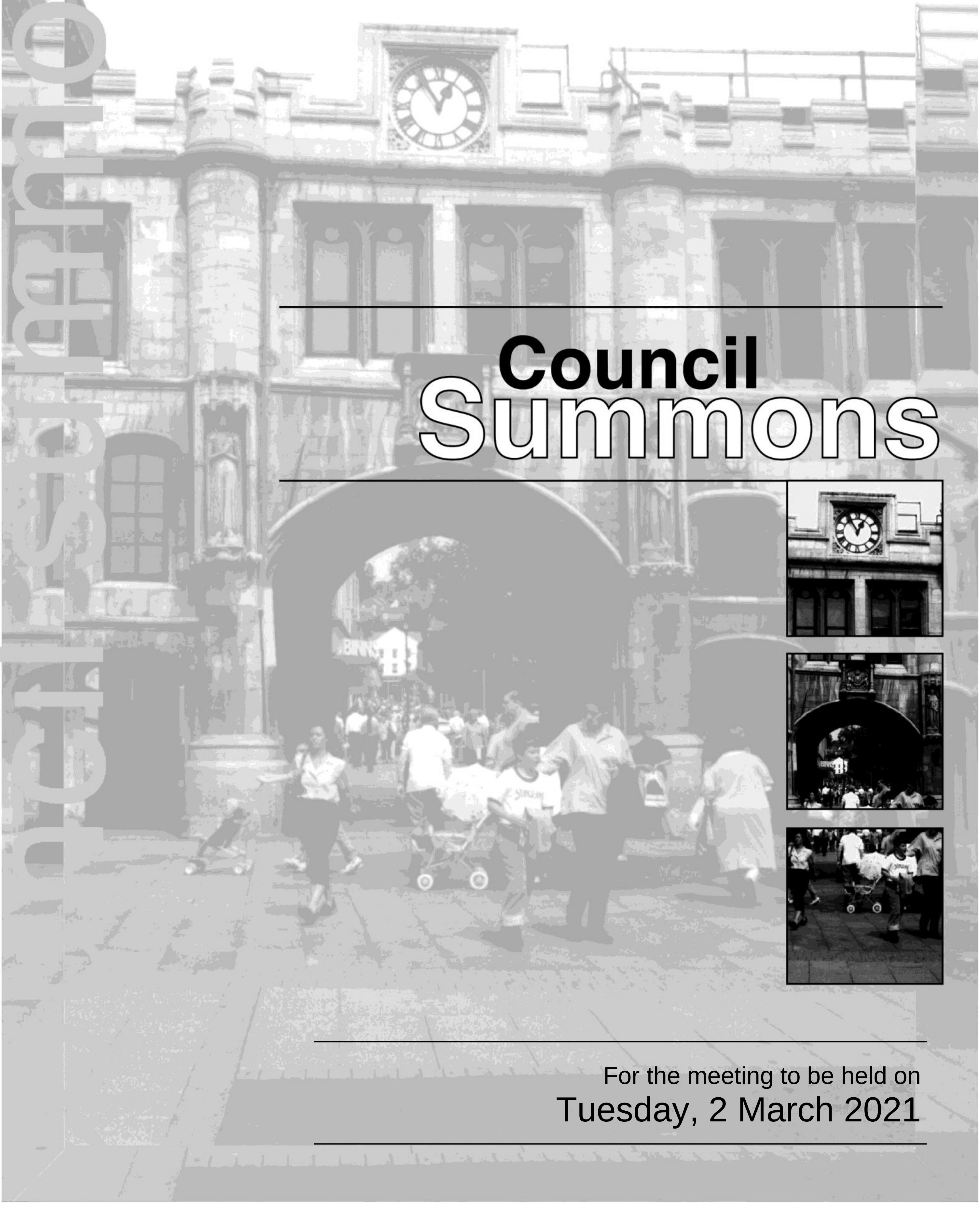


Council Summons

For the meeting to be held on

Tuesday, 2 March 2021

CITY OF LINCOLN COUNCIL

Sir/Madam,

You are hereby summoned to attend the meeting of the COUNCIL of the City of Lincoln to be held at The Guildhall on Tuesday, 2 March 2021 at 6.00 pm.

Virtual Meeting

To join this virtual meeting please use the following link:

https://zoom.us/j/93324084715?pwd=V3hndkhMTEhwQzdUYklraU5kNjVyUT09

It may be necessary to enter the following passcode and meeting ID:

Passcode: **920422**

Meeting ID: **933 2408 4715**

Alternatively, you can join the meeting via telephone by calling **0330 088 5830**

Angela Andrews

Chief Executive and Town Clerk

Angela Andrews

AGENDA

SECTION A	**Page(s)**
1. Confirmation of Minutes - 23 February 2021	**To Follow**
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.	
3. Receive Any Questions under Council Procedure Rule 11 from Members of the Public and Provide Answers thereon	
4. Receive Any Questions under Council Procedure Rule 12 from Members and Provide Answers thereon	
5. Receive Reports under Council Procedure Rule 2 (vi) from Members	
(a) Report by Councillor Donald Nannestad, Portfolio Holder for Quality Housing	**5 - 14**

COUNCIL **2 March 2021**

REPORT UNDER RULE 2(VI) OF THE COUNCIL PROCEDURE RULES

Report by Councillor Donald Nannestad, Portfolio Holder for Quality Housing

INTRODUCTION

The last 12 months have been an extraordinary time for everyone with the effects of the COVID-19 pandemic affecting all aspects of life. In terms of housing the service we have been able to offer has varied in relation to what level of lockdown we have been in at the relevant time. The situation has changed a number of times and at the time of writing this we are in a period of "lockdown" although this is not as severe as the lockdown imposed in March 2020. Many areas have been operating in different ways and where possible staff have worked from home with some areas such as supported housing services being delivered via telephone. Construction work, after the initial lockdown, has continued at De Wint Court, as allowed under the current regulations, and the new homes on the former Markham House site have been completed and are tenanted. However, we are only able to run a restricted repair service dealing with essential and priority repairs. Some services such as Lincare have continued as normal, with some additional staff trained to help if required, while the homelessness service has also continued its very important work. Housing staff were involved in the Community Help scheme and the Befriending Service. There have been disappointments most notably being the fact that we have been unable to celebrate the Centenary of Council Housing in Lincoln which we had hoped to mark in November on the anniversary of our first house being tenanted. We have also made progress in some areas including the completion of our new Housing Strategy. I thank the many members of council who contributed towards the production of this important strategy. Members have also recently been consulted on another important area of work namely fire safety. At various times some of our housing staff have either been furloughed or redeployed. The pressure on allocations continues to be immense as I detail later in this report. We currently have 7,617 council properties but over 1,000 people on the housing register. In terms of performance the Council's executive has taken the decision that performance data for quarters one and two should be published but the information for quarter three should be delayed and published with quarter four. There are 19 measures for housing of which five were reported as below target for quarter two, and two reported above target. The fact that we have been able to keep services operating as much as possible is an achievement in itself and I pay tribute to every single member of staff who have done some extraordinary work over the last 12 months. I would also like to thank the members of our Tenants Panel for the valuable work they have carried out.

HOMELESSNESS

Homelessness continues to be a significant issue in Lincoln as in many towns and cities across the country. Rough sleepers have in recent years been the most visible aspect of this and at the start of the pandemic the Government introduced Its "Everyone In" campaign which has led to additional accommodation funded by

Central Government being provided for people sleeping out. We successfully offered accommodation to every person as part of the campaign and we continue to provide accommodation for former rough sleepers. Due to the efforts of the team, at the start of the New Year we were able to report to MHCLG that we had no one sleeping out in Lincoln which is a fantastic achievement.

In addition to those people who are sleeping out, the number of people presenting to the City Council as homeless varied in the first two quarters of the current year from a low of 21 in April to a peak of 52 in July. The team has been working remotely during the year and dealing with cases by phone. Lockdown has reduced the options available for temporary accommodation and that has been an issue. A further issue that will have effects long-term is the County Council decision to cut £1 million from its housing related support budget. This is the funding that provides the extra support required to help homeless people improve their lives, many of them having complex problems which are not possible to resolve without help. We have responded to all of the various Government homeless and rough sleeping initiatives during the pandemic and continue to do so. The recent imposition of SWEP (Severe Weather Emergency Protocol) saw every rough sleeper on Lincoln's streets being housed for the cold weather period. Our track record in homeless prevention and intervention has enabled us, as a trusted partner of MHCLG, to draw down funding as part of the Next Steps Accommodation Programme. This will provide 15 units of "move on" accommodation in the City and I am very pleased to tell members that we were the first Council in the country to purchase properties under this scheme. Further, we have been able, due again to our excellent service, to draw down significant funding in rough sleeping grant which is more than last year and will enable us to continue assisting some of the most vulnerable people in our City.

TENANCY SERVICES

Tenancy Services staff have worked extremely hard to mitigate the impact of COVID-19 on rent arrears and collection. The two-week rent-free period, which is normally over the Christmas/New Year period was brought forward to the start of the financial year. We also set up a discretionary rental hardship fund which assisted 182 tenants. Although this was brought to an end at the conclusion of the first national lockdown, this was revived for the current lockdown with the assistance being provided to those who have difficulty paying their rent as a direct effect of COVID-19. Our response has been featured by ARCH (the Association of Retained Council Housing) in their monthly magazine and on their website. We have also been able to use funds from our Discretionary Housing Payment allocation to assist tenants. At the end of quarter three rent arrears were £340,000 above the same period in 2019-20 with the rent collection rate being 98.9%. However, compared to the councils we benchmark with we have fared much better. The number of tenants on Universal Credit continues to increase and is now over 2,000. More than half of the total rent arrears of £1.1 million is owed by tenants on UC. The number of tenants that are under occupying their property continues to decrease due to work with tenants to ensure accommodation is adequate for the number in the household. Instances of under-occupancy have reduced from 436 to 364 when comparing the data for quarter two between 2019/20 and 2020/21. We have been putting significantly more emphasis on tenant sustainability with a team of officers working on this. This is early intervention work with tenants to help them maintain their tenancies. Before the onset of COVID this had begun to have an effect and this is evidenced by the fact that the number of evictions reduced by half in 2019-20 compared to the previous year. In March 2020 the Government suspended evictions and this ban has recently been extended through to the end of this month. This is a regulation which affects not only local authorities and other social housing providers but also the private rented sector. Councils up and down the country are anticipating a significant increase in demand for local authority properties when the ban is eventually lifted.

HOUSING REPAIRS

The Housing Repairs Service has been subjected to a number of limitations in the way it can operate due to COVID and this has affected performance. The number of workers able to operate in a single property has been restricted due to social distancing, there have been increases in the costs of some supplies and a significant increase in demand for PPE. In addition, Government guidance has changed on many occasions. One effect of COVID appears to have been a reduction in the number of repairs reported with some tenants, particularly those who are shielding, being reluctant to have operatives working in their homes.

In terms of performance the percentage of repairs fixed first time at the end of quarter two was 90.11%. The percentage of appointments kept was 99.95% in quarter two which is an almost perfect figure.

During the current financial year, we have introduced on a trial basis a system of Scheduled Repairs which means that repairs covered by this system will be carried out area by area at set times. We are continuing to carry out our priority repairs within 24 hours and urgent repairs within 3 days. The Schedule Repair system allows us to plan all the work in each area and ensure that we have all the right resources and materials in the right place so we can complete any repairs reported in one visit. This gives everyone more certainty that the repair will be carried out on the expected date. It also drives down delivery costs and will drastically reduce our carbon footprint as we scale back journeys across the city. The initial indications are that this system has had a positive effect in terms of both financial and service delivery.

To conclude on this section, we are currently carrying out procurement exercises for the vehicle fleet and managed stores provider. The new fleet will be greener, this linked to a reduction in the number of journey's around the city as a result of the move to scheduled repairs will help towards meeting the council's climate goals. As of 4 April Jewson Partnership Solutions will be the managed stores provider replacing Travis Perkins.

VOIDS

At the end of quarter two there were 65 properties in voids. The process of bringing back into use has been substantially affected by the COVID-19 restrictions. The number of workers able to work within one property at the same time has been restricted causing delays in work being completed and COVID also affected the supply chain. These two factors have resulted in the performance being 50 days (keys handed in to keys handed out) for voids when the target is 32 days. Since my last report to this committee, we have changed voids contractors. There were some initial teething problems with the incoming provider which have now mostly been resolved. I have asked the Director of Housing to specifically target void turnaround going forward as we must seek to maximise our housing supply in these difficult times.

HOUSING INVESTMENT

Two key areas in this section are in red as far as performance is concerned but, in both cases, this has been a direct effect of COVID. Firstly, the number of Council properties that are not at the Decent Homes Standard. The data showed 0.81% at the end of quarter two excluding refusals. However, in a further 207 instances the tenant had refused to allow work to be carried out – often due to the tenant shielding or concerned about visitors to their home during lockdown periods. A similar situation has arisen with the figures for the number of properties with a valid gas safety certificate. This was down to 85.84% at the end of quarter one but had increased to 95.05% at the end of quarter three. As with the Decent Homes Standard work, we expect to catch up as time goes on although further refusals are likely during lockdown periods as we are experiencing at the time of writing. The Council's executive has taken the decision to implement the break clause in the planned maintenance contract with Kier Services. As a result, this contract will end on 31 March. The intention is that some of the work under this contract will be carried out in-house with some being contracted to smaller, local companies helping boost the local economy and again supporting our carbon reduction agenda.

NEW BUILD/ALLOCATIONS

The pandemic has slowed up work on new properties. The five new properties on the site of the former Markham House building on Swift Gardens were completed in December and have been tenanted. Although the timetable for completion of De Wint Court extra care unit has been affected we are still hoping to be able to finish this during the current calendar year. Progress is continuing to be made on the next proposed development at Rookery Lane.

The pressure on allocations continues to be immense. On 3 February we had 1,144 on the housing register of whom 170 were in band one. This continuing pressure only serves to show how much the Right to Buy legislation affects our ability to provide Council housing for those who need it. When the 1980 Housing Act came into being, we had around 11,000 Council homes for rent in the city. Right to Buy has reduced this by about 30% to approximately 7,800. Sales have consistently outstripped any efforts we have been able to replace them. There are several effects of this. One is that in all likelihood, in line with national trends, around half of the properties that were sold to tenants have ended up in the private rented sector. Private rents in the City can be around 80 to 90% higher compared to an identical Council property. Further to this the properties are being sold at a discount with restrictions on how we can spend the receipts. For example, a tenant of 10 years standing who purchases a property valued at £100,000 with the statutory discount (35% plus, after five years of being a tenant 1% per year of tenancy) potentially acquire the property for £60,000. However, the regulations mean we are then considerably restricted on the way we can use that receipt to build a replacement. Before the 1980 Act local authorities were able to sell Council houses, and did, but there was no discount and there was no restriction on spending the receipt to build replacements. I fully accept that aspirational tenants living in a council house will aspire to own their home but equally many other people aspire to live in a council house or are current tenants of ours who need more suitable properties. The restriction on the use of receipts has meant that over the years our housing stock has reduced although the demand remains considerable.

A further pressure on allocations is that a major effect of lockdown has been a reduction in the number of properties that are available. We had at one stage dropped from an average of 20 sets of keys being handed in per month to just two or three, many of which were in sheltered housing schemes. This is now slowly improving but the pressure on voids has restricted turnaround times. We are now doing limited bidding cycles and a small number of emergency mutual exchanges. In addition, government advice has been to restrict lettings to emergency cases only. This has been a source of frustration for many people seeking to move but we simply have not had enough properties available to operate as normal. We have been helped to some extent by our purchase and repair scheme but this does not solve the problem and never will do. Between April 2019 the end of January 2021 we bought 65 properties through this scheme and a further four properties are, at the time of writing, in conveyancing.

PRIVATE SECTOR HOUSING

As with other service areas the work of the private sector housing team has been restricted by COVID. For instance, we will not meet our target of bringing 50 empty properties back into use. So far, 24 properties have been returned to use with the project's assistance compared to 37 at the same stage of 2019-20. The team has had to concentrate its efforts on properties that have been empty for more than two years. It is expected that the we will achieve a maximum of 30 properties by the end of quarter four.

At one stage there was a steep increase in the number properties that had been empty for more than six months but after the housing market was allowed to open and trade resumed, the figure has dropped back to pre-COVID-19 levels. Second homes and furnished empty property numbers have been affected as students have not re-occupied student housing leaving landlords and agents without tenants. Properties in probate numbers have remained fairly constant during this year.

The number of referrals from occupational therapists for Disabled Facilities Grants (DFGs) has been considerable affected by lockdown and between April and September 2020 only 19 referrals were received. This, however, has since started to increase. Additional Government DFG funding of £101,109 for Lincoln was announced in December and this will be passported over by Lincolnshire County Council.

We have been undertaking a review of potentially unlicensed HMO's in the city and have identified 90 properties that are now subject of investigation.

Finally, the private sector housing team has been involved in the work of the Sincil Bank and Monks Road community testing sites. This has involved, amongst other things, members of the team knocking on doors encouraging occupiers to attend the testing sites and ensuring that where people are living in shared accommodation, they receive advice on how to manage COVID in the home and to be COVID safe.

HEALTH

The COVID-19 pandemic has completely dominated health over the last year. The annual health profile produced by Public Health England has not been published in its usual format but I am able to produce some data from the PHE website. The incidences of COVID-19 fluctuate on a daily basis and as members will recall Lincoln at one point was in the top five authorities in England for cases per 100,000 population. We have two community testing sites and the vaccination programme is underway and the number of positive cases is well down on the peak but, at the time of writing, was beginning to show an increase again. Our public health staff have not only been involved with this but also in many other COVID-19-related activities including issuing advice to businesses and (jointly with the police) in enforcement as well as organising the COVID-19 marshalls. In terms of general health, the data from Public Health England shows that life expectancy at birth for both men and women continues to deteriorate and continues to be worse than for the rest of England. The figure for men is 76.9 years (data for 2017-19) compared to 77.3 years in the previous year (the figure for England is 79.8 years). For women the 2017-19 data shows life expectancy at birth to be 80.6 years which is slightly lower than last year's figure of 80.9 years and below the national figure of 83.4. The figures for England as a whole are worse than last year which in turn were worse than the previous year. The two charts I have included both show that Lincoln's health figures are poor not just in comparison with England as a whole but also in comparison with the East Midlands. Economic deprivation is a significant factor in health and housing is another major factor. To reflect this housing is a priority within the Lincolnshire health and wellbeing strategy. There is a direct link between improvements in housing and improvements in health. Any improvements we can make in our own housing stock and in the private sector will have the effect of improving the health of our residents. Similarly, anything we can do to improve the income levels of our residents will also have the effect of improving health. I have discussed these figures with the Council leader and senior officers and it is clear some in-depth work needs to be carried out to look at why the health data for the city is as it is.

Donald Nannestad, Portfolio Holder for Quality Housing

Compared with benchmark: ● Better ● Similar ● Worse ○ Not compared

Quintiles: Best ● ● ● ● ● Worst ○ Not applicable

Recent trends: – Could not be calculated → No significant change ↑ Increasing / Getting worse ↑ Increasing / Getting better ↓ Decreasing / Getting worse ↓ Decreasing / Getting better ↑ Increasing ↓ Decreasing

Export table as image   Export table as CSV file

Benchmark Value: Worst/Lowest — 25th Percentile — 75th Percentile — Best/Highest

Indicator	Period	Lincoln			Region	England	England		
		Recent Trend	Count	Value	Value	Value	Worst/ Lowest	Range	Best/ Highest
Life expectancy at birth (Male)	2017 - 19	–	-	76.9	79.5	79.8	74.4		84.9
Life expectancy at birth (Female)	2017 - 19	–	-	80.6	82.9	83.4	79.5		87.2
Under 75 mortality rate from all causes New data	2016 - 18	–	979	447	334	330	544		220
Under 75 mortality rate from all cardiovascular diseases	2017 - 19	–	198	90.6	72.1	70.4	121.6		39.8
Under 75 mortality rate from cancer	2017 - 19	–	372	172.4	131.3	129.2	182.4		87.4
Suicide rate	2017 - 19	–	39	16.2	9.5	10.1	19.0		4.9
Killed and seriously injured (KSI) casualties on England's roads	2016 - 18	–	124	42.0	41.6	42.6*	109.8		17.7
Emergency Hospital Admissions for Intentional Self-Harm	2018/19	↓	195	187.1	200.8	193.4	497.7		51.6
Hip fractures in people aged 65 and over	2018/19	→	120	758	614	558	852		350
Cancer diagnosed at early stage (experimental statistics)	2017	–	157	44.2%	49.1%	52.2%	36.8%		61.0%
Estimated diabetes diagnosis rate	2018	–	-	80.2%	84.6%	78.0%	54.3%		98.7%
Estimated dementia diagnosis rate (aged 65 and over) > 66.7% (significantly) similar to 66.7% < 66.7% (significantly)	2020	–	933	84.3%	71.1%	67.4%	41.6%		92.7%
Admission episodes for alcohol-specific conditions - Under 18s	2016/17 - 18/19	–	10	18.3	26.3*	31.6	112.7		7.8
Admission episodes for alcohol-related conditions (Narrow)	2018/19	→	607	713	700	664	1,127		389
Smoking Prevalence in adults (18+) - current smokers (APS)	2019	–	20,076	24.8%	14.8%	13.9%	27.5%		3.4%
Percentage of physically active adults	2018/19	–	-	67.5%	66.4%	67.2%	46.7%		80.0%
Percentage of adults (aged 18+) classified as overweight or obese	2018/19	–	-	65.8%	64.2%	62.3%	75.9%		41.7%
Under 18s conception rate / 1,000	2018	→	35	28.8	16.8	16.7	39.4		3.6
Smoking status at time of delivery New data	2019/20	→	150	15.6%	13.4%*	10.4%	23.1%		2.1%
Infant mortality rate	2017 - 19	–	16	4.9	4.1	3.9	7.5		1.2
Year 6: Prevalence of obesity (including severe obesity) New data	2018/19	→	219	22.8%	19.7%	20.2%	29.6%		9.5%
Deprivation score (IMD 2015)	2015	–	-	28.9	-	21.8	42.0		5.0
Smoking Prevalence in adults in routine and manual occupations (18-64) - current smokers (APS)	2019	–	-	32.7%	25.5%	23.2%	60.3%		3.5%
Inequality in life expectancy at birth (Male)	2016 - 18	–	-	10.4	8.9	9.5	15.2		-1.3
Inequality in life expectancy at birth (Female)	2016 - 18	–	-	7.2	7.1	7.5	13.8		-1.5
Children in low income families (under 16s)	2016	↓	3,640	21.2%	16.6%	17.0%	31.8%		5.8%
Average Attainment 8 score	2018/19	–	34,883	40.1	45.8	46.9	39.0		60.2
Percentage of people aged 16-64 in employment	2019/20	→	44,600	68.7%	76.8%	76.2%	63.3%		91.4%
Statutory homelessness - Eligible homeless people not in priority need	2017/18	→	17	0.4	0.4	0.8	-	*Insufficient number of values for a spine chart*	-
Violent crime - hospital admissions for violence (including sexual violence)	2016/17 - 18/19	–	120	38.5	37.2*	44.9	127.6		6.0
Excess winter deaths index	Aug 2018 -Jul 2019	–	72	26.8%	16.4%	15.1%	36.4%		-8.2%
New STI diagnoses (exc chlamydia aged <25) / 100,000	2019	→	539	787	622	900	4,418		294
TB incidence (three year average)	2017 - 19	–	12	4.0	7.3	8.6	45.0		0.2

* a note is attached to the value, hover over to see more details

Compared with benchmark: Better | Similar | Worse | Not compared

Quintiles: Best | | | | Worst | Not applicable

Recent trends: Could not be calculated | No significant change | Increasing / Getting worse | Increasing / Getting better | Decreasing / Getting worse | Decreasing / Getting better | Increasing | Decreasing

Display **Values** | Trends | Values & Trends

Indicator	Period	England	East Midlands region	Amber Valley	Ashfield	Bassetlaw	Blaby	Bolsover	Boston	Broxtowe	Charnwood	Chesterfield	Corby	Daventry	Derby	Derbyshire Dales	East Lindsey	East Northamptonshire	Erewash	Gedling	Harborough	High Peak	Hinckley and Bosworth	Kettering	Leicester	Lincoln	Mansfield	Melton	Newark and Sherwood	North East Derbyshire	North Kesteven	North West Leicestershire	Northampton	Nottingham	Oadby and Wigston	Rushcliffe	Rutland	South Derbyshire	South Holland	South Kesteven	South Northamptonshi	Wellingborough	West Lind
Life expectancy and causes of death																																											
Life expectancy at birth (Male)	2017 - 19	79.8	79.5	80.1	78.4	78.9	81.7	77.9	78.1	80.3	80.8	78.2	77.5	80.8	78.6	81.4	78.1	80.6	79.5	80.5	81.7	80.0	80.6	79.6	77.5	76.9	78.0	81.0	79.9	79.7	80.5	80.0	78.6	77.2	79.8	81.5	83.0	79.9	79.8	80.9	81.7	79.3	80.0
Life expectancy at birth (Female)	2017 - 19	83.4	82.9	83.2	81.7	82.4	85.2	81.9	82.3	83.0	83.8	81.8	80.8	83.7	82.1	85.3	82.1	83.4	83.4	83.1	85.0	83.1	83.9	82.5	82.2	80.6	81.5	84.2	82.8	82.7	83.4	83.7	82.5	81.2	84.8	84.5	85.4	83.1	83.3	84.1	84.3	82.5	83.3
Under 75 mortality rate from all causes New data	2016 - 18	330	334	310	393	356	265	356	393	304	290	383	425	293	377	260	387	298	332	285	252	312	288	318	413	447	394	284	318	304	285	311	385	457	305	259	223	310	333	279	255	354	311
Under 75 mortality rate from all cardiovascular diseases	2017 - 19	70.4	72.1	66.2	87.7	76.8	43.8	81.0	94.6	69.2	63.9	82.9	87.4	56.0	88.7	52.7	90.9	56.9	70.0	63.1	50.7	52.7	71.6	71.1	101.6	90.6	77.1	60.9	58.1	63.5	63.0	65.7	82.2	99.8	62.8	51.9	43.6	62.1	78.8	56.9	47.9	76.1	66.3
Under 75 mortality rate from cancer	2017 - 19	129.2	131.3	116.3	146.2	138.8	118.0	149.9	141.8	132.9	123.0	142.9	155.7	126.7	147.0	113.1	141.5	124.4	125.4	121.1	105.5	122.3	121.5	135.3	141.7	172.4	151.7	97.4	126.9	130.3	125.0	122.0	142.6	157.4	123.2	111.2	110.1	122.3	128.5	111.3	115.9	141.1	125.8
Suicide rate	2017 - 19	10.1	9.5	9.4	8.0	16.9	10.5	8.3	6.9	7.2	5.9	10.2	11.7	6.2	8.0	9.1	13.3	11.1	8.6	7.1	10.6	10.3	7.2	10.1	8.1	16.2	7.0	*	10.3	10.0	8.8	7.4	11.6	12.7	8.8	8.0	*	8.4	12.7	9.7	9.6	11.0	11.8
Injuries and ill health																																											
Killed and seriously injured (KSI) casualties on England's roads	2016 - 18	42.6*	41.6	37.3	32.5	58.2	29.0	35.4	74.5	32.2	27.9	32.2	33.6	71.0	28.1	70.5	83.7	41.9	27.5	31.3	35.7	45.3	28.4	37.2	27.7	42.0	28.9	52.4	54.8	38.4	63.9	46.9	24.2	37.1	18.1	41.1	54.0	42.0	59.7	55.1	58.6	38.0	94.7
Emergency Hospital Admissions for Intentional Self-Harm	2018/19	193.4	200.8	214.6	221.0	210.9	94.8	279.7	120.2	174.2	114.1	497.7	305.7	268.2	274.4	217.2	189.3	233.4	215.9	150.4	142.5	193.6	119.9	340.3	121.2	187.1	294.4	98.6	198.4	253.0	110.9	133.6	439.7	213.1	95.4	124.8	142.5	196.9	95.3	174.8	186.0	289.9	120.6
Hip fractures in people aged 65 and over	2018/19	558	614	525	589	628	585	713	710	661	790	606	766	590	541	546	593	537	580	600	705	581	688	754	757	758	681	852	681	568	486	746	577	594	675	527	556	555	495	580	406	541	534
Cancer diagnosed at early stage (experimental statistics)	2017	52.2	49.1	49.3	36.8	48.0	51.5	44.9	45.4	57.9	47.5	47.7	55.0	51.0	45.9	49.5	47.4	50.2	50.2	48.7	56.9	54.6	54.5	54.2	49.1	44.2	37.9	55.5	45.2	48.1	43.7	48.6	48.7	54.4	43.8	50.6	54.3	47.9	49.4	51.0	58.6	46.0	44.9
Estimated diabetes diagnosis rate	2018	78.0	84.6	78.9	85.3	82.6	78.5	97.2	87.2	84.2	84.5	88.6	79.4	72.6	80.6	69.2	85.2	83.0	81.4	78.4	67.5	73.5	79.1	80.2	83.0	80.2	82.2	74.3	78.6	87.1	85.5	78.1	82.6	75.2	90.9	72.8	73.8	88.2	88.3	81.3	73.1	85.3	81.6
Estimated dementia diagnosis rate (aged 65 and over) > 66.7% (significantly) similar to 66.7% < 66.7% (significantly)	2020	67.4	71.1	68.4	82.4	80.5	71.2	79.1	65.8	82.1	73.4	71.2	92.7	61.8	75.6	53.7	65.1	68.6	80.4	64.8	59.3	68.4	70.4	76.8	86.5	84.3	76.6	68.6	59.0	67.8	61.6	64.1	74.0	81.6	72.4	74.1	55.3	70.8	63.1	62.4	49.4	64.3	65.1
Behavioural risk factors																																											
Admission episodes for alcohol-specific conditions - Under 18s	2016/17 -18/19	31.6	26.3*	20.9	*	21.7	*	53.1	*	*	19.4	58.7	39.3	19.5	16.8	26.6	27.8	25.0	*	*	26.2	37.7	30.1	36.5	13.9	18.3	37.2*	*	*	54.2	22.1	16.2	31.4	*	*	*	*	22.9	18.5	22.8	25.6	27.5	18.2
Admission episodes for alcohol-related conditions (Narrow)	2018/19	664	700	715	775	721	592	747	621	719	571	1015	864	654	878	670	681	672	799	684	561	605	603	839	700	713	875	569	618	788	586	616	831	884	649	541	519	667	580	568	531	783	536
Smoking Prevalence in adults (18+) -current smokers (APS)	2019	13.9	14.8	12.5	19.8	15.7	10.9	10.6	18.4	10.5	12.0	13.7	27.5	14.0	16.7	9.5	14.9	17.2	16.6	14.2	8.6	12.3	10.4	9.1	15.4	24.8	18.8	20.9	15.4	8.6	9.3	14.1	18.8	20.9	10.0	5.9	10.2	15.8	19.5	9.6	6.7	21.0	15.5
Percentage of physically active adults	2018/19	67.2	66.4	70.4	65.4	67.1	69.4	65.5	58.3	71.3	68.0	68.7	61.0	68.7	69.3	78.5	64.3	75.6	61.6	62.9	69.9	73.9	65.5	65.4	58.7	67.5	62.4	71.3	67.1	72.6	73.6	71.6	59.3	65.6	61.3	68.8	72.8	67.8	60.8	64.6	68.0	68.6	60.6
Percentage of adults (aged 18+) classified as overweight or obese	2018/19	62.3	64.2	65.8	68.8	70.6	64.9	72.2	70.8	62.1	65.5	66.9	70.1	61.6	63.8	56.4	64.6	66.7	68.5	67.7	61.5	62.9	62.3	61.0	56.5	65.8	69.0	61.9	70.4	63.1	68.2	69.7	61.2	58.4	63.6	58.9	60.5	69.3	67.4	65.9	62.0	67.9	68.5

Child health																																											
Under 18s conception rate / 1,000	2018	16.7	16.8	16.1	20.1	14.9	10.2	20.9	20.0	18.9	14.4	19.8	25.4	11.4	19.5	10.4	29.0	13.1	18.9	13.4	10.5	10.1	10.8	21.6	20.8	28.8	23.5	10.8	16.3	12.3	11.4	14.3	20.0	24.9	12.5	7.5	3.6	16.8	12.1	10.8	13.9	16.7	9.3
Smoking status at time of delivery New data	2019/20	10.4	13.4*	13.5	17.1	11.8	8.6	13.5	19.9	11.7	10.4	13.5	19.3	13.1	13.5	13.5	19.9	12.9	13.5	12.6	8.5	13.5	10.7	13.1	10.4	15.6	19.2	8.4	13.7	13.5	14.8	10.7	13.1	16.5	8.4	5.9	8.4	13.5	14.2*	13.5*	13.1	13.1	16.4
Infant mortality rate	2017 - 19	3.9	4.1	5.4	4.1	4.4	2.1	2.4	2.2	2.5	5.1	2.6	3.2	3.9	5.4	2.1	3.8	3.6	5.7	3.2	4.1	3.5	3.0	6.2	6.0	4.9	4.1	3.6	3.8	1.5	1.9	3.3	4.0	5.6	3.6	4.1	2.1	6.4	1.8	2.3	3.0	4.3	2.0
Year 6: Prevalence of obesity (including severe obesity) New data	2018/19	20.2	19.7	19.8	23.1	21.0	13.6	23.4	27.1	17.2	19.1	21.1	23.3	17.1	23.0	12.8	19.9	17.2	19.9	18.0	14.9	15.4	14.9	17.5	23.0	22.8	22.9	18.9	17.7	19.3	18.7	17.2	19.2	23.2	17.6	11.3	13.7	17.3	23.3	18.6	14.4	20.3	18.8
Inequalities																																											
Deprivation score (IMD 2015)	2015	21.8	-	18.1	25.4	22.7	10.4	24.8	24.4	14.3	13.7	25.3	25.8	13.5	27.8	12.3	28.9	14.2	19.9	15.3	8.3	16.1	12.8	18.9	33.1	28.9	27.8	13.1	18.8	16.8	11.6	14.9	24.3	36.9	13.1	7.7	9.6	13.7	18.6	14.2	7.8	21.7	19.2
Smoking Prevalence in adults in routine and manual occupations (18-64) - current smokers (APS)	2019	23.2	25.5	19.0	24.8	17.8	22.9	*	*	16.5	19.7	12.6	32.9	17.5	35.4	22.3	35.3	25.3	33.1	31.6	17.4	16.7	34.6	*	22.7	32.7	30.5	35.8	34.8	19.2	21.8	22.2	29.6	29.4	*	26.3	26.1	26.9	29.9	19.9	13.4	25.7	25.2
Inequality in life expectancy at birth (Male)	2016 - 18	9.5	8.9	9.5	13.2	8.7	1.6	5.4	*	6.6	7.7	8.8	*	3.6	10.2	2.1	10.3	6.3	9.8	7.6	3.8	7.8	5.5	7.1	8.0	10.4	9.0	7.9	7.7	7.1	6.2	6.7	9.6	8.4	10.7	6.6	*	7.0	1.7	5.8	2.2	8.0	7.7
Inequality in life expectancy at birth (Female)	2016 - 18	7.5	7.1	9.7	10.6	6.9	-0.9	3.9	*	5.5	8.5	7.4	6.6	2.8	9.3	2.0	7.2	5.0	4.3	7.5	-1.5	8.5	4.6	7.1	6.1	7.2	6.8	6.7	9.1	7.4	2.8	6.4	7.2	8.6	10.7	4.3	*	7.6	4.8	4.2	2.0	2.9	6.0
Wider determinants of health																																											
Children in low income families (under 16s)	2016	17.0	16.6	15.1	21.1	16.2	9.3	19.8	14.6	13.5	12.5	19.6	17.3	9.9	21.0	9.4	22.1	11.2	17.2	14.2	7.2	11.9	11.0	14.2	23.0	21.2	20.4	10.5	15.0	15.3	10.3	12.8	15.7	29.5	11.7	6.9	6.5	11.9	13.9	12.8	6.1	16.4	19.4
Average Attainment 8 score	2018/19	46.9	45.8	47.3	42.7	47.7	45.8	45.4	41.8	48.7	45.4	44.5	42.1	47.0	43.2	50.9	44.6	44.4	44.3	49.4	51.4	46.8	48.0	47.8	42.9	40.1	43.0	50.0	47.9	45.6	47.3	43.9	45.0	42.4	46.1	57.2	51.5	46.3	45.4	49.9	49.3	45.1	47.7
Percentage of people aged 16-64 in employment	2019/20	76.2	76.8	79.9	79.4	81.9	78.1	71.6	81.9	79.9	80.3	64.3	84.5	80.9	74.2	79.9	63.3	85.1	84.3	81.9	88.2	68.1	85.2	82.8	72.5	68.7	76.4	84.9	76.2	77.8	84.3	72.6	74.4	64.6	76.2	80.4	75.7	88.4	78.0	76.3	84.0	89.9	75.9
Statutory homelessness - Eligible homeless people not in priority need	2017/18	0.8	0.4	*	0.1	0.2	*	*	0.7	0.2	*	0.8	*	0.5	2.5	*	*	0.4	*	*	0.2	0.8	*	0.4	0.3	0.4	0.1	2.5	*	*	0.2	*	0.1	0.5	2.2	*	*	0.3	0.2	*	*	0.4	*
Violent crime - hospital admissions for violence (including sexual violence)	2016/17 -18/19	44.9	37.2*	30.2	*	45.0	25.2	45.9	38.4	*	24.3	53.8	60.3	36.1	48.7	33.3	30.4	24.1	*	*	25.3	31.7	29.4	38.2	48.6	38.5	56.6*	22.8*	*	41.2	13.5	25.9	64.3	*	19.7	*	23.9	23.0	23.2	24.5	20.3	51.5	21.8
Health protection																																											
Excess winter deaths index	Aug 2018 - Jul 2019	15.1	16.4	9.6	25.0	19.8	24.9	3.4	26.4	16.7	5.3	33.6	28.5	2.0	19.0	8.7	21.6	19.5	12.9	15.0	11.9	11.8	16.7	23.8	16.1	26.8	15.3	29.3	10.8	2.8	17.7	18.1	18.3	18.1	-5.9	9.9	-2.4	11.6	17.0	21.5	22.2	24.2	18.8
New STI diagnoses (exc chlamydia aged <25) / 100,000	2019	900	622	579	697	678	461	581	366	492	574	691	466	496	914	420	371	454	665	617	409	408	491	686	728	787	739	406	605	548	447	424	795	1060	498	409	432	610	393	458	401	644	396
TB incidence (three year average)	2017 - 19	8.6	7.3	0.3	2.9	0.9	6.3	1.3	12.0	2.1	7.5	3.5	5.6	4.0	11.4	0.5	2.8	1.8	1.7	2.8	2.5	0.7	1.5	7.6	39.7	4.0	2.8	2.6	2.7	0.3	1.7	2.3	11.4	12.5	5.8	4.0	2.5	0.6	2.1	2.1	2.5	6.3	1.8

This page is intentionally blank.

COUNCIL **2 March 2021**

REPORT UNDER RULE 2(VI) OF THE COUNCIL PROCEDURE RULES

Report by Councillor Naomi Tweddle, Chair of Equality and Diversity Advisory Panel

Introduction

This is my third report to Council as Chair of the Equality and Diversity Advisory Panel. The report covers the period from February 2019 to January 2021 and provides an update on the work completed with the Panel in that time.

The Equality and Diversity Advisory Panel is an informal advisory working group rather than a formal committee, but it does play a vital role in ensuring the Council embraces equality and diversity. The Panel is a combination of officers and Councillors and provides an opportunity to discuss and share views on equality and diversity issues. It also allows Councillors and officers to look at Council policies, services and practices and consider whether there is a need for further adjustments.

The members who currently sit on the Equality and Diversity Advisory Panel are:
- Cllr Naomi Tweddle (Chair)
- Cllr Rosanne Kirk (Vice-Chair)
- Cllr Alan Briggs
- Cllr Chris Burke
- Cllr Thomas Dyer
- Cllr Jane Loffhagen
- Cllr Helena Mair
- Cllr Adrianna McNulty
- Cllr Ric Metcalfe

Summary of Main Work

The Equality Act 2010 Public Sector Equality Duty requires public sector organisations to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act,
- Advance equality of opportunity between people who share a protected characteristic and those who do not,
- Foster good relations between people who share a protected characteristic and those who do not.

The Equality and Diversity Group is primarily interested in the first two parts of the duty, with the third part coming under Councillor Rosanne Kirk's portfolio, Reducing Inequality.

The group has met five times since the last report to Council in February 2019. These meetings, and items discussed, were as follows:

- March 2019
    - City Hall Access/Egress
    - Gender Pay Gap
    - Applications for City of Lincoln Council Job Vacancies
    - Equality Action Plans 2018/19 and 2019/20
- September 2019
    - Gender Pay Gap Project
    - Equality Journal 2018/19
    - Equality Action Plan - Update
- December 2019
    - Setting New Equality Objectives for 2020-24
- February 2020
    - Proposed Equality Objectives for 2020-24
    - Gender Pay Gap
    - Recruitment Data
    - Equality Action Plan
- October 2020
    - Equality Journal 2019/20
    - Equality, Diversity and Human Rights Policy Review
    - Terms of Reference for Equality and Diversity Advisory Panel
    - Gender Pay Gap – comparison with other authorities
    - Equality Action Plan
    - Digital Accessibility Regulations

We continue to focus the Equality and Diversity Advisory Panel agenda on working towards the Council's five equality objectives. These were reviewed in 2019/20 with the following five objectives adopted for the period April 2020 to March 2024:

- Objective 1: Our services are accessible and do not discriminate on any unjustifiable grounds
- Objective 2: Local communities, partners and stakeholders are empowered to influence the way our services are provided to them
- Objective 3: Equality is at the heart of decision making at all levels within the council
- Objective 4: Our workforce at all levels reflects the makeup of the local community
- Objective 5: Equalities, social inclusion and community cohesion have all improved with our communities

The Annual Equality Journal provides a summary of the actions taken under each objective, and the report for 2019/20 (covering April 2019 to March 2020) can be found on the council's website - www.lincoln.gov.uk/your-council/equality-and-diversity.

The report for 2020/21 will be published in the autumn and therefore I will provide a short summary of some of the equality actions undertaken during the period from March 2020. There have been three formal periods of lockdown due to Covid 19, and restrictions at some level have now been in place for almost a year. The pandemic has caused life to be more difficult for many people, but it has been particularly difficult for some of our most vulnerable residents.

We have been able to support these groups through some specific initiatives aimed at protecting the most vulnerable. These included the Befriending and Community Help services to help those in need. We have also helped children in families struggling to manage as a result of reduced incomes during the pandemic, through the half-term help initiative during October 2020, and during Christmas 2021 through the FiSH scheme provided by Bridge Church. These schemes have provided much needed support to vulnerable residents at a very difficult time, and is a scheme that the Council can be very proud of.

The Panel continues to monitor the gender pay gap and recruitment data at meetings and has supported improvements made to the equality and diversity training given to all staff. The Panel is also currently looking at is the implementation of gender balanced job evaluation panels. There was an initial discussion at the October 2020 meeting and work continues on this. There will be further discussion on this at the next meeting, which will be held 3 March 2021.

Concluding Comments

Looking ahead, it is important that we continue to strive to ensure that the work of the Council reflects the importance of equality and diversity, this is particularly pertinent when we are changing services or working on projects.

The action plan sets out what the Council is doing to support those with protected characteristics, and it is currently being refreshed for 2021/2022. It will draw together equality actions identified by senior officers, aligning with projects set out in our strategic plan, Vision 2025. This will help further instil equality and diversity into all aspects of the Council's work, which I believe is imperative. The Equality and Diversity Advisory Panel has also worked with officers to embed the action plan into Council work and try to ensure that the objectives set are effective, measurable and achievable.

I would like to finish by thanking both Councillor's and officers who have been, or are currently, a member of the Equality and Diversity Advisory Panel. We have worked on a wide variety of policy and practice areas during the past two years, and I look forward to continuing this work in the coming months.

This page is intentionally blank.

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

APPENDIX A

Medium Term Financial Strategy

2021/22 - 2025/26

CITY OF Lincoln COUNCIL

Together, let's deliver Lincoln's ambitious future

For more information visit:
www.lincoln.gov.uk

Contents

Page No

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.

Appendix 1

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.

85

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

Appendix 5

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.

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**

Appendix 6

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				
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**	
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**

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

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2021 - 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

	PREVIOUS 2019/20 £	CURRENT 2020/21 £	PROPOSED 2021/22 £	
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	41.20	42.40	**43.70**	
Administration Charge				
- 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**	

This page is intentionally blank.

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.

GARAGES

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

This page is intentionally blank.

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**

This page is intentionally blank.

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 da	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 da	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 da	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 da	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 da	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 da	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 da	8.50	8.50	**8.80**	**inc VAT**
Evening Charge	3.00	3.50	**3.80**	**inc VAT**

APPENDIX A

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 day	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 day	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 day	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 day	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 day	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 day	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

This page is intentionally blank.

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**

Capital Strategy

2021/22 to 2025/26

[Type here]

CITY OF Lincoln COUNCIL

Together, let's deliver Lincoln's ambitious future

For more information visit: www.lincoln.gov.uk

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.

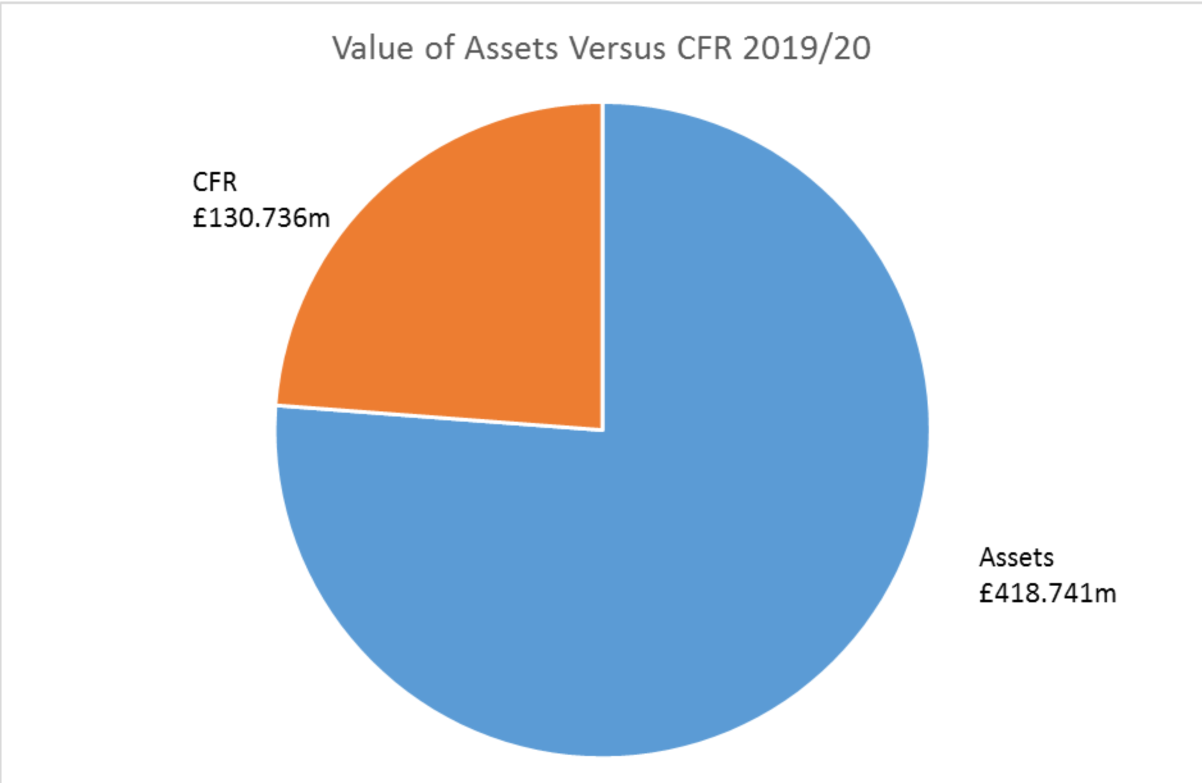
For the year 2020/21 the anticipated income from investment properties represents less than 3.2% of the council's gross expenditure.

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:



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.

This page is intentionally blank.

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.

This page is intentionally left blank

Item No. 6b

COUNCIL **2 MARCH 2021**

SUBJECT:	**COUNCIL TAX 2021/22**
REPORT BY:	**CHIEF EXECUTIVE & TOWN CLERK**
LEAD OFFICER:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 In light of the report on the Medium Term Financial Strategy, which appears elsewhere on this agenda, this report will set out the City Council's council tax requirement and, together with the requirements of the County Council and the Police & Crime Commissioner Lincolnshire, and will allow Members to make a formal recommendation to Council for the overall levels of council tax for 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 agreed the 2021/22 council tax requirement on the 19th and the Police & Crime Commissioner Lincolnshire is due to agree it's requirement on 24th February 2021. The County Council have approved 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 the Police and Crime Commissioner's Band D equivalent, these will be reported to Full Council at its meeting on the 2nd March 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	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 Committee 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	£412.23	£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 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?	Approval by 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. 6c

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

This page is intentionally blank.

Item No. 7

COUNCIL **2 MARCH 2021**

SUBJECT:	**ANNUAL TIMETABLE OF MEETINGS 2021/22**
DIRECTORATE:	**CHIEF EXECUTIVE & TOWN CLERK**
LEAD OFFICER:	**GRAHAM WATTS, DEMOCRATIC AND ELECTIONS MANAGER**

1. Matter for Council

1.1 To consider the Council's Annual Timetable of Meetings for the 2020/21 Municipal Year.

1.2 The Leader of the Council, Deputy Leader of the Council, Leader of the Opposition and Deputy Leader of the Opposition have been consulted on the dates proposed as part of the timetable of meetings.

2. Recommendation

2.1 That the Annual Timetable of Meetings for the next municipal year be approved.

Lead Officer: Graham Watts, Democratic and Elections Manager
Telephone (01522) 873439

This page is intentionally blank.

TIMETABLE 2021-2022

Mon	Tue	Wed	Thu	Fri
May 3	4	5	6	7
Early May Bank Holiday			ELECTION DAY	
May 10	11	12	13	14
Police and Crime Commissioner Election Count	Member Induction – Day One	Member Induction – Day Two 5.30pm Planning Committee Training, Member Development	5:30 pm Licensing Committee Training, Member Development	
May 17	18	19	20	21
	11:00am Annual Meeting, Council	5:30 pm Planning Committee	6:00 pm Quarterly Report Performance Scrutiny Committee	
May 24	25	26	27	28
	6:00 pm Quarterly Reports, Executive		10:00 am Housing Appeals Panel 5:30 pm Hackney Carriage and Private Hire Licensing Sub-Committee	
May 31	June 1	2	3	4
Spring Bank Holiday	1:30 pm City of Lincoln Council and Employee Joint Consultative (Health, Safety and Welfare) Committee 2:00pm City of Lincoln Council and Employee Joint Consultative Committee		5:30 pm Audit Committee Training, Member Development	
June 7	8	9	10	11
	6:00 pm Community Leadership Scrutiny Committee	5:30 pm Licensing Committee	2:00 pm Shared Revenues and Benefits Joint Committee 4:00 pm Chamber of Commerce 6.00 pm Audit Committee	
June 14	15	16	17	18
6:00 pm Housing Scrutiny Sub-Committee	6:00 pm Policy Scrutiny Committee	5:30 pm Planning Committee	10:00 am Housing Appeals Panel 6:00pm Political Group Meetings	

TIMETABLE 2021-2022

Mon	Tue	Wed	Thu	Fri
June 21	22	23	24	25
6:00 pm Executive	6:30 pm Council		6:00 pm Historic Environment Advisory Panel	
June 28	29	30	July 1	2
6:00 pm Commons Advisory Panel	6:00 pm Community Leadership Scrutiny Committee		5:30 pm Hackney Carriage and Private Hire Licensing Sub –Committee	
July 5	6	7	8	9
6:00 pm Ethics and Engagement Committee		5:30 pm Member Development	10:00 am Housing Appeals Panel 6:00 pm Performance Scrutiny Committee	
July 12	13	14	15	16
		5:00 pm Planning Committee		
July 19	20	21	22	23
		6:00 pm Crime and Disorder Committee, Select Scrutiny Committee	6.00 pm Audit Committee	
July 26	27	28	29	30
6:00 pm Executive	6:30 pm Council	5:30 Member Development	10:00 am Housing Appeals Panel 5:30 Hackney Carriage and Private Licensing Sub-Committee	
August 2	3	4	5	6
	1:30 City of Lincoln Council and Employee Joint Consultative (Health, Safety and Welfare) Committee 2:00pm City of Lincoln Council and Employee Joint Consultative Committee	5:30 Licensing Committee	6:00 pm Political Group Meetings	
August 9	10	11	12	13
6:00 pm Housing Scrutiny Sub-Committee		5:30 pm Planning Committee		

TIMETABLE 2021-2022

Mon	Tue	Wed	Thu	Fri
August 16	17	18	19	20
	6:00pm Policy Scrutiny Committee		6:00 pm Quarterly Reports, Performance Scrutiny Committee	
August 23	24	25	26	27
6:00 pm Quarterly Reports, Executive	6:00 pm Community Leadership Scrutiny Committee		10:00 am Housing Appeals Panel	
August 30	31	September 1	2	3
Summer Bank Holiday		5:30 pm Member Development	5:30 pm Hackney Carriage and Private Hire Licensing Sub-Committee	
September 6	7	8	9	10
		5:30 pm Planning Committee	10:00 am Housing Appeals Panel 2:00 pm Shared Revenues and Benefits Joint Committee 4:00 pm Chamber of Commerce	
September 13	14	15	16	17
6:00 pm Commons Advisory Panel		5:30 pm Equality and Diversity	6:00pm Political group meetings	
September 20	21	22	23	24
6:00 pm Executive	6:30 pm Council	5:30 pm Member Development	6.00pm Audit Committee	
September 27	28	29	30	October 1
6:00 pm Ethics and Engagement Committee		5:30 pm Licensing Committee	10:00 am Housing Appeals Panel 6:00 pm Performance Scrutiny Committee	
October 4	5	6	7	8
	1:30 pm City of Lincoln Council and Employee Joint Consultative (Health, Safety and Welfare) Committee 2:00 pm City of Lincoln Council and Employee Joint Consultative Committee 6:00 pm Policy Scrutiny Committee	5:30 pm Planning Committee	5:30 pm Hackney Carriage and Private Hire Licensing Sub-Committee	

TIMETABLE 2021-2022

Mon	Tue	Wed	Thu	Fri
October 11	12	13	14	15
			6:00 pm Historic Environment Advisory Panel	
October 18	19	20	21	22
			10:00 am Housing Appeals Panel	
October 25	26	27	28	29
6:00 pm Executive		5:30 pm Member Development	5:30 pm Hackney Carriage and Private Hire Licensing Sub – Committee	
November 1	2	3	4	5
6:00 pm Housing Scrutiny Sub –Committee	6:00 pm Community Leadership Scrutiny Committee	5:30 Planning Committee		
November 8	9	10	11	12
			10:00 am Housing Appeals Panel	
November 15	16	17	18	19
		5:30 pm Licensing Committee	6:00 pm Quarterly Reports, Performance Scrutiny Committee	
November 22	23	24	25	26
6:00 pm Quarterly Reports, Executive	6:00 pm Policy Scrutiny Committee	5:30 pm Hackney Carriage and Private Hire Licensing Sub-Committee	2:00 pm Shared Revenues and Benefits Joint Committee 6:00 pm Political Group Meetings	
November 29	30	December 1	2	3
	1:30 pm City of Lincoln Council and Employee Joint Consultative (Health, Safety and Welfare) Committee 2:00 pm City of Lincoln Council and Employee Joint Consultative Committee 6:30 pm Council	5:30 pm Planning Committee	10:00 am Housing Appeals Panel	

TIMETABLE 2021-2022

Mon	Tue	Wed	Thu	Fri
December 6	7	8	9	10
6:00 pm Commons Advisory Panel		5:30 pm Member Development	4:00 pm Chamber of Commerce	
December 13	14	15	16	17
6:00 pm Executive	6:00 pm Audit Committee		10:00 am Housing Appeals Panel 5:30 Hackney Carriage and Private Hire Licensing Sub-Committee	
December 20	21	22	23	24
December 27	28	29	30	31
Christmas Day (Substitute Day)	Boxing Day (Substitute Day)			
January 3	4	5	6	7
New Year's Day	6:00 pm Executive	5:30 pm Planning	10:00 Housing Appeals Panel 6:00 pm Historic Environment Advisory Panel	
January 10	11	12	13	14
6:00 pm Ethics and Engagement Committee	6:00 pm Policy Scrutiny Committee	5:30 pm Member Development	6:00 pm Political Group Meetings	
January 17	18	19	20	21
6:00 pm Executive	1:30 pm City of Lincoln Council and Employee Joint Consultative (Health, Safety and Welfare) Committee 2:00 pm City of Lincoln Council and Employee Joint Consultative Committee 6:30 pm Council	5:30 pm Licensing Committee	6:00 pm Performance Scrutiny Committee	
January 24	25	26	27	28
6:00 pm Housing Scrutiny Sub-Committee	6:00 pm Community Leadership Scrutiny Committee	5:30 pm Planning Committee	5:30 pm Hackney Carriage and Private Hire Licensing Sub –Committee	

TIMETABLE 2021-2022

Mon	Tue	Wed	Thu	Fri
January 31	February 1	2	3	4
	6:00 pm Audit Committee	5:30 pm Budget Review group	10 :00 am Housing Appeals Panel	
February 7	8	9	10	11
	2:00 pm Shared Revenues and Benefits Joint Committee	5:30 pm Member Development		
February 14	15	16	17	18
		6:00 pm Political Group Meetings	6:00 pm Quarterly Reports, Performance Scrutiny Committee	
February 21	22	23	24	25
6:00 pm Quarterly Reports, Executive	6:30 pm Council	5:30 pm Planning Committee	10:00 am Housing Appeals Panel 5:30 pm Hackney Carriage and Private Hire Licensing Sub-Committee	
February 28	March 1	2	3	4
6:00 pm Ethics and Engagement Committee	6:30 pm Council (Provisional)	5:30 pm Equality and Diversity Group		
March 7	8	9	10	11
6:00 pm Commons Advisory Panel		5:30 pm Member Development		
March 14	15	16	17	18
6:00 pm Housing Scrutiny Sub-Committee	1:30 pm City of Lincoln Council and Employee Joint Consultative (Health, Safety and Welfare) Committee 2:00 pm City of Lincoln Council and Employee Joint Consultative Committee 6:00 pm Policy Scrutiny Committee	5:30 pm Licensing Committee	10:00 pm Housing Appeals Panel 5:30 pm Hackney Carriage and Private Hire Licensing Sub-Committee	
March 21	22	23	24	25
6:00 pm Executive	5:00 pm Audit Committee	5:30 pm Planning Committee	6:00 pm Performance Scrutiny Committee	

TIMETABLE 2021-2022

Mon	Tue	Wed	Thu	Fri
March 28	29	30	31	April 1
	6:00 pm Community Leadership Scrutiny Committee		6:00 pm Political Group Meetings	Good Friday
April 4	5	6	7	8
	6:30 pm Council		10:00 am Housing Appeals panel 6:00pm Historic Environment Advisory Panel	
April 11	12	13	14	15
	6:00 pm Executive		5:30 pm Hackney Carriage and Private Hire Licensing Sub-Committee	Good Friday
April 18	19	20	21	22
Easter Monday		5:30 pm Planning Committee		
April 25	26	27	28	29
May 2	3	4	5	6
Early May Bank Holiday			ELECTION DAY	
May 9	10	11	12	13
New Member Induction Day One	New Member Induction Day Two	5:30 Planning Committee Training, Member Development		
May 16	17	18	19	20
5:30 pm Licensing Committee Training, Member Development	11:00 am Annual Meeting, Council	5:30 pm Planning Committee	6:00 pm Quarterly Reports, Performance Scrutiny Committee	
May 23	24	25	26	27
	6:00 pm Quarterly Reports, Executive		10:00 am Housing Appeals Panel	
May 30	31	June 1	2	3
Spring Bank Holiday	2:00 pm Shared Revenues and Benefits Joint Committee			

This page is intentionally blank.