,279,559)**	**(1,621,359)**	**(2,609,719)**

GENERAL INVESTMENT PROGRAMME - 2021/22 to 2025/26

	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
Expenditure Programme					
Chief Executives	787,025	208,033	208,033	200,000	200,000
Directorate of Communities and Environmental Services	3,535,224	757,468	740,000	300,000	300,000
Directorate of Major Developments	9,515,778	194,625		0	0
Directorate of Housing	320,137	0	0	0	0
Schemes Under Review	234,954	0	0	0	0
Total Programme Expenditure	**14,393,118**	**1,160,126**	**948,033**	**500,000**	**500,000**
Capital Funding					
Contributions from Revenue					
Opening balance	149,340	20,149	12,116	4,083	4,083
Received in year	0	0	0	0	0
Used in financing	(129,191)	(8,033)	(8,033)	0	0
Closing balance	**20,149**	**12,116**	**4,083**	**4,083**	**4,083**
Capital receipts					
Opening balance	635,297	1,650,000	4,873,979	4,873,979	4,873,979
Received in year	7,210,800	5,560,800	0	0	0
Used in financing	(2,824,682)	(194,625)	0	0	0
Used to repay temporary borrowing	(3,221,415)	(2,142,196)	0	0	0
Used to reduce the CFR	(150,000)	0	0	0	0
Closing balance	**1,650,000**	**4,873,979**	**4,873,979**	**4,873,979**	**4,873,979**
Grants & contributions					
Opening balance	256,705	0	(0)	(0)	(0)
Received in year	2,339,332	720,000	740,000	300,000	300,000
Used in financing	(2,596,037)	(720,000)	(740,000)	(300,000)	(300,000)
Closing balance	**0**	**0**	**0**	**0**	**0**
Unsupported borrowing					
Opening balance	0	0	0	0	0
Received in year	8,843,208	237,468	200,000	200,000	200,000
Used in financing	(8,843,208)	(237,468)	(200,000)	(200,000)	(200,000)
Closing balance	0	0	0	0	0
Total Capital Funding	(14,393,118)	(1,160,126)	(948,033)	(500,000)	(500,000)
Available Resources c/f	**1,670,149**	**4,886,095**	**4,878,062**	**4,878,062**	**4,878,062**

HOUSING INVESTMENT PROGRAMME - 2021/22 - 2025/26

	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
Capital Programme					
Decent Homes	7,810,555	8,441,039	8,656,831	8,815,200	9,255,960
Health & Safety	408,588	452,771	458,990	427,310	448,675
New build programme	12,261,843	4,100,458	712,699	46,953	47,892
Land Acquisition	94,689				
Lincoln Standard	250,000	225,000	275,000	286,450	300,773
Other schemes	1,388,172	1,489,404	1,817,306	975,992	1,024,791
Contingent capitalised repairs	277,158	250,000	250,000	250,000	250,000
Total Programme Expenditure	**22,491,005**	**14,958,672**	**12,170,826**	**10,801,905**	**11,328,091**
Capital funding					
Major Repairs Reserve					
Opening balance	11,150,922	5,005,716	5,328,921	4,902,324	5,555,993
Depreciation received in year	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Depreciation used in financing	(9,138,556)	(7,941,039)	(7,156,831)	(7,565,200)	(6,755,960)
DRF received in year	3,514,370	3,931,420	4,281,530	4,658,620	4,658,620
DRF used in financing	(7,271,020)	(2,417,175)	(4,301,296)	(3,189,751)	(4,524,239)
Closing balance	5,005,716	5,328,921	4,902,324	5,555,993	5,684,413
Capital receipts					
Opening balance	557,194	4,159	154,159	391,460	1,094,507
Received in year	500,000	650,000	750,000	750,000	750,000
Used in financing	(1,053,035)	(500,000)	(512,699)	(46,953)	(47,892)
Closing balance	4,159	154,159	391,460	1,094,507	1,796,615
1-4-1 receipts					
Opening balance	1,915,952	1,430,137	200,000	0	0
Used in financing	(485,815)	(1,230,137)	(200,000)	0	0
Closing balance	1,430,137	200,000	0	0	0
Grants & contributions					
Opening balance	0	0	0	0	0
Grants & contributions received in year	2,205,000	0	0	0	0
Used in financing	(2,205,000)	0	0	0	0
Closing balance	0	0	0	0	0
Borrowing					
Opening balance	6,700	19,120	3,799	3,799	3,799
Borrowing taken in year	2,350,000	2,850,000	0	0	0
Used in financing	(2,337,580)	(2,870,321)	0	0	0
Closing balance	19,120	3,799	3,799	3,799	3,799
Total Capital funding	(22,491,006)	(14,958,672)	(12,170,826)	(10,801,905)	(11,328,091)
Available Resources c/f	**6,459,132**	**5,686,880**	**5,297,584**	**6,654,299**	**7,484,828**

Appendix 5

BUDGET RISK ASSESSMENT

No.	Budget Item	Risk	2021/22	2022/23 - 2025/26	Containment
			Risk score	Risk Score	
1	Business Rates Base	Reduction and/or fluctuations in income against budget variation in: – Recovery/growth compared to forecasts – Changes in the NNDR base – Changes in rateable values (e.g. appeals, economic downturn, changes in use, material change in circumstances) – Collection rates – Ongoing impact on the NNDR base of successful appeals - Estimates of appeals provision higher/lower than actually required – Changes nationally to the valuation assessments of certain property/infrastructure – Introduction of 75% retained Business Rates and reform of the system – Reset of the Business Rates Retention system from 2022/23	**Total Score: 12** Likelihood: 4 Impact: 3	**Total Score: 12** Likelihood: 4 Impact: 3	• In year monitoring of the NNDR base, Collection Fund, collection rates, growth assumptions and rateable value appeals. • Produce monthly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • A Business Rate Volatility Reserve is maintained to provide a degree of protection from fluctuations in Business Rate Income • Quarterly monitoring of the Lincs NNDR Pool by Lincs Finance Officers • Independent specialist assessment made of the required level of NNDR appeals provision • Specialist advice sought to assist in budgeting assumptions and assessment of implications of changes to the funding system • Delivery of key schemes in Vision 2025 to support recovery of the High Street, City and the economy, including direct investment by the Council.

2	Fairer Funding Review	Assessment of relative need and relative resources results in a baseline need below current level. Transitional arrangements are not sufficient to mitigate impacts. Impact of Government's strategy to address UK debt, impacting on Spending Review 2021.	**Total Score: 2** Likelihood: 1 Impact: 1	**Total Score: 12** Likelihood: 4 Impact: 3	• Assessment of Government consultations with responses where appropriate • Lobby through national groups, respond to national consultations • Work with Association of Lincolnshire Finance Officers and the Society of District Treasures • Work with external funding specialists to identify and assess the impact of proposed funding changes (e.g. New Homes Bonus)
3	Capital Expenditure	Slippage in the project, Increased project costs including labour and material costs post Brexit. Inflationary impacts. Failure of contractor i.e. contractor goes into liquidation. Demand for improvement grants. Sunk costs of aborted schemes Achieving levels of projected costs in the HRA Business plan	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Regular budget monitoring and reporting to Capital Programme Board and Housing Delivery Group • Ensure correct project management procedures followed (Lincoln Model) • Quarterly budget monitoring and reporting to Performance Scrutiny and the Executive • Financial procedure rules are followed, including financially vetting of all contractors • Use of collaborative contracts/framework agreements where possible e.g. EMPA • Support from Procurement engaged at an early stage • Carry out post implementation reviews • Ensure risk assessments completed for all significant schemes before commencing • Value engineering used to contain project costs • Cost estimates obtained ahead of procurement exercises.

4	Income from Fees & Charges/ Rents: • Car Parking • Crematorium / Cemeteries • Development Control • Building Control • Land Charges • Control Centre • Lincoln Properties • Industrial Estates • Xmas Market	Reduction in the usage of the service/activity levels due to ongoing Covid restrictions and public confidence. Over optimistic income targets Increasing reliance on income within the MTFS New competitors entering the market (e.g. Crematorium). Fees and Charges levels reduces demand Changes in treatment of VAT status of individual fees and charges. Impact of wider policy changes on demand for services e.g. Lincoln Transport Strategy impact on car usage	**Total Score: 12** Likelihood: 4 Impact: 3	**Total Score: 12** Likelihood: 4 Impact: 3	• Car Parking Strategy to be refreshed. • Produce regular monitoring statements for major income sources which are reported monthly to Corporate Management Team. • Identify reasons for any income reductions and take corrective action where possible • Application of Corporate Fees and Charges Policy to ensure correct charging policies are applied and the impacts are assessed • Report quarterly to the Executive and Performance Scrutiny Committee on forecast for key income streams • Specific projects/business plans in progress to sustain income streams. • Assess impact of new competitors in the marked (e.g. new crematoria). • Delegated powers to portfolio holder to make responsive changes to fees and charges • Rebase income budgets to reflect current trends • Active void management • Watching brief on CIPFA Committee/HMRC discussions • Maximise Government SFC Income Compensation Scheme

5	Capital Financing - Long Term Borrowing	Balances unavailable for internal borrowing External borrowing costs above interest rates in MTFS	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Continue to monitor the cost effectiveness of utilising internal balances instead of taking external borrowing • Actively monitor the achievement of the capital receipts target and potential additional borrowing requirement • Actively monitor the cost effectiveness of asset disposals compared to Prudential Borrowing • Ongoing monitoring of cashflows from major sources of income • Regular review of current and future predicted borrowing rates to inform timing of borrowing decisions • Actively monitoring the cash flow on a daily basis.
6	Repairs & Maintenance on Corporate Properties	Unplanned emergency maintenance is required on the Council's Corporate Properties Increase in demands to meet statutory requirements and to minimise risks of adverse claims. Impact of works on income and service delivery.	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Updated stock condition surveys for all corporate properties to undertaken • Comprehensive asset management planning in place (including identifying assets with large repairs and maintenance liabilities for disposal) • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Properties with large maintenance liabilities are reviewed for potential disposal • New capital schemes allow for whole life costing. • Responsible Officer system in place.

7	Revenue Savings Targets	The required savings targets are not achieved nor required efficiencies delivered	**Total Score: 8** Likelihood: 2 Impact: 4	**Total Score: 12** Likelihood: 3 Impact: 4	• TFS7 programme developed with timescales agreed. • The Council's strategy focuses on a two key strands approach to realise the required savings in the revenue budgets with the primary focus on service withdraawl and 'one council'. • TFS7 delivery is a priority in Vision 2025 year 2 Annual Delivery Plan • Report monthly to Programme Team and Programme Board (CMT) and quarterly to Executive and Performance Scrutiny Committee
8	General Budget Assumptions	CPI and RPI inflation exceed rates assumed in the budget Actual establishment exceeds 99% Implications from Brexit or no on economy and general budget assumptions. Implications from Government Policy in response to Covid19 legacy.	**Total Score: 6** Likelihood: 3 Impact: 2	**Total Score: 8** Likelihood: 4 Impact: 2	• Set prudent but realistic projections based on analysis of economic commentators and Bank of England predictions • Monthly monitoring of RPI and CPI index changes • Make use of expert forecasts of future RPI and CPI trends • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Set a prudent but realistic estimate in line with Government announcements • Monitor significant changes in economic indicators • Monitor the pension fund position through discussions with Lincolnshire County Council and Lincolnshire Finance Officers • Report any changes to Members as soon as officers become aware • Pension Fund Stabilisation Approach adopted

9	HRA Repairs and Maintenance Costs	Assumed reductions in repairs and maintenance costs as a result of continued investment in the Council Housing Stock do not materialise The Housing Repairs Service (HRS) does not continue to modernise and achieve efficiencies	**Total Score: 6** Likelihood: 3 Impact: 2	**Total Score: 6** Likelihood: 3 Impact: 2	• Council housing capital investment is carried out • Produce regular budget monitoring reports and HRA revenue and capital budgets reported and monitored together • Report quarterly to Departmental Management Team, Corporate Management Team, Executive and Performance Scrutiny Committee • Results of recent stock condition surveys informing future maintenance requirements
10	Demand for services	Impact of Covid19 legacy on service demands, e.g. homelessness, revenues and benefits, customer services, council housing etc Impact of Brexit on status of EU nationals and ability to access services. Impact of Social Housing White Paper on requirements of housing function The increase in property numbers and development of the City Centre results in additional cost pressures within the Services that have not been built into the budget Increasing demands for housing tenant support as other providers withdraw services	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Identification and drawdown of additional funding made available from Government and others to support additional demand • Lean systems approach taken to identify efficiencies in service delivery (e.g. benefits service) • Collaboration and joint working arrangement opportunities identified with local partners to help meet additional service demands • Consistent monitoring of service demands. • Assessment of White Paper impacts to be undertaken. • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

11	Housing Rents and Property Voids	Increased arrears due to impact of Covid19 on household incomes More Council House disposals than anticipated and/or slower than anticipated progress on the council house new build programme Void properties exceeding the allowance included in the budget (1% p.a.), particualry due to impacts of Covid19 on turnaround times. CPI inflation less than budgeted rate (from 2022/22)– reducing rental income Impact of future interventions by Govt to alter Social Rent Policy.	**Total Score: 9** Likelihood: 9 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Produce regular budget monitoring reports • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Directorate ongoing monitoring is a performance indicator • Monthly monitoring of RPI and CPI index changes • Make use of expert forecasts of future RPI and CPI trends and the impact on housing rents • 30 year Business Plan to undergo a refresh. • Continual monitoring of arrears and void positions. • Housing Rents Hardship Fund established. • Monthly New Homes Board meeting of cross directorate officers monitoring progress of New Build programme and capital & revenue funding

12	Capital Funding	Shortfall in the actual amount of Capital Receipts (i.e. Council House Sales, other HRA assets, GF assets) against the targets set within the HIP & GIP Revenue contributions are not sustainable in the revenue accounts of the HRA or General Fund Increase in borrowing costs (covered in separate risk – see no.5 & no. 13) Reductions in grant funding (covered in separate risk – see no. 15).	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 6** Likelihood: 2 Impact: 3	• Undertake regular monitoring of the capital receipts position • Capital Receipts targets incorporated in the Asset Management Plan & Capital Strategy • Property Section fully informed of current targets within the GIP & HIP • Review of the most cost effective funding options (e.g. capital receipts compared to prudential borrowing) • Monitor and report on the revenue and capital budgets together to ensure both capital and revenue impacts are identified • HRA Business plan includes allowance for full funding of capital requirements over 30 years, including revenue contributions.
13	Cashflow Management (Investments and short term borrowing)	Available cash flow surpluses less than anticipated and/or interest rates lower than forecast Reduction in cash flow results in deficits and/or rising interest rates Impact of major sources of income not being received when expected.	**Total Score: 3** **Likelihood: 3** **Impact: 1**	**Total Score: 6** Likelihood: 3 Impact: 2	• Monitor the average interest rate being achieved against the budget target and the level of balances available for investment • Actively monitoring the cash flow on a daily basis • Ongoing monitoring of cashflows from Business rates • Quarterly monitoring of Collection Fund forecast balances • Take account of economic analysts and Bank of England predictions and advice from Treasury Management Consultants • Hold regular Treasury Management meetings • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

14	Government Grants (including RSG and New Homes Bonus)	Cash reductions in Government Grant which are in excess of the levels assumed in the MTFS The Council is unable to sustain sufficient levels of growth and future levels of funding are reduced Amount and timing of receipt of some grants not as assumed in the MTFS	**Total Score: 2** Likelihood: 1 Impact: 1	**Total Score: 3** Likelihood: 3 Impact: 1	• Regular review and reporting of new home figures • The Council will seek to realise the benefits of the financial incentives available • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Regular review of grant figures and distribution mechanisms. • Lobby through national groups, respond to national consultations • Work with Association of Lincolnshire Finance Officers and the Society of District Treasures • Work with external funding specialists to identify and assess the impact of proposed funding changes (e.g. New Homes Bonus) • Budget assumptions assume no further new funding beyond 2021/22

15	External Funding of Capital Programme	Loss of anticipated external resource to support the capital programme Including ○ Changes to the allocation of grant funding for Disabled Facilities Grants (DFG) from the City Council to County Council, while the City Council retains statutory duty to provide services. Inability to attract/gain further external grant funding/partner contributions to deliver schemes included in Vision 2025 e.g. Towns Fund	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 12** Likelihood: 3 Impact: 4	• Ensure grant conditions are complied with throughout scheme • Continue to seek alternative funding sources and make appropriate grant applications. • Continue to work with partner organisations to secure additional funding opportunities. • Produce regular grant monitoring statements • Regular budget monitoring and reporting to Capital Programme Board • Ongoing discussions with the County Council to ensure the provision of DFG's meet the Council's funding requirements. • New schemes not approved until external funding secured.

16	Council Tax Base & Council Tax Support Scheme	In year variations to budget not containable within Collection Fund balances Costs to Council increased due to (including impact of Covid19): – Actual CT base different to estimate – Collection rates/bad debt provisions – Increase in LCTS caseload or reduction not as anticipated. – Referendum rate of CT increases below budgeted rate	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 6** Likelihood: 3 Impact: 2	• Monthly monitoring of the Collection Fund - collection rates, CT discount caseload, council tax base. • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Produce quarterly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • The proposed 2021/22 Council Tax is below referendum limit of 2%. Future increases are below 2% in years 2022/23 to 2025/26. • Annual increases in Council Tax considered alongside national expected increases • Additional Govt financial support provided in 2021/22 to offset increase in LCTS costs and fund 75% of irrecoverable Collection Fund losses.
17	Sundry Debtors and Housing Benefit Overpayments	The Council's existing Bad Debt provision proves insufficient to meet any increase in the value of debts written off.	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Follow established debt recovery and write off procedures • Monitor age debt profile of debts against bad debt provision • DWP Consultancy support engaged for Housing Overpayments – positive impacts on reducing outstanding debt and increasing in-period collection

18	Housing Benefits/Subsidy	Increase in payments that do not attract 100% subsidy i.e. overpayments and local authority errors Failure to comply with complex legislative requirements Lack of audit trail to substantiate grant claim Backlog of work Pressures from customer demands and complex enquiries due to welfare changes	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Regular monitoring of claims being processed • Undertake staff training and sample accuracy checks • Ensure system back ups are carried out and historic information is recoverable • Implementation of new systems, processes and structures following Lean Systems Intervention
19	Loss of income from partners	Key partners end existing agreements with the Council	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Ongoing discussions and negotiations with key partners by senior officers and members
20	Housing Investment Requirements	Implications arising from Social Housing White Paper including additional investment requirements and pledge to revise Decent Homes Standard. Implications arising from change in planned maintenance contractor.	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 9** Likelihood: 3 Impact: 3	• Assessment of White Paper implications • Refresh of HRA Business Plan in 2021 • Project team established to manage insourcing of planned maintenance programme. • Use of collaborative contracts/framework agreements where possible e.g. EMPA • Ensure risk assessments completed for all significant schemes before commencing • Value engineering used to contain project costs • Cost estimates obtained ahead of procurement exercises.

Appendix 5

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GENERAL FUND EARMARKED RESERVES FORECAST 2020/21 – 2025/26

Description	Balance @ 31.03.21	Balance @ 31.03.22	Balance @ 31.03.23	Balance @ 31.03.24	Balance @ 31.03.25	Balance @ 31.03.26
Carry Forwards	159,254	110,254	110,254	110,254	110,254	110,254
Air Quality Initiatives	10,570	16,080	21,590	27,100	32,610	38,120
Active Nation Bond	83,000	83,000	83,000	83,000	83,000	83,000
Birchwood Leisure Centre	25,970	25,970	25,970	25,970	25,970	25,970
Business Rates Volatility	13,645,877	1,979,775	998,636	517,496	617,496	867,496
Christmas Decorations	13,870	13,870	13,870	13,870	13,870	13,870
City Hall Sinking Fund	60,460	60,460	60,460	60,460	60,460	60,460
Commons Parking	27,302	27,302	27,302	27,302	27,302	27,302
Corporate Training	45,300	45,300	45,300	45,300	45,300	45,300
Covid-19 Recovery	1,047,237	1,047,237	0	0	0	0
Covid-19 Response	353,654	353,654	353,654	0	0	0
DRF Unused	145,250	16,060	8,030	0	0	0
Electric Van replacement	19,364	23,794	28,224	32,654	37,084	41,514
Funding for Strategic Priorities V2020	173,740	89,240	14,240	14,240	14,240	14,240
Grants & Contributions	846,817	775,467	702,517	654,757	606,277	556,950
Invest to Save	459,582	475,032	475,612	475,612	475,612	475,612
IT Reserve	123,940	152,430	216,020	278,880	340,990	402,340
Mayoral car	27,099	27,099	27,099	27,099	27,099	27,099
Mercury Abatement	317,171	0	0	0	0	0
MSCP & Bus Station Sinking Fund	60,000	104,160	149,210	195,160	242,030	289,840
Private Sector Stock Condition Survey	27,460	39,460	51,460	3,460	15,460	27,460
Section 106 interest	31,795	31,795	31,795	31,795	31,795	31,795
Strategic Growth Reserve (WGC)	56,580	56,580	56,580	56,580	56,580	56,580
Tank Memorial	10,000	10,000	10,000	10,000	10,000	10,000
Tree Risk Assessment	125,930	145,930	165,930	185,930	205,930	225,930
Vision 2025	204,200	772,410	772,410	772,410	772,410	772,410
Western Growth Corridor Planning	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL GENERAL FUND	**18,201,421**	**6,582,358**	**4,549,162**	**3,749,328**	**3,951,768**	**4,303,541**

HOUSING REVENUE ACCOUNT EARMARKED RESERVES FORECAST 2020/21 to 2025/26

Description	Forecast Balance 31.03.21 £	Forecast Balance 31.03.22 £	Forecast Balance 31.03.23 £	Forecast Balance 31.03.24 £	Forecast Balance 31.03.25 £	Forecast Balance 31.03.26 £
Capital Fees Equalisation	110,030	110,030	110,030	110,030	110,030	110,030
De Wint Court Reserve	73,480	73,480	73,480	73,480	73,480	73,480
Housing Business Plan	76,559	76,559	76,559	76,559	76,559	76,559
Housing Repairs Service	125,710	125,710	125,710	125,710	125,710	125,710
HRA Repairs Account	500,000	500,000	500,000	500,000	500,000	500,000
HRA Strategic Priority Reserve	250,967	194,057	194,057	194,057	194,057	194,057
HRA Invest to Save	132,546	132,546	132,546	132,546	132,546	132,546
Strategic Growth Reserve (WGC)	100,590	100,590	100,590	100,590	100,590	100,590
TOTAL HOUSING REVENUE ACCOUNT	**1,369,886**	**1,312,976**	**1,312,976**	**1,312,976**	**1,312,976**	**1,312,976**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **GUILDHALL (excl LEASE OR TENDER) , CITY HALL & COMMITTEE ADMIN (CX)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
GUILDHALL				
ROOM HIRE:				
Guildhall Room Hire Fee	200.00	206.00	**212.00**	
Private & Specialist Tours (Charge per person)				
- Classification 1 (minimum booking of 10 people) *				
Monday to Saturday 60-90 minutes	5.00	5.20	**5.40**	**inc VAT**
Monday to Saturday 120-180 minutes	9.00	9.30	**9.60**	**inc VAT**
- Classification 2 (minimum booking for 15 people)**				
Monday to Sunday 60-90 minutes	7.50	7.70	**8.00**	**inc VAT**
Monday to Sunday 120-180 minutes	7.80	8.00	**8.30**	**inc VAT**

* Where a private tour is booked during the day and interferes with public tours
** Where a tour is outside of normal working hours - evenings Monday-Friday all day Saturday and Sunday) & Any other Specialist tours, talks & events

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
CITY HALL				
ROOM HIRE:				
Charities & organisations with Council representation (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	33.00	34.00	**35.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	23.00	24.00	**25.00**	**inc VAT**
Lincs non-profit making organisations (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	56.00	58.00	**60.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	33.00	34.00	**35.00**	**inc VAT**
Other users including Government and Court use (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	132.00	136.00	**140.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	89.00	92.00	**95.00**	**inc VAT**
Supplement for evening use	20%	50%	**50%**	
Drinks (per delegate per half day)	2.00	2.50	**2.60**	**inc VAT**
Cancellation Fee	10.00	10.00	**10.00**	
COMMITTEE SERVICES				
- Supplying a copy of or extract from a document (excluding site plans or planning decision notices) (plus postage)	7.60	7.80	**8.00**	**inc VAT**
- Council Summons (per year) (Incl postage & packing)	191.20	196.90	**202.80**	

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **REPRESENTATION OF PEOPLES ACT (CX)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	**CURRENT 2020/21 £**	**PROPOSED 2021/22 £**	
ELECTORAL SERVICES				
STATUTORY:				
Public Sales				
- Sale of Electoral Register per 1000 names, or part (plus postage & packing)				
Paper copy				
- initial fee	10.00	10.00	**10.00**	
- per 1000 names, or part	5.00	5.00	**5.00**	
Data				
- initial fee	20.00	20.00	**20.00**	
- per 1000 names, or part	1.50	1.50	**1.50**	
- Copies of Candidate's Expenses (per side)	0.20	0.20	**0.20**	
NON-STATUTORY:				
- Index to Register of Electors	20.80	-	**-**	
- Postage & Packing of Register of Electors	21.80	22.50	**23.20**	
- Hire of Ballot Boxes	8.80	9.10	**9.40**	**inc VAT**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	

Please Note on All Licensing Fees and Charges for any Cheques that bounce there will be a £10.00 Charge Incurred

HACKNEY CARRIAGES

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
- Vehicle Licence/Renewal (one year)	133.00	135.00	**137.00**	
- Plates Deposit (refundable)	13.00	13.00	**13.00**	
- Replacement Plate(s)	16.00	16.00	**16.00**	
-Test Certificate admin fee	16.50	16.50	**17.00**	
- Change of Vehicle/HV/Reg	67.00	68.00	**70.00**	
-Change of Owner (Previously in above)	48.00	48.00	**46.00**	
- Driver Licence (one year)	121.00	128.00	**129.00**	
- Driver Licence (three year)	209.00	224.00	**229.00**	
- Drivers Knowledge Test	35.00	36.00	**37.00**	
-DBS check (enhanced)	44.00	40.00	**40.00**	
-DBS check (standard)	26.00	23.00	**23.00**	
-DVLA Check	6.00	3.00	**3.00**	**plus VAT**
-DVLA Check - (Non UK driving licences)	6.00	15.00	**15.00**	**plus VAT**
- Badge Deposit (refundable)	6.00	6.00	**6.00**	
- Badge Replacement (previously in above)	8.00	8.00	**8.00**	

PRIVATE HIRE

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
- Vehicle Licence/Renewal (one year)	105.00	109.00	**113.00**	
- Plates Deposit (refundable)	13.00	13.00	**13.00**	
- Replacement Plate(s)	16.00	16.00	**16.00**	
-Test Certificate admin fee	16.50	16.50	**17.00**	
- Change of Vehicle/Operator/HV/Reg	67.00	68.00	**70.00**	
-Change of Owner (Previously in above)	48.00	48.00	**46.00**	
- Driver Licence (one year)	86.00	91.00	**95.00**	
- Driver Licence (three year)	174.00	187.00	**195.00**	
- Drivers Knowledge Test	35.00	36.00	**37.00**	
-DBS check (enhanced)	44.00	40.00	**40.00**	
-DBS check (standard)	26.00	23.00	**23.00**	
-DVLA Check	6.00	3.00	**3.00**	**plus VAT**
-DVLA Check - (Non UK driving licences)	6.00	15.00	**15.00**	**plus VAT**
- Badge Deposit (refundable)	6.00	6.00	**6.00**	
- Badge Replacement (previously in above)	8.00	8.00	**8.00**	
- Operators Licence (five years) 10 Vehicles or More	922.00	1,050.00	**1,071.00**	
- Operators Licence (five years) less than 10 Vehicles	294.00	335.00	**347.00**	

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
LICENCES AND CERTIFICATES				
Dangerous Wild Animals	415.00	448.00	**488.00**	
Dangerous Wild Animals Renewal	157.00	179.00	**201.00**	
Horse Registration Fee	60.00	60.00	**62.00**	
Sex Establishment New Licence Application Fee	451.00	489.00	**504.00**	
Sex Establishment New Licence Issue Fee	181.00	206.00	**209.00**	
Sex Establishment Renewal Application Fee	193.00	192.00	**201.00**	
Sex Establishment Renewal Issue Fee	181.00	179.00	**186.00**	
Sex Establishment Transfer Application Fee	307.00	82.00	**85.00**	
Sex Establishment Transfer Issue Fee	169.00	192.00	**201.00**	
Sex Establishment Variation Application Fee	331.00	325.00	**349.00**	
Sex Establishment Variation Issue Fee		27.00	**31.00**	
STREET TRADING				
Street Trading Consent - Initial Applicaction				
- Initial Administration Fee	283.00	297.00	**318.00**	
- Initial Annual Consent Fee	24.00	27.50	**31.00**	
Renewal Consent Fee				
- Renewable Annual Administation Fee	24.00	27.50	**31.00**	
- Renewable Annual Consent Fee	24.00	27.50	**31.00**	
ANIMAL ACTIVITIES LICENCE				
Animal Activities Licence	250.00	299.00	**300.00**	plus Vet Fees
Request Re-Inspection for Star Review	105.00	130.00	**130.00**	
Requesting Variation of the Licence	95.00	115.00	**118.00**	
Performing Animals Licence*	220.00	250.00	**255.00**	plus Vet Fees

* 10% Discount for Charities

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
LICENCES AND CERTIFICATES			
Scrap Metal Dealers & Motor Salvage Operators			
New Application	881.00	924.00	**948.00**
Site Renewal	712.00	694.00	**743.00**
Collectors Licence	229.00	261.00	**271.00**
Variations			
- Add New Site Manager (Existing within LA area)	10.50	10.50	**10.50**
- Add New Site Manager (Not Existing within LA area	69.00	69.00	**69.00**
- Remove Site Manager (Existing within LA area)	10.50	10.50	**10.50**
- Duplicate Licence	10.50	10.50	**10.50**
- Change of Trading Name	10.50	10.50	**10.50**
Remove a Site			
- Refund In Year 1**	288.00	304.00	**284.00**
- Refund In Year 2**	131.00	139.00	**129.00**
- In Year 3	15.00	15.00	**15.00**
Add a Site			
- In Year 1	470.00	508.00	**511.00**
- In Year 2	313.00	344.00	**344.00**
- In Year 3	157.00	179.00	**201.00**
Collectors Licence to Site Licence			
- In Year 1	627.00	567.00	**630.00**
- In Year 2	518.00	457.00	**497.00**
- In Year 3	410.00	347.00	**351.00**
Site Licence to Collectors Licence			
- Refund In Year 1**	59.00	43.00	**13.00**
- In Year 2**	98.00	121.00	**142.00**
- In Year 3	229.00	261.00	**271.00**
Surrender Collectors Licence			
- Refund In Year 1**	96.00	110.00	**124.00**
- Refund In Year 2**	48.00	55.00	**62.00**
- In Year 3**	-	-	**-**

**** This is a Refund**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
LICENCES AND CERTIFICATES			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £0 - £4,300	100.00	100.00	**100.00**
- NDRV £4,301 - £33,000	190.00	190.00	**190.00**
- NDRV £33,001 - £87,000	315.00	315.00	**315.00**
- NDRV £87,001 - £125,000	450.00	450.00	**450.00**
- NDRV £125,001 and over	635.00	635.00	**635.00**
Premises Licence - Annual			
- NDRV £0 - £4,300	70.00	70.00	**70.00**
- NDRV £4,301 - £33,000	180.00	180.00	**180.00**
- NDRV £33,001 - £87,000	295.00	295.00	**295.00**
- NDRV £87,001 - £125,000	320.00	320.00	**320.00**
- NDRV £125,001 and over	350.00	350.00	**350.00**
Premises Licence - Variation Fee in Transition			
- NDRV £0 - £4,300	20.00	20.00	**20.00**
- NDRV £4,301 - £33,000	60.00	60.00	**60.00**
- NDRV £33,001 - £87,000	80.00	80.00	**80.00**
- NDRV £87,001 - £125,000	100.00	100.00	**100.00**
- NDRV £125,001 and over	120.00	120.00	**120.00**
For premises used exclusively or primarily in the business of selling alcohol for consumption on the premises and within bands D & E - the following multiplier applies - Band D x 2, Band E x 3			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £87,001 - £125,000	900.00	900.00	**900.00**
- NDRV £125,001 and over	1,905.00	1,905.00	**1,905.00**
Premises Licence - Annual			
- NDRV £87,001 - £125,000	640.00	640.00	**640.00**
- NDRV £125,001 and over	1,050.00	1,050.00	**1,050.00**
Club Premises Certificates -Grant/Variation (Not change of name, alteration of club rules or registered address)			
- NDRV £0 - £4,300	100.00	100.00	**100.00**
- NDRV £4,301 - £33,000	190.00	190.00	**190.00**
- NDRV £33,001 - £87,000	315.00	315.00	**315.00**
- NDRV £87,001 - £125,000	450.00	450.00	**450.00**
- NDRV £125,001 and over	635.00	635.00	**635.00**
Club Premises Certificates - Annual			
- NDRV £0 - £4,300	70.00	70.00	**70.00**
- NDRV £4,301 - £33,000	180.00	180.00	**180.00**
- NDRV £33,001 - £87,000	295.00	295.00	**295.00**
- NDRV £87,001 - £125,000	320.00	320.00	**320.00**
- NDRV £125,001 and over	350.00	350.00	**350.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	**CURRENT 2020/21 £**	**PROPOSED 2021/22 £**
LICENCES AND CERTIFICATES			
Copy of Licence/Certificate/Notice or Summary on theft or loss of:			
- Premises Licence or Summary	10.50	10.50	**10.50**
- Club Premises Certificate or Summary	10.50	10.50	**10.50**
- Personal Licence	10.50	10.50	**10.50**
- Temporary Events Notice	10.50	10.50	**10.50**
Change of name or address			
- Holder of Premises Licence	10.50	10.50	**10.50**
- Personal Licence	10.50	10.50	**10.50**
Change of name or alteration to club rules	10.50	10.50	**10.50**
Change of relevant registered address of club	10.50	10.50	**10.50**
Vary specific individual as premises supervisor	23.00	23.00	**23.00**
Transfer Premises Licence	23.00	23.00	**23.00**
Interim Authority Notice	23.00	23.00	**23.00**
Provisional Statement	315.00	315.00	**315.00**
Temporary Events Notice	21.00	21.00	**21.00**
Personal Licences			
- Grant/Renewal	37.00	37.00	**37.00**
Minor Variation of a Premises Licence/Club Premises Certificate	89.00	89.00	**89.00**
Notification of Interest	21.00	21.00	**21.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
GAMBLING ACT - PERMIT FEES			
FEC Gaming Machine -			
- Application Fee	300.00	300.00	**300.00**
- Renwal Fee	300.00	300.00	**300.00**
Prize Gaming -			
- Application Fee	300.00	300.00	**300.00**
- Renewal Fee	300.00	300.00	**300.00**
Alcohol Licences Premises - Notification of less than 2 Machines			
- Application Fee	50.00	50.00	**50.00**
Alcohol Licences Premises - More than 2 Machines			
- Application Fee	150.00	150.00	**150.00**
- Annual Fee	50.00	50.00	**50.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Gaming Permit -			
- Application Fee	200.00	200.00	**200.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	200.00	200.00	**200.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Gaming Machine Permit -			
- Application Fee	200.00	200.00	**200.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	200.00	200.00	**200.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Fast-track for Gaming Permit or Gaming Machine Permit -			
- Application Fee	100.00	100.00	**100.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	100.00	100.00	**100.00**
- Transitional Application Fee			
Small Society Lottery Registration -			
- Application Fee	40.00	40.00	**40.00**
- Annual Fee	20.00	20.00	**20.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
GAMBLING ACT - PERMIT FEES cont.			
FEC Permits -			
- Change of Name	25.00	25.00	**25.00**
- Copy of Permit	15.00	15.00	**15.00**
Prize Gaming Permits -			
- Change of Name	25.00	25.00	**25.00**
- Copy of Permit	15.00	15.00	**15.00**
Alcohol Licences Premises - Notification of More than 2 Machines -			
- Change of Name	25.00	25.00	**25.00**
- Copy of permit	15.00	15.00	**15.00**
- Variation	100.00	100.00	**100.00**
- Transfer	25.00	25.00	**25.00**
Club Gaming Permit -			
- Copy of Permit	15.00	15.00	**15.00**
- Variation	100.00	100.00	**100.00**
Club Gaming Machine Permit			
- Copy of Permit	15.00	15.00	**15.00**
- Variation	100.00	100.00	**100.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
GAMBLING ACT - APPLICATION FEES			
Classes of Premises Licence -			
Regional Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	8,000.00	8,000.00	**8,000.00**
- Fee in respect of other premises	15,000.00	15,000.00	**15,000.00**
- Annual Fee	15,000.00	15,000.00	**15,000.00**
- Application to vary licence	7,500.00	7,500.00	**7,500.00**
- Application to transfer a licence	6,500.00	6,500.00	**6,500.00**
- Application for reinstatement of a licence	6,500.00	6,500.00	**6,500.00**
- Application for provisional statement	15,000.00	15,000.00	**15,000.00**
Large Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	5,000.00	5,000.00	**5,000.00**
- Fee in respect of other premises	10,000.00	10,000.00	**10,000.00**
- Annual Fee	10,000.00	10,000.00	**10,000.00**
- Application to vary licence	5,000.00	5,000.00	**5,000.00**
- Application to transfer a licence	2,150.00	2,150.00	**2,150.00**
- Application for reinstatement of a licence	2,150.00	2,150.00	**2,150.00**
- Application for provisional statement	10,000.00	10,000.00	**10,000.00**
Small Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	3,000.00	3,000.00	**3,000.00**
- Fee in respect of other premises	8,000.00	8,000.00	**8,000.00**
- Annual Fee	5,000.00	5,000.00	**5,000.00**
- Application to vary licence	4,000.00	4,000.00	**4,000.00**
- Application to transfer a licence	1,800.00	1,800.00	**1,800.00**
- Application for reinstatement of a licence	1,800.00	1,800.00	**1,800.00**
- Application for provisional statement	8,000.00	8,000.00	**8,000.00**
Converted Casino premises licence -			
- Annual Fee	3,000.00	3,000.00	**3,000.00**
- Application to vary licence	2,000.00	2,000.00	**2,000.00**
- Application to transfer a licence	1,350.00	1,350.00	**1,350.00**
- Application for reinstatement of a licence	1,350.00	1,350.00	**1,350.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
GAMBLING ACT - APPLICATION FEES			
Bingo Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	3,500.00	3,500.00	**3,500.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,750.00	1,750.00	**1,750.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	3,500.00	3,500.00	**3,500.00**
Adult Gaming centre Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	2,000.00	2,000.00	**2,000.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,000.00	1,000.00	**1,000.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	2,000.00	2,000.00	**2,000.00**
Betting premises (track) Licence -			
- Application Fee in respect of Provisional statement premises	950.00	950.00	**950.00**
- Fee in respect of other premises	2,500.00	2,500.00	**2,500.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,250.00	1,250.00	**1,250.00**
- Application to transfer a licence	950.00	950.00	**950.00**
- Application for reinstatement of a licence	950.00	950.00	**950.00**
- Application for provisional statement	2,500.00	2,500.00	**2,500.00**
Family Entertainment centre premises licence:			
- Application Fee in respect of Provisional statement premises	950.00	950.00	**950.00**
- Fee in respect of other premises	2,000.00	2,000.00	**2,000.00**
- Annual Fee	750.00	750.00	**750.00**
- Application to vary licence	1,000.00	1,000.00	**1,000.00**
- Application to transfer a licence	950.00	950.00	**950.00**
- Application for reinstatement of a licence	950.00	950.00	**950.00**
- Application for provisional statement	2,000.00	2,000.00	**2,000.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
GAMBLING ACT - APPLICATION FEES			
Betting premises (other) Licence			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	3,000.00	3,000.00	**3,000.00**
- Annual Fee	600.00	600.00	**600.00**
- Application to vary licence	1,500.00	1,500.00	**1,500.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	3,000.00	3,000.00	**3,000.00**
Change of Circumstance fee	50.00	50.00	**50.00**
Copy of Licence Fee	25.00	25.00	**25.00**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CEMETERIES (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
INTERMENTS				
Child up to sixteen years	No Charge	No Charge	**No Charge**	
Person over sixteen years	1,110.00	1,140.00	**1,175.00**	
Preparation for Exhumation	2,070.00	2,130.00	**2,195.00**	
Grave Purchase (50 Year Lease)**	1,080.00	1,110.00	**1,145.00**	
Grave Purchase (Baby)	280.00	290.00	**300.00**	
Interments of cremated remains:				
- From Lincoln Crematorium*	80.00	85.00	**88.00**	
- From Other Crematorium*	110.00	115.00	**120.00**	
Preparation for Exhumation of Ashes	280.00	300.00	**310.00**	
Cremation Plot Purchase	280.00	290.00	**300.00**	
Body Parts/blocks/slides*	72.00	74.00	**76.00**	

50% Discount for City of Lincoln Residents (Excluding those marked with *)
**Fee is non-transferable to anyone other than the purchasee/designated person.
If the intention is to transfer onto a non-city resident then charge will be doubled.

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
MONUMENTS, GRAVE STONES, TABLETS & INSCRIPTIONS				
Monumental Mason Headstone	110.00	115.00	**118.00**	**inc VAT**
MISCELLANEOUS				
Levelling and re-turfing of graves	48.00	49.00	**50.00**	**inc VAT**
Burial records search fee where appropriate	6.00	6.00	**6.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LONG LEYS ROAD CEMETERY (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
INTERMENTS			
Child up to sixteen years	No Charge	No Charge	**No Charge**
Person over sixteen years			
- Resident	720.00	740.00	**760.00**
- Non-resident	1,440.00	1,480.00	**1,520.00**
Interments of cremated remains			
- From Lincoln Crematorium *	98.00	100.00	**105.00**
- From Other Crematorium *	120.00	125.00	**130.00**
PURCHASE OF GRAVE PLOT			
Grave Purchase (50 Year Lease) **			
- Resident	620.00	640.00	**660.00**
- Non-resident	1,240.00	1,280.00	**1,320.00**
Grave Purchase (Baby)			
- Resident	150.00	155.00	**160.00**
- Non-resident	300.00	310.00	**320.00**
Cremation Plot Purchase			
- Resident	150.00	155.00	**160.00**
- Non-resident	300.00	310.00	**320.00**

50% Discount for City of Lincoln Residents (Excluding those marked with *)
** Fee is non-transferable to anyone other than the purchasee/designated person.
If the intention is to transfer onto a non-city resident then the 50% discount will not apply.

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CREMATORIUM (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
CREMATION FEES				
Body Parts/Slides/Blocks	77.00	80.00	**83.00**	
Child up to sixteen years	No Charge	No Charge	**No Charge**	
Person over sixteen years	750.00	780.00	**805.00**	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Charge for non-city residents :				
Person over sixteen years	750.00	780.00	**805.00**	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Service Extension (20 min period)	175.00	180.00	**185.00**	
MEMORIALS AND INSCRIPTIONS				
Book of Remembrance				
2 Lines	90.00	95.00	**100.00**	**inc VAT**
5 Lines	120.00	125.00	**131.00**	**inc VAT**
8 Lines	150.00	155.00	**160.00**	**inc VAT**
Miniature Books				
2 Lines	100.00	105.00	**110.00**	**inc VAT**
5 Lines	110.00	115.00	**120.00**	**inc VAT**
8 lines	125.00	130.00	**135.00**	**inc VAT**
Remembrance cards				
2 Lines	62.00	65.00	**67.00**	**inc VAT**
5 Lines	72.00	75.00	**77.00**	**inc VAT**
8 Lines	88.00	90.00	**93.00**	**inc VAT**
Additional lines to existing books and cards per line	18.00	18.50	**19.00**	**inc VAT**
MISCELLANEOUS CHARGES				
- Caskets	52.00	55.00	**57.00**	
- Extract from Register of Cremations	12.00	12.00	**12.00**	
Memorial Service (when space available)	350.00	360.00	**370.00**	
DEPOSIT OF ASHES				
- Temporary deposit of ashes per month after one month	14.00	15.00	**16.00**	
- For burying of ashes in Garden of Remembrance where cremation carried out at other crematorium	90.00	95.00	**100.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CREMATORIUM (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
MEMORIAL GARDEN				
Wall Tablet (10 year lease)	225.00	233.33	**241.66**	**plus VAT**
Bench Tablet (10 year lease)	316.66	325.00	**333.33**	**plus VAT**
Kerb Tablet (10 year lease)	341.66	350.00	**358.33**	**plus VAT**
Vault Tablet (20 year lease)	770.83	791.67	**800.00**	**plus VAT**
Designer images on plaques - from	108.33	116.66	**120.83**	**plus VAT**
Ceramic Photo Plaques				
4cm x 3cm	104.16	108.33	**112.50**	**plus VAT**
7cm x 5cm	145.83	150.00	**154.17**	**plus VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **BREAVEMENT SERVICES (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
BREAVEMENT SERVICES				
Witnessed burial in the Garden of Remembrance	30.00	30.00	**31.00**	
Direct Cremation Service	580.00	595.00	**480.00**	
Change of fees for a memorial permit to make it a clear price	110.00	115.00	**118.00**	
WESLEY SYSTEM				
Audio recording supplied on CD - 1st Copy	55.00	58.00	**60.00**	**inc VAT**
Audio recording supplied on CD - subsequent copies	27.00	28.00	**29.00**	**inc VAT**
Video recording supplied on DVD - 1st copy	55.00	58.00	**60.00**	**inc VAT**
Video recording supplied on DVD - subsequent copies	27.00	28.00	**29.00**	**inc VAT**
VISUAL TRIBUTES				
Visual tribute - 1 photograph	23.00	24.00	**25.00**	**inc VAT**
Visual tribute - 2-5 photographs	33.00	34.00	**35.00**	**inc VAT**
Visual tribute - 6-10 photographs	44.00	45.00	**46.00**	**inc VAT**
Visual tribute – 10+ photographs subsequent per photograph)	2.50	2.50	**3.00**	**inc VAT**
Video tribute - up to 2 minutes	33.00	34.00	**35.00**	**inc VAT**
Video tribute - over 2 minutes to 5 minutes	44.00	45.00	**46.00**	**inc VAT**
DVD containing the tribute - 1st copy	33.00	34.00	**35.00**	**inc VAT**
DVD containing the tribute - subsequent copies	27.00	28.00	**29.00**	**inc VAT**
Tribute embedded into video of the service	75.00	78.00	**80.00**	**inc VAT**
WEBCASTING				
Webcasting of Service	55.00	58.00	**60.00**	**inc VAT**
MEMORIAL TREE				
Memorial Leaf (Name Only)*	150.00	150.00	**155.00**	**plus VAT**
Memorial Leaf (Name & Inscription)*	175.00	175.00	**180.00**	**plus VAT**

*Subject to a 10 year lease

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **OTHER PUBLIC HEALTH, PUBLIC HEALTH INSPECTION & SALVAGE OPERATORS (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
LICENCES, CERTIFICATES AND AUTHORISATIONS			
Food Certificates			
- Condemned food	41.50	42.80	**44.10**
(No charge for single items)			
- Consignments for Export	66.60	68.60	**70.70**
Authorisations *- Prescribed Processes (All subject to notification by DEFRA) :			
- Application Fees			
- Standard	1,579.00	1,579.00	**1,579.00**
- Additional Fee for Operating without a Permit	1,137.00	1,137.00	**1,137.00**
- PVRI, SWOB's and Dry Cleaners	148.00	148.00	**148.00**
- PVR Combinded I & II	246.00	246.00	**246.00**
- VR & other Reduced Fee Activities	346.00	346.00	**346.00**
- RFA Additional Fee for no Permit	68.00	68.00	**68.00**
- Mobile Plant **	1,579.00	1,579.00	**1,579.00**
- for 3rd to 7th Applications	943.00	943.00	**943.00**
- for 8th & Subsequent Applications	477.00	477.00	**477.00**
Where an Application for any of the above is for a combined Part B and Waste Application add extra £297 to Amount shown			
- Subsistence charges			
- Standard - Low	739.00	739.00	**739.00**
- Standard - Med	1,111.00	1,111.00	**1,111.00**
- Standard - High	1,672.00	1,672.00	**1,672.00**
- PVRI, SWOB's and Dry Cleaners Low	76.00	76.00	**76.00**
- PVRI, SWOB's and Dry Cleaners Med	151.00	151.00	**151.00**
- PVRI, SWOB's and Dry Cleaners High	227.00	227.00	**227.00**
- PVR I & II Combined Low	108.00	108.00	**108.00**
- PVR I & II Combined Med	216.00	216.00	**216.00**
- PVR I & II Combined High	326.00	326.00	**326.00**
- VRs & other Reduced Fees Low	218.00	218.00	**218.00**
- VRs & other Reduced Fees Med	349.00	349.00	**349.00**
- VRs & other Reduced Fees High	524.00	524.00	**524.00**
- Mobile Plants for 1st & 2nd Permits Low **	618.00	618.00	**618.00**
- Mobile Plants for 1st & 2nd Permits Med **	989.00	989.00	**989.00**
- Mobile Plants for 1st & 2nd Permits High **	1,484.00	1,484.00	**1,484.00**
- For the 3rd to 7th Permits Low	368.00	368.00	**368.00**
- For the 3rd to 7th Permits Med	590.00	590.00	**590.00**
- For the 3rd to 7th Permits High	884.00	884.00	**884.00**
- For the 8th and Subsequent Permits Low	189.00	189.00	**189.00**
- For the 8th and Subsequent Permits Med	302.00	302.00	**302.00**
- For the 8th and Subsequent Permits High	453.00	453.00	**453.00**
- Late Payment Fee	50.00	50.00	**50.00**

** Not using simplified Permits
The Additional amounts in brackets must be charged where permit is for combined Part B and Waste Installation.
Where a Part B Installation is subject to reporting under the E-PRTR Regulation, add £99 extra to the Amounts Shown

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **OTHER PUBLIC HEALTH, PUBLIC HEALTH INSPECTION & SALVAGE OPERATORS (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
LICENCES, CERTIFICATES AND AUTHORISATIONS				
- Transfer & Surrender				
- Standard Process Transfer	162.00	162.00	**162.00**	
- Standard Process Partial Transfer	476.00	476.00	**476.00**	
- New Operator - Low risk Fee	75.00	75.00	**75.00**	
- Reduced Fee Activities Partial Transfer	45.00	45.00	**45.00**	
- Temporary Transfer for Mobiles				
- First Transfer	51.00	51.00	**51.00**	
- Repeat following Enforcement or Warning	51.00	51.00	**51.00**	
- Substantial Change				
- Standard Process	1,005.00	1,005.00	**1,005.00**	
- Standard Process where result in a new PPC Activity	1,579.00	1,579.00	**1,579.00**	
- Reduced Fee Activities	98.00	98.00	**98.00**	
Local Government Misc Provisions- Skin Piercers (including Tattooing & Acupuncture)				
- Premises	160.10	164.90	**169.90**	
- Persons	30.70	31.60	**32.60**	
Re-issue of Skin Piercers Registration Certificate		15.00	**15.50**	

* 10% discount for registered charities

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
PUBLIC CONVIENICES				
Castle Hill	0.20	0.20	**0.20**	
Tentercroft Street	0.20	0.20	**0.20**	
Westgate	0.20	0.20	**0.20**	
Bus Station	0.20	0.20	**0.20**	
Lucy Tower	0.20	0.20	**0.20**	
E-Access Card	5.00	5.00	**5.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **PEST CONTROL, DOG WARDEN, PUBLIC HEALTH INSPECTION (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
Dogs :				
- Penalty for Strays *(Set by EPA & charged on 2nd continuing offence.)	25.00	25.00	**25.00**	
- Housing of Strays (Kennel fee per day) (Cost + Handling Charge)	12.00	12.40	**12.80**	**inc VAT**
- Acceptance of, for Destruction	81.00	83.40	**85.90**	
OTHER				
Provision of Information				
- Photograph (Each additional photo £1.30)	13.60	14.00	**14.40**	**inc VAT**
- Documents	12.30	12.70	**13.10**	**inc VAT**
- Factual Statement & Report of Investigations	135.20	139.30	**143.50**	**inc VAT**
- Food Safety Act Register (25 entries or part)	4.70	4.80	**5.00**	**inc VAT**
- Information on Former Use of Land (Charge per hour, or part thereof)	82.30	84.80	**87.40**	
- Provision of Information - Outstanding Notices Administration Charge	41.20	42.40	**43.70**	
- Default Works (incl Intruder Alarm Disconnection)	Cost + 10%	Cost + 10%	**Cost + 10%**	
Safer Food Better Business Management System	6.40	6.50	**6.70**	
Safer Food Better Business Daily Diary	4.20	4.50	**4.70**	
Re-inspection of Food Business	150.00	154.50	**155.00**	
- Graffiti Busting per hour	42.20	43.50	**45.00**	**plus VAT**

*** Concessions apply to OAP's and persons in receipt of benefit :**
- Retired persons over 65 years of age or,
- individuals over 60, in receipt of state retirement pension or widows pension or,
- persons in receipt of a means tested benefit

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **COMMUNITY SERVICES (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
ENFORCEMENT OFFICER				
Fixed Penalty Notices				
- Littering*	75.00	75.00	**75.00**	
- Dog Fouling	50.00	50.00	**50.00**	
- Breach of Community Protection*	75.00	75.00	**75.00**	
- Breach of a Public Space Protection Order*	75.00	75.00	**75.00**	
- Breach of S46 Notice (Presentation of Waste)*	75.00	75.00	**75.00**	
*** Discount of £25 given if paid within 10 days of receiving the fine**				
GREEN WASTE				
Green Waste Bin Collection				
- Annual Fee	39.00	39.00	**39.00**	
- Additional Bin	15.00	15.00	**15.00**	
- Delivery Fee	15.00	15.00	**15.00**	
DEVELOPER BIN CHARGES				
Charges per bin				
- 140 Litre Bin	22.70	22.00	**22.70**	**plus VAT**
- 240 Litre Bin	26.80	26.00	**26.80**	**plus VAT**
- Communal Bin (Usually 660l or 1100l)	153.50	149.00	**153.50**	**plus VAT**
- Delivery Charge	10.30	10.00	**10.30**	**plus VAT**
Admin Charge		**10% of total charge**	**10% of total charge**	

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HOUSING- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **HOUSING ADVANCES (DHR), HIMOs, GARAGES & SUPPORTED HOUSING**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
HOUSING ADVANCES				
- Second mortgage enquiry fee	101.40	104.40	**107.50**	**inc VAT**
- Transfer of mortgage fee	150.80	155.30	**160.00**	
- Business rate enquiry fee	32.80	33.80	**34.80**	
- Council Tax enquiry fee	25.90	26.70	**27.50**	
- Right to Buy leaseholders repair loan	196.70	202.60	**208.70**	
HOUSES IN MULTIPLE OCCUPATION				
Premises Licence Fee*				
- Basic (up to 5 Bedrooms)	850.00	875.50	**900.00**	
- 6 to 10 Bedrooms	Basic + 10%	Basic + 10%	**Basic + 10%**	
- 11 to 15 Bedrooms	Basic + 20%	Basic + 20%	**Basic + 20%**	
- 16 to 20 Bedrooms	Basic + 30%	Basic + 30%	**Basic + 30%**	
- For every 5, or part thereof, over 20	Additional 10%		**Additional 10%**	
Variation to Licence				
Trusted Landlord Scheme Discount (must be accredited on the date of the completed application)	**35% of Basic**		**35% of Basic**	

* The premises licence fee comprises of two elements. 60% of the total fee due will be payable on application as an application fee, and if the application is successful, the remaining 40% will be payable as a licence fee when the licence is granted.

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
GARAGES				
Garage transfer fees	21.30	21.90	**22.60**	**inc VAT**
Garage sites	75.40	77.70	**80.00**	**inc VAT**
Garage access fees	75.40	77.70	**80.00**	**inc VAT**

HOUSING- FEES AND CHARGES WEF 01/04/2020 - 31/03/2021

SERVICE : **HOUSING ADVANCES (DHR), HIMOs, GARAGES & SUPPORTED HOUSING**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2018/19 £	CURRENT 2019/20 £	PROPOSED 2020/21 £
HOUSING ACT 2004			
Health & Environment Enforcement Policy			
- Charge for enforcement activity	336.63	336.63	**336.63***
* Minimum fine for a 1/2 bedroom property with one hazard identified The charge will vary upwards depending on the number of bedrooms and the number of hazards identified at the property			
- Civil Penalty Notice	30,000.00	30,000.00	**30,000.00***
* Maximum fine of £30,000 - will be dependant on individual circumstances			
- Penalty Charge Notice for Smoke & Carbon Monoxide Alarms	5,000.00	5,000.00	**5,000.00***
* £5,000 for first breach discounted to £2,500 if paid within 14 days. Repeat Breaches £5,000 with no discount for early payment			

HOUSING- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **HOUSING REVENUE ACCOUNT & WORKS CMS (DHR)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
SUPPORTED HOUSING				
Community Alarms Service	150.00	155.00	**155.00**	
SHELTERED ACCOMMODATION				
Service charges, per rent week (50 weeks) - residents :				
- 1 person flat				
Derek Miller Ct	8.50	8.80	**9.10**	
St.Botolphs	8.50	8.80	**9.10**	
- 2 person flat				
Derek Miller Ct	12.10	12.50	**12.90**	
St.Botolphs	12.10	12.50	**12.90**	
- Electricity				
Derek Miller Court (only)	4.20	4.30	**4.40**	
Service charges, per rent week (50 weeks) - wardens :				
- 2 bed accommodation	9.70	10.00	**10.30**	
- 3 bed accommodation				
Lenton Green	11.70	12.10	**12.50**	
Others	11.50	11.90	**12.30**	
Concessionary TV Licences	7.50	7.50	**7.50**	
MISCELLANEOUS				
Additional keys for door entry	13.60	14.00	**14.40**	**inc VAT**
Building Society enquiry fees	80.90	83.30	**85.80**	**inc VAT**

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LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **ALLOTMENTS (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	**CURRENT 2020/21 £**	**PROPOSED 2021/22 £**	
ALLOTMENTS				
Standard rent for allotment				
51 to 100 sq yards	30.90	31.80	47.70	
101 to 150 sq yards	32.60	33.60	50.40	
151 to 200 sq yards	34.50	35.50	53.30	
201 to 250 sq yards	36.30	37.40	56.10	
251 to 300 sq yards	38.00	39.10	58.70	
301 to 350 sq tards	39.80	41.00	61.50	
351 to 400 sq yards	41.80	43.10	64.70	
401 to 450 sq yards	43.50	44.80	67.20	
451 to 500 sq yards	45.20	46.60	69.90	
501 to 550 sq yards	47.10	48.50	72.80	
551 to 600 sq yards	48.80	50.30	75.50	
601 to 650 sq yards	50.70	52.20	78.30	
651 to 700 sq yards	52.70	54.30	81.50	
701 to 750 sq yards	54.40	56.00	84.00	
751 to 800 sq yards	56.00	57.70	86.60	
801 to 850 sq yards	58.00	59.70	89.60	
851 to 900 sq yards	59.80	61.60	92.40	
901to 950 sq yards	61.60	63.50	95.30	
951 to 1000 sq yards	63.40	65.30	98.00	
Water supply to allotment				
- minimum charge	19.70	20.30	20.90	
Garage site				
- Rents and access charge	41.80	43.10	44.40	**inc. VAT**
Discounts				
6 - 10 allotments	10%	10%	**10%**	
11+ allotments	20%	20%	**20%**	
Unemployed	50%	50%	**50%**	
Pensioners	50%	50%	**-**	

CONDITIONS

***Concessions apply to persons in receipt of a means tested benefit**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **COMMUNITY CENTRES (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
BUD ROBINSON C.C.	Please refer to community centre fees and charges below		
Room Hire (per hour)			
- Main Hall			
Commercial	22.60	-	-
Standard	18.10	-	-
Supported	9.20	-	-
- Large Meeting Room			
Commercial	19.90	-	-
Standard	15.10	-	-
Supported	8.90	-	-
- Small Meeting Room			
Commercial	10.10	-	-
Standard	6.40	-	-
Supported	3.80	-	-
Surcharge after 11pm	100%	-	-
Projector/Screen Hire			
- Per Hour	**5.00**	-	-
- Per day	**25.00**	-	-
Service Charge (Caretaker fee)	Cost	-	-
Surcharge after 11pm (Caretaker	Cost	-	-
Call out recharges	Cost	-	-
Additional Cleaning	Cost	-	-
Other Charges			
Activities (per hour)			
- Table Tennis, per table	3.80	-	-
- Carpet Bowls, per carpet	5.40	-	-
Hire of Equipment			
- Table Tennis Bat (£2 dep)	-	-	-
- Carpet Bowls (per hour) £2 deposit	-	-	-
- Booking Fee**	5.40	-	-
- Amendment Fee	3.20	-	-
- PRS	Cost + 50%		-
Sale of Equipment	-	-	-

*Service charge will be levied for all bookings who opt not to key hold
** Not applicable to sports bookings which includes table tennis and bowls

WEF from 01/04/19 charges for all Community Centres are set at the same fee

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **COMMUNITY CENTRES (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
ALL OTHER CENTRES				
Room Hire (per hour)				
- Main Hall/Weighing Room				
Commercial	19.30	19.90	**20.50**	
Standard	15.40	15.90	**16.40**	
Supported	7.70	7.90	**8.10**	
- Small Meeting Rooms				
Commercial	10.10	10.40	**10.70**	
Standard	6.40	6.60	**6.80**	
Supported	3.80	3.90	**4.00**	
- Large Meeting Rooms				
Commercial	18.90	16.40	**16.90**	
Standard	12.70	13.10	**13.50**	
Supported	7.50	7.70	**7.90**	
Surcharge after 11pm	100%	100%	**100%**	
Projector/Screen Hire				
- Per Hour	5.00	5.00	**5.00**	
- Per day	25.00	25.00	**25.00**	
Service Charge (Caretaker fee)	Cost	Cost	**Cost**	**plus VAT**
Surcharge after 11pm (Caretaker	Cost	Cost	**Cost**	**plus VAT**
Call out recharges	Cost	Cost	**Cost**	**plus VAT**
Additional Cleaning	Cost	Cost	**Cost**	**plus VAT**
Other Charges				
Activities (per hour)				
- Badminton per court	8.80	9.10	**9.40**	**inc VAT**
- Table Tennis per table	3.80	3.90	**4.00**	**inc VAT**
- Carpet Bowls per carpet	5.40	5.60	**5.80**	**inc VAT**
Hire of Equipment				
- Racquet (£2 dep)	-	-	**-**	
- Table Tennis Bat (£2 dep)	-	-	**-**	
- Booking Fee**	5.40	5.60	**5.00**	
- Amendment Fee	3.20	3.30	**3.00**	
- PRS	Cost + 50%	Cost + 50%	**Cost + 50%**	
Sale of Equipment	-	-	**-**	

*Service charge will be levied for all bookings who opt not to key hold
** Not applicable to sports bookings which includes table tennis and bowls

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **COMMONS & RECREATION GROUNDS**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
COMMONS				
- Impounding of Horses on City Commons	Contract Price + 15%		**Contract Price + 15%**	**plus VAT**
RECREATION GROUNDS				
- Cricket, pitch and accommodation				
Weekend match				
Adult teams	34.30	35.30	**38.80**	**inc VAT**
Youth teams	19.70	20.30	**22.30**	**inc VAT**
Weekday match (evening)				
Adult teams	23.20	23.90	**26.20**	**inc VAT**
Youth teams	16.60	17.10	**18.80**	**inc VAT**
- Rounders (Per pitch Per match)	Cost	Cost	**Cost**	**plus VAT**

*** Tennis Courts at West Common are free**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **RECREATION GROUNDS (DCE) cont.**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
RECREATION GROUNDS				
- Football (per pitch)				
Per game with attended changing facilities without showers				
Adult teams	54.10	60.00	**66.00**	**inc VAT**
Youth teams	27.10	30.00	**33.00**	**inc VAT**
Junior Pitches (10-14 Years)	22.30	25.00	**27.60**	**inc VAT**
Mini Pitches (up to 10yr olds)	13.70	15.00	**16.60**	**inc VAT**
Per game for keyholders or limited changing facilities without showers (Skellingthorpe Rd and King George's Field)				
Adult teams	41.50	50.00	**55.00**	**inc VAT**
Youth teams	20.90	25.00	**28.60**	**inc VAT**
Junior Pitches (10-14 Years)	17.20	20.00	**22.00**	**inc VAT**
Per season (16 Bookings**) with attended changing facilities with showers				
Adult teams	389.40	450.00	**495.00**	
Youth teams	185.70	220.00	**242.00**	
Junior Pitches (10-14 Years)	139.10	165.00	**181.60**	
Mini Pitches (up to 10yr olds)	98.50	120.00	**132.00**	
Per season (16 Bookings*) with attended changing facilities with showers (Skellingthorpe Rd and King George's Field)				
Adult teams	299.60	350.00	**385.00**	
Youth teams	142.90	175.00	**192.60**	
Junior Pitches (10-14 Years)	107.30	125.00	**137.60**	
Mini Pitches (up to 10yr olds)	63.10	75.00	**82.60**	
Additional Cleaning	Cost	Cost	**Cost**	**plus VAT**
- Grass training fees with no attendant or changing facilities (per group, per hour)				
Adult teams	11.90	0.00	**0.00**	**inc VAT**
Youth teams	7.20	0.00	**0.00**	**inc VAT**

***Assuming Block booking applies (If block booking does not apply VAT will be added)**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CREATIVE INDUSTRIES MANAGED WORKSPACE (THE TERRACE)**

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
Conference / Meeting Room				
Tenants (Inc Post Box Holders) - **SEE FOOTNOTE BELOW**				
Per Hour	15.00	15.00	**15.50**	**excl VAT**
Per ½ Day	45.00	45.00	**46.40**	**excl VAT**
Per Day	80.00	80.00	**82.40**	**excl VAT**
Non Tenants				
Per Hour	30.00	30.00	**30.90**	**excl VAT**
Per ½ Day	90.00	90.00	**92.70**	**excl VAT**
Per Day	160.00	160.00	**164.80**	**excl VAT**
Projector/Lap Top available at additional cost of £5 per hour or £25 per day				
Faxing (Per Page)				
Inward / Outward	0.45	0.50	**0.50**	**excl VAT**
Overseas	0.90	1.00	**1.00**	**excl VAT**
- Laminating				
A4 (Per Sheet)	1.30	1.30	**1.30**	**excl VAT**
A3 (Per Sheet)	2.15	2.15	**2.15**	**excl VAT**
Photocopying (Per Sheet)				
A4 Paper	0.08	0.10	**0.10**	**excl VAT**
A3 Paper	0.13	0.15	**0.15**	**excl VAT**
A4 Paper - Coloured	0.42	0.50	**0.50**	**excl VAT**
A3 Paper - Coloured	0.83	1.00	**1.00**	**excl VAT**
Bulk Copying (50+)				
Own Paper	0.04	0.05	**0.05**	**excl VAT**
Telephone Answering Service				
Monthly Rate	20.00	14.50	**15.00**	**excl VAT**
Price is based on a calendar month and is exclusive to VAT.				
- Virtual Mailbox				
Annual	295.00	295.00	**304.00**	**excl VAT**
Replacement keys				
Unit Key				
Security Access Key	11.50	11.50	**11.50**	**excl VAT**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **HARTSHOLME COUNTRY PARK (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	PROPOSED 2022/23 £	
HARTSHOLME COUNTRY PARK					
- Overnight stay, incl use of showers (per night)					
Standard non-electric price for a pitch in the tent only area (apart from backpack tent).					
- High Season *	17.50	18.00	**18.50**	**19.00**	**inc VAT**
- Low Season	15.50	16.00	**16.50**	**17.00**	**inc VAT**
Electric included in pitch price for all other pitches					
Four berth caravan, motorhome or tent and car					
- High Season *	20.00	20.50	**21.00**	**21.50**	**inc VAT**
- Low Season	18.00	18.50	**19.00**	**19.50**	**inc VAT**
Dogs (each per stay)		1.00	**1.00**	**1.00**	**inc VAT**
Backpack Tent	11.50	12.00	**12.50**	**13.00**	**inc VAT**
Overflow Pitch	10.00	10.00	**10.50**	**11.00**	**inc VAT**
Camping Pod Single Night	40.00	40.00	**40.00**	**41.00**	**inc VAT**
Camping Pod 2 nights or more	35.00	35.00	**35.00**	**36.00**	**inc VAT**
Camping Pod Christmas Market	50.00	50.00	**50.00**	**50.00**	**inc VAT**
Non-refundable deposit - (included within price)					
Bank Holiday Weekends only					
Single night	10.00	10.00	**10.00**	**10.00**	**inc VAT**
Two or more nights	25.00	20.00	**25.00**	**25.00**	**inc VAT**
Full Awning	3.00	3.00	**3.00**	**3.00**	**inc VAT**
Additional Adult	3.00	3.00	**3.00**	**3.00**	**inc VAT**
Additional Car parking	3.00	3.00	**3.00**	**3.00**	**inc VAT**
- Christmas Market period, per pitch *					
Non-refundable deposit - (included within price)					
Two - four nights	25.00	25.00	**25.00**	**25.00**	**inc VAT**
Five nights	-	-	**-**		**inc VAT**
With electric hook-up					
Single night Thur/Fri/Sat	30.00	31.00	**31.00**	**31.00**	**inc VAT**
Five nights	135.00	135.00	**135.00**	**135.00**	**inc VAT**
Single night Wed/Sun	25.50	26.00	**26.00**	**26.00**	**inc VAT**

*** High Season Period:**
Includes all Weekends, Bank Holidays, and LCC School Holidays.
Deposits required.

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	PROPOSED 2022/23 £	
- Activity/Visit (tier 1)					
Per Person	3.50	3.50	**3.50**	**3.50**	**inc VAT**
Group of 30 (can be broken down into £40 per hour)	80.00	82.00	**84.00**	**86.50**	**inc VAT**
- Activity/Visit (tier 2) (Rangers Club per activity)	5.00	5.00	**5.00**	**5.50**	**inc VAT**
- Hire of activity boxes (tier 3)	25.00	-	**-**		
- Wreath Making	25.00	25.00	**25.00**	**26.00**	**inc VAT**
- Willow Weaving	25.00	25.00	**25.00**	**26.00**	**inc VAT**
- Meeting Room	10.00	10.00	**10.00**	**10.50**	**inc VAT**

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PARKING SERVICES - FEES AND CHARGES WEF 01/04/2021 - 31/03/2022 APPENDIX A

SERVICE : **CAR PARKS (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
- Lucy Tower Street				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	3.20	3.20	**3.40**	**inc VAT**
3 hours	4.50	4.80	**5.00**	**inc VAT**
4 hours	6.00	6.20	**6.40**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- City Hall (Season Tickets Prohibited)				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	3.20	3.20	**3.40**	**inc VAT**
3 hours	4.50	4.80	**5.00**	**inc VAT**
4 hours	6.00	6.20	**6.40**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- Motherby Lane (Season Tickets Prohibited)				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	3.20	3.20	**3.40**	**inc VAT**
3 hours	4.50	4.80	**5.00**	**inc VAT**
4 hours	6.00	6.20	**6.40**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- Flaxengate				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	3.20	3.20	**3.40**	**inc VAT**
3 hours	4.50	4.80	**5.00**	**inc VAT**
4 hours	6.00	6.20	**6.40**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- Tentercroft Street				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	3.20	3.20	**3.40**	**inc VAT**
3 hours	4.50	4.80	**5.00**	**inc VAT**
4 hours	6.00	6.20	**6.40**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- Lincoln Central Car Park				
1 hour	1.60	1.60	**1.80**	**inc VAT**
2 hours	3.20	3.20	**3.40**	**inc VAT**
3 hours	4.50	4.80	**5.00**	**inc VAT**
4 hours	6.00	6.20	**6.40**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- Castle (Season Tickets Prohibited)				
1 hour	1.80	1.80	**1.90**	**inc VAT**
2 hours	3.00	3.00	**3.20**	**inc VAT**
3 hours	4.80	5.00	**5.20**	**inc VAT**
4 hours	5.80	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.80**	**inc VAT**
Evening Charge	3.00	3.50	**3.80**	**inc VAT**

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CAR PARKS (DCE) cont.**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
- Westgate (Season Tickets Prohibited)				
1 hour	1.80	1.80	**1.90**	**inc VAT**
2 hours	3.00	3.00	**3.20**	**inc VAT**
3 hours	4.80	5.00	**5.20**	**inc VAT**
4 hours	5.80	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next da	8.50	8.50	**8.80**	**inc VAT**
Evening Charge	3.00	3.50	**3.80**	**inc VAT**
- The Lawn Complex				
1 hour	1.80	1.80	**1.90**	**inc VAT**
2 hours	3.00	3.00	**3.20**	**inc VAT**
3 hours	4.80	5.00	**5.20**	**inc VAT**
4 hours	5.80	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next da	8.50	8.50	**8.80**	**inc VAT**
Evening Charge	3.00	3.50	**3.80**	**inc VAT**
- Langworthgate				
1 hour	1.80	1.80	**1.90**	**inc VAT**
2 hours	3.00	3.00	**3.20**	**inc VAT**
3 hours	4.80	5.00	**5.20**	**inc VAT**
4 hours	5.80	6.00	**6.00**	**inc VAT**
Over 4 hours and up to 8am next da	8.50	8.50	**8.80**	**inc VAT**
Evening Charge	3.00	3.50	**3.80**	**inc VAT**
- St Pauls (Season Tickets Prohibited)				
1 hour	1.80	1.80	**1.90**	**inc VAT**
2 hours	3.00	3.00	**3.20**	**inc VAT**
3 hours	4.80	5.00	**5.20**	**inc VAT**
Evening Charge	3.00	3.50	**3.80**	**inc VAT**
- Broadgate				
1 hour	1.30	1.50	**1.50**	**inc VAT**
2 hours	2.50	2.80	**3.00**	**inc VAT**
3 hours	4.00	4.20	**4.30**	**inc VAT**
Over 4 hours and up to 8am next da	5.50	6.00	**6.00**	**inc VAT**
Evening Charge	2.50	2.80	**2.80**	**inc VAT**
- Chaplin Street				
1 hour	1.30	1.50	**1.50**	**inc VAT**
2 hours	2.50	2.80	**3.00**	**inc VAT**
3 hours	4.00	4.20	**4.30**	**inc VAT**
Over 4 hours and up to 8am next da	5.50	6.00	**6.00**	**inc VAT**
Evening Charge	2.50	2.80	**2.80**	**inc VAT**
- Rosemary Lane (Season Tickets Prohibited)				
1 hour	1.30	1.50	**1.50**	**inc VAT**
2 hours	2.50	2.80	**3.00**	**inc VAT**
3 hours	4.00	4.20	**4.30**	**inc VAT**
Over 4 hours and up to 8am next da	5.50	6.00	**6.00**	**inc VAT**
Evening Charge	2.50	2.80	**2.80**	**inc VAT**
- Weekend/Bank Holiday				
(new rates for Saturday / Sunday and Bank Holidays at Broadgate, Rosemary Lane, County Offices, Lincoln College & Waterside North Car Parks)				
Up to 2 Hours	2.50	2.50	**2.80**	**inc VAT**
24 hours	3.50	4.00	**4.00**	**inc VAT**
Evening Charge	2.50	2.80	**2.80**	**inc VAT**

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CAR PARKS (DCE) cont.**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	**CURRENT 2020/21 £**	**PROPOSED 2021/22 £**	
OTHER				
- Car Park Evening Permit	95.00	97.50	**100.00**	**inc VAT**
- 7 Day Scratch Cards	42.75	44.00	**45.00**	**inc VAT**
- Evening Scratch Card (All sites)	20.00	25.00	**25.00**	**inc VAT**
- Hampton/Hermit Street Compound	139.00	139.00	**145.00**	**inc VAT**
- Motorcycle parking where available	2.50	2.50	**2.50**	**inc VAT**

Additional Information:

Display of eligible Blue Badges will allow the following extra time:

1 hour paid	**1 extra hour**	**(2 hours parking)**
2 hours paid	**2 extra hours**	**(4 hours parking)**
3 hours paid	**3 extra hours**	**(6 hours parking)**
4 hours paid	**All Day**	
24 hours paid	**To end of day on w**	

Special Offer Tariffs

SAVVY SHOPPER
(Applicable to Tentercroft Street Car Park) £3.50 after 3pm for 3 hours parking, plus free evenings to 8am

SCHOOL'S OUT
(Rosemary Lane Only) £3.50 all day during the months of July and August

CHRISTMAS SHOPPING
(Applicable to Lincoln Central Car Park on selected Thurs/Fri/Sat/Sun from Christmas Lights ceremony to Christmas Eve) Free parking between 16:00 hrs to 21.30 hrs
Applicable to Pay by Phone on seclected Thurs/Fri/Sat/Sun from Christmas Lights ceremony to Christmas Eve) Free parking between 16:00 hrs to 08:00 hrs

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CAR PARKS (DCE) cont.**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
OTHER				
- Season Tickets and Excess Charge Notices				
Annual (Valid for Broadgate, Lawn, King/Chaplin St/Langworthgate)				
Monday to Sunday	956.80	985.50	**985.50**	**inc VAT**
Monthly (Valid for Broadgate, Lawn, King/Chaplin St, Langworthgate)				
Monday to Sunday	80.90	83.30	**83.30**	**inc VAT**
Annual Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	1,215.20	1,251.70	**1,251.70**	**inc VAT**
Monthly Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	105.00	108.20	**108.20**	**inc VAT**
Lucy Tower St Long Stay Corporate User				
City Council staff (60 max)	880.80	907.20	**907.20**	**inc VAT**
County Council staff (40 max)	880.80	907.20	**907.20**	**inc VAT**
Corporate User, 100+ tickets (Monday to Sunday)				
Broadgate, King St/Chaplin St, Langworthgate and City Council staff	721.20	742.80	**742.80**	**inc VAT**
Admin Charge on Refunds	15.00	15.00	**15.00**	**inc VAT**
Replacement of Lost/Stolen Tkts	10.00	10.00	**10.00**	**inc VAT**
- Higher rate PCN contravention	70.00	70.00	**70.00**	**inc VAT**
- Higher rate PCN contravention - Discount	35.00	35.00	**35.00**	**inc VAT**
- Lower rate PCN contravention	50.00	50.00	**50.00**	**inc VAT**
- Lower rate PCN contravention - Discount	25.00	25.00	**25.00**	**inc VAT**

Discount only applies if PCN is paid within 14 days

SPECIAL OFFER
Part time staff, special offer via Lincoln BIG/Lincoln College - Bulk Scratch cards at pro rata season ticket rate

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **BUS STATION, RESIDENTS PARKING (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
CITY BUS STATION				
- Departure Fees :				
Notified timetable departures				
Departures over 100,000	0.76	0.79	**0.82**	**inc VAT**
Departures under 100,000	0.76	0.79	**0.82**	**inc VAT**
- Layover Bay Per Bay Per Quarter :	1,010.70	1,041.00	**1,072.20**	**inc VAT**
RESIDENTS PARKING SCHEMES				
- Private Residents				
1st permit	26.00	26.00	**26.00**	*
2nd permits	52.00	52.00	**52.00**	*
- Houses in Multiple Occupation (HIMO)				
max. of 2 per dwelling (each)	52.00	52.00	**52.00**	*
- Residents Parking Concessions				
permit (each)	No Charge	No Charge	No Charge	
- Business Permits				
max. of 2 per business (only issued to businesses in the residents parking zones with no off-street parking)	52.00	52.00	**52.00**	*
- Business Permits (Support Agencies)		70.00	**70.00**	*
- Daily Visitor Permits				
per 10	17.00	17.00	**17.00**	*
- Replacement Permits				
Change of vehicle registration	5.00	5.00	**5.00**	*
Damaged or lost	5.00	5.00	**5.00**	*
- Emissions Permit				
Low Emissions 1st Permit	13.00	13.00	**13.00**	
Low Emissions Subsequent Permit	26.00	26.00	**26.00**	
- Administration Charge on Refunds	5.00	5.00	**5.00**	

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

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

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PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **TOWN PLANNING & CONSERVATION (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
Research and Supply of Information/Questions and Answers (per item)	43.30	44.60	**46.00**	**inc VAT**
Copies of Approvals, Permissions and associated documents (per item and electronic)				
Microfiche	30.00	30.00	**95.00**	**inc VAT**
Standard Copy	4.50	4.60	**-**	**plus VAT**
Visit to site to check buildings erected in accordance with Permission				
- minimum charge	92.70	95.50	**98.40**	**inc VAT**
- or per property	25.80	26.60	**27.40**	**inc VAT**
Checking compliance with planning permission and/or legal agreement				
- minimum charge	68.50	68.50	**70.60**	**inc VAT**
- or per property	17.50	17.50	**18.00**	**inc VAT**
Advertisements erected in accordance with Advertisement Consent	47.40	48.80	**50.30**	**inc VAT**
Supply of Technical Information/Site visit reports	Cost+25%	Cost+25%	**Cost+25%**	**inc VAT**
Photocopies (per A4 sheet)	2.00	2.10	**-**	
Copies of Plans				
A4	2.00	2.10	**2.20**	
A3	3.80	3.90	**4.00**	
A2	9.90	10.20	**10.50**	
A1	9.90	10.20	**10.50**	
A0	9.90	10.20	**10.50**	
Document & Advice notes	Cost+25%	Cost+25%	**Cost+25%**	

Planning App fees are incorporated within a schedule provided by Central Government in accordance with the Town & Country Planning (Fees for Applications & Deemed Applications) (Amendment) Regulations 1993

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

APPENDIX A

SERVICE : **PRE-APPLICATION PLANNING ADVICE (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
Development -				
Householder development including alterations, extensions and outbuildings	82.40	-	-	inc VAT
Non residential changes of use including siting of caravans for sites under 1ha or buildings of 1,000 sq M or above (gross)	170.00	-	-	inc VAT
Non residential changes of use including siting of caravans for sites of 1ha or above or buildings of 1,000 sq M or above (gross)	338.90	-	-	inc VAT
Development of 1-9 Dwellings including changes of use to residential				
- First Dwelling	201.90	-	-	inc VAT
- Additional Dwelling	137.00	-	-	inc VAT
Development of 10-49 Dwellings including changes of use to residential				
- Tenth Dwelling	1,349.30	-	-	inc VAT
- Additional Dwelling	68.00	-	-	inc VAT
Development of 50 or more dwellings *****	4,054.10	-	-	* inc VAT
Non-residential development where no floor space is created	82.40	-	-	inc VAT
Non-residential development up to 499sq. M floor area, or 0.5 ha site area	170.00	-	-	inc VAT
Non-residential development between 500sq. M and 999sq. M floor area, or between 0.51 ha and 1.0 ha				
- 500 Sq. M or 0.51 ha	201.90	-	-	inc VAT
- Additional 100 Sq. M or 0.1 ha	137.00	-	-	inc VAT
Non-residential development between 1000sq. M and 4,999sq. M floor area, or between 1.1 ha and 2.0 ha				
- 1000 Sq. M or 1.11 ha	879.60	-	-	inc VAT
- Additional 100 Sq. M or 0.1 ha	68.00	-	-	inc VAT
Non-residential development of 5,000sq. M or more, or 2.1 ha or more **	3,579.30	-	-	** inc VAT

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **PRE-APPLICATION PLANNING ADVICE CONT. (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
Development (cont) -				
- Variation or removal of condition	82.40	-	**-**	**inc VAT**
- Advertisments	82.40	-	**-**	**inc VAT**
- Conservation Area Consent	82.40	-	**-**	**inc VAT**
- Non-householder listed building consent	169.95	-	**-**	**inc VAT**
- Hazardous Substances	169.95	-	**-**	**inc VAT**
- Demolition of buildings	132.00	-	**-**	**inc VAT**
- Search and Copies of Documer	66.00	-	**-**	**inc VAT**

*** Minimum Fee of £3600 (inc VAT) with additional fee subject to negotiation dependant on complexity of proposal**
**** Minimum Fee of £1650 with additional fee subject to negotiation dependant on complexity of proposal**

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **LAND CHARGES , STREET NAMING AND NUMBERING (DCE)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
Local Authority Land Charges				
- Standard Search Fees				
LLC1 only	19.00	19.60	**20.20**	
Con.29R	110.40	120.40	**125.00**	**inc VAT**
- Con. 29R individual questions				
Administration Fee		10.00	**10.00**	**inc VAT**
Question 3.5	2.80	2.90	**3.00**	**inc VAT**
Question 3.7 a	4.70	4.80	**5.00**	**inc VAT**
Question 3.7 b, c, f	4.70	4.80	**5.00**	**inc VAT**
Question 3.7 d	4.70	4.80	**5.00**	**inc VAT**
Question 3.8	3.40	3.50	**3.60**	**inc VAT**
Question 3.12	2.80	2.90	**3.00**	**inc VAT**
Question 3.13	2.80	2.90	**3.00**	**inc VAT**
- Part II enquiries	21.00	23.60	**25.00**	**inc VAT**
- Solicitors own enquiries	21.00	21.60	**22.00**	**inc VAT**
- Extra parcel of land	21.00	21.60	**22.00**	**inc VAT**
- Personal Search (Statutory)				
Street Naming and Numbering				
Issue/Change of House Name	15.00	15.50	**16.00**	
- Application Fee	50.00	51.50	**53.00**	
- Per Plot	12.50	12.90	**13.30**	

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **CENTRAL MARKET , CORNHILL AND CITY SQUARE**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
CENTRAL MARKET			
Daily Lettings	24.00	24.70	**25.50**
TEMPORARY MARKETS :			
- Charitable organisations	No Charge	No Charge	**No Charge**
- Professional traders (per stall)	10.30	10.00	**10.30**
PROMOTIONS :			
- Advertising on Council Assets		Price on Application	**Price on Application**
MARKET LICENSE CHARGES			
Commercial Food			
-Per Stall	15.50	16.00	**17.00**
- Per Table / Car Boot	7.70	7.90	**8.80**
Commercial Retail Goods			
-Per Stall	10.50	10.80	**11.75**
- Per Table / Car Boot	5.30	5.50	**6.30**
Craft items/home made goods			
-Per Stall	5.30	5.50	**6.30**
- Per Table / Car Boot	2.60	2.70	**3.40**
Second Hand Goods			
-Per Stall	5.30	5.50	**6.30**
- Per Table / Car Boot	2.60	2.70	**3.40**
Charitable/fundraising Markets			
-Per Stall	0.50	0.50	**-**
- Per Table / Car Boot	0.30	0.30	**-**
Car Boot			
- Per Table / Car Boot	2.10	2.20	**2.90**

Per Stall (up to 8 m^2)
Per Table/Car boot (up to 2 m^2)

Chaitable /Fundraising Market is a non commerical market operated by a defined organisation, i.e one that organises the market type event for chartiable, sporting, political or social fund raising purposes as opposed to personal financial gain.

All fees are for applications more than 28 days in advance of the market activity.
Applications within 28 days will be subject to a 20% additional premium.

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

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

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
COACH FEES				
Up to 15 Seats				
All Day		Use Park & Ride	**Use Park & Ride**	
Departure during 16:00 - 18:00				
16-30 Seats - Early Bird Advanced	64.00	66.00	**68.00**	**inc VAT**
16-30 Seats - Advanced	66.00	68.00	**70.00**	**inc VAT**
16-30 Seats - On the day	132.00	136.00	**140.10**	**inc VAT**
31-45 Seats - Early Bird Advanced	85.00	88.00	**90.60**	**inc VAT**
31-45 Seats - Advanced	87.00	90.00	**92.70**	**inc VAT**
31-45 Seats - On the day	175.00	181.00	**186.40**	**inc VAT**
45+ Seats - Early Bird Advanced	106.00	110.00	**113.30**	**inc VAT**
45+ Seats - Advanced	109.00	113.00	**116.40**	**inc VAT**
45+ Seats - On the day	218.00	225.00	**231.80**	**inc VAT**
Departure outside of 16:00 - 18:00				
16-30 Seats - Early Bird Advanced	48.00	50.00	**51.50**	**inc VAT**
16-30 Seats - Advanced	50.00	52.00	**53.60**	**inc VAT**
16-30 Seats - On the day	132.00	136.00	**140.10**	**inc VAT**
31-45 Seats - Early Bird Advanced	69.00	72.00	**74.20**	**inc VAT**
31-45 Seats - Advanced	71.00	74.00	**76.20**	**inc VAT**
31-45 Seats - On the day	175.00	181.00	**186.40**	**inc VAT**
45+ Seats - Early Bird Advanced	91.00	94.00	**96.80**	**inc VAT**
45+ Seats - Advanced	94.00	97.00	**99.90**	**inc VAT**
45+ Seats - On the day	218.00	225.00	**231.80**	**inc VAT**

Early Bird Advanced Booking Discount
This is only available if booked before **30th September** 2020.

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

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

Christmas Market Dates: Thursday 3rd - Sunday 6th December 2020

All dates shown in green are provisional

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

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

	PREVIOUS * 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
STALL HOLDER FEES				
Stall Fees				
Castle Square	1,747.00	1,800.00	**1,854.00**	**inc VAT**
Castle Grounds	1,905.00	1,963.00	**2,022.00**	**inc VAT**
The Lawn (Outdoor)	1,428.00	1,471.00	**1,515.00**	**inc VAT**
Christmas Bazaar	1,506.00	1,552.00	**1,599.00**	**inc VAT**
Christmas Pantry	1,506.00	1,552.00	**1,599.00**	**inc VAT**
Westgate (Outdoor)	1,428.00	1,471.00	**1,515.00**	**inc VAT**
Westgate Marquees	1,506.00	1,552.00	**1,599.00**	**inc VAT**
Perfect Presents	1,747.00	1,800.00	**1,854.00**	**inc VAT**
Additional Sq Metre	217.00	224.00	**231.00**	**inc VAT**
Corner Plot Premium	Plus 25% of Stall Rent		**Plus 25% of Stall Rent**	**inc VAT**
Backup Storage Spaces				
Per Sq Metre	90.00	93.00	**96.00**	**inc VAT**
Additional Socket Outlets				
13 AMP Socket	90.00	93.00	**96.00**	**inc VAT**
16 AMP Socket	90.00	93.00	**96.00**	**inc VAT**
32 AMP Socket	135.00	140.00	**144.18**	**inc VAT**
Surcharge on Food Traders				
Catering 1	Plus 50% of Stall Fee		**Plus 50%**	**inc VAT**
Catering 2	Plus 100% of Stall Fee		**Plus 100%**	**inc VAT**
Alcohol Levy Band 1				
(Baileys in Hot Chocolate/Charities)	347.00	358.00	**369.00**	**inc VAT**
Alcohol Levy Band 2				
(Hard Alcohol)	694.00	715.00	**736.00**	**inc VAT**
Discounts (Only taken off basic stall fee)				
Charity Discount (%)	50%	50%	**50%**	**inc VAT**
Craft/Fairtrade Discount	100.00	100.00	**103.00**	**inc VAT**
Local Traders - Within Lincoln Boundary	200.00	200.00	**206.00**	**inc VAT**
Local Traders - Within Lincolnshire	150.00	150.00	**155.00**	**inc VAT**
Stall Holder Vehicle Parking at Designated Areas				
Per Vehicle	147.00	152.00	**157.00**	**inc VAT**

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

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

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
PARK AND RIDE				
Pre Booking Online	12.00	12.00	**12.00**	**inc VAT**
None Pre Booked				
Thursday	13.00	13.00	**13.00**	**inc VAT**
Friday	14.00	14.00	**14.00**	**inc VAT**
Saturday	15.00	15.00	**15.00**	**inc VAT**
Sunday	14.00	14.00	**14.00**	**inc VAT**
Mini Bus	25.00	25.00	**25.00**	**inc VAT**
MARKET RIGHTS				
Market Rights - Per Stall* *During market period	25.00	2.5 x Normal License Fee	**2.5 x Normal License Fee**	

SOCIAL INCLUSION- FEES AND CHARGES WEF 01/04/2021 - 31/03/2022

SERVICE : **HOUSING BENEFIT (CX)**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £
OTHER			
- Housing Benefit Landlord Enquiry per year	158.50	163.00	**168.00**

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Capital Strategy

2021/22 to 2025/26

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Contents

Section 1 - Introduction

This Capital Strategy details how the Council deploys and will subsequently manage its capital resources thereby explaining the Council's financial framework for capital investment in support of its strategic priorities.

This strategy covers all aspects of the Council's capital expenditure, resourced both directly by the Council and where resources have been attracted through external funding opportunities.

The strategy demonstrates that the Council takes capital expenditure and investment decisions in line with corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The strategy sets out the medium term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

The strategy reflects the aspirations and priorities identified in Vision 2025. The Strategy considers external influences such as government policy changes and as well as internal influences.

The Council's capital programme consists of two elements:

- The General Investment Programme (GIP) with a budget for 2021-26 of £17.501m

- The Housing Investment Programme (HIP) with a budget for 2021-26 of £71.751m

Both are accounted for separately, but the schemes making up the two programmes are subject to the same scrutiny and monitoring arrangements to ensure their effective delivery. All new capital schemes, with the exception of the ongoing capital maintenance programmes, are delivered through the Lincoln Project Management Model which evaluates the financial and service implications and potential risks that may arise from each scheme.

The Council has at 1 April 2020 a diverse asset portfolio including, 7,754 council dwellings, 3,622 car parking spaces, 2 sports and leisure centres, 1,131 acres of parks and recreation grounds, and 5 community centres. There is also a sizable commercial property portfolio including industrial units and shops.

The total value of assets held in the Council's Balance Sheet is shown below:

31/3/2019 £000		31/3/2020 £000
361,380	Property, Plant & Equipment	376,194

6,092	Heritage Assets	6,092
30,478	Investment Property	34,646
361	Intangible Assets	309
1,500	Assets held for sale	1,500
399,811	**Total assets**	**418,741**

Section 2 - Purpose and Objectives

The overall purpose of the Capital Strategy is to give a high-level overview of how capital expenditure capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

This Capital Strategy seeks to achieve a number of specific objectives:

- Ensure that the Capital Programme is realistic, affordable and well managed to avoid project over-runs and expensive claims beyond the budgeted scheme value

- Ensure that capital expenditure supports a defined priority of the council

- Ensure that any on-going revenue cost implications including Minimum Revenue Provisions (MRP) and debt costs are understood and accounted for without impacting on the existing financial savings target of the Council

- Wherever possible ensure capital investment activity is focussed on areas that yield on-going revenue savings for the Council or produce a contribution to revenue income, whilst not investing in debt-for-yield schemes.

- Use strategic procurement and new ways of procuring to drive up “value for money” and ‘get more for the same money’.

Section 3 - Policy and Financial Planning Framework

The capital programme for the council is a long term ambition with the obligation for maintaining and improving council and operational buildings stretching far into the future, and as such should be considered accordingly in financial and asset management planning.

The Council’s capital programme and its subsequent revenue implications form part of the Medium Term Financial Strategy (MTFS) 2021-26 and as such is one of a suite of plans and strategies that sit within the Council’s Policy and Financial Planning Framework.

Longer term forecasts are not easily predicted and accuracy within them deteriorates the longer the period over which a plan is developed. Within longer term plans uncertainty and complexity in terms of for example economic, social and technological factors mean that long term planning becomes an iterative process which is adjusted for these changes in these and other factors. For major projects and investment, Western Growth Corridor for example, the funding and financial implications will need to be planned well in advance.

There is clearly a link between long term capital planning and treasury management with the council's debt portfolio containing loans which mature up to 2075/76. The profile of debt repayment needs to be managed alongside other long term capital expenditure and funding forecasts.

Linkages with other key strategies and plans are identified below:

Vision 2025

Our current Vision 2025 was approved in early 2020, although due to the onset of the pandemic was not formally launched. This new vision sets out the Council's vision for the future of the City, strategic priorities and core values. The vision itself is supported by five strategic priorities:

- 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

These five strategic priorities will be supported in Vision 2025 by a programme called One Council, which replaces the Professional High Performing Service Delivery section in Vision 2020.

Vision 2025 is supported by a 5-year programme of activity each year having its own annual delivery plan. These annual delivery plans are now currently in the process of being refreshed in order to reflect the impact the Covid19 pandemic has had on the Council, the City, it's residents and business, to ensure that the correct priority areas are focussed upon. A key element of this will be to ensure that resource is available to maximise external funding opportunities to bring forward new investment and development to support the City and its economy. This is ever more critical following the impact of Covid19 and the Council's role in supporting the recovery of the City.

Within Vision 2025 and supporting each of the priorities there are a number of significant capital investments set to take shape over the period of the MTFS. Some of the schemes will require further capital resource from the Council, others will require partner contributions and others will only be possible if the Council is able to attract sufficient external grant contributions. Each of these schemes will be included in the GIP and HIP at their appropriate stages of development and when funding is secured. Across the five strategic priorities the following areas of investment are highlighted:

- Let’s drive inclusive economic growth
    - Delivery of Western Growth Corridor – completion of phase 1, delivering 300 homes by 2025
    - City Centre Vibrancy: Cornhill Square - creating a high quality, multi-use space that supports the twilight economy
    - City Centre Vibrancy: Tentercroft Street - transforming this area of the city into a new “city living” concept
    - Becoming a Digital City - working with partners to implement a digital network to ensure access for all across the city
    - Small Business Growth - continuing to develop the workspaces and business premises offer so that businesses of all sizes and types can make Lincoln their home.
    - Growth Strategy and City Investment Plan – subject to approval and funding allocation, the Council will coordinate Lincoln’s Town Investment Plan, with the partnership Town Board to deliver a range of projects and initiatives that will support the delivery of those strategy outcomes.
    - Heritage Asset Programme: Deliver plans for the Heritage Action Zone - maintaining, protecting and restoring city centre shop fronts, historical buildings and heritage sites at risk.

- Let’s reduce all kinds of inequality
    - Championing co-location with health through One Public Estate - through the Greater Lincolnshire One Public Estate partnership, seek opportunities to share facilities and assets with the health sector to improve access for communities.
    - Supporting people who are rough sleeping - working with partners to support support the delivery of a countywide project, to deliver a Housing First solution to assist people with a history of rough sleeping to move into safe sheltered accommodation.

- Let’s deliver quality housing
    - Continue to increase net council house numbers – retain and develop a new pipeline, including Rookery Lane and Queen Elizabeth Road.
    - Housing Standards in new builds - in addition to standards that meet climate change objectives, new builds will also meet “Lifetime” homes, minimum space standards and health equality objectives and will include the quality of the environment in which new homes are built.

    - Improve Temporary Accommodation options across all sectors - considering the use of additional furnished accommodation to raise the standard of homes offered
    - Estate Improvements – taking a new approach to communal gardens, green spaces, communal entrances, landscaping and the links between the natural and build environments, and reviewing car parking and traffic management issues within estates.
    - Respond to regeneration need in Sincil Bank area, including remodelling of existing stock and developing garage sites - including looking at garage sites and communal (potentially green) areas, to address long standing issues of ASB and criminal activity. Examples of such opportunities will centre on proposals for Hermit Street garages and surrounding areas and the Palmer Street garages.
    - De Wint Court Redevelopment – provision of a new purpose built 70 apartment Extra Care Scheme on the site of a former sheltered scheme.

- Let's enhance our remarkable place
    - Deliver the planned crematorium refurbishment - a project that will further renovate the existing facility to ensure it continues to deliver a high-quality service, in an attractive environment.
    - Heritage Asset Programme – including Re-imagining Greyfriars and further development of options for the Harlequin.
    - Finalise the play area strategy - using the financial contributions from developers arising from new housing schemes to invest in existing sites such as Whitton's Park on Long Leys Road and on Swift Gardens in St Giles

- Let's address the challenge of climate change
    - Make current and future business premises as energy efficient as possible - when a council building needs modernising or repairing, use more efficient materials and replacement items to improve the efficiency of those buildings.
    - Climate conscious infrastructure projects developed as part of Town Fund Board Vision - A range of infrastructure projects that will set out a vision for the city, identifying key transformational projects and programmes which will include initiatives that directly and indirectly contribute to the climate change agenda.

Local Plan

The Central Lincolnshire Local Plan has been developed in collaboration with West Lindsey District Council, North Kesteven District Council and Lincolnshire County Council – for Lincoln it is a new city-wide planning and regeneration strategy running up to 2036.

The local plan sets out where and how the City is going to develop over the next 20 years. It provides guidance to all developments ensuring it achieves the aspirations of the city, including things like protecting the heritage of the city, the vibrancy of the city centre, where homes are built and how transport will be offered.

Specifically, the Local Plan:

- is underpinned by an aspiration for sustainable growth in homes, jobs, services and facilities;
- is aiming to deliver many new homes between now and 2036;
- is seeking to attract new businesses and jobs;
- sets out policies to ensure development is of high quality, sustainable and meets the needs of everyone;
- sets out policies to ensure all the infrastructure, such as play areas, roads, new schools and upgraded sewage disposal, are provided at the same time as the new homes;
- is complemented by a separate Policies Map, which sets out where development should take place.

The current Local Plan was adopted in April 2017 and continues to perform well in making decisions on development, however, in response to significant changes to national policy and to ensure the guidance is updated so that ambitions of the city can be delivered a review is now being undertaken. This work has been impacted upon by the Covid19 pandemic, but a revised plan is expected to be published for public consultation in early 2021.

Asset Management Plan

The Capital Strategy and the Asset Management Plan run alongside each other and have a number of key linkages. These include capital receipts and asset disposal programmes, maintaining, improving and deploying the Council’s buildings to support delivery of services and potential loss of income from asset sales.

The MTFS includes capital receipts targets (capital monies received from the sale of council land and property) for both the General Investment Programme and the Housing Investment Programme. Currently the level of capital resources required to fund the capital programme is reliant upon property disposals from Phase 1a of the Western Growth Corridor development. Any further asset disposals would be treated as surplus capital receipts in the programme, including the sale of one asset that is surplus to requirements and is being progressed for disposal.

There is no associated loss of any rental income from the current asset sales built into the General Fund budget and therefore no general budget provision for loss of rental income associated with any future disposals is included in the General Fund budget.

There is no budget provision set aside for the loss of revenue rental income in the Housing Revenue Account, however the rental income budget has been set allowing for an average level of right to buy sales spread throughout the financial year.

The Property Services Team keeps under review the need for asset disposal and acquisition, which meet strategic priorities. Previously the Council had undertaken a number of commercial property investments, carefully considering each on an individual basis and in line the Council's Investment Property Strategy. This assessment included, the impact on the MTFS, sustainability of the council and affordability of individual schemes, including MRP and borrowing costs, with each proposal subject to approval by the Council's Executive. However, as a result of changes in the PWLB lending terms, which is the Council's primary source of borrowing facility, and a new CIPFA: Prudential Property Investment guide, the Council will no longer pursue opportunities for investment primarily for yield.

HRA Business Plan

The HRA Business Plan sets out how the Council will deliver its vision for the HRA including, investment in the housing stock, maintaining all homes to the Lincoln Homes Standard and the process of tenant consultation to agree priorities for investment in existing stock over and above the Decent Homes Standard. It also demonstrates that the proposed investment programme is financially viable by indicating that the underlying HRA debt is repayable within the 30-year period of the Business Plan, should the Council chose to do so. There is, however, no obligation to repay debt and the MTFS does not assume this is the case. Further borrowing to fund HRA investment is now limited by prudence rather than the old system of an imposed borrowing cap. Currently the HRA borrowing requirement stands at £62m and is expected to increase to £66.9m by the end of 20/21 and £72m by the end of the MTFS period. This additional borrowing is being used to fund new build expenditure.

The capital schemes contained within the Housing Investment Programme and the capital financing that underpins them feed from the HRA Business Plan and any updates to the plan. The key areas of capital spend identified within the HRA Business Plan and the Housing Investment Programme are based on the results of stock condition surveys of existing housing stock plus any proposed new build schemes. The main areas of expenditure cover:

- Decent Homes and Lincoln Standards Programme
- De Wint Court Redevelopment
- Council House New Build Programme
- Western Growth Corridor

The current Business Plan is due to be refreshed during 2021, in light of updated development and investment profiles, Vision 2025 priorities, updated assumptions and implications arising from the Social Housing White Paper.

Treasury Management Strategy

The Treasury Management Strategy is reviewed annually and forms part of the suite of documents which make up the Medium Term Financial Strategy approved by Council each year. The Treasury Management Strategy deals with the borrowing and investments arising from all financial transactions of the council and is not limited to those arising from capital spending.

Section 4 - Financing the Capital Programmes

The resources necessary to fund the Council's Investment Programmes come from a variety of sources:

- Capital Receipts – from the sale of Council assets
- Use of Council's own resources – through depreciation charges, other contributions from revenue and use of reserves
- Capital Grants and Contributions – including contributions from developers and grants towards specific schemes
- Prudential Borrowing – the Prudential Code allows borrowing if the Council can demonstrate it is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy)

Although historically the GIP has been reliant on the generation of capital receipts to fund the investment required to deliver the programme in the long term the use of capital receipts is not sustainable. In addition, due to revenue pressures the use of direct revenue financing of the capital programme is also not a sustainable, and other sources of funding are regularly sought to fund capital expenditure.

However, many of the external grants and contributions, which are available, are designated for specific schemes, and whilst additional resources are clearly beneficial to local people, there is the danger that schemes funded may not be the Council's highest priorities.

The Capital Strategy must continue to identify both the priorities for these external funding regimes and pursue other innovative funding sources to improve its ability to deliver capital investment and deliver the priorities as set out in Vision 2025. Each project appraisal will consider all the internal and external resources available such as Government grants, Section 106 contributions, partner contributions and prudential borrowing.

Whilst the Council will no longer pursue invest to save opportunities financed through prudential borrowing which are deemed to be debt-for-yield schemes, there may still opportunities where the revenue costs of borrowing are financed through additional income/reductions in expenditure such as spending to improve or maintain existing assets. The cost effectiveness of borrowing as opposed to selling capital assets is reviewed regularly together with the affordability tests and impact on prudential indicators to check whether borrowing would provide more cost effective funding. It has been concluded that the use of prudential borrowing is a useful funding mechanism these such projects. The use of long-term prudential borrowing to fund other key projects, in the GIP, given the additional revenue costs this creates and the current financial challenges the General Fund is facing, will only be considered in exceptional circumstances.

Under the self-financing regime, the government retained the current arrangement for pooling of HRA capital receipts. All HRA capital receipts are pooled if they are not offset by the capital allowance (a capital allowance is permitted where the receipt is used to fund affordable housing, decent homes or regeneration schemes). It is the Council's strategy that 100% of non-Right to Buy (RTB) receipts will be offset by the capital allowance. However, 75% of all RTB capital receipts have to be pooled.

The Council's capital programme is projected for a five-year period and is approved by full Council as part of the MTFS each year. It is monitored throughout the year by the Capital Programme Group and the Executive. Capital Programme Group and the Executive have varying levels of authority to approve changes to the programme during the year. A distinction is made between the General Fund schemes (GIP) and Housing Revenue Account schemes (HIP). It is Council policy that capital receipts from the sale of Council Houses and other Housing Revenue Account assets are used to fund the HIP, with capital receipts from the sale of General Fund assets used to fund the GIP.

The City Council's General Investment Programme and Housing Investment Programme for the period 2021/22 – 2025/26, are set out in the MTFS 2021-26.

Section 5 - Capital Prioritisation

In an environment of financial constraints and competing pressures on the Council it is important that the Council adheres to its methodology for prioritising potential projects and schemes. The methodology is based on both corporate and service based priorities. As well as considering capital costs and funding, attention is also focussed on the revenue implications of any capital expenditure to ensure the Council will not inherit a legacy of increased revenue costs. Therefore, whole life costs are considered when evaluating potential capital projects.

Inclusion of new capital schemes within the strategic plan (currently Vision 2025) and capital programme is dependent on a prioritisation process. Project Managers will be required to prepare bids for approval and will be required to effectively demonstrate how these will support the achievement of both their service area aims and the Council's strategic priorities.

The preparation of these project briefs must go through the five essential steps to initiate the project as defined in the Lincoln Project Management Model (LPMM):

1. The project mandate – where the ideas for the project is first discussed between the project sponsor and the project manager. It provides an initial assessment of the project and provides a clear description of why the project is required and what it is intended to achieve in terms of benefits to the Council's corporate objectives.

2. Establishing Reporting Criteria – formal approval and subsequent monitoring will take place. Approval for all new project budgets and budget changes will follow Financial Procedure Rules.

3. Appraise Options for Delivery - in order to demonstrate that the project delivery selected is the most appropriate and the most cost-effective.

4. Develop the Project Brief, Financial Assessment and Impact Assessment - these three documents clearly document the scope of the project, its objectives, the potential resources required (including a full financial breakdown) to deliver it and its impact.

5. Obtain approval to submit the project - Formal approval to submit the project is agreed and signed-off between the Project Manager and the Project Sponsor.

Once prepared, the project brief is submitted to the Vision Theme Groups for approval ahead of consideration by the Corporate Management Team and Portfolio Holders to evaluate, including how well the proposal meets strategic priorities, including cross cutting strategies and budget priorities, and how it utilises partnership working and externally generated resources as well as its operational feasibility. They will also consider the robustness of each project brief against the corporate standards in relation to clarity of definition, establishment of measurable outcomes and overall deliverability and the robustness of each Financial Assessment and Impact Assessment, including cost data in relation to project costs (including any costs associated with borrowing), post implementation ongoing revenue costs and any consequential or related income.

Once a final project is developed it is submitted to the Executive for approval and inclusion in the capital programmes. Any public consultation undertaken on the project through either the community, business or voluntary groups will be reported to the Executive as part of this approval process.

The entire process conforms to both the Council's project management methodology (The Lincoln Project Management Model) and also the Performance Management Framework adopted by the Council, which ensures schemes are not progressed for Member deliberation and support unless they are deliverable within the context of other competing pressures.

Section 6 - Capital and Project Monitoring

The delivery of schemes supporting the delivery of the Vision 2025 is monitored by the individual vision theme groups who report progress on an exceptions basis to the Executive and Performance Scrutiny on a quarterly basis. In addition, the overall capital programmes are monitored by the Capital Programme Group, with financial performance reporting to the Executive and Performance Scrutiny on a quarterly basis.

The Capital Strategy and the capital programme are updated on a rolling basis and are reported annually to Executive and Council for approval alongside the MTFS. In addition, the Council's Executive is required to approve variations to the capital programme beyond the limit delegated to the Chief Finance Officer.

When a project is completed a Post Implementation Review (PIR) is carried out. However, some projects are recurring in nature such as the capital maintenance programme or the Decent Homes programme and do not require a PIR. A PIR is a formal review of the project which aims to answer the question: "Did we achieve what we set out to do … and if not, what should be done?"

A PIR can provide valuable lessons and experience that can be used to improve and shape service delivery in the future. The Lincoln Project Management Model includes a robust post project review system, overseen and reviewed, to ensure relevant information is collected and communicated to all relevant parties to enable improvement in both procurement and service provision and will consider if the project:

- Met its stated aims and objectives
- Was delivered on time and within budget
- Was acceptable to the client/stakeholder and met all their specific requirements

Section 7 – Commercial Activity and Investment Property

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth).

The Council's commercial property investment strategy was approved in March 2019 and set out the criteria against which decisions were to be taken. The Council has previously invested in property to secure the economic wellbeing of the City by generating additional income for the provision of services, for the purpose of economic development or regeneration, or a combination of both. Historically the Council could fund the purchase of property through borrowing (through the PWLB or as part of cash flow borrowing). Under new guidance issued by CIPFA, borrowing solely to invest in revenue generating investments is considered to be borrowing in advance of need – whilst this is not prohibited councils are required to make disclosures to the effect that this borrowing is taking place, their dependence on commercial income to deliver statutory services and the amount of borrowing committed to generate that income. In addition, the PWLB have revised their lending terms which now prohibits Local Authorities from accessing PWLB funds to finance debt-for-yield schemes. This means that if the Council wished to pursue such a scheme, it would need to source an alternative lender in the market, whilst also ensuring compliance with CIPFA guidance. As a result of these changes the Council's GIP and Capital Strategy do not include any proposals to investment in any new commercial property. The Council will still though progress opportunities for regeneration and housing developments, in accordance with the revised guidance and lending terms.

Historically the council's property investments have provided strong returns in terms of capital growth and generation of stable income. Property investments are not without risk as property values are subject to many national and other external factors which are outside the control of the council. Where possible investments of this type will also have a 'fall back' position in addition to their expected commercial arrangement e.g. the council has purchased the freehold of a car park which it leases to a large, national company however should the company surrender the lease or not meet the lease payments the council could operate the car park themselves or seek an alternative tenant. The strategy continues to be that the council will invest prudently on a commercial basis and take advantage of opportunities as they may arise which meet our strategic objectives and secure the economic wellbeing of the City, supported by our robust governance arrangements.

At 1/4/2020 the council has £34.646m of investment properties on the balance sheet with no further investment planned in the current General Investment Programme. The income from investment properties is predominantly derived from ground rent and land leases. Further details relating to investment properties are given below:

Total value of investment properties	£34.65m
Value of properties held for rental income	£33.854m
Value of properties earning rental income	£33.032m
Income from properties earning rental income	£1.828m
Yield from properties earning rental income	5.53%

Value of properties held for capital appreciation or where the freehold has a market value*	£0.154m

*The council has arrangements where the freehold on land is retained, generally subject to a long lease but which produces no rental income, however the freehold land does have a market value.

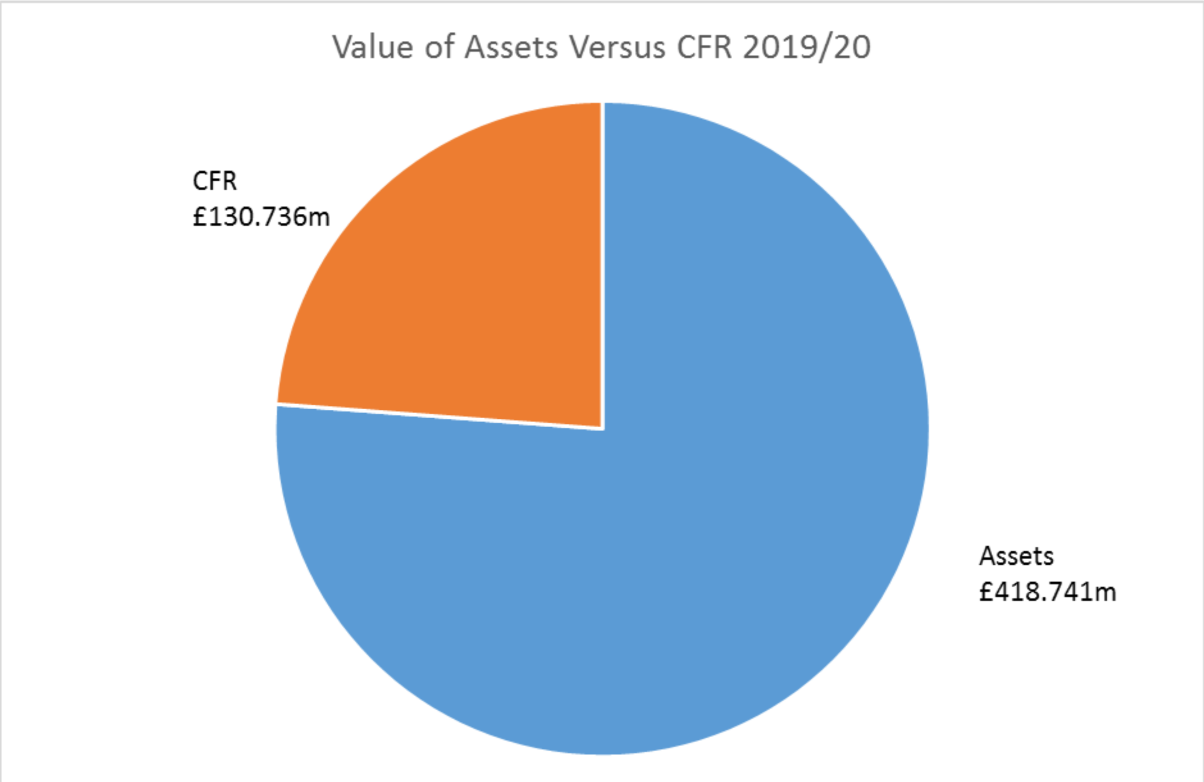
For the year 2020/21 the anticipated income from investment properties represents less than 3.2% of the council's gross expenditure.

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

Asset type	Value	Annual income (21/22)	Yield on value of assets	Borrowing costs	Annual surplus
Car Parks	£6,093,000	£344,416	5.65%	£192,180*	£152,236
Freehold property	£11,500,000	£573,361	5.00%	£497,327	£76,034
Retail units	£6,345,000	£445,500	5.00%	£334,551*	£110,949

*assumed in business cases

A graph illustrating the value of the council's assets compared to the capital financing requirement (the underlying need to borrow to fund capital investment) at 31 March 2020 is given below:



13

The table below indicates the interest cost of borrowing within the general fund and the housing revenue accounts compared to overall gross expenditure. The limits indicated are set locally and are not imposed by central government or advisory levels provided by CIPFA.

Current budgeted cost of borrowing					
	2021/22	2022/23	2023/24	2024/25	2025/26
GENF borrowing cost as a % of gross revenue expenditure	9.57%	10.98%	11.29%	11.44%	11.22%
Limit of GENF borrowing cost as a % of gross revenue expenditure	15%	15%	15%	15%	15%
HRA borrowing cost as a % of gross revenue expenditure	10.54%	10.53%	10.42%	10.30%	10.25%
Limit of HRA borrowing cost as a % of gross revenue expenditure	14%	14%	14%	14%	14%

Section 8 – Loans and investments in local businesses and organisations

The Council has the discretion to make loans and investments in local organisations for a number of reasons, primarily for economic growth; these loans are treated as capital expenditure.

In making these arrangements the council exposes itself to the risk that the borrower defaults on repayments. The council must therefore ensure that it has fully considered the risk implications with regard to both the individual loan and that the value of them individually and collectively is proportionate and prudent within the overall exposure to the council to risk of default.

To ensure that the risk is managed a full due diligence exercise is undertaken, with a business case that identifies the benefits and risks and considers whether adequate security is in place. Loans and investments will be agreed by Executive and will be subject to close regular monitoring.

Section 9 – Knowledge and Skills

The Council's Capital Strategy is reviewed annually and compiled by the Chief Finance Officer, an experienced and qualified accountant. External advice is available from the Council's Treasury Management advisors (Link Group) who offer a range of services in relation to borrowing advice, leasing and capital investment options. The council is also a subscriber to the CIPFA Finance Advisory Network which provides advice on technical accounting matters. Additional specialist tax advice in respect of tax implications for property transactions is available from an external supplier of this service (PS Tax). The council has an in-house legal team and additional legal specialist support is available from external sources. The council has an in-house property services section headed by a RICS qualified surveyor and additional specialist support in respect of property matters is available through the district valuer and other external sources.

Section 10 - Conclusion

The Council's Capital Strategy is a 'live' document, which provides a framework for the deployment and management of capital resources across the organisation in accordance with corporate priorities. It is therefore the framework for capital investment across the Council. The Strategy will be reviewed annually, to ensure it is kept up to date and is relevant and effective and reflects best practice.

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Budget Review Group **3 February 2021**

Present:	Councillor Gary Hewson *(in the Chair)*, Councillor Thomas Dyer, Councillor Geoff Ellis, Councillor Jane Loffhagen, Councillor Rebecca Longbottom, Councillor Helena Mair, Councillor Ric Metcalfe, Councillor Christopher Reid and Councillor Pat Vaughan
Apologies for Absence:	Councillor Laura McWilliams, Councillor Lucinda Preston and Councillor Loraine Woolley

1. Declarations of Interest

Councillor Pat Vaughan wished it recording that his grandaughter worked in the Council's finance department.

2. Draft Medium Term Financial Strategy 2021-26

The Budget Review Group considered the draft Medium Term Financial Strategy 2021-2026 and provisional 2021/22 budget and Council Tax proposals. A copy of the Medium Term Financial Strategy was appended to the report.

Jaclyn Gibson, Chief Finance Officer, presented the report and highlighted that the main objectives of this meeting were to:

- examine the principles and planning process that underlay the proposed budget 2021/22 and Council Tax, and the Medium Term Financial Strategy 2021-26;
- ensure that at each stage the budget was clear, focused, achievable, realistic and based on sound financial practices;
- ensure that at each stage the budget had clear linkages with corporate plans that formed the Council's Policy Framework, establishing that they were identifiable and designed to support the Council's Vision 2025.

A number of questions were provided in advance of the meeting which, together with responses provided, were noted as follows:

Question: Given the significant cost savings needed within the Communities and Environment Directorate, the ongoing situation with the Usher Gallery seemed to have disappeared from discussion. What was the Council's current strategy to ensure value for money was achieved for the tax payer?

Response: There were no cost savings needed specific to one Directorate, there was only the corporate target to be achieved. Ongoing discussions were still continuing with the County Council surrounding the future of the Usher Gallery and the collections.

Question: Did the contract signed with Nottingham City Council for the storage of artefacts represent long term value for money? Or were the offers from Lincolnshire County Council better value?

Response: This was a fluid situation and ongoing discussions continued with both Nottingham City Council and Lincolnshire County Council.

Question: Taking into account all the support schemes, what was the total funding the City of Lincoln Council had received from central Government by way of Covid-19 support?

Response: A detailed breakdown of support provided for 2020/21 and 2021/22 was set out as part of the presentation but equated to approximately £6,489,000 and £1,197,000 respectively.

Question: What is the total cost to COLC for the proposed staff pay award, including employer National Insurance and pension contributions?

Response: The Council was currently bound to collective bargaining through the National Joint Councils. There had been no pay claim yet presented for 2021/22. The Council's Medium Term Financial Strategy assumed an increase on the total pay budget but this was not a pay proposal, it was solely a budget provision of potential future pay claims. Details relating to assumed increased ranging from 1.5% up to 2% for each year of the Medium Term Financial Strategy and the total cost of such increases were outlined in the presentation.

Question: If Councillors were to freeze their allowances, including Special Responsibility Allowances, what savings would this equate to for the 2021/22 financial year?

Response: The Members' Allowances budget had been increased by inflation at 1.5% in 2021/22. This was equivalent to £3,720.

Question: How much revenue was generated by hiring the venue out and for tours at the Guildhall for the 2019/20 financial year?

Response: In 2019/20 £200 was received in respect of hire of the Guildhall. In terms of income from tours, these were free of charge unless they were outside of normal working hours or were private tours that interfered with public tours. No income was received in respect of these during 2019/20.

Question: Fixed penalty notices had remained the same for several years. Could the Council increase these?

Response: These fees were not designed to maximise income, their aim was to act as a deterrent. Based on the current economic climate it was felt that the level of the fees set were appropriate to achieve such a purpose.

Question: Does the Council intend to increase its lowest hourly pay rate to £10 an hour, as per the motion at the previous meeting of Full Council?

Response: The Council was currently bound to the outcomes of collective bargaining through the National Joint Councils and this was reflected in its contracts of employment and green book terms and conditions. The Council was committed to maintaining its Living Wage accreditation and would shortly seek Executive approval to implement the latest increase, as announced in November 2020, from £9.30 per hour to £9.50 per hour.

Question: What would be the increased cost to raise the lowest hourly rate to £10?

Response: Based on 2020/21 pay scales there were two pay scales currently earning less than £10 per hour. The cost to increase these all to £10 per hour, and removing any pay differential, would be approximately £33,000.

Question: In the 2018/19 financial year, the City of Lincoln Council spent almost £20,000 on trade union facility time. What was this cost in 2019/20 and 2020/21? How did the Council audit this time? Was there scope to reduce this, as it was understood that this was a voluntary payment?

Response: Each Trade Union representative had an agreed amount of time off for Trade Union activities and duties. The Council's Trade Union policy set out what representatives were entitled to be paid and the duties this covered. The payment, which was not voluntary, must either be the amount they would have earned had they worked during the time off or via their average hourly earnings. In 2018/19 the cost of trade union facility time was £9,165. In 2019/20 this was £10,463 and in 2020/21 the cost of trade union facility time was budgeted to be £10,870.

Question: The car parking strategy was to be refreshed. Was there a timescale?

Response: Car parking patterns in the city centre had changed as a consequence of the pandemic and hence changes in commuter behaviour. The car parking strategy was provisionally scheduled for review later this year, but timing would be critical. It should not be completed too early, otherwise the Council could review the strategy before commuter patterns had truly found their new baseline. Conversely, the Council did not wish to delay this for too long as it could leave parking stock underutilised. Currently, the Council was seeking to review the situation in September 2021 and decide then when would be the best time. The Council would hopefully have a more stable commuter pattern by then, and understand the new peak demand levels created from domestic tourism and other key sectors.

Question: Whilst the budget summary in the report showed a significant reduction within the Communities and Environment Directorate budget over the period of the Medium Term Financial Strategy, no further detail was provided by area. Could a cost summary please be provided for each area within the Communities and Environment Directorate, for example CCTV costs and public toilets, for example, in terms of cost, income and net summary, reflecting that some areas did generate revenue?

Response: The net cost of the Communities and Environment Directorate reduced over the Medium Term Financial Strategy due to two primary reasons, as follows:

- car parking income was forecasted to increase over the period as some of the impacts of Covid19 unwinded;
- the significant cost savings delivered through the Waste and Street Cleansing contract extension increased over the five-year period in addition to the cumulative impact of the change in inflation rate.

A full breakdown was also available.

Question: How financially stable are the City's biggest Business Rate contributors?

Response: Officers were unable to assess the financial stability of the city's biggest business rate contributors. However, the top ten Business Rate payers in the City, after mandatory/discretionary reliefs, were noted as follows:

1. United Lincolnshire Hospitals NHS Trust
2. Tesco
3. Sainsburys
4. William Morrison
5. B&Q Limited
6. Waitrose
7. Siemens Energy
8. City of Lincoln Council (carparks)
9. Marks and Spencers
10. Lincolnshire County Council

Question: To date, including staffing, in the Major Developments Team, what had the City of Lincoln Council spent on the Western Growth Corridor development?

Response: The Medium Term Financial Strategy, as a forward-looking strategy, included the following capital budgets in relation to Western Growth Corridor:

- Capital Expenditure: Phase 1a Infrastructure and Residential Units £10,697,000;
- Capital Receipts: Phase 1a Residential Sales £11,122,000;
- Capital Grants: Local Authority Accelerated Construction £1,724,000.

Question: In the Housing Revenue Account to what extent were tenants billed for damages of their own fault? For example, smashed windows. What income did this provide a year? Were repairs done at cost, or did the Council make a surplus?

Response: The Council had a Rechargeable Repairs Policy, last reviewed in 2017, which identified circumstances where repairs would be recharged to tenants. This included damage caused by the tenant. Repairs were charged on the established schedule or rates for the Housing Repairs Service. In 2019/20 the Council recharged repairs totalling £55,167 and, to date, in 2020/21 repairs of £25,946 had been recharged.

Question: How did the City of Lincoln Council ensure its external grants are being spent efficiently, such as those relating to the Brayford Trust and Dial-a-Ride, for example?

Response: Through the Annual General Meeting the Council nominates elected members to sit as representatives on each of the relevant boards of the bodies that the Council provided grant funding to. In addition, a number of the grants were supported by Service Level Agreements and were subject to the submission of Annual Reports and Business Plans prior to future grants being released.

Question: What were the potential savings following the Housing Revenue Account agreement regarding Kier?

Response: There were currently no savings built into the Medium Term Financial Strategy as a result of the termination of the Kier contract. The investment budgets remained at the same levels in the Housing Improvement Plan and would be subject to the delivery of individual work packages through new contracts and/or in house resource.

Question: Had an assessment been done on the benefits of providing one hour free parking to help stimulate the high street?

Response: This had been suggested in the past but no detailed modelling had been undertaken on this option. A one-hour free parking initiative would have an impact on the financial position of the Council and so budgetary provision would need to be made. Work would also need to be done to ascertain the extent free parking would have on stimulating the High Street with additional visitors to the city centre. A worst case scenario would be that the price was relatively inelastic, resulting in no noticeable increase in footfall but reduced income for the City Council. This would be true if there were stronger pull factors leading to why people would or would not visit the high street after the pandemic. Resident surveys would be required to ascertain the key influencing factors.

Question: What were the approximate cost increases to hold the 2021 local elections?

Response: The Council was currently estimating an additional, high-level estimate, cost of approximately £50,000 for all three elections, the Council's direct share being one third. It was emphasised, however that this could significantly change in relation to the detailed risk assessments that needed to be undertaken for each process and for each venue used as part of facilitating the elections. On completion of this a more informed estimate could be prepared.

Question: If the Council was to freeze the pay for all staff earning over £30,000 and elected members' allowances, only providing the proposed pay increase to those below £30,000 (full time equivalent), what would be the saving? How much would this cost?

Response: The Council was bound to the outcomes of collective bargaining through the National Joint Councils and this was reflected in the Council's contracts of employment and green book terms and conditions. On the basis of the proposal above the saving against the Medium Term Financial Strategy provision for pay awards in 2021/22 would be approximately £121,000.

Question: When could members see what Vision 2025 consisted of? When were the 'refreshed' annual delivery plans likely to be ready? Were there any first thoughts on major changes?

Response: Vision 2025 was approved by Full Council in March 2020. Work was currently being undertaken to review the Annual Delivery Plans that provided the details of which schemes were being progressed in the forthcoming year. This was work predominately around phasing of schemes and supporting the recovery of the city, rather than fundamental change. Whilst this work was underway it had inevitably been affected by the pandemic and current national lockdowns.

Question: What were the 'core services that matter most'? Or conversely, which core services mattered least?

Response: The Council's key and core services were those that supported delivery of Vision 2025 and the strategic priorities of:

- 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.

Question: What were the levels presently the Council was looking to maintain short term and which income streams did it look to maximise long term? Would these be made clear regards their performance at future meetings of the Council’s Performance Scrutiny Committee?

Response: The objective that this referred to was in relation to income from Council Tax and Businesses Rates. Ordinarily the objective was to seek to maximise these income sources, but this had been amended to reflect in the short term that, due to the current economic climate, the Council needed to seek to maintain levels as much as possible and protect them from falling further. Longer term as the economy recovered, the Council would seek to grow these income sources again. Both Council Tax and Business Rates collection rates were monitored through the Performance Scrutiny Committee and would be adjusted for 2021/22. This objective was not solely about collection rates though, it was about long term growth in the city’s businesses and housing.

Question: Could you explain please the £5,124,000 retention which was lower than expected and the one-off gain of £428,000? What was the Council expecting and were both figures guaranteed?

Response: The Medium Term Financial Strategy 2020-2025 estimated Business Rates income of £4,696,000 in 2021/22. This had now been revised to £5,124,000, a gain of £428,000. This gain had only arisen due to a delay in the implementation of national reforms to the business rates funding mechanism for local authorities. The impact of this would see a significant reduction in the Council’s retained income which it had forecasted would happen in 2021/22, but it was now delayed meaning the Council would not suffer the loss. The total amount of Business Rates forecasted to be collected had significantly reduced due to Covid and had resulted in less income being retained by the Council. The net impact of the two changes resulted in an overall gain for the Council. Business Rate income was not guaranteed and was dependent on actual levels of rates billed and collected including the impacts of awarding reliefs and appeals. Each year the Council was required to calculate the surplus or deficit on its Collection Fund, both for Council Tax and Business Rates, and absorb any gains or losses in the following financial year.

Question: There seemed to be a shortfall for the proposed savings and those expected to be implemented by £1,958,000. If this was correct, where were the rest of the savings expected to come from? Were you able to provide any more details on 'a new programme of proposals'?

Response: The savings target required was £1,750,000 per annum by 2022/23.
An initial programme of reviews had been developed and would be brought forward for consideration during the course of the next twelve months. However, this programme was still subject to change as the business cases were developed and staff and public consultation took place. Some examples were the current reviews regarding public conveniences and allotment charges.

Question: Could you explain what One Council means please? Also, could you provide examples related to each of the four themes of 'One Council'?

Response: There was a specific section in Vision 2025 with further details on One Council. One Council had been established from the "Professional, high performing service delivery" theme of Vision 2020. One Council put the customer at the heart of everything the Council did, understanding their needs, wants and preferences. One Council also defined how the Council, as an organisation, would need to work in the future to meet these changing demands. The Council's focus would be on creating a joined-up experience for customers where they felt they were talking to one council rather than multiple departments. There were four themes of One Council, noted as follows:

- Best Use of Assets – work under this theme was around the future use of City Hall and how the Council's changing work patterns may alter its need for physical working space and also the needs of its customers to attend City Hall in person. Further expanding the public sector hub currently included as part of City Hall was provided as an example;
- Technology – work under this theme focused on adapting to a new remote way of working ensuring the Council was visible and accessible to its customers, ensuring that staff had the right tools for the job but also that the Council provided its residents with much easier direct access to council services, such as the use of Zoom/Office 365/Teams to facilitate remote working and access to online services;
- Organisational Development – this programme of work focused specifically on creating a workforce that was flexible and adaptable to the changing environment in which the Council worked, with the Lincoln Charter and virtual training and development cited as examples;
- Create Value Processes – this theme focused on a joined-up experience across all methods of using Council services, ensuring that digital services could become the default choice for customers due to the ease and efficiency they provided, such as repairs online and access to services via the Council's website.

Question: It was very interesting that 'the minimum prudent levels of reserves and balances that the Council should maintain are a matter of judgement.' It was assumed that the levels would be set by central government. So, what criteria had been used to determine these levels in the past? Was the criteria likely to change in the future?

Response: Local authorities should establish reserves including the level of those reserves based on the advice of their Chief Finance Officers. Authorities should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances varied, hence why there were no levels set by Government. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it was exposed. The Council therefore undertook a risk assessment against its key variable budget areas to assess the likelihood of and impact of changes in the budgeted amounts. This overall assessment determined the level of prudent reserves to be maintained.

Question: How was the Council reimbursed by the Government for the monies it paid out to the Internal Drainage Boards, or did it no receive anything back?

Response: The Council did not receive any specific direct funding from central Government for the Internal Drainage Board levies. Account of costs was taken into consideration as part of the Government's assessment of the Council's 'relative needs' and formed part of the calculation of the amount of business rates the Council could retain. This was not a direct reimbursement, it was just a factor in an assessment of need.

Additional questions asked at the meeting, and their respective responses, were noted as follows:

Question: When would the Council know about Lincoln's Town Deal Fund submission? Would it be successful?

Response: The Council had recently been notified that this would form part of the budget and would therefore be notified of the outcome of the Lincoln Town Deal application on 3 March 2021. In terms of the success of the application, the Chief Executive reported that she believed it represented a very strong submission acknowledging, however, that it was part of a competitive process.

Question: Communication and liaison with the public was extremely important and, whilst the Council sought to streamline its services and move to more online solutions, it should be noted that 20% of residents in the city did not have access to the internet. Could reassurance be given that the Council would not be preventing access to services in respect of those people?

Response: One of the rationales behind the One Council approach was to enable people to be more self-sufficient and access services online, which would then free-up officers who could dedicate more support to those who were unable to access online services, facilitating more face-to-face meetings or longer telephone calls to resolve issues. This was at the centre of proposals relating to One Council, so an assurance was given that those people unable to access the internet would not be prevented from accessing the Council's services.

Question: The Council, like other organisations, had changed the way in which it worked as a result of the Covid-19 pandemic and staff had responded stunningly in terms of their flexibility and adaptability particularly in relation to remote working. A concern, however, was that a sense of pride in working for the City Council and belonging that people had as part of working as a team could potentially be lost, with remote working not being the preference of all staff. Would this be considered as part of the Council's review of the way in which it would operate in future?

Response: The Council did have a core staff base that were really proud to work for the authority and enjoyed that sense of belonging. Working from home or working remotely was not everyone's preference and, moving forward, the Council would ensure inclusivity with its staff in order to take into account and accommodate different circumstances.

Question: When were fixed penalty charges last increased? Other fees and charges, such as rent and car parking, were regularly increased whereas fixed penalty charges, acting as deterrents for those activities where people negatively contributed to the city, remained unchanged. If these did not increase in keeping with other fees and charges and the current economic climate, surely the level of deterrent would decrease? This appeared to be counterintuitive.

Response: Fixed penalty notices, covering things such as littering and dog fouling, had not increased at least in the last five years. Further clarity would be provided on the last time they had been increased. The Council did not seek to maximise from such activities and did not rely on this as an income stream, it was solely a deterrent to prevent such instances occurring.

Question: The car parking strategy was scheduled for review in September 2021. Perhaps the proposed increase of car parking fees and charges should be deferred until the review had been undertaken?

Response: The parking strategy would be critical in terms of managing a key income stream for the Council but also considering whether all of the City Council's car parks were all necessary or in the most suitable locations. Maintaining the baseline of car parking income was essential, with any change to that baseline having a direct impact on a large amount of other areas of the Council's business.

Question: Was there any measure of the impact the Council's initiatives had in respect of car parking during the easing of Covid-19 restrictions last year in terms of attracting people back into the city?

Response: Unfortunately there was no accurate measure that could be put in place to assess the impact of the Council's initiatives in this respect.

Question: With regard to the proposed increase in stall fees for the Christmas Market, had any consultation been undertaken with stallholders?

Response: The proposed increase in stall fees was about maintaining a base which, if could not be maintained, would need to be supported from other service budgets. Lots of correspondence had been shared with stallholders but it was unclear whether specific consultation regarding a proposed increase in fees had taken place. Further information relating to this would be provided in due course.

Question: Was there a timescale in place for when savings would come forward?

Response: The programme in place to achieve savings consisted of projects which themselves comprised a business case, options appraisal and the undertaking of a review, some of which would require public consultation. Outcomes and projected deliverability would therefore differ from project to project, so there was no set timescale at this stage with a lot of detail in relation to each project yet to be worked up. The majority of the projects within the programme would only require internal reviews as opposed to public consultation, which would be less time consuming, but it was still too early to place any specific timescales around deliverability.

Question: Taking into account the recent public consultation in respect of public conveniences, could members of the opposition group be briefed prior to such consultations being placed in the public domain?

Response: The Leader of the Council could see no reason why the opposition could not be properly briefed prior to the undertaking of public consultation on any scheme.

Question: In line with the discounts provided to Christmas Market stallholders who demonstrate a commitment to fair trade, could a similar discount be considered in relation to environmentally friendly stallholders for those who were plastic-free, for example?

Response: This suggestion would be taken forward for consideration as part of planning for the Christmas Market.

Question: What support was the Council putting in place for those businesses who were tenants within its managed workspaces?

Response: The Council had been working closely with its tenants at managed workspaces at Greetwell Place and The Terrace, with Council staff having returned to work from there since June in order to provide advice, guidance and support. This core element of staff had been part of the Council's Business Support Cell which had facilitated the payment of government grants to businesses, so they had been able to offer advice on eligibility in that respect as well. Rent reductions had not been offered to tenants but they had been offered payment holidays.

Question: What plans were being put in place to encourage people back to the city centre when restrictions were lifted?

Response: Significant plans had been and would continue to be in place, however, these would continue to change and adapt in response to latest government guidance and, essentially, which areas of the economy opened first as lockdown restrictions were lifted. Members were provided with an assurance that, whatever happened, a range of measures and incentives would be on offer for people in order to attract them back into the city. An important aspect of this would be a focus on the city centre as a place, ensuring that people wanted to visit for its attractiveness and the experience it had to offer. The quality of public spaces, public events and the greening of the city centre all had a role to play in encouraging people to visit.

Question: The Public Works Loans Board had changed its rules regarding the lending of money, with more attractive interest rates on offer. Would the Council have an appetite to invest in the city as part of its Covid-19 recovery?

Response: The Public Works Loan Board and updated prudential code from the Chartered Institute of Public Finance and Accountancy rules had changed the way in which local authorities could utilise borrowing. Debt for yield schemes, for example, where money was borrowed for commercial schemes, such as the Travelodge in Lincoln, would no longer be acceptable with the expectation that capital receipts be used instead. Borrowing to stimulate economic growth or development, however, was acceptable and would form part of the Council's Vision 2025. It was anticipated that this would be an essential part of delivering the objectives of the Town Fund through match-funding.

Question: What was the cost of running public urinals in the uphill area of the city?

Response: This information would be provided in due course.

Question: Was there a strategy to free up space in the City Council's buildings in response to the new way of working demonstrated in response to the Covid-19 pandemic?

Response: The Council's Best Use of Assets pillar of One Council was developing this as it was clear that the Council no longer required the office space it currently occupied in City Hall, for example. Conversations would continue with public sector organisations with a view to building upon the public services hub already in place at City Hall. It was acknowledged, however, that this would be a very tough market with lots of other organisations being in a similar position.

Question: Had any funding been allocated in preparation for potential local government reform or devolution deal proposals?

Response: No specific funding had been set aside for local government reform or devolution deal proposals. A significant amount of work had been undertaken last year in response to potential local government reform and devolution proposals which could be drawn upon in the future if necessary.

Question: In relation to the Council's proposal to move its collections from the Usher Gallery to Nottingham City Council under a one or two year contract, what would the cost be to the Council to release itself from that contract?

Response: There was ongoing daily dialogue on this issue but, at present, no contracts had been signed with Nottingham City Council so no costs in that respect would be incurred as there was no contract in place for the City of Lincoln Council to release itself from.

Question: If someone in the city was granted a scrap metal license, would they only be able to operate within the boundaries of the city?

Response: This information would be provided in due course.

RESOLVED

That the Budget Review Group:

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

(2) Agreed to provide its comments to the Performance Scrutiny Committee and Executive on the draft Medium Term Financial Strategy 2021-26 and 2021/22 budget and Council Tax proposals to the Performance Scrutiny Committee and Executive prior to formal consideration by Council at its meeting on 23 February 2021.

Councillors Thomas Dyer and Christopher Reid requested that their abstentions from voting be noted.

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Item No. 4

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**COUNCIL TAX 2021/22**
REPORT BY:	**CHIEF EXECUTIVE AND TOWN CLERK**
LEAD OFFICER:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 In light of the report on the Medium Term Financial Strategy, which appears elsewhere on this agenda, this report will set out the City Council's council tax requirement and, together with the requirements of the County Council and the Police & Crime Commissioner Lincolnshire, and will allow Members to make a formal recommendation to Council for the overall levels of council tax for 2021/22.

2. City Council Requirement 2021/22

2.1 The net General Fund Budget requirement as set out in the Medium Term Financial Strategy report totals £978,410 which includes a contribution from balances of £477,240.

2.2 For 2021/22 a council tax increase of 1.90% has been applied.

2.3 The council tax requirement for 2021/22 is £6,955,630.

2.4 By reference to the Band D level, the 2021/22 council tax would rise by £5.31 to £285.39 per annum. The range of council taxes will be:

Band	**2020/21 Council Tax** £	**2021/22 Council Tax** £
A	186.72	190.26
B	217.84	221.97
C	248.96	253.68
D	**280.08**	**285.39**
E	342.32	348.81
F	404.56	412.23
G	466.80	475.65
H	560.16	570.78

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

3.1 The County Council are due to agree their 2021/22 council tax requirement on the 19th and the Police & Crime Commissioner Lincolnshire is due to agree their requirement on 24th February 2021. The County Council have recommended a 1.99% increase, whereas the Police & Crime Commissioner have provisionally proposed an increase of 5.94%.

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

	£
Police & Crime Commissioner	266.31
Lincolnshire County Council	1,364.16

Should any final amendments be made to either the County Council or the Police and Crime Commissioner's Band D equivalents, these will be reported to Full Council at its meeting on the 23rd February 2021 when it will formally approve the overall council tax levels for 2021/22.

4. Total Council Tax 2021/22

4.1 The council tax requirements for all the authorities for 2021/22 is summarised as follows:

	£	% share
City of Lincoln Council	285.39	15.0%
Police & Crime Commissioner Lincolnshire (NOT YET CONFIRMED)	266.31	13.0%
Lincolnshire County Council (NOT YET CONFIRMED)	1,364.16	72.0%
Total Band D Charge	**1,915.86**	**100.0%**

This represents an overall increase of 2.51% for 2021/22.

5. Strategic Priorities

5.1 There are no direct impacts on the Council's strategic priorities. Council Tax income is a key source of revenue funding by which the Council is able to fund the services it delivers in support of its Vision 2025.

6. Organisational Impacts

6.1 Finance – The council tax requirement is in accordance with the Council's 2021/22 budget requirement and MTFS 2021-2026 which appear elsewhere on this agenda for approval.

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

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

7. Risk Implications

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

8. Formal Council Tax Recommendation 2021/22

8.1 The Executive is requested to recommend to Council:

1. Acceptance of the 4th January 2021 Executive recommendation that the Council Tax Base for 2021/22, as calculated in accordance with The Local

Authorities (Calculation of Council tax Base) (England) Regulations 2012, to be 24,372.38.

2. That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

a)	£116,497,330	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
b)	£109,541,700	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c)	£6,955,630	being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act).
d)	£285.39	being the amount at 2(c) above (Item R), all divided by Item T (1 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
e)	£0	being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
f)	£285.39	being the amount at 2c) above less the amount at 2e) above, all divided by the amount at 1 above, calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

g) **City of Lincoln Council**

A	**B**	**C**	**D**
£190.26	£221.97	£253.68	£285.39
E	**F**	**G**	**H**
£348.81	£421.23	£475.65	£570.78

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

3. That it be noted that for the year 2021/22 Lincolnshire County Council have provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Lincolnshire County Council

A	**B**	**C**	**D**
£909.44	£1,061.01	£1,212.59	£1,364.16
E	**F**	**G**	**H**
£1,667.31	£1,970.45	£2,273.60	£2,728.32

4. That it be noted that for the year 2021/22 Police & Crime Commissioner Lincolnshire have provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Police & Crime Commissioner Lincolnshire

A	**B**	**C**	**D**
£177.54	£207.13	£236.72	£266.31
E	**F**	**G**	**H**
£325.49	£384.67	£443.85	£532.62

5. That having calculated the aggregate in each case of the amounts at 2g, 3 and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following as the amounts of Council Tax for the year 2020/21 in accordance with the dwelling bandings shown below:

Total Council Tax Charge 2021/22

A	**B**	**C**	**D**
£1,277.24	£1,490.11	£1,702.99	£1,915.86
E	**F**	**G**	**H**
£2,341.61	£2,767.35	£3,193.10	£3,831.72

Is this a key decision?	No – referral to Full Council
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	None
List of Background Papers:	None
Lead Officer:	Jaclyn Gibson, Chief Finance Officer Telephone (01522) 873258

Item No. 5

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**PRUDENTIAL INDICATORS 2020/21 – 2023/24 AND TREASURY MANAGEMENT STRATEGY 2021/22**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**COLLEEN WARREN, FINANCIAL SERVICES MANAGER**

1. Purpose of Report

1.1 The purpose of the report is for Audit Committee to review and recommend to Council for approval the adoption of the 15 statutory prudential indicators and 8 local indicators for the period 2020/21 to 2023/24 together with the 2021/22 Treasury Management Strategy.

2. Executive Summary

2.1 The table below summarises the key prudential indicators that have been incorporated into the 2021/22 strategy. The projected capital expenditure will determine the capital financing or borrowing requirement, which will in turn determine the actual level of external borrowing taken and hence, cash balances available for investment.

Key Prudential Indicators	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
Capital Expenditure				
• General Fund	5,117	14,393	1,160	948
• HRA	19,690	22,491	14,959	12,171
• Total	**24,807**	**36,884**	**16,119**	**13,119**
Capital Financing Requirement				
• Non HRA	67,906	71,921	68,291	66,750
• HRA	66,851	69,189	72,059	72,059
• Total	**134,757**	**141,110**	**138,809**	**137,261**
Net Borrowing				
External debt (borrowing only)	121,000	129,000	131,000	126,000
Investments				
• Under one year	20,000	22,000	20,000	19,000

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

2.3 The Strategy for 2021/22 has been prepared taking into account changes in the Prudential Code and Treasury Management Code.

3. Background

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

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

4. Treasury Management Requirements 2021/22

4.1 The Capital Prudential Indicators 2020/21 – 2023/24

4.1.1 The Council's capital expenditure plans are one of the key drivers of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans. The Local Government Act 2003 requires the

Council to adopt the CIPFA Prudential Code and to produce prudential indicators. The Prudential Code requires the Council to approve as a minimum the statutory indicators and limits. This report revises the indicators for 2020/21 and details them for 2021/22 to 2023/24. An explanation and calculation of each Prudential Indicator is provided in **Appendix 1** and the key messages summarised in section 4.1.3.

4.1.2 Capital Expenditure and Financing

The Council's capital expenditure plans (as detailed in the Draft MTFS 2021-26) are summarised below. Capital expenditure can be paid for immediately (by resources such as capital receipts, capital grants or revenue resources) but if these resources are insufficient, any residual capital expenditure will form a borrowing need. This can be supported by government grant for the repayment of debt (very limited support available) or can be unsupported (prudential borrowing) where the Council needs to identify the resources to finance and repay debt through its own budget.

Indicators 1&2	**2020/21 Revised £'000**	**2021/22 Estimated £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**
Capital Expenditure				
General Fund	5,117	14,393	1,160	948
HRA (including New Build)	19,690	22,491	14,959	12,171
Total Expenditure	**24,807**	**36,884**	**16,119**	**13,119**
Financed by (General Fund):				
Capital receipts	116	2,825	195	0
Capital grants & contributions	3,932	2,596	720	740
Revenue/Reserve Contributions	67	129	8	8
Borrowing need	1,002	8,843	237	200
Financed by (HRA):				
Capital receipts	2,472	1,539	1,730	713
Capital grants & contributions	4,639	2,205	0	0
Depreciation (HRA only)	5,380	9,138	7,942	7,157
Revenue/Reserve Contributions	2,522	7,271	2,417	4,301
Borrowing need	4,677	2,338	2,870	0

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

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either capital or revenue resources. It is essentially a measure of the Council's underlying borrowing need. Based on the capital expenditure plans in paragraph 4.1.2 the CFR for 2020/21 to 2023/24 is projected to be:

Indicators 3&4	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
Capital Financing Requirement				
General Fund	67,906	71,921	68,291	66,750
HRA	66,851	69,189	72,059	72,059
Total CFR @ 31 March	134,757	141,110	140,350	138,809
Net movement in CFR	4,021	6,353	(760)	(1,541)
Actual debt (borrowing & other liabilities)	121,000	129,000	131,000	126,000
Net borrowing need for the year	5,679	11,181	3,108	200
Minimum Revenue Provision (MRP)	(1,508)	(1,456)	(1,726)	(1,741)
Application of Capital Receipts to reduce CFR	(150)	(3,372)	(2,142)	0
Movement in CFR	4,021	6,353	(760)	(1,541)

The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility, so the Council is not required to separately borrow for them. The Council has no such leases within the CFR in 2020/21. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing. If following a full financing options appraisal the most cost effective funding method is identified as either borrowing or finance lease then the CFR will be increased to reflect a borrowing requirement for the replacement fleet.

In future years all lease liabilities, including some of those currently treated as operating leases and expensed through revenue, will be 'on balance sheet' which will increase the CFR. At this point the Treasury Management Strategy does not reflect the effect of the change in accounting treatment and further updates will be presented to committee at the mid-year update, when the liabilities have been established.

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

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

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

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

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). Financial modelling has been carried out for both and the affordability and sustainability of the potential borrowing requirement has been assessed and can be contained within the Draft MTFS 2021-26. This is reflected in the table below and in the Prudential Indicators 7 and 8 tables in Appendix 1.

Indicator 7	**2020/21 Revised £'000**	**2021/22 Estimated £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**
Authorised limit				
Borrowing	150,768	158,453	160,738	155,664
Other long term liabilities	1,380	1,380	1,380	1,380
Total Authorised limit	**152,148**	**159,833**	**162,118**	**157,044**

4.2 Minimum Revenue Provision (MRP) Policy

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

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

Guidance issued by the Secretary of State requires that before the start of each financial year the Council prepares a statement of its policy on making MRP in respect of the forthcoming financial year and submits it to Full Council for approval. There has been no amendment to the proposed MRP policy for 2021/22.

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

4.3 The Treasury Management Strategy 2021/22

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

4.3.2 The Treasury Management Strategy for 2021/22 is attached at **Appendix 3**. The strategy outlines expected treasury activity for the coming year and expected prudential indicators relating the treasury management for the next three years. The key principals in the strategy are summarised below.

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

	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
External Debt				
Debt at 31 March (including other long term liabilities)	121,000	129,000	131,000	126,000
Investments				
Total Investments at 31 March	(20,000)	(22,000)	(20,000)	(19,000)

- **Expected Movement in Interest Rates (Treasury Management Strategy section 3) -** short term interest rates are not expected to rise until after March 2024 and then will rise slowly in future years. Long term rates for external borrowing are expected to rise slowly during 2021 and after this they will continue to rise slowly in future years.

- **Borrowing & Debt Strategy (Treasury Management Strategy section 4) -** The main aims are:
  - To reduce the revenue costs of debt
  - To manage the Council's debt maturity profile
  - To effect funding at the cheapest cost commensurate with future risk.
  - To forecast average future interest rates and borrow accordingly

- To proactively reschedule debt in order to take advantage of potential savings as interest rates change.
- To manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing.

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

The current investment climate continues to present one over-riding risk consideration, that of counterparty security risk. In order to fully consider counterparty risk factors when selecting investment counterparties, the Council employs the multi-stage formula based creditworthiness methodology provided by the Council's treasury management advisors, Link Asset Services. This methodology, developed by Link, uses credit ratings as the core criteria but also incorporates other market information on a mathematical basis. The methodology is continuously reviewed and changes are made in response to changes made by the credit rating agencies. There haven't been any major changes made to the credit rating methodology since last year's change when any reference to the implied levels of sovereign support (which were phased out last year) were taken out. The current methodology is explained in detail in the Council's Investment Strategy 2021/22 in **Section 5** of **Appendix 3**.

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

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

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

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

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

- Maintenance of a counterparty list with approved credit ratings and time and principal limits

- Regular monitoring of counterparties with the help of the Council's treasury management advisors
- Limits on the amounts on non-specified investments (e.g. over 1 year investments)
- Limits on non-UK counterparties

Risk Benchmarking – The revised CIPFA Code and the CLG Investment Guidance adopted 2nd March 2010 introduced the consideration and approval of security and liquidity benchmarks. The Investment Strategy for 2020/21 includes the following benchmarks for liquidity and security:-

Liquidity – The Council's bank overdraft limit is nil. The Council will seek to maintain liquid short-term deposits of at least £5,000,000 available with a week's notice. The weighted average life (WAL) of investments is expected to be 0.11 years as investments are kept in short term accounts.

Security – the Council's expected security risk benchmark from its budgeted investment strategy is 0.006% historic risk of default when compared to the whole portfolio. This means that the risk amounts to approximately £0.001m on the expected investment portfolio of £22 million.

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

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

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

4.4 Treasury Management Practices

The Council adopted the CIPFA Code of Practice on Treasury Management (revised December 2017) on 2nd March 2010. The Treasury Management Policy Statement was also adopted at this time. The Treasury Management Policy and Practices (TMP's) are updated annually to reflect the Treasury Management Strategy approved by Council and to reflect any changes in staffing structures or working practices of the treasury function and are attached as Appendix 4.

5. Organisational Impacts

5.1 Finance

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

5.2 Legal Implications

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

6. Risk Implications

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

7. Recommendations

7.1 The Executive are recommended to:

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

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

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

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?	4
List of Background Papers:	Medium Term Financial Strategy 2021-26 CIPFA Code of Practice CIPFA Prudential Code Treasury Management Practices
Lead Officer:	Colleen Warren – Financial Services Manager Telephone (01522) 873361

Appendix 1

Prudential Indicators 2020/21 – 2023/24

1.0 Introduction

1.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. The Code sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. The Prudential Code operates by the provision of prudential indicators, which highlight particular aspects of the capital expenditure planning. This report revises the indicators for 2020/21 and details them for 2021/22-2023/24. Each indicator either summarises the expected capital activity or introduces limits upon the activity, and reflects the outcomes of the Council's underlying capital appraisal systems.

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

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

1.4 Within this overall capital expenditure framework there is a clear impact on the Council's treasury management activity, either through increased borrowing levels or the investment of surplus balances. As a consequence the treasury management strategy for 2021/222 (see Appendix 3) includes the expected treasury management activity, together with the 5 specific Prudential indicators and 8 local indicators, which relate to treasury management.

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

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

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

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

2.0 Capital Expenditure Prudential Indicators

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

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

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

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

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

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

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

Indicators 1&2	**2020/21 Revised £'000**	**2021/22 Estimated £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**
Capital Expenditure				
General Fund	5,117	14,393	1,160	948
HRA (including New Build)	19,690	22,491	14,959	12,171
Total Expenditure	**24,807**	**36,884**	**16,119**	**13,119**
Financed by:				
Capital receipts	2,589	4,364	1,925	713
Capital grants & contributions	8,571	4,801	720	740
Depreciation (HRA only)	5,380	9,139	7,941	7,157
Revenue/Reserve Contributions	2,589	7,400	2,425	4,309
Borrowing need	5,679	11,181	3,108	200

3.0 External Debt and Prudence Prudential Indicators

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

3.2 The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought on to the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, they are purely accounting adjustments and include a borrowing facility, so the Council is not required to separately borrow for them. The Council has no such leases within the CFR in 2020/21. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing arrangements.

3.3 Capital Financing Requirement projections are detailed below:

Indicators 3&4	**2020/21 Revised £'000**	**2021/22 Estimated £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**
Capital Financing Requirement				
General Fund	67,906	71,921	68,291	66,750
HRA	66,851	69,189	72,059	72,059
Total CFR @ 31 March	134,757	141,110	140,350	138,809
Net movement in CFR	4,021	6,353	(760)	(1,541)
Actual debt (borrowing & other liabilities)	121,000	129,000	131,000	126,000
Net borrowing need for the year	5,679	11,181	3,108	200
Minimum Revenue Provision (MRP)	(1,508)	(1,456)	(1,726)	(1,741)
Application of Capital Receipts to reduce CFR	(150)	(3,372)	(2,142)	0
Movement in CFR	4,021	6,353	(760)	(1,541)

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

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

Indicator 5	**2020/21 Revised £'000**	**2021/22 Estimated £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**
External Debt				
Gross Borrowing	121,000	129,000	131,000	126,000
Other Long Term Liabilities*				
Total Debt at 31 March	121,000	129,000	131,000	126,000

*Other Long Term liabilities include finance leases

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

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

1. Whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs. Can the Council afford the implications of the capital expenditure?
2. The Government may use a long stop control to ensure that either the total of all the Councils' plans do not jeopardise national economic policies, or in the event of an assessment by Central Government that local plans are unaffordable at a council, it may implement a specific control to limit its capital expenditure plans. No such control has been implemented during 2020/21.

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

3.8 For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and next two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

Indicator 6	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
Gross Borrowing	121,000	129,000	131,000	126,000
Investments	(20,000)	(22,000)	(20,000)	(19,000)
Net Borrowing	101,000	107,000	111,000	107,000
CFR	134,757	141,110	140,350	138,809
Net Borrowing is below CFR	33,757	34,110	29,350	31,809

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

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

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

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). The affordability and sustainability of the borrowing requirement for both have been assessed and can be contained within the Draft MTFS 2020-25. The operational and authorised limits for 2020/21 have been set to allow these.

Indicator 7	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
Authorised Limit				
Borrowing	150,768	158,453	160,738	155,664
Other long term liabilities*	1,380	1,380	1,380	1,380
Total Authorised Limit	**152,148**	**159,833**	**162,118**	**157,044**

Indicator 8	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
Operational Boundary				
Borrowing	135,948	143,633	145,918	140,844
Other long term liabilities*	1,200	1,200	1,200	1,200
Total Operational Boundary	137,148	144,833	147,118	142,044

*Other Long Term liabilities include finance leases

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

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

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

4.0 Affordability Prudential Indicators

4.1 The 8 statutory indicators above cover the overall capital and control of borrowing, but in addition, within this framework, there are further indicators that assess the affordability of the capital investment plans. These indicators provide an indication of the impact of the capital investment plans on the Council's overall finances. For 20/21 and 21/22 the figures used to calculate these indicators have been adjusted to reflect one-off adjustments in respect of business rates as a result of the Covid 19 pandemic. The adjusted calculations are shown below:

Indicators 9 & 10	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
General Fund	22.0%	26.7%	30%	28.2%
HRA	31.6%	30.8%	29.9%	29.1%

Appendix 2

Minimum Revenue Provision (MRP) Policy

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

1.1 MHCLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. A variety of options are provided so long as there is a prudent provision. The MRP policy takes into account recent changes to guidance issued by MHCLG.

1.2 Members are recommended to approve the following MRP Statement:

For capital expenditure incurred:

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

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

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

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

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

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

Appendix 3

Treasury Management Strategy 2021/22

1.0 Introduction

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

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

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

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

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

2.0 Debt and Investment Projections 2020/21 – 2023/24

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

	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
External Debt				
Debt at 1 April	120,000	121,000	129,000	131,000
Expected change in debt	1,000	8,000	2,000	(5,000)
Debt at 31 March	121,000	129,000	131,000	126,000
Operational Boundary (debt only)	135,948	143,633	145,918	140,844
Investments				
Total Investments at 31 March	20,000	22,000	20,000	19,000
Investment change		2,000	(2,000)	(1,000)

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

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

	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
Revenue Budgets				
Total interest payable on borrowing	3,903	3,975	4,085	4,055
Related HRA charge	(2,441)	(2,500)	(2,550)	(2,535)
Net General Fund interest payable	1,462	1,475	1,555	1,555
Total investment income	64	27	24	34
Related HRA income share	(20)	(9)	(5)	(6)
Net General Fund income	41	18	19	28

3.0 Prospects for Interest Rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Link central view and paragraph 3.1 gives Link's view on economic prospects.

Annual Average %	Bank Rate	PWLB Rates*		
		5 year	25 year	50 year
March 2021	0.10	0.80	1.50	1.30
March 2022	0.10	0.90	1.60	1.40
March 2023	0.10	0.90	1.70	1.50
March 2024	0.10	1.00	1.80	1.60

* Borrowing Rates

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 5th November, although some forecasters had suggested that a cut into negative territory could happen.

However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

4.0 The Council's Borrowing and Debt Strategy 2021/22

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

4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances as follows.

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

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

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

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

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

4.8 During the next MTFS period borrowing is planned for the HRA investment programme.

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

5.0 The Council's Investment Strategy 2021/22

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

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

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

In line with this aim, the Council will ensure:

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

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

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

5.2 Risk benchmarking

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

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

5.4 Security

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

- 0.006% historic risk of default when compared to the whole portfolio.

5.5 Liquidity

In respect of this area the Council seeks to maintain:

- Bank overdraft - £nil.
- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.11 years.

5.6 Yield

Local measure of yield benchmark employed is:

- Investments – return above the 7 day LIBID rate – The provision of LIBOR and associated LIBID rates is expected to cease at the end of 2021. It will work with its advisors in determining suitable replacement investment benchmark(s) ahead of this cessation and will report back to members accordingly.

5.7 Investment Counterparty Selection Criteria

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

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

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

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

Council may use rather than defining what its investments are.

5.9 Following the reductions to the Council's grant funding settlement and ongoing financial pressures, the identification of savings and income generation are critical to the delivery of the Medium Term Financial Strategy. Treasury Management is an important area for further income generation and therefore, the main theme of the Council's investment strategy must continue to be to maximise interest from investments, after ensuring adequate security and liquidity. The Investment Strategy 2021/22 seeks to achieve this objective by establishing a pool of counterparties available for investment whilst still containing overall risk within acceptable levels.

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

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

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

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

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

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

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

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

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

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

The credit ratings specified above are defined as follows:-

F1 (short term rating) – Highest credit quality

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

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

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

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

5.13 Country and sector considerations

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

- No more than 50% will be placed with any non-UK country at any time (see below).
- Group limits have been set to ensure that the Council is not exposed to excessive risk due to concentration of investments within any one institution or

group. These are detailed in the Investment Counterparty Limits table contained within this appendix.

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

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

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

5.16 Expectations on shorter-term interest rates, on which investment decisions are based, reflect the fact that an increase in the current 0.10% Bank Rate is unlikely until after March 2024. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

5.17 There are operational challenges arising from the ongoing economic conditions. Ideally investments would be invested longer to secure better returns, however shorter dated investments provide better security.

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

5.19 Sensitivity to Interest Rate Movements

The Council's Statement of Accounts is required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 0.5% increase/decrease in the average interest rates for investments for next year. That element of the debt and investment portfolios, which are of a longer term, fixed interest rate nature, will not be affected by interest rate changes. There will be no effect on borrowing costs as all the Council's existing debt is fixed rate and the additional borrowing planned will also be fixed rate and has been included within the budget figures in this report at the forecast rate for 2021/22.

£000	2021/22 Estimated	2021/22 Estimated

	+ 0.5%*	- 0.5%
Revenue Budgets		
Investment income	86,500	0
Related HRA Income	29,500	0
Net General Fund/Other Income	57,000	0

*This assumes that the rise of 0.50% would be reflected in the rates available to invest– in practice a rate rise of 0.50% would not equal an increase in the rates available. As the rates of interest on investments assumed in the MTFS are lower than 0.50% a reduction of 0.50% would result in Nil income.

6.0 Treasury Management Limits on Activity

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

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

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

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

Indicator 11	**2021/22 Target £m**	**2022/23 Target £m**	**2023/24 Target £m**
Upper Limit on variable interest rate exposure	57.6	58.9	56.5

Indicator 12	**2021/22 Target £m**	**2022/23 Target £m**	**2023/24 Target £m**
Upper Limit on fixed interest rate exposure	138.6	142.3	136.5

Indicator 13	2021/22		2022/23		2023/24	
Maturity Structure of fixed borrowing	**Lower**	**Upper**	**Lower**	**Upper**	**Lower**	**Upper**
Under 12 months	0%	40%	0%	40%	0%	40%
12 months to 2 years	0%	40%	0%	40%	0%	40%
2 years to 5 years	0%	60%	0%	60%	0%	60%
5 years to 10 years	0%	80%	0%	80%	0%	80%
10 years and above	10%	100%	10%	100%	10%	100%

Indicator 14	2021/22 £m	2022/23 £m	2023/24 £m
Maximum principal sums invested for longer than 1 year	5	5	5

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

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

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

*See paragraph 5.6 above

6.5 The 8 indicators are shown below:

	2021/22 Target	2022/23 Target	2023/24 Target
Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year) *	Less than 7 day LIBOR	Less than 7 day LIBOR	Less than 7 day LIBOR

*See paragraph 5.6 above

	2021/22 Target	2022/23 Target	2023/24 Target
Investment rate achieved*	Greater than	Greater than	Greater than

	7 day LIBID	7 day LIBID	7 day LIBID

*See paragraph 5.6 above

	2021/22 Target	2022/23 Target	2023/24 Target
Average rate of Interest Paid on Council Debt (%)	4.25%	4.25%	4.25%

	2021/22 Target	2022/23 Target	2023/24 Target
Interest on Debt as a % of Gross Revenue Expenditure	4.4%	4.7%	4.5%

	2021/22 Target	2022/23 Target	2023/24 Target
Upper Limit on fixed interest rate Investments	100%	100%	100%

	2021/22 Target	2022/23 Target	2023/24 Target
Upper Limit on fixed interest rate debt	100%	100%	100%

	2021/22 Target	2022/23 Target	2023/24 Target
Upper Limit on variable interest rate investments	75%	75%	75%

	2021/22 Target	2022/23 Target	2023/24 Target
Upper Limit on variable interest rate debt	40%	40%	40%

6.6 **Treasury Management Advisers**

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

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

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

6.7 **Member and Officer Training**

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

This Council has addressed this important issue by:

- Member Training – Our treasury management advisers provided training to the Audit Committee prior to the consideration of this year's strategy. They also provided training to the Performance Scrutiny Committee to support their consideration of the mid-year report. The training needs will be regularly reviewed and updated as necessary in 2021/22.
- Staff Training – training needs for staff engaged in treasury management are addressed through the appraisal process. Training is provided both by the Council's treasury management advisers, other external providers and internally. In addition, the Council encourages staff engaged in treasury to undertake a professional accountancy qualification and ensures that the day-to-day trading is overseen by a professionally qualified accountant following the CIPFA Code of Practice.

7.0 Breakdown of Investment Categories with Maximum Amounts and Periods

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

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

Investment Counterparty Limits

Institution	Minimum credit criteria/colour band	Maximum limit per group or institution £ million	Maximum maturity period
SPECIFIED INVESTMENTS			
UK Bank *1	Orange/Blue Red Green	£7 million	1 year 6 months 100 days
Non-UK Banks*1 Sovereign rating AA	Orange Red Green	£7 million	1 year 6 months 100 days
Building Society*2	Orange Red Green	£5 million	1 year 6 months 100 days
Money Market Fund*3	Yellow	£7 million	Liquid
UK Government*4	Yellow	unlimited	6 months
UK Local Authority*4	Yellow	£3 million	1 year
NON-SPECIFIED INVESTMENTS			
UK Bank*1	Purple	£7 million	2 years
Non-UK Banks*1 Sovereign rating AA	Purple	£7 million	2 years
Building Society*2	Purple Yellow	£2 million	2 years 5 years
UK Local Authority*4	Yellow	£3 million	5 years
Lincoln Credit Union	N/A	£10K	N/A
Council's own bank*5 (operational cash limit in addition to the investment group limit)	N/A	£500K	Overnight

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

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

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

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

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

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

Approved Investment Instruments

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

Instruments of Specified Investments *1

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

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

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

Instruments of Non-Specified Investments *2

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

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

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

Security, Liquidity and Yield benchmarking

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

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

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

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

- Investments – Internal returns above the 7 day LIBID rate- see paragraph 5.6 above.

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

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

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

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

- WAL benchmark is expected to be 0.11 years.
- Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poor's). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy.

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

- 0.006% historic risk of default when compared to the whole portfolio which equates to a potential loss of £1,320 on an investment portfolio of £22m. In addition that the security benchmark for each individual year is:

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

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

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Item No. 6

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**FINANCIAL PERFORMANCE – QUARTERLY MONITORING**
DIRECTORATE:	**CHIEF EXECUTIVE & TOWN CLERK**
REPORT BY:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 To present to Executive the third quarter's performance (up to 31st December), 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. Whilst quarterly performance reporting for the third quarter has been paused in light of the Covid19 pandemic response, due to the challenging financial circumstances the Council currently faces it has been necessary to continue work on reporting the latest financial position.

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 and Q2, in order to maintain a balanced budget for 2020/21. Many of the applied budget changes are temporary changes for this financial year; with the impact on future years budgets and the MTFS considered in a separate report.

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 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£3.048m 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. These measures, approved at Q1, will allow the Council to be able to continue to deliver its critical services and to ensure its 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 31st December), the forecast financial position of the Council for 2020/21 is:

	2020/21		
	Budget **£'000**	**Forecast @ Q3 £'000**	**Variance @ Q3 £'000**
Revenue Accounts			
General Fund – Contribution to/(from) balances	286	409	(123)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	75	(697)	(772)
Housing Repairs Service	0	(205)	(205)

Capital Programmes			
General Investment Programme	16,430	5,117	(11,313)
Housing Investment Programme	28,505	19,690	(8,815)
Reserves & Balances			
General Fund Balances	2,522	2,645	(123)

HRA Balances	921	1,693	(772)
HRS Balances	0	(205)	(205)
General Fund Earmarked Reserves	6,513	11,586	18,099
HRA Earmarked Reserves	1,403	(33)	1,370

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 underspend of £122,723 (appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,645,911 (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 Covid19 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	610
Income losses as a result of Covid19	6,305
Income Compensation Scheme	(3,048)
Government Grants (Covid19, Rough Sleeping, New Burdens, Test & Trace support and Compliance & Enforcement).	(2,283)
Measures approved at Q1 (budget review, furlough, review of capital, increased TFS)	(1,898)
Coronavirus Job Retention Scheme (in addition to Q1)	(84)
2020/21 national pay award implications	110
Covid19 Grant - Contribution to reserves for use in future years (approved at Q2)	622
Net other variances	(458)
Overall forecast budget shortfall/(surplus)	**(123)**

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 pandemic, 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** – During the first national lockdown 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. Although some of these cells have not been required during subsequent tiers restrictions and lockdowns the support to businesses and distribution of central government grants is still an ongoing area of work.

- **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 though 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** – Whist the majority of Council officers are 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 has to ensure that sufficient measures are in place to protect both the officers as well as service users. The Council must ensure that it's offices and buildings meet the COVID secure status which has required additional cleaning regimes, physical changes to public spaces, signage etc. and that the officers and service users are sufficiently protected through the use of PPE and other measures whilst services are being delivered.

- **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 initial 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 and ensuing compliance and assurance monitoring during the latest restrictions.

- **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, additional investment in IT capabilities.

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 £0.610m 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 the further national lockdown and tier systems have resulted in income levels being still significantly below budgeted levels, with losses of a further £1.881m in June - December. With a current national lockdown now in place until at least early March this has further exacerbated losses. Based on a range of assumptions it is anticipated that further income losses of £1.136m can be expected during the final quarter of the year, taking total forecasted losses to £4.054m.

- **Development Management, Land Charges & Building Control** – income levels for these service areas have fallen by 40% over the first two quarters, and whilst quarter three saw a significant improvement with income at almost 90% of normal levels, the new lockdown measures introduced in January are expected to impact on this with income estimated to remain at around 60% of normal levels for the final quarter 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 third 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 brief 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 £602,840, a net loss of £48,360.

- **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 have now faced further closures with the latest national lockdown. 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 £568k are predicated over the year, a total loss of income of approx. 23% 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 for the majority of the year the Council has been unable to progress on Council Tax and Business Rate arrears through the court system as usual and has subsequently generated significantly less 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, 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 for the first three quarters of 2020/21 along with estimates for the final quarter, based on a 'most likely scenario' of what the income losses are forecasted to be over the reminder of the year. Actual income continues to be closely monitored alongside performance/usage information.

Income Area	**2020/21 Budget £'000**	**2020/21 Income Loss Q1-Q3 £'000**	**2020/21 Forecast Income Loss Q4 £'000**	**2020/21 Total Forecast Income Loss £'000**
Car Parks	5,996	2,918	1,136	4,054
Hartsholme Country Park	75	49	0	49
Leisure Services	85	64	21	85
Community Centres & Rec Grounds	81	61	20	81
Visitor Information Centre	146	80	37	117
Development Management	420	85	45	130
Land Charges	127	24	10	34
Building Control	211	63	24	87
Licensing	126	15	3	18
Hackney Carriages & Private Hire	122	23	15	38
Enforcement Officer	25	18	6	24
Public Conveniences	32	11	4	15
Fairs & Circuses	18	13	2	15
Christmas Market	651	651	0	651
Bus Station	133	33	13	46
Markets	219	34	11	45
Lincoln Properties	1,988	459	109	568
The Terrace	272	34	11	45
Court Cost Income - CT	310	114	38	152
Treasury Investment Income	89	0	50	50
Total Income at risk	**11,127**	**4,749**	**1,555**	**6,305**

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£3.052m of lost income will be compensated for.

- Targeted grants to cover specific costs pressures and new burdens arising during Covid19, for the Council these include:
  - New Burdens: Business Support Grants - £188,500
  - New Burdens: Business Rate Reliefs - £25,739
  - Rough Sleepers - £82,276 (offsets direct expenditure)
  - Test & Trace Outbreak Prevention (ringfenced) - £22,693 (offsets direct expenditure)
  - Compliance and Enforcement (ringfenced) - £58,022 offsets direct expenditure)
  - Test & Trace Support Payments Administration - £29,142

The total of this package of financial support is currently estimated to be £5.331m which still leaves the General Fund facing a budget shortfall of £1.584m, 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. Further to these measures being approved additional income through continued access to the CRJS has resulted in income of £84k.

3.11 As previously reported, although the measures taken were primarily one-off opportunities and not ongoing reductions in services they have, in some circumstances, led to reduced service standards and performance during 2020/21 as recruitment activity was restricted, expenditure budgets reduced and staff were placed on furlough for period of time.

3.12 These measures taken now exceed the current forecast shortfall of £1.584m, arising due to Covid. This allowed, at quarter 2, the recommendation that the 4th tranche of Covid19 funding from Central Government of £622k to be contributed to an earmarked reserve to be used to offset budget pressures in future years arising from the legacy impacts of Covid (subject to the final outturn position). At this stage, after allowing for this proposed transfer to reserves, the forecast position on the General Fund is an underspend, however this is based on a number of assumptions which may change over the course of the next 3 months dependent on continued impact of the current national restrictions. At this stage no further measures are yet required, and subject to the final outturn position it will be recommended that any budget underspend be allocated to the Covid19 earmarked reserve to provide further resilience against future fluctuations in income and expenditure.

3.13 **Contributions to/from Earmarked Reserves**

Included in the forecast outturn underspend of £157,723 is the following proposed additional contribution to earmarked reserves:

Directorate	**Reserve**	**Amount £**
DCE	Active Nation Bond Reserve – contribution to a new reserve fund	(83,000)
	Total additional reserve contribution required:	**(83,000)**

3.14 In addition to the above, the forecast outturn also includes the following carry forwards, requested to be transferred into an earmarked reserve to offset expenditure next financial year, as follows:

Directorate	Reason for Carry Forward	Amount £
CX City Solicitor	Municipal Elections – roll over of budget associated with the election now deferred to 21/22	(49,000)
CORP	New Burdens Grant – carry forward funding to support ongoing administration costs in 21/22	(35,000)
	Total additional reserve contribution required:	**(84,000)**

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

3.15 **Towards Financial Sustainability Programme**

The savings target included in the MTFS for 2020/21 was originally £500,000, this was increased by £50,000 as part of the budget measures approved at quarter one. Progress against this target, based on quarter 3 performance shows that secured savings total £559,070. This results in an over achievement of the increased target in 2019/20 by £9,070. A summary of the specific reviews that have contributed to this target are shown in Appendix N.

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 £772,391 underspend, which would increase the General Balances to £1,693,462 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	77
Income losses as a result of Covid19	458
Reduced repairs and maintenance expenditure	(605)
Measures approved at Q1 (budget review, furlough)	(369)
ToFS Savings	(44)
Coronavirus Job Retention Scheme (in addition to Q1)	(61)
2020/21 national pay award implications	46

Increased rental income arising from Buy-Backs	(130)
HRS Repatriation	(69)
Net other variances	(76)
Overall forecast budget surplus	**(772)**

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 pandemic, 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** – Whist the majority of Council officers are 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 has to ensure that sufficient measures are in place to protect both the officers as well as service users. The Council must ensure that it's offices and buildings meet the COVID secure status which has required additional cleaning regimes, physical changes to public spaces, signage etc. and that the officers and service users are sufficiently protected through the use of PPE and other measures whilst services are being delivered.

4.6 The more significant pressure facing the HRA is in relation to its 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), as at the end of December arrears are £1.131m. 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 its housing tenants with the aim of keeping arrears as low as possible.

- **Housing Voids** – during the period of the initial 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. Although the restrictions of the first lockdown have reducing the Council is still experiencing a higher than average level of voids due to social distancing 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 earnt on new investments will fall away.

- **Court Cost charges** – as a result of the initial closure of the Court service the and limited court time since reopening, 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 20201/21 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 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 3 months and could alter 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 3 HRS are forecasting a surplus of £204,670 in 2020/21 (appendix E provides a forecast HRS Summary), with full details of the main variances provided in appendix F. However, as with the General Fund and HRA this forecast is based on a number of assumptions which, due to uncertainties related to Covid19, may change during the next three months. In addition, there has been a delay in undertaking the internal billing process which provides a further level of uncertainty to the forecast position.

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	**Budgeted Contribution**	**Actuals Q1-Q3**	**Forecast Q4**	**Forecast Balance**
	01/04/20				**31/03/21**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
General Fund	6,513	(460)	(133)	12,179	18,099
HRA	1,403	(34)	0	0	1,370
Capital Resources	19,490	14,148	0	(19,210)	14,428

6.2 In addition to the proposed transfers to General Fund earmarked reserves, as set out in paragraphs 3.13 and 3.14 it is also proposed that there is a transfer between existing earmarked reserves. It is proposed that £200,000 is transferred from the Vision 2025 reserve into the Invest to Save reserve in order to resource upfront costs required to the deliver the Towards Financial Sustainability target. Delivery of the target is a key element of Vision 2025 and this resource will allow upfront, one-off costs to be funded enabling ongoing reductions in the Council's net cost base to be achieved.

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 £15.6m which was increased to £16.4m following quarter 4 approvals and year end re-profiles from 2019/20. At quarter 2 the programme was reduced to £11.1m and at quarter 3 the programme has been reduced by a further £5.987m to £5.117m, as shown below:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Revised budget Q2 Report	11,104	10,971	1,160	948	500
Budget changes for approval	(5,987)	3,423	0	0	0
Revised Budget	**5,117**	**14,394**	**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. The following budget changes/re-profiles were approved by the Chief Finance Officer during the third quarter:

Approved by Chief Finance Officer	**2020/21**	**2021/22**
	£'000	**£'000**
Planned Capitalised Works (reallocate to schemes)	(56)	0
Play Area Surfacing Works	12	0
Monks Abbey Bowls Pavilions External works	9	0
Guildhall Walkway/ Access Improvements.	11	0
Grandstand Terracing Improvements	13	0
West Common External Rendering Improvements	5	0
City Hall Lightning Protection	6	0
Allotments Asbestos Sheds	(34)	34
City Hall Improvements	(1)	1
Guildhall Works	(18)	18
Stamp End Demolition	(139)	139
Greyfriars Roof Improvements	(4)	4
City Hall 3rd Floor Fire Works	(5)	5
Housing Renewal Area		(10)
Western Growth Corridor	(600)	600
	(801)	**791**

7.4 All changes over the approved limit require approval by the Executive. There was one change requiring Executive approval for the third quarter resulting from notification of additional grant funding.

	2020/21
	£'000
Disabled Facilities Grant	101
	101

In addition a report appears elsewhere on the Executive agenda to consider changes to the Crematorium Scheme, which will result in the following changes which have been reflected in the General Investment Project above:

	2020/21	2021/22
	£'000	**£'000**
Crematorium	(4,700)	2,500
Capital Contingencies	(640)	**0**
	5,340	**2,500**

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

During the third quarter the following scheme was added to the GIP, having been previously considered by the Executive pending confirmation of external grant funding:

	2020/21	2021/22
	£'000	**£'000**
Re-imaging Greyfriars: Development Phase (approved Exec 28/10/19)	53	132
	53	**132**

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

	2020-21 Budget following Q2 report	Revised Budget	Forecast Outturn	Variance
	£'000	**£'000**	**£'000**	**£'000**
Active Programme				
Housing & Investment	50	50	50	0
Communities & Environment	2,657	3,008	3,008	0
Chief Executive	709	588	588	0
Major Developments	7,577	1,400	1,400	0
Total Active Schemes	**10,993**	**5,046**	**5,046**	**0**
Schemes on Hold/Contingencies	5,437	71	71	0
Total Capital Programme	**16,430**	**5,117**	**5,117**	**0**

7.7 The overall spending on the General Investment Programme for the first three quarters of 20/21 is £0.885m, which is 17.5% of the 2020/21 programme and 17% of the active programme. This is detailed further at Appendix J.

Although this is low percentage of expenditure at this stage of the financial year, works have been constrained by the national lockdowns as well as the diversion of internal resources to focus on the Covid19. The majority of schemes have recommenced either on site or in terms of their development stages; a further £384k has been spent since the end of quarter 3. Further expenditure is expected in quarter 4 on Disabled Facilities Grants, Car Park Ticket Machines, Boultham Park Lake, the Towns Fund, Western Growth Corridor, HAZ Scheme and various capitalised maintenance schemes.

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. As at quarter 2 the budget was revised to £22.3m and has been further adjusted by £2.6m to £19.7m at quarter 3. 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 Q2 Report	22,286	21,462	14,887	11,382	10,769
Budget changes to be approved during Q3	(2,596)	1,029	72	122	33
Revised Budget	19,690	22,491	14,959	11,504	10,802

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. Changes approved by the Chief Finance Officer during the third quarter were:

Budget movements approved by Chief Finance Officer	**2020/21 Budget Following Q2 report**	**Budget increase/ (reduction)**	**Budget to be Approved**	**Reprofile to/(from) future years**
Decent Homes	**£’000**	**£’000**	**£’000**	**£’000**
DH Central Heating Upgrades	1,729	(104)	1,625	104
Thermal Comfort Works	30	(25)	5	25
Rewiring	29	(10)	19	10
Re-roofing	196	(136)	60	136

Lincoln Std Windows Replacement	600	(450)	150	450
Structural Defects	52	(47)	5	47
Door Replacement	608	(528)	80	528
New services	28	(20)	8	20
Fire doors	239	(189)	50	189
Fire compartment works	40	(20)	20	20
Total Decent Homes	**4,886**	**(1,530)**	**3,356**	**1,530**
Lincoln Standard				
Over bath showers (10 year programme)	200	(100)	100	100
Total Lincoln Standard	**200**	**(100)**	**100**	**100**
Health & Safety				
Asbestos Surveys	190	(100)	90	100
Replacement Door Entry Systems	56	(56)	0	56
Total Health & Safety	**246**	**(156)**	**90**	**156**
Other				
Environmental new works	500	(350)	150	350
HRA Assets (Shops/Buildings	43	(23)	20	23
Communal TV Aerials	20	(20)	0	20
Total Other	**563**	**(393)**	**170**	**393**
Other Schemes				
Housing Sup Serv Computer Fund	231	(231)	0	231
Total Other Schemes	**231**	**(231)**	**0**	**231**
Land Acquisition				
Land Acquisition fund	95	(95)	0	95
New Build Programme				
New Build (Markham House	510	17	527	0
Unallocated new build budget	1,330	(1,330)	0	1,330
	510	**(1,314)**	**527**	**1,330**
Total budget movements approved by Chief Finance Officer	**6,731**	**(3,818)**	**4,243**	**3,835**

7.11 All changes over the approved limit require approval by the Executive. The following changes require Executive approval for the second quarter:

Project Name	2020/21 Budget Following Q2 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Decent Homes				
Bathrooms & WC's*	266	134	400	0
Kitchen Improvements*	461	89	550	0
Contingency Schemes				
Contingency Reserve	500	(500)	0	(277)
Total budget movements to be approved by Executive	**1,227**	**(277)**	**950**	**(277)**

*Indicates budget taken from contingency reserve with balance re-profiled into future years

7.12 New projects agreed at Capital Programme Group are subject to Executive Approval. The following project was approved by Executive in quarter 3.

	2020/21
	£'000
Next Steps Accommodation Project (approved Executive 26/10/2020)	1,499
	1,499

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

	2020/21 Budget Following Q2 report	Revised Budget	Forecast Outturn	Variance
	£'000	**£'000**	**£'000**	**£'000**
Decent Homes/ Lincoln Standard	5,813	4,406	4,406	0
Health and Safety	470	314	314	0
Contingent Major Repairs/ Works	500	0	0	0
New Build Programme	14,124	14,310	14,310	0
Land Acquisition Fund	95	0	0	0
Other Schemes	763	370	370	0
Computer Fund	521	290	290	0
Total Capital Programme	**22,286**	**19,690**	**19,690**	**0**

7.14 Expenditure against the HIP budget to the third quarter was £10.206m, which is 52% of the revised programme. A further £1.8m has been spent as at the end of January 2021. 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, works have been constrained by the national lockdowns 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 re-profiled into future years 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.

The Budget 2021/22 and MTFS 2021-2026 will be presented to the Executive on 22nd February 2021 for referral to Full Council. 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

10.0 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

Executive are recommended to:

11.1 Review the financial performance for the period 1st October to 31st December 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 contributions to earmarked reserves as set out in paragraph 3.13 and 3.14.

11.4 Review the proposed transfer between earmarked reserves as set out in paragraph 6.2.

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 to the Housing Investment Programme as detailed in paragraphs 7.11.

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?	Fourteen
List of Background Papers:	MTFS 2020-2025
Lead Officer:	Jaclyn Gibson, Chief Finance Officer Telephone (01522) 873258

Appendix A

GENERAL FUND SUMMARY - AS AT 31 DECEMBER 2020

	Ref	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Strategic Development	A	1,643	1,745	102
Chief Finance Officer (S. 151)	B	(703)	41	744
City Solicitor	C	1,374	1,295	(79)
Housing	D	902	889	(13)
Growth & Regeneration	E	0	0	0
Director of Major Developments	F	480	486	6
Communities and Street Scene	G	3,354	4,680	1,326
Health & Environmental Services	H	(12)	384	396
Planning	I	844	921	77
		7,883	**10,441**	**2,558**
Corporate Expenditure	J	1,782	1,674	(108)
TOTAL SERVICE EXPENDITURE		**9,665**	**12,115**	**2,451**
Capital Accounting Adjustment	K	3,038	3,045	7
Specific Grants	L	(1,393)	(2,648)	(1,255)
Contingencies	M	1,385	69	(1,317)
Savings Targets	N	9	0	(9)
Earmarked Reserves	O	(73)	11,586	11,659
Insurance Reserve	P	45	45	0
TOTAL EXPENDITURE		**12,677**	**24,213**	**11,536**
CONTRIBUTION TO BALANCES		**286**	**409**	**123**
NET REQUIREMENT		**12,963**	**24,622**	**11,659**
Retained Business Rates Income	Q	5,823	17,383	11,559
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	7,015	100
TOTAL RESOURCES		**24,622**	**24,622**	**11,659**

Appendix B

General Fund Forecast Variances - Quarter 3

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

Ref	Additional Expenditure	£	Reason for variance
B	Buildings Cleaning/City Hall	45,501	Additional costs of enhanced cleaning regimes and other Covid secure buildings measures (offset by reduced expenditure below).
B	Property Management	68,680	Agency costs incurred to cover vacant post and consultancy fees for asset appraisals/schemes.
B	Financial Services	30,420	Agency costs incurred covering vacant posts.
C	Representation of the People Act	33,910	Increased postage/printing costs as a result of Covid restrictions.
D	Rough Sleeping	93,690	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.
D	Control Centre	26,330	Additional costs due to overtime cover for sickness/holiday/Covid.
D	Housing Solutions	27,140	Agency costs incurred covering vacant posts.
G	Service Contracts	191,640	Potential further claims arising from contractors following new lockdown closures and impact on profit/loss sharing agreements.
G	Health & Safety	30,771	Additional staffing requirements to support testing, tracing, outbreak planning and support to businesses (partially offset by funding from Government)
G	Health & Safety	58,020	Additional costs incurred relation to compliance and enforcement (Covid marshalls) (offset by Government grant).
I	Corporate Services	23,740	Anticipated share of LGR Consultancy Fees
M	Annual vacancy savings target	72,680	Vacancy savings target, offset by vacancies within service areas.

Ref		£	Reason for variance
	Reduced Income		
A	Land Charges	33,858	Anticipated shortfall in income due reduced demand during lockdown (offset by £10,858 SFC Income Compensation below).
B	The Terrace	60,820	Reduction in Rental & Fees & Charges income as a result of Covid-19 and lower occupancy levels (offset by reduced expenditure below).
B	Lincoln Properties	593,610	Reduction in rental income as a result of Covid, including impact of CVA for Travelodge.
B	Council Tax	152,350	Expected reduction in court cost income due to closure of courts as a result of Covid.
B	Treasury Investment Income	49,990	Expected reduction in interest received due to lower base rate.
F	Car Parks	4,053,960	Anticipated loss of income following Covid lockdown and ongoing impact of local economic recovery (offset by £2,713,000 SFC Income Compensation detailed below).
F	Bus Station	75,470	Reduction in departure fees due to reduced service levels during Covid and recovery period and a reduction in Rental income due to unoccupied office space (offset by £29,500 SFC Income Compensation detailed below).
F	Hartsholme Country Park	49,220	Reduction of income due to park and camp site being closed during lockdown periods (offset by £30,565 SFC Income Compensation detailed below).
G	Enforcement Officer	23,880	Anticipated shortfall of income following Covid disruption (offset by £8,460 SFC Income Compensation detailed below).
G	Visitor Information Centre	106,000	Loss of income at VIC due to Covid closure and impact on footfall and tourism during periods open (offset by £14,560 SFC Income Compensation detailed below).
G	Markets	44,290	Reduction in stall licence fee income as a result of Covid and lower occupancy levels (offset by £23,830 SFC Income Compensation detailed below).
G	Xmas Market	651,200	Loss of income from cancellation of 2020 Xmas Market (offset by reduced expenditure below).

Ref		£	Reason for variance
G	Yarbrough/Birchwood Leisure Centres	107,660	Loss of swimming and pitch income due to closure of centres during to lockdown and ongoing impact of social distancing (offset by £60,580 SFC Income Compensation detailed below).
G	Community Centre & Recreational Grounds	80,990	Loss of income due to ongoing closure of centres and reduction in demand at recreational grounds (offset by £7,210 SFC Income Compensation detailed below).
H	Building Control	83,740	Fees and charges losses anticipated following Covid and subsequent impact on local economy and market conditions (offset by £55,460 SFC Income Compensation detailed below).
H	Development Control	130,470	Fees and charges losses anticipated following Covid and subsequent impact on local economy and local development (offset by £62,120 SFC Income Compensation detailed below).
	Reduced Expenditure		
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	City Hall	(30,370)	Reduced premises running costs as a result of lower occupancy during Covid restrictions.
B	The Terrace	(45,650)	Underspend on Direct Business Rates and Utilities as a result of lower occupancy levels due to the ongoing impact of covid restrictions.
C	Civic	(27,130)	Underspend due to a reduction in civic activities as a result of ongoing Covid restrictions.
C	CoLC Apprentices	(58,660)	Underspend due to a reduced number of Apprentices this year, average 11 out of 20 budgeted FTE.
D	Rough Sleepers	(60,009)	Salary savings due to vacant posts.
F	Bus Station	(50,750)	Underspend on repairs and maintenance requirements, potential to contribute to Bus Station Sinking Fund subject to year(end outturn.
F	Public Conveniences	(34,250)	Underspend due to vacant post and reduced overtime due to closure of toilets and reduced usage during Covid restrictions.

Ref		£	Reason for variance
G	Xmas Market	(602,840)	Savings arising from non(delivery of 2020 Christmas Market (offsets income losses above, net effect £48,360).
G	Community Centre & Recreational Grounds	(22,980)	Underspend on utilities & cleaning costs due to ongoing closure of centres and reduction in demand at recreational grounds (offsets income losses above).
G	Visitor Information Centre	(21,467)	Reduced costs at VIC due to Covid closure and impact on footfall and tourism during recovery (offsets income losses above).
G	Markets	(22,320)	Vacancy savings and reduced running costs (offsets income losses above).
H	Development Control	(28,470)	Vacancy savings.
	Additional Income		
B	City Hall	(81,650)	Increased rental and service charge income from existing tenants requirements for out of hours working .
B	Test & Trace Support	(29,140)	New Burdens funding to compensate for work associated with administering the Test & Trace Support Payment grants.
B	Industrial Estates	(25,960)	Increased rental income following in year rent reviews.
D	Rough Sleepers	(82,280)	Grant received in respect of increased rough sleeping costs as a result of Covid(19 measures (additional expenditure set out above)
G	Health & Safety	(58,020)	Ring fenced Government grant for Local Authority Compliance and Enforcement, offset by additional expenditure above.
G	Health & Safety	(22,693)	Additional funding to resource staffing requirements to support testing, tracing, outbreak planning and support to businesses, offset by additional expenditure above.
I	Corporate Services	(153,500)	New Burdens funding to compensate for work associated with administering the business support grants (total grant £188.5k less proposed £35k carry forward to 2021/22).
L	Contingencies – Income	(38,630)	No asset sales anticipated in year with income losses.

Ref		£	Reason for variance
L	Contingencies – Job Retention Scheme	(83,510)	Anticipated funding through access to Job Retention Scheme, income relates to August to February claims (previous months included in Q1 measures).
L	Contingencies – SFC Income Compensation Scheme	(3,047,700)	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 (offsets income losses detailed above).
L	Government Grant	(1,254,690)	Government funding to offset local authority expenditure pressures arising due to Covid(19 (total grant £1.877m less proposed £622.1k carry forward to 2021/22).

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 31 DECEMBER 2020

	Ref	Revised Budget	Forecast Outturn	Variance
		£'000	**£'000**	**£'000**
Gross Rental Income	A	(28,666)	(28,688)	(22)
Charges for Services & Facilities	B	(306)	(299)	7
Contribn towards Expenditure	C	(50)	(30)	20
Repairs & Maintenance	D	8,959	8,354	(605)
Supervision & Management:	E	6,831	6,884	53
Rents, Rates and Other Premises	F	95	54	(41)
Increase in Bad Debt Provisions	G	297	672	375
Insurance Claims Contingency	H	106	106	0
Contingencies	I	514	0	(514)
Depreciation	J	6,637	6,637	0
Debt Management Expenses	K	12	12	0
HRS Trading (Surplus) / Deficit	L	(136)	(205)	(69)
Net Cost of Service	M	**(5,707)**	**(6,503)**	**(796)**
Loan Charges Interest	N	2,530	2,530	0
Investment/Mortgage Interest	O	(43)	(19)	24
Net Operating Inc/Exp		**(3,220)**	**(3,992)**	**(772)**
Major Repairs Reserve Adjustment	P	3,184	3,184	0
Transfers to/from reserves	Q	111	111	0
(Surplus)/Deficit in Year		**75**	**(697)**	**(772)**

Appendix D

Housing Revenue Account Variances - Quarter 3

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

Ref		£	Reason for variance
	Reduced Expenditure		
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	(61,050)	Anticipated funding through access to Job Retention Scheme, income relates to August to February claims (previous months included in Q1 measures)
D	Repairs & Maintenance	(605,373)	External decoration & painting and asbestos survey savings incurred during lockdown and recovery period.
G	Rent, Rates and Other Premises	(40,771)	Reduction in Council Tax charges due to demolition of empty properties.
	Increased Expenditure		
A	Supplies & Services	60,000	Discretionary housing rent payments due to hardship as a result of Covid-19.
O	Investment Interest	23,120	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 arrears arising due to Covid19.
E	Supervision & Management	53,860	Additional staffing costs due to COVID19.
	Increased Income		
L	HRS Trading Surplus	(68,680)	Estimated surplus as at Q3 from trading activities, see HRS variances for further detail.

Ref		£	Reason for variance
A	Gross Rental Income	(130,000)	Additional affordable and social rental income arising due to an increased number of property buybacks.
	Reduced Income		
A	Dwelling Rents	60,000	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 31 DECEMBER 2020

	Revised Budget	Forecast Outturn	Variance
	£'000	**£'000**	**£'000**
Employees	3,222	2,968	(254)
Premises	40	40	0
Transport	760	761	1
Materials	1,415	1,415	0
Sub(Contractors	1,916	1,916	0
Supplies & Services	218	316	98
Central Support Charges	(137)	(137)	0
Capital Charges	0	0	0
Total Expenditure	**7,434**	**7,279**	**(155)**
Income	(7,434)	(7,484)	(50)
(Surplus)/Deficit	**0**	**(205)**	**(205)**

Housing Repairs Service Variances - Quarter 3

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

	£	Reason for Variance
Reduced Spending		
Employee Costs	(264,150)	Operative/labourer vacancies.
Increased Spending		
Supplies & Services	59,305	Additional equipment hire costs.

EARMARKED RESERVES – Q3 MONITORING 2020/21

	Revised Opening Balance 01/04/2020 £'000	Budgeted Contribution £'000	Actuals Q1-Q3 £'000	Forecast Q4 £'000	Forecast Balance 31/03/2021 £'000
General Fund					
Grants & Contributions	987	(140)	0	(80)	766
Budget Carry Forwards	90	0	69	(9)	150
Active Nation Bond	0	0	83	0	83
Air Quality Initiatives	5	6	0	0	11
Asset Improvement	0	0	0	0	0
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	0	0	11,659	13,646
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	622	1,047
Covid(19 Response	354	0	0	0	354
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
Yarbrough Leisure Centre	0	0	0	0	0
	6,513	**(460)**	**(133)**	**12,179**	**18,099**

Appendix G

	Revised Opening Balance 01/04/2020 £'000	Budgeted Contribution £'000	Actuals Q1-Q3 £'000	Forecast 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	0	0	251
HRA Survey Works	54	(54)	0	0	0
Invest to Save (HRA)	133	0	0	0	133
Stock Retention Strategy	22	(22)	0	0	0
Strategic Growth Reserve	101	0	0	0	101
	1,403	**(33)**	**0**	**0**	**1,370**
Total Earmarked Reserves	**7,916**	**(493)**	**(133)**	**12,179**	**19,469**

Appendix H

CAPITAL RESOURCES – Q3 MONITORING 2020/21

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/21
	£'000	**£'000**	**£'000**	**£'000**
Capital Grants/Contributions	5,225	3,714	(8,570)	369
Capital receipts General Fund	801	100	(266)	635
Capital receipts HRA	1,065	400	(908)	557
Capital receipts 1(4(1	3,280		(1,564)	1,716
Major Repairs Reserve	5,061	6,750	(5,380)	6,431
HRA DRF	4,058	3,184	(2,522)	4,720
Total Capital Resources	**19,490**	**14,148**	**(19,210)**	**14,428**

As the contributions for 1:4:1 receipts depend upon levels of RTB sales, no budget is set for these receipts. Currently the HIP has firm schemes to facilitate use of all 1:4:1 receipts with no repayment required in 20/21. 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.

Appendix I

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 Q2 Report	11,104	10,971	1,160	948	500
Budget changes at Q3	(5,987)	3,423	0	0	0
Revised Budget	**5,117**	**14,394**	**1,160**	**948**	**500**
Approved by Chief Finance Officer					
Planned Capitalised Works	(56)	0	0	0	0
Play Area Surfacing Works	12	0	0	0	0
Monks Abbey Bowls Pavilion External Impments.	9	0	0	0	0
Guildhall Walkway/ Access Improvements.	11	0	0	0	0
Grandstand Terracing Improvements	13	0	0	0	0
West Common External Rendering Improvements	5	0	0	0	0
City Hall Lightning Protection	6	0	0	0	0
Allotments Asbestos Sheds	(34)	34	0	0	0
City Hall Improvements	(1)	1	0	0	0
Guildhall Works	(18)	18	0	0	0
Stamp End Demolition	(139)	139	0	0	0
Greyfriars Roof Improvements	(4)	4	0	0	0
City Hall 3rd Floor Fire Works	(5)	5	0	0	0
Western Growth Corridor (Phase 1 Development)	(600)	600			
Housing Renewal Area		(10)			
Approved During the quarter by Executive					
Greyfriars	53	132	0	0	0
For approval by Executive					
*Crematorium Project	(4,700)	2,500			
*Capital Contingencies	(640)				
Disabled Facilities Grant	101				
*subject to a separate report	**5,987**	**3,423**	**0**	**0**	**0**

Appendix J

General Investment Programme – Summary of Expenditure as at 31st DECEMBER 2020

Scheme	Revised Budget following Q2 report	Budget to be approved	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
ACTIVE SCHEMES					
DCE (Communities & Environment					
Disabled Facilities Grant	1,504,472	1,605,581	373,100	(1,131,372)	23%
Transformation of Birchwood Leisure Centre	30,000	30,000	30,000	0	100%
Artificial Grass Pitches (AGP)	188,301	188,301	99,994	(88,307)	53%
New Software (Crem)	11,375	11,375	6,900	(4,475)	61%
Swift Gardens Play Area	74,200	74,200	74,200	0	100%
-	**1,808,348**	**1,909,547**	**584,194**	**(1,224,154)**	**30.6%**
DCE (Community Services)					
Flood alleviation scheme (Hartsholme Park)	0	0	0	0	0%
Boultham Park Masterplan	49,700	49,700	0	(49,700)	0%
Boultham Park Lake	695,026	695,026	75,081	(619,945)	11%
Allotment Capital Improvement Programme	679	1,059	1,059	0	100%
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%
	838,907	**839,287**	**76,140**	**(763,147)**	**9.07%**
DCE (Planning)					
Heritage Action Zone	260,000	260,000	0	(260,000)	0%
	260,000	**260,000**	**0**	**(260,000)**	**0**
DCE Total	**2,907,255**	**3,008,744**	**660,333**	**(2,247,302)**	**22%**
General Fund Housing					

Appendix J

Housing Renewal Area Unallocated	50,000	50,000	11,888	(38,112)	24%
	50,000	**50,000**	**11,888**	**(38,112)**	**23.78%**
Major Developments					
Lincoln Transport HUB	0	0	(59,202)	(59,202)	0%
Central Markets	0	0	0	0	0%
Western Growth Corridor (Phase 1 Devt)	1,000,000	400,000	3,820	(396,180)	1%
Towns Fund	1,000,000	1,000,000	136,244	(863,756)	14%
	2,000,000	**1,400,000**	**80,862**	**(1,319,138)**	**5.78%**
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)**	**0.00%**
Chief Executives (Chief Finance Officer)					
Planned Capitalised Works	127,759	71,919	0	(71,919)	0%
Allotments Asbestos Sheds	33,795	0	0	0	0%
City Hall Improvements	931	0	0	0	0%
Guildhall Works	17,630	0	0	0	0%
Stamp End Demolition	139,400	0	0	0	0%
Greyfriars Roof Improvements	4,050	0	0	0	0%
City Hall 3rd Floor Fire Works	5,001	0	0	0	0%
Guildhall	609	609	0	(609)	0%
Michaelgate Structural Works	2,283	2,283	0	(2,283)	0%
Play Area Surfacing Works	0	11,639	0	(11,639)	0%
Long Leys Road Drainage	10,438	10,438	0	(10,438)	0%
Lucy Tower Lifts	137,005	137,005	134,980	(2,025)	99%
YLC Diving Boards	42,550	42,550	0	(42,550)	0%
BLC Roof	3,267	3,267	0	(3,267)	0%
The Terrace	0	0	(2,712)	(2,712)	0%

Greetwell Hollow	150,000	150,000	0	(150,000)	0%
Deacon Road	20	20	0	(20)	0%
Brayford Viewing Platform	38,900	38,900	0	(38,900)	0%
Greyfriars	0	53,362	0	(53,362)	0%
Monks Abbey Bowls Pavilions External Works	0	9,061	0	(9,061)	0%
Guildhall Walkway/ Access Improvements.	0	11,219	0	(11,219)	0%
Grandstand Terracing Improvements	0	12,837	0	(12,837)	0%
West Common External Rendering Improvements	0	4,980	0	(4,980)	0%
City Hall Lightning Protection	0	6,104	0	(6,104)	0%
	713,638	**566,193**	**132,268**	**(433,925)**	**23.36%**
TOTAL BUDGET FOR ACTIVE SCHEMES	**5,692,971**	**4,945,906**	**885,351**	**(4,060,554)**	**17.90%**
Schemes Currently Under Review					
Capital Contingencies	640,277	0	0	0	0%
IT Reserve	70,562	70,562	0	(70,562)	0%
Crematorium (remodelling)	4,700,000	0	0	0	0%
	5,410,839	**70,562**	**0**	**(70,562)**	**0.00%**
TOTAL GENERAL INVESTMENT PROGRAMME	**11,103,810**	**5,117,577**	**885,351**	**(4,131,116)**	**17.3%**

Appendix K

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**

Appendix L

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
	£	£	£	£
Decent Homes				
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
*Reroofing	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	(91,653)	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**

Appendix M

Housing Investment Programme – Summary of Expenditure as at 31st December 2020

Housing Investment

Project Name	2020/21 Budget following Q2 report	Q3 Budget Changes	Revised Budget	Actual expenditure as at Q3	Variance	% Spend
Decent Homes						
Bathrooms & WC's	266,011	133,989	400,000	82,280	(317,720)	20.57%
DH Central Heating Upgrades	1,728,972	(103,972)	1,625,000	868,517	(756,483)	53.45%
Thermal Comfort Works	30,000	(25,000)	5,000	1,330	(3,670)	26.60%
Kitchen Improvements	461,147	88,853	550,000	121,086	(428,914)	22.02%
Rewiring	28,791	(10,000)	18,791	2,008	(16,783)	10.69%
Reroofing	196,442	(136,442)	60,000	0	(60,000)	0.00%
Lincoln Standard Windows Replacement	600,000	(450,000)	150,000	0	(150,000)	0.00%
Structural Defects	52,361	(47,361)	5,000	457	(4,543)	9.14%
Door Replacement	608,378	(528,378)	80,000	23,738	(56,262)	29.67%
New services	27,964	(20,000)	7,964	5,657	(2,307)	71.03%
Void Capitalised Works	1,334,628	0	1,334,628	0	(1,334,628)	0.00%
Fire Doors	238,680	(188,680)	50,000	0	(50,000)	0.00%
Fire Compartment Works	40,000	(20,000)	20,000	0	(20,000)	0.00%
Prelim Costs & Exceptionals to be allocated	0	0	0	30,669	30,669	0.00%
Total Decent Homes	**5,613,374**	**(1,306,991)**	**4,306,383**	**1,135,742**	**(3,170,641)**	**26.37%**

Appendix M

Lincoln Standard						
Over bath showers (10(year programme)	200,000	(100,000)	100,000	8,929	(91,071)	8.93%
Total Lincoln Standard	**200,000**	**(100,000)**	**100,000**	**8,929**	**(91,071)**	**8.93%**
Health & Safety						
Asbestos Removal	183,816	0	183,816	89,873	(93,943)	48.89%
Asbestos Surveys	189,885	(100,000)	89,885	33,470	(56,415)	37.24%
Replacement Door Entry Systems	55,890	(55,890)	0	0	0	0.00%
Fire Alarms	40,000	0	40,000	0	(40,000)	0.00%
Total Health & Safety	**469,591**	**(155,890)**	**313,701**	**123,343**	**(190,358)**	**39.32%**
Other						
Environmental works	500,000	(350,000)	150,000	0	(150,000)	0%
2 Gunby Avenue	3,333	0	3,333	0	(3,333)	0%
Communal Electrics	81,150	0	81,150	0	(81,150)	0%
Garages	88,778	0	88,778	0	(88,778)	0%
HRA Assets (Shops/Buildings)	42,962	(22,962)	20,000	0	(20,000)	0%
CCTV	26,685	0	26,685	0	(26,685)	0%
Communal TV Aerials	20,376	(20,376)	0	0	0	0%
Total Other	**763,284**	**(393,338)**	**369,946**	**0**	**(369,946)**	**0.00%**
Contingency Schemes						
Contingency Reserve	500,000	(500,000)	0	0	0	0%
Total Contingency Schemes	**500,000**	**(500,000)**	**0**	**0**	**0**	**0.00%**

Other Schemes						
Housing Support Services Computer Fund	231,156	(231,156)	0	0	0	0%
Operation ROSE	38,611	0	38,611	0	(38,611)	0%
IT Infrastructure Upgrade	251,633	0	251,633	0	(251,633)	0%
Other Schemes	**521,400**	**(231,156)**	**290,244**	**0**	**(290,244)**	**0.00%**

Total Housing Investment	**8,067,649**	**(2,687,375)**	**5,380,274**	**1,268,013**	**(4,112,261)**

Housing Strategy

New Build Programme						
Unallocated New Build	1,330,282	(1,330,282)	0	0	0	0.00%
New Build Programme	3,044,076	16,731	3,060,807	2,486,852	(573,955)	81.25%
Purchase and repair	4,767,233		4,767,233	3,849,805	(917,428)	80.76%
NSAP Properties		1,499,250	1,499,250	80,327	(1,418,923)	5.36%
De Wint Court	4,982,554	0	4,982,554	2,521,460	(2,461,094)	50.61%
Total New Build Programme	**14,124,145**	**185,699**	**14,309,844**	**8,938,444**	**(5,371,400)**	**62.46%**

Land Acquisition						
Land Acquisition Fund	94,689	(94,689)	0	0	0	0%
Total Land Acquisition	**94,689**	**(94,689)**	**0**	**0**	**0**	**0.00%**

Total Housing Strategy	**14,218,834**	**91,010**	**14,309,844**	**8,938,444**	**(5,371,400)**

Total Housing Investment & Strategy	**22,286,483**	**(2,596,365)**	**19,690,118**	**10,206,457**	**(9,483,661)**	**52%**

TFS Phase7 programme: progress at Q3 - 2020/2021

Service	Summary of project	Dir.	Total savings in 2020/21 £000's	GF savings in 2020/21 £000's	HRA savings in 2020/21 £000's	Comments
ACTIONS COMPLETED AS OF END Q3 2020/21						
Waste/Street Cleansing Collection Contract	Agree an extension to current contract	DCE	**160**	**160**	**0**	Approved Exec Feb 2020
Drill Hall Grant	Review payment of the current Drill Hall grant	DCE	**0**	**0**	**0**	Approved Exec Aug 2020 - savings from 2021/22 onwards
One Council review (Year one: 2020/21	Review the way in which the council works – how, where, who and when	CX	**101**	**87**	**14**	Part of a programme of reviews, further work to be undertaken in 2021/22
MFD/Post/Mobile Phones	Minimise use and maximise savings options within these service charges	DHI	**31**	**25**	**6**	Action Completed
Call Monitoring	Reduction in landline calling	DHI	**10**	**7**	**3**	Action Completed
Communities and Street scene (Waste	Remove annual contribution towards a countywide waste officer	DCE	**7**	**7**	**0**	Action Completed
Community Leadership & Sustainability	Replacement of community funds through social value element of contracts	DHI	**5**	**5**	**0**	Action Completed
Housing regeneration	Review of capital element of existing staffing costs	DCE	**66**	**66**	**0**	Action Completed
Property Management	Removal of vacant hours on this service (no longer required	CX	**22**	**19**	**3**	Action Completed

CX Work based Learning	Removal of vacant hours on this service (no longer required	CX	**14**	**14**	**0**	Action Completed
Human Resources & Payroll	Removal of vacant hours on this service (no longer required	CX	**6**	**4**	**2**	Action Completed
Development Control	Removal of vacant hours on this service (no longer required	DCE	**33**	**33**	**0**	Action Completed
City Hall	Income levels achieved (higher than budgeted	CX	**11**	**10**	**1**	Action Completed
Your Lincoln electronic	Replace printed copies of Your Lincoln with an electronic version	CX	**8**	**6**	**2**	Action Completed
Bus station reception desk provision	Temporary contracts not renewed	CX	**20**	**11**	**9**	Action Completed
Managed Workspace	Removal of vacant post as a temporary measure in advance of ongoing consideration.	CX	**41**	**41**	**0**	To be further reviewed in 2021/22 for ongoing saving potential
CoLC Apprentices	Reduction in apprentices as a temporary measure in advance of a wider review of the service.	CX	**18**	**13**	**5**	To be further reviewed in 2021/22 for ongoing saving potential
CX Business Management	Removal of vacant hours on this service (no longer required	CX	**23**	**21**	**2**	Action Completed
Democratic Support	Removal of vacant hours on this service (no longer required	CX	**15**	**15**	**0**	Action Completed
Post Office Payment Cards	Reduce usage over time of post office payment cards	CX	**6**	**5**	**1**	Action Completed

Internal Audit	Removal of vacant hours on this service (no longer required, reduction in audit programme days.	CX	**9**	**7**	**2**	Action Completed
DCE Administration	Removal of vacant hours on this service (no longer required	DCE	**3**	**3**	**0**	Action Completed
TOTAL SAVINGS			**609**	**559**	**50**	

Item No. 7

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**SERVICE DELIVERY DURING OUR COVID-19 RESPONSE**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**HEATHER GROVER – PRINCIPAL POLICY OFFICER**

1. Purpose of Report

1.1 To present to Committee a summary of how services have performed during the pandemic with a focus on quarter three, as well as an indication of plans for future operation.

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 COVID-19 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 produced a combined report for the first two quarters of 2020/21. This gave 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.

2.3 At the end of quarter three we find ourselves in a third national lockdown and therefore it has been agreed to delay the quarter end performance report and follow the pattern for the first half of the year, producing a combined report for quarters three and four following the end of the financial year. However, to ensure members remain informed on service performance we have produced this narrative report, providing a flavour of what services have done over quarter three as well as providing an indication of their plans for the future when restrictions are eased and eventually lifted.

3. Main body of report

3.1 The full report is attached as Appendix A. It provides a narrative summary of performance for quarter three and covers all service areas. It also comments on plans for future in terms of practical service delivery.

3.2 Some limited data is included where it is of particular interest, but generally statistical information will be included in the combined report following the end of quarter four.

3.3 The report focuses on providing a narrative summary of how each service area has been delivering services with restrictions in place, and in particular during quarter three and the current lockdown. Service areas have also provided comment on how they see their services operating in the future, and whether some of the changes made as a result of

COVID-19 might continue after current restrictions are lifted. The first section of the report highlights some of the key opportunities and challenges that have been identified by services.

3.4 The final section of the report provides a brief update on target setting for 2021/22 performance reports.

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 – There are no direct equality implications as a result of this report.

6. Executive is asked to:

6.1 a) Comment on the achievements, issues and any future concerns noted
b) Relevant Portfolio Holders to note progress on the challenge of tackling COVID-19 pandemic and discuss further recovery plans with their Service Leads

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules apply?	No
How many appendices does the report contain?	One - Appendices A
List of Background Papers:	None
Lead Officer:	Heather Grover, Principal Policy Officer, Ext 3326

Service delivery during our COVID-19 response

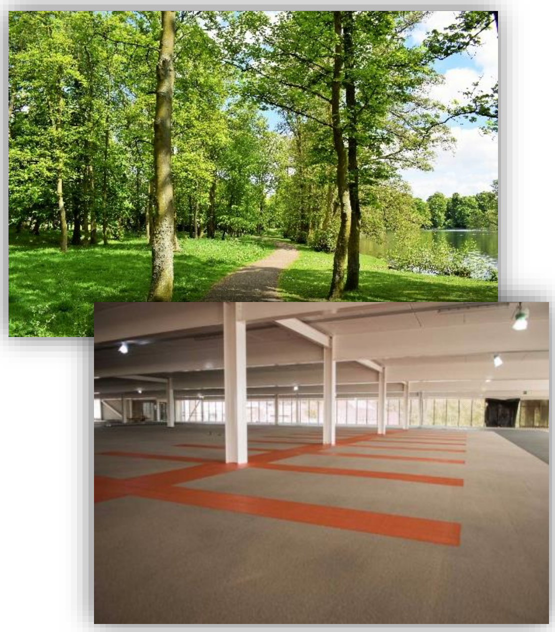
Heather Grover
Principal Policy Officer
February 2021

Contents

Introduction

During the whole of the current financial year measuring performance has been a challenge for the majority of service areas – some services have little or no data to report as they have been closed e.g. Leisure Centres, whilst others have been under extreme pressure to deliver a markedly different service and existing measures have not been applicable, such as Food Health and Safety. It has therefore been agreed to delay Quarter 3 reporting, as was done in Quarter 1, and produce a combined Quarter 3 and Quarter 4 report to capture performance for the second half of the financial year, subject to performance data being available.

Instead of the usual Quarter 3 performance report, this report provides an overview of how services across the council have been operating during the pandemic, with a focus on the period from October, just before the second lockdown. It reports not only on how services have adapted to changes during the ongoing restrictions, but also provides an insight into how services are planning for an easing of restrictions and return to a 'new normal' in the months ahead. Depending on the service offered this might mean a continuance of remote working and ongoing focus on electronic engagement with customers, whilst others will return to something more like the pre-COVID-19 service.



The report has been divided not by directorate, but by the impact of COVID-19 on delivery of the service. It should be noted the sections are only an indication of the impact on service delivery, and for the majority there will be some elements which have continued or been enhanced, whilst other areas have been reduced or closed.

Key Themes Identified

Opportunities

- Virtual and remote working has worked well for most teams
- One Council approach has supported the development of new services in response to COVID-19
- Improvements to processes including new online procedures benefitting both customers and staff
- Efficiencies identified such as virtual meetings reducing travel time and costs.
- More flexibility to include a larger number of people in meetings, from a larger area without constraints typically associated with a physical venue

Challenges

- Virtual and remote working has presented difficulties in training staff in new areas of work, such as Customer Services
- Staff sometimes face difficulties with remote working, such as internet connections and isolation
- The future of services is hard to predict due to the unknown length of restrictions and what impact these may have ongoing

Temporary New Services

Four new temporary services have been set up with the sole purpose of addressing issues relating to the pandemic and looking beyond to the recovery period. All four services have had significant input from several service areas and had been delivered by staff from multiple services across the council, reflecting our One Council approach to the work we do.

Business Support Service

The 'One Council' approach to providing the Business Support Service has involved a dedicated team of staff from across the council. The service was developed at the start of the pandemic to administer the Government's Business Support Grant schemes and to ensure businesses have access to the support and grants they are entitled to, and to enable them to survive. Over the summer grants of £21,315,000 were paid to 1,700 businesses.

Since November the city council has been allocated a further series of funds to support businesses during the national and local restriction period and has now issued 4,235 grants to 935 businesses totalling just over £8.4 million in additional to that paid over the summer.. These grants fall broadly into two categories. The first is mandatory grants for rate-paying businesses mandated to close because of local or national restrictions. These grants are paid on a regular and ongoing basis while restrictions are in place. The second category is discretionary grants which the council is able to administer at its discretion, with a total of £2,868,060 awarded to the city council to administer up to March 2022. Grants must be focussed on providing direct support to businesses and cannot be used for wage top-up. In Lincoln, we have used this funding to support businesses which 'fall through the gaps' of mandatory funding schemes, e.g. closed businesses that do not pay business rates such as B&Bs, or businesses not been mandated to close but which have been severely impacted by the restrictions. We plan to continue to deploy this funding for as long as lockdown or restrictions continue, which will be at least until April 2021.

The service is continuing and is now looking towards providing support to businesses to enable them to be in a good position during the recovery period. In addition to offering continued support with running costs, officers are working on a package of further support to help economic recovery. This is being informed by feedback from businesses and interviews with a wide range of partners and stakeholders. Ideas being considered include a business 'kick-start/revival' scheme to help businesses cover the costs associated diversifying or operating in a Covid-safe way, additional support for the visitor economy sector and high street recovery and opportunities to support start-ups/self-employed, e.g. in the digital sector.
We have also created a dedicated page on our website which provides full details of what each grant is for, as well as links to enable businesses to find the support they need.

Community Help and Befriending Services

Led by the Neighbourhood Team, working closely with colleagues from Corporate Policy, Housing and Democratic Services, with nearly 50 staff right across the council, this new virtual service was set up in March 2020. At the start of the pandemic we engaged with nearly 500 people who required a regular call from a member of staff, this number reduced as restrictions started to ease. Some wished to continue receiving support, so we were able to connect them with existing charitable organisations to continue providing this service. Over 200 positive comments were received in relation to the service.

As a team, we were conscious that many would be struggling following further restrictions introduced towards the end of the year. During December, we contacted those who had chosen not to be connected to an alternative service. Four members of staff made calls to around 80 people to check on their wellbeing and to offer a further call in January as we recognised that this is traditionally a difficult time of year for many people. It was made clear to customers that we were only able to offer this service in December and January.

There are no plans to extend the befriending service and Community Help Signposting is now available through our normal customer services number. We are also organising for useful information on community help to be included in the next edition of Your Lincoln. The team delivering the befriending service no longer meet; however, an evaluation report was completed as we believe that there were many powerful lessons to be learnt from delivering this support. Supporting this service, the Neighbourhood team have also been involved in setting up a Crisis Fund, raising and allocating over £25,000 to help vulnerable residents in need.

Community Testing Service

Using the 'One Council' approach the new Community Testing Team, with staff from Environmental Health, the Neighbourhood Team and Events, as well as the Director for Communities and Environment, have been involved in setting up two testing sites within the city. Whilst the test sites are operated by SERCO everything to do with setting up the sites has been undertaken by the city council involving everything from co-ordinating stewards, signage and leaflet distribution to door knocking. The team has worked hard to engage with members of the local community to promote the community testing sites in Sincil Bank and then Monks Road. This has included working with minority ethnic groups and local organisations including schools. The local knowledge of the Neighbourhood Team was used to identify locations for testing sites and to assist with publicity and the team have also delivered Home Testing Kits to those that are symptomatic who are not able to attend the testing site.

City Centre Recovery Group
This group brings together partners and other sectors to ensure plans are in place to ensure a Covid-compliant city remobilise both the daytime and night-time economies when the time comes. Chaired by the Director of Communities and Environment, it comprises the Police, Lincoln BIG and City of Lincoln Council and includes five representatives from the city council, with a much wider group of services feeding into, and being informed by discussions at, meetings being a further example of our 'One Council' approach to service delivery. Alongside the City Centre Recovery Group, other groups involving specific issues or businesses also meet to progress plans for re-opening. Pubwatch meetings continue to take place enabling landlords to discuss and plan what they need to do for safe re-opening, there are regular meetings of the Healthy High Street Group attended by businesses with discussion on anything which might be helpful to support the recovery of high street businesses, such as provision of signage and guidance. Other discussions include helping with the planning and promotion of city centre events, e.g. the Farmers Market, to attract people back into the city centre and discussions with the universities on managing the safe return of students.

Work continues to ensure businesses are compliant with government legislation and guidance, e.g. regarding takeaway food outlets, and we continue to work hard to tackle issues such as rough sleeping in the city centre, and we provide advice, guidance and support where necessary to businesses. In the autumn we installed footfall counters at four locations in the city centre, to monitor footfall in the high street. This enables us to put out communications to alert people to quieter times in the city to try and encourage shoppers to stagger their visits and avoid overcrowding. We are currently awaiting a further announcement from central government on 23 February. The work being done now by the City Centre Recovery Group, partners and other sectors will ensure we are in the best position possible to act on whatever is announced to enable recovery in our city centre.

Temporarily Closed Services

The services under this heading are those which have had to close all their facilities to the public during periods of lockdown. However, as will be seen from the reports below, that does not mean that no service at all has been provided with some online alternatives on offer. Also, staff have been working to ensure they are ready to open once re-opening.

Events and Culture (including Visitor Information Centre) There have been no events during the current financial year. However, the City Safety Advisory Group, a multi-agency group offering advice and guidance to those putting on events in the city continues to meet and is helping ensure any events organised by external partners which are taking place are COVID-19-secure. Looking forwards to events in 2021, the team is currently

planning for the 2021 Christmas Market and the Safety Advisory Group is liaising with organisers of other events planned for the spring and summer to ensure they go ahead in line with Central Government advice.

The Visitor Information Centre is currently closed in line with government requirements. However, work has been continuing behind the scenes with the centre manager providing online support for tourism. The building continues to be checked and maintained so it can re-open as soon as restrictions are lifted, there is an online micro-site dedicated to the Visitor Information Centre and the team is looking at branding. In addition, members of the team have helped support both the Business Support and Community Testing services.

Sport and Leisure

Leisure Centres are currently closed, having briefly re-opened after the second lockdown. All Active Nation staff are currently furloughed apart from the manager who is available to open buildings if necessary (e.g. for weekly Legionella testing). Plans are now being put in place to enable re-opening from the beginning of April or when the lockdown is lifted. This will involve a phased re-opening, firstly of outdoor facilities, i.e. tracks and pitches, followed by gym and swimming facilities and finally full re-opening which will include classes etc. Currently a number of online activities are being offered, which are proving very popular and 5,340 individuals signed up to Active Nation "On Demand" between 4th and 25th January. During this period 2,867 people took part in live online classes with 3,346 participating in On Demand activities, 3,346 through Facebook, 5,287 in Facebook PE lessons and 3,882 accessing recorded On Demand classes.

Temporarily Limited Services

These are services which have had to make significant changes to the way they deliver their service, but which nevertheless have been able to continue to deliver elements of the service with little change. This includes offering a reduced service or delivering the service in a different way.

Civic and International Partnerships

The three months to the end of December would have been extremely busy under normal circumstances and throughout most of the national and local restrictions, we have continued to carry out as much as we can with the full Civic Party, via Zoom meetings. We hosted the Christmas Lights switch on, Christmas messages to care homes, Twin Town meetings, Church Services and School events. The Mayor has always been available to take part in anything that could be done in this format. We have continued to accept all invitations where the Mayor was available to take part using video connections. The Guildhall has also been monitored regularly by the Mayor's Officer with Contractors undertaking any essential work/inspections as normal. Looking ahead, we aim to start organising events that have been 'put on hold', trying to spread them where possible. We are in regular contact with our various partners, e.g. military, Lincoln BIG, local businesses, etc. with the intention of picking up where we left off.

Customer Services

The team is still managing to interact with customers very effectively despite the obvious obstacle that lockdown presents with a mostly customer facing service. Since March last year, we have always offered physical appointments, provided they were essential. Currently, we are seeing an average of around five to ten people per week use our essential appointment slots. COVID-19 has of course forced a change in how our customers interact with us, and we are seeing a massive shift from physical communication to our online and telephone services. This is all while our customer service staff are working from home. Our phone system and other software used by customer service agents has facilitated full working capabilities as they would in the office and as a result our Team Leaders and management have also been able to monitor performance just as effectively. This has allowed them to make sure our customers are still receiving the best service possible, despite the change in working environment for our staff. When restrictions are lifted it is not anticipated this will change the workload but will allow a gradual process of the criteria for face to face appointments to be relaxed.

The essential booking system has allowed us to work much more efficiently, as it has lessened the need for staff to support drop-in appointments. It has enabled many specialist staff who have been trained in areas such as council tax, housing and benefits to be used on the telephone system, allowing their skills to reach more residents who need trusted and reliable advice. We recognise that some people may want to return to face to face appointments either through preference or necessity. However, the booking system has worked well and increased efficiency and therefore moving forwards we are looking at permanently reducing face to face interactions by promoting the appointment system. Microsoft Teams has helped in keeping morale high, but remote working has presented challenges for the service, as it has been more difficult to train customer services agents in new areas of the service. Customer Services, from the very beginning, has had to be alert to changing government guidance, to make sure that agents can support customers in any way they need us.

Grounds Maintenance, Parks and Open Spaces

Parks and open spaces have been extremely popular throughout. Managing these assets whilst ensuring a safe workspace for staff and encouraging adherence to restrictions amongst visitors has been a challenge at times. We have made changes as government requirements have changed, and in the current lockdown tennis courts and outdoor gym equipment are out of use. Play areas have remained open. We are very aware of the importance of well managed green space for

the benefit of the physical and mental wellbeing of Lincoln residents, particularly for people who may otherwise feel lonely, and for children to play in open spaces. We continue to monitor adherence to restrictions, working with colleagues in Communications to get key messages out to the public. We also monitor government legal restrictions and requirements and adapt quickly to stay open where we can and be as safe as possible to use.

Currently it is the 'closed season' for the campsite at Hartsholme Country Park, and preparations for reopening are underway once restrictions allow, post March. The Visitor Centre at Hartsholme Country Park is also currently closed to visitors, and activities in the park have stopped.

Boultham Park Lake restoration work - The capital works phase of the project began on site in early January. Whilst COVID-19 has impacted on the timetable, at present it is not delaying works on site. As well as the usual site health and safety arrangements there are additional COVID-19 safe risk assessments which are enforced on site. COVID-19 circumstances have severely impacted activities, events and volunteering which had been due to start in late summer 2020. However, some activities continue to take place including those online and self-led activities for individuals and families. Looking forwards, the activity plan for the project period to spring 2023 has been reviewed and pared back, although some volunteering work is planned to take place alongside contractors.

Housing Repairs

The Housing Repairs Service (HRS) has carried out its usual work in line with government guidelines which provide clear guidance on tradesmen entering people's properties. HRS continued to carry out all repairs until a corporate decision was made to carry out priority and essential work only to further protect our staff and customers. This has restricted the amount of work being done, although non-priority repairs already scheduled to take place will be undertaken when restrictions are lifted.

With the unknown length of this current lockdown it is difficult to predict future HRS workload, but from a day to day perspective the service is introducing a scheduled repair pilot which is currently under review. Due to the nature of the work HRS undertakes there will be no long-term effects on the service or the type of work it carries out. Learning points from operation during lockdown will be reviewed as part of the pilot scheme and HRS will ensure lessons learned from the impact of COVID-19 on the service will be implemented as standard practice.

Internal Audit

The Audit team has continued where possible with the planned workload for 2020-2021, which was reduced in the first and second lockdown. A new workload plan is currently being developed for 2021-2022. Auditing remotely has presented its challenges and is of course different to what the team is used to. It is expected that after COVID-19 restrictions are lifted and physical meetings permitted, there will be a return to more face to face meetings. We will continue to build on the use of video conferencing and other tools that have been vital in being able to work remotely. Some of the team's workload is with Boston Borough Council and remote auditing has provided some great efficiencies through not having to travel or print large packs of documents. The team is also continuing to provide support with business grants. COVID-19 is of course affecting the planned work in some areas as expected, and we are working flexibly to accommodate pressures faced by other teams

Neighbourhood Team

Many of the interventions planned in Sincil Bank have been delayed, and most of the focus of the Neighbourhood Team over the past 10 months has been on COVID-19 support with the team answering calls during the evenings and weekends. Looking forwards, alongside remobilising we know that the Sincil Bank community will have many changing priorities. Work will commence on the development of a Mental Health Hub at Bridge Church. We are also anticipating that the team will be busy offering advice and guidance to residents at the Community Hub as this has been closed to the public for the majority of 2020. COVID-19 has changed the way we have been working in the community, and therefore work will continue this year to re-connect with our community partners, to ensure that important activity can still take place as planned.

Parking

Whilst the number of people using car parks has dramatically reduced during the pandemic, and during the periods of lockdown, all our car parks have remained open. However, from the end of January the Rosemary Lane car park is being used as a testing site. Special offers have been made to try and encourage people to use the car parks during periods when restrictions have been eased, and we have prepared a recovery plan including budget profiles, and possible parking offers to further encourage safe parking. We will also be embarking on a car parking strategy once the High Street starts to recover, when we expect to see new patterns of parking emerge in a post COVID-19 world. It is hoped once restrictions are lifted demand will gradually increase to a new sustainable level.

Tenancy Services

During the third lockdown, restrictions have had no extra impact on our services, as our processes changed at the first lockdown and will stay that way until restrictions are lifted, as our staff were already prepared. The service's caretaking service is continuing to operate during this period and with updated guidance, we are now offering a limited cleaning facility to low rise and high-rise blocks. The night-time service is still not operational, and we are not spending as much time on the estates e.g. litter picking. We are of course still focusing on fire safety as that is a statutory requirement.

We are also continuing to sign properties up and manage income collection and anti-social behaviour in our housing stock remotely. As part of service continuity, processes for our services have been revisited and amended where needed to accommodate changes in guidance from Central Government. Specifically, the income collection process has been amended as approved by the courts, as well as bans on evictions until the 21st February. The team is still only carrying out essential visits and this is no change compared to previous lockdowns, but when restrictions are eased, the plan is for visits to be reinstated. Our interaction with customers is our number one priority and is something we are keen to start again as restrictions are lifted. Whilst there are no permanent effects on the team's structure, we are now more flexible and a hub at City Hall is no longer essential for the service to operate. As expected, rent collection and arrears, are of course taking an impact and will likely take some time to recover as we adapt to our residents needs financially.

Fully Operational Services

These service areas have been providing most of their service as normal, although in some cases the focus of the work has changed to support needs arising from COVID-19 activities and restrictions.

Allotments

At the end of March 2020, 892 allotment plots were let across the city (around 85% of plots available) and there were 19 people on the waiting list. By the end of quarter 3, 1,032 plots were let across the city (around 96% of plots available and there were 121 people on the waiting list. This reflects the continued increase in allotment gardening throughout COVID-19 which we hope will continue beyond. People have seen the benefits of the exercise, fresh and satisfaction of gardening in this way, and have found it a safe way to get out and about, and to be a part of a community, whilst still maintaining COVID-19-safe practices.

Bereavement Services

Bereavement Services have been busy for much of the period from initial lockdown in March and adapted to ensure continuity of this much needed service and compliance with government legislation and guidance. The team is split in two, with each 'bubble' alternating to provide the front-line service and the other on standby. The number of ceremonies has been manageable with 124 cremations in October, 151 in November and 185 in December. January has been very busy with 226 cremations. A vigorous cleaning regime is in place between services, and changes to the service offered have included the offer of Saturday slots and free webcasting. Looking forwards proposals for improvements to replace the cremators, provide a new car park and create a second chapel, are being submitted to Executive in February for approval, for a potential start in late summer.

Business Development and IT

As discussed in previous reports, the response from our IT service has been vital to enabling a robust and reliable home working capability for members of staff, acting as the backbone for the organisation's service delivery. We are also mid-way through a rollout of new technology to allow members of staff to be even more agile and work more effectively remotely, including new desktop devices and mobile phones. This will be the new way for working for many people, and we have learned many valuable insights to support the development of the organisation's 'One Council' approach.

Our Business Development Team has been fundamental in ensuring the digital facilities are in place to support the payment, monitoring and reporting of grants allocated to businesses across the city. This is on top of our business as usual workload such as maintaining our electronic services to the public. Whilst COVID-19 has added a big pressure to the workload we usually complete, when restrictions are lifted and the pandemic ceases to have the current impact it does, it is anticipated that our workload will resume to pre COVID-19 levels.

Corporate Health and Safety

This service has been busy supporting services with risk assessments, in particular for staff working from home. This is likely to continue, certainly in the medium, if not longer term.

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, Public Protection and Anti-Social Behaviour, Homelessness and Parks as well as Lincolnshire Police. The nature of the work has continued to be different in response to COVID-19 and varies dependant on current restrictions/lockdown rules. For example the city centre is used in different ways, and the issues that require monitoring are different. The number and nature of incidents dealt with also vary dependant on the nature of restrictions. For example, with more shops closed there are fewer shoplifting incidents. When pubs are closed there are fewer evening economy disorder issues. Many businesses have relied on CCTV more than ever as their premises were closed and therefore at higher risk of break-ins or vandalism. The control room rota has continued to operate single staffed as it has since the start of COVID-19, for staff safety.

Democratic Services

Our response to COVID-19 lies in two sections of the team. From a Committee point of view, all our meetings are remote now using Zoom. Whilst initially in 2020 this was a large learning curve for both staff and members, it is working very well, and has presented its own benefits that at first were not expected. In terms of our Elections side of the team, canvassing took place as normal, with a stringent focus on making sure those staff who were door knocking had access to full PPE, ensuring the process was COVID-19 safe. The May elections, which involve the county council elections as well as the postponed 2021 Police and Crime Commissioner and local elections, are currently going ahead as planned, unless instructed otherwise by Central Government. One significant piece of work that we are planning, is ensuring all voting sites and processes are safe and COVID-19 secure. This is expected to be a very time and resource heavy task, as our Chief Executive has responsibility for ensuring all sites and processes are safe across the County, and not just in the City, and this is likely to require the sign off of numerous separate risk assessments. When restrictions are lifted, and physical meetings are permitted, meetings are expected to return to a physical format, as there seems to be no indication presently from the Government that the legislation permitting remote meetings is likely to be extended beyond May. Whilst both sides of the team we were redeployed at the beginning of the first lockdown to support the delivery of the Befriending Service and Community Signposting Helpline, our usual workload has now resumed and the team, whilst still operating remotely, is working as normal.

Development Planning

Development Planning is one of the functions that government specifically said should carry on when we initially went into lockdown, so there have been relatively few changes to the service. There have been a few changes in processes and procedures, the key one being relating to site visits. In the initial lockdown these were not permitted and have been temporarily replaced by using a combination of photographs, Google earth and street view. Where site notices are required (e.g. for development in Conservation Areas) applicants have been asked to put up notices and provide evidence this has been done. Whilst this has worked quite well, it is unlikely the approach will be adopted in the long term with a return to site visits once it is appropriate to do so. Almost all meetings (with developers, applicants, objectors, and members) are now virtual, making use video conferencing, and this includes Planning Committee. Virtual meetings have generally worked well, including Planning Committee, it is likely these will be more frequent than before COVID-19 although there will be a return to some face to face meetings. There has been a reduction in the volume of work, though it has increased slightly and has now stabilised. Initially it was the larger applications which slowed down with an increase in householder applications, but there are signs of more optimism with some big pre-applications in the pipeline and the hope that as the vaccine is rolled out things will begin to return to some normality later in the year as confidence increases. A Heritage Action Zone officer is now in post, but it is proving to be quite challenging with the restrictions in place, closed businesses, and the current economic situation, but it is hoped this will ease once lockdown is eased.

Financial Services

All day to day workload has maintained since March last year, and the team have done a fantastic job at balancing the day job on top of supporting other service areas in delivering grant payments to small businesses, test and trace payments as well as the calculation of all furlough payments and government income allocation payments. As with many other areas, the team's workload and priorities will depend on the direction we are given from central government. As expected from a service where most of the work is a legal requirement, we will respond as flexibly as we can to changes in legislation and requests from central government. Whilst the team is the same in terms of the structure and roles members of staff have, how we work with our customers, e.g. Committee members, budget holders and project managers is completely different, currently working remotely to communicate.

HR and Work Based Learning

HR continues to act as a vital health and wellbeing hub for staff across the organisation. As updated in the quarter one and two report in November 2020, the team have produced a whole range of new procedures and guidance, focussing heavily on supporting both the mental and physical health and wellbeing of employees. The team have also implemented updated recruitment procedures, including Teams interviews, annual leave procedures, flexi time procedures and working from home.

Several surveys have also been completed focussing on staff health and wellbeing, training required by managers, and a working from home survey. This work has allowed the team to tailor the guidance it offers better to staff who need it most. Our direct response to COVID-19, in just the last three months, has been a reactive process of continuously updating and amending our guidance as it is released from central government.

Human Resources have developed and maintained a tracker for those employees who report symptoms either for themselves or a household member to self-isolate and/or tested positive for COVID-19. Whilst the long term effects of COVID-19 are not likely to permanently change the teams service delivery, remote working and using new devices and software which allow this is something the team will continue to embrace, ensuring the guidance and advice offered is relevant and above all else, accurate. 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.

Homelessness

All services for people presenting themselves at risk of homelessness are available as normal, with provision for temporary accommodation, assistance for those fleeing domestic violence, advice and guidance on homelessness, supporting people acquiring private accommodation and supporting people securing deposit guarantee so people can access private accommodation. All usual customer interaction avenues are still open, and the only major change for both staff and customers alike is the lack of physical appointments, which will be reinstated when restrictions are lifted.

We are incredibly proud of the team for minimising the impact of COVID-19 for our customers and ensuring a smooth transition to changes in processes. When physical appointments are permitted, they will be on an essential basis only. Central Government protections for those at risk of homelessness have meant we have seen a reduction in those people presenting themselves at risk, because evictions and mortgage payments have been paused. We are however now seeing a different type of applicant with an increase in single people.

Housing Investment

As government guidance has changed during the pandemic, we have continually reviewed what work is permitted to take place in customers' homes. We have reassurance that our contractors have the appropriate risk assessments and method statements in place, in accordance with the latest government guidance to protect everyone during work activity within customers' homes. In the current lockdown we have reduced the level of planned works and the number of properties that we are working in at any one time to limit the level disruption to our customers. Some customers have refused access for both planned works and gas servicing, mostly due to households shielding or self-isolating.

A key priority is to address the backlog of outstanding gas services and arrange appointments with our customers at the earliest opportunity as soon as restrictions are eased. The introduction of home and site working with only essential use of Council offices has given us the opportunity to review our service delivery. Our front-line officers are now spending more time on site than prior to lockdown. This enables us to manage and monitor work on site more frequently. The learning that the service has experienced over the last ten months, will enable the team and our customers to benefit from the efficiencies that remote working has allowed. We have had the opportunity within the maintenance and investment teams to be involved in the introduction and roll out of "HouseMark" photobook. This product (mobile app and web platform) will enable us to work smarter on site and complete reports, surveys and inspections using electronic forms.

Intervention Team

We have continued to operate throughout the COVID-19 pandemic ensuring the most vulnerable still have access to support and signposting. The team has worked collaboratively with a range of partners to keep this client group safe and to make sure that Anti-Social behaviour is addressed within the city.

Lincare (Control Centre)

The workload in our Lincare service has not been affected by any of the restrictions as a result of the pandemic and calls to customers are continuing as normal. The team are also continuing to sign up new customers. The level of new connections is not any higher than in previous years, so the impact of COVID-19 on the service has been minimal and workload is unlikely to be impacted moving out of lockdown. The one change we have seen, is our team working on an alternative shift pattern, with half the team working remotely and the other half working from the office. As is the case with most other services, the digital shift to remote working has allowed the team to work with no impact on their ability to carry out the job.

Legal Services
Legal services have reacted to substantial requests for support and advice for front line services from the outset, providing a legal gateway at times and framework for officers for example in Food Health and Safety, Licensing and Public Protection and Anti-Social Behaviour. Urgent advice has been sought relating to businesses to ensure that the ever-changing government guidance and law is implemented appropriately. In addition, the team has played an important role in the delivery of temporary accommodation to alleviate the effects of homelessness in the city, as well as supporting the growth agenda for the local economy in a COVID-19 secure way.
Meanwhile, the team has continued to aid all other areas of the council to ensure that statutory functions are delivered, as well as all other areas. Looking forward, we will continue to provide comprehensive support to all officers and members for the safe delivery of work as restrictions are lifted. The team has also embraced the digital transition, as expected when working from home, which has included remote court hearings and digital bundles of legal documents being prepared and submitted as well as online resource tools, which is likely to continue, delivering efficiencies as well.

Licensing
Licensing have continued to provide services to our customers throughout the pandemic, adapting to how we respond to enquiries and how we deliver our service, this has involved remote working, where some checks would normally be done in person we have moved to posting out applications and forms which adds in time but has allowed the service to continue. Unfortunately, some areas of the service, namely new driver applications, have been affected more than others due to the level of checks requiring close contact with us or partners. The changing circumstances have required careful navigation to ensure that we keep businesses operating as best we can but without compromising on public safety. The team have also had to respond to new and changing legislation and have been on the front line working with a range of partners to support licence holders and the city centre with the reopening of retail and hospitality. We will be looking to implement the best bits of how we deliver our service going forwards.

Major Developments Directorate
The Directorate is involved in a wide range of projects which are vital to planning for the city's future and in meeting the objectives in Vision 2025. Progress and delivery are viewed as even more relevant and necessary to support the city's economic recovery, as well as supporting the Greater Lincolnshire and County Economy Recovery Plan objectives. Work has continued over much of the period since the easing of the first lockdown, and the team also led on the Business Support Service, set up to respond to the Covid-19 pandemic. Remote working has largely worked well for the team and will provide a strong basis for working in the future. The service is therefore very much up and running and working hard on plans to ensure the city makes a strong recovery. With this objective, the team has been working on a wide range of key projects including delivery of Western Growth Corridor, Lincoln Transport Strategy, Cornhill Square public realm improvements, Central Market & City Square and Tentercroft Street improvements, commissioning work on 'Becoming a Digital

City', development of a Growth Strategy and £25m Town Deal Programme, outlined in the Lincoln Investment Plan and a range of housing projects including former Markham House (five new homes completed), Queen Elizabeth Road (demolition and site clearance) and land off Rookery Lane (proposals for 42 new homes).

Further projects will be progressed once the outcome of the Town Deal bid is known in March 2021. The Lincoln Investment Plan sets out the potential projects to support economic growth proposed for delivery by a range of partners including the City Council. The Directorate also continues to lead on the administering the Climate Change Commission, with the appointment of a new Climate Change Manager to drive this agenda forward, with the focus on developing an action plan to enable the delivery of the road map and net zero objective by 2030.

Procurement

COVID-19 hasn't impacted directly on the procurement service area over the last two lockdowns. This is mostly because many businesses the service area works with are now in a position to work with us to complete procurement exercises. In comparison to the first lockdown, many businesses had to re-prioritise their own service delivery and operation. Of course, impact of the current lockdown is still being felt due to a number of procurement exercises still having to be put on hold and now requiring re-procuring in the future.

Policy

The Corporate Policy team has completed a range of activities since the quarter one/two report and has once again been involved in befriending. It has been agreed that the usual quarterly performance report be merged with quarter four, producing one report at year end due to the current lockdown and restrictions in place. The team continues to work remotely with no negative effect on its ability to do the job, and whilst we are currently categorised as "Fully Operational", the team has been able to respond to multiple different needs.

One change since the first lockdown in March 2020 is the increase in surveys our team is asked to support, perhaps due to this being the most practicable way to collect representative views in a COVID-19 safe manner. In May 2020 an allocation of £5,000 was made to the Crisis Fund from the Lincoln Lottery Community Fund. This was supported with a further allocation of £6,500 from the lottery fund in August 2020.

As mentioned in previous reports, Policy was an early adopter of Teams and mobile working, and we have now introduced new software, replacing some which is unable to be used remotely. This has supported the development of our team's skills and has helped keep staff morale high. As of writing, the expectation is that the team will continue to work mostly remotely when restrictions are lifted.

Property Services

In terms of how property services have responded, they have adapted with ease to the new arrangements that COVID-19 has presented, but that is not to say there have been no impacts. Property Services covers three areas: Facilities Management, Small Business Support and Estates/Surveying.

Our Facilities Management Team, which includes the maintenance of City Hall, have had to make several changes to how to manage the building to ensure COVID-19 secure status as well as changing things such as the cleaning regimes, likely to remain in place for the foreseeable future. Moving forward, our use of City Hall and how we better manage that with our changing work patterns will need to be considered as we move closer to a post COVID-19 world. The Facilities Management team also cover the maintenance of the council's corporate assets and this has continued during the lockdowns to ensure we meet our legal responsibilities to ensure our buildings safe.

Our Small Business Support Team, based at the Terrace and Greetwell Place, worked from home during the first lockdown, but have remained in the workplace during subsequent lockdowns to support businesses based at the premises. The role of the team has been vital in providing support and advice to small businesses in the city at a time of need. The team has also played a key role in supporting the business grant payments. The Estates and Surveying Team are largely working remotely. Their work has been impacted as a result of the council's diverse range of tenants with some leases not renewed, rent reductions sought and lease terms being re-negotiated.

Private Sector Housing

The Private Sector Housing Team have had to change the way in which they undertake their work to minimise risk both to tenants and to staff. All intelligence relating to private rented property likely to give rise to health and safety issues is responded to, and if necessary, inspections are undertaken. However, where possible complaints are being dealt with remotely requiring evidence such as photographs to be supplied and contacting the landlord to see if they will make good anything deemed to be requiring attention. Those that can't be dealt with remotely are then visited and improvements notices continue to be issued if required. Whilst remote working can work in some cases investigations tend to take longer, particularly where landlords don't engage.

Disabled Facilities Grants (DFGs) – the team is still receiving recommendations and progressing in the same way i.e. getting contractors on site. Some applicants want to delay works and wait until there is less risk because of their situation, e.g. shielding, even though all contractors are COVID-19 safe and even bring their own toilets. It is hoped that concerns will ease once vaccinations have been fully rolled out

The licensing of unlicensed Houses in Multiple Occupation (HMOs) following a recent change in the law is now being proactively tackled in the city. Around 90 unlicensed HMOs have been identified and the team is starting to investigate these. In December landlords thought to be operating an unlicensed HMO were written to and invited to make an application. They were given six weeks to respond with action being taken at the end of January where no response has been received. This could mean serving a civil penalty notice or prosecution whichever is most appropriate. In summary therefore, Private Sector Housing has remained busy throughout the periods of lockdown with some temporary changes to procedures introduced which are unlikely to be retained in the longer term.

Public Toilets

The bus station and Castle Square toilets have remained open during this period, as well as those in our main parks. Looking forward we are reviewing provision of public toilets, which will be submitted to and discussed by Policy Scrutiny Committee ahead of consideration by Executive.

Public Protection and Anti-Social Behaviour

The team has continued to offer services to the public in the best way they can throughout the pandemic with the various challenges this has presented. They have mainly been working from home and have worked hard to adapt processes and procedures to help those who need us during this difficult time. The team are still on hand to assist and are still making visits where its safe and necessary to do so. Longer term it is likely some procedures will be permanently adapted, combining the best bits of what we did before and what we have done in lockdown to make the best use of resources and provide a great service to customers.

Revenues and Benefits Administration

Revenues & Benefits has operated successfully in a largely homeworking environment, with facilities in place to accept and respond to a variety of e-forms, e-mails and telephone channels. Face-to-face services have been offered on an 'essential by appointment only' basis, however these have been minimal and only taken up by Welfare Team customers, to date. Despite an increase in Benefit claims due to the impact of COVID-19, the service has continued to process claims in an improved average number of days.

Revenues collection has, understandably, been a real challenge due to taxpayers and businesses financial circumstances, however the service has continued to collect monies, with a real focus on welfare, support and maximisation of incomes and business grants. Revenues visits were withdrawn at various points during lockdowns, including the national lockdown we are currently in. Staff wellbeing has been a key focus, with a variety of communication channels and support mechanisms in place.

It is envisaged that the service will still be able work remotely and on an agile basis. Availability for customers on a face-to-face basis, also working in partnership with Jobcentre Plus, is a feature of the service that will need to be considered moving forward. Because customers have not been accessing face-to-face services to any significant degree, the concern is that there is latent demand for this from vulnerable customers.

Revenues visits and Welfare surgeries/home visits are key moving forward, in a COVID-19-secure, safe environment, to ensure we can help those residents who need our help most. Staff wellbeing will also remain key, with a need to ensure the 'One Council' approach, our Revenues and Benefits Shared Service has strived to achieve, will not be compromised – and a mix of homeworking, agile working and office-based presence will help to achieve this – with electronic methods of communication part of the solution.

Supported Housing
Like that in Tenancy Services, physical visits are temporarily not in place as per the guidance distributed by central government. To ensure we are still offering a helpful and valuable service, telephone "visits" are now the new normal until restrictions are lifted further. The team is permitted to physically visit customer in cases of an emergency and whilst some customers have struggled without the physical visits, most have adapted well to our new telephone service. We are keen to reintroduce visits physically when we are advised it is safe to do so but this of course depends on the guidance given by central government. The team worked at home during lockdown one, but they have returned to the office during the second and third lockdowns to better support the businesses that are based at the premises. The role of the team has been vital in providing support and advice to small businesses in the city at a time of increasing need. The team have also played a key role in supporting the business grant payments.

Street Cleansing
These services have continued throughout the COVID-19 period. Collection crews continue to work to their strict risk assessments to minimise the risk of transmission between colleagues and beyond. COVID-19 risk assessments in relation to our own staff continue to be used, for the safety of our staff and the public who they might come in to contact with. Since the latest lockdown, staff are avoiding door knocking and entering homes and are doing all they can to respond to complaints and enquiries without personal contact.

Waste and Recycling
We have continued to run all waste collection services throughout the period. We have experienced delayed collections on one occasion when a collection crew were isolating due to one-member testing positive for COVID-19. On that occasion we focussed on ensuring that refuse was collected, and garden waste was slightly delayed. All affected collections were caught up within two days. We have plans in place in case we have further occasions when collection crews are not fully staffed, but of course it isn't possible to predict exactly what the impact would be until that happens – for example, how many staff are affected. Collection crews continue to work to their strict risk assessments to minimise the risk of transmission between colleagues

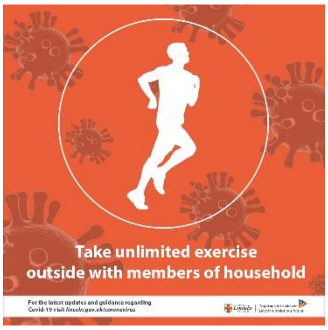
and beyond. We have worked closely with Communications throughout, in relation to COVID-19 and non-COVID-19 waste messages, keeping people informed. If collections are affected, communication of any changes will be key. COVID-19 risk assessments in relation to our own staff continue to be used, for the safety of our staff and the public who they might come in to contact with. Since the latest lockdown, staff are avoiding door knocking and entering homes and are doing all they can to respond to complaints and enquiries without personal contact.

Temporarily Enhanced Services

These services have seen significant increases in their workload, and well as changes to the work required of the service, throughout the period of the pandemic

Communications

Throughout the pandemic, we have looked at different ways to engage with our residents and businesses. We have continued with what we knew would be successful and delivered multiple messages to the public on social media enabling a wider reach. We are a responsive service, so in addition to our usual workload, we have continued to operate in the same way to ensure messages are communicated in the right way, to the right people. This has included information on business grants, advice from government, keeping people safe, work with universities, community testing videos, debunking myths, and other COVID-19 related messages. The main impact on the service has been adapting to different media to get quick and simple messages across, increasing the use of video and social media and no longer relying on press releases to engage with businesses and residents. As a trusted and reliable source people turn to us as an organisation for information, so our priority as a team is to ensure we get the message out and, during 2020/21, we reached 169% more people on Facebook, increasing from an average reach of 2,058 to 5,532.



Food Health and Safety

The impact of the pandemic has had a huge impact on the Food Health and Safety service. The team has continued throughout with much of their usual business, responding to complaints from the public about food businesses. Whilst restaurants and pubs have been closed for much of the time over the past months, many are now operating takeaway services and supermarkets have been open as usual so the workload has not significantly diminished – regular inspections have been suspended, but responding to allegations of premises operating giving rise to a risk to public health continue to be investigated. The team is also responsible for enforcing COVID-19 related complaints which has dramatically increase the workload. This includes complaints from the public relating to people not wearing face covering and businesses opening when they should be closed, all requiring extra visits.

In October COVID-19 Ambassadors were introduced into the city. Their role is to patrol business areas of the city helping and advising businesses on how to be COVID-19 compliant. In last three months the infection rate in Lincoln became a national concern and therefore the team, together with others have been involved in setting up two community testing stations – more detail is provided in the section on new services. Looking forwards the high workload will continue whilst restrictions remain in place and beyond in order to catch up on regular workload such as routine inspections.

Rough Sleeping

The Rough Sleeping Team has always remained working out in the field and their work has not been impacted. However, the team has been able to offer more services to more people due to the allocation of funding from Central Government. This has included offering accommodation for everyone who presents themselves at risk of rough sleeping as well as funding for severe weather placements. Team members are currently working in bubbles to protect the continuity of the workforce, and ensuring the team is always available. The only changes for the team, similar to some other services, is that half the team is working remotely with the other half working from the office as well as team members working in pairs (rather than the usual 3) when out in the field to be COVID-19 secure. This has not affected the service the customer gets and is testament to the hard work of the team, minimising the impact they may feel from changes in process behind the scene. One impact has been that Hostels have not always been able to admit new rough sleepers. Little is expected to change as lockdown eases.

Looking forward – our targets for next year

As part of looking forward to the coming year, with the hope that restrictions will be eased or lifted and there will be a return to a ‘new normal’ we are once again considering performance targets. These have not yet been finalised, but generally those responsible for measures have said it is difficult to properly review what targets should look like, due to 2020/21 being such an unrepresentative year, as well as the ongoing uncertainty likely to continue into at least the early part of 2021/22. Therefore, most targets are likely to remain unchanged. Whilst there may be some impact on measures, either through difficulties with collection or the data itself it is hoped this will settle down as the year progresses and will help us to better understand the impact of COVID-19. We are looking at how we present data to reflect the inevitable fluctuations that have occurred over the past year and will continue for some measures well into 2021/22. Further information on targets will be included as part of Quarter 4 reporting.

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Item No. 8

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**LIVING WAGE INCREASE NOVEMBER 2020**
DIRECTORATE:	**CHIEF EXECUTIVE**
REPORT AUTHOR:	**CAROLYN WHEATER, CITY SOLICITOR**

1. Purpose of Report

1.1 To recommend to Executive the proposed increase to the living wage announced by the Living Wage Foundation in November 2020.

2. Background

2.1 The Council is committed to maintaining its Living Wage accreditation and in order to do so the Council has six months to implement the living wage following an increase.

2.2 In November 2020 it was announced that the living wage would increase from £9.30 an hour to £9.50 an hour.

3. Implementation

3.1 The aim of implementing the living wage is to ensure that no employees are paid below the living wage hourly rate.

Since achieving accreditation, the council has taken an active role externally to encourage Lincoln businesses to also pay the living wage.

In November 2020 the government introduced a higher minimum wage rate for all staff over 25 years of age and by law all employers must pay at least £8.91 per hour with effect from April 2021. This calculation is through a percentage of median earnings currently at 55%.

The calculation for the living wage is made through the cost of living, based on a basket of household goods and services.

Currently there are eight employees who are paid less than the proposed living Wage rate of £9.50. One employee is on grade S1b spine point 1 (£9.3237), and seven members of casual staff who TUPE transferred to the Council in April 2020 who are paid the current living wage rate (£9.30).

4. Strategic Priorities

4.1 <u>Let's drive economic growth</u>

Provision of the living wage to employees supplies them with a higher disposable income which is likely to be spent locally.

4.2 Let's reduce inequality

Provision of the living wage protects the poorest people in Lincoln by providing a wage which is considered to be at a level to provide a living, in contrast to the minimum wage.

5. Organisational Impacts

5.1 Finance

Current Position

The financial impact would be negligible and would be funded within the existing budget.

There are seven employees who would be subject to the living wage rate with effect from April 2021. The employee who is on grade S1b (currently paid £9.32) is due an increment on which will take her pay over the living wage rate on 6th January 2021. The required shortfall would be £800.00.

5.2 Equality, Diversity and Human Rights

There are currently eight employees who are paid under the living wage rate of £9.30. The breakdown of these is one male and seven females.

6. Recommendation

6.1 To recommend to Executive implementation of the latest living wage uplift during April 2021.

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:	Carolyn Wheater, City Solicitor Telephone (01522) 873323

Item No. 9

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**PAY POLICY STATEMENT 2021/22**
DIRECTORATE:	**CHIEF EXECUTIVE**
REPORT AUTHOR:	**HUMAN RRESOURCES AND WORK BASED LEARNING MANAGER**

1. **Purpose of Report**

1.1 To request that Executive recommend to Council the attached Pay Policy Statement, drafted in compliance of section 38 (1) of the Localism Act 2011.

2. **Background**

2.1 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year. This must be approved by Council by the end of March.

2.2 The Government requires local authorities to produce pay policy statements which articulate an authority's own policies towards a range of issues relating to pay of its workforce, particularly its senior staff and its lowest paid employees.

2.3 The Government also considers that decisions on pay policies should be taken by elected members, as those directly accountable to local communities. The Act therefore requires the pay policy statement and any amendments to be considered by a meeting of full Council and cannot be delegated to any committee.

3. **Pay Policy 2021/22**

3.1 In order to comply with the Act, the pay policy statement must include the Council's policy on:

- The level and elements of remuneration for chief officers
- The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
- The relationship between the remuneration of chief officers and other officers
- Specific aspects of chief officers' remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

3.2 The Pay Policy Statement must be:-

- approved formally at full Council by the end of March each year but can be amended at any time during the year

- published on the Council's website
- complied with when the council sets its terms and conditions for chief officers

The City of Lincoln Pay Policy Statement is attached at **Appendix 1.**

4. Strategic Priorities

4.1 Let's reduce inequality

By producing the pay policy statement, the Council ensures, in relation to any remuneration that it is being transparent and accountable.

5. Organisational Impacts

5.1 Finance

As identified in the attached statement.

5.2 Legal Implications including Procurement Rules

The legal considerations are set out in the body of the report and therefore there are no additional legal implications arising. The pay policy statement complies with the statutory requirements.

5.3 Equality, Diversity and Human Rights

The requirements of the Equality Act are considered as part of the recruitment, selection and pay structure processes.

6. Recommendation

6.1 That the Pay Policy Statement be forwarded to Council with a recommendation to approve.

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?	One
List of Background Papers:	None
Lead Officer:	Claire Burroughs, HR and WBL Manager Telephone (01522) 873856

City of Lincoln Council Pay Policy Statement 2021/22

1. Introduction

The City of Lincoln Council recognises the need to manage scarce public resources while balancing the need for remuneration at all levels to be adequate to secure and retain high quality employees who are dedicated to public service.

It is important that the City of Lincoln Council is able to determine its own senior pay structures in order to address local priorities and compete in the local labour market.

It is recognised that senior management roles in local government are complex and diverse functions which operate in a political environment where national and local pressures may conflict. The City Council's ability to attract and retain high calibre leaders capable of delivering a complex agenda during times of financial pressure is crucial especially when the numbers of senior management roles are reducing.

2. Legislation

Section 38 (1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The Act provides details on matters that must be included in the policy and guidance from DCLG, JNC for Chief Officers of Local Authorities and ALACE have been used in preparing this statement.

The Pay Policy Statement must be:

- approved formally at full Council by the end of March each year but can be amended at any time during the year
- published on the Council's website
- complied with when the Council sets its terms and conditions for Chief Officers

3. Context

The Council, like all other local authorities, continues to face unprecedented and uncertain times as it copes with the challenge of delivering public services with a much lower level of financial resources than previously.

The Council continues to do all that it can to minimise the effects arising from annually reduced resources on the public and those employed by the Council and will prioritise those services that are needed the most.

It has taken sensible steps to comprehensively review the services it delivers, and the way that it delivers them, so that its limited resources are used to maximum effect, and it will continue to build on its record of delivering new and better ways of doing things.

4. Scope

In order to comply with the Act, the pay policy will include the Council's policy on:

- The level and elements of remuneration for Chief Officers
- The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
- The relationship between the remuneration of Chief Officers and other officers
- Specific aspects of Chief Officers' remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

5. Senior Pay

In this Policy the senior pay group covers the top five tiers of the organisation. These are the Chief Executive, Strategic Directors, Assistant Directors and Heads of Service.

The Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities and the Joint Negotiating Committee (JNC) for Chief Executives adopted a modified version of the HAY job evaluation scheme for authorities to use to facilitate a review of senior posts.

In 2003 the Employers Organisation was engaged by the City Council to evaluate senior management posts using the HAY Job Evaluation Scheme. This exercise was repeated in 2005.

In early 2015 a restructure of the Council took place which saw the introduction of two Statutory Officer posts and they, together with the Assistant Directors, were given a wider remit in terms of strategic service delivery. As a result of the restructure, a further salary evaluation was undertaken, and the following salary ranges were agreed.

Chief Executive	-	£109,422	-	£123,588
Strategic Directors	-	£83,541	-	£97,515
Statutory Officers	-	£71,130	-	£76,578
Assistant Directors	-	£61,896	-	£68,256
Head of Joint Service	-	£54,501	-	£60,861

The percentage differentials between grades is between 76 and 79% of the Chief Executives bandings for Strategic Directors, 62 and 65% Chief Executives bandings for Statutory Officers, 70 to 74% Strategic Directors bandings for Assistant Directors and 62 to 65% Strategic Directors for Head of Joint Service.

Since this date salary increases will be in line with the negotiated settlements as agreed by the JNC for Chief Officers and Chief Executives.

5.1 Current Salary Levels for Chief Officers

Chief Executive annual salary bands

CX01 £109422
CX02 £113469
CX03 £117507
CX04 £121577
CX05 £123588

Strategic Directors' annual salary bands (76 to 79% of Chief Executives pay bandings)

CD01 £83541
CD02 £87669
CD03 £91791
CD04 £95919
CD05 £97515

Statutory Officers annual bands (62 to 65% of Chief Executives pay bandings)

SO01 £71130
SO02 £72492
SO03 £73854
SO04 £75213
SO05 £76578

Assistant Directors annual bands (70 to 74% of Strategic Directors pay bandings and 55 – 56% of Chief Executive pay bandings)

C001 £61896
C002 £63486
C003 £65076
C004 £66672
C005 £68256

Head of Joint Service annual bands (62 to 65% of Strategic Directors pay bandings and 49% of Chief Executive pay bandings)

JS01 £54501
JS02 £56085
JS03 £57675
JS04 £59271
JS05 £60861

Any national pay award, once agreed, would be applied.

The bands are in place to recognise and reward long service and loyalty, and also to allow some discretion in terms of starting salaries based on:

- Salary levels in a previous role
- Qualifications, skills and knowledge which are desirable within the role but if already held by the individual would diminish the need for training and development.

5.2 Allowances and benefits for the Chief Executive and Chief Officers

There are no other additional elements of remuneration in respect of overtime, bank holiday working, stand-by payments, enhanced payments for evening or weekend working paid to senior staff, as they are expected to undertake duties outside their contractual hours and working patterns without additional payment. In line with this we do not operate an ‘earn back’ scheme and do not consider this would be appropriate at this time.

5.3 Severance of Chief Officers contracts

There is no severance package for Chief officers, outside of those relating to entitlements under the JNC Terms and Conditions, the polices of City of Lincoln Council and the Local Government Regulations which relate to all employees on termination or dismissal.

5.4 Publication of information relating to Chief Officer Pay

Rates of pay are published in accordance with the Localism Act**.**

5.5 Additional Fees

The Chief Executive is the Returning Officer for the City of Lincoln Council. The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983, although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. The Returning Officer is personally responsible for:

- the nomination process for candidates and political parties;
- provision and notification of polling stations;
- appointment of presiding officers and polling clerks;
- appropriate administration and security of polling stations;
- preparation of all ballot papers;
- the actual Count and Declaration of Results;
- issue, receipt and counting of postal ballot papers;
- all candidates' election expenses return

6. Pay Structure

The pay structure for employees who are covered by the National Joint Council for local Government Services (Green Book) are calculated using the Greater London Provincial Council Job Evaluation Scheme. Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. Employees can move up a spinal column point within their grade after each year of service until the highest spinal column point is reached.

The Salaries for employees covered by the Joint Negotiating Committee for Local authority Craft and Associated Employees (Red Book) are within the Craft Development scheme which was agreed under the terms of a local agreement in 2006. Employees under the Craft Development Scheme are paid according to their skills and ability linked to their specific craft.

Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. A pay rise of 2.75% was agreed in 2020 applicable from 1st April 2020.

The Council does not have a policy that would allow any employee to minimise tax payments.

7. Living Wage

The Council became an accredited member of the Living Wage Foundation in October 2013.

The Council has previously implemented the living wage increases. Depending on the outcome of the pay award negotiations for 2020/21 will determine whether the Council would progress to seek approval to implement the latest living wage rate. The Council implemented the living wage increase of £9.30 in April 2020.

8. Relationship between pay rates

The lowest paid employee within the Council is on a scale S1B and is paid £17,988. The hourly rate for this lowest scale is currently above the living wage rate (£9.3237).

The hourly rate for this lowest scale would increase to £9.50 per hour if the latest Living Wage rate is approved.

The highest graded post is that of Chief Executive of £123,588 per annum.

Therefore, the ratio between the Chief Executives pay and the lowest paid employees is 6.9:1. This is the same as last year and considered to be acceptable at this time.

9. Pension contributions

All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table.

Local Government Pension Scheme – contribution bands with effect from the 1 April 2020.

Band	Salary Range	Contribution Rate
1	£0 - £14600	5.5%
2	£14601 - £22800	5.8%
3	£22801 - £37100	6.5%
4	£37101 - £46900	6.8%
5	£46901 - £65600	8.5%
6	£65601 - £93000	9.9%
7	£93001 - £109500	10.5%
8	£109501 - £164200	11.4%
9	More than £164201	12.5%

Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.

10. Travel

Essential car user allowance has been removed from all employees except where it is provided as a reasonable adjustment in relation to disability. Mileage is paid at the prevailing HMRC rate for all employees.

11. Professional fees

Professional fees are only paid to practising Solicitors who require membership in order that they can lawfully act as a Solicitor.

12. Market Supplements

No market supplements are paid.

13. Discretionary Payments

The Council has an approved Change Management Policy which includes an Early Retirement and Redundancy policy, and this will be applied equally to all members of staff. The Council has a flexible retirement policy.

14. Decision Making

Decisions on remuneration are made by Executive.

15. Disclosure

This Pay Policy Statement will be published on the Council's Website. In addition, details of employees paid above £50,000 are disclosed.

16. Review

This Pay Policy will be reviewed annually in line with the Localism Act and any guidance issued by the DCLG.

December 2020

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Item No. 10

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**MUTUALLY AGREED RESIGNATION SCHEME – UPDATE ON APPLICATIONS**
DIRECTORATE:	**CHIEF EXECUTIVE**
REPORT AUTHOR:	**CHIEF EXECUTIVE AND TOWN CLERK**

1. Purpose of Report

1.1 To update Executive on the applications and initial approval of those members of staff who have applied under the Mutually Agreed Resignation Scheme (MARS).

2. Background

2.1 As Executive are aware, MARS is a scheme in which the employee, in agreement with the employer, chooses to leave their employment early, in return for a settlement payment.

2.2 The Council's MARS scheme is available to all employees, and in accordance with the scheme itself, is proactively publicised to staff as an available opportunity, in order to increase the flexibility of the organisation, and to address particular financial circumstances.

3. Applications

3.1 On the 9th of December 2020 the Council opened up for a limited period, an enhanced version of MARS, to run until the 4th January 2021. This limited, enhanced opportunity saw an increase in the allowance under the existing scheme, from 2 week's pay for every year of service, to 3 week's pay for every year of service.

3.2 The Scheme was offered in this way, to try and balance any savings that may subsequently be required under the TOFS programme and to try and avoid any compulsory redundancies that may follow.

3.3 Consideration was also given to the fact that the Exit Pay Regulations and subsequent LGPS changes, could ultimately see a reduction in redundancy payments to staff.

3.4 As per the scheme, for CMT to consider any application, regard must be given to:

- The amount of any ongoing savings required
- Ongoing arrangements for the discharge of the employee's functions
- Cost to the Council of the severance pay, and
- The operational impact on the service and loss of skills and knowledge.

3.5 Overall CMT received 69 applications under the scheme. As per the policy all applications were considered by CMT against the aforementioned criteria.

3.6 It was agreed that 22 members of staff could be released under the MARS scheme.

3.7 Losing staff from the organisation will inevitably see a reduction/change in performance in affected areas. Whilst the above criteria has been used to assess impact on service areas, it will not negate the impact. However, it was considered by CMT to be more appropriate to work with the potential changes in standards of performance at this time, rather than to contemplate compulsory redundancies and changes to standards of performance at a later date.

3.8 It also worth noting, that the savings made by those applying under the MARS scheme will have a direct impact on compulsory redundancies identified elsewhere in the TOFS programme, so to that extent opening this enhanced window, has had a positive effect.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)
The costs of releasing the 22 members of staff will be funded from within existing earmarked reserves, whilst the savings released will contribute to the towards financial sustainability programme.

4.2 Legal Implications including Procurement Rules

As outlined in the report

4.3 Equality, Diversity and Human Rights

There are no equality issues arising from the report, all decisions in relation to the applications were made against the required criteria as set out in the scheme.

4.4 Human Resources

As outlined in the report

5. Risk Implications

5.1 MARS was offered to try and address any potential redundancies as per the TOFS programme.

6. Recommendation

6.1 That the Executive note the content of the report

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:	Carolyn Wheater City Solicitor Telephone (01522) 873323

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Item No. 11

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**CITY OF LINCOLN COUNCIL HOUSING STRATEGY 2020-25**
DIRECTORATE:	**HOUSING AND INVESTMENT**
REPORT AUTHOR:	**DAREN TURNER, STRATEGIC DIRECTOR**

1. Purpose of Report

1.1 To request the Executive to approve the draft Housing Strategy 2020-25 (attached at Appendix I) and recommend its adoption by full Council.

2. Background

2.1 A local authority housing strategy is an overarching cross-tenure document which identifies local housing needs and sets out how these needs will be met. Housing need is used in its broadest sense, it is not just the need for new affordable housing, but for all things housing including: growth; regeneration; and neighbourhood renewal, to ensure that a local authority has a balanced and sustainable housing market that meets the needs of its residents.

3. Development of the Housing Strategy 2020-25

3.1 The review of the Housing Strategy was initiated in July 2019 with the delivery of Member workshops which sought to provide an update on the emerging housing needs evidence, Lincoln's current housing market, housing stock condition and the opportunities for delivering new homes. This resulted in the Council undertaking further housing needs research. A follow up Members' workshop took place in January 2020 where officers discussed the following themes in more detail to inform the Housing Strategy's priorities over the next five years:

- Maximising the supply of affordable housing;
- Maximising our existing housing assets;
- Estate improvement and resident involvement;
- Allocating council housing to those in greatest need; and
- Enabling sustainable tenancies.

3.2 The feedback from the workshop held in January 2020 has shaped the content of the draft Housing Strategy, which also considers empirical information, the existing local policy context, the emerging response to Covid-19 and the current recession.

3.3 To complement Vision 2025, Let's deliver quality housing, the objectives of the Housing Strategy for 2020-25 are:

- Providing housing which meets the varied needs of our residents;

- Building Sustainable Communities; and
- Improving Housing standards for all.

4. Consultation process and feedback

4.1 Prior to external consultation the draft Housing Strategy was presented to Policy Scrutiny on 6 October 2020 (the minutes of the meeting are attached at Appendix II). One housing management question was raised, the other question related to City centre which is reflected in the draft Housing Strategy.

4.2 Consultation on the draft Housing Strategy was undertaken from the end of October to mid-December 2020. A range of stakeholders were consulted, this included housing associations, Homes England, developers, residents' and tenants' groups, the Lincoln Tenants' Panel, Birchwood CLT, Sincil CLT, the County Council and neighbouring district councils and local universities.

4.3 Written consultation responses were limited, with the vast majority of feedback received verbally. Very positive feedback was received on the Strategy's evidence base and the range of actions it proposes to meet Lincoln's housing need over the next five years. However, concerns were raised as to the extent of city centre student accommodation, including HMOs, that has emerged over recent years. Other feedback requested that the draft Housing Strategy needed to do more to improve the standard and provision of the private rental sector, especially in relation to meeting the housing needs for key workers.

4.4 Further to external consultation the draft Housing Strategy was presented to Policy Scrutiny on 12 January 2021 (the minutes of the meeting are attached at Appendix III). The majority of questions related to homelessness and operational housing management. Members were keen to ensure that the draft Housing Strategy sought to deliver sufficient three and four-bedroom family homes, and were reassured that the draft Housing Strategy is based on the outcome of a comprehensive housing needs survey, which will be subject to review.

5. Changes and updates to draft Housing Strategy

5.1 In response to specific consultation feedback, the draft Housing Strategy now includes the below additions:

Paragraph 3.11, "*It is recognised that the private rented sector has a vital role in meeting housing need. However, the current offer in the City is both limited and not always affordable to households on low incomes. There are a number of city centre locations where a quality affordable private rented housing offer would provide accommodation for a range of households, including key workers. Therefore, the Council is to actively promote and facilitate opportunities for the provision of a quality private rented housing offer which is affordable to households on a range of incomes*".

Paragraph 3.22, "The development of purpose built student residential schemes located close to the University of Lincoln and Bishop Grosseteste University is essential in order to reduce the concentration of HMOs in city centre locations. Both the University of Lincoln and Bishop Grosseteste University have advised *that, further to the completion of the Medical School, they currently have no plans for further expansion within the timeframe of the Housing Strategy and pipeline student residential sites will adequately meet demand over the next five years".*

5.2 In addition to responding to consultation feedback, the draft Housing Strategy's evidence base has been updated to ensure it reflects the latest statistical datasets.

6. Monitoring and review

6.1 The Housing Strategy will be monitored on a quarterly basis and will be subject to an annual review. This will ensure progress is made in delivering priorities and allow the Strategy to reflect the changing policy agenda and to respond to meeting housing need.

7. Strategic Priorities

7.1 <u>Let's drive economic growth</u>
Housing is a key component of economic growth – the right housing attracts people to an area and housing development and regeneration supports the economy. The draft Housing Strategy recognises the importance of housing growth, city centre living, facilitating new build housing on Council land and housing renewal and regeneration to ensure sustainable communities.

7.2 <u>Let's reduce inequality</u>
The draft Housing Strategy has an underlying imperative to ensure all the City's residents have the opportunity to access housing which meets their needs, thus supporting equality of opportunity and seeking to tackle deprivation as residents have affordable, safe and suitable accommodation.

7.3 <u>Let's deliver quality housing</u>
The draft Housing Strategy is based on this priority.

7.4 <u>Let's enhance our remarkable place</u>
Urban regeneration to ensure our city centre remains vibrant and facilitating sustainable communities where people feel safe and want to live are key elements of the draft Housing Strategy.

8. Organisational Impacts

8.1 **Finance**
The consultation draft Housing Strategy has no direct financial implications. Subject to the strategy being approved, each development will be subject to a full options appraisal and individual Executive approval prior to funds being committed.

8.2 **Legal Implications including Procurement Rules**

There are no legal or procurement implications of the consultation draft Housing Strategy as it is an overarching strategic document, for which it is considered best practice to consult upon with a range of stakeholders including housing associations, developers and neighbouring local authorities.

8.3 **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

An Equality with Human Rights Analysis has been undertaken, this is attached at Appendix IV. In addition, an accessible version of the Housing Strategy has been produced.

8.4 **Significant Community Impact**

The draft Housing Strategy sets out the Council's overarching vision for housing for the City of Lincoln.

9. Risk Implications

9.1 (i) Options Explored

1) To progress a new housing strategy which reflects the local policy context and considers the current and emerging housing needs.
2) To begin to produce a revised housing strategy in April 2021 as the current strategy expires in March 2022.

9.2 (ii) Key risks associated with the preferred approach

The preferred approach, option 1, seeks to mitigate the risks associated with option 2, which include the failure to respond to the current economic climate and emerging changes to social policy.

10. Recommendation

10.1 The Executive to approve the draft Housing Strategy 2020-25 and to recommend its adoption by full Council.

How many appendices does the report contain?	Four
List of Background Papers:	None
Lead Officer:	Melanie Holland, Housing Strategy and Investment Manager

Housing Strategy

2020-25

City of Lincoln Council
Together, let's deliver Lincoln's ambitious future

Contents

Let's deliver quality housing

Foreword

A quality affordable home in which people can feel safe and thrive is a fundamental element in creating a sustainable community and enhancing society as whole. Our Housing Strategy sets out how we will work together with our partners across the public, private and voluntary sectors to meet housing demand and improve standards across all tenures in the city.

Whilst the strategy is for the period 2020-25, at present we do not yet fully understand the long-term effects of the current pandemic. Therefore, we can now only begin to recognise the emerging implications on the City's housing market and the wider economy. For example, as some people's work patterns shift to more flexible and home working, they may seek alternative larger housing, whereas, the recession is likely to lead to greater demand for affordable housing. It is essential for us to understand the ongoing impacts of Covid 19 in terms of central government policy and the local economy on Lincoln's housing market.

Over the five-year period covered by the Housing Strategy, housing need across all tenures is likely to change, especially in light of changes to householders' economic circumstances as a result of Covid-19 pandemic and the recession. In addition, the current planning reform proposals may impact on the delivery of the Strategy's priorities. We will regularly monitor the evidence on which the Housing Strategy is based and produce an annual review, with revised
and new priorities, which takes account of changing need and the revised policy agenda.

We recognise that there are often competing interests in facilitating the delivery of much needed housing for all our residents. The challenge of limiting the impact of new development on the environment is particularly important, especially in the light of the Council declaring a climate and environmental emergency. We understand that communities wish to see their physical environments protected and the challenge this presents in supporting new development.

We also recognise that in order to achieve economic growth, we need to facilitate the right homes to support growth and business development. It is also important to us that residents that require a special type of home with specific support are helped in equal measure. We are hugely ambitious and positive about the future and growth of housing in Lincoln and look forward to delivering this strategy.

Cllr Donald Nannestad

Deputy Leader and Portfolio Holder for Quality Housing

Executive Summary

Lincoln is a growing and forward-looking city built on historic foundations and is the economic driver for the Lincolnshire area. With a population of just under 100,000, the cathedral City is a tourist destination and has two universities, yet also contains concentrations of deprivation.

Lincoln has a relatively high proportion of local authority and private rented accommodation, with below average levels of owner occupation. There is a need for additional housing across all tenures and for housing renewal in areas of deprivation.

The housing strategy seeks to deliver quality housing through three objectives:

Providing housing which meets the varied needs of our residents

The Council seeks to make best use of social housing stock through the implementation of a new allocations policy and the introduction of a nominations agreement. A Trusted Landlord Accreditation Scheme aims to improve standards in the private rented sector. The Council is delivering affordable and specialist housing to meet evidence need through planning policy, direct delivery and enabling

Building sustainable communities

This is fundamental to delivering a housing strategy to meet the needs of the City.The City has ambitious plans for growth and is producing a Town Investment Plan. In addition to sustainable growth extensions, housing renewal and regeneration is planned for an area of the city centre which suffers from high levels of deprivation. The Council also seeks to balance the housing market through using planning policy and bringing empty homes into use.

Improving housing standards for all

The housing strategy seeks to improve housing standards across the City through the provision of aids and adaptations to promote independent living and energy efficiency measures to reduce fuel poverty cand carbon emissions. With respect to council owned stock, the Council is to produce a revised HRA Business Plan, incorporating an asset management strategy. This will ensure that unsustainable and low demand housing, which does not meet modern standards and aspirations, is remodelled or redeveloped.

Introduction: The City of Lincoln and its housing needs

1.1 Lincoln is a growing and forward-looking city built on historic foundations and is the economic driver for Lincolnshire.

1.2 As a district council the City of Lincoln Council is both the Local Housing Authority and the Local Planning Authority, with Lincolnshire County Council having responsibility for social services and transport within the city.

Figure 1: ONS map of the City

Source: NOMIS

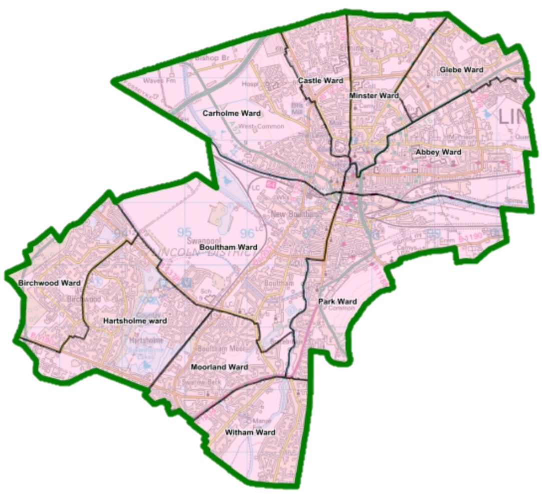
1.3 It is estimated that the population of the City of Lincoln is 99,300[1]. 2018-based household projections estimated that in 2020 Lincoln contained 44,451[2] dwellings, suggesting the average household size is 2.2 persons.

1.4 Approximately 68.1% of the City's population are aged 16 to 64 years; this compares to 62.5% of the national population[3]; the reason for Lincoln's high level of working age population being due to the impact of the student population. This is an important driver of housing growth, hence the need to facilitate a range of housing to meet the needs of a more youthful demographic, for example, mixed tenure city centre living.

1.5 The 2019 Index of Multiple Deprivation (IMD) found that ten of Lincoln's 57 Lower Super Output Areas (LSOA) were in the 10% most deprived of the country. The main reason for deprivation being due to barriers to income, education, employment and health[4].

1.6 The main concentration of deprivation is in the Park Ward – this being the Sincil Bank residential area of the City, which is mixed tenure. Other Wards, including Birchwood, Moorland, Castle and Glebe also contain LSOAs with deprivation levels in the worst 10% of the country.

Figure 2: Ward map of Lincoln



[1] ONS 2019 Population estimate
[2] ONS 2018-based household projections
[3]ONS 2019 Population estimate
[4] MHCLG

1.7 In 2020 the average full-time wage for people living in Lincoln was just over £30,000; this compares to the Lincolnshire average of just over £28,600 and the national average of just over £30,500[1].

1.8 At 0.97, compared to the Lincolnshire and national figures of 0.78 and 0.86 respectively, the City has a high jobs density[2]. Yet, paradoxically, the percentage of people claiming out of work benefits (the claimant count) is above the Lincolnshire and national averages (6.4% as compared to 5.4% and 6.3% respectively)[3]. This suggests that either there is a need to upskill some residents to enable them to gain employment in the job market or instead some jobs may be economically unviable, so result in households remaining in the benefit trap.

1.9 The Central Lincolnshire Local Plan (CLLP), published in 2017, covers the City of Lincoln, West Lindsey and North Kesteven District Councils (Figure 3). The Local Plan is currently being reviewed, with the earliest date for the adoption of a revised plan being April 2022.

1.10 However, as shown in Figure 4, since 2015 the City of Lincoln has had a very limited increase of housing delivery.

Figure 3: Local Plan area

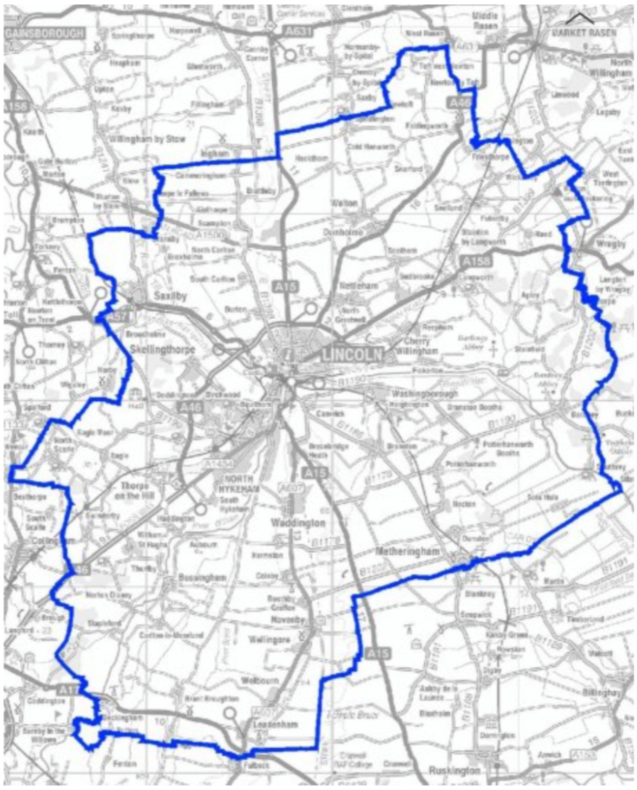


Figure 4: Net housing numbers in the City of Lincoln 2015-20

Date	Total housing stock	Net increase during financial year
31 Mar 15	43,615	166
31 Mar 16	43,748	133
31 Mar 17	43,678	130
31 Mar 18	44,143	265
31 Mar 19	44,509	366
31 Mar 20	44,729[8]	220

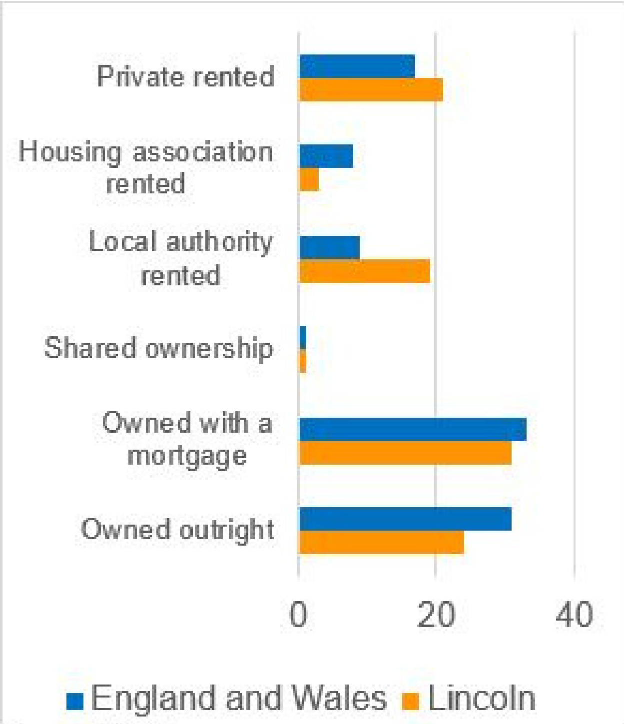
Source: MHCLG

1.11 There are an around 400 long-term empty homes at any one time in the City, representing just one per cent of Lincoln's housing stock. Although, as compared to some other local authorities this is comparatively low, it is important to recognise that many empty homes are a wasted resource, especially 1.1 when there is high demand for housing.

[5] ONS 2020 annual survey of hours and earnings
[6] ONS jobs density 2018
[7] ONS Claimant count by sex and age (November 2020 – not seasonally adjusted)
[8] To be confirmed

1.12 With respect to housing tenure, as shown in Figure 5, the 2011 census shows that Lincoln has a lower proportion of owner occupiers, but higher proportions of those in social and private renting as compared with England and Wales.

Figure 5 Percentage tenure split



Source: 2011 census

1.13 A key reason for the comparatively high level of private renting is due to the City's student population (17,225)[9] and the number of Houses in Multiple Occupation (HMOs) – currently estimated to be 900.

1.14 Reasons for the below national levels of home ownership include the level of unemployment, income levels and the City's demographics.

1.15 With respect to affordable housing, Lincoln has just under 7,800 local authority and around 1,500[10] housing association dwellings for rent, the latter provided by 15 housing associations.

1.16 Housing association stock includes just over 1,300 general needs dwellings, almost 200 sheltered dwellings for older persons and around 400 units (flats and bed-spaces of supported accommodation, including hostel bed-spaces). In addition, housing associations provide just over 300 homes for shared ownership.

Figure 6: Local authority housing general needs stock

	Bedrooms					
	0	1	2	3	4+	Totals
Bedsit						
Bungalow		32	159	62		546
Flat		2,399	603	16		3,018
House		15	1,744	1,663	150	3,572
Maisonette			250	16		266
Totals		2,739	2,756	1,757	150	7,402

1.17 95% of local authority housing is general needs. As can be seen from Figure 6, 48% of general needs local authority housing stock comprise houses; 44% flats and maisonettes; and only 7% bungalows. This is mainly due to previous funding opportunities and the impact of the Right to Buy (over the period 2015-20 an average of 56 dwellings per year were sold through the Right to Buy).

Figure 7: Local authority sheltered housing stock

	Bedrooms					
	0	1	2	3	4+	Totals
Bedsit	104					104
Bungalow		16	20			36
Flat		231	16			247
House						
Maisonette						
Totals	104	247	36			387

1.18 The Council has seven sheltered housing schemes comprising a total of almost 400 dwellings. Two schemes comprise solely bedsitter accommodation.

[9] Lincoln City Profile 2018/19
[10] Based on data from Housing Associations

Figure 8: Housing association general needs housing stock

	Bedrooms					
	0	1	2	3	4	Totals
Bedsit	28					28
Bungalow		40	28	6		74
Flat		324	252			576
House		31	333	255	14	633
Maisonette		1				1
Totals	28	396	613	261	14	1312

1.19 In 2018 11% of households in Lincoln were in fuel poverty, this has reduced from 11.6% in 2014 and 19.3% in 2011.[11] The majority of fuel poor households are in the private sector. As is the case in other urban areas, a key reason for fuel poverty is people on low incomes living in pre-1919 accommodation.

1.20 Private sector housing stock condition modelling was undertaken in 2017. This modelling estimated that 15% of stock had category 1 housing health and safety hazards under the Housing Health and Safety Rating System (HHSRS). The highest concentration of which were located in wards of Park, Carholme and Abbey.

1.21 In terms of energy efficiency, it was estimated that almost 1,200 dwellings in the private sector, including over 600 private rented dwellings had an EPC rating below band E.

1.22 All social housing is required to meet the Decent Homes Standard. The Council's 2020 Stock Condition Survey found that less that one per cent of local authority housing stock was not compliant with the Decent Homes Standard, this being dwellings where the tenants had refused improvement works.

1.23 In October 2020 the average sale price for a residential property in Lincoln was £156,234, up 1.3% on the previous year, as compared to £245,443 in the UK, an increase of 5.4% on the previous year[12]. This increase in house prices highlights that demand for residential property in the City remains high.

1.24 In 2019 the ratio of median house price to median gross annual workplace-based earnings was 5.79 (as compared to 7.83 for England) and the ratio of lower quartile house price to lower quartile gross annual workplace-based earning was 6.3 (as compared to 7.27 for England)[13]. This suggests that there is insufficient housing stock available for sale at the lower end of the housing market, leading to these house prices being artificially inflated.

1.25 Private rented houses costs are relatively expensive in comparison to neighbouring authorities, a possible reason for this being the high level of accommodation let as rooms in a house share (usually to students) which has driven up the rents for self-contained flats and houses. This has led to the 30th percentile of private rents exceeding Local Housing Allowance (LHA) levels[14], thus making private renting unaffordable to many people on benefits and low incomes.

[11] Sub-regional fuel poverty data: low income high costs indicator (2018 data).
[12] Land Registry UK House price index.
[13] ONS 2020
[14] Hometrack HIS

1.26 Often people understand homelessness as when individuals or families are rough sleeping or roofless. The definition of homeless is far wider than this and also considers whether the Council owes a household a statutory duty, with the main or full duty being for the Council to ensure the household has suitable accommodation.

1.27 When comparing applications for homelessness assistance in Lincoln to England as a whole, Lincoln may have average levels of applications, but has proportionately higher levels of statutory homeless households owed a relief duty, the majority if whom are single persons. This is likely to relate to Lincoln being the city for wider Lincolnshire. Figure 8 shows data for the period April to June 2020.

Figure 9: Homelessness applications

	Number of households in Lincoln	Per 1,000 households in Lincoln	No. of households in England per 1,000 households
Total assessed under the Housing Act 1996	111	2.71	2.83
Threatened with homelessness - prevention duty owed	29	0.70	1.08
Homeless - relief duty owed	82	1.98	1.62
Single person owed relief duty	60	1.46	1.28
Household with dependent children owed relief duty	21	0.51	0.27

Source: MHCLG

1.28 This proportionally high number of applications under the Housing Act 1996 not only results in high levels of investigatory work, but the need to often place households in temporary accommodation whilst this is undertaken.

1.29 With respect to rough sleepers, 2018 count estimated that the City had 26 rough sleepers on any one night. This equates to 6.3 per 10,000 households and is a variance of +215% from the England figure of 2.0 per 10,000 households. The 2019 estimate for Lincoln increased to 27 rough sleepers.[15]

1.30 The Lincolnshire Rough Sleeping Strategy 2019-2021 identifies the reasons for the high numbers of rough sleeper due to: changes in welfare and housing benefits; the reduction of health services and supported housing; and the large hospital and prison both releasing people without suitable accommodation. In addition, the provision of services in Lincoln acts as a magnet for many people from out of the area.

1.31 In response to the Covid19 pandemic the Government introduced changes to homelessness legislation which widened the definition of priority need based on a person's vulnerability. This has resulted in a number of rough sleepers being eligible for emergency accommodation to be facilitated by the Council. At December 2020 the number of rough sleepers in Lincoln was estimated to be eight.

1.32 The Council is anticipating that there is a high risk that all forms of homelessness, including rough sleeping, will increase due to the recession. Therefore, it is essential the Council continues to both prevent and tackle all forms of homelessness.

[15] Lincolnshire Rough Sleeping Strategy 2019-2021

1.33 The Council's 2019 housing needs survey provides a wealth of information at a City level.It estimated that:

- 2,500 homeowners find it difficult to maintain their home;
- 700 households find their mortgage payments too expensive;
- A third of households who are privately renting find their rent too expensive;
- 9,200 households find the cost of their utility bills to be a problem, with the private rented sector containing a disproportionate amount of these households;
- 3,500 households contain people who have difficulty with stairs or a lift, with a disproportionate number (1,300) living in local authority housing;
- 13,000 people have support needs due to having a medical condition, a physical, sensory or learning disability, or being frail elderly;
- 10,300 existing households plan to move in the next five years, this includes approximately 3,700 households who are privately renting, 2,400 households who own their home outright, 2,800 households who have a mortgage and 1,000 households in local authority housing;
- 4,500 concealed households plan to move in the next five years;
- 9,000 existing and concealed households planning to move in the next five years intend to remain living in the City of Lincoln;
- 3,600 households planning to move intend to purchase a property, 1,600 wish to rent from the Council and 500 intend to rent in the private sector;
- 900 households who are currently private renting intend to buy with a mortgage and almost 700 wish to rent from the Council; and
- 600 households who own their homes outright plan to buy a bungalow in the next five years.

1.34 In terms of cross-tenure housing demand, the housing needs survey indicated that a mix of 65% houses, 25% bungalows and 10% flats is required to meet need. When looking at the demand for affordable rented accommodation the proportion of bungalows increases to around 40%, flats increase to 20% and houses decrease to 40%.

1.35 In 2019 a review of housing/ accommodation need for older people report commissioned by Lincolnshire district authorities found that Lincoln has an over-supply of residential and nursing homes. However, Lincoln has a shortfall of housing designed for older people in both the private and social sectors.[16]

1.36 As part of the Central Lincolnshire Local Plan review a Gypsy and Traveller Accommodation Assessment (GTAA) was completed in March 2020. Currently Lincoln has one official local authority owned site with 19 pitches, of which 7 are occupied and 12 pitches are either vacant or are potential pitches.

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[16] Review of accommodation for older people across Lincolnshire report 2019. Housing LIN

1.37 Based on the assessment for future accommodation needs for the permanent Gypsy and Traveller community there are surplus pitches in Lincoln until 2040. However, there is currently no provision for temporary stopping sites for the seasonal travelling community, who need to travel for economic or work purposes. As a result, there have been 18 unauthorised encampments between April 2016 and August 2019 within Lincoln.

1.38 As part of the review of the Central Lincolnshire Local Plan a Housing Needs Assessment (HNA) has been produced in April 2020. The HNA highlights a sizeable need for two-bedroom properties (28%) and homes with at least four bedrooms (22%) across Central Lincolnshire. Substantially fewer households (7%) would be expected to need only one bedroom, albeit acknowledging that this is influenced by the stock of housing that is currently available. It is estimated that meeting this need could require over two thirds (69%) of new homes to be houses, surpassing the more limited need for bungalows (20%) and flats (11%).[17]

1.39 The HNA, using the Standard Methodology for calculating affordable housing need, provides a gross affordable housing need in Lincoln of 922 dwellings over a five-year period. The net affordable housing need is then calculated by subtracting the anticipated pipeline of existing and new affordable housing. This net figure (described as a shortfall) is 334 dwellings over a five-year period.

1.40 When taking into account the cost of renting or purchasing a property against average income the HNA suggests that 49% of newly forming households will not be able to afford to purchase on the open market; and 39% of newly forming households will not be able to afford either to purchase or rent on the open market.

1.41 The HNA will provide evidence of need to inform housing allocations and other associated Local Plan Policies.

1.42 The Joint Strategic Needs Assessment (JSNA) for Lincolnshire advises that it is important that the right homes are available, accessible, in the right place, in good condition, warm and are affordable.

1.43 The Lincolnshire Homes for Independence strategy provides an overarching vision of how the county and district councils are to meet the requirements of vulnerable people whose housing needs are not met by the housing market.

1.44 Lincolnshire County Council is currently establishing the level of housing need for people with learning disabilities and for people with mental ill health, so as to ensure the district authorities (including City of Lincoln Council) can enable suitable supported and specialist housing to meet identified need.

1.45 Lincolnshire County Council and its partners have a statutory duty under 1.1 The Children and Family Act 2017 to support Care Leavers to access safe and suitable accommodation up to the age of 25, which requires the help of all partners to achieve this. The City of Lincoln Council share corporate parenting responsibilities, in supporting care leavers, which includes meeting housing need.

[17] [1] Central Lincolnshire Housing Needs Assessment 2020

1.46 Since the launch of the last housing strategy in 2017, the Council has made great progress, including:

- Delivering over 200 additional local authority dwellings through new build and acquisition;
- Enabling approximately 150 housing association dwellings for rent and shared ownership;
- Bringing 137 empty homes back into use;
- Starting on site at the 70 unit extra care sheltered housing scheme at De Wint Court and a five general needs houses at Markham House;
- Delivering a Rogue Landlord Scheme; and
- Continuing to promote and increase membership of the Trusted Landlord Scheme.

1.47 We need to be proud of our achievements, but not lose sight of our 2025 strategic priority, ***let's deliver quality housing.***

1.48 This strategic priority has five aspirations:

- ***Let's provide housing which meets the varied needs of our residents.***
- ***Let's work together to tackle homelessness in Lincoln***
- ***Let's improve housing standards for all***
- ***Let's build thriving communities***
- ***Let's help people have a sense of belonging***

1.49 The 2020-25 housing strategy seeks to deliver quality housing through three objectives:

- ***Providing housing which meets the varied needs of our residents***
- ***Building sustainable communities***
- ***Improving housing standards for all***

1.50 Ensuring people have a sense of belonging and preventing homelessness cut-across these objectives.

1.51 It is vital that the vision and the objectives are not just words but become reality. This means making best use of available resources and ensuring investment is aligned to delivery these strategic aims.

1.52 Given the impact of Covid 19 upon peoples' lives and the economy, including homelessness and unemployment, the role of the housing strategy is extremely important. Housing is more than just bricks and mortar; housing renewal and the delivery of the right housing in the right place not only creates sustainable communities, but also supports the economic recovery.

1.53 Moving forward the role of housing will change as it will not only be needed to provide in its most basic sense accommodation to meet need, but to stimulate the economy.

Objective 1: Providing housing which meets the varied needs of our residents

Our goals for 2025 are to:

- Make the best use of housing stock through the allocation of local authority housing and nominations to housing associations and promotion of the private rented sector.
- Prevent homelessness, and when people are homeless ensure that through partnership working ensure that we have sufficient suitable accommodation to meet needs·
- Maximise the delivery of affordable housing through both direct delivery and enabling including the remodelling and redevelopment of low demand local authority housing stock.

What will success look like in five years?

We will have a range of housing options for people in housing need. Through homelessness prevention and intervention work we will reduce the level of homelessness, including rough sleeping. Homeless households will be placed in suitable accommodation to meet needs. We will have increased the level of affordable housing stock, both local authority and housing association, to meet housing need. We will have an ongoing plan of remodelling and redevelopment works to local authority stock to ensure housing meets aspirations and is fit for purpose.

Where are we now and what we will do to achieve this?

2.1 In January 2021 there were just over 1,400 active applicants on the Council's housing register for local authority housing. A new Allocations Policy is to be introduced which requires that, subject to certain exceptions, applicants have a two-year residency connection to the City of Lincoln. This is to ensure that social housing is offered to those with the highest housing needs, whilst also meeting the needs of local people.

2.2 Nomination rights with housing associations are being reviewed and formalised, in order to ensure
that a percentage of housing association lettings are allocated to applicants on the Council's housing register.

2.3 To complement the introduction of a revised allocations policy and the reinvigoration of nominations, the Council is to produce a city-wide Tenancy Strategy which will set out the types and lengths of tenancies offered by the Council and all housing associations operating in the City.

2.4 In order to improve the standard of private rented accommodation, housing management and neighbourhood relations, the Council operates a Trusted Landlord Accreditation Scheme. As of March 2020, 36 private landlords and agents were accepted as members or affiliate members of the scheme.

2.5 Given the comparably high levels of homelessness and rough sleeping found in the City, the Council is to produce a city-wide Homeless Prevention Strategy. An initial action has been the creation of an in-house temporary accommodation scheme, which aims to ensure that bed and breakfast accommodation is only used in emergencies.

2.6 When considering turnover of local authority housing stock, the 2019 housing needs survey, homelessness statistics and the impact of the Right to Buy, over the next five years there is an indicative need for the Council and its housing association partners to deliver over 300 bungalows (or alternative retirement housing) and around 700 general needs houses.

2.7 Housing churn and long-term empty local authority dwellings evidence the difficulty in letting bedsit schemes for older people and general needs maisonettes and some flats, notably those in high rise blocks. When comparing projected turnover against housing need, this suggests that over a five-year period due to oversupply there is a need to remodel or redevelop around 600 existing bedsits, flats and maisonettes.

2.8 In order to meet evidenced housing need the Council uses planning policy, direct delivery and enabling to delivery new affordable and specialist housing.

2.9 The Affordable Housing Policy requires, subject to financial viability, 25% of dwellings on sites of 11 or more dwellings to be affordable, with this reducing to 20% of dwellings developed in Sustainable Urban Extensions.

2.10 A priority is to increase the enabling work with housing associations, private developers and private landlords to influence provision of additional affordable homes to meet need. A new Supplementary Planning Document (SPD) on Affordable Housing forming part of the revised Local Plan will further facilitate this.

2.11 It is recognised that proposed planning reform not only looks to categorise land, thus require a new Local Plan, but also change the current policy approach to affordable housing and developer contributions.

2.12 The Council's New Homes Programme delivers affordable housing through direct delivery and acquisitions:

- The purchase and repair of 30 dwellings during 2020-21;
- A scheme of five family houses, funded through retained Right to Buy receipts, at the former site of Markham House completed in November 2020;
- The Council acquired 15 family houses from a partner housing association (developed with Homes England grant) on Sandal Street, off Riseholme Road, in Summer 2020;
- A proposed scheme of approximately 40 general needs houses, flats and bungalows for affordable rent and shared ownership at Rookery Lane to start on site in Summer 2021;
- Proposed additional family housing at Hermit Street;
- A proposed mixed tenure development on Council owned land north of Queen Elizabeth Road, anticipated to provide circa 100 units of affordable housing for rent and shared ownership;·
- A proposed mixed tenure development, to include older persons affordable housing, at Searby Road; and a number of potential small infill developments t provide general needs and specialist housing.

2.13 The Council works in partnership with Lincolnshire County Council to meet the housing needs for all vulnerable groups in Lincoln. This includes older people, people with learning disabilities, people with mental ill health and care leavers.

2.14 In order to meet a range of older persons' housing, support and care needs the Council is developing a 70 unit extra care sheltered housing scheme at De Wint Court. The scheme is due to complete in late 2021, it has received grant funding from Homes England and Lincolnshire County Council.

2.15 A key action of the Council's Temporary Accommodation Strategy is to develop a supported housing scheme for single homeless people. Moreover, linked to this is the need to develop a pipe-line of supported move-on accommodation.

2.16 In order to tackle unauthorised Gypsy and Traveller encampments the 2020 GTAA recommends that the Council adopt a negotiated stopping policy which identifies suitable locations for temporary stopping sites for an agreed and limited period of time with services.

2.17 The Birchwood CLT is seeking to create affordable homes and recreational space on an underused council owned site at Jasmine Green to meet housing need for older people and families.

Providing housing which meets the varied needs of our residents: Priorities for action

- Implement the revised local authority housing allocations polic
- Review and establish formal nominations agreements with housing associations
- Produce a City of Lincoln tenancy strategy
- Increase the membership of the Trusted Landlord Accreditation Scheme
- Produce a City of Lincoln homelessness prevention strategy
- Produce an Affordable Housing Supplementary Planning Document
- Continue to increase the local authority housing stock through the purchase and repair programme
- Deliver affordable housing at Markham House
- Deliver affordable housing at Rookery Lane
- Deliver additional affordable housing at Hermit Street
- Produce a master plan for Queen Elizabeth Road and surrounding area·
- Deliver a mixed tenure scheme at Queen Elizabeth Road
- Produce a master plan for Searby Road and surrounding area
- Deliver a mixed tenure housing scheme at Searby Road
- Maintain a list of potential infill developments and Brownfield Sites Register
- Deliver the De Wint Court extra care sheltered housing scheme·
- Establish the housing needs of people with learning disabilities·
- Establish the housing needs of people with mental ill health
- Deliver a temporary accommodation scheme for single homeless persons·
- Deliver move-on accommodation for former homeless households
- Respond to the Gypsies and Traveller Accommodation Needs Assessment
- Deliver affordable housing at Jasmin Green·
- To review the implications of the recession and Covid19 pandemic to understand and respond to changes in housing need

Objective 2: Building sustainable communities

Our goals for 2025 are to:

- Make progress on delivering the Western Growth Corridor to provide mixed tenure housing to meet need and demand
- Facilitate city centre living in Lincoln, ensuring that the city centre remains a vibrant and attractive place to live.
- Continue to work with residents and strategic partners to deliver the Sincil Bank Revitalisation Programme, including the regeneration of Hermit Street.
- Continue to work with our tenants to deliver estate improvements and an improved street scene.

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- Bring more empty homes back into use, to provide housing and improve the built environment.

What will success will look like in five years?

The Western Growth Corridor will be under-way to providing a variety of homes. Our city centre will be vibrant and attract to live in. We will have revitalised Sincil Bank, with new affordable homes for families, safer cycling and pedestrian routes and improved standard of private rented accommodation for all. We will have a programme of where we need to facilitate neighbourhood and housing renewal. Our local authority housing estates will have an improved street scene.

Where are we now and what we will do to achieve this?

3.1 The Greater Lincolnshire Local Enterprise Partnership (GLLEP) seeks to drive economic growth and to be the voice of the local business community, ensuring that the economic interests of the area are properly represented. The GLLEP is committed to housing growth and this is a key priority.

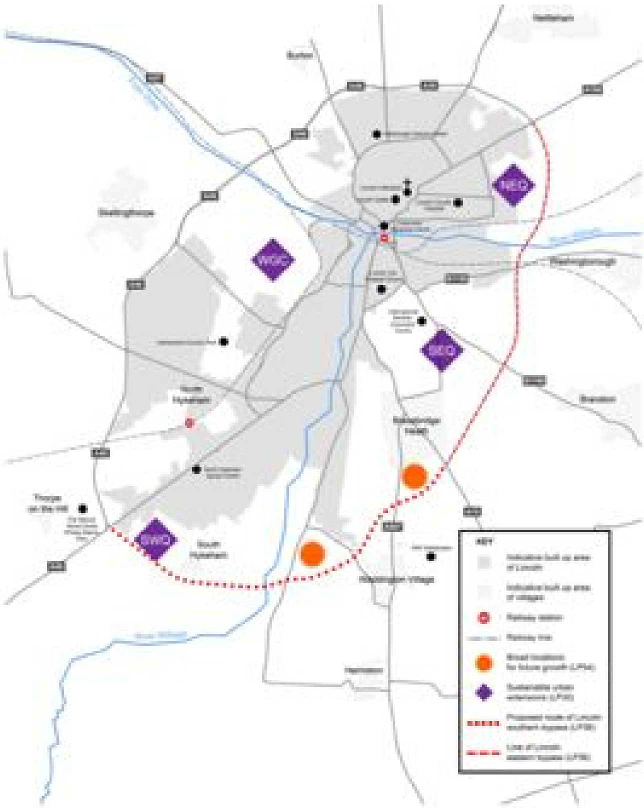
3.2 The Greater Lincolnshire Housing Delivery action plan sets out an ambitious programme to enable and deliver more homes in Lincolnshire.

3.3 The Central Lincolnshire Local Plan identifies a housing requirement for, approximately 1,323 dwellings per annum are indicated as being needed between 2020 and 2044.Fundamental to delivering these housing numbers are the Plan's four Sustainable Urban Extensions (SEUs).

3.4 As shown in Figure 9 these four SEUs are:

- WGC – Western Growth Corridor;
- NEQ – North Eastern Quadrant;
- SEQ – South Eastern Quadrant; and
- SWQ – South Western Quadrant

Figure 10 : Sustainable Urban Extensions



3.5 In developing a strategy to support growth, the City Council has commissioned the University of Lincoln to review the economic evidence, which alongside transport and digital infrastructure and skills evidence, will inform the production of a Town Investment Plan. This plan will, within the national and regional context, set out a clear vision, opportunities and challenges for the City's growth, and set out priorities for investment over the next five years.

3.6 A key objective is to encourage and enable the construction industry to provide training and development opportunities, including apprenticeships, across all trades and professions. Therefore, the need to ensure that sufficient resources, in terms of finance and training, are available.

3.7 In May 2019 the Council submitted a planning application for up to 3,200 homes to be built on the Western Growth Corridor. The development will provide up to 640 affordable homes.

3.8 In addition to the Western Growth Corridor sustainable urban extension, the Council is keen to work with Homes England, registered providers and private developers in order to de-risk and build out brownfield sites in the City.

3.9 An important strategic aim is to facilitate city centre living in order to drive economic regeneration to ensure Lincoln is a thriving place to live and work. City centre living not only pcrovides housing for a range of people, including young professionals, but encourages a vibrant city centre, especially in light of the impact of Covid 19 and the national phenomenon of the "death of the high street".

3.10 The Council is considering a range of opportunities as an enabler and direct provider. An initial priority is the redevelopment of a clarge city centre Council owed site which is currently used as a carpark to provide a mixed tenure development to meet need and attract additional demand into the centre of the city.

3.11 It is recognised that the private rented sector has a vital role in meeting housing need. However, the current offer in the City is both limited and not always affordable to households on low incomes. There are a number of city centre locations where a quality affordable private rented housing offer would provide accommodation for a range of households, including key workers. Therefore, the Council is to actively promote and facilitate opportunities for the provision of a quality private rented housing offer which is affordable to households on a range of incomes.

3.12 A further element of promoting and facilitating city centre living is the submission of a funding bid under the Town Deal Programme.

3.13 In addition to economic regeneration, place-based renewal and housing regeneration is being undertaken in Sincil Bank – an area which suffers from deprivation due to barriers to income, education,employment and health[18].

3.14 The Sincil Bank neighbourhood renewal programme includes a range of activities and projects to re-establish Sincil Bank as a community with homes and an environment residents' can be proud of.

3.15 In 2019 the Sincil Community Land Trust (SCLT) became incorporated and registered with the Financial Services Authority. A key aim of the SCLT is to bring homes in the area back into use.

3.16 Estate regeneration is in initial stages at Hermit Street, Sincil Bank. The design of the regeneration scheme has been community-led. It seeks to regenerate local authority flats and garages on Hermit Street which are target for crime and anti-social behaviour and to better meet housing need. The concept site designs have been completed providing an excellent basis on which to move forward.

3.17 Other areas in the City suffer from deprivation, therefore, the Council will undertake mini neighbourhood renewal assessments to establish the investment options for undertaking place-based renewal and regeneration

3.18 Walks around local authority estates, some of which suffer from high levels of deprivation have found that there is a need to:

- Improve the level of off-street parking;
- Improve street and building signage;
- Make better use of community space;
- Improve green areas; and
- Ensure residents maintain their gardens.

3.19 These estate improvements and management issues will be considered in the new HRA Business Plan and the updated Resident Involvement Strategy.

3.20 A review of local authority garage and other infill sites has identified opportunities to improve, demolish and redevelop sites which are not fit for purpose and attract anti-social behaviour. Allowing for them to be considered for housing and other community uses.

3.21 The high level of student housing in the City has resulted in high concentrations of HMOs in particular localities. In order to attempt to rebalance the housing market an Article 4 Direction under the Town and Country Planning legislation is in place.

3.22 The development of purpose built student residential schemes located close to the University of Lincoln and Bishop Grosseteste University is essential in order to reduce the concentration of HMOs in city centre locations. Both the University of Lincoln and Bishop Grosseteste University have advised that, further to the completion of the Medical School, they currently have no plans for further expansion within the timeframe of the Housing Strategy and pipeline student residential sites will adequately meet demand over the next five years.

[18] MHCLG

3.23 Accordingly by 2026 the demand by students for HMO accommodation in city centre locations will have greatly reduced, allowing for the reintroduction of family housing and more balanced residential neighbourhoods.

3.24 The Council has an Empty Homes Strategy, enabling the council to use a range of enforcement powers to bring empty homes, in private sector ownership, back into use. The Council's target is to bring 25 homes back into use per annum and an aspirational target of 50 homes per annum. An action plan for all homes empty for two or more years is in place. The outcome been to bring a total of 46 empty homes back into use during 2019-20.

3.25 In April 2020 the Council introduced a 300% Council Tax rate for homes empty for over five years, this will affect 46 properties. The Council has the powers to increase Council Tax to 400%, this will be reviewed and considered if further enforcement action is required.

3.26 Since 2008 Openreach, as part of the Onlincolnshire project, has been delivering a programme to expand superfast broadband, with 99.6% of Lincoln now having access to higher broadband speeds (above 15 Mbps).[19] As reliance on digital technology increases with more people working and studying from home, the increase of health and public services being accessed online and rapid increase in the internet of things (IoT), it is essential to ensure that all areas of the city have reliable access to superfast broadband.

3.27 The Council will continue to work to ensure that new housing developments and existing residential areas have access to superfast broadband to keep up with ongoing digitalisation.

3.28 The Greater Lincolnshire One Public Estate (GLOBE) is committed to use the public estate to drive integrated services and use surplus public land to deliver the GLLEP's housing and economic agenda.[20]
The City of Lincoln Council are committed to supporting GLOBE objectives. GLOBE is considering the response to Covid 19 and the possible change in demand for city centre office space with a view to repurposing public buildings to provide an increase in city centre housing provision.

[19] http://www.onlincolnshire.org/
[20] https://www.greaterlincolnshirelep.co.uk /

Building sustainable communities: Priorities for action

- Produce Town Investment Plan
- Encourage and enable the construction industry to
- provide training and development opportunities
- Deliver the Western Growth Corridor
- Deliver city centre living at Tentercroft Street
- Submit Town Deal bid
- Continue to undertake neighbourhood working at Sincil Bank
- Continue to work with the Sincil Community Land Trust to develop community-led housing and open space projects
- Deliver estate regeneration at Hermit Street, including the provision of additional housing to meet local need
- Undertake mini neighbourhood renewal assessments in areas of high social deprivation.
- Review and update the Resident Involvement Strategy
- Maintain City of Lincoln Council representation on Greater Lincolnshire District Housing Network and Affordable Housing Group
- Continue to review ongoing changes in housing demand and to repurpose public buildings where appropriate.
- Continue to support the Climate and Environmental emergency through improving energy efficiency of buildings, assisting residents
- to access funding and support to improve the energy performance of their homes and ensure access to superfast broadband.

Objective 3: Improving housing standards for all

Our goals for 2025 are to:

- Continue to enable vulnerable residents to live independently through the provision of aids, adaptations and other assistance.
- Support residents to improve the energy efficiency of their homes in order to reduce the number of households living in fuel poverty and reduce Lincoln's carbon footprint.
- Ensurelocal authority housing stock is maintained to a high standard, meets modern aspirations and is sustainable in the longer term.

What will success will look like in five years?

We will have fewer people living in fuel poverty, reduce Lincoln's Carbon Dioxide emissions and increase the overall quality of housing stock to meet the City's housing needs.

Where are we now and what we will do to achieve this?

4.1 Council's Private Housing Health Assistance Policy (2018-2022) offers support for owner occupiers, private and housing association tenants.

4.2 The policy delivers Disabled Facilities Grant (DFG) and discretionary assistance schemes to fund adaptions and other measures to enable people to remain living in their own homes.

4.3 Adaptations range from installing level access showers, ramps, to stair lifts through to new boilers. It is estimated that there is a need for 53DFGs per year. During 2019-20 thecouncil approved 58 DFGS. Over the period 2020-25 it is anticipated that, dependent on funding, the Council will approve 265 DFGs.

4.4 The Housing Health and Care delivery group are in the process of developing a common Lincolnshire Housing Assistance Policy, covering hospital discharge, discretionary funding grants to apply to all district councils. In addition to a common Lincolnshire policy, Lincoln will still have its own local policy to cover additional services offered to support Lincoln's residents.

4.5 The Council's Affordable Warmth Strategy seeks to reduce the proportion of households in fuel poverty. During 2020-21 the strategy will be reviewed and revised to include the Council's involvement with the Greater Lincolnshire Energy efficiency Network and the Health and Housing Assistance Policy.

4.6 The Greater Lincolnshire Energy Efficiency Network (GLEEN) is a partnership of the seven district, North East Lincolnshire, North Lincolnshire and Lincolnshire County Councils under which domestic energy efficiency schemes are delivered across the Greater Lincolnshire area. During 2020 4.1 GLEEN will set up and deliver the Lincs 4 Warmer Homes Scheme, providing an advice service for residents to enable them to access the Government's ECO3 Help to Heat funding and the Warm Homes Fund. Funding is available to help households living in fuel poverty, living on a low income and vulnerable to the effects of a cold home, improve the energy efficiency of their home.

4.7 Currently there are in the region of 5,000 households living in fuel poverty in Lincoln. Over the period 2020-25 the City of Lincoln Council will work to reduce this number by promoting the Lincs 4 warmer homes scheme to householders in private sector properties with a SAP rating of D or below and on means tested benefits or low income and people who are vulnerableto the cold.

4.8 Let's address the challenge of climate change is one of the Council's strategic priorities. In 2019 the Council declared a Climate and Environmental Emergency and set an aspirational target to achieve a net zero target by 2030 for Lincoln.

4.9 In response to the Council's climate emergency declaration and to support Lincoln's green recovery post Covid19, the council will identify opportunities to support all residents to access necessary funding and support to improve the energy efficiency of their homes. Currently this is achieved through a consortium arrangement set up through the Lincs4warmer homes scheme and close working with the East Midlands Energy Hub.

4.10 A revised HRA Business Plan will be launched in 2021-22, this will incorporate the findings of the 2020 local authority stock condition survey, the asset management issues identified by the 2019 housing needs survey and the housing register, consider the Social Housing White Paper and reflect the climate change agenda.

4.11 The 2020 local authority stock condition survey, based on a ten per cent sample of stock stratified by architype, has resulted in the production of a robust database of stock condition information. This allows the Council to understand the investment needs of its stock so as to ensure compliance with the Decent Homes Standard over the next 30 years.

4.12 Moreover, the 2021-25 HRA Business Plan will include a revised Lincoln Homes Standard which will incorporate external elements, such as communal areas and outside spaces.

4.13 When considering housing need and affordable housing demand identified by the housing needs survey, the Council's housing register and the turnover of local authority housing stock, the evidence highlights the need for redevelopment or remodelling of two dwelling typologies – sheltered bedsits and one bedroom general needs flats in two of the City's high rise blocks - so as to provide sustainable housing to meet aspirations.

4.14 Therefore, with respect to asset management, there is a need for the Council to consider the future life term of its two sheltered bedsit schemes and two out of its three high rises. In addition, there are a number of prefabricated bungalows which do not meet reasonable energy efficiency standards which could be redeveloped to provide a greater number of high-quality dwellings to meet the identified need.

4.15 In order to achieve net zero by 2030, the Council has reviewed its housing repair service to identify opportunities for a more sustainable practice. In 2021-22 the Council will review the energy efficiency of its housing stock and identify opportunities to further improve the SAP rating of council homes.

Improving housing standards for all: Priorities for action

- Work with the Housing Health and Care Delivery Group on a delivery plan and common Lincolnshire Housing Assistance Policy.
- Review and update the Private Housing Health Assistance Policy
- Review and update the Affordable Warmth Strategy
- Continue to work with the Greater Lincolnshire Energy Efficiency Network to deliver the Lincs 4warmer homes scheme and to maximise funding opportunities to improve energy efficiency wherever possible
- Produce a revised HRA Business Plan which includes an asset management strategy
- Undertake an options appraisal of sheltered housing bedsit schemes
- Undertake an option appraisal of two high rise schemes
- Undertake an options appraisal of prefabricated bungalows

Appendix 1: Action Plan

	Priority Objective	Year					Outcome	Responsible officer
	Providing housing which meets the varied needs of our residents	2020-21	2021-22	2022-23	2023-24	2024-25		
1.1	Implement the revised local authority housing allocations policy.	Policy implemented					To provide affordable homes for those with the highest housing needs.	Alison Timmins, Housing Solutions
1.2	Review and establish formal nominations agreements with housing associations	Review existing agreements	Establish new agreement				Maximising access to affordable housing to those in need.	Melanie Holland, Housing Strategy and Investment Team
1.3	Produce a City of Lincoln tenancy strategy		New strategy agreed				A strategy which sets out the tenancy arrangements for the Council and all the housing associations operating in the City.	Melanie Holland, Housing Strategy and Investment Team
1.4	Increase the membership of the Trusted Landlord Accreditation Scheme	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Making best use of the private rented housing stock across the City to meet housing need	Joanna Gray, Private Housing Team
1.5	Produce a City of Lincoln homelessness prevention strategy		Strategy produced				A toolbox of multi-agency approaches to prevent homelessness	Alison Timmins, Housing Solutions
1.6	Produce an Affordable Housing Supplementary Planning Document			SPD in place			To maximise the provision of affordable housing.	Tracey Footsoy, Housing Strategy and Investment Team
1.7	Continue to increase the local authority housing stock through the purchase and repair programme	Acquire units	Acquire units				To deliver additional affordable housing to meet housing need.	Melanie Holland, Housing Strategy and Investment Team
1.8	Deliver affordable housing at Markham House	PC					To deliver additional affordable housing to meet housing need.	Jo Walker/Jenny Crane, Major Developments team
1.9	Deliver affordable housing at Rookery Lane		SoS	PC			To deliver additional affordable housing to meet housing need.	Jo Walker/Jenny Crane, Major Developments team
1.10	Deliver additional affordable housing at Hermit Street	Agree proposals		SoS/PC			To deliver additional affordable housing to meet housing need.	Melanie Holland, Housing Strategy and Investment Team
1.11	Produce a master plan for Queen Elizabeth Road and surrounding area	Agree master plan					Master plan which meets housing need and enables the delivery of a flagship mixed tenure scheme.	Melanie Holland, Housing Strategy and Investment Team
1.12	Deliver a mixed tenure scheme at Queen Elizabeth Road	Initiate soft market testing	Procure partner(s)	SoS			Delivery of a flagship mixed tenure scheme meet housing need.	Jo Walker/Jenny Crane, Major Developments team
1.13	Produce a master plan for Searby Road and surrounding area		Agree master plan				Master plan which meets housing need and enables the delivery of a flagship mixed tenure scheme.	Jo Walker/Jenny Crane, Major Developments team
1.14	Deliver a mixed tenure housing scheme at Searby Road			SoS		PC	Delivery of a flagship mixed tenure scheme meet housing need.	Jo Walker/Jenny Crane, Major Developments team

1.15	Maintain a list of potential infill developments and a Brownfield Site Register.	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	List of potential infill development sites. Publication and maintenance of Brownfield Site Register on Council's website.	Toby Forbes Turner, Planning Policy
1.16	Deliver the De Wint Court extra care sheltered housing scheme		PC				Additional specialist affordable housing to meet housing need.	Tracey Footsoy, Housing Strategy and Investment Team
1.17	Establish the housing needs of people with learning disabilities		Housing needs identified				Housing needs assessment which provides needs for 3 to 5 years	Melanie Holland, Housing Strategy and Investment Team
1.18	Establish the housing needs of people with mental ill health		Housing needs identified				Housing needs assessment which provides needs for 3 to 5 years	Melanie Holland, Housing Strategy and Investment Team
1.19	Deliver a temporary accommodation scheme for single homeless persons		SoS	PC			Specialist housing to meet housing need.	Melanie Holland, Housing Strategy and Investment Team
1.20	Deliver move-on accommodation for rough sleepers	Ongoing	Ongoing				Additional supported housing to meet housing need	Melanie Holland, Housing Strategy and Investment Team
1.21	Respond to the Gypsies and Traveller Accommodation Needs Assessment	Assessment complete	Ongoing	Ongoing	Ongoing	Ongoing	Ensure adequate provision for accommodation in available.	Melanie Holland, Housing Strategy and Investment Team
1.22	Enable affordable housing at Jasmine Green	Ongoing	Ongoing	Ongoing			Additional affordable housing to meet local need.	Andrew McNeil, Housing Strategy and Investment
1.23	To review the implications of the recession and Covid19 pandemic to understand and respond to changes in housing need.	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Council is aware of changing housing need and is able to respond to these needs.	Melanie Holland, Housing Strategy and Investment Team

	Priority Objective Building sustainable communities	Year 2020-21	2021-22	2022-23	2023-24	2024-25	Outcome	Responsible officer
2.1	Produce Town Investment Plan	Plan completed	Project delivery subject to securing Towns Deal fund	Project delivery subject to securing Towns Deal fund	Project delivery subject to securing Towns Deal fund	Project delivery subject to securing Towns Deal fund	Deliver investment opportunities to grow the local economy and support the ongoing regeneration of the city centre to provide a vibrant place to live, work and enjoy.	Jo Walker/Gill Wilson, Major Developments Team
2.2	Encourage and enable the construction industry to provide training and development opportunities	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	By ensuring social value is a key requirement of any procurement and/or partnering exercise, seek to facilitate the construction industry to support apprenticeships across all trades and professions.	Heather Carmichael, Procurement Manager
2.3	Deliver the Western Growth Corridor		SoS for infrastructure works	Phase 1 SoS			To deliver high quality new homes, sustainable transport routes and accessible open space.	Helen Richie, Major Developments Team
2.4	Deliver city centre living at Tentercroft Street		SoS			PC	Enable the redevelopment of a strategic brownfield site to create new workspace and city living in the heart of the City Centre.	Maria Clayton, Major Developments Team

2.5	Ensure the delivery of the Town Deal bid	Bid submitted	Funding due to be secured and project delivery commences	Project Delivery	Project Delivery	Project Delivery	To secure investment funding to support ongoing regeneration of the city centre and Lincoln's economic recovery	Jo Walker/Gill Wilson, Major Developments Team
2.6	Continue to undertake neighbourhood working at Sincil Bank	Ongoing	Ongoing	Ongoing			Create a vibrant city centre community through improved community cohesion and reduced deprivation	Paul Carrick, Housing Strategy and Investment Team
2.7	Continue to work with the Sincil Community Land Trust to develop community-led housing and open space projects	Ongoing	Subject to annual review	Subject to annual review	Subject to annual review	Subject to annual review	To ensure a community led programme is sustained within the Sincil Bank Regeneration area long term.	Melanie Holland, Housing Strategy and Investment Team
2.8	Deliver estate regeneration at Hermit Street, including the provision of additional housing to meet local need	Agree proposals	Establish funding programme	SoS	PC		To create a community with access to open space, safe and secure accommodation and new homes to meet our housing need	Melanie Holland, Housing Strategy and Investment Team
2.9	Undertake mini neighbourhood renewal assessments in areas of high social deprivation.		Ongoing	Ongoing			To deliver investment in neighbourhoods to enhance the communal areas and open space to meet the needs of the residents.	Chris Morton, Resident Involvement Team
2.10	Review and update the Resident Involvement Strategy			Strategy drafted and agreed			Establish a toolkit for tenants and tenant organisations to be able to be involved in improving the housing service	Chris Morton, Resident Involvement Team
2.11	Maintain City of Lincoln Council representation on Greater Lincolnshire District Housing Network and Affordable Housing Group.	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	To contribute and influence strategic housing and infrastructure schemes across Greater Lincolnshire.	Daren Turner, Housing and Investment

	Priority Objective	Year					Outcome	Responsible Officer
	Improving housing standards for all	2020-21	2021-22	2022-23	2023-24	2024-25		
3.1	Work with the Housing Health and Care Delivery Group on a delivery plan and common Lincolnshire Housing Assistance Policy.		Policy drafted and approved				To enable more people to remain living independently in their own homes for longer as a result of home adaptations.	Sara Boothright, Private Sector Housing Team
3.2	Review and update the Private Housing Health Assistance Policy 2018-2022		Review and update	Policy drafted and approved			To enable more people to remain living independently in their own homes for longer as a result of home adaptations.	Sara Boothright, Private Sector Housing Team
3.3	Review and update the Affordable Warmth Strategy		Strategy drafted and agreed				A range of initiatives to enable households to increase the energy efficiency of their homes and move out of fuel poverty.	Melanie Holland, Housing Strategy and Investment Team
3.4	Continue to work with the Greater Lincolnshire Energy Efficiency Network to deliver the Lincs 4 warmer homes scheme and to maximise funding opportunities to improve energy efficiency wherever possible	Sign and publish joint statement of intent	Complete delivery of Warm Homes grant	Ongoing	Ongoing	Ongoing	To improve the energy efficiency of homes in Lincoln to reduce fuel poverty and Lincoln's CO_2 emissions.	Melanie Holland, Housing Strategy and Investment Team
3.5	Produce a revised HRA Business Plan which includes an asset management strategy		Work on draft HRA Business Plan undertaken	HRA Business Plan launched			To complete a 30-year business model, with 3 to 5-year investment plan. The business model will ensure that we will deliver the investment required in our council housing stock.	Melanie Holland, Housing Strategy and Investment Team
3.6	Undertake an options appraisal of sheltered housing bedsit schemes		Undertake options appraisal				Remodel existing sheltered accommodation to convert existing sheltered bedsits to provide 1 and 2 bedroom sheltered accommodation.	Tracey Footsoy, Housing Strategy and Investment Team
3.7	Undertake an options appraisal of two high rise schemes		Undertake options appraisal				To reach a decision to re-provide accommodation in low-rise blocks or to invest in existing high-rises.	Melanie Holland, Housing Strategy and Investment Team
3.8	Undertake an options appraisal of prefabricated bungalows		Undertake options appraisal				To reach a decision to redevelop site or to invest in existing bungalows.	Tracey Footsoy, Housing Strategy and Investment Team

Glossary

Affordable Housing The definition of Affordable Housing is set out in the National Planning Policy Framework 2018 (NPPF):

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Brownfield Site This is a site which has been previously developed, therefore land which is or was occupied by a permanent structure.

CLT Community Land Trust. These are organisations set up and run by local people to develop and manage affordable housing as well as other assets important to their community.

DFG Disabled Facilities Grant. The provision of grant aided adaptations for disabled persons' properties in the private sector (this includes housing association properties).

EPC Energy Performance Certificate

Fuel Poverty Households in fuel poverty are those that must spend a high proportion of their income to keep their home at a reasonable temperature.

GLEE Greater Lincolnshire Energy Efficiency Network

GLLEP Greater Lincolnshire Local Enterprise Partnership

Housing Association A not for profit organisation which provides affordable housing. A housing association registered with the Regulator of Social Housing is a private registered provider.

HRA Housing Revenue Account. This is ring-fenced, landlord account which records expenditure and income arising from the provision of housing accommodation by local housing authorities.

HMO House in Multiple Occupation. This is when at least three tenants form more than one household, and these tenants share toilet, bathroom or kitchen facilities.

Jobs density The number of jobs in an areas divided nby the resident population aged 16-64 in that area.

LHA Local Housing Allowance. The rates of which are based on private market rents paid by tenants in the Broad Rental Market Area (BRMA), being the 30th percentile of all the private rents.

Local Plan The plan for the future development of the local area drawn up by the Local Planning Authority (LPA) in consultation with the community.

Net zero Net zero refers to achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.

Retained Right to Buy receipts Often referred to as 1-4-1 receipts, these are receipts received by the Council for Righto to Buy sales over and above the assumed level of sales agreed under self-financing settlement payment. The receipts can fund up to 30% of the total scheme cost of replacement social housing.

SAP Standard Assessment Procedure.

Statutory homeless A household is homeless, eligible for assistance, in priority need, unintentionally homeless and has a local connection.

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Present: Councillor Bill Bilton *(in the Chair)*, Councillor Alan Briggs, Councillor Jane Loffhagen, Councillor Hilton Spratt, Councillor Ralph Toofany and Councillor Pat Vaughan

Apologies for Absence: Councillor Laura McWilliams

82. Confirmation of Minutes - 18 August 2020

RESOLVED that the minutes of the meeting held on 18 August 2020 be confirmed.

83. Declarations of Interest

No declarations of interest were received.

84. Planning White Paper Consultation

Kieron Manning, Assistant Director – Planning

a. presented a report to update committee on the content of the recent White Paper consultation from Central Government on reforming the planning system.

b. referred to paragraph 2 of the report and outlined the two consultations published by the Government on 6 August relating to the Planning System.

c. advised that the 'Planning for the future' White Paper was published in early August and saw significant changes at both Policy and Development Management stages. The Government had stated that it had the potential to alter the planning system more than any previous reforms since the inception of the planning system in 1947.

d. advised that in the forward to the White Paper, the Prime Minister stated that the government's ambition was to create a planning system which was "simpler, clearer and quicker to navigate, delivering results in weeks and months rather than years and decades"

e. advised that since 1947 planning applications in England had been assessed on a case-by-case basis against a long-term local plan, with permission ultimately decided by committee. The new system proposed to diminish this. Land would instead be classified into three zones within a new local Plan, with outline planning permission awarded automatically if proposals met specific criteria within specific zones.

f. explained that the White paper proposed that the following three categories would apply to all land within the a district boundary as part of the local plan allocation process:

   i. Growth
   ii. Renewal
   iii. Protection

g. referred to paragraph 4 of the report and summarised the key proposals:

- Local Plan Proposals
- The role of Councillors and Development Management
- Public Engagement
- Section 106 agreements and Community Infrastructure Levy (CIL)
- Housing Targets
- Design
- Enforcement
- Delivering Changes

h. referred to paragraph 5 of the report and explained the implications of the proposed changes.

i. advised that the consultation was open until 29 October 2020. Subject to the outcome of the consultation, the government "would seek to bring forward legislation and policy changes" to implement its reforms acknowledging that "we have not comprehensively covered every aspect of the system, and the detail of the proposals would need further development pending the outcome of the consultation" The proposals would require primary legislation followed by secondary legislation and an updating of the National Planning Policy Framework.

j. referred to the draft consultation response at Appendix A of the report and asked members to consider the response to each question prior to referral to Executive.

Question: When was the current Local Plan adopted?
Response: The current Local Plan was adopted in 2017 and was currently being reviewed, the next Local Plan would be adopted in 2022. Under the proposed changes to the Planning System work would have to commence on the following Local Plan immediately after its adoption in 2022 as the new plan was required to be in place by 2024.
Question: Was conservation areas a consideration within the proposed changes?
Response: Conservation areas were made reference to in the White Paper in general terms, they would form part of the Protection category.
Comment: Commented on the lack of available housing in the UK.
Response: There were between 800,000 and 1m houses that have been granted planning permission across the country that had not been built, yet the White Paper consultation proposed radical change to the land use planning system as the means to address what was largely an economic problem.
Question: During the development of the Local Plan would blanket design codes apply?
Response: We know that the intention would be to have 3 zones, however, it was unclear at what level and how Local Authorities would apply this.
Question: Would local residents only get a say when the Local Plan was produced?
Response: Potentially yes, although the White Paper did not provide detail so it was unclear. The aim of the proposed changes was to speed up and simplify the process at the planning application stage.
Question: During the development of the St Marks area, there was a lot of deliberation over the details for example the types of doors and windows. Would this input be taken away?

Response: It was unclear in the white paper whether the intention was that every area in the district required to be covered by a zone. If this was the case and there was a design code in place then potentially yes it could be the case.

RESOLVED that the conclusions of the report and suggested response to each question be endorsed and be referred to Executive.

85. Draft Housing Strategy 2020-25

Melanie Holland, Housing Strategy and Investment Manager

a. presented a report on the draft Housing Strategy 2020-25 for consideration prior to external consultation.

b. referred to paragraph 2.1 of the report and explained that a local authority strategy was an overarching cross-tenure document which identified local housing needs and set out how those needs would be met.

c. advised that Member briefings took place on 3 and 4 July 2019 which sought to provide an update on the emerging housing needs evidence. Lincolns current housing market, stock condition and the opportunities for delivering new homes. A key outcome of the briefings was the need to provide further information on demand and need for affordable housing.

d. advised that a follow up Members' workshop took place on 8 January 2020 where officers discussed the following themes in more detail to understand the Housing Strategy priorities over the next five years:

    - Maximising the supply of affordable housing
    - Maximising our existing housing assets
    - Estate improvement and resident involvement
    - Allocating council housing to those in greatest need
    - Enabling sustainable tenancies

e. advised that the feedback from the workshop had shaped the content of the draft Housing Strategy, which also considered empirical information, the existing local policy context, the emerging response to Covid-19 and the current recession.

f. advised that to complement Vision 2025, " Lets deliver quality housing", the objectives of the Housing Strategy for 2020-25 are:

    - Providing housing which meets the varied needs of our residents
    - Building Sustainable Communities
    - Improving Housing Standards for all

g. referred to paragraph 4 of the report and explained the implications of Covid-19 on the housing market and the role of the Housing Strategy to aid economic recovery.

h. advised that it was vital to regularly monitor the evidence on which the Housing Strategy was premised and produce an annual review, with revised and new priorities, which took into account the changing need and the revised policy agenda.

i. invited members questions and comments

Question: Referred to “Making the best use of our Housing Stock” and asked for example if someone had been allocated a property would they be allowed to stay in the property if their circumstances changed?
Response: If they held a secure tenancy then they would have a legal right to remain in the property. The making the best use of our Housing Stock was about the Councils intentions to provide the right accommodation for residents.
Question: Could flats above shops on the High Street be used?
Response: City centre living did form part of the Strategy. There were aspirations but we needed to attract the funding.

RESOLVED that the draft Housing Strategy 2020-25 be supported prior to external consultation.

86. Policy Scrutiny Work Programme 2020-21 and Executive Work Programme Update

The Democratic Services Officer:

a. presented the report ‘Policy Scrutiny Work Programme 2020-21 and Executive Work Programme Update’.

b. presented the Executive Work Programme September 2020 – September 2021.

c. requested councillors to submit what items they wished to scrutinise from the Executive Work Programme and policies of interest.

d. invited members questions and comments.

Members commented that Parking on Grass Verges had not been included within the work programme.

The Democratic Services Officer explained that it had been referred to Housing Scrutiny Sub Committee. The Lincoln Tenants Panel were currently undertaking some work on this and it would be presented to Housing Scrutiny Sub Committee in January 2021.

Members stated that they were disappointed not to see this item scheduled within the work programme and asked that it be included on the Policy Scrutiny work programme. They felt that as the item had originated from Policy Scrutiny then an update should be reported back to this committee.

The Democratic Services Officer confirmed that she would liaise with the relevant Officer for a suitable time to schedule into the Policy Scrutiny Work Programme.

RESOLVED that:

1. the work Policy Scrutiny work programme be noted.

2. the Executive work programme be noted.

87. Health Scrutiny Update

The Chair of Policy Scrutiny Committee advised that the link to the Lincolnshire County Councils Health Scrutiny Committee agenda and minutes from the meeting held on 16th September 2020 and the agenda for the forthcoming meeting to be held on 14 October 2020 had been circulated to Members. He invited members to ask questions.

Members asked if the track and trace system for the Covid-19 pandemic had been discussed at the Health Scrutiny Committee.

The Chair responded that the Health Scrutiny Committee was a very fast moving committee and that most of the items on the agenda referred to matters 2 to 3 months in the past.

RESOLVED that the update be noted.

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Present: Councillor Bill Bilton *(in the Chair)*, Councillor Thomas Dyer, Councillor Alan Briggs, Councillor Gary Hewson, Councillor Jane Loffhagen, Councillor Ralph Toofany and Councillor Pat Vaughan

Apologies for Absence: Councillor Laura McWilliams and Councillor Hilton Spratt

99. Confirmation of Minutes - 24 November 2020 and 8 December 2020

RESOLVED that the minutes of the meetings held on 24 November 2020 and 8 December 2020 be confirmed.

100. Declarations of Interest

No declarations of interest were received.

101. Housing Strategy 2020-25 - Response to the Consultation Draft

Kate Bell, Housing Strategy Officer:

a. presented a report which advised the Policy Scrutiny Committee of the results of the external consultation on the draft Housing Strategy 2020-25.

b. reported that the consultation for the draft Housing Strategy was launched on 26 October 2020, inviting comments by 11 December 2020.

c. reported that feedback had been very positive regarding the detailed evidence base within the draft Housing Strategy and the range of actions proposed to meet Lincoln’s housing need over the next five years.

d. highlighted that specific areas commented on as part of responses received had focussed on the following:

   - the provision of student accommodation;
   - city centre living and mixed use residential areas;
   - community land trusts;
   - private rental accommodation.

e. invited members’ comments and questions.

Comment: A concern raised at the Lincoln Tenants’ Panel meeting was the effect allocating housing to the homeless and rough sleeping was having to those on waiting lists for housing in the city.

Response: The Council had a duty of care to any person who presented themselves as homeless.

Question: When working with Housing Associations, did the City Council take advantage of nominations rights and was there any feedback in that respect?

Response: The Council did actively encourage use of nominations rights and would be taking advantage of this. Affordable and social housing were scarce resources so it was important to make the best use of them in the city.

Question: Were developers being encouraged to provide opportunities for apprenticeships as part of procurement agreements with the Council?

Response: On Council-owned land and developments managed by the City Council it was much easier to provide such opportunities. One of the obstacles was the longevity required as part of an apprenticeship scheme, which the nature of work associated with developments could not always facilitate.

Question: There appeared to be a shortage of three and four bedroomed properties in the city in terms of affordable and social housing stock. How many more of these properties were expected to be delivered in the city over the next five years?

Response: The specific number of two, three and four bedroomed properties scheduled for delivery in the city was set out in the Strategy, supported by specific demand for each size of property.

Question: What information was being collected via Hometrack and how would this information be used?

Response: Hometrack would provide the Council with details on private sector rents in specific areas and track respective movements. This would provide evidence to substantiate rent increases and decreases and provided an important evidence base for the Council to work with.

Question: Did any consideration go into a person’s circumstances and the physical location of their support network, for example, when offered housing? This related to an example whereby a resident was offered housing in the north of the city when their support network was located in the south of the city.

Response: This was a very difficult issue to balance and the Council was always bound by what accommodation was available at the time. With families, use of temporary accommodation was not appropriate unless it was an emergency, which also presented some challenges. There had been an increase in people presenting themselves as homeless given the unprecedented nature of the current circumstances and specific ‘next steps’ accommodation was being developed to accommodate these individuals. These were purpose built, one-bedroomed, facilities. People in need of housing would always be matched to the most appropriate use but, given the restrictions in respect of stock in the city, this was challenging.

Comment: Affordable housing rents were dictated by private sector rents as opposed to social housing, however, it was due to rent increases in the private sector that led people to present themselves as homeless in some cases.

Response: It was acknowledged that affordable rents were linked to the private rental sector, whereas social rents were prescribed. Other than the amount of rent paid, the conditions of a tenancy agreement would be exactly the same for a tenant in an affordable rented property or socially rented property.

Comment: The Allocations Policy should include a condition that a person could demonstrate an association with the city within a two year period to qualify for a council house. The Tenants' Panel was concerned that people who, for example, 'sofa-surfed' in the city and had been residents of the city all their lives were on waiting lists for long periods of time, whereas people outside of the city could present themselves as homeless and be offered accommodation. The city had significant resources available to support homeless people, rough sleepers and some of the conditions associated with people who found themselves in these situations, which made Lincoln attractive to them.

Response: The Council had duties under legislation to respond to people who presented themselves as homeless. However, accommodation offered to these people was temporary and not on the basis of a full-time tenancy, which would lessen the impact on those people included on the Council's wait list for housing. Allocations would always be made on the most appropriate type of accommodation for a person's circumstances.

Question: There had been instances whereby vacant flats had been used to accommodate homeless people, which were located in or around buildings where the elderly or vulnerable lived. Unfortunately cases of anti-social behaviour had been reported as a result of the allocation. Could more consideration be given to those properties used to accommodate the homeless in this respect and where they were located, taking into consideration the nature of people already living there, even given the short-term nature of the tenancy?

Response: 15 next step properties would be funded to provide this short-term provision which focussed on helping people understand how to live independently. The example referred to above must have been an older allocation on the system, which was not part of this new scheme. It was acknowledged that further consideration should be given to existing tenants and residents to avoid problems such as those put forward in the example.

Comment: The provision of purpose built student accommodation was supported, which would have a knock on effect on the private rented sector in some areas and free up properties that had been houses in multiple occupation for some time. It was hoped that this would assist in rents being reduced in Lincoln.

Response: Projections from the University of Lincoln were that it did not anticipate any further growth apart from the Medical School, with purpose built accommodation for students generating some movement in terms of those students in the second and third years of University as opposed to the first year who traditionally lived in student accommodation. There was a perception that a lot of student accommodation in the city, particularly newly built units, were empty and that there was not enough demand to fill them. It was reported that this accommodation had specifically been designed for students in their second and third years so would start to be used during the next academic year.

102. **Proposals for the Review of Existing Public Space Protection Order within the City Centre**

Francesca Bell, Public Protection, Anti-Social Behaviour and Licensing Service Manager:

a. briefed the Policy Scrutiny Committee on the process and consideration given to date to review an existing Public Space Protection Order in the city centre area of Lincoln.

b. provided the background relating to the existing Public Space Protection Order, including the area it covered and the reason for its existence in those areas.

c. reported the outcome of the consultation that had be undertaken for 28 days, commencing on 2 November 2020, further to which five responses had been received with four coming from partners and one being received from a member of the public.

d. reported that all five response had called for the existing Public Space Protection Order to remain in place.

e. reported that all four partner responses called for the extension of the geographical area of the Public Space Protection Order to cover St Rumbolds Street.

f. reported that, in addition to consultation responses, the Citizens Panel had also returned comments relating specifically to drug users and drunks in the city centre and St Rumbolds Street area. 45 separate comments about drug and alcohol misuse in the city centre had been received.

g. reported evidence for the current geographical area to remain in place for the Public Space Protection Order, including the number of surrenders, breaches, fixed penalty notices and prosecutions.

h. reported evidence for the extension of the Public Space Protection Order to include St Rumbolds Street, referred to as Zone 3 in Appendix C attached to the report.

i. Invited members' comments and questions.

Question: How many fixed penalty notices had been issued?

Response: A full overview of each year from 2015 was included in the report but for 2020 there had been four surrenders, one breach for alcohol, two breaches for other substances, two fixed penalty notices and two prosecutions.

Question: Was St Peter's Passage still gated?

Response: St Peter's Passage was still currently gated with no public access.

Comment: The figures regarding enforcement of the Public Space Protection Order were surprising as it was expected that they would be much higher.

Question: If the Council knew it was the same individuals causing problems and could identify the organisations that were actively supporting them, could the Council request that those organisations took some responsibility? Did the Council actively work with these organisations to prevent problems reoccurring in the city centre? Enforcement should be much stricter as drinking and other substance misuse in the streets, particularly in the city centre, provided a negative reflection on the reputation of the city.

Response: The Council did actively engage with other organisations who supported some of these individuals, who in turn had improved the way in which they engaged with the authority and was a positive development in comparison to previous years. It was emphasised that there were often limitations as to what responsibility they had over an individual and that cases were often extremely complex. Enforcement did need to be strong as otherwise it provided the wrong message in respect of the Order being in place but this was reliant on resources, specifically the Police. It was accepted that, in balancing out all policing matters in the city, enforcement of the Public Space Protection Order was not always considered as a priority. A much better understanding of the issues faced in the city centre, particularly in respect of the Order itself, had been demonstrated since the city centre policing team had been located at City Hall. It was also reported that a lot of issues were dealt with informally, such as the removal of alcohol for example which may not always be logged. The statistics did not, therefore, reflect the subtle enforcement that actively took place in the city centre.

Comment: The proposal to extend the geographic boundary of the Order to Rumbolds Street should be supported and the city centre policing team should be commended for the excellent work they undertook which had made a noticeable difference to the city.

Question: Was the reduction in the number of surrenders, breaches, fixed penalty notices and prosecutions a result of appropriate enforcement and deterrents or the problem being moved to other parts of the city? Would extending the boundary of the Public Space Protection Order therefore move the problem elsewhere, leading to further proposals to extend it in future years?

Response: The issue had generally improved in Lincoln, particularly since 2014 when the consumption of legal highs and super strong alcoholic beverages were a significant issue in the city centre. The reason St Rumbolds Street had become problematic was that there were lots of support and resources available in that area for a lot of the client groups whose behaviour predominantly breached the Public Space Protection Order, so the area naturally attracted those people. It was hoped that extending the boundary would not simply push these problems to another part of the city but it was acknowledged that this was a risk. It was also noted that the larger the geographical area that required enforcement, the more diluted resources became to enforce it.

Question: Would the Council ever consider reducing the geographical area of the Public Space Protection Order?

Response: It was hoped that this would be a possibility in future with one area considered for removal being South Park. However, the Police were keen that this be maintained as part of the Public Space Protection Order to assist with enforcement on match days at the football stadium in relation to street drinking in particular. Any proposal to reduce the area would be undertaken in consultation with key partners, such as the Police.

Question: Issues of substance misuse and anti-social behaviour had been reported at Cannon Street and Stamp End. Could these areas be considered for inclusion as part of the Public Space Protection Order?

Response: The Order was reviewed every three years and there was currently no data available in relation to Cannon Street or Stamp End to substantiate inclusion in the Order. Further consultation would take place where evidence for further areas such as these could be taken into account.

103. Policy Scrutiny Work Programme 2020 -21 and Executive Work Programme Update

The Democratic Services and Elections Manager:

a. presented the Policy Scrutiny Work Programme 2020-21 and Executive Work Programme update.

b. reported that an item on a review of public conveniences, scheduled for consideration by the Executive in March 2021, had been added to the work programme for the next meeting of the Policy Scrutiny Committee.

c. invited members questions and comments.

Members made no further comments or suggestions regarding the Policy Scrutiny work programme.

RESOLVED that:

(1) The work Policy Scrutiny work programme be noted.

(2) The Executive work programme be noted.

104. Health Scrutiny Update

The Chair of the Policy Scrutiny Committee reported that the Health Scrutiny Committee for Lincolnshire had not met since before Christmas, with its next meeting scheduled to be held on 20 January 2021.

He reported that things were moving rapidly in response to Covid-19, with testing kits now available in the city and testing stations having been set up over Christmas and the New Year. These were still in place at Lincoln City Football Club and would be located at the Community Centre on Croft Street for a period of two weeks.

It was noted that the vaccination programme was being led nationally and that no local information regarding rollout was available at this stage. It was confirmed, however, that all residents in the city were located within ten miles of a proposed vaccination site.

RESOLVED that the update be noted.

Equality with Human Rights Analysis Toolkit

The Equality Act 2010 and Human Rights Act 1998 require us to consider the impact of our policies and practices in respect of equality and human rights.

We should consider potential impact before any decisions are made or policies or practices are implemented. This analysis toolkit provides the template to ensure you consider all aspects and have a written record that you have done this.

If you need any guidance or assistance completing your Equality and Human Rights Analysis contact:
Heather Grover, Principal Policy Officer on (87)3326; email: heather.grover@lincoln.gov.uk . Alternatively contact Legal Services on (87)3840

A diagram of the process you should follow is on page 2, and glossary and guidance to help you complete the toolkit can be found on pages 6-9.

Even after your policy, project or service has been implemented; it is recommended that analysis is undertaken every three years, and that this analysis is updated at any significant points in between. The purpose of any update is that the actual effects will only be known after the implementation of your policy, project or service. Additionally, area demographics could change, leading to different needs, alternative provision can become available, or new options to reduce an adverse effect could become apparent.

<u>Useful questions to consider when completing this toolkit</u>

1. What is the current situation?
2. What are the drivers for change?
3. What difference will the proposal make?
4. What are the assumptions about the benefits?
5. How are you testing your assumptions about the benefits?
6. What are the assumptions about any adverse impacts?
7. How are you testing your assumptions about adverse impacts?
8. Who are the stakeholders and how will they be affected?
9. How are you assessing the risks and minimising the adverse impacts?
10. What changes will the Council need to make as a result of introducing this policy / project / service / change?
11. How will you undertake evaluation once the changes have been implemented?

STEP BY STEP GUIDE TO EQUALITY ANALYSIS

STEP 1

In Section A identify

STEP 2

In Section B highlight any

STEP 3

In Section C record your

STEP 4

The responsible officer

STEP 5

Publish the analysis (e.g.

STEP 6

Monitor and review your

*** Evidence could include information from consultations;**

SECTION A

Name of policy / project / service	Housing Strategy 2020-25
Background and aims of policy / project / service at outset	A local authority housing strategy is an overarching cross-tenure document which identifies local housing needs and sets out how these needs will be met.
Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis	Melanie Holland
Key people involved *i.e. decision-makers, staff implementing it*	All in Council with link to delivering housing strategy

SECTION B

This is to be completed and reviewed as policy / project / service development progresses

	Is the likely effect positive or negative? (please tick all that apply)			Please describe the effect and evidence that supports this and if appropriate who you have consulted with*	Is action possible to mitigate adverse impacts?	Details of action planned including dates, or why action is not possible
	Positive	**Negative**	**None**			
Age	✓			The housing strategy seeks to deliver quality housing for all regardless of age, disability, gender, pregnancy and maternity, race, religion, sex, sexual orientation and marriage/civil partnership. However, the strategy does specifically refer to meeting the needs of older persons and people with disabilities.	~~Yes/No/~~NA	
Disability including carers (see Glossary)	✓			The housing strategy seeks to deliver quality housing for all regardless of age, disability, gender, pregnancy and maternity, race, religion, sex, sexual orientation and marriage/civil partnership. However, the strategy does specifically refer to meeting the needs of older persons and people with disabilities.	~~Yes/No/~~NA	
Gender re-assignment			✓		~~Yes/No/~~NA	
Pregnancy and maternity			✓		~~Yes/No/~~NA	
Race			✓		~~Yes/No/~~NA	
Religion or belief			✓		~~Yes/No/~~NA	
Sex			✓		~~Yes/No/~~NA	
Sexual orientation			✓		~~Yes/No/~~NA	

Marriage/civil partnership			✓		~~Yes/No/~~NA	
Human Rights (see page 8)	✓			The HRA does not give people the right to home, however, the housing strategy implicitly recognises that the importance of meeting housing need.	~~Yes/No/~~NA	

**Evidence could include information from consultations; voluntary group feedback; satisfaction and usage data (i.e. complaints, surveys, and service data); and reviews of previous strategies*

Did any information gaps exist?	**Y/N/NA**	**If so what were they and what will you do to fill these?**

SECTION C
Decision Point - Outcome of Assessment so far:

Based on the information in section B, what is the decision of the responsible officer (please select one option below):

Tick here

- **No equality or human right Impact** (your analysis shows there is no impact) - sign assessment below [✓]
- **No major change required** (your analysis shows no potential for unlawful discrimination, harassment)- sign assessment below [ ]
- **Adverse Impact but continue** (record objective justification for continuing despite the impact)-complete sections below [ ]
- **Adjust the policy** (Change the proposal to mitigate potential effect) -progress below only AFTER changes made [ ]
- **Put Policy on hold** (seek advice from the Policy Unit as adverse effects can't be justified or mitigated) -STOP progress [ ]

Conclusion of Equality Analysis (describe objective justification for continuing)	The housing strategy seeks to meet housing need and deliver quality housing for all.

When and how will you review and measure the impact after implementation?*	The housing strategy will be subject to quarterly monitoring and annual review.

Checked and approved by responsible officer(s) (Sign and Print Name)	Melanie Holland	Date	3 February 2021
Checked and approved by Assistant Director (Sign and Print Name)	Andrew McNeil	Date	5 February 2021

When completed, please send to policy@lincoln.gov.uk and include in Committee Reports which are to be sent to the relevant officer in Democratic Services

The Equality and Human Rights Commission guidance to the Public Sector Equality Duty is available via: www.equalityhumanrights.com/new-public-sector-equality-duty-guidance/

City of Lincoln Council Equality and Human Rights Analysis Toolkit: Glossary of Terms

Adult at Risk - an adult at risk is a person aged 18 years or over who is or may be in need of community care services by reason of mental health, age or illness, and who is or may be unable to take care of themselves, or protect themselves against significant harm or exploitation.

Adverse Impact. Identified where the Council's operations has a less favourable effect on one or more groups covered by the Equality Act 2010 than it has on other groups (or a section of a group)

Carer - see also disability by association. A carer is a person who is unpaid and looks after or supports someone else who needs help with their day-to-day life, because of their age, long-term illness, disability, mental health problems, substance misuse

Disability by association. Non disabled people are also protected from discrimination by association to a disabled person. This might be a friend, partner, colleague or relative. This is applies to carers who have a caring responsibility to a disabled person.

Differential Impact. Identified where a policy or practice affects a given group or groups in a different way to other groups. Unlike adverse impact, differential impact can be positive or negative.

Disability. It is defined under the Equality Act 2010 as 'having a physical or mental impairment which has a substantial and adverse long term effect on a person's ability to carry out normal day to day activities'.

Physical impairment is a condition affecting the body, perhaps through sight or hearing loss, a mobility difficulty or a health condition.

Mental impairment is a condition affecting 'mental functioning', for example a learning disability or mental health condition such as manic depression

Diversity. Diversity is about respecting and valuing the differences between people. It is also recognising and understanding the mix of people and communities who use services and their different needs.

Discrimination. Discrimination has been defined as 'the unequal treatment of individuals or groups based onless because of a protected characteristic – see protected characteristic. This includes discrimination by association, perception, direct and indirect discrimination.

Example of discrimination: An employer does not offer a training opportunity to an older member of staff because they assume that they would not be interested, and the opportunity is given to a younger worker

Equality. The right of different groups of people to have a similar social position and receive the same treatment:

Equality Analysis. This is a detailed and systematic analysis of how a policy, practice, procedure or service potentially or actually has differential impact on people of different Protected Characteristics

Equality Objectives. There are specific strategic objectives in the area of equalities and should set out what services are seeking to achieve in each area of service in terms of Equality.

Equality of Opportunity. Equality of opportunity or equality opportunities may be defined as ensuring that everyone is entitled to freedom from discrimination. There are two main types of equality encompassed in equal opportunities:

1. Equality of treatment is concerned with treating everyone the same. Thus, in an organisational context it recognises that institutional discrimination may exist in the form of unfair procedures and practices that favour those with some personal attributes, over others without them. The task of equal opportunities is therefore concerned with the elimination of these barriers.
2. Equality of outcome focuses on policies that either have an equal impact on different groups or intend the same outcomes for different groups.

Evidence. Information or data that shows proof of the impact or non impact - evidence may include consultations, documented discussions, complaints, surveys, usage data, and customer and employee feedback.

Foster good relations. This is explicitly linked to tackling prejudice and promoting understanding.

General Equality Duty. The public sector equality duty on a public authority when carrying out its functions to have 'due regard' to the need to eliminate unlawful discrimination and harassment, foster good relations and advance equality of opportunity.

Gender reassignment. The process of changing or transitioning from one gender to another – for example male to trans-female or female.

Harassment. This is unwanted behaviour that has the purpose or effect of violating a person's dignity or creates a degrading, humiliating, hostile, intimidating or offensive environment.

Human Rights – Human rights are the basic rights and freedoms that belong to every person in the world **- see below**

Marriage and Civil Partnership. Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters. Single people are not protected. Discrimination on grounds of marriage or civil partnership is prohibited under the Act. The prohibition applies only in relation to employment and not the provision of goods and services.

Pregnancy and Maternity. Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Protected Characteristics. These are the grounds upon which discrimination is unlawful. The characteristics are:

- Age
- Disability
- Gender reassignment
- Race
- Religion and belief (including lack of belief)
- Sex/gender
- Marriage and civil partnership
- Pregnancy and maternity
- Sexual orientation

Public functions. These are any act or activity undertaken by a public authority in relation to delivery of a public service or carrying out duties or functions of a public nature e.g. the provision of policing and prison services, healthcare, including residential care of the elderly, government policy making or local authority services.

Race. This refers to the protected characteristic of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Religion or belief. Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.
Section 11 of the Children Act. This duty is a duty under the Children Act 2004 that requires all agencies with responsibilities towards children to discharge their functions with regard to the need to safeguard and promote the welfare of children. They must also ensure that any body providing services on their behalf must do the same. The purpose of this duty is that agencies give appropriate priority to safeguarding children and share concerns at an early stage to encourage preventative action.
Sex. It refers to whether a person is a man or a woman (of any age).
Sexual Orientation. A person's sexual attraction is towards their own sex; the opposite sex; or to both sexes: *Lesbian, Gay or Bisexual*
Victimisation. Victimisation takes place where one person treats another less favourably because he or she has exercised their legal rights in line with the Equality Act 2010 or helped someone else to do so.
Vulnerable Adult. A Vulnerable Adult is defined as someone over 16 who is or may be in need of community care services by reason of mental or othe disability, age or illness and who is or may be unable to take care of him/herself or unable to protect him/herself against significant harm or exploitation'

Human Rights

Human rights are the basic rights and freedoms that belong to every person in the world. They help you to flourish and fulfill your potential through:

- being safe and protected from harm
- being treated fairly and with dignity
- living the life you choose
- taking an active part in your community and wider society.

The Human Rights Act 1998 (also known as the Act or the HRA) came into force in the United Kingdom in October 2000. It is composed of a series of sections that have the effect of codifying the protections in the European Convention on Human Rights into UK law.

The Act sets out the fundamental rights and freedoms that individuals in the UK have access to. They include:

- Right to life
- Freedom from torture and inhuman or degrading treatment
- Right to liberty and security
- Freedom from slavery and forced labour
- Right to a fair trial
- No punishment without law
- Respect for your private and family life, home and correspondence

- Freedom of thought, belief and religion
- Freedom of expression
- Freedom of assembly and association
- Right to marry and start a family
- Protection from discrimination in respect of these these rights and freedoms
- Right to peaceful enjoyment of your property
- Right to education
- Right to participate in free elections

Many every day decisions taken in the workplace have no human rights implications. However, by understanding human rights properly you are more likely to know when human rights are relevant and when they are not. This should help you make decisions more confidently, and ensure that your decisions are sound and fair.

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**WHITTON'S PARK PLAY INVESTMENT**
DIRECTORATE:	**COMMUNITY & ENVIRONMENT**
REPORT AUTHOR:	**ANTONY ANGUS – RECREATION SERVICES TEAM LEADER**

1. Purpose of Report

1.1 To advise the Executive of community aspirations for the improvement of play facilities in Whitton's Park.

1.2 To seek authority to invest Section 106 funds in Whitton's Park in order to improve the play opportunities.

2. Background

2.1 Whitton's Park is a key play site situated on Long Leys Road in Carholme ward. The park saw significant investment in play equipment in 2007/8.

2.2 The council holds a Section 106 developer contribution for play of £152,413 that can only be spent in the West End of Lincoln. This contribution must be spent by 29 November 2023 or will have to be returned to the respective developer. After extensive consideration of sites in the area, the only viable option is to enhance play opportunities in Whitton's Park with these funds.

3. Planned investment

3.1 Community representatives from both Long Leys Residents Association (LLRA) and West End Residents Association (WERA) have been consulted on this investment and are supportive.

3.2 LLRA have consulted with local residents and produced an aspirational plan for play investment in the park. They wish to be involved with any investment plan and have offered to engage with the council in this regard.

3.3 This investment will see play opportunities in the park greatly enhanced. It is anticipated that it would be prudent to spend roughly £130,000 at this point in time and reserve some of the fund for investment later, but before the critical date.

3.4 Longevity of equipment will be a key design criteria, alongside procuring a proportion of spare parts subject to routine wear and tear. This approach will minimise additional ongoing revenue costs.

4. Strategic Priorities

4.1 Let's enhance our remarkable place

This investment will enhance the play opportunities in the park and promote physical activity and health for children and young people.

5. Organisational Impacts

5.1 Finance (including whole life costs where applicable)

Capital

21/22	22/23	23/24	24/25	25/26
130,000		22,413		

Initial investment of £130,000 capital in the park with the balance anticipated in 2023/24.

Revenue

As an established play site increased revenue funding should be minimal, current estimated increases in costs are:

21/22	22/23	23/24	24/25	25/26
1,411	1,439	1,468	1,497	1,527

The above table shows the anticipated increase in costs in respect of the initial investment only. This will be revisited following the additional investment. The increase will be met within existing budgets.

5.2 Legal Implications including Procurement Rules

The Council's Contract Procedure Rules and ultimately Public Contract Regulations 2015, will be adhered when procuring a contractor to undertake the required works.

Planning permission will be a requirement and normal processes will be followed.

This proposal is in keeping with the covenants of the site and the purpose for which the site was donated to the council.

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

The council's long-standing approach is to ensure at the procurement stage that accessibility of equipment is a key weighted factor in order to ensure a suitable balance of equipment is provided and consideration of children and young people with any additional needs is undertaken.

5.4 Land, Property and Accommodation

The site is an existing play site.

5.5 Significant Community Impact

This project meets the aspirations of the local community. LLRA will be engaged throughout the process.

5.6 Corporate Health and Safety implications

The play area will be subject to daily inspections and an annual independent inspection.

6. Risk Implications

6.1 (i) Options Explored

a) Return s106 funds to developer. This would not increase revenue burden, but would also not improve play provision in the area to compensate for the additional population of the developed site.
b) Invest the s106 funds elsewhere. There are no other viable locations within the area specified in the s106 agreement.
c) Invest in increasing the play provision in Whitton's Park. This would increase the play provision enhancing the park. A small increase in revenue budget is required for additional inspection costs.

6.2 (ii) Key risks associated with the preferred approach

The preferred approach is c – Invest in increasing the play provision in Whitton's Park. The main risks are an increase in inspection costs and a revenue future burden for equipment replacement at the end of the warranty period.

7. Recommendation

7.1 That the Executive note the aspirations for play from LLRA.

7.2 That the Executive approve the spend of £152,413 on play investment in Whitton's Park on a phased basis.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	1 - LLRA Play Aspiration
List of Background Papers:	One. LLRA's play proposal document.
Lead Officer:	Antony Angus, Recreation Services Team Leader Telephone (01522) 873515

Community Brief
Upgrade to Whittons Park Children's Play Park

Prepared by Long Leys Residents Association (LLRA) & West End Residents Association (WERA)

Version 1.3 (18 December 2019)

1. Introduction and Tender Process

An upgrade to the Whittons Park playpark equipment has been suggested by residents as part of the Long Leys 2021-2040 Neighbourhood Plan activity. In response, LLRA working with WERA consulted with the community and formed a small group of parents to help evolve this brief. The brief is being shared with the Long Leys and West End communities for further feedback before a final version is presented to City of Lincoln Council.

This document is intended for use as supporting evidence for a City Council issued tender to playpark suppliers, for designs which meet the community brief and budget available. Once tender responses have been received from suppliers, it is anticipated a shortlist of designs will be presented to local children to give feedback on the preferred designs, via both schools and a selection event at Whittons Park.

2. Indicative budget & timescales

City of Lincoln Council have indicated that circa £120,000 may be available for capital spend on a play area upgrade within Carholme ward. No specific timescales have been set. LLRA & WERA are keen, if money is available, for completion by the end of 2020.

3. Summary of Brief

The successful supplier design will be the one that best meets the following requirements:

- Reflects the green look and feel of the Long Leys area and its link with surrounding local wildlife spaces (Hobblers Hole, Newt Hollow) and the West Common
- A range of different equipment which together caters for children in age ranges 5 & under, 6-11, 12-15
- Possible themes that balance challenge & risk:
  - A: Revamp of the existing fenced area play equipment, to ensure adequate coverage for those 5 & under and 6-11
  - B: Double or triple zip wire downhill experience to use contours of park
  - C: Trim trail / agility trail / assault course / rope bridge experience
  - D: Sports wall / kick about zone allowing football goal with basketball / netball hoops (with informal seating / social zone)
- Encourages creativity, imagination and respect for wildlife/nature
- Inclusive design for all ranges of ability and mobility
- Capable of being operational over a ten-to-fifteen year period without extensive maintenance demands
- Key activities sited away from existing housing to reduce noise & disturbance
- Encourages children and parents to arrive by foot or by cycle, rather than car
- Provides the opportunity to include the journey to/from the park as part of the experience in the future (such as the potential for nature/wildlife themes if coming over West Common, or past a re-instated Newt Hollow pond if travelling from St George's. This would require additional grant funding at a later date.

4. Possible Themes

The following themes (A-D) have been suggested by members of the community. All photos used in this brief are illustrative of the type of equipment imagined. Suppliers will be encouraged to provide their own creative interpretations of the themes, rather than to take the photos as an exact specification. Designs should reflect the green look and feel of the Long Leys area and its link with surrounding local wildlife spaces (Hobblers Hole, Newt Hollow) and the West Common

Theme A: Revamp of the existing fenced area play equipment, to ensure adequate coverage for those 5 & under and 6-11

Some of the existing play equipment in the fenced off area is considered dated with insufficient variety / suitability for 5 and under. Suppliers should review the existing equipment and recommend upgrades and additions which would appeal to the target age groups. Various residents have commented on the lack of variety on swings, slides and climbing frames/monkey bars and an inclusive roundabout has been suggested.

Whilst the existing play area is fenced, the view of LLRA & WERA is that little or no money should be spent on reconfiguring the fenced area, with the possible exception of adding new entrance points:

- on the south west side of the fenced area (Long Leys Road side)
- on the westerly side of the fenced area, adjacent to the existing seating.

Theme B: Double/triple zip wire using natural terrain of Whitton Park

The upper half of the park has a steep slope which lends itself to a zip wire experience. The historic use of the slope for tobogganing during heavy snowfall should be considered within any design.

Theme C: Trim trail / Agility trail / Assault course / Rope Bridge Experience

This could potentially lead on from the zip wire experience and allow a wide range of challenges on balance, co-ordination and agility. The potential is there to use the natural features of the park to create more stimulating play options. Possibly incorporating a simple outdoor gym trail (eg bar for pull ups and ways of exercising other muscle groups).

Theme D: Sports wall / kick about zone/ informal seating zone
A sports wall providing an ability for park visitors to play a variety of sports as a communal / impromptu activity with a football goal, basketball and netball hoop. This would ideally be on the bottom, flatter part of the park, without sacrificing too much of the grass area. This is intended to support small scale ad-hoc games where anyone can join in, rather than organised ones. This is not a Multi Use Game Area (MUGA) for competitive sports; these activities are more suitable for the nearby Yarborough Road Leisure Centre.

An informal area close by where visitors could picnic or watch activities could be included.

5. Maintenance

Equipment should be designed for robustness and reliability over a ten to fifteen-year period, without significant requirements for regular maintenance. Equipment that is likely to be regularly out of action or requiring continuous adjustment should be avoided.

6. Layout to Avoid Disturbance to Residential Neighbours

Suppliers should consider siting key activities away from existing housing to reduce noise & disturbance. There is no plan to introduce additional lighting to the area, with use during daylight hours only.

7. Encourage Children & Parents to Arrive by Foot or By Cycle (rather than car) to Extend the Play Experience

Figure 1 (see next page) shows that Whittons Park is within a 1km radius of the populations of Long Leys, the West End and the Burton Road (pink circle).

To maximise wider health benefits, funding should be prioritised towards play equipment and improving and encouraging walking/cycling access, rather than expanding vehicle access/ parking facilities. A cycle rack, potentially themed would be a useful addition. Local parents have commented that an upgraded Whittons Park would reduce their car travel to other playparks not within walking distance.

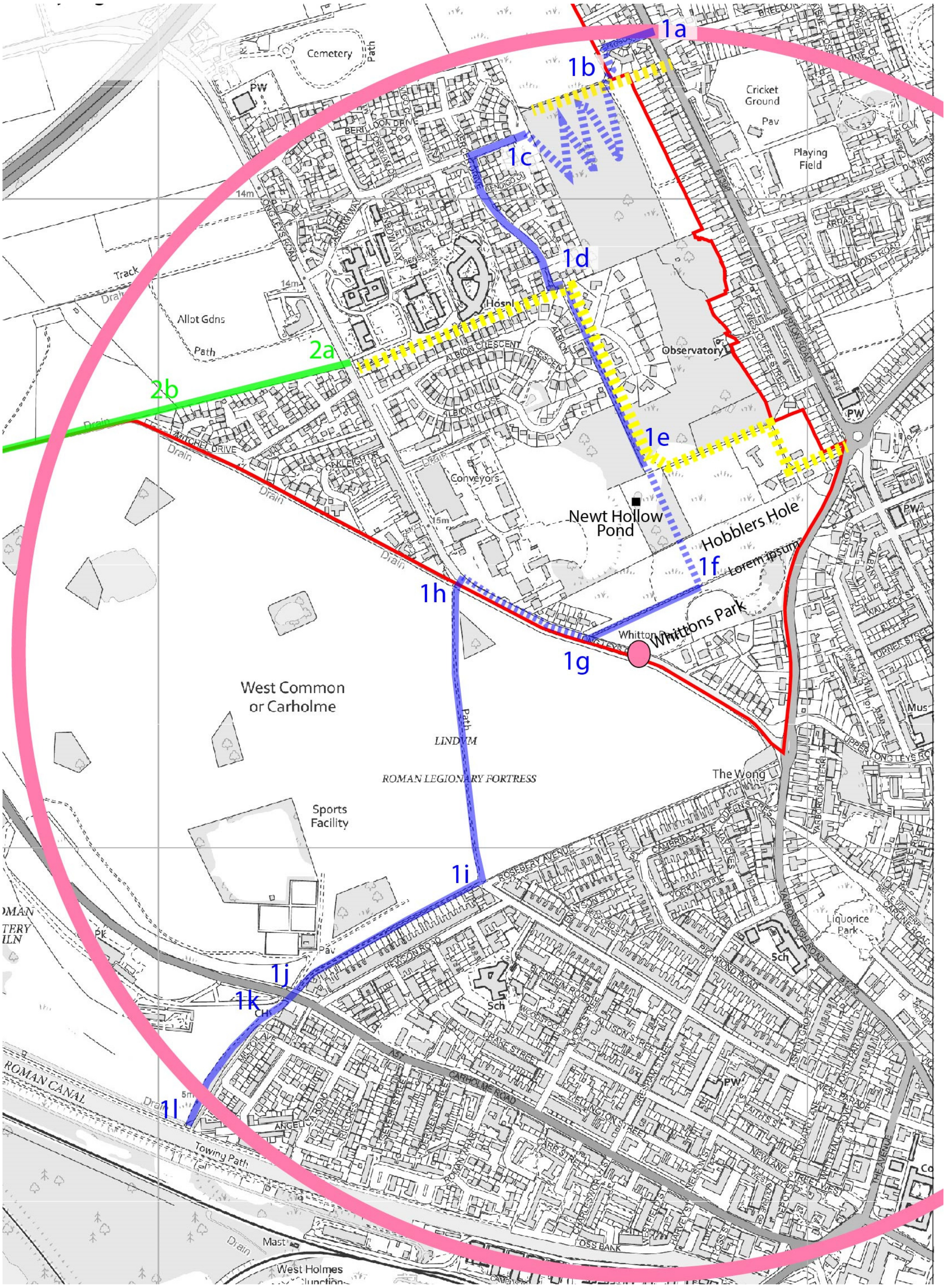
The solid blue line shows a potential future off road cycle route allowing safe cycle access for children to the park from both St. George's and the West End. Elements of this are likely to be included in the 2021-2040 Long Leys Neighbourhood Plan. However, there are two elements which have the potential to be implemented sooner, if given funding support from city/county council:

- A section (1e-1f) between St George's & Whittons Park which is currently the subject of an LLRA Right of Way application. Subject to landowner agreement this section would not be lit and a semi porous surface compatible with a wildlife site would be used (not a tarmac or metalled surface).
- A section of footpath (1i-1j) running alongside the West Common and the rear of homes on Hewson Road overlooking the common. This currently has no-cycling signs along its length but has the potential for a multi-use path.

Outside of Whittons Park, LLRA & WERA will look to exploit opportunities to include the journey to/from the park as part of the play experience in the future. There is the potential for nature/wildlife themes if visitors are coming over West Common and for those travelling from St George's a re-instated Newt Hollow pond could be an appropriate stopping off point (with appropriate safety fencing). This would require additional grant funding at a later date, rather than use of the existing play area budget. Engagement with other organisations and landowners, such as Lincolnshire Wildlife Trust, would also be required.

Figure 1: 1km Radius Circle Centred on Whittons Park (pink circle), showing accessibility from Long Leys, West End and Burton Road

Solid Blue line represents potential future footpath/cyclepath (dotted blue where route additions would be required rather than conversions). Yellow dotted lines represent existing footpaths. Note this map is an extract from a separately prepared multi use path map.



8. Other Aspects

The lower part of Whittons Park is susceptible to flooding and improving the drainage would allow ball games to be played on the flat grassed area (Long Leys Road end).

Additional seating within the fenced off areas would be appreciated for parents/grandparents escorting children, potentially some of it shaded by trees if possible.

Following various problem incidents in 2019, the hedge and gated area along Long Leys Road would benefit from "target hardening" work. Ideally CCTV coverage would be an element of this, to avoid a repeat of previous incidents and to discourage any anti-social behaviour.

An access point through the hedge into Whittons Park would be provided, from the marked multi-use path over Hobblers Hole (Figure 1, point 1f) once the exact path route is agreed.

References

1. Summary of Views on Whitton Park Playpark Upgrade, LLRA, 30 August 2019. Available by email request from LLRA@long-leys.org

Version Control

- 1.1 19 November 2019
- 1.2 29 November 2019: incorporates small clarifications to multi-use path routes
- 1.3 18 December 2019: incorporates consultation feedback on gate access to existing fenced area

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Item No. 13

EXECUTIVE **22 FEBRUARY 2021**

SUBJECT:	**PARKING SERVICES – ENFORCEMENT SUPPORT**
DIRECTORATE:	**COMMUNITIES AND ENVIRONMENT**
REPORT AUTHOR:	**STEVE BIRD, ASSISTANT DIRECTOR**

1. Purpose of Report

1.1 To seek agreement to the creation of one new post on the structure within Parking Services, that of a Security Patrol Operative.

2. Executive Summary

2.1 The safety and security of staff and users at City Council car parks is paramount. For this reason staff are encouraged to report formally any incidents of ASB/Nuisance.

2.2 In recent years the number of reports has escalated, as has been reported to members previously, and as a result the Council has put in place numerous actions to ensure the car parks are clean and safe places to use.

2.3 Last year the City Council brought in additional private security patrols to support our own staff.

2.4 Having reviewed that spend it is now felt that, given the ongoing anticipated demand for this type of work, the Council would be better served by the recruitment of its own security patrol officer.

2.5 It has been noted that there is an increased demand in a number of areas of Community Services work for low levels of enforcement activity. It is hoped that, subject to Parking Services being the priority, this post will be flexible enough to use on other Community Services issues.

3. Background

3.1 The City Council's Parking services section comprises the following staff.

1 Team leader
1 Senior officer
3 fte administrative staff
2 Car park supervisors
14 FTE car park attendants (a reduction of 2 fte since last year as contribution to the MTFS)

3.2 These staff manage what has been a £6 million a year business for the council, via a high level of transactions and interactions with the public.

3.3 This service is one of the most important front facing services of the council, and not only delivers its most substantial income steam, but also welcomes visitors to the city. Via its good work, it is pivotal in supporting the retail and leisure business sectors.

3.4 It operates in a highly competitive environment, and so is as streamlined and business focused as any element of the council, whilst still remaining true to council corporate policies, and supportive of its wider strategic aims and objectives.

3.5 It has to be noted that in recent years the car parks have encountered and endured increasing numbers of ASB/Nuisance issues at these sites. To counter this and to protect staff, customers and the business, more has been spent on security lighting, CCTV, and security guard patrols than ever before, and a new Public Space protection Order has now come into force.

4. Proposal

4.1 Noting the increased numbers of incidents at these sites it is proposed to add a new post to cover security patrol duties to the Parking Services staffing establishment.

4.2 This would be funded using existing Specialist Miscellaneous budget underspends, spent in previous years on third party contract staff. Having reviewed what is required, it is considered that employing in-house staffing for this function will be a lower cost option leaving a residual budget to fund items which were cut back last year so as to prioritise the safety work. It is possible that some additional third party security work will still be needed but not on the same scale, as this initiative will enable us to target known problem days/times.

4.3 A draft JD/PS for a security role has been evaluated at S2, but this is subject to review. Even if this were to go up in grade modest increases, as might reasonably be anticipated, can be accommodated within budget. (see Finance section below).

5. Strategic Priorities

5.1 <u>Let's drive economic growth</u>
Parking Services provide essential services supporting all forms of businesses in the city.

5.2 <u>Let's reduce inequality</u>
Parking Services support and comply with all legislation relating to facilities for disabled users.

6. Organisational Impacts

6.1 Finance

Last year £53k was spent on contracted security staffing, although this had no dedicated budget, and so was offset by staff savings and putting off/back other expenditure such as cleaning equipment and uniform purchases. This was actioned as a temporary priority for funding as staff safety was considered paramount.

Security Patrol Operative	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Creation of S2 Post	18,060	24,440	24,930	25,430	25,940
Reduction in Specialist Misc Budget	(18,060)	(24,440)	(24,930)	(25,430)	(25,940)
	0	**0**	**0**	**0**	**0**

Key Assumptions:

- The table assumes a Q2 2021/22 start date to allow for recruitment
- If the post was regraded to S3 the additional cost would be approximately £1.1k pa which could be accommodated within existing budgets.

6.2 Human Resources

This proposal adds one post to the establishment.

6.3 Corporate Health and Safety implications

The council's car parks have seen a significant number of incident reports in recent years, culminating in the issuing of a Public Space Protection Order (PSPO) recently. Predominantly associated with site misuse/abuse, problems are encountered frequently relating to homelessness, drug dealing and drug abuse (approximately 60 incidents each month). The patrolling presence reduces any risks of encountering this type of behaviour for staff and members of the public.

7. Risk Implications

7.1 (I) Options Explored

Third party contractors have been used for the last year.

7.2 (ii) Key risks associated with the preferred approach

Numerous mitigation measures have been put in place in the last year or so, including the most recent PSPO. Risk assessments will be reviewed ongoing, as is normal practice.

8. Recommendation

8.1 That Executive agree to the addition of a post of security officer within Parking Services.

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:	Steve Bird Telephone (01522) 873421

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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