



PERFORMANCE SCRUTINY COMMITTEE

**Thursday, 18 November
2021**

6.00 pm

**Committee Rooms 1-2,
City Hall**

Membership: Vacancy (Chair), Pat Vaughan (Vice-Chair), David Clarkson, Thomas Dyer, Rebecca Longbottom, Laura McWilliams, Lucinda Preston, Christopher Reid and Loraine Woolley

Substitute members: Councillors Helena Mair

Officers attending: Democratic Services, Jaclyn Gibson (Chief Finance Officer), Pat Jukes (Business Manager - Corporate Policy), Simon Walters (Strategic Director of Communities and Environment) and Rob Marshall (Business Intelligence Analyst)

AGENDA

SECTION A	Pages
1. Confirmation of Minutes - 30 September 2021	3 - 8
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. Portfolio Holder under Scrutiny - Reducing Inequality	9 - 26
4. Operational Performance Report Q2 2021/22	27 - 70
5. Treasury Management and Prudential Code Update Report - Half Year Ended 30th September 2021	71 - 86
6. Financial Performance - Quarterly Monitoring	87 - 126
7. Work Programme for 2021/22 Update	127 - 140
8. Budget Review Process 2021/22	141 - 144
9. Strategic Risk Register - Quarterly Review	145 - 150

10. Exclusion of Press and Public

151 -
152

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

SECTION B

11. Strategic Risk Register - Quarterly Review

[Exempt Paras 3] 153 -
168

Present: Councillor Gary Hewson (*in the Chair*),
Councillor Pat Vaughan, Councillor David Clarkson,
Councillor Thomas Dyer, Councillor
Rebecca Longbottom, Councillor Lucinda Preston and
Councillor Christopher Reid

Apologies for Absence: Councillor Laura McWilliams and Councillor
Lorraine Woolley

30. Confirmation of Minutes - 19 August 2021

RESOLVED that the minutes of the meeting held on 19 August 2021 be confirmed.

31. Declarations of Interest

No declarations of interest were received.

32. Portfolio Holder under Scrutiny - Economic Growth

Councillor Neil Murray, Portfolio Holder for Economic Growth:

a) presented a report to Performance Scrutiny Committee covering the areas:

- Responding to the Pandemic
- Recovery Plan
- Major Projects
- Culture
- Planning Policy
- Car Parking
- Our Visitor Economy
- Heritage

b) invited members' comments and questions

Question: Members commented that there were some lovely buildings on the High Street and asked what else would be done to help restore these.

Response: Talks with shop owners were taking place to offer them grants to improve their shop fronts.

Question: Members commented that it was great news that the Central Market was being developed and asked what was being done to help stall holders as they needed to move out while development took place.

Response: There was a compensation scheme in place to help stallholders and we had employed a local agent to locate premises for stallholders that still wished to trade.

Question: Members asked what support was given to small businesses that were setting up.

Response: The Small Business Support Team would help new businesses and they had been very helpful in encouraging small business to set up. We did have Managed Workspace facilities available which had been at 100% capacity for a while.

Question: Members asked if there were any plans for any more Managed Workspace Buildings.

Response: Work was taking place with Investors of Lincoln on proposals for further expansion.

Question: Members asked when they would receive the full Lincoln City Profile.

Response: The Lincoln City Profile was being produced chapter by chapter due to staff shortages within the Policy Team, which was currently encountering staff shortages.

RESOLVED that the report be noted.

33. Pre-Christmas Market 2021 Verbal Event Report

Simon Colburn, Assistant Director (Health and Environmental Services):

- a) gave a verbal update on preparations being made for the Lincoln Christmas Market 2021
- b) invited members' comments and questions.

Question: Members asked how many stall holders had confirmed their attendance at the market.

Response: When the slots initially became available to book, 130 stalls signed up very quickly and there had been a further 15 stalls having registered since then. The stallholders were very keen to attend.

Question: Members asked if the costs for security had risen since the last market.

Response: The cost of security was the same each year and the costs were built into the budget.

Question: Members asked if coaches were driving to the showground for use as a park and ride.

Response: There would be a park and ride at the showground and a lot of media coverage released around this. There would also be extra communications to advise customers to carry out COVID lateral flow tests before they came and to use hand sanitiser at stalls. The park and ride scheme would also encourage passengers to wear masks.

Question: Members asked whether the toilets would be opened for the market.

Response: The toilet would be opened for the market.

Question: Members asked if there were any trains that were arriving into the city.

Response: There were trains that were going to be coming but the numbers hadn't been finalised.

Question: Members asked if there were more local traders as stallholders.

Response: There was more local traders and there was an even ratio of the type of stall that would be attending. A list of the stalls would be passed onto Performance Scrutiny Committee.

RESOLVED that:

1. A list of the stalls be circulated to Performance Scrutiny Committee.
2. The verbal update be noted.

34. Addressing the Challenge of Climate Change Vision 2025 Progress Report

Councillor Bob Bushell, Portfolio Holder for Remarkable Place:

- a) provided Performance Scrutiny Committee with an update on progress towards addressing the challenge of the Climate Change Strategic Priority contained in Vision 2025.
- b) explained that there were 11 projects that were being monitored in the work programme for Climate Change as detailed within the Project Monitoring Table at Appendix A of the report.
- c) highlighted that the following projects had been completed within the last 12 months:
 - Gain Environmental Accreditation
 - City of Lincoln Council Travel Plan (2019-2024)
 - Electric Vehicle Infrastructure
 - Air Quality Management Plan
- d) explained that the following projects were flagged as green and were meeting the set milestones:
 - Work with partners on the Lincoln Climate Commission and deliver Lincoln Climate Action Plan
 - Stop using single-use plastics and encourage our partners to do the same
 - Make current and future business premises as energy efficient as possible
 - Climate conscious infrastructure projects developed as part of Town Fund Board vision
 - Central Lincolnshire Local Plan – Climate Policies
 - Setting the Lincoln Standard for Zero Carbon Homes
 - Green Homes Grant Local Authority Delivery Scheme
- e) invited members' comments and questions.

Question: Members asked whether there was any other available data that went back further and what baseline was being worked from.

Response: This information would be included in the next Remarkable Place Portfolio Holder Report.

Question: Members asked if there were ambitions to move our fleet over to electric vehicles and whether contractors were being encouraged to do so.

Response: BIFFA were looking at trialling an electric bin lorry but these were expensive. The City of Lincoln Council did have some electric vehicles already in the fleet and were looking at transferring the remaining vehicles so that the whole fleet was electric.

Question: Members asked whether there was a Policy where a council tenant could have an electric vehicle charge point added to their property.

Response: There was a policy for existing tenants to bring improvements to their property but they would need to apply/get permission and there was a grant to assist in this process.

Question: Members asked for clarification on the figures provided within the Travel Plan.

Response: Officers were to investigate this and check that these figures were correct.

Question: Members asked what would happen to the Green Homes Grant monies due to be spent in 2021; the report stated that 40 homes had been fitted in 2021 but there was no expenditure itemised on the account.

Response: This was a typing error in the report as it should do read 40 homes would be fitted by the end of 2022. The first stage of this project had not yet started as a formal agreement had not yet been signed with E-ON.

Question: Members asked how people would qualify for the Green Homes Grant.

Response: The scheme was available for people who were in fuel poverty and they would need to apply. The take up for the scheme was not known.

Question: Members asked for information on the results from the consultation that had taken place.

Response: Figures showed that air quality was massively improving within the city and the air quality management area could be significantly reduced. The levels that were in the air quality management area still didn't exceed the limit. Air quality was being monitored constantly and continued to improve. Latest figures showed that traffic levels had gone back to 92% of pre-pandemic levels.

Question: Members asked if the Air Quality Survey Report was published.

Response: This would be circulated to members of Performance Scrutiny Committee and should also be available to access on DEFRA's website.

RESOLVED that:

1. The figures provided for the travel plan survey to be re-checked by officers.
2. The Air Quality Survey Report be circulated to members of the Performance Scrutiny Committee.
3. The content of the report be noted.

35. Work Programme for 2021/22

Clare Stait, Democratic Services Officer:

- a) presented the draft work programme for 2021/22 as detailed at Appendix A of her report
- b) advised that the work programme for the Performance Scrutiny Committee was put forward annually for approval by Council; the work programme was then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its Chair
- c) reported that items had been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information could be reported to the committee; the work programme also included the list of portfolio holders under scrutiny
- d) requested any relevant comments or changes to the proposed work programme for 2021/22.

RESOLVED that the work programme 2021/22 be noted.

36. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following item(s) of business because it is likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

37. CCTV Update

Caroline Bird, Community Services Manager:

- a) updated Performance Scrutiny Committee on the operation of the CCTV service
- b) invited members' comments and questions.

Members discussed the content of the report in further detail.

RESOLVED that the report be noted

38. Council Investment Properties

Jaclyn Gibson, Chief Finance Officer:

- a) presented Performance Scrutiny Committee the financial position in respect of the council's investment properties, specifically including the financial impact of the Covid-19 pandemic on the expected return on those assets
- b) invited members' questions and comments.

RESOLVED that the report be noted.

Portfolio Holder Responsibilities

Economic Growth

1. Building Control
2. Car Parks
3. Climate Change (linkage to Local Plan)
4. Commercial Development
5. Contaminated Land
6. Cultural Activities Including:
 - Christmas Market
 - Christmas Lights
7. Economic Development and Growth, including:
 - Western Growth Corridor
 - Sustainable Urban Extensions
8. Heritage
9. Innovation and Inward Investment including:
 - Lincoln Science and Innovation Park
 - Smart City initiatives
10. Markets
11. Planning, including:
 - Central Lincolnshire Local Plan
 - Regional and National Planning Policies
12. Public Realm including:
 - City Centre Masterplan
 - Cornhill Area Redevelopment
13. Regeneration Including:
 - Neighbourhood Revitalisation
 - Community Planning
14. Small Business Support
15. Tourism and Marketing
16. Transport including:
 - Transport Hub
 - Connectivity
 - Infrastructure

Reducing Inequality

1. Anti-Poverty Strategy
2. Asylum Seekers
3. Benefits Advice and take-up, including:
 - Housing Benefit
 - Council Tax Support
4. Community Cohesion Strategy
5. Community Strategies and Policies
6. Corporate Social Responsibility including:
 - Hate Crime
 - Lincolnshire Safer Communities
7. Discretionary Rate Relief Policy
8. Equality and Diversity:
 - Employer perspective
 - Service user perspective
9. Financial Inclusion, including:
 - Adult Learning;
 - Young People.
10. Prevent
11. Public Protection including:
 - Antisocial Behavior
 - Noise Nuisance
 - CCTV
 - Domestic Violence
11. Skills and Training, including The Network;
12. Social Value Policy
13. Universal Credit
14. Welfare Advice
15. Welfare Reform

Portfolio Holder Responsibilities

Quality Housing

1. Affordable Housing
2. Discretionary Housing Payments
3. Estate Management
4. Fleet Management
5. Health and Wellbeing, particularly its links to good quality housing
 - Physical and Mental Health
 - Suicide
6. Homelessness Prevention
7. House Building
8. Housing Investment and Decent Homes
9. Housing Repairs and Maintenance
10. Housing Revenue Account and Landlord Services including:
 - Tenant Engagement
 - Housing Stock Options
11. Lettings and Allocations including:
 - Rogue Landlords
 - Trusted Landlord Accreditation Scheme
12. Rough Sleepers
13. Strategic Housing
14. Supported Housing

Remarkable Place

1. Allotments
2. Cemeteries and Crematorium
3. Community Centres
4. Environmental Contracts including:
 - Refuse Collection and Recycling

- Highways
 - Open Space and Grounds Maintenance
 - Public Conveniences
 - Cleansing
5. Food Health and Safety
 6. Licensing
 7. Low Carbon Agenda
 8. Parks and Recreation
 9. Pollution Control
 10. Sport and Leisure facilities to promote physical activity

Our People and Resources

1. Asset Management
2. Civic and Twinning
3. Corporate Communications and Media Relations
4. Corporate Strategy including
 - Strategic Plan (Vision 2020)
 - Annual Report
 - Strategic Partnerships
5. Corporate Health and Safety
6. Emergency Planning
7. Finance including:
 - Financial Strategy
 - Financial Position
8. Human Resources including:
 - People Strategy
 - Apprenticeships
 - Trade Union Liaison
 - Organisational Culture and Core Values
9. Legal Services (excluding Electoral and Democratic Services)
10. Procurement (excluding social value)

Portfolio Holder Responsibilities

- 11. Regional and Sub-Regional Governance Arrangements including Devolution
- 12. Revenues
- 13. Risk Management and Governance including
 - Insurance
- 14. Specific Major Projects (Excluding Major Developments)
- 15. Towards Financial Sustainability including Commercialisation

Customer Experience and Review

- 1. Audit
 - 2. Central Support Services
 - 3. Complaints Handling
 - 4. Corporate Reviews
 - 5. Customer Engagement including:
 - Customer Services
 - Contact Centre
 - 6. Democratic and Electoral Services including
 - Voter Registration
 - Democratic Engagement
 - 7. ICT
 - 8. Performance including Systems and Process
 - 9. Strategic Information including:
 - Corporate Evidence Bases
- Lincoln City Profile

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**REPORT UNDER RULE 2(vi) OF THE COUNCIL PROCEDURE RULES REPORT
BY COUNCILLOR SUE BURKE, PORTFOLIO HOLDER FOR REDUCING
INEQUALITY**

In May 2021 I became the Portfolio Holder for Reducing Inequalities for the council, taking over from Cllr Rosanne Kirk.

In my previous role as Mayor and recently as portfolio holder, throughout the pandemic it has been overwhelming to see the level of support the council has provided to our residents, particularly those most in need, during an extremely difficult time as a result of the Covid-19 pandemic. The dedication of council employees and members has been outstanding, and I would like to say a huge thank you for their effort and professionalism during this time.

I would also like to thank the statutory, religious, and voluntary agencies who have worked with us. This has contributed to mitigating some of the adverse impact of many years of ongoing cuts to local government funding. By partnership working we have continued to find innovative ways of breaking down equality barriers, lifting and enabling dignity to the most vulnerable.

This report provides an update regarding the services the council has delivered under my new portfolio during the past year to support our residents, with a specific focus on key achievements and success stories. I would like to thank our officers for their input in helping to produce this report.

I look forward to working with our employees and elected members over the coming months and continuing to help those most in need as we work through the ongoing impacts of the pandemic.

Welfare and benefits advice



The Welfare team has continued to provide invaluable advice and support for customers who are trying to negotiate the complicated rules of benefit entitlement. The team has continued to offer advice on individual and household entitlements and enabled residents to make claims for the correct benefit.

In the last financial year (2020/21), the team spent much of their time working from home and were unable to complete visits to the homes of people with disabilities and vulnerable circumstances, however they still succeeded in assisting 6,830 people. Part of the important service during the last year has been ensuring that people had access to food while unable to work, and the team issued a total of 1,047 food vouchers for local community larders and food banks. This was a significant increase on the previous year when the total was 535 vouchers.

Additional benefits claimed by Lincoln customers who sought the advice and assistance of the Welfare Team in 2020/2021 totalled a weekly value of £19,525. Over the full year these additional benefits amounted to £1,015,319. In addition to these

benefits, in many cases customers had backdated awards or lump sum payments. In the last year the total value of backdated and lump sum payments amounted to £311,249.

To illustrate what these figures can mean to an individual, one excellent example of a resident helped was a disabled lady who had previously had no success obtaining Personal Independence Payments (PIP) for herself. She was assisted with an appeal which was successful, and she was awarded both Daily Living and Mobility elements of the benefit, backdated to February 2020. This also meant that her Housing Benefit, Council Tax Support and Working Tax Credit also increased by the amounts below. She was awarded lump sum awards of £4,930.50 for PIP; £3,697.41 for Housing Benefit; £722.18 in Council Tax support and £3,010.42 in Tax credits - Total backdated awards of £12,360.51. On an ongoing basis her monthly income increased by £800.45.

The money advice side of the team's work saw less demand over the past year, which is in common with most debt advice services. During the periods of furlough and debt recovery work being placed on hold, many people have been able to delay debt recovery. During the year the team assisted and advised 66 individuals with their debts, this compares to 97 in the previous 12 months. The total debt managed was £299,480 for City of Lincoln residents. 67% of these Money Advice clients were City of Lincoln Council local authority tenants.

Welfare Reform

Over the past year referrals to the Shared Service Welfare Reform Support team (formerly Universal Support Team) continued to be received from council service areas, customers, and external stakeholders.

Throughout the Covid-19 pandemic, the Welfare Reform Support Team was able to provide vital support to new and existing customers – both over the phone and via email. The team was able to explain to customers the support available to them (national and local), undertake assessments for Universal Credit, Housing Benefit, Council Tax Support and Discretionary Housing Payments. This was also a flexible model, which was adapted and utilised for the Test and Trace Support Payments scheme.

Universal Credit itself continued to have a significant impact on the workload of the Benefits Team, with a high volume of UC-related documents requiring processing by the team, including in relation to Council Tax Support claims. At points in 2020/21, there was an increase in more than 60% in Universal Credit documents requiring processing by our Benefits Team.

As well as Universal Credit, our Benefits Team continued to administer a whole range of other welfare reforms – such as Localised Council Tax Support, Spare Room Subsidy ('bedroom tax'), Benefits Cap and Discretionary Housing Payments (DHP). In 2020/21, the team paid out £226,635 to help our residents with their housing costs. Up to the end of September 2021, the Team had already paid out £162,451 for 2021/22 in DHP, to 497 residents. This proactive approach aims to help residents mitigate impacts of welfare reforms.

Housing Benefit / Council Tax Support

Although Universal Credit Full Service was rolled out for new claims in Lincoln Jobcentre Plus from March 2018, our Benefits Team continued to administer a significant number of Housing Benefit and Council Tax Support caseloads – as at the end of September 2021 these figures were 4,650 and 8,799 respectively. Our Council Tax Support caseload rose sharply as a result of the initial Covid-19 lockdown – i.e. this was 8,491 at the end of February 2020, meaning a 3.63% increase up to the end of August 2021. This rise has now ‘plateaued’ somewhat, however with certain national Covid-19 protections, such as the furlough scheme and the Universal Credit £20 ‘uplift’ ending in September 2021, it is anticipated more residents will claim Council Tax Support in the coming months.



Despite the challenges, pressures and demands on the Benefits Team, New Claims and Changes of Circumstance continue to be processed promptly, with positive average processing times being achieved – New Claims currently processed within an average of 17.5 days and Changes of Circumstance in 5.5 days.

Discretionary Rate Relief Policy

A ‘Business Rates Growth Policy’ was approved by Executive on 23rd July 2018. The policy provides a time-limited rate relief discount to new and extended business premises within the city, in the interest of building the Business Rates base, supporting economic growth and job creation. Eligibility for this scheme is dependent on the extent of the business premises creation or extension, location and the impact of the new business or expansion plans has on the local economy.

The impacts of Covid-19 meant applications under this policy understandably reduced. In 2020/21, a total of £35,624 was awarded under this policy, and to date in 2021/22 a total of £16,071 has been awarded.

The Business Rates Team has also been instrumental in supporting businesses so far in 2021/22, awarding £9.5 million in Expanded Retail Discount. Also, the team worked closely with Major Developments colleagues to help administer the variety of business support grants throughout the year.

Test and Trace Payment Scheme and Winter Grants Scheme

Our Revenues and Benefits Service played a crucial role in the Covid-19 response for our residents. The national Test and Trace Payments Scheme was successfully implemented in September 2020, and from the scheme commencing to the end of September 2021, the team made 1,121 successful awards of £500. In addition to this, the team was instrumental in developing and implementing a range of schemes supporting our residents with utilities costs under the Winter Grant Scheme, equating to total payments of £99,500.

Food vouchers for vulnerable families in the Easter holidays

During the pandemic national government provided support for vulnerable families. This support consisted of a national voucher scheme and latterly the Winter Covid payments. As a result of this national support, the FISH (Food in School Holidays) Christian Incorporated Organisation project was able to place its focus upon children ineligible for this support but identified by schools as at risk of food poverty, especially during the holidays.

Of the thirty-two schools scoped for this project, 654 children were identified as in need. For the Easter period, this amounted to 1,308 vouchers at the value of £10 each being given. This meant that a total of £13,080 was required to deliver this project.

During the Easter break, out of the 1,308 vouchers given out, 933 vouchers were collected and redeemed from shops. This was at least a 71.3% take up overall, which shows the success of this project and the positive impact the vouchers had on vulnerable families in the city.

City of Lincoln Council was able to provide a grant of £5,430 towards this project. Funding was also provided by other organisations, including Lincoln Community Larder.

Financial Inclusion

Officers have continued to be proactively involved in the Lincolnshire Financial Inclusion Partnership (FIP), with Martin Walmsley, Head of Shared Revenues and Benefits now being the chair of the Partnership.

FIP aims to ensure that everyone has the capability and opportunity to access appropriate financial services and products needed to participate fully in society and has played a key role in Covid-19 recovery, leading on development of a Covid-19 Recovery Financial Inclusion Action Plan. This plan currently contains 50 specific actions to assist residents from a range of partners as well as the council itself.

There is a huge amount of fantastic financial work and projects being delivered by a variety of organisations including the third sector in Lincoln, and through initiatives such as FIP this work will be actively communicated to residents and other stakeholders.

Skills and Training (including Adult Learning and The Network)

Although the Covid-19 pandemic very much altered the skills and training landscape, officers remained in regular contact with a number of organisations to identify and promote skills and training opportunities to our residents.

In 2020, City of Lincoln Council registered as an organisation to help signpost residents to the government's Kickstart scheme, with a focus of finding six-month placements for young people seeking work. As part of this commitment, the council became part of the countywide Kickstart Monitoring Group.

Moving forwards, in addition to supporting the Kickstart Scheme, the council will aim to assist in identifying customers who may benefit from being included on the 'Restart

scheme'. This scheme gives Universal Credit customers who have been out of work for at least 12 months enhanced support to find jobs in their local area.

The Network

The Network project, which aims to provide careers and related advice to the Not in Education or Employment (NEET) group, proactively engages with young people to help them with a variety of issues and to provide positive outcomes for them in trying to find work and development opportunities.

The Network continued to find innovative solutions to engage with young people during the pandemic. City of Lincoln Council has continued to support this project, sitting on its Trustee and Management Board, as well as physically hosting The Network office on the ground floor of City Hall.

Homelessness and Rough Sleeping



The pandemic has been extremely challenging for the Allocations, Homelessness and Rough Sleeping Services. During this time the Homelessness and Allocations Team continued to work from home and only attended City Hall for exceptional

circumstances, for example to undertake interviews that could not be done by telephone or another form of technology.

Over the past year the council has continued to receive high numbers of homelessness enquiries, however the numbers of applications from families did reduce somewhat. These have now started to rise again following the lifting of the moratorium on evictions from privately rented accommodation.

Throughout the pandemic the council saw large increases in applications from single people where their non-secure living arrangements came to an end because of the increased pressures of living in lockdown and under the Tier restrictions. This situation did not change following the lifting of restrictions, and we continue to receive high numbers of applications from single people. We have also recently seen an increase in very complex homelessness cases, for example Domestic Abuse and dealing with these continues to take significant amounts of staff time.

Our Rough Sleeping Team worked from City Hall and face to face safely throughout the pandemic. The council was successful in securing in excess of £2 million to provide 30 units of accommodation with support for the rough sleeping cohort, and we were also again successful in receiving Rough Sleeping Initiative funding for 2021/2022 to continue our rough sleeping work.

Asylum Seekers and Refugees

The two families who arrived in Lincoln in March 2019 as part of the Vulnerable Persons Resettlement Scheme settled in extremely well. The families were supported by suitably qualified and experienced officers who helped them to settle into life in this country. This support included helping them to enrol into health services, getting

children into school or nursery places, ensuring the families attend their ESOL English language classes and more. The families are now coming towards the end of their support package and will continue to live in the city.

Members will be fully aware of the current escalation of the crisis in Afghanistan. Although at the time of writing this report there is no agreed number of refugees for Lincolnshire, the Leader, Cllr Ric Metcalfe, has pledged to continue to look at the availability of suitable homes and to work with our partners in the Lincolnshire Districts and Lincolnshire County Council to do what we can to assist in temporarily housing Afghan Refugee families.

To support refugees, the council's Neighbourhood Working team arranged for a number of third sector organisations to meet on a weekly basis to help understand what support is required by Afghan refugee families. As the group became aware of what was needed, a call for support was sent out across their networks. So far, the group has been able to supply traditional women's clothes that were previously difficult to source. The group continues to liaise with local Churches to provide the support as and when required.

Neighbourhood Working

Over the past twelve months the Neighbourhood Team was heavily involved in supporting vulnerable members of our communities during the pandemic. This included leading on the development of the Befriending Service, Community Helpline and Crisis Fund. In addition to this vital work, the team has also worked to support a number of other projects. These projects included:

Black, Asian, and Minority Ethnic (BAME) communities

Last summer the neighbourhood team met with several groups that represent the BAME communities in the city to gain an insight into how they were coping during the pandemic. The groups all discussed a lack of access to advice and guidance and an aspiration to have a shared space in the city.

To act as a focal point for our diverse communities, an informal networking group was formed, which was further supported by Local Motion (a joint initiative by six funders to support communities). Working together the group managed to attract funding to work with Optima to develop their branding and the creation of a website that can be translated into different languages.

The group was also recently successful with a funding application to Mercers of London. This grant of £24k will enable the group to work with an organisation called GYROS from Great Yarmouth who will support the development of LEAN (Lincoln Embracing All Nations), including building the capacity of the group, and will produce a feasibility study for a shared space in the city.

Until the group is formally constituted, the Islamic Association of Lincoln has agreed to hold funds on behalf of the group. The group brings together members from the Mosque, the Centre for Reconciliation, Lincolnshire Polish Society, Bulgarian Group, and the Portuguese community. Further work will be undertaken to attract more groups from across the city.

Covid-19 testing sites

During the winter the Neighbourhood Team supported the development of the testing sites at Monks Road and Sincil Bank. Once these were operational, the team supported the street engagement exercise to help raise awareness of the testing sites and to encourage local residents to get tested. The team also provided advice to the NHS on how to engage with some of our harder to reach communities.

Sincil Bank

In between working on Covid-19 response projects, the Neighbourhood Team was also able to work with our community partners to advance some of our key projects in the Sincil Bank area which is among the most deprived areas of the country. As later discussed, work continues in other wards, expanding CCTV coverage in three areas that are popular walking routes home for example.

These projects included:

- Development of open spaces – An area of land owned by the council was leased to Sincil Community Land Trust. The land was formally opened in early 2021. Following approval from Executive, work also commenced to lease an area of land on Chelmsford Street to Sincil Community Land Trust and an area of land under Pelham Bridge to Bridge Church which will be used for community activities.
- Hermit Street – Lindum's was appointed to provide a feasibility study of the concept designs that were previously produced for the proposed regeneration scheme, which comprised of new build, remodelling and estate improvements. Once the outcome of this study is known and is deemed to be viable, Executive approval will be sought to fully work up and submit a planning application.
- Residents Parking – The Neighbourhood Team provided information to the local community in advance of a consultation regarding Residents Parking. Residents voted in favour and the scheme. It is therefore hoped that the scheme will be introduced early in 2022 followed by a major improvement programme to radically improve the local environment.

Equality and Diversity – Employer perspective

Over the past 12 months, the Human Resources team has continued to manage staff training in respect of Equality and Diversity and reviewed and refreshed the content for the mandatory Equality and Diversity training.

Line manager briefings have continued covering a wide range of topics including disability awareness, management of sickness absence and supporting mental health.

The council successfully retained accreditation as a Mindful Employer and Disability Confident Employer and successfully gained the Carers Quality Award.

The council's workforce as of 31st March 2021 stood at 631 staff members, of which 294 were males and 337 were females. 33 members of the workforce declared a disability and 18 were from a black and ethnic minority group. The largest age group was 50 to 59 years of age, with 187 staff members in this age group.

The HR team has continued to provide advice and guidance, monitor recruitment and workforce data and review HR policies and procedures.

Equality and Diversity – Service user perspective

In 2020, to combat discrimination and other forms of injustice, the council adopted five Equality Objectives, which will be in place until 2024. These objectives are:

1. Our services are accessible and do not discriminate on any unjustifiable grounds.
2. Local communities, partners and stakeholders are empowered to influence the way our services are provided to them.
3. Equality and diversity is at the heart of decision making at all levels within the city council.
4. Our workforce at all levels reflects the makeup of the local community.
5. Equalities, Social Inclusion and Community Cohesion have all improved within our communities.

In my new role as portfolio holder, I have taken on the role as vice chair for the Equality and Diversity Group, alongside Cllr Naomi Tweddle as chair of the group.

Supporting our equality objectives is the Equality and Diversity Action Plan, which is developed on an annual basis and monitored by the Equality and Diversity Advisory Group. Each year the action plan includes a range of actions which will be delivered within the financial year towards meeting the council's Equality Objectives. The action plan is developed as part of the service planning process. The council's progress towards these actions is highlighted within the annual Equality Journal. The Equality Journal 2020/21 can be accessed via the following link – <https://www.lincoln.gov.uk/policies-publications/equality-diversity-1/3>.

Managers continue to use the Equality Analysis Toolkit to consider any differential impact on those with protected characteristics and to ensure mitigating action is taken where it is appropriate to do so.

Public Protection and Anti-Social Behaviour (PPASB Team)

Over the past 12 months, the PPASB service has continued to cover a broad range of areas, with the core services providing a combination of both proactive and reactive activities to protect individuals, the community, and the amenity of the city. These areas include:

- Anti-Social Behaviour
- Noise
- Animals
- Pests/conditions of gardens
- Accumulations of waste
- Fly-tipping investigations
- Licencing consultations
- Bins on streets
- Littering Fixed Penalty Notices



The table below shows the demand on the PPASB service over the past two and a half years.

The outbreak of the COVID-19 pandemic resulted in a decrease in demand on the service throughout 2020. This was largely due to the national restrictions in place.

Service demand

	Q1	Q2	Q3	Q4	Total
2019	742	864	621	554	2,781
2020	556	711	575	681	2,523
2021	1,076	1,065	-	-	2,141 (YTD)

The table below shows the PPASB Enforcement Action undertaken during 2020/21.

It is important to note that prior to enforcement action being taken, a number of informal actions or warnings will normally take place. This table represents only the cases where we could not resolve informally or where an outright offence was evidenced. Formal enforcement action has remained low across the team demonstrating that early informal intervention is successful. This approach has been particularly important throughout the Covid-19 pandemic as it has been particularly difficult to get cases into court placing a greater emphasis on informal resolution.

PPASB Enforcement Action – 1/4/20 to 31/3/21	
Enforcement type	Number
Environmental Issues	
Littering Fixed Penalty Notice	0
Dog Fouling Fixed Penalty Notice	0
Dog Straying Fixed Penalty Notice	0
Fly Tipping Fixed Penalty Notice	2
Fly Tipping Prosecutions	0
Bins on streets Community Protection Notice	0
Fly tipping Community Protection Notice	13
Noise Issues	
Noise Abatement Notices	15
Noise Prosecutions	1
Noise Warrants	0
Noise Community Protection Notices	9
General ASB Issues	
ASB Community Protection Notices	19
Prosecutions	1
Injunctions	0
Criminal Behaviour Order	0
Closures	1
Condition of property related issues	
Prevention of Damage by Pests Notices	4
Condition of Garden or Property Notices, Inc F & V	1

Subsequent Fixed Penalty Notices	1
Other enforcements	
Prosecution for microchipping of dogs	0
Community Protection Notice for dog attack on person	0
Microchipping notice	0
Statutory Nuisance Notice (Light Nuisance)	2

The Intervention Team

The Intervention Team was set up in October 2018 in response to rising community tension and increased on street drug use and anti-social behaviour, some of which was linked with the street community.

The Intervention Team consists of three members of staff. The aim of the team is to provide a holistic response an individual's complex needs. This includes building a rapport with on street community through daily outreach as well as providing support and assistance across a range of issues.

The Intervention Team works with other services including Neighbourhood Nursing Teams, the local Shelter, Police, Street Pastors, Probation, Health Care professionals and Social Care.

Since the team launched in October 2018 the team has worked with over 170 different individuals on the streets and logged in excess of 2,250 actions on the case management system. In addition, the team has recorded 760 reports of incidents or anti-social behaviour.

Partnership working

Further work has also been undertaken with our key partners over the past year to help address city centre issues. I have provided a brief update on this work below:

University and Students Union

During the past 12 months the service has continued to have a good and productive working relationship with the University of Lincoln, particularly around tackling student issues across the city. As we move back to normality, the teams will work closely together to continue to support students and communities to coexist.

Police

The PPASB service and the Intervention Team have continued to work closely with both Neighbourhood Policing Teams across the city throughout the past 12 months. The colocation of the Carholme, City Centre and Abbey Neighbourhood Police Teams in the PPASB office at City Hall further improved the working relationships and allowed officers to work closer and support each other to tackle ASB across the city. The Intervention Team has worked with the Police on a number of operations, including knife crime and weapons, county lines and PSPO enforcement.

Safer Lincolnshire Partnership

The Safer Lincolnshire partnership has continued to have strategic overview of three key areas. These areas are Anti-Social Behaviour ((ASB), Serious and Organised Crime and Reducing Offending, with cross cutting themes of Mental Health and substance misuse. During the past year, City of Lincoln Council has continued to have representation at the ASB Core Priority Group.

Protecting Vulnerable People

The 'Protecting Vulnerable People' group was expanded over the past two years to encompass Hate Crime, PREVENT, Domestic Abuse and Modern Slavery. This approach has ensured there has been a coordinated approach to a range of safeguarding issues and that training of staff and any materials that may be needed to protect vulnerable people have been centrally stored. The group initially worked on a number of priorities that focus on training of staff and ensuring that reports are centrally stored and auditable. I have provided a brief update on each of the areas that encompass the Protecting Vulnerable People agenda below.

Hate Crime

During the past year Council officers have continued to attend and support the Community Cohesion Steering Group and the council is currently reviewing Hate Crime Awareness training for all staff through the Protecting Vulnerable People Group.

PREVENT

Officers from the council have continued to attend and contribute to the PREVENT Steering Group, in addition to delivering PREVENT actions arising from the Protecting Vulnerable People meeting. All council staff have continued to be required to complete online PREVENT training at least every two years.

Domestic Abuse

With the introduction of the Domestic Abuse Act 2021, which came into effect from April 2021, under the new act domestic abuse no longer sits under the Safer Lincolnshire Partnership and instead a new domestic abuse board has been established. The council has continued to support and attend the strategic board and the operational group.

With the creation of the new board, agencies across the county are currently undertaking a strategic needs assessment to set the strategic priorities for the coming years.

Within the last year training has been provided for all Housing Officers to ensure they have the required skills and knowledge to assist them in being able to undertake DASH (Domestic Abuse Stalking and Harassment) risk assessments with victims disclosing domestic abuse. It is also the intention of the council to train Customer Service Team Leaders to increase the provision of trained staff further in the coming year.

Modern Slavery

The council has continued to have a Modern Slavery Statement in place and remains signed up to a Modern Slavery Charter. During the past year, staff have continued to be required to complete Modern Slavery Awareness Training at the required intervals. Information on the topic of modern slavery is available to all staff via the council's staff intranet. The council's Modern Slavery Statement can be viewed via the following link - <https://www.lincoln.gov.uk/policies-publications/information-policies-publications/4>

CCTV Service



In the first 6 months of this year the team dealt with 5,200 incidents, conducted 253 police reviews, and produced 325 evidence discs. The department also dealt with 417 mental health related incidents and 219 missing persons.

News reports regarding the damage to two Imp trail statues was disappointing, but in both cases our operators tracked the two offenders leading to arrests and criminal convictions.

One of our operators also received a commendation letter from Lincolnshire Police following the officers support on a serious incident in the city centre. For this incident the operator alerted the Force Control Room with clear and concise details of the incident, together with continued provision of real time updates to officers. These actions were pivotal in ensuring all offenders were arrested on scene.

A well-respected and popular member of the team retired in March of this year after 25 years serving as a CCTV operator for the City of Lincoln Council. We wish this team member all the very best for their well-earned retirement.

Operators have shown tremendous support and professionalism during this difficult period and have continued to represent the City of Lincoln Council supporting local people with an excellent and vital service.

Looking ahead, to help further increase safety, the council will be expanding CCTV coverage in three areas that are popular walking routes home - Park ward, Abbey ward and Carholme ward.

In addition, an app is also currently being developed, which will mean that people who feel vulnerable can invite CCTV to watch them if they are able on their route home late at night. These improvements are funded by the Safer Streets fund, working with the Police and the Police and Crime Commissioner.

Lincoln Community Lottery



Launched in 2018, Lincoln Community Lottery has continued to raise additional funds for local good causes in and around the City of Lincoln. To date over £130,000 has been raised by the lottery, with 84 local good causes currently using the lottery to raise additional funds to support the work of their cause.

For every one-pound ticket sold, 10 pence directly supports the community fund, and a further 50 pence goes directly to the supporters chosen good cause. Between the period 4th August 2020 to 3rd August 2021, £10,500 was raised within the Lincoln Lottery Community Fund, which is a great achievement, especially during such a difficult year. Work is currently taking place with the support of Voluntary Centre Services to allocate these funds, which will involve local good causes being invited to apply for this funding to support the delivery of a specific project to benefit the residents of Lincoln. I am the Chair of the Lincoln Community Lottery Member Panel and together with Cllr Longbottom and Cllr Nannestad sit on the selection panel.

Below are some brief examples of how the funds raised by the lottery have been used by local good causes.

- To provide subsidised specialist strength training to women at risk of postnatal depression and anxiety.
- Provided a school with the funds to subscribe to an online maths platform to assist with maths provision during the periods of remote learning.
- Secured a local theatre company to visit a school and deliver Covid safe Christmas performances to each year group to help give the children a sense of some normality at Christmas time.
- Helped provide resources to run a cooking and gardening club for children after school.
- Paid for an author to deliver a virtual workshop on World Book Day.

Lincoln Social responsibility Charter

Interest in our Lincoln Social Responsibility Charter has continued to grow with 97 local organisations now signing up to the principles of the charter and gaining accreditation as



socially responsible employers. Signees include small, medium, and large employers from across a wide range of sectors. Throughout the Covid-19 pandemic, signees to the charter continued to go above and beyond to support their employees and the local community. This was really great to see and has certainly helped to demonstrate the importance of the charter and promoting the benefits and impact of undertaking socially responsible activities. To help raise awareness of those organisations gaining accreditation to the charter, the council continued to promote signees via a wide range of routes, including via social media, press releases, promotional videos, online directory, articles in local business magazines, promotion on the bus station screen and more. To find out more about the charter and to view the online directory of signees, please visit www.lincoln.gov.uk/socialresponsibility

Holocaust Memorial Day



Holocaust Memorial Day took place on 27th January 2021. Due to Covid restrictions, unfortunately we were unable to deliver an event internally this year, however, as an alternative Cllr Rosanne Kirk as portfolio holder at the time and the Leader Cllr Ric Metcalfe, working with the Communications Team, produced a video raising awareness of the impacts of the holocaust and the importance of marking Holocaust Memorial Day each year. The video was communicated to staff and residents via the council's social media channels. The theme of Holocaust Memorial Day 2021 was 'Be the light in the darkness'. Whilst the focus during this past year has been on reducing the impacts of the pandemic, it was important that we continued to mark Holocaust Memorial Day, which takes place annually. Holocaust Memorial Day 2022 will take place on Thursday 27th January 2022 and the theme of the day will be 'One Day'.

Looking ahead to 2022

I look forward to further developing my knowledge of this portfolio, learning more about the vital support we provide to our residents and importantly driving forward the reducing inequality agenda across the council and the city over the coming year to further support those most in need.

Cllr Sue Burke
Portfolio Holder for Reducing Inequality

SUBJECT: OPERATIONAL PERFORMANCE REPORT Q2 2021/22

DIRECTORATE: CHIEF EXECUTIVE'S

REPORT AUTHOR: PAT JUKES – BUSINESS MANAGER CORPORATE POLICY

1. Purpose of Report

- 1.1 To present to Performance Scrutiny Committee an outturn summary of the council's performance in Q2 of 2021/22.

2. Executive Summary

- 2.1 This report covers the second quarter of 2021/22, with the data found in three Appendices A, B and c

There are 18 quarterly measures with RED (below target) statuses – all of which have been worsened as a direct or indirect result of the pandemic situation

There are also 15 quarterly measures with GREEN (above target) statuses, with the remaining 14 being within their acceptable boundaries.

It should be noted that we are still facing unprecedented circumstances within many of our services, and in addition to the normal review of service performance – this quarter there are additional contextual background notes to support members in understanding the level of disruption that we are still facing.

3. Background

- 3.1 City of Lincoln Council, like all other local authorities, has had to make dramatic changes as a result of the three national lockdowns resulting from the COVID-19 pandemic, not only to ensure that we kept our critical services functioning, but also to deliver a community leadership role for our city in a time of crisis.
- 3.2 Whilst formal performance reporting was limited in the first half of 2020/21, we restarted reporting in quarter four and we are now able to report performance figures for our key services and have resumed our usual performance reporting format. Thus this report will present the performance of service areas and directorates against our agreed performance measures and targets, as well as corporate performance measures.

4. The data appendices

- 4.1 The full report is attached as **Appendix A**, with the Strategic Measures Dashboard attached as **Appendix B** and the Annual measures attached as **Appendix C**.

Between them this provides a narrative summary of performance for Q2 for each of the key services plus a summary table of results by directorate.

- 4.2 The written report focuses mainly on service areas that have surpassed or not met their targets. It offers commentary on why this is the case and what steps are in place to remedy any issues.

5. Strategic Priorities

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

6. Organisational Impacts

- 6.1 Finance (including whole life costs where applicable) - there are no direct financial implications as a result of this report. Further details on the Council's financial position can be found in the financial performance quarterly report elsewhere on the agenda.

Legal Implications including Procurement Rules - There are no direct legal implications

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

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

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

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

This report has no direct effect on Equality in itself, but through measurement of services we are constantly able to review the quality of them for all recipients.

7. Risk Implications

- 7.1 (i) Options Explored – n/a
- 7.2 (ii) Key risks associated with the preferred approach – n/a

8. Recommendation

- 8.1 Comment on and recommend the content of the report to Exec on 22nd November 2021

Is this a key decision?

No

Do the exempt information categories apply?

No

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

No

How many appendices does the report contain?

Three (A, B and C)

List of Background Papers:

None

Lead Officers:

Pat Jukes
Business Manager, Corporate Policy
Scott Lea
Acting Performance & Engagement officer

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CITY OF
Lincoln
COUNCIL

Operational Performance Report Q2 2021/22

Pat Jukes

Business Manager, Corporate Policy

October 2021

Contents

Introduction	Page 3
Interim target review	Page 4
How to read this report	Page 5
Authority Wide Summary	Page 6
Chief Executives Directorate	
▪ Performance – Pages 7 - 11	
Directorate for Communities and Environment	
▪ Performance – Pages 13 - 18	
Directorate for Housing and Investment	
▪ Performance – Pages 20 - 26	
Corporate Measures – Pages 28 - 32	

Introduction

Members will recall that many services have, during 2021/22, faced an uphill challenge to restore services within the context of continued covid restrictions. More latterly, whilst restrictions have lifted, those challenges continue as service managers grapple with the need to re-introduce many of the cyclical inspections that were suspended both nationally and locally during the pandemic.

Services such as Private sector housing licensing inspections, Food premises inspections, gas and electrical safety inspections of our council houses are all facing significant restoration programmes that in some cases will take 18 months (as defined by governing bodies) to complete – with focus on the higher risk areas first (but noting that the highest risk inspections continued during the pandemic).

In other areas, such as Disabled facilities grants, we are finding that many customers are only more lately happy for our staff to enter their homes once more.

Layered over the top of this is additional activity in income generating areas to restore income levels as far as possible to pre -covid levels – areas such as car parking is working hard to generate income above current levels and our leisure provider is attracting new customers to replace those lost in lockdown.

Finally the council is having to find staff capacity to help the High Street recover - be that through the Town Fund administration or rolling out the Welcome Back Fund. Both take significant staff resource away from other activity to administer them.

Other aspects of council work also impacts service delivery:

- We are nearly through the 2021 'Towards Financial Sustainability' programme, which is designed to stabilise our financial situation post covid. There will inevitably be performance changes seen within some services as a result of financial and/or resource reductions, and targets may need to be adjusted in future years to reflect this permanent position
- In some areas we are still seeing additional demand which has been pent up through the last year and now that things are nearing a new normality, customers are making requests they have not felt able to for quite some time. This can clearly be seen through the rising number of contacts to the Customer Services team
- Members have and will continue, to take decisions on Policy that could affect performance, which will need to be reflected in the measures captured and the target aims for future years

Through all of the above we are still dealing with daily business; customers still need services to function as near normal as possible

So in summary, we remain a long way from business as usual and this is reflected in the report that follows.

INTERIM TARGET REVIEW

As we committed to committee in August 2021, we have reviewed the 19 targets which had been changed from the previous year, with the following results:

1 target will be revised back to the 2020/21 rate (Rent collection)

1 measure is no longer applicable as it no longer exists (return on NEW commercial investments)

2 measures will be left as volumetric until next year when they will revert to measures (Work Based Learning – number and achievements of apprentices)

2 targets had already been increased - so these will both stay at the higher level

3 customer satisfaction measures that we are unable to collect in Customer Services, will not be re-started yet as we have not yet got an alternative process in place

The remaining 10 targets will stay as they have been for Q1 and Q2 as none of these are able to achieve their revised targets consistently.

How to read this report

Measures belonging to **Chief Executives Directorate** – predominantly covering “Reducing all kinds of inequality”

Measures belonging to **Directorate for Communities and Environment** – predominantly covering “Lets enhance our remarkable place”

Measures belonging to **Directorate for Housing and Investment** - predominantly covering “Lets deliver quality housing”

Directorate for Major Developments doesn't monitor performance through strategic measures, and instead is performance managed by the progress of the various projects DMD owns under "Driving Inclusive Economic Growth" and “Let’s Address the Challenge of Climate Change”

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

The report also includes data on our corporate measure categories:

- Health & wellbeing including sickness data
- Corporate complaints including Ombudsman rulings
- Resource information
- Appraisal information



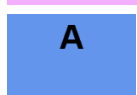
At or above target



Below target



Volumetric/contextual measures that support targeted measures



Acceptable performance - results are within target boundaries



Performance has improved since last quarter/year



Performance has deteriorated since last quarter/year



Performance has stayed the same since last quarter/year

Authority Wide Performance Summary

Below is a summary of the performance measures status for each directorate and as an authority. The information is presented as a count of the measures, broken down by the directorates, status, and direction, as well as a total.



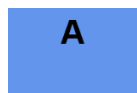
At or above target



Below target



Volumetric/contextual measures that support targeted measures



Acceptable performance - results are within target boundaries

Quarterly Strategic measure performance by status					
Directorate	Below Target	Acceptable	Above target	Volumetric	Total
CX	5	3	5	5	18
DCE	5	9	7	8	29
DHI	8	2	3	5	18
Total	18	14	15	18	65
Quarterly Strategic measure performance by direction					
Directorate	Deteriorating	No change	Improving	Volumetric	Total
CX	7	1	5	5	18
DCE	6	6	9	8	29
DHI	10	1	2	5	18
Total	23	8	16	18	65

Chief Executives Directorate Performance

Service Area	Measure	Current Value	Status	Direction
Communications	Percentage of media enquiries responded to within four working hours	78.00	A	▲
Communications	Number of proactive communications issued that help maintain or enhance our reputation	26	A	▼
Work Based Learning	Percentage of apprentices completing their qualification on time	0.00	R	▼
Work Based Learning	Number of new starters on the apprenticeship scheme this quarter	2	V	—
Work Based Learning	Percentage of apprentices moving into Education, Employment or Training	0.00	V	—
Customer Services	Number of face-to-face enquiries in customer services	72	V	—
Customer Services	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	31,960	V	—
Customer Services	Average time taken to answer a call to customer services	413	R	▼
Accountancy	Average return on investment portfolio	0.13	A	▲
Accountancy	Average interest rate on external borrowing	3.15	G	—
Revenues Administration	Council Tax - in year collection rate for Lincoln	49.58	R	▲
Revenues Administration	Business Rates - in year collection rate for Lincoln	55.70	R	▲
Revenues Administration	Number of outstanding customer changes in the Revenues team	3,737	R	▼
Housing Benefit Administration	Average (YTD) days to process new housing benefit claims from date received	17.50	G	▼
Housing Benefit Administration	Average (YTD) days to process housing benefit claim changes of circumstances from date received	5.49	G	▼
Housing Benefit Administration	Number of Housing Benefits / Council Tax support customers awaiting assessment	1,411	G	▲
Housing Benefit Administration	Percentage of risk-based quality checks made where Benefit entitlement is correct	95.26	G	▼
Housing Benefit Administration	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	1,995	V	—

Communications

In Q2, 78% of media enquiries were responded to within our four-hour target. This is a slight increase on the previous quarter (76%) and remains within target boundaries.

As is usual over the summer months, the number of media enquiries dropped and, subsequently, the number of overlapping enquiries was also lower. This allowed a quicker response time for most enquiries.

A variety of enquiries were submitted and responded to, ranging from us reaching agreement with the county council on the future of the Usher Gallery to the ongoing (at the time) protest around the proposed closure of some public toilets and the repeated vandalism of the statues on the Imp Trail.

As the number of enquiries dropped, then so did the need to issue proactive communications to help maintain or enhance our reputation. During Q2 we issued 26 of these, the majority of which related to stories around the perceived cleanliness of the high street, the number of weeds growing around the city and fly-tipping on private land. These factual communications were issued to correct any misunderstandings resulting from a media article or comments on social media.

Work Based Learning

As indicated in the last report, we have been working with service areas to identify apprenticeship opportunities and are now recruiting where services have confirmed that they can support an apprentice. We have been able to recruit a further two apprentices this quarter bringing the yearly total to six (including the two for WLDC). However, we also have two more waiting for a start date, one at shortlisting stage and one more vacancy. There are also apprenticeship opportunities for our existing employees where it supports their development and is aligned to the delivery of our strategic objectives and required skills. Currently we have 11 of these in place, nine of which are managed by Work Based Learning.

In Q2 there were no apprentices expected to complete their courses. So whilst the measure WBL1 (on appendix B and the table above) shows as red – that is simply that due to the lack of new starters during 2020 due to the effects of Covid, meaning that we are not yet in a position where we have apprentices coming towards the end of their courses.

Customer Services

During Q2, Customer Services has seen a total of 72 face to face customers at City Hall, as we continue to offer appointments for complex and essential visits only.

Customers are still given assistance with routine enquiries through emails and telephone calls, but complex queries about benefits, council tax accounts or tenancy matters remain by appointment only. Demand from the public is still relatively low, having only increased from 53 in Q1. This system seems to be working well for both customers and staff

In total 187 customers have been seen face to face across all services. This includes people seen by the Welfare Team, Housing Officers, Homelessness and Parking. The majority of appointments have been with the Welfare team.

This quarter we have seen a total of 32356 calls – compared against 28477 received in Q2 2019/20 which was the last pre-covid comparison and 29,934 received last Q2. We have also seen an uplift on the number of calls received in the key channel shift areas, (see table below). The team does now handle a significant and growing number of Housing Solution calls, which were transferred to the team from Q2 last year. Call numbers have increased from Q1 this year, when the total number of calls received was 31,530.

Service	No. calls Q2 2020	No. calls Q2 2021	Average Length of calls in Q2
Refuse/environmental	5092	5204	Refuge 5m 59secs Environmental 5m 48secs
Housing solutions /homeless	3914	5201	Housing Solutions 10m 59 secs Homelessness 10m11sec
Housing (tenants)	12983	12352	Housing 9m 33secs Repairs 8m 51secs
Council Tax/Benefit	7615	9203	Revenues 9m 5secs
Sub-total	29,604	31,960	
Others	330	394	Green waste – 5m 47secs
Total	29,934	32,356	Overall 9 min 3 seconds

Table 1 – Calls to Customer Services split by Channel Shift areas

Calls in Q2 were answered on average in 413 seconds, which is outside of the target boundaries of 3-5 minutes. As already indicated, the number of calls answered has risen in comparison to the previous Q2. The complexity of calls that the COVID-19 legacy has left for some customers has unfortunately extended the length of the call needed. As of the end of September, the average length of call is now at 9 minutes 3 seconds compared to 5 minutes 33 seconds in Q2 2020.

Whilst in Q1 we reported that the team had faced a sudden unplanned staff shortage, it is pleasing to report that all vacancies except one have been filled and training for the new starters is underway.

Accountancy

The average return on our investment portfolio currently stands at 0.13%, which is now just inside the target of 0.12 to 0.18, and in line with the Bank of England base rate of 0.10%. We expect that interest rates will increase during 2022, which will be considered as part of the development of the new MTFS.

We continue to do well on the average rate of interest on external borrowing which, at 3.15% is still below the lower target boundary of 3.75%, with further shorter-term borrowing expected during Q3, details of which will be in the Q3 Financial report.

Revenues Administration

At the end of Q2 the Council tax collection figure was 49.58% which is just 0.42% below the target boundaries for this measure, and 0.95% below the figure at the end of Q2 in 2020-2. However, this does mean that we are currently showing a red status for this measure.

Recovery of monies due to the council has been delayed a little this year due to the Covid Pandemic. However, there was a court hearing on 24th September 2021 which is the first one for the 2021 debt. In normal circumstances the first large court hearing for the year would take place in July of the relevant year, therefore recovery for 2021 is delayed by approximately 2 months due to the pandemic. We have outstanding hardship relief money for Council Tax which will be awarded over the remainder of the year, which will not only assist residents, but also have a positive effect on in year collection.

The NDR collection figure of 55.7% is approximately 9.45% below the figure at the end of Quarter 2 in 2020-21, and outside of Q2 targets of 58.5% to 58.58%

However, the Expanded Retail Relief is creating an issue with the mathematics of how we calculate the collection figure. In 2020-21, the liability for the year was generally evenly distributed over the 12 months of the year. However, for 2021-22, 945 customers have nothing to pay for the first 3 months of the year which moves the sums that they are due to pay, into the last 9 months of the year. Of these 945, 606 also claimed the 66% reduction for July to March meaning that these customers will only pay approximately 25% of their annual liability, in instalments from July to March. Customers without the Expanded Retail Relief still have to pay their liability from April to January/March. When calculating the collection figures, we are calculating as if the liability is spread over the 12 months when for a number of customers this isn't the case. This is making comparison to last year's collection figures difficult as we are not comparing like for like and our reports cannot provide information on individual cases just on the debt and payments as a whole.

Recovery/court for NDR has not been delayed this year, court hearings for unpaid bills for NDR started in June for the customers who had instalments starting from April, and - court hearings for unpaid bills for NDR started in September for the customers who had instalments starting in July.

There has been an expected increase in the number of outstanding customer changes, rising from 2,665 last quarter to 3,737 in Q2, meaning this measure remains at red status. New staff have been appointed to the vacancies in the Council Tax Administration Team, which has temporarily resulted in experienced officers undertaking training with new colleagues. In addition to this, court hearing dates have re-started, and this has had the effect of increasing the number of phone calls received, thus reducing the time that officers can respond to other correspondence.

The total numbers of correspondence received by the Revenues teams during Q2 is 13,829, and in the same period the team answered 11,900 phone calls.

Outstanding customer e-mails are now also being captured in the Revenues Document Management System, which was not the case in previous years – so these are now

also included as outstanding work waiting to be processed. Therefore, the reported figure at the end of Quarter 1 2021/22 effectively becomes the new 'baseline', and future targets will need to be amended to reflect this.

We have had unforeseen reduction in revenue staffing resources during the year, however, there is a plan in place to address this.

As indicated in the Q1 report, we expect to bring workloads down to nearer the targets by the end of Q3 as training reduces and new team members begin to clear higher levels of workload. However, this is still a significant challenge with work demands on the Revenues Team remaining high.

Benefit Administration

It is worth noting that the Benefits Administration team has achieved a green above target status for all four of its measures in Q2, a significant achievement considering they have had to deal with the many changes in circumstances that our residents have faced over the last year.

In Q2, the average time to process new housing benefit claims was better than its target, achieving 17.5 days, which is slightly slower than in Q1 when it was 16.81 days. We continue to have weekly monitoring of claims progress to enable prompt decision making.

In respect of processing changes of circumstance, whilst there has been a small increase in the time taken since Q1 (which achieved 4.88 days), the performance at 5.49 days is still better than the target of 7 days. The increase is down to monthly changes in Universal Credit and in particular as furlough ended and people started or ended work, the changes in resident's circumstances continued to be high.

In Q2, the number of Housing Benefits/Council Tax support customers awaiting assessment has decreased, from 2098 in Q1 to 1411 this quarter, which is well under the 1,500 target. Of this number 1098 are still awaiting a first contact.

It is also good to see that the team has managed to retain a high-quality level achieving 95.26% of correct benefit entitlement as found in the risk-based quality checks conducted.

In terms of the claims checked that were 'correct, first time' (with even £0.01p 'out' being classified as an incorrect assessment), at the end of Quarter 2 2021/22:

- City of Lincoln: 95.26% (261 out of 274 checked), cumulative YTD

These checks are in addition to the significant number of checks also carried out under the audit requirements of the annual Housing Benefit Subsidy claims.



Directorate for Communities and Environment - Performance

Service Area	Measure	Current Value	Status	Direction
Food and Health & Safety Enforcement	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	0.00	A	—
Food and Health & Safety Enforcement	Average time from actual date of inspection to achieving compliance	33.21	R	▼
Food and Health & Safety Enforcement	Percentage of food inspections that should have been completed and have been in that time period	0.00	A	—
Development Management (Planning)	Number of applications in the quarter	235	V	—
Development Management (Planning)	End to end time to determine a planning application (Days)	61.91	G	▼
Development Management (Planning)	Number of live planning applications open	135	A	▼
Development Management (Planning)	Percentage of applications approved	97.00	G	—
Development Management (Planning)	Percentage of decisions on planning applications that are subsequently overturned on appeal	0.00	G	—
Development Management (Planning)	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2-year rolling basis	94.00	G	▲
Development Management (Planning)	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2-year rolling basis	88.00	A	▲
Private Housing	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	30.80	R	▼
Private Housing	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	13.60	V	—
Private Housing	Number of empty homes brought back into use	12	A	▲
Public Protection and Anti-Social Behaviour Team	Number of cases received in the quarter (ASB)	88	V	—
Public Protection and Anti-Social Behaviour Team	Number of cases closed in the quarter	849	V	—
Public Protection and Anti-Social Behaviour Team	Number of live cases open at the end of the quarter	189	G	▲
Public Protection and Anti-Social Behaviour Team	Satisfaction of complainants relating to how the complaint was handled	0.00	A	—

Sport & Leisure	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	122,034	R	▲
Sport & Leisure	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	790.00	G	▼
CCTV	Total number of incidents handled by CCTV operators	2,665	V	—
Waste & Recycling	Percentage of waste recycled or composted	35.39	R	▲
Waste & Recycling	Contractor points achieved against target standards specified in contract - Waste Management	125	A	▲
Street Cleansing	Contractor points achieved against target standards specified in contract - Street Cleansing	75	A	▲
Grounds Maintenance	Contractor points achieved against target standards specified in contract - Grounds Maintenance	75	A	▼
Allotments	Percentage occupancy of allotment plots	97.00	G	—
Parking Services	Overall percentage utilisation of all car parks	40.00	R	▲
Parking Services	Number of off-street charged parking spaces	3,796	V	—
Licensing	Total number of committee referrals (for all licensing functions)	6	V	—
Licensing	Total number of enforcement actions (revocations, suspensions and prosecutions)		V	—

Annual Measures

Service Area	Measure ID	Measure	Current Value	Status
Grounds Maintenance	GM 2	Satisfaction with play areas, parks and open spaces (collected via Citizens' Panel)	77.80	R
Street Cleansing	SC 2	Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)	76.00	A

Food Health and Safety

The food premise inspection programme has continued to be partially suspended this quarter due to the pandemic and lockdown measures. A recovery plan was drawn up at the end of September under the instruction of the Food Standards Agency, which has essentially reset the inspections that are overdue, it is anticipated feedback will be provided on this in Q3. The Food Standards Agency provided a framework on how Local Authorities should manage food official controls, focused on new premises, those food premises where the risk to public health is high or where the risk is unknown.

Full recovery of the inspection programme is not expected by the FSA until March 2023 but under the new guidelines, 81 inspections have been carried out focusing on new businesses and also focusing on those businesses that present the greatest risk to public health, typically evening economy takeaways and restaurants.

We are currently showing red status against the measure of time taken from the inspection to achieving compliance – this is due to resource pressures within the team. However, we have now been able to recruit a newly qualified officer who is undergoing local training currently and will be able to undertake official controls within 6 months.

Development Management (Planning)

Overall, Development Management has shown excellent progress in Q2, with four of their six measures above target and the other two on target.

In Q2, there were 235 planning applications submitted which remains relatively high and continues to show an increased confidence in the development sector. It took 61.91 days on average to determine the outcome of live planning applications, coming in at just under the target of 65 days. Although very slightly increased from Q1, this was due to more major developments being submitted which do take a little longer. The number of planning applications that are still being worked on increased slightly from 128 to 135 this quarter but remains in the acceptable range for this measure and continues to remain consistent and within current resource levels.

Performance also continues to be high on applications approved standing at 97% which maintains the positive approach of the service with no appeals being overturned in Q2 – reflecting the quality and robustness of the decisions made

The key measures required by central government are the percentage of non-major and major planning applications determined within the government target).

In Q2, 94% of our non-major planning applications and 88% of our major planning applications were determined within government targets, comfortably above the required national threshold for both non-majors and majors.

Private Sector Housing

We are now starting to see an improvement in the numbers of disabled facility applications that can be taken forwards – with 24 applications progressed in Q2, completed in an average of 30.8 weeks each, which (in Q2 alone) is outside of the 19–26-week target boundary. There was an increase in the average time from an Occupational Therapy notification to the works being completed, this has been around the challenge of having a valid application submitted and approving the application. Delays for some cases have been where we have been awaiting the property owner's permission to be able to carry out the adaptation to the property. The average time once the application has been approved to completion of works for Q1 and Q2 year to date was only 14 weeks.

Q2 has seen the resumption of collection on the “Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level”, with 38 disrepair and condition cases resolved. It is important to note that some of these cases have taken longer to resolve with a reduced number of onsite inspections taking place over this period, however it is anticipated this will resume later on in the year whilst ensuring COVID19 practises are adhered to.

In Q2, twelve empty properties have been returned to use year to date – however, we anticipate that we will be able to build on this in Q3 and Q4 as the Empty Homes Officer has now been returned to his substantive role again, although as this is a shared position, this is still only 2.5 days a week. One of the tasks for this officer to conduct during 2022/23 will be to review the Empty Homes Strategy, with the aim of introducing more actions and ways of enforcement. This will also include a review of the targets.

There are currently 356 privately owned properties which have been empty and unoccupied for 6 months and of those 122 have been empty for more than a 2-year period. Of these there are 23 properties that fall within the threshold of being affected by the council tax additional premium charge of 300% for any property over 10 years empty, which commenced from 1st April 2021.

Public Protection and Anti-Social Behaviour (PP-ASB)

The number of ASB cases received in any quarter is a volumetric measure (meaning it is not something the team can influence), but this has decreased from Q1's figure of 115 to 88 in Q2, which is in line with what is normally expected and indicates demand is returning to normal following previously higher figures during the lockdown periods.

Q2 has seen a high number of service requests received with a total of 1,065 which continues to reflect the consistent high demand on the team, which is significantly higher than the same period in 2020/2021. The number of cases closed this quarter stands at 849 which is proportionate to this level. The number of cases still open in Q2 is 189 which is the normal amount expected and still falls well within the target of 220.

Satisfaction of complainants relating to how the complaint was handled is not currently being collected in Customer Services team and a possible new methodology is being reviewed within the One Council programme.

Sports and Leisure

In Q2, visitor numbers to leisure centres continued to increase reporting at 122,034 which is more than double those in the previous quarter. (Yarborough has gone up 47,606 visits on last quarter and Birchwood has gone up 14,319 visits on Q1).

Members will know that leisure centres were impacted significantly during the key Covid lockdown times with only very short periods where they were able to open at all, however due to pandemic restrictions easing further, numbers are starting to return to an expected rate. It is important to note that figures are still below pre-pandemic levels and that national resistance to visiting gyms is having an affect across the country due to visitors diverting away to other forms of exercise during the pandemic.

Artificial Grass Pitch (AGP) usage at Yarborough Leisure Centre & Birchwood Leisure Centre, has seen 790 hours of use over the last quarter. We are happy to report that clubs have returned to Birchwood and Yarborough since the lockdown has been lifted on outside spaces, however Q2 accounts for only the start of the football season and it is anticipated this figure will grow further as the season continues.

Waste and Recycling

Note that the quarterly data presented here is, as usual, lagged by one quarter and thus refers to Q1 2021/22. In Q1, 17.11% of waste was recycled and 18.28% of waste was composted equating to an overall figure of 35.39% of waste being composted or recycled. The overall amount of waste disposed reduced by 3.5%, which is a positive result. It is important to note that composting tonnages are very much related to the weather and will vary seasonally.

Contractor points given against target standards for waste management remained on target this quarter falling within the target boundary of 50-150 reporting at 125 points collectively with 55 points in July, 40 points in August and 30 points in September.

Street Cleansing and Grounds Maintenance

We have recorded 75 contractor points against the Street Cleansing team and 75 against the Grounds Maintenance team. This means that both teams are within their target boundaries.

Annual satisfaction levels of play areas, parks and open spaces collected via the Lincoln Citizens' Panel has reported at 77.8% of respondents being satisfied overall with how these are managed. This takes this measure into a red status, but it is important to note that this figure is not a reflection on the Grounds Maintenance service as a whole and from comments provided through the survey, respondents perceived that there was a significant impact of excessive littering on these areas over the Covid period as user numbers were considerably higher than normal.

Allotments

As at the end of Q2, 1,057 plots of a total 1,147 were let. Of the 1,147 total plots, 1,091 plots are currently lettable, which equates to an overall occupancy rate of 97% which falls comfortably above the target of 88%.

The demand for allotment tenancies continues to operate at a steady rate and all allotment sites currently have waiting lists for plots now; so when plots become available the team are working towards re-letting of plots as quickly as possible.

Parking

The car parks and bus station have remained open during all the lockdown periods. We are now experiencing an increase in demand for car parking due to increased footfall as non-essential shops have re-opened and workers have returned to the office. The team continue to ensure a clean, safe experience for customers and staff.

The overall percentage utilisation of all car parks, obviously continues to be at a much lower level in comparison to previous years, reporting at 40% over Q2, but this is an improvement on the 36% seen in Q1, due to an increase in both shoppers and workers returning to the office.



Directorate of Housing and Investment Performance

Service Area	Measure	Current Value	Status	Direction
Housing Investment	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	1.50	R	▲
Housing Investment	Number of properties 'not decent' as a result of tenant's refusal to allow work (excluding referrals)	188	V	▬
Housing Investment	Percentage of dwellings with a valid gas safety certificate	99.26	R	▼
Control Centre	Percentage of Lincare Housing Assistance calls answered within 60 seconds	98.25	A	▬
Rent Collection	Rent collected as a proportion of rent owed	97.61	G	▼
Rent Collection	Current tenant arrears as a percentage of the annual rent debit	4.88	R	▼
Housing Solutions	The number of people currently on the housing list	1,338	V	▬
Housing Solutions	The number of people approaching the council as homeless	461	V	▬
Housing Solutions	Successful preventions and relief of homelessness against total number of homelessness approaches	45.93	R	▼
Housing Voids	Percentage of rent lost through dwelling being vacant	1.37	R	▼
Housing Voids	Average re-let time calendar days for all dwellings - standard re-lets	44.83	R	▼
Housing Voids	Average re-let time calendar days for all dwellings (including major works)	53.09	R	▼
Housing Maintenance	Percentage of reactive repairs completed within target time (priority and urgent repairs) - HRS only	91.74	R	▼
Housing Maintenance	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	91.95	A	▼
Housing Maintenance	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	99.40	G	▲
Business Development	Number of users logged into the on-line self-service system this quarter	10,515	G	▼
IT	Number of calls logged to IT helpdesk	927	V	▬
IT	Percentage of first-time fixes	56.30	V	▬

Housing Services are operating in unprecedented times. Whilst as a nation we are emerging from the pandemic and the fallout of Brexit, the impact on these two events is still being felt across the department and, as everything we do in terms of service delivery is in some way connected, no area is immune from impacts.

At this time, we have record levels of applications for our housing register, we have very high-level requests for homeless support, and we are still obliged to let properties to the those deemed most needy of housing (usually Rough Sleepers or those in danger of being homeless). We have a backlog of voids in our system due to the Covid restrictions and the contraction of the workforce as people stayed at home due to the risks associated with their underlying health conditions. This backlog is added to week on week as the council continues to have a high level of tenancies ending as a result of:

- people now seeking to move post pandemic,
- sadly an unprecedented number of deaths in our properties
- people leaving due to other more restrictive reasons such as being detained in prison by the courts.

Vacancies of this nature are difficult to move quickly through the void process as the council is required to enact legal provisions to gain access to the properties, this can take a great deal of time. We are also aware that many of our tenancies now end much earlier and quicker than previously due to the fact we are letting many one-bedroom properties to vulnerable people who have high levels of need and very chaotic lives which restricts their ability to maintain their tenancies.

Additionally the Council made the decision to bid for external grant from the Next Steps Accommodation Programme and the Rough Sleeping Accommodation programme. These bids were successful and as a result the council has received matched funding to provide 30 units of move in accommodation across the City to alleviate the pressure on temporary accommodation and negate the use of bed and breakfast facilities. Whilst this has been successful and consequently saved the general fund huge costs the pressure has fallen on HRS to bring these 30 properties up to letting standards before they can be occupied. This has added to the numbers being managed through the void process.

Unfortunately, in the summer our designated contractor for voids went into administration at short notice leaving us without a key resource to respond to growing void numbers.

Housing Repairs Service are currently carrying 15 staff vacancies, this is 20% of our workforce. This is largely as a result of lifestyle changes, retirement and offers of more lucrative employment in the private sector. We are trying to fill this productivity gap with local sub-contractors however, they are struggling with the same labour shortages. Any contracts awarded to help alleviate the system are now at hugely inflated prices which reflects the sector as a whole. A lack of our own labour resource also compounds our ability to respond to the growing number of voids in our system.

It should also be noted that we also have vacancies in ancillary support teams such as resource planners, housing officers, caretakers, in the safety advisory team, resident involvement team as well as long-term sickness in key areas.

We continue to struggle with the materials supply chain. Although we have an effective working relationship with our managed stores provider, they are only available to provide what is made available to them from suppliers, this is hampered by materials being effectively rationed in order that the limited supply is equally distributed across the sector.

The labour and materials shortages have an equal impact on our repairs process. Certain types of repairs are unavoidably delayed e.g. Plastering, Electrical works. It should be stated that all emergency repairs are responded to and 99% of 3-day repairs completed on time with an average turnaround time of 2.5 days.

These difficulties have a knock-on effect on the number of phone calls, emails etc. the council gets from customers chasing resolution to repairs issues and housing registrations and allocations. This in turn results in more complaints and member enquiries. Which all divert officer resource from dealing with the problems that are driving the correspondence.

Additionally we are now seeing sickness levels increase as staff start to feel the effects of responding to the pandemic and are dealing with record levels of demand with a decreasing resource base of staff.

The rent debit is equally under pressure as a result of tenants struggling to pay during the pandemic and the courts system being effectively halted until very recently. Despite direct action through moving rent-free weeks and offering hardship payments uncollected debt is growing. At this stage eviction is not the preferred solution as this adds pressure in other areas of the housing system – not least voids and homelessness.

Ordinarily, in a normal year, we could see one or two of these issues emerge unfortunately we can see that we have been hit by many coming together at one time which is having a fundamental effect on service delivery.

The Housing Management Team have instigated a range of measures aimed at combating the areas and issues that the Council has some control or influence over:-

- We have engaged four local subcontractors to support the void process
- We have instigated different recruitment processes; advertising in different areas and using different channels, offering fixed term and variable contracts as well as extolling the benefits of working in the public sector (sick pay, pensions, holiday entitlement etc.)
- We have looked at the data we have on why properties are becoming void to effectively see if we can slow down the flow into the void system
- We have assessed the feasibility of lowering the void standards so less works need be done prior to sign up, with a commitment to complete works once the tenancy is initiated. [At this stage we have ruled this one out.]
- We are seeking to invest in tenancy sustainment officers to help new tenants, particularly those from vulnerable groups, manage and effectively maintain their tenancy
- We have done detailed analysis of what is driving our void process and now can look to head off any property entering the system if at all possible
- We are using the legal process to access properties where tenants have refused access for gas and electrical testing

- We have sourced new contractors to pick up issues such as fire door upgrades that were left outstanding by our previous investment contractor
- We have increased communications in the local media making tenants and the wider public aware of the operating constraints we are facing
- We have worked with the Lincoln Tenants Panel on messaging through their channels
- We have worked with finance colleagues on uplifting recharge rates to reflect the higher construction sector
- We have added further temporary resource to our housing solutions team to alleviate pressure on the application process for the housing register
- We continue to bring move on accommodation into our stock to reduce the need to use B&B accommodation and relieve the pressure on Temporary Accommodation which is acute at this time
- We have moved the rent-free weeks forward, and offered hardship payments to tenants struggling to pay their rent as a result of Covid 19
- We have re-introduced home visits for those tenants in arrears

Effective financial management of both the HR and the HRS trading account has put us in a position that will allow us to weather this “storm” in the short term. Many of the actions taken above will start to have an impact on these issues in the coming weeks and months but may not be enough to turn service and financial performance by the year end.

A cross departmental short life working group has been established which will report to CMT monthly in order to consider what short term actions can be taken to improve the position in the coming weeks and months.

As always we have included separate commentary against each service – but this summary covers most of the effects that Housing teams are facing at this moment.

Housing Investment

The percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals) has improved from the 2.1% reported in Q1 to 1.5% in Q2. This is still a red status as the target that we aim for is within 1%

The replacement door programme has now come on stream and is beginning to reduce the number of non-decent properties. However, as previously reported, we are also inspecting a number of doors and identifying further properties needing replacements. Electrical testing has reduced the number of failures due to 'Electrics'

Of the 116 properties failing - they are split :92 doors, 21 Electrics, 2 roofs, 1 window

Long term access issues to carry out electrical testing persist, despite attempts working across the council to gain entry. Tenants have the option to refuse improvement works, with various reasons for refusal offered such as health issues and a lack of willingness to cooperate. We currently have 188 properties which are considered 'not decent standard' as a result of tenants refusing us entry to complete necessary works, which is down only one on Q1 results.

Housing Investment are currently working on a programme of procurement for the smaller Investment contracts and the areas with the Asset Management Plan that need renewing within the next 1-4 years, this includes door entry, communal doors and fire doors.

The Health and Safety Executive advised that gas servicing must continue throughout the COVID-19 pandemic, so we have continued to follow our gas servicing procedures and as of the end of Q2 have achieved 99.26% properties with a valid gas safety certificate. This is very slightly down on the 99.46% that we achieved in Q1 – but again under the minimum target we have set ourselves of 99.8%. We are still experiencing a small number of failed access cases having not achieved access prior to deadline date for servicing. These outstanding cases are now at the legal referral stage. We do have some failed access from households isolating due to Covid. We continue to work closely with those tenants to rearrange appointments in these circumstances.

To enable us to continue with our gas servicing programme, our contractor revised risk assessments and method statements in accordance with government guidance to ensure the safety of our customers when working within properties. We worked closely with our most vulnerable customers and individually risk assessed those properties, then reviewed when gas servicing appointments would take place.

Control Centre

Lincare has continued to operate its 24/7 telecare services for clients throughout the pandemic. The data from Q2 shows that the percentage of calls responded to within 60 seconds remained within target boundaries - reporting at 98.25%.

Rent collection (Tenancy Services)

Rent collection for quarter two stands at 97.61% which is ahead of its stretch target of 97%. Although income management has been challenging throughout the last 18 months Tenancy Services continues to prioritise rent collection. The rent-free weeks in December 2021 will also have a positive impact on the % of income collected.

Current tenant arrears as a % of the debit stands at 4.88% (c£1.4m), which is behind the target of 3.5 to 4.5%, and higher than the Q1 outturn of 4.2%

As members are aware, the pandemic and the Governments response to ensure that no evictions took place have resulted in arrears rising nationally. Some of the restrictions that have been in place have been removed and the notice period is now 28 days and the Courts have started to hear cases.

If there are no changes to eviction protocols going forward, we would anticipate that performance against this indicator would improve.

Housing Solutions

Since the easing of pandemic restrictions, we have seen a rise in the number of homelessness applications. There were 461 applications in Q2, an increase of 210 (84%) on applications received in Q1.

The percentage of successful preventions against total number of homelessness approaches for Q2 has decreased from 52.4% in Q1 to 45.93% in Q2 against a target of 50-55%, meaning this measure has moved to red status. Prevention work remains difficult, due to the increased numbers of people finding themselves in this position and also it being especially difficult in the private rented sector, due to low numbers of available properties and high rental prices. At the end of September, we had 15 cases that are 'under prevention' and 37 at 'under relief' stage.

Throughout the Covid pandemic we have continued to receive a consistent number of housing applications. We expected this number to increase as restrictions are lifted and furlough and the eviction bans are lifted. At the end of Q2 there were 1338 people on the housing list – up from 1183 in Q1.

Housing Voids

The average number of days to repair properties including major works has increased to 53.09 days on average against the target of 35-38 days, an increase on the 48.17 days taken in Q1. In addition the average number of days to repair standard re-lets this quarter stood at 44.83 days. Both these figures mean that we are currently seeing an increase in the percentage of rent lost through the dwelling being vacant.

As discussed with members, there have been a number of challenges facing the Voids Team when repairing properties. The loss of the Voids contractor has been addressed by the emergency procurement of local and regional companies to work alongside HRS to carry out the works as required to enable the properties to be relet. There has also been a national shortage of materials. This has resulted in additional delays when sourcing materials for properties requiring major works. Examples of materials in short supply include:

- Plasterboard
- Timber products
- Loft insulation
- Adhesives
- Sanitary items

HRS usually carry enough stock to manage for 5 days without the need for a materials order replenishment, however due to the current situation, items such as plasterboard for example, are on "allocation" and could be 4 weeks between deliveries. Availability of building supplies is a very fluid situation and HRS are working with their supplier to minimise disruption, but the market remains difficult.

The Voids Team are working to improve all aspects of the process to ensure the performance improves for year end and a working group involving the AD's and key staff will be driving improvements going forward.

Housing Maintenance

All our repairs' indicators with one exception (see below) are on target or exceeding target. Prioritising repairs for our customers remain our priority and we are striving to ensure that despite difficulties securing some building products and materials, we continue to exceed repairs targets.

Performance for the percentage of reactive repairs completed within target time measure remains below target (of 97%-99%) at 91.74%, having decreased slightly from 91.9% in Q1. Whilst there are some mitigating factors e.g. construction sector wide shortage of materials, difficult recruitment conditions etc, our priority focus is on quickly bringing this important measure back to previous high levels. We have introduced some actions to improve performance including flexible recruitment campaigns, communications on future supply warnings and/or issues to our customers and reviewing the vehicle stocks within our fleet. Once the labour is in place this will be reflected positively in year-end figures.

First time fix performance for urgent and priority repairs remains on target at 91.95% fixed first time. As these are repairs that are required to be completed in either 24 hours or 3 working days, most of these repairs are completed on the first visit with van stock, and without the requirement to raise a follow-on repair to attend at a later date. HRS has been affected by a shortage in some materials, as well as some shortages in the required skillsets.

Performance in Q2 for appointments made and kept remains consistently high at 99.4%. To ensure we operate efficiently we offer a variety of appointment slots via the scheduled repairs pilot, in order to give us and the customer flexibility. We also have the ability to pull appointments forward in agreement with the customer should an earlier appointment be made available, thus ensuring we provide the best service.

Business Development

The number of users logged onto the online self-service system on our City of Lincoln website this quarter dropped slightly to 10,515 (from 11,625 in Q1). There is a slight seasonal effect involved here as there is less immediate demand for services such as council tax and green bin renewals the further into the year we get. However, as part of the One Council work, the IT team is reviewing the current system to make improvements and thus increase take up.

In-house IT – we have seen the number of calls logged by staff to the help desk stay reasonably steady at 927, the slight drop (from 990) may simply be less staff working due to this being a holiday period.

The percentage of calls fixed first time within our IT department has slightly increased to 56.3% (from 53.5% last quarter), we believe this is as a result of improving the 'logging at first point' process.



Authority Wide Measures

Health and Wellbeing

Between July and September 2021, the council made 22 Occupational Health referrals.

Also, during July to September 2021, 129 employees participated in the Virgin Pulse Go Challenge, and this year the challenge focused on a range of health and wellbeing initiatives beyond physical activity including weight management, reducing stress, mindfulness, improving sleep, managing finances and acting sustainably. We are currently awaiting the final results of the challenge and therefore headline figures will be available in due course. Although the team competition has ended, the platform remains open until 29th November 2021 where employees will be able to access any resources and continue to create habit/step challenges for themselves and/or as part of a group.

In due course the council will be looking to raise awareness of World Mental Health day and Menopause awareness week. In addition, the HR team will be shortly be rolling out Mental Health briefings for Team Leaders and above.

Sickness performance

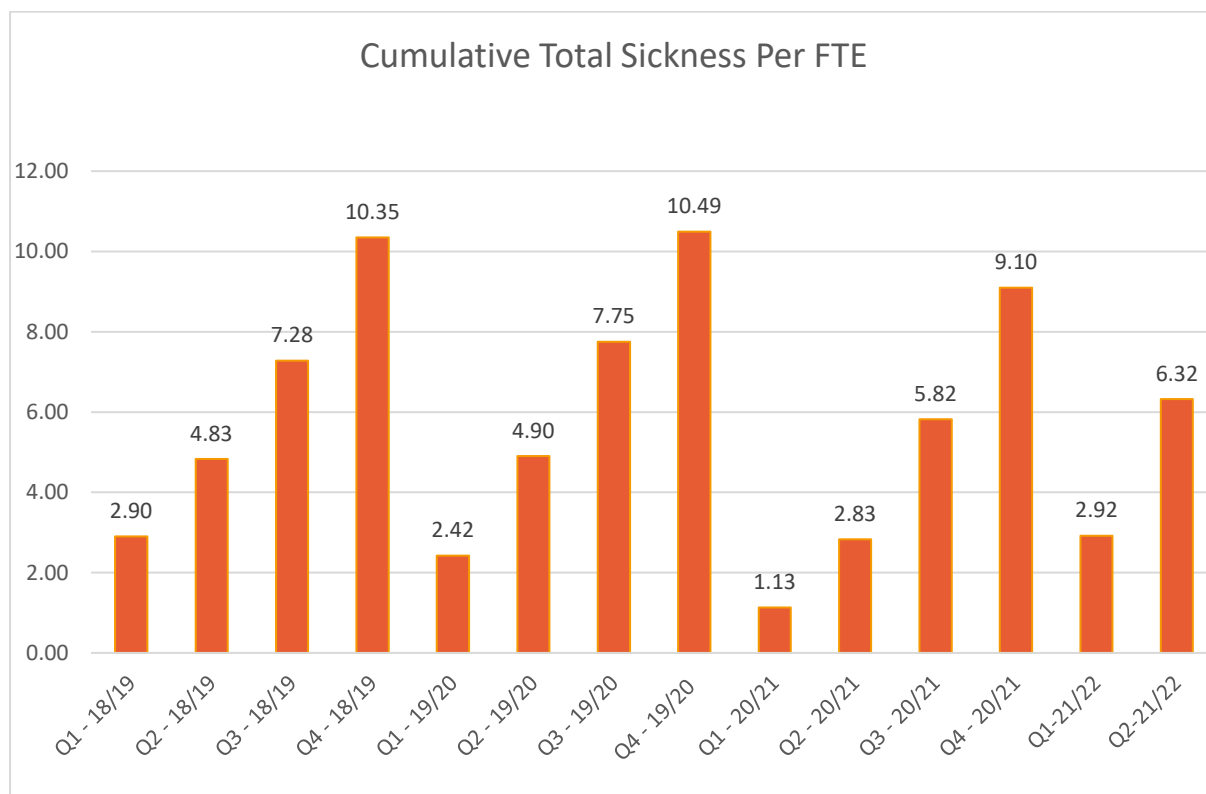
Overall average sickness absence rate of 3.40 days per FTE has risen against the same quarter in 2020/21, where it stood at 2.83 days per FTE, and is now significantly higher than the data from the previous two years before the Covid effect.

However, it is worth noting that whilst short term sickness is down year on year by 0.05, the long-term sickness figure is up by 2.81 days per FTE compared to 2020/21. CMT have noted the increase in Long-term sickness and have commissioned a piece of work from HR to look into this, including regular reports. This will include preventative work as well as long-term sickness management and will be shared with all Assistant Directors and Service Managers

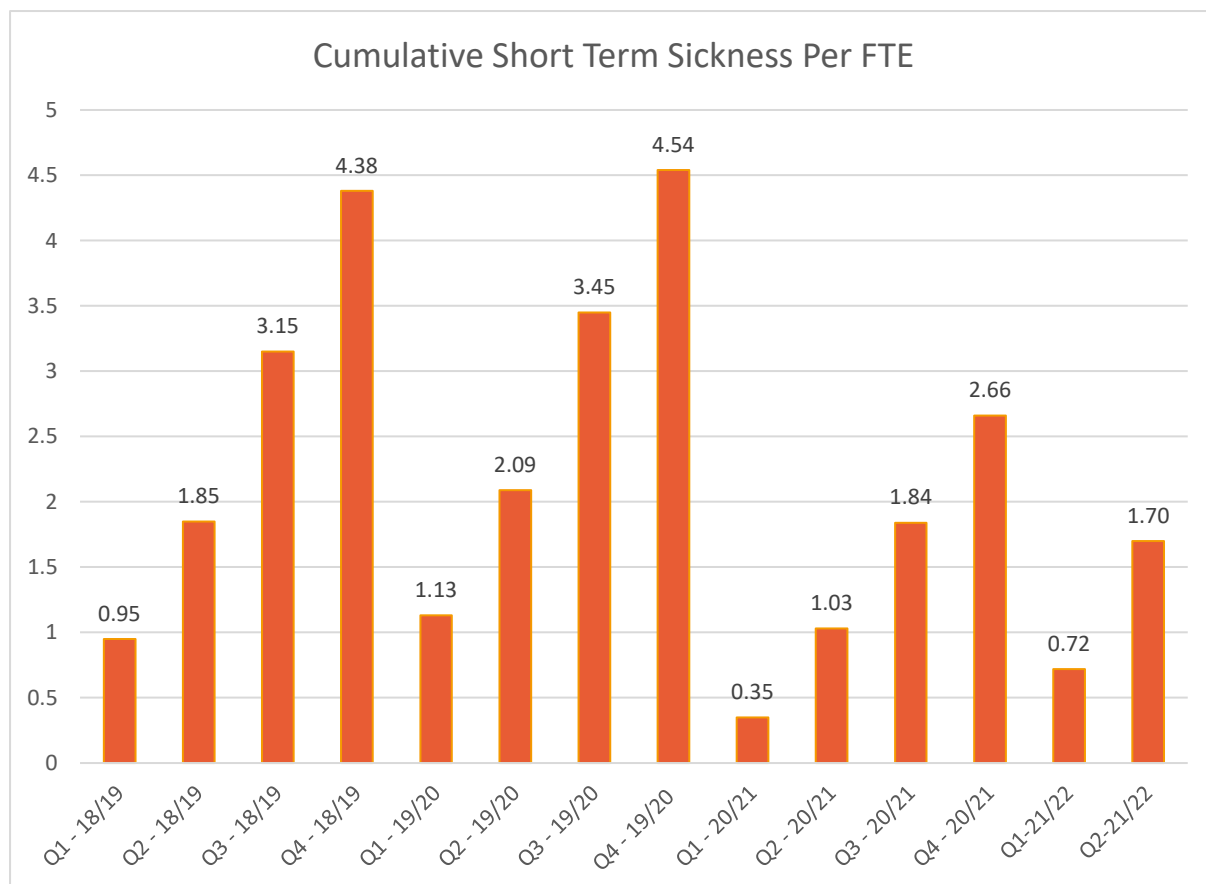
Q2 2021/22 ONLY

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)	Apprentice Sickness
Short Term Days Lost	158	95.5	9	267	529.5	2
Long Term Days Lost	290	380	0	631	1,301	0
Total days lost	448	475.5	9	898	1,830.5	2
Number of FTE	169.6	135.97	14.26	218.38	538.21	4
Average Short-Term Days lost per FTE	0.93	0.70	0.63	1.22	0.98	0.50
Average Long-Term Days lost per FTE	1.71	2.79	0.00	2.89	2.42	0.00
Average Total Days lost per FTE	2.64	3.49	0.63	4.11	3.40	0.50

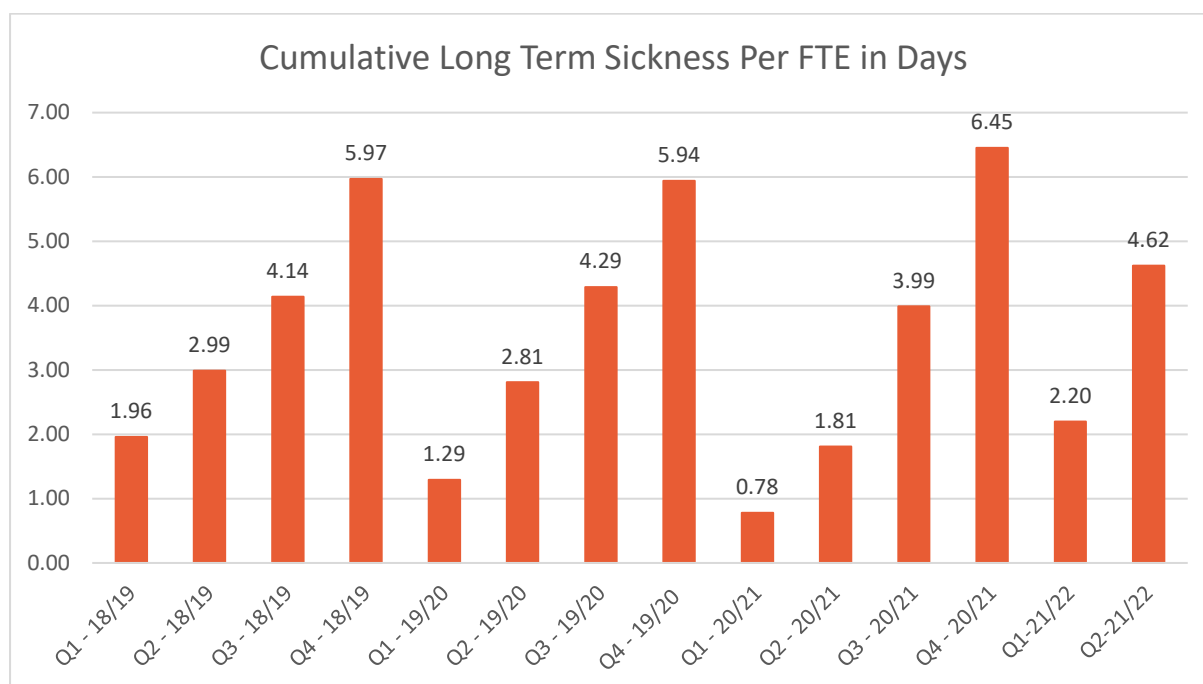
Cumulative Total Sickness Per FTE (excluding apprentices)



Cumulative Short-Term Sickness Per FTE in Days



Cumulative Long-Term Sickness Per FTE in Days



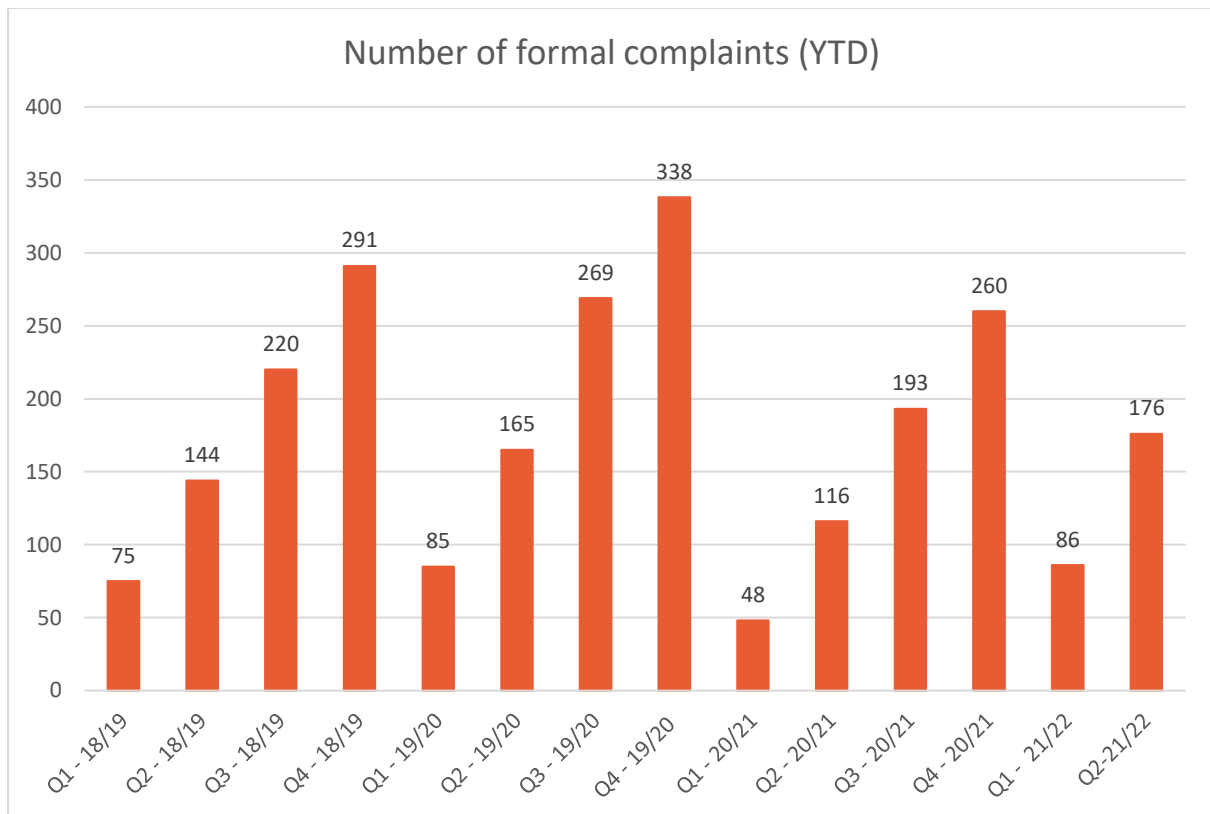
Complaints Performance

In Quarter two there were 90 complaints investigated, which although higher than last year Q2 – is still under previous years. Following a review of complaints, we have now instigated targets for the two stages of complaints – Stage 1 - to be completed within 10 days and stage 2 to be completed within 20 days. The percentage of responses to formal complaints within target time across all directorates is 57% year to date. In quarter two, we had no LGO complaints decided

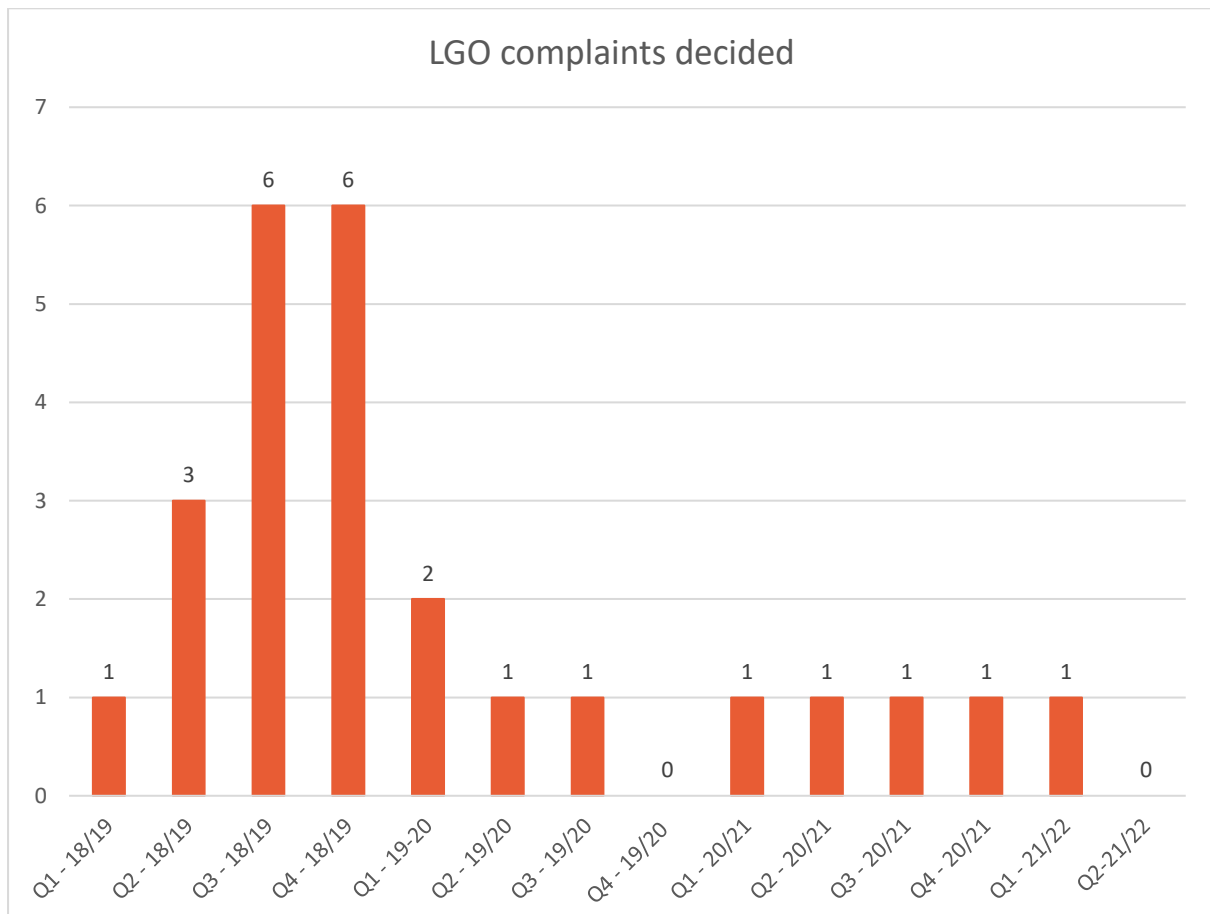
	CX	DCE	DMD	DHI	TOTAL
Number of Formal complaints dealt with this quarter	4	11	1	74	90
Number of Formal complaints Upheld this quarter	2 (50%)	3 (27%)	1 (100%)	36 (49%)	42 (47%)
YTD total number of complaints investigated Cumulative (Q2)	14	28	3	131	176
YTD Number of Formal complaints Upheld	7 (50%)	7 (25%)	2 (66%)	71 (54%)	87 (49%)
% of responses within target time this quarter	75%	100%	0%	62%	67%
% of responses within target time YTD	86%	93%	66%	47%	57%
LGO complaints decided	0	0	0	0	0



Number of formal complaints (YTD)



Local Government Ombudsman Complaints Decided in Q2 2021/22



Resource Information

The total number of FTE employees (excluding apprentices) at the end of Q2 was 538.21 with an average of 4 apprentices over the period. In terms of the level of vacancies at Q2 - budgeted establishment unfilled positions (FTE) stood at 69 FTE. It should be noted that the Council are actively recruiting 32.03 FTE, with a strong focus on essential and business critical roles due to the financial environment.

The percentage of staff turnover at the end of quarter two was 2.29% (excluding apprentices). Appraisals have now been restarted as of April 2021 with an extended deadline of September 2021 and figures reported below are for Q1 and Q2 cumulatively.

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)
Number of FTE employees	169.60	135.97	14.26	218.38	538.21
Average number of apprentices (as at quarter end)	Authority Wide				4
Percentage of staff turnover	Authority Wide				2.29%
Total number of FTE vacancies (in i-Trent)	Authority Wide				69.00
Active vacancies which are being recruited (FTE)	Authority Wide				32.03

Appraisals completed as of Q2 2021/22

Please note the following appraisal figures are based upon the number of appraisals completed in Q1-Q2 versus the number of employees at the start of Q1.

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)
% of appraisals completed	57%	70%	88%	26%	

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To add data, click [here](#)

G

At or above target

A

Acceptable performance - results are within target boundaries

R

Below target

V

Volumetric/contextual measures that support targeted measures

▲

Performance has improved since last quarter

▬

Performance has stayed the same since last quarter

▼

Performance has deteriorated since last quarter

Strategic Measures

	Service Area	Measure ID	Measure	High or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Quarter	Current Value	Unit	Status	Commentary
CX	Communications	COM 1	Percentage of media enquiries responded to within four working hours	High is good	70.00	85.00	Q1 - 21/22	76.00	Q2 - 21/22	78.00	%	A	▲ As is usual over the summer months, the number of media enquiries dropped and, subsequently, the number of overlapping enquiries was also lower. This allowed a quicker response time for most enquiries. A range of enquiries were submitted and responded to, ranging from us reaching agreement with the county council on the future of the Usher Gallery to the ongoing (at the time) protest around the proposed closure of some public toilets and the repeated vandalism of the statues on the Imp Trail.
	Communications	COM 2	Number of proactive communications issued that help maintain or enhance our reputation	High is good	25	40	Q1 - 21/22	31	Q2 - 21/22	26	Number	A	▼ As the number of enquiries dropped (see COM 1) then so did the need to issue proactive communications to help maintain or enhance our reputation. The majority issued this quarter related to stories around the perceived cleanliness of the high street, the number of weeds growing around the city and fly-tipping on private land.
	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	High is good	92.00	95.00	Q1 - 21/22	100.00	Q2 - 21/22	0.00	%	R	▼ In Q2 2021/22 there were no completers. The reason being due to not having any apprentices who were expected to complete their apprenticeships within this period
	Work Based Learning	WBL 2	Number of new starters on the apprenticeship scheme	N/A	Volumetric	Volumetric	Q1 - 21/22	4	Q2 - 21/22	2	Number	V	We had 2 new starts within Q2. The cumulative figure up to Q2 is 6
	Work Based Learning	WBL 3	Percentage of apprentices moving into Education, Employment or Training	N/A	Volumetric	Volumetric	Q1 - 21/22	100.00	Q2 - 21/22	0.00	%	V	In Q2 2021/22 there were no completers so no data available for WBL 3. *Please see notes for WBL1
	Customer Services	CS 1	Number of face to face enquiries in customer services	N/A	Volumetric	Volumetric	Q1 - 21/22	53	Q2 - 21/22	72	Number	V	We are operating an appointment only system which is working well. Other sections are also using pre-booked appointments, 187 customers seen in total
	Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	N/A	Volumetric	Volumetric	Q1 - 21/22	29,980	Q2 - 21/22	31,960	Number	V	We had more calls compared to the previous quarter and the same quarter last year. 5204 Refuse/environmental calls, 5201 Housing solutions/homeless calls, 12352 Housing calls and 9203 Council tax/benefits calls and 394 other calls, 32356 in totals. Compared to quarter 2 last year when we took 5092 for Refuse/environment, 3914 for Housing solutions/homeless, 12983 Housing, 7615 Council tax/benefits and 330 others.
	Customer Services	CS 3	Average time taken to answer a call to customer services	Low is good	300	180	Q1 - 21/22	291	Q2 - 21/22	413	Seconds	R	▼ We have filled our vacancies all bar one and training of new staff has started, we again received slightly more calls than Q2 last year. Nearly 5000 calls were from customers with repeat calls
	Accountancy	ACC 1	Average return on investment portfolio	High is good	0.12	0.18	Q155.7 - 21/22	0.10	Q2 - 21/22	0.13	%	A	▲ BoE base rate remains at 0.10 - interest rates forecast to rise during 2022.
	Accountancy	ACC 2	Average interest rate on external borrowing	Low is good	4.75	3.75	Q1 - 21/22	3.15	Q2 - 21/22	3.15	%	G	▬ 3.15% on average borrowing level in the quarter - further shorter-term borrowing expected during Q3
	Revenues Administration	REV 1	Council Tax - in year collection rate for Lincoln	High is good	50.00	53.00	Q1 - 21/22	25.10	Q2 - 21/22	49.58	%	R	▲ The Council Tax Collection figure is 0.95% below the figure at the end of Quarter 2 in 2020-21. Recovery has been delayed a little this year due to the Covid Pandemic. However, there was a court hearing on 24th September 2021 which is the first one for the 2021 debt. In normal circumstances the first large court hearing for the year would take place in July of the relevant year, therefore recovery for 2021 is delayed by approximately 2 months due to the pandemic.
	Revenues Administration	REV 2	Business Rates - in year collection rate for Lincoln	High is good	58.50	58.58	Q1 - 21/22	29.10	Q2 - 21/22	55.70	%	R	▲ The NDR collection figure is approximately 9.45% below the figure at the end of Quarter 2 in 2020-21. However, the Expanded Retail Relief is creating an issue with the mathematics of how we calculate the collection figure. In 2020-21, the liability for the year was generally evenly distributed over the 12 months of the year. However, for 2021-22, 945 customers have nothing to pay for the first 3 months of the year which moves the sums that they are due to pay, into the last 9 months of the year. Of these 945, 606 also claimed the 66% reduction for July to March meaning that these customers will only pay approximately 25% of their annual liability, in instalments from July to March. Customers without the Expanded Retail Relief still have to pay their liability from April to January/March. When calculating the collection figures, we are calculating as if the liability is spread over the 12 months when for a number of customers this is not the case. This is making comparison to last year's collection figures difficult as we are not comparing like for like and our reports cannot provide information on individual cases just on the debt and payments as a whole. Recovery/court for NDR has not been delayed this year, other than, - court hearings for unpaid bills for NDR started in June for the customers who had instalments starting from April, and - court hearings for unpaid bills for NDR started in September for the customers who had instalments starting in July
	Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues team	Low is good	750	650	Q1 - 21/22	2,665	Q2 - 21/22	3,737	Number	R	▼ There has been an expected increase in the number of outstanding documents. New staff have been appointed to the vacancies in the Council Tax Administration Team and this has resulted in experienced officers undertaking training with these new team members. In addition to this, the court hearing dates have restarted after a long period of little/no court hearings and this has increased phone calls reducing the time that officers can respond to emails and correspondence. Total correspondence received by the revenues teams during quarter 2 is 13,829 phone calls into the section continue to impact onto the workload - quarter 2 answered 11,900 phone calls. Due to unforeseen circumstances. there have been periods of longer-term absence and vacancies

													on the Revenues Team, - however these matters are being addressed.
	Housing Benefit Administration	BE 1	Average (YTD) days to process new housing benefit claims from date received	Low is good	20.00	18.50	Q1 - 21/22	16.81	Q2 - 21/22	17.50	Days	G	Weekly monitoring of HB claims continues to enable prompt decision making
	Housing Benefit Administration	BE 2	Average (YTD) days to process housing benefit claim changes of circumstances from date received	Low is good	9.00	7.00	Q1 - 21/22	4.88	Q2 - 21/22	5.49	Days	G	monthly changes in UC and changes in people's circumstances continue to be high as furlough ends and people start/end work.
	Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Low is good	1,750	1,500	Q1 - 21/22	2,098	Q2 - 21/22	1,411	Number	G	1,411 Customer of which 1,098 are awaiting a first contact.
	Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where Benefit entitlement is correct	High is good	87.00	90.00	Q1 - 21/22	95.94	Q2 - 21/22	95.26	%	G	Smaller amount of quality assurance completed due to officer leave over the summer period.
	Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	N/A	Volumetric	Volumetric	Q1 - 21/22	973	Q2 - 21/22	1,995	Number	V	436 Housing Benefit and 1,559 Council Tax Reduction
DCE	Food and Health & Safety Enforcement	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	High is good	96.00	98.00	Q1 - 21/22	0.00	Q2 - 21/22	0.00	%	A	We cannot give accurate data for this period because the normal pre pandemic inspection programme was not being followed during this quarter, as advised by the Food Standards Agency. Further instruction was given by the FSA to prepare a Recovery Plan by the end of September 2021 to prioritise official controls of new businesses and to plan to undertake official controls of high risk and non-compliant business over the period 1/10/21-31/3/22. The Recovery Plan has been completed and was implemented from 1/10/21 and so we will be able to provide feedback at the end of the next quarter.
	Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Low is good	13.00	8.00	Q1 - 21/22	15.80	Q2 - 21/22	33.21	Days	R	During this quarter we have had a member of the team off long term sick. With holiday leave and a vacancy, that has left 1.5 FTE officers available throughout most of the quarter, to carry out official controls as well as dealing with covid related matters and other service requests. We have recently recruited a newly qualified officer, although he cannot undertake official controls at present he is being trained and should be assessed as being competent within 6 months.
	Food and Health & Safety Enforcement	FHS 3	Percentage of food inspections that should have been completed and have been in that time period	High is good	85.00	97.00	Q1 - 21/22	11.00	Q2 - 21/22	0.00	%	A	The FSA Recovery Plan has essentially reset those inspections that are overdue and so we will be seeking to change the measures with senior management agreement so that we can report back at the next quarter.
	Development Management (Planning)	DM 1	Number of applications in the quarter	N/A	Volumetric	Volumetric	Q1 - 21/22	224	Q2 - 21/22	235	Number	V	This figure remains relatively stable and continues to indicate a slow building in confidence within the development sector
	Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Low is good	85.00	65.00	Q1 - 21/22	56.26	Q2 - 21/22	61.91	Days	G	A small increase in end to end times due to more major developments being submitted and a small increase in workload altogether
	Development Management (Planning)	DM 3	Number of live planning applications open	Low is good	180	120	Q1 - 21/22	128	Q2 - 21/22	135	Number	A	This reflects the increase in submissions but remains consistent and within current resource levels
	Development Management (Planning)	DM 4	Percentage of applications approved	High is good	85.00	97.00	Q1 - 21/22	97.00	Q2 - 21/22	97.00	%	G	This remains consistently high reflecting the positive approach of the service
	Development Management (Planning)	DM 5	Percentage of decisions on planning applications that are subsequently overturned on appeal	Low is good	10.00	5.00	Q1 - 21/22	0.00	Q2 - 21/22	0.00	%	G	Continuance of no decisions overturned reflecting the quality and robustness of the decisions made.
	Development Management (Planning)	DM 6	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	High is good	70.00	90.00	Q1 - 21/22	90.00	Q2 - 21/22	94.00	%	G	Figure remains strong and above the national threshold.
	Development Management (Planning)	DM 7	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	High is good	60.00	90.00	Q1 - 21/22	75.00	Q2 - 21/22	88.00	%	A	This figure remains high and above the nationally set threshold.
	Private Housing	PH 1	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	Low is good	26.00	19.00	Q1 - 21/22	21.40	Q2 - 21/22	30.80	Weeks	R	There was an increase in the average time from an OT notification to the works being completed, this has been around the challenge of having a valid application submitted and approving the application. Delays for some cases have been where we have been awaiting the property owner's permission to carry out the adaptation to the property. The average time once the application has been approved to completion of works for Q1 and Q2 was only 14 weeks.
	Private Housing	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	N/A	Volumetric	Volumetric	Q1 - 21/22	0.00	Q2 - 21/22	13.60	Weeks	V	This is average time from receiving a complaint about disrepair in a private rented property to the property being declared free of any serious hazards. During this quarter 38 housing disrepair/condition cases were resolved. 66% of the cases were in Park and Abbey wards in the City. Some of the cases have taken longer to resolve as we have been working remotely with less onsite inspections taking place. As from the beginning of September 2021 we are now undertaking more onsite visits whilst still applying Covid19 safe practices.
	Private Housing	PH 3	Number of empty homes brought back into use	High is good	7	13	Q1 - 21/22	3	Q2 - 21/22	12	Number	A	12 properties for the year to date have been bought back into use with our interventions. There are 356 privately owned properties which have been empty and unoccupied for more than 6 months of those 122 are more than 2 years empty which are affected by the council tax additional premium.
	Public Protection and Anti-Social Behaviour Team	ASB 1	Number of cases received in the quarter (ASB)	N/A	Volumetric	Volumetric	Q1 - 21/22	115	Q2 - 21/22	88	Number	V	This appears to be in line with what we would normally expect however given the previous 2 quarters were high this may be an indication that demand is returning to normal.
	Public Protection and Anti-Social Behaviour Team	ASB 2	Number of cases closed in the quarter	N/A	Volumetric	Volumetric	Q1 - 21/22	861	Q2 - 21/22	849	Number	V	the demand on the team remains high across July, August, and September there is a consistent high demand compared with those months in 2020/21. During Q2 2021/22 the demand on the team was 1065 service requests and so the number of cases closed is proportionate

Public Protection and Anti-Social Behaviour Team	ASB 3	Number of live cases open at the end of the quarter	Low is good	260	220	Q1 - 21/22	234	Q2 - 21/22	189	Number	G	▲	this is a normal amount of cases to be open. demand on the team in this quarter has been 1065 service requests which is high and so it is positive that the team are managing open case numbers
Public Protection and Anti-Social Behaviour Team	ASB 4	Satisfaction of complainants relating to how the complaint was handled	High is good	75.00	85.00	Q1 - 21/22	0.00	Q2 - 21/22	0.00	%	A	▬	still not being undertaken currently, update on this requested from CS
Sport & Leisure	SP 1	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	High is good	213,355	213,991	Q1 - 21/22	60,109	Q2 - 21/22	122,034	Number	R	▲	Quarter 2 is up 61,925 visits on Quarter 1 2021. This is due to pandemic restrictions being eased over Quarter 1 and the beginning of Quarter 2. Yarborough has gone up 47,606 visits on last quarter and Birchwood has gone up 14,319 visits on the last quarter. Visits are up on Q2 last year 2020 due to the pandemic restrictions, however they are still down on pre pandemic levels 2019, Yarborough down 102,566 visits, Birchwood down 22,589. Resistance to re-join fitness gyms is industry wide (nationally), which is impacting on some smaller gyms businesses, currently the reasoning is not known, but thoughts could be that people have diverted away to other forms of exercise during the pandemic, others could still be resistant to going back into public places.
Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	High is good	520.00	650.00	Q1 - 21/22	895.00	Q2 - 21/22	790.00	Hours	G	▼	Quarter 2 takes into account the summer and the first month of the football season, it will be lower than months exclusively in the football season.
CCTV	CCTV 1	Total number of incidents handled by CCTV operators	N/A	Volumetric	Volumetric	Q1 - 21/22	2,549	Q2 - 21/22	2,665	Number	V		Incidents have steadily risen as the city opens up to business. Public order, shoplifting and mental health issues provide the highest number of incidents for operators to deal with.
Waste & Recycling	WM 1	Percentage of waste recycled or composted	High is good	36.00	39.00	Q1 - 21/22	29.34	Q2 - 21/22	35.39	%	R	▲	This figure relates to Quarter 1 (April - June 2021). 17.11% has been recorded as waste being recycled, whereas 18.28% was recorded of waste being composted, equating to 35.39% being composted or recycled.
Waste & Recycling	WM 2	Contractor points achieved against target standards specified in contract - Waste Management	Low is good	150	50	Q1 - 21/22	135	Q2 - 21/22	125	Number	A	▲	125 points were recorded collectively. This has been broken to 55 points in July, 40 in August and 30 points in September.
Street Cleansing	SC 1	Contractor points achieved against target standards specified in contract - Street Cleansing	Low is good	150	50	Q1 - 21/22	90	Q2 - 21/22	75	Number	A	▲	75 points were recorded in Quarter 2. This has been broken down to 15 points in July, 25 points in August and 35 points in September.
Grounds Maintenance	GM 1	Contractor points achieved against target standards specified in contract - Grounds Maintenance	Low is good	150	50	Q1 - 21/22	20	Q2 - 21/22	75	Number	A	▼	Points were recorded as 75 collectively. These were broken down into 15 points from June, 55 in August and 5 in September.
Allotments	AM 1	Percentage occupancy of allotment plots	High is good	84.00	92.00	Q1 - 21/22	97.00	Q2 - 21/22	97.00	%	G	▬	As at the end of September 2021, 1057 plots of a total 1147 were let. Of the 1147 total plots, 1091 plots are currently lettable. 1057 occupied lettable plots equates to 97% occupancy rate. There continues to be a steady demand for allotment tenancies. All allotment sites currently have waiting lists for plots now and when plots become available, we try to re-let the plots to those on the waiting lists as quickly as possible.
Parking Services	PS 1	Overall percentage utilisation of all car parks	High is good	50.00	60.00	Q1 - 21/22	36.00	Q2 - 21/22	40.00	%	R	▲	Footfall has increased over the Summer months which is reflected in the figure - more shoppers and increase in workers returning to the office.
Parking Services	PS 2	Number of off street charged parking spaces	N/A	Volumetric	Volumetric	Q1 - 21/22	3,750	Q2 - 21/22	3,796	Number	V		Following a recent recount of spaces, the figure is now 3796
Licensing	LIC 1	Total number of committee referrals (for all licensing functions)	N/A	Volumetric	Volumetric	Q1 - 21/22	0	Q2 - 21/22	6	Number	V		1 sex establishment variation, 1 Licensing Act 2003 contested application, 4 Private Hire drivers due to points/convictions.
Licensing	LIC 2	Total number of enforcement actions (revocations, suspensions, and prosecutions)	N/A	Volumetric	Volumetric	Q1 - 21/22	1	Q2 - 21/22		Number	V		No enforcement actions of this nature were taken during this quarter.
Housing Investment	HI 1	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	Low is good	1.00	0.00	Q1 - 21/22	2.10	Q2 - 21/22	1.50	%	R	▲	The replacement door programme has now come on stream and is beginning to reduce the number of non-decent properties. However, as previously reported, we are also inspecting a number of doors and identifying further properties needing replacements. Electrical testing has reduced failures due to Electrics Of the 116 properties failing: x92 doors, x21 Electrics, 2x roofs, 1x windows
Housing Investment	HI 2	Number of properties 'not decent' as a result of tenant's refusal to allow work (excluding referrals)	N/A	Volumetric	Volumetric	Q1 - 21/22	189	Q2 - 21/22	188	Number	V		Tenants have the option to refuse improvement works. Various refusal reasons are offered by tenants, examples include health issues and willingness to cooperate. At the end of quarter two there were 188 refusals of decent home works on non-decent properties, down by one (189) from quarter one.
Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	High is good	99.80	99.96	Q1 - 21/22	99.46	Q2 - 21/22	99.26	%	R	▼	We continue to have a small number of properties that we have failed to access, before deadline date each month. The team and our contractor have followed the gas servicing processes and these outstanding cases are now at the legal referral stage. We do have some failed access from households isolating due to Covid. We continue to work closely with these tenants to rearrange appointments in these circumstances.
Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	High is good	97.50	98.75	Q2 - 21/22	98.25	Q2 - 21/22	98.25	%	A	▬	A continued improvement can be seen over this Quarter, so the target is continuing to be met.
Rent Collection	RC 1	Rent collected as a proportion of rent owed	High is good	96.00	97.00	Q1 - 21/22	99.31	Q2 - 21/22	97.61	%	G	▼	Collection for quarter two stands at 97.61% which is ahead of target. Although income management has been challenging throughout the last 18 months Tenancy Services continues to prioritise rent collection. The rent-free weeks in December 2021 will also have a positive impact on the % of income collected.
Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	Low is good	4.50	3.50	Q1 - 21/22	4.20	Q2 - 21/22	4.88	%	R	▼	Current tenant arrears as a % of the debit stands at 4.88% (c£1.4m), which is behind the target of 4.65%. As members are aware, the pandemic and the Governments response to ensure that no evictions took place have resulted in arrears rising nationally. Some of the restrictions that have been in place have been removed and the notice period is now 28 days and the Courts have started to hear cases. If there are no changes to eviction protocols going forward we would anticipate that performance

												against this indicator would improve.
Housing Solutions	HS 1	The number of people currently on the housing list	N/A	Volumetric	Volumetric	Q1 - 21/22	1,183	Q2 - 21/22	1,338	Number	V	A slight rise in numbers on the Register although in reality numbers of applications remain reasonably consistent
Housing Solutions	HS 2	The number of people approaching the council as homeless	N/A	Volumetric	Volumetric	Q1 - 21/22	251	Q2 - 21/22	461	Number	V	A rise in the number of homelessness applications as anticipated following the easing of pandemic restrictions
Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	High is good	50.00	55.00	Q1 - 21/22	52.40	Q2 - 21/22	45.93	%	R	▼ Prevention work remains difficult, especially into the private rented sector, due to low numbers of available properties and high rental prices
Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	Low is good	0.80	0.90	Q1 - 21/22	1.28	Q2 - 21/22	1.37	%	R	▼ During the pandemic, the voids contractor used to repair the majority of our vacant properties, went into administration. This put additional pressure onto an already stretched labour force. HRS have worked to procure additional contracts to repair the void properties, but this has resulted in an increase in the % of rent lost through properties being vacant. There is a national shortage of labour that is also making it difficult for contractors to source labour. The Voids Team are working to improve all aspects of the process to ensure the performance improves for year end.
Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Low is good	32.00	29.00	Q1 - 21/22	40.39	Q2 - 21/22	44.83	Days	R	▼ As explained in the commentary in HV1, the Voids Team have faced significant challenges when repairing properties, resulting in the number of days taken on average increasing to 44.83 against the target of 32. Issues with contracting work, recruiting labour and delays when letting properties due to Covid restrictions and difficulty moving has resulted in this increase. The Voids Team are working to improve all aspects of the process to ensure the performance improves for year end.
Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Low is good	38.00	35.00	Q1 - 21/22	48.17	Q2 - 21/22	53.09	Days	R	▼ The average number of days to repair properties including major works has increased to 53.09 on average against the target of 38. There have been a number of challenges facing the Voids Team when repairing properties. There has also been a national shortage of materials. This has resulted in additional delays when sourcing materials for properties requiring major works. The Voids Team are currently reviewing their processes and prioritising empty dwellings with the aim of reducing the average number of days before year end.
Housing Maintenance	HM 1	Percentage of reactive repairs completed within target time (priority and urgent repairs) - HRS only	High is good	97.00	99.00	Q1 - 21/22	91.90	Q2 - 21/22	91.74	%	R	▼ Performance for the percentage of reactive repairs completed within target time measure remains below target at 91.74%,. Whilst there are some mitigating factors e.g. construction sector wide shortage of materials, difficult recruitment conditions etc, our priority focus is on quickly bringing this important measure back to previous high levels. We have introduced some actions to improve performance including flexible recruitment campaigns, communications on future supply warnings and/or issues to our customers and reviewing the vehicle stocks within our fleet. Once the labour is in place this will be reflected positively in year-end figures.
Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	High is good	90.00	93.00	Q1 - 21/22	92.48	Q2 - 21/22	91.95	%	A	▼ This measure has been adversely affected by external factors such as materials shortages but can also be a reflection of the skills available internally, something we will look to continuously improve.
Housing Maintenance	HM 4	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	High is good	94.00	97.00	Q1 - 21/22	99.07	Q2 - 21/22	99.40	%	G	▲ A result we would expect to achieve. Demonstrating we are getting the basics right.
Business Development	BD 1	Number of users logged into the on-line self-service system this quarter	High is good	8,409	8,700	Q1 - 21/22	11,625	Q2 - 21/22	10,515	Number	G	▼ Drop from year end period - The system is being reviewed to increase uptake
IT	ICT 1	Number of calls logged to IT helpdesk	N/A	Volumetric	Volumetric	Q1 - 21/22	990	Q2 - 21/22	927	Number	V	General variation - partially caused by lower staff numbers due to holiday period
IT	ICT 2	Percentage of first time fixes	N/A	Volumetric	Volumetric	Q1 - 21/22	53.50	Q2 - 21/22	56.30	%	V	Slight increase due to issues with logging in being resolved at first point

Operational Measures

Service Area	Measure ID	Measure	High or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Quarter	Current Value	Unit	Status	Commentary
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To add data, click [here](#)

ANNUAL MEASURES - Q2

G

At or above target

A

Acceptable performance - results are within target boundaries

R

Below target

V

Volumetric/contextual measures that support targeted measures

Strategic Measures

Service Area		Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Year	Current Value	Unit	Status	Commentary
DCE	Grounds Maintenance	GM 2	Satisfaction with play areas, parks and open spaces (collected via Citizens' Panel)	High is good	85.00	90.00	2019/20	90.00	2020/21	77.80	%	R	77.8% of respondents reported being very satisfied or satisfied with the overall management of our parks and open spaces. This figure reflects the significant impact on parks and open spaces over the covid period with visitor numbers being considerably higher.
	Street Cleansing	SC 2	Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)	High is good	68.00	80.00	2019/20	69.00	2020/21	76.00	%	A	Citizen Panel results show 76% of those asked were satisfied or very satisfied with the cleanliness of highways and open spaces

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PERFORMANCE SCRUTINY COMMITTEE**18 NOVEMBER 2021**

SUBJECT:	TREASURY MANAGEMENT AND PRUDENTIAL CODE UPDATE REPORT – HALF YEAR ENDED 30TH SEPTEMBER 2021
REPORT BY:	CHIEF EXECUTIVE
LEAD OFFICER:	COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 This report covers the Council's treasury management activity and the actual prudential indicators for the period April 1st to September 30th 2021. This is in accordance with the requirements of the Prudential Code.

2. Executive Summary

- 2.1 Treasury Management position and performance results for the 6 months ended 30th September 2021.

2.1.1 Investment portfolio

The Council held £46million of investments at 30th September 2021. The investment profile is shown in Appendix A.

Of this investment portfolio 100% was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments. During the 6 months to 30th September on average 96% of the portfolio was held in low risk specified investments and an average of 4% of the portfolio was held in non-specified investments (with other local authorities).

Liquidity – The Council seeks to maintain liquid short-term deposits of at least £5 million available with a week's notice. The weighted average life (WAL) of investments for the year was expected to be 0.11 years (40 days). At 30th September 2021 the Council held liquid short term deposits of £22 million and the WAL of the investment portfolio was 0.12 years (46 days). The WAL of the investment portfolio is slightly higher than expected.

Security - The Council's maximum security risk benchmark for the portfolio as at 30th September 2021 was 0.011%, based on the historic risk of default of the counterparties and types of accounts in which the council's funds are placed – this equates to a potential loss of £0.005m on an investment portfolio of £46m. This is slightly higher than budgeted maximum risk of 0.009% in the Treasury Management Strategy however, it represents a very low risk investment portfolio.

Yield – The Council achieved an average return of 0.11% on its investment portfolio for the 6 months ended 30th September 2021. This compares favourably with the target 7 day average LIBID at 30th September of -0.083% but is lower than the budgeted yield of 0.18% for 2021/22 in the MTFs 2021-26. This is primarily due to historical low rates of the Bank of England base rate as a result of the Covid 19 pandemic and the effects on rates available in the market as a result.

2.1.2 External borrowing

At 30th September 2021 the Council held £120.946 million of external borrowing, of which 100% were fixed rate loans (Appendix A).

As at 30th September 2021, the average rate of interest paid during quarters 1 and 2 on external borrowing was 3.15%. This is lower than the budgeted rate set in the MTFS 2021-26; there has been a reduction in external borrowing during the first 6 months of the year as some borrowing has been repaid and internal balances used to fund expenditure.

3. Background

- 3.1 The prudential system for capital expenditure is now well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 30th September 2021. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 02 March 2021.
- 3.2 This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.
- 3.3 This report highlights the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporates any new or revised schemes previously reported to Members. Changes required to the residual prudential indicators and other related treasury management issues are also included.

4. Prudential Indicators

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

The table below summarises the changes to the capital programme that have been approved by or are subject to Executive approval since Council approved the original budget in March 2021.

Capital Expenditure	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
General Fund	14,393	20,398	1,160	7,080	948	1,872
HRA	22,491	30,248	14,959	18,959	12,171	12,918
Total	36,884	50,646	16,119	26,039	13,119	14,790

4.3 Financing of the Capital Programme

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

Indicators 1&2	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Capital Expenditure						
General Fund	14,393	20,398	1,160	7,080	948	1,872
HRA (including New Build)	22,491	30,248	14,959	18,959	12,171	12,918
Total Expenditure	36,884	50,646	16,119	26,039	13,119	14,790
Financed by (General Fund):						
Capital receipts	2,825	2,812	195	195	0	0
Capital grants & contributions	2,596	8,270	720	5,891	740	678
Revenue/Reserve Contributions	129	186	8	8	8	8
Borrowing need	8,843	9,129	237	986	200	1,186
Financed by (HRA):						
Capital receipts	1,539	2,844	1,730	1,495	713	470
Capital grants & contributions	2,205	6,944	0	495	0	0
Depreciation (HRA only)	9,138	10,514	7,942	8,178	7,157	7,157
Revenue/Reserve Contributions	7,271	6,000	2,417	3,137	4,301	4,301
Borrowing need	2,338	3,947	2,870	5,654	0	990

The principal changes in the financing, from the original estimates approved in March 2021 are as a result of the re-profiling of expenditure and new projects funded by a combination of grants and borrowing.

4.4 The Capital Financing Requirement and External Debt

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

Indicators 3 & 4	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
General Fund	71,921	71,815	68,291	68,917	66,750	68,347
HRA	69,189	74,220	72,059	79,874	72,059	80,863
Total CFR	141,110	146,035	140,350	148,791	138,809	149,210
Net movement in CFR	6,353	8,260	(760)	2,756	(1,541)	419
Indicator 5	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Borrowing	129,000	136,000	131,000	142,500	126,000	137,500
Other long term liabilities *	0	0	0	1,380	0	1,380
Total Debt 31 March	129,000	136,000	131,000	143,880	126,000	137,880

* Other long term liabilities includes Finance leases- a change in accountancy practice is currently estimated to result in finance liabilities in 22/23 onwards which will be reported in the Treasury Management Strategy

The Council is currently under-borrowed against the CFR, as, whilst the Council has adequate cash balances and employs internal resources until cash flow forecasts indicates the need for additional borrowing or rates are available that reduce the cost of carrying debt. PWLB borrowing rates have decreased and are currently forecast to remain steady over the next year. Short term borrowing has been arranged for later in 2021 to replace short term borrowing (£5m) - further borrowing is anticipated to fund capital expenditure.

The HRA borrowing requirement is considered independently from that of the General Fund. Further borrowing is anticipated during 21/22 and will be reported as part of the MTFs and Treasury Management Strategy.

4.5 Limits to Borrowing Activity

The first key control over the Council's borrowing activity is a prudential indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need, which will be adhered to if this proves prudent.

Indicator 6	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Gross Borrowing	129,000	136,000	131,000	142,500	126,000	137,500
Investments	(22,000)	(33,000)	(20,000)	(24,000)	(19,000)	(25,000)
Net Borrowing	107,000	103,000	111,000	118,500	107,000	112,500
CFR	141,110	146,035	140,350	148,791	138,808	149,211
Net borrowing is below CFR	36,110	43,035	29,350	30,291	31,808	36,711

*revised estimates as at 31 March

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

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

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

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

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

Indicator 7	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Authorised limit for external debt*						
Borrowing	158,453	162,133	160,738	169,618	155,664	164,544
Other long term liabilities**	1,380	1,500	1,380	1,500	1,380	1,500
Total Authorised limit	159,833	163,633	162,118	171,118	157,044	166,044
Indicator 8	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Operational boundary for external debt*						
Borrowing	143,633	148,633	145,918	154,918	140,844	149,844
Other long term liabilities**	1,200	1,200	1,200	1,200	1,200	1,200
Total Operational Boundary	144,833	160,833	147,118	156,118	142,044	151,044

* The highest level of external debt during the first half of 2021/22 was £123.653m.

** Other long term liabilities include Finance leases.

There have been revisions to the capital programme since the Medium Term Financial Strategy was set in March 2021 which have impacted on authority's capital financing requirement and as a result, to the figures calculated for the operational boundary for borrowing. The limits for the Operational Boundary allow for previous use of internal borrowing to be replaced by external borrowing should the Chief Finance Officer decide that it is appropriate and prudent to do so.

Other Prudential Indicators

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

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

5.1 Economics update

5.1.1 MPC meeting 24.9.21

- The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of

ensuring a flow of labour into jobs” and that “the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures.” In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**

- So, in August the country was just put on alert. However, this time the MPC’s words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was ‘sustainably over 2%’. Indeed, whereas in August the MPC’s focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.
- Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC’s meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.
- **The MPC’s forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 1. Placing the focus on raising Bank Rate as “the active instrument in most circumstances”.
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

- **World growth.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.
- **Supply shortages.** The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

5.1.2 Current medium term interest rate forecasts are shown below:

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

5.2 Borrowing activity

- 5.2.1 The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
- 5.2.2 Long-term fixed interest rates are currently low, Interest rates are expected to rise slowly over the three-year treasury management planning period. The Chief Finance Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. The approved funding of the current capital programme does require borrowing to be taken during 21/22 and the forthcoming years. In addition to this there has been internal borrowing (i.e. using cash balances), to fund previous years' capital expenditure, which may need to be replaced at some point in the future with external borrowing. The current key challenge is anticipating the optimum point at which any future borrowing should be taken. Any future borrowing will increase cash holding at a time when counterparty risk remains high and investment returns are low. In this scenario, borrowing is likely to be postponed until cash flow need is more apparent.

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

5.3 Investment Strategy 2021/22 to 2023/24

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

- 5.3.2 The Council held £46million of investments at 30th September 2021 and the investment profile is shown in Appendix A.

5.4 Risk Benchmarking

The Investment Strategy for 2021/22 includes the following benchmarks for liquidity and security. Yield benchmarks are contained within section 6.

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

The weighted average life (WAL) of investments for the year was expected to be 0.11 years (40 days). At 30th September 2021 the Council held liquid short term deposits of £22 million and the WAL of the investment portfolio was 0.12 years (46 days), slightly higher than expected.

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

- 5.4.2 *Security* – The Council's maximum security risk benchmark for the portfolio as at 30th September 2021 was 0.011%, which equates to a potential loss of £0.005m on an investment portfolio of £46m. This is higher than the budgeted maximum risk of 0.006% in the Treasury Management Strategy. It represents a very low risk investment portfolio which carries a very much lower level of risk than Link's model portfolio and other local authorities within our benchmarking group.

The target set within the 2021/22 Strategy is that a minimum of 25% of the portfolio must be held in low risk specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this overall benchmark during the year to date. At 30th September 2021, 96% of the investment portfolio was held in low risk specified investments.

6. Yield Benchmarking

- 6.1 At the point of writing this report the benchmarking information is unavailable however, should this become available before the committee a supplementary report will be provided at the meeting.

7. **Strategic Priorities**

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

8. **Organisational Impacts**

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

9. **Recommendations**

- 9.1 It is recommended that members note the Prudential and Local Indicators and the actual performance against the Treasury Management Strategy 2021/22 for the half-year ended 30th September 2021.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? Two

List of Background Papers: Treasury Management Strategy 2021/22 (Approved by Council March 2021)

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

Borrowing Profile at 30th September 2021

	Long term borrowing	
	Fixed rate	Variable rate
	£ 000	£ 000
PWLB loans	89,283	0
Other Market loans	16,000	0
Local Authority loans	15,000	
3% stock	561	0
TOTAL	120,843	0

Investment Profile at 30th September 2020

	Total Principal invested	Short term	
		Fixed rate	Variable rate
	£ 000	£ 000	£ 000
UK Banks & Building societies (including Call accounts)	24,000	24,000	0
UK Money Market Funds	22,383	0	22,383
TOTAL	46,383	24,000	22,383

Updated Position on the Remaining Prudential and Local Indicators

Affordability Prudential Indicators

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

Table 5. Ratio of Financing Costs to Net Revenue Stream

Indicators 9 & 10	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
General Fund	26.7%	26.6%	30%	29.5%	28.2%	27.9%
HRA	30.8%	30.7%	29.9%	30.2%	29.1%	29.2%

The ratios are broadly in line with expectations. The General Fund ratio is expected to change from 22/23 onwards when the leases for the new fleet are taken onto the balance sheet – at this points the ratios above do not reflect this change as this cannot be estimated until the lease arrangements are confirmed.

Treasury Management Prudential Indicators

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

There are four further indicators:

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

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

These indicators are complemented by four local indicators:

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

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

Indicators 11 & 12	2021/22 Limit (Upper) £million	2021/22 Max Q1 & Q2 £million	2021/2 Min Q1 & Q2 £million
Upper limits on interest rate exposures			
Upper limits on fixed interest rates	125.3	108.5	96.9
Upper limits on variable interest rates	53.5	(24)*	(15.1)*

*Indicators are negative as they relate to investments only – the council has no variable rate debt

	2021/22 Limit %	2021/22 Max Q1 & Q2 %
Local indicator limits based on debt only		
Limits on fixed interest rates	100%	100%
Limits on variable interest rates	40%	0%
Local indicator limits based on investments only		
Limits on fixed interest rates	100%	59%
Limits on variable interest rates	75%	64%

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

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

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

As at 30th September 2021 the maturity structure of borrowing during the first half of the year was as follows:

Indicator 13	At 30/9/2021	At 31/3/2022
Maturity Structure of fixed borrowing	%	%
Under 12 months	4%	5%
2 years to 5 years	11%	7%
5 years to 10 years	6%	8%
10 years to 15 years	11%	15%
15 years to 25 years	23%	19%
25 years to 30 years	4%	4%
30 years to 40 years	17%	17%
40 years and over	24%	25%

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

Indicator 14	2021/22 Original Estimate £000	2021/22 Revised Estimate £000	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Maximum principal sums invested > 1 year	£5m	£0m	£5m	£0m	£5m	£0m

As at 30th September 2021, there were no principal funds invested over 1 year.

Local Prudential Indicators

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

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

	2021/22 Target %	2021/22 Actual – 30 th September %	2021/22 Target %	2022/23 Target %
Debt – borrowing rate achieved (i.e. temporary borrowing of loans less than 1 year)	Less than 7 day LIBOR	No temporary loans taken 7 day LIBOR rate 0.04113%	To be developed following cessation of LIBOR rate	To be developed following cessation of LIBOR rate

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

	2021/22 Target %	2020/21 Average Actual – 30 th September %	2021/22 Target %	2022/23 Target %
Interest rate achieved	Greater than 7 day LIBID	Achieved average 0.11% compared to -0.08289% average 7 day LIBID	Greater than 7 day LIBID	Greater than 7 day LIBID

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

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

	2021/22 Target %	2021/22 Average Q1&Q2 %	2022/23 Target %	2023/24 Target %
Average rate of interest paid on Council debt	4.25%	3.15%	4.25%	4.25%

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

PERFORMANCE SCRUTINY COMMITTEE

18 NOVEMBER 2021

SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING
REPORT BY: CHIEF EXECUTIVE & TOWN CLERK
LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

1.1 To present to PSC the second quarter's performance (up to 30th September), on the Council's:

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

And to seek approval for changes to both the revenue and capital programmes.

1.2 Financial Procedure Rules require members to receive, on a quarterly basis, a report prepared jointly by the Chief Finance Officer and Corporate Management Team commenting on financial performance to date. This report is designed to meet this requirement.

2. Executive Summary

2.1 This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year.

2.2 Following the unprecedented impact of Covid19 on the Council's finances in 2020/21, budgets for 2021/22 were revised as part of the MTFS 2021-26 based on a number of assumptions around the speed and extent of the national and local recoveries particularly in relation to income budgets. Whilst in many cases these assumptions reflect the actual position to date, there are still some areas where the rate of recovery is impacting adversely on the Council's finances. In addition, the impact of Covid19 is still being felt throughout the authority in relation to service delivery both in terms of backlogs of outstanding work but also due to the current economic operating conditions in terms of supply chain issues, escalating costs and availability of labour etc, whilst these issues are being addressed, they are likely to continue in the medium term and impact on the Council's finances. Furthermore, the imposition of any new national restrictions over the winter period will adversely affect the forecast outturns provided within this report. Close monitoring of the position and implementation of mitigating actions over quarters 3-4 will be key to ensuring the Council maintains a balanced budget position for 2021/22.

- 2.3 Based on a significant number of planning variables, as at the end of the second quarter (up to 30th September), the forecast financial position of the Council for 2021/22 is:

	2021/22		
	Budget following Q1 report £'000	Forecast @ Q2 £'000	Variance @ Q2 £'000
Revenue Accounts			
General Fund – Contribution to/(from) balances	(477)	(524)	(47)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	15	156	141
Housing Repairs Service	0	811	811

Capital Programmes			
General Investment Programme	17,451	20,398	0
Housing Investment Programme	29,047	30,248	0

Reserves & Balances			
General Fund Balances	(2,193)	(2,149)	(47)
HRA Balances	(1,059)	(918)	(141)
HRS Balances	0	0	0
General Fund Earmarked Reserves	(11,619)	(12,384)	(765)
HRA Earmarked Reserves	(57)	(177)	(120)

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

3. General Fund Revenue Account

- 3.1 For 2021/22 the Council's net General Fund revenue budget was set at £978,410 including a planned contribution from balances of £477,240 (resulting in an estimated level of general balances at the year-end of £2,193,359, after allowing for the 2020/21 outturn position).

3.2 The General Fund Summary is currently projecting a forecast overspend of £46,366 (appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,146,993.

3.3 There are a number of forecast year-end variations in income and expenditure against the approved budget, full details of the main variances are provided in Appendix B while the table below sets out the key variances:

	Forecast £'000
Potential pay award	150
Sales, Fees & Charges income losses	215
Additional SFC income compensation	(66)
Government Grants (New Burdens, Test & Trace support)	(169)
Additional planning income from Major Applications	(123)
Housing benefit under recovery of overpayments	50
Net other variances	(10)
Overall forecast budget shortfall/(surplus)	47

3.4 The most significant of the adverse forecast variations is in relation to fees and charges income which is currently forecasting a reduction in income of £215,376. This shortfall has mainly arisen during the first two quarters due to the extended national restrictions in quarter one and a slower than anticipated recovery in quarter two, in addition there is an income shortfall for the crematorium due to the impact of the refurbishment works. This shortfall is however partially offset by additional income of £66,348, through the Government's Sales, Fees and Charges Income Compensation scheme which provided additional financial support for losses in quarter one only. All key income budgets are monitored closely and reported to Corporate Management Team on a monthly basis. Officers are responding to, and will continue to do so through quarters 3-4, to identify and implement appropriate mitigations to ensure the budget remains balanced in 2021/22.

3.5 Although the forecast outturn for the General Fund is a deficit of £46,366 at this stage, the forecast outturn remains difficult to predict due to volatility, and uncertainty, particularly around the imposition of any future national restrictions over the winter period.

3.6 Contributions to/from Earmarked Reserves

Included in the forecast outturn overspend of £46,366 is the following proposed additional contributions (to)/from earmarked reserves:

Directorate	Reserve	Amount £
CX	17/18 Carry Forward – drawdown of funding for outsourced Legal work	8,000
DHI	Homelessness Grant – drawdown to repay MHCLG grant received in error (transferred into reserves 19/20 until reclaimed)	68,560

DCE	Invest to Save Reserve – drawdown to resource TFS redundancy costs	103,940
DCE	Vision 2025 – drawdown to fund TRO costs for RPS Sincil Bank	84,000
	Total Contribution from Reserves	264,500

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

3.8 Towards Financial Sustainability Programme

The savings target included in the MTFS for 2021/22 was £850,000. Progress against this target, based on quarter 2 performance shows that secured savings total £514,400. A summary of the specific reviews that have contributed to this target are shown in Appendix N.

4. Housing Revenue Account

4.1 For 2021/22 the Council's Housing Revenue Account (HRA) net revenue budget was set at a £14,910 use of balances, resulting in an estimated level of general balances at the year-end of £1,059,743, after allowing for the 2020/21 outturn position.

4.2 The HRA is currently projecting an in-year variance of a £156,480 overspend, which would decrease the General Balances to £918,173 at the end of 2021/22.

4.3 There are a number of forecast year-end variations in income and expenditure against the approved budget, full details of the main variances are provided in Appendix D while the table below sets out the key variances:

	Forecast £'000
Reduced dwelling rent income for Affordable, Social Housing and Leases	317
Reduced income from Contracts	280
Increased utility and Council Tax charges	102
Reduced repairs and maintenance expenditure	(1,394)
HRS deficit forecast	811
Depreciation	715
Reduced MRR contribution	(715)
Net other variances	25
Overall forecast budget deficit	141

4.4 The financial pressures that the HRA is facing, and the HRS (set out further in section 5), is a direct result of the ongoing impacts of Covid19 and the current economic position in the UK.

- 4.5 The largest variance for HRA is the current forecast underspend on Repairs and Maintenance. This is due to the ongoing impact of Covid19 affecting the ability to carry out repairs, the current reduction in charges from HRS (detailed in section 5 below) and the lack of tradespeople to carry out the repairs required. HRA and HRS are working hard to address these issues and so this underspend may be reduced over the remainder of the year. In part this is offset by large overspend forecast by HRS due to a reduction in rechargeable works and inability to recover the overhead costs of HRS (details of which are contained within section 5.2).
- 4.6 In addition, there is forecast reduction in dwelling rental income of £317,163, this is due to increased voids, a reduction in leasing income and lost rents from RTB sales. Void properties are currently on the increase due to a lack of labour force in the HRS and as a result of the designated Voids contractor entering into administration at short notice leaving the service without a key resource to respond to growing void numbers. Void numbers have increased due to a backlog created over the last 18 months as national restrictions were imposed. This has then been compounded by a high level of tenancies ending as a result of; people now seeking to move post pandemic, an unprecedented (sadly) number of deaths in Council properties and people leaving due to other more restrictive reasons such as being detained in prison by the courts. In addition, as a result of the successful bids for the Next Steps and Rough Sleeping Accommodation Programmes, the HRA has acquired a number of units of move accommodation across the City to alleviate the pressure on temporary accommodation and negate the use of bed and breakfast facilities. Whilst this has been successful and consequently saved the general fund huge costs the pressure has fallen on HRS to bring these units up to letting standards before they can be occupied. This has added to the numbers being managed through the void process. At budget setting voids are budgeted at 1% of the current housing stock, currently voids are closer to 1.7% of the current housing stock. Should this percentage be maintained throughout the rest of the year there is a potential for a further overspend of approximately £50,000.
- 4.7 This is further compounded by a loss of income from the termination of one of our main contractors resulting in a loss of income of approximately £280,000 from the admin recharge.
- 4.8 The current outturn is a swing from Quarter 1 of £366,217, mainly due to the reduction in the rents forecast and the loss of income from contractors, as a result of this the proposed contribution to Direct Revenue Financing of £500,000, made at quarter 1 to utilise the forecast underspend, has been removed.

4.9 Contributions to/from Earmarked Reserves

Included in the forecast outturn underspend of £153,634 is the following proposed additional contribution (to)/from earmarked reserves:

Directorate	Reserve	Amount £
HRA	HRA Strategic Priorities – drawdown for extension of 3 rd AD post from 01.12.21 to 31.03.22	28,680
HRA	HRA Strategic Priorities – Hermit Street Feasibility Studies	66,000
	Total Contribution from Reserves	94,680

- 4.10 In addition to the above, there is a further proposed contribution (to)/from earmarked reserves to fund costs:

Directorate	Reserve	Amount £
HRA	HRA Invest to Save – drawdown to fund 3 1 year fixed term Housing Officers in the Tenancy Services Team from 01.01.22 to 31.03.22	26,350
	Total Contribution from Reserves	26,350

- 4.11 These costs are not currently included within the forecast outturn as the start date is still unknown, but approval is sought on the basis they could start within the in the final quarter of the year.

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

5. Housing Repairs Service

- 5.1 For 2021/22 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2 At quarter 2 HRS are forecasting a deficit of £811,418 in 2021/22 (Appendix E provides a forecast HRS Summary), with full details of the main variances provided in appendix F.
- 5.3 The main contributory factor for this deficit is the ongoing impact of Covid19. The loss of one of the main sub-contractors locally (due to administration) and the inability to recruit to the workforce (HRS currently has a 20% vacancy rate) is causing problems with repairs scheduling and void turnarounds. Repairs numbers are down, at a time of high demand, as a result lower recharges are being made to the HRA due to less work being carried out by the Council's workforce.

Although the reduction in staffing costs offsets the reduction in income recharged to the HRA, the overhead cost of the repairs service, which is ordinarily charged in addition to the service hourly rate is not being recovered due to the reduction in internal jobs, this is creating the majority of the forecast overspend. In addition, in order to try and fill the productivity gap, local sub-contractors are being utilised however, they are struggling with the same labour shortages. Any contracts awarded to help alleviate the system are now at hugely inflated prices which reflects the sector as a whole. This use of more expensive subcontractors has increased costs which at this stage are not reflected in the service hourly rate and therefore also contributes to the forecast overspend.

5.4 The forecast overspend reflects the national position in relation the construction industry. A significant number of companies are going into liquidation for many reasons. This is putting huge pressure on the those remaining in the sector, contract prices are increasing significantly reflecting increasing material and labour costs. Qualified and skilled labour is becoming increasingly hard to recruit. Locally, as evidenced in recruitment, the Council is not immune from this environment and HRS are in a difficult “trading position”.

5.5 In response to the financial and service delivery challenges that the HRA/HRS are facing the Housing Management Team have instigated a range of measures aimed at combating the areas and issues that the Council has some control or influence over;

- Engaged four local subcontractors to support the void process
- Instigated different recruitment processes; advertising in different area and using different channels, offering fixed term and variable contracts as well as extolling the benefits of working on the public sector (sick pay, pensions, holiday entitlement etc etc)
- Looked that the data we have on why properties are becoming void to effectively see if we can slow the flow into the void system down.
- Seeking to invest in tenancy sustainment officers to help new tenants, particularly those from vulnerable groups, manage and effectively maintain their tenancy.
- Undertaken detailed analysis of what is driving the void process and now can look to head off any property entering the system if at all possible.
- Using the legal process to access properties where tenants have refused access for gas and electrical testing
- Sourced new contractors to pick up issues such as fire door upgrades that were left outstanding by our previous investment contractor.
- Increased communication in the local media making tenants and the wider public aware of the operating constraints we have.
- Worked with the LTP on messaging through their channels.
- Assessed uplifting recharge rates to reflect the higher construction sector.

In addition, a cross departmental short life working group has been established which will report to CMT monthly in order to consider what short term actions can be taken to improve the position in the coming weeks and months.

Many of the actions taken above will start to have an impact on these issues in the coming weeks and months but may not be enough to reduce the forecast overspends by the end of the current financial year.

- 5.6 It should be noted that consequential costs in the HRA are also greatly reduced (as noted earlier in the report) and therefore financial picture for the directorate is not as unhealthy as the HRS position alone implies. Surpluses from HRS have been repatriated to the HRA over the last few years and as such healthy reserves remain within the HRA. These reserves were increased at the end of last financial year to allow for HRS to catch up with any back log of repairs that had built up due to Covid19 restrictions.

6. Earmarked Reserves

- 6.1 The details of all the earmarked reserves and their forecast balance as at 31st March 2022 are attached in Appendix G. In summary:

	Opening Balance	Budgeted Contribution	Actuals Q1-Q2	Forecast Q3-Q4	Forecast Balance
	01/04/21				31/03/22
	£'000	£'000	£'000	£'000	£'000
General Fund	(19,563)	11,619	487	278	(7,179)
HRA	(2,617)	57	95	26	(2,439)
Capital Resources	22,708	(11,113)	3,441	(14,554)	11,595

7. Capital Programme

7.1 General Investment Programme

- 7.2 The revised General Investment Programme for 2021/22 amounted to £17.451m following Quarter 1 report. At quarter 2 the programme has been increased by £2.947m to £20.398m, as shown below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget Quarter 1	17,451	1,160	970	683	500
Budget changes for approval	2,947	5,920	902	0	0
Revised Budget	20,398	7,080	1,872	683	500

- 7.3 Included in the budget changes for approval are Town's Funds schemes considered by the Town's Fund Board. The Town's Fund was considered by Executive in February 2021 and external schemes will be added to the general investment programme following delegated approval by the Chief Finance Officer and the Town's Fund Investment Board. Schemes that are to be delivered directly by the Council, but with funding through the Town's Fund will still require separate Executive approval of the scheme prior to inclusion in the GIP. The changes related to the Town's Fund reflected in the second quarter are:

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Schemes delivered by CoLC			
Lincoln Central Market & Vibrancy Project – Executive approved 26/07/21	1,655	5,700	966
Schemes delivered by partners			
Lincoln City FC and Foundation	300	500	0
Drill Hall	1,000	0	0
Wigford Way	29	0	0
Sincil Bank	33	0	0

Approval of the Central Market project including the use of HAZ funding as well as City Council resources, as set out in the Executive report, these funding changes have now been reflected in the GIP.

The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. The following changes were approved by the Chief Finance Officer during this quarter.

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Housing Renewal Area – resources transferred to deliver HAZ scheme	(40)	20	20
City Hall improvements	(1)	0	0
City Hall 3 rd Floor Fire works	(5)	0	0
Guildhall	(1)	0	0
Play Area Surfacing works	10	0	0
Monks Abbey External Works	2	0	0
Guildhall Access Improvements	1	0	0
Grandstand Improvements	2	0	0
Broadgate Fire Alarm	8	0	0
St Nicholas Church wall	11	0	0
Canwick Road Cemetery railings	10	0	0
Planned Maintenance	(37)	0	0
Total schemes approved by CFO	(40)	20	20

7.4 All changes over the approved limit require approval by the Executive. The following changes require Executive approval for the second quarter.

	2021/22
	£'000
St Mary's Guildhall – inclusion of a scheme to be directly delivered by the Council and funded from the Heritage Action Zone	109
Heritage Action Zone – reduction of externally delivered schemes budget as resources transferred for St Mary's Guildhall as above	(109)
High Bridge Café Roof works – transfer from planned maintenance pot for specific works	50
Planned Maintenance – transfer from corporate pot to specific scheme as above.	(50)
Boultham Park Lake – additional grant funding and use of bequest	90

In addition, there is one further new project that requires the approval of the Executive;

	2021/22
	£'000
Safer Streets - Delivery the CCTV elements of the Lincoln Safer Streets project including upgrades to existing equipment, new CCTV and the development of a 'chaperone' app. Fully funded through a grant from the Police and Crime Commissioner for Lincolnshire.	184
Total Executive approvals (inc changes above)	274

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

7.6 The overall spending on the General Investment Programme for the second quarter of 21/22 is £3.111m, which is 15% of the 2021/22 programme and 15% of the active programme. This is detailed further at Appendix J.

Although this is low percentage of expenditure at this stage of the financial year, further expenditure is expected on Disabled Facilities Grants, Boultham Park Lake, the Crematorium, HAZ Schemes, Towns Fund schemes and various capitalised maintenance schemes.

7.7 Housing Investment Programme

	2021-22 Budget following Q1 report	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing & Investment	360	320	320	0
Communities & Environment	5,972	5,767	5,767	0
Chief Executive	1,041	1,041	1,041	0
Major Developments	9,772	11,805	11,805	0
Externally Delivered Towns Fund Schemes	0	1,362	1,362	0
Total Active Schemes	17,145	20,295	20,295	0

Schemes on Hold/Contingencies	306	306	306	0
Total Capital Programme	17,451	20,601	20,601	0

- 7.8 The Housing Investment Programme for 2021/22 following the Quarter 1 report amounted to £29.047m. This has been further adjusted to £30.248m during the second quarter of 2021/22. A summary of the changes are shown below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 Report	29,047	18,563	12,918	10,802	11,328
Budget changes to be approved during Q2	1,201	396	0	0	0
Revised Budget	30,248	18,959	12,918	10,802	11,328

- 7.9 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. The following changes were approved by the Chief Finance Officer during this quarter.

Project Name	2021/22 Budget following Q1	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
	£'000	£'000	£'000	£'000
Decent Homes				
Re-roofing	50	(30)*	20	0
Door Replacement	987	(237)	750	237
New Services	51	(21)*	30	0
Lincoln Standard				
Over bath showers	26	(21)*	5	0
Other				
Environmental Works	748	(500)	248	500
Communal Electrics	137	(100)	37	100
Garages	164	(120)	44	120
CCTV	27	20*	47	0
Housing New Build				
New Build 70% match funding	889	393	1,282	(393)
New Build 141 Eligible	381	168	549	(168)
Rookery Lane	3,345	24	3,369	0
NSAP Properties	637	(46)	591	0
Total	7,442	(470)	6,972	396

*See movement to contingency reserve in table 7.10

- 7.10 All changes over the approved limit require approval by the Executive. The following changes require Executive approval for the second quarter:

Project Name	2021/22 Budget following Q1	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Decent Homes				
Bathrooms & WC's	100	(85)	15	0
Kitchen Improvements	200	(150)	50	0
Contingency Schemes				
Contingency Reserve	3,922	287*	4,209	0
Housing New Build				
New Build 70% match funding	1,282	(1,282)	0	0
New Build 141 Eligible	549	(549)	0	0
Property Acquisitions	508	1,831	2,339	
RSAP Properties	0	1,619	1,619	
Total budget movements to be approved by Executive	6,561	1,671	8,232	0

*includes movements approved by CFO in table 7.9

- 7.11 All new projects are subject to Executive approval. During the second quarter the following scheme was added to the HIP, having been considered by the Executive during the quarter;

	2021/22
	£'000
Housing Delivery Programme RSAP Properties – Approved by Executive on 26 th July 2021. Scheme is funded through external grant funding and prudential borrowing.	1,619
	1,619

- 7.12 The table below provides a summary of the 2021/22 projected outturn position:

	2021/22 Budget Following Q1 Report	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	5,378	4,834	4,834	0
Health and Safety	507	507	507	0
Contingent Major Repairs/ Works	3,922	4,210	4,210	0
New Build Programme	17,481	19,640	19,640	0
Land Acquisition Fund	95	95	95	0
Other Schemes	1,150	450	450	0
Computer Fund	513	513	513	0
Total Capital Programme	29,047	30,248	30,248	0

- 7.13 Expenditure against the HIP budget to the second quarter was £5.339m, which is 17.65% of the revised programme. A further £0.96m has been spent as at the end of October 2021. The expenditure is detailed further at Appendix L.

Although this is a lower percentage than would be expected at this stage of the financial year, works have been constrained by the ongoing issues arising during the Covid19 pandemic and the availability of contractors to carry out works to properties following the cessation of the planned maintenance contract.

8. Strategic Priorities

- 8.1 The MTFS underpins this policy and financial planning framework and set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. Vision 2025 identifies the Council's strategic priorities, setting the vision and direction for the council and the city for the next five years. The proposals in this report allow the Council to maintain a balanced budget position in 2021/22 in order that we can continue to deliver services in support of Vision 2025.

9. Resource Implications

- 9.1 The financial implications are contained throughout the report.

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

General Balances, on both the General Fund and HRA, are the only resource not ear-marked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the latest forecasts of income and expenditure and measures to be applied the level of balances in 2021/22 for the General Fund will be maintained within these ranges. However, based on the forecast overspend the HRA balance is estimated to fall slightly below the prudent level by year end. Work is currently underway to mitigate the pressures being faced to alleviate the impact on balances, the use of earmarked reserves will also be considered as part of the year end position.

Although the primary focus of this report has been to set out the financial variances being faced in the current financial year, beyond 2021/22 the Council still faces significant financial challenges. Ongoing reductions in resources and increased service costs from the legacy of impacts of Covid19 require ongoing reductions in the net cost base if the Council is to live within a significantly reduced resources

envelope. The MTFS 2021-2026 approved by Full Council in March 2021 sets out the financial challenges the Council faces.

9.2 Legal Implications including Procurement Rules

There are no legal implications arising from this report.

9.3 Equality, Diversity and Human Rights

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

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

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

Due to the nature of this report there are no direct equality, diversity or human rights implications,

10. Risk Implications

- 10.1 A full financial risk assessment is included in the Medium Financial Strategy 2021-26.

11. Recommendations

PSC are recommended to:

- 11.1 Review the financial performance for the period 1st April to 30th September 2021, and the projected outturns for 2021/22.
- 11.2 Note the underlying impact of the pressures and underspends identified in paragraphs 3.3 (and appendix B), 4.3 (and appendix D), and 5.2 (and appendix F).
- 11.3 Review the proposed contributions from earmarked reserves as set out in paragraph 3.6 and paragraph 4.9 and 4.10.
- 11.4 Review the changes made by the Executive/to be approved by the Executive to the General Investment Programme and the Housing Investment Programme as detailed in paragraphs 7.4, 7.10 and 7.11.
- 11.5 Consider any specific recommendations to be referred to Executive when considering this report.

Is this a key decision?

Yes

Do the exempt information categories apply?

No

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

No

How many appendices does the report contain?

Fourteen

List of Background Papers:

MTFS 2021-2026

Lead Officer:

Colleen Warren, Financial Services Manager
Telephone (01522) 873361

GENERAL FUND SUMMARY - AS AT 30 SEPTEMBER 2021

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	2,029	2,015	(14)
Chief Finance Officer (S. 151)	B	(470)	(525)	(55)
City Solicitor	C	1,603	1,536	(68)
Housing	D	953	926	(27)
Director of Major Developments	F	319	296	(23)
Communities and Street Scene	G	4,896	4,928	32
Health & Environmental Services	H	342	377	35
Planning	I	904	785	(119)
		10,577	10,338	(239)
Corporate Expenditure	J	2,057	2,044	(13)
TOTAL SERVICE EXPENDITURE		12,634	12,382	(253)
Capital Accounting Adjustment	K	3,311	3,311	0
Specific Grants	L	(1,320)	(1,320)	0
Contingencies	M	28	327	299
Savings Targets	N	(336)	(336)	0
Earmarked Reserves	O	(12,384)	(12,384)	0
Insurance Reserve	P	(478)	(478)	0
TOTAL EXPENDITURE		1,456	1,502	46
CONTRIBUTION FROM BALANCES		(477)	(524)	(46)
NET REQUIREMENT		978	978	0
Retained Business Rates Income	Q	5,143	5,143	0
<i>Tariff</i>	R	0	0	0
<i>Section 31 grant</i>	S	0	0	0
<i>Levy</i>	T	0	0	0
Collection Fund surplus/ (deficit)	U	(11,143)	(11,143)	0
Revenue Support Grant	V	23	23	0
Council Tax	W	6,956	6,956	0
TOTAL RESOURCES		978	978	0

General Fund Forecast Variances - Quarter 2

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

Ref		£	Reason for variance
	<u>Additional Expenditure</u>		
A	Call Monitoring	43,160	Additional telephone systems resulting from current working from home arrangements.
B	Property Management	28,395	Agency costs incurred to cover vacant post and consultancy fees for asset appraisals/schemes.
B	Benefits	28,435	Additional overtime costs for administration of Test and Trace payments (offset by additional grant).
D	Control Centre	35,134	Additional costs due to supplying digital equipment rather than analogue as a result of Covid restrictions.
G	Anti Social Behaviour	27,256	Additional temporary overtime payments
H	Development Control	25,000	Court fees incurred as a result of a planning challenge, less compensation received.
M	Pay Award	150,000	The 2021/22 assumed an in year pay freeze in line with the Government Autumn Statement that public sector pay would face a pay freeze. Although the local government pay award has not been agreed a pay increase is now currently forecasted.
M	Vacancy Savings Target	151,500	Vacancy savings target, offset by savings in service areas.
	<u>Reduced Income</u>		
B	Housing Benefits	50,000	Anticipated reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears.
B	Housing Benefits	40,816	Funding allocation shortfall, offset by additional New Burdens funding.
C	CX Work Based Learning	47,740	Reduced income through national scheme due to lower apprentice numbers during Covid19

Ref		£	Reason for variance
F	Car Parks	74,990	Anticipated loss of income following Covid lockdown and ongoing impact of local economic recovery.
G	Private Hire	28,410	Anticipated loss in income as a result of a reduced applications due to Covid and local recovery.
G	Xmas Market	40,028	Anticipated shortfall in income from stallholders and park and ride.
G	Crematorium	60,550	Reduced income as a result of ongoing refurbishment works.
G	Markets	20,654	Reduction in stall licence fee income as a result of Covid and expectation of lower occupancy levels during quarter 4 ahead of redevelopment works.
G	Community Centre	30,772	Loss of income due to closure of centres until quarter two.

Reduced Expenditure

A	Business Dev & IT Manager	(68,382)	Vacancy savings after proposed contribution towards the One Council savings target.
C	Civic	(29,495)	Underspend due to a reduction in civic activities as a result of Covid restrictions.
C	CoLC Apprentices	(87,430)	Underspend, after proposed contribution to TFS, as a result of a reduced number of Apprentices in year due to ongoing impact of Covid19.
D	Control Centre	(29,195)	Vacancy savings offset against corporate vacancy savings target.
E	DMD Director	(35,567)	Vacancy savings offset against corporate vacancy savings target.
G	Health and Safety	(39,070)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Food Health and Safety	(103,729)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Housing Regeneration	(34,405)	Vacancy savings offset against corporate vacancy savings target.

Ref		£	Reason for variance
	<u>Additional Income</u>		
B	Test & Trace Support	(133,524)	New Burdens funding to compensate for work associated with administering the Test & Trace Support Payment grants.
B	Benefits	(76,358)	Additional New Burdens funding including HBAA, VEP and Welfare Reform.
D	Housing Development & Strategy	(28,000)	Additional fee income from the purchase of RSAP and P&R properties.
F	Car Parks	(85,210)	SFC Income Compensation Scheme in excess of budget assumptions, offsets loss of income above.
G	Visitor Information Centre	(34,141)	Anticipated over-achievement of income due to increased visitors throughout summer.
H	Development Control	(123,300)	Additional income from major applications received in year, less reduction in SFC Income Compensation.

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 SEPTEMBER 2021

	Ref	Revised Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(29,433)	(28,926)	507
Charges for Services & Facilities	B	(311)	(318)	(7)
Contribn towards Expenditure	C	(50)	(20)	30
Supervision & Management Income	D	(912)	(733)	179
Repairs Account Income	D2	0	(5)	(5)
Repairs & Maintenance	E	9,574	8,180	(1,394)
Supervision & Management: Expenditure	F	7,944	7,953	9
Rents, Rates and Other Premises	G	334	436	102
Increase in Bad Debt Provisions	H	304	304	0
Insurance Claims Contingency	I	63	63	0
Contingencies	J	(46)	(46)	0
Depreciation	K	6,735	7,450	715
Debt Management Expenses	L	11	11	0
HRS Trading (Surplus) / Deficit	M	0	811	811
Net Cost of Service	M	(5,787)	(4,840)	(947)
Loan Charges Interest	O	2,650	2,650	0
Investment/Mortgage Interest	-P	(20)	(16)	4
Net Operating Inc/Exp		(3,157)	(2,206)	(951)
Major Repairs Reserve Adjustment	Q	3,042	2,327	(715)
Transfers to/from reserves	R	130	36	(94)
(Surplus)/Deficit in Year		15	156	141

Housing Revenue Account Variances - Quarter 2

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

Ref		£	Reason for variance
	<u>Reduced Expenditure</u>		
F	Supervision & Management	(226,852)	Staff vacancies across HRA.
T	Major Repairs Reserve Adjustment	(715,030)	Reduced DRF contribution following revaluation of Council's Housing Stock and subsequent increase in depreciation charge (offset below).
E	Repairs & Maintenance	(1,749,651)	Reduced expenditure on minor works, responsive repairs, voids and external decoration due to Covid19 and current impacts within HRS.
	<u>Increased Expenditure</u>		
L	HRS Trading Deficit	811,418	Estimated deficit position for HRS (refer to HRS vacancies).
G	Rent, Rates and Other Premises	101,584	Increased costs for Amenity and Footpath lighting & void Council Tax charge.
E	Repairs & Maintenance	355,563	Increase in expenditure due to HRA electrical testing, skip charges & works to improve community assets.
A	Gross Rental Income	63,201	Payment to HMRC for previous financial year understated private garage rent VAT.
F	Supervision & Management	80,000	Overspend on work on void properties in relation to property clearance.
K	Depreciation	715,030	Increase in depreciation charge within financial year post valuation of Council's Housing Stock (offset above).

Ref		£	Reason for variance
	<u>Reduced Income</u>		
A	Gross Rental Income	317,163	Reduction of rental income predominantly due to large number of voids within financial year, and reduction of houses from Housing Stock due to RTB sales & decants to De Wint Court and reduction in leasing income.
C	Contributions towards Expenditure	30,000	Court income reduction due to courts being closed due to Covid19.
D	Supervision & Management	280,000	Lower than budgeted 5% admin fee income for invoice processing – predominantly due to loss of contractor, and reduction of contracted works.
	<u>Increased Income</u>		
D	Supervision & Management	(61,900)	Additional income from RSAP, P&R properties & Garden Voids income.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 SEPTEMBER 2021

	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	3,351	2,905	(446)
Premises	55	115	61
Transport	333	333	0
Materials	1,415	949	(467)
Sub-Contractors	1,969	2,847	877
Supplies & Services	272	327	55
Central Support Charges	572	572	0
Capital Charges	0	0	0
Total Expenditure	7,967	8,047	80
Income	(7,965)	(7,236)	729
(Surplus)/Deficit	3	811	809

Housing Repairs Service Variances - Quarter 2

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

	£	Reason for Variance
<u>Reduced Expenditure</u>		
Employee Costs	(446,145)	Operative/labourer vacancies, due to current market conditions recruitment to posts has been difficult.
Supplies & Services	(466,774)	Reduction in use of direct materials due to fewer jobs being carried out.
<u>Increased Expenditure</u>		
Supplies & Services	877,122	Additional use of sub-contractors due to current vacancies and the conclusion of the Planned Maintenance contract.
<u>Reduced Income</u>		
Premises	60,732	Reduced rental income for Hamilton House due to the conclusion of Planned Maintenance contract.
Income	728,655	Reduction in income due to a reduction of jobs carried out by CoL operatives and therefore a reduction in admin overhead recharged along with a backlog of jobs due to contractor going into administration (see paragraph 5.3)

EARMARKED RESERVES – Q2 MONITORING 2021/22

GENERAL FUND	Revised Opening Budget	Budgeted Contribn	Actuals Q1-Q2	Forecast Q3-Q4	Closing Balance
Grants & Contributions	1,385	(71)	0	(103)	1,210
Carry Forwards	482	(49)	(35)	(8)	390
Active Nation Bond	180	0	0	0	180
AGP Sinking Fund	2	0	0	41	43
Air Quality Initiatives	11	6	0	0	16
Asset Improvement	0	0	0	0	0
Backdated rent review	0	0	0	0	0
Birchwood Leisure Centre	46	0	0	20	66
Boston Audit Contract	0	0	0	0	0
Business Rates Volatility	13,376	(11,666)	0	0	1,710
Christmas Decorations	14	0	0	0	14
City Hall Sinking Fund	60	0	0	0	60
Commons Parking	20	0	0	0	20
Corporate Training	60	0	0	0	60
Council Tax Hardship Fund	531	0	0	0	531
Covid-19 Recovery	1,047	0	0	0	1,047
Covid-19 Response	354	0	0	0	354
DRF Unused	341	(129)	(196)	0	16
Electric Van replacement	19	4	0	0	24
Funding for Strategic Priorities	174	(85)	0	0	89
Income Volatility Reserve	0	0	0	0	0
Invest to Save (GF)	453	15	(202)	(104)	162
IT Reserve	124	28	0	12	165
Lincoln Lottery	9	0	0	0	9
Mayoral car	27	0	0	0	27
Mercury Abatement	317	(317)	0	0	0
MSCP & Bus Station Sinking Fund	60	44	0	0	104
Organisational Development	0	0	0	0	0
Private Sector Stock Condition Survey	27	12	0	0	39
Property Searches	0	0	0	0	0
Revenues & Benefits shared service	0	0	0	0	0
Section 106 interest	32	0	0	0	32
Strategic Growth Reserve	17	0	0	0	17
Strategic Projects - revenue costs	2	0	(2)	0	0
Tank Memorial	10	0	0	0	10
Tree Risk Assessment	97	20	0	(19)	99
Vision 2025	204	568	(52)	(84)	637
WGC Planning	80	0	0	(34)	46
Yarborough Leisure Centre	0	0	0	0	0
	19,563	(11,619)	(487)	(278)	7,179

Appendix G

HRA	Revised Opening Budget	Budgeted Contribn	Actuals Q1-Q2	Forecast Q3-Q4	Closing Balance
Capital Fees Equalisation Reserve	110	0	0	0	110
De Wint Court Reserve	73	0	0	0	73
Housing Business Plan Reserve (NEW)	0	77	0	0	77
Housing Repairs Service	126	0	0	0	126
HRA DRF	0	0	0	0	0
HRA Repairs Account	1,351	0	0	0	1,351
HRA Strategic Priority Reserve	722	(57)	(95)	0	571
HRA Survey Works	54	(54)	0	0	0
Invest to Save (HRA)	133	0	0	(26)	106
Stock Retention Strategy	22	(22)	0	0	0
Strategic Growth Reserve	26	0	0	0	26
	2,617	(57)	(95)	(26)	2,439
Total Earmarked Reserves	22,180	(11,676)	(582)	(304)	9,618

CAPITAL RESOURCES – Q2 MONITORING 2021/22

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/2022
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	3,773	12,705	(16,478)	0
Capital receipts General Fund	623	7,210	(6,184)	1,649
Capital receipts HRA	1,674	500	(2,142)	32
Capital receipts 1-41	2,214	0	(702)	1,512
Major Repairs Reserve	7,763	7,450	(10,514)	4,699
HRA DRF	6,661	3,042	(6,000)	3,703
Total Capital Resources	22,708	30,907	(42,020)	11,595
As the contributions for 1:4:1 receipts depend upon levels of RTB sales, no budget is set for these receipts. Currently the HIP has schemes planned to facilitate use of all 1:4:1 receipts with no repayment required in 21/22.				

General Investment Programme – Summary of Financial Changes

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 Report	17,451	1,160	970	683	500
Budget changes at Q2	2,946	5,920	902	0	0
Revised Budget	20,397	7,080	1,872	683	500
Approved by Chief Finance Officer					
Housing Renewal Area	(40)	20	20	0	0
City Hall Improvements	(1)	0	0	0	0
City Hall 3rd Floor Fire Works	(5)	0	0	0	0
Guildhall	(1)	0	0	0	0
Play Area Surfacing Works	10	0	0	0	0
Monks Abbey Bowls Pavilions External Improvements	2	0	0	0	0
Guildhall Walkway/ Access Improvements.	1	0	0	0	0
Grandstand Terracing Improvements	2	0	0	0	0
Broadgate Fire Alarm	8	0	0	0	0
St Nicholas Church - Wall	11	0	0	0	0
Canwick Rd Cemetery Railings	9	0	0	0	0
Planned Maintenance	(36)	0	0	0	0
Lincoln Central Market & Vibrancy Project (Executive approved)	1,655	5,700	966	0	0
Lincoln City FC and Foundation	300	500	0	0	0
Drill Hall	1,000	0	0	0	0
Wigford Way	29	0	0	0	0
Sincil Bank	33	0	0	0	0
For approval by Executive					
St Mary's Guildhall	109	0	0	0	0
Heritage Action Zone	(109)	0	0	0	0
Heritage Action Zone	(205)	(300)	(84)	0	0

Appendix J

Markets	(100)	0	0	0	0
High Bridge Cafe	50	0	0	0	0
Planned Maintenance	(50)	0	0	0	0
Boultham Park Lake	90	0	0	0	0
Safer Streets	184	0	0	0	0
Total changes	2,946	5,920	902	0	0

General Investment Programme – Summary of Expenditure as at 30th September 2021

Scheme	Revised Budget following Q1 report	Budget to be approved	Actuals as at Q2	Variance	Spend
	£	£	£	£	%
ACTIVE SCHEMES					
DCE (Communities & Environment)					
Disabled Facilities Grant	1,849,085	1,849,085	193,425	(1,655,650)	10%
Artificial Grass Pitches (AGP)	88,307	88,307	0	(88,307)	0%
New Software (Crem)	2,250	2,250	0	(2,250)	0%
Crematorium	2,487,550	2,487,550	1,806,459	(681,091)	73%
Whittons Park Play Area	130,000	130,000	0	(130,000)	0%
	4,557,192	4,557,192	1,999,844	2,557,308	44%
DCE (Community Services)					
Flood alleviation scheme (Hartsholme Park)	55,415	55,415	650	(54,765)	1%
Boultham Park Masterplan	49,700	49,700	0	(49,700)	0%
Boultham Park Lake	181,893	272,306	299,355	27,049	110%
Car Park Ticket Machines	0	0	(6,200)	(6,200)	0%
Car Park Improvements (CCTV in MSCPs)	6,142	6,142	1,860	(4,282)	30%
EV Charging Points	43,982	43,982	26,389	(17,593)	60%
Traveller deterrent	30,000	30,000	0	(30,000)	0%
Safer Streets		184,126	0	(184,126)	0%
	367,132	641,671	322,054	(319,617)	50%
DCE (Planning)					
Heritage Action Zone	568,038	254,505	85,782	(168,723)	33%

Appendix J

St Mary's Guildhall	0	109,000	0	(109,000)	0%
	568,038	363,505	85,782	(277,723)	24%
DCE Total	5,492,362	5,562,368	2,407,720	(3,154,638)	42%
General Fund Housing					
Housing Renewal Area Unallocated	360,152	320,152	-	(320,152)	0%
	360,152	320,152	-	(320,152)	0%
Major Developments					
Lincoln Transport HUB	-	-	(59,202)	(59,202)	0%
Central Markets	263,383	163,383	389	(162,994)	0%
Western Growth Corridor (Phase 1 Devt)	9,339,303	9,339,303	154,015	(9,185,288)	2%
Towns Fund	169,010	169,010	441,359	272,349	161%
LAD 2 Green Homes	479,600	479,600		(479,600)	0%
Lincoln Central Market & Vibrancy Project	0	1,654,533	97,515	(1,557,018)	6%
Externally delivered Town's Fund Schemes					
Lincoln City FC and Foundation	0	300,000	-	(300,000)	0%
Drill Hall	0	1,000,000	-	(1,000,000)	0%
Wigford Way	0	29,000	-	(29,000)	0%
Sincil Bank	0	33,000	-	(33,000)	0%
	10,251,296	13,167,829	634,076	(12,533,753)	5%
Chief Executives (Corporate Policy)					
New Telephony System	24,099	24,099	-	(24,099)	0%
Infrastructure Upgrade	3,772	3,772	-	(3,772)	0%
	27,871	27,871	-	(27,871)	0%
Chief Executives (Chief Finance Officer)					
Planned Capitalised Works	273,944	187,541	-	(187,541)	0%
Allotments Asbestos Sheds	33,795	33,795	-	(33,795)	0%
City Hall Improvements	931	0	-	0	0%

Appendix J

Guildhall Works	17,630	17,630	-	(17,630)	0%
Stamp End Demolition	139,400	139,400	-	(139,400)	0%
Greyfriars Roof Improvements	4,050	4,050	-	(4,050)	0%
City Hall 3rd Floor Fire Works	5,001	0	-	0	0%
Guildhall	609	0	-	0	0%
Michaelgate Structural Works	2,283	2,283	-	(2,283)	0%
Play Area Surfacing Works	11,639	21,446	-	(21,446)	0%
Long Leys Road Drainage	10,438	10,438	7,163	(3,275)	69%
YLC Diving Boards	39,825	39,825	-	(39,825)	0%
The Terrace	0	0	(2,142)	(2,142)	0%
The Terrace Heat Mitigation Works	246,547	246,547	-	(246,547)	0%
Brayford Viewing Platform	8,246	8,246	-	(8,246)	0%
Greyfriars	174,317	174,317	65,046	(109,271)	37%
Monks Abbey Bowls Pavilions External Works	9,061	11,125	-	(11,125)	0%
Guildhall Walkway/ Access Improvements.	11,219	11,959	-	(11,959)	0%
Grandstand Terracing Improvements	12,837	15,000	-	(15,000)	0%
West Common External Rendering Improvements	4,980	4,980	-	(4,980)	0%
City Hall Lightning Protection	6,104	6,104	-	(6,104)	0%
High Bridge Cafe	0	50,000	-	(50,000)	0%
Broadgate Fire Alarm	0	7,545	-	(7,545)	0%
St Nicholas Church Wall	0	11,125	-	(11,125)	0%
Canwick Road Cemetery Railings	0	9,500	-	(9,500)	0%
	1,012,856	1,012,856	70,067	(942,789)	7%
TOTAL BUDGET FOR ACTIVE SCHEMES	17,144,537	20,091,076	3,111,293	(16,979,783)	15%
Schemes Currently Under Review					
Capital Contingencies	2,424	2,424	-	(2,424)	0%

Appendix J

IT Reserve	70,562	70,562	-	(70,562)	0%
Compulsory Purchase Orders	233,481	233,481	-	(233,481)	0%
	306,467	306,467	-	(306,467)	0%
TOTAL GENERAL INVESTMENT PROGRAMME	17,451,004	20,397,542	3,111,293	(17,286,250)	15%

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

Project Name	2021/22 MTFS Budget Following Q1 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Unallocated new build budget	1,203,265	0	1,203,265	0
New Build Programme 70% Match funding	889,208	-889,208	0	-392,595
New Build Programme (141 eligible)	381,089	-381,089	0	-168,255
New Build Capital Salaries	42,416	0	42,416	0
New Build (De Wint Court)	9,126,588	0	9,126,588	0
New Build (Searby Road)	62,497	0	62,497	0
Western Growth Corridor	1,259,766	0	1,259,766	0
New Build (QER)	26,761	0	26,761	0
Rookery Lane	3,345,420	24,000	3,369,420	0
Next Steps Accommodation Project	636,723	-45,618	591,105	0
Property Acquisitions	507,543	1,831,146	2,338,689	0
Rough Sleepers Accommodation Project		1,619,250	1,619,250	0
New Build Programme	17,481,276	2,158,481	19,639,757	-560,850
Land Acquisition				
Land Acquisition fund	94,689	0	94,689	0
Land Acquisition	94,689	0	94,689	0
Total New Build/Acquisitions	17,575,965	2,158,481	19,734,446	-560,850

Housing Investment Programme – Decent Homes– Summary of Financial Changes

Project Name	2021/22 MTFS Budget Following Q1 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from)future years
	£	£	£	£
<u>Decent Homes</u>				
Bathrooms & WC's	100,000	(85,000)	15,000	0
DH Central Heating Upgrades	2,060,491	0	2,060,491	0
Thermal Comfort Works	0	0	0	0
*Kitchen Improvements	200,000	(150,000)	50,000	0
Rewiring	50,000	0	50,000	0
*Reroofing	50,000	(30,000)	20,000	0
*Lincoln Standard Windows Replacement	295,159	0	295,159	0
Structural Defects	10,000	0	10,000	0
Door Replacement	987,162	(237,162)	750,000	237,162
*New services	51,401	(21,401)	30,000	0
Void Capitalised Works	1,500,000	0	1,500,000	0
Fire doors	47,879	0	47,879	0
Fire compartment works	0	0	0	0
Total Decent Homes	5,352,092	(523,363)	4,828,529	237,162
<u>Lincoln Standard</u>				
Over bath showers (10(year programme)	25,785	(20,785)	5,000	0
Total Lincoln Standard	25,785	(20,785)	5,000	0
<u>Health & Safety</u>				
Asbestos Removal	195,850	0	195,850	0
Asbestos Surveys	167,640	0	167,640	0

Appendix L

Replacement Door Entry Systems	93,740	0	93,740	0
Renew stair structure	10,000	0	10,000	0
Fire Alarms	40,000	0	40,000	0
Total Health & Safety	507,230	0	507,230	0
Other				
Environmental new works	748,293	(500,000)	248,293	500,000
Gunby Avenue	3,333	0	3,333	0
Communal Electrics	137,469	(100,000)	37,469	100,000
Garages	164,409	(120,000)	44,409	120,000
HRA Assets (Shops/Buildings)	60,094	0	60,094	0
CCTV	26,685	20,000	46,685	0
Communal TV Aerials	10,000	0	10,000	0
Total Other	1,150,283	(700,000)	450,283	720,000
Contingency Schemes				
Contingency Reserve	3,922,377	287,186	4,209,563	0
Total Contingency Schemes	3,922,377	287,186	4,209,563	0
Other Schemes				
Housing Support Services Computer Fund	179,602	0	179,602	0
Infrastructure Upgrade	251,633	0	251,633	0
Operation Rose	81,769	0	81,769	0
Total Other Schemes	513,004	0	513,004	0
Total Housing Investment	11,470,770	(957,162)	10,513,608	957,162

Housing Investment Programme – Summary of Expenditure as at 30th September 2021**Housing Investment**

Project Name	2021/22 Budget following Q1 report	Q2 Budget Changes	Revised Budget	Actual expenditure as at Q2	Variance	% Spend
Decent Homes						
Bathrooms & WC's	100,000	(85,000)	15,000	(4,447)	(19,447)	0%
DH Central Heating Upgrades	2,060,491	0	2,060,491	858,498	(1,201,993)	42%
Thermal Comfort Works	0	0	0	(822)	(822)	0%
Kitchen Improvements	200,000	(150,000)	50,000	(15,833)	(65,833)	0%
Rewiring	50,000	0	50,000	21,940	(28,060)	44%
Reroofing	50,000	(30,000)	20,000	(2,290)	(22,290)	0%
Lincoln Standard Windows Replacement	295,159	0	295,159	(1,846)	(297,005)	0%
Structural Defects	10,000	0	10,000	(177)	(10,177)	0%
Door Replacement	987,162	(237,162)	750,000	4,091	(745,909)	1%
New services	51,401	(21,401)	30,000	5,550	(24,450)	19%
Void Capitalised Works	1,500,000	0	1,500,000	133,175	(1,366,825)	44%
Fire Doors	47,879	0	47,879	(1,499)	(49,378)	0%
Fire Compartment Works	0	0	0	(1,915)	(1,915)	0%
Total Decent Homes	5,352,092	(523,563)	4,828,529	994,921	(3,833,607)	21%

Lincoln Standard						
Over bath showers (10(year programme)	25,785	(20,785)	5,000	(585)	(5,585)	0%
Total Lincoln Standard	25,785	(20,785)	5,000	(585)	(5,585)	0%

Appendix M

Health & Safety						
Asbestos Removal	195,850	0	195,850	31,791	(164,059)	16 %
Asbestos Surveys	167,640	0	167,640	27,861	(139,779)	17%
Replacement Door Entry Systems	93,740	0	93,740	0	(93,740)	0%
Renew stair structure	10,000	0	10,000	0	(10,000)	0%
Fire Alarms	40,000	0	40,000	33,309	(6,691)	83%
Total Health & Safety	507,230	0	507,230	92,961	(414,269)	18%

Other						
Environmental works	748,293	(500,000)	248,293	(1,917)	(250,210)	0%
Landscaping & Boundaries	0	0	0	(6,052)	(6,052)	0%
2 Gunby Avenue	3,333	0	3,333	0	(3,333)	0%
Communal Electrics	137,469	(100,000)	37,469	(795)	(38,264)	0%
Garages	164,409	(120,000)	44,409	0	(44,409)	0%
HRA Assets (Shops/Buildings)	60,094	0	60,094	0	(60,094)	0%
CCTV	26,685	20,000	46,685	0	(46,685)	0%
Communal TV Aerials	10,000	0	10,000	0	(10,000)	0%
Total Other	1,150,283	(700,000)	450,283	(8,764)	(459,047)	0%

Contingency Schemes						
Contingency Reserve	3,922,377	287,186	4,209,563	0	(4,209,563)	0.00%
Total Contingency Schemes	3,922,377	287,186	4,209,563	0	(4,209,563)	0.00%

Other Schemes						
Housing Support Services Computer Fund	179,602	0	179,602	0	(179,602)	0%
Operation ROSE	81,769	0	81,769	22,520	(59,249)	28%

Appendix M

IT Infrastructure Upgrade	251,633	0	251,633	0	(251,633)	0%
Other Schemes	513,004	0	513,004	22,520	(490,484)	4%

Total Housing Investment	11,470,770	(957,162)	10,513,608	1,101,052	(9,412,556)
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Housing Strategy

New Build Programme						
Unallocated New Build	1,203,265		1,203,265	0	(1,203,265)	0%
New Build Programme	1,401,971	(1,270,296)	131,675	0	(131,675)	0%
Purchase and repair	507,543	1,831,146	2,338,689	826,916	(1,511,773)	35%
Rookery Lane	3,345,420	24,000	3,369,420	312,969	(3,056,451)	9%
Western Growth Corridor	1,259,766		1,259,766	0	(1,259,766)	0%
NSAP Properties	636,723	(45,618)	591,105	591,105	0	100%
De Wint Court	9,126,588		9,126,588	2,664,479	(6,462,109)	29%
RSAP Properties	0	1,619,250	1,619,250	124	(1,619,126)	1%
Total New Build Programme	17,481,276	2,158,482	19,639,758	4,395,593	(15,244,165)	22%

Land Acquisition						
Land Acquisition Fund	94,689	0	94,689	0	(94,689)	0.00%
Total Land Acquisition	94,689	0	94,689	0	(94,689)	0.00%

Total Housing Strategy	17,575,965	2,158,482	19,734,447	4,395,593	(15,338,834)
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Total Housing Investment & Strategy	29,046,735	1,201,320	30,248,055	5,496,646	(24,751,409)	18%
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TFS Phase7 programme: progress at Q2 - 2021/2022

Service	Summary of project	Dir.	Total savings in 2021/22 £000's	GF savings in 2021/22 £000's	HRA savings in 2021/22 £000's	Comments
ACTIONS COMPLETED AS OF END Q1 2021/22						
Major Developments	Carry forward of new burdens funding	DMD	35	35	0	Complete for 21/22 – future business case required
Revenues & Benefits Shared Service	Deletion of vacant hours/post	CX	35	35	0	Complete
Sports, Leisure & City Services	Review of Recreational Services	DCE	21	21	0	Executive 17.03.21
Development Control	Review of Development Control	DCE	32	32	0	Executive 17.03.21
Development Control	Reinstatement	DCE	(36)	(36)	0	Complete
Business Development & IT	Review of Systems & Info Team	CX	27	26	1	Executive 17.03.21
Council-Wise	Mutually Agreed Resignation Scheme	ALL	254	194	59	Executive 22.02.21
Property Services	Transfer of HRA shops to General Fund	CX	117	117	0	Executive 17.03.21
Corporate	Review of funding support to The Network	CORP	4	4	0	Complete
Facilities Management	Deletion of vacant post	CX	10	10	0	Complete
Community Services	Review or public conveniences	DCE	38	38	0	Executive 24.06.21
Parking Services	Deletion of vacant posts	DCE	39	39	0	Complete
TOTAL			576	515	60	

PEFORMANCE SCRUTINY COMMITTEE**18 NOVEMBER 2021**

SUBJECT: WORK PROGRAMME FOR 2021/22

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: CLARE STAIT, DEMOCRATIC SERVICES OFFICER

1. Purpose of Report

- 1.1 To present members with the Performance Scrutiny Committee work programme for 2021/22 (Appendix A).

2. Background

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

3. Recommendation

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

Key Decision

No

Do the Exempt Information Categories Apply

No

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

No

Does the report contain Appendices?

Yes

If Yes, how many Appendices?

1

Lead Officer:

Clare Stait, Democratic Services Officer
Telephone 873239

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22 June 2021

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Financial Performance (Detailed): Outturn 2020/21 Quarter 4	Jaclyn Gibson/ Colleen Warren	Quarterly Report Professional High Performing Services
Treasury Management Stewardship and Actual Prudential Indicators Report 2020/21 (Outturn)	Jaclyn Gibson/Colleen Warren	Six Monthly Report Professional High Performing Services
Performance Monitoring Outturn 2020/21 Quarter 3&4	Pat Jukes	Quarterly Report-Professional High Performing Services
2021/22 performance targets	Pat Jukes	
Strategic Risk Register – Quarterly Report Q3&4	Jaclyn Gibson/Colleen Warren	Quarterly Report Professional High Performing Services
Section 106 Contributions Update	Nicola Collins	Annual Report Lets Drive Economic Growth
Homelessness Act 2018 (deferred to a later date)	Alison Timmins	Annual Report

8 July 2021 (postponed)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2021-22 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Our People and Resources	Portfolio Holder	Annual Session Professional High Performing Services
Monitoring Item(s)		
Central Lincolnshire Local Plan Annual Report 2020/21 including Financial Update	Toby Forbes-Turner	Annual Report Lets Drive Economic Growth

15 July 2021 (Monitoring Overview) – meeting moved from 26 May

Item(s)	Responsible Person(s)	Vision 2020 Strategic Priority/ Comments
Standard Items		
Portfolio Under Scrutiny Session – Customer Experience and Review (From Previous Year)	Portfolio Holder	Annual Session Vision 2020 (Mixed)
Portfolio Under Scrutiny Session – Remarkable Place(From Previous Year)	Portfolio Holder	Annual Session Lets Enhance our Remarkable Place
Central Lincolnshire Local Plan Annual Report 2020/21 including Financial Update	Toby Forbes-Turner	Annual Report Lets Drive Economic Growth

10 August

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Portfolio Under Scrutiny Session – Our People and Resources	Portfolio Holder	Annual Session Professional High Performing Services

19 August 2021 (Monitoring Overview)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Confirmation of Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2021-22 - Update	Democratic Services	Regular Report
Monitoring Items		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 1	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 1	Pat Jukes	Quarterly Report Professional High Performing Services
Quarterly Strategic Risk Register Report-Quarter1	Jaclyn Gibson	Quarterly Report Professional High Performing Services
Income/Arrears Monitoring report	Martin Walmsley	Annual Report Professional High Performing Services

30 September (Thematic Reviews)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2021-22 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Economic Growth	Portfolio Holder	Annual Session Lets Drive Economic Growth
Other Item(s)		
Pre-Christmas Market 2021 verbal event report	Simon Colburn	Requested Lets Drive Economic Growth
Climate Change	Kate Bell	Annual Report
Investment Portfolio (Section B)	Jaclyn Gibson	Requested
CCTV Update (Section B)	Caroline Bird	

18 November 2021 (Monitoring Overview)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2021-22 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Reducing Inequality	Portfolio Holder	Annual Session Reducing Inequality
Monitoring Items		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 2	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 2	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 2	Jaclyn Gibson	Quarterly Report Professional High Performing Services Services
Treasury Management and Prudential Code Update Report – Half Yearly Report	Colleen Warren	Half Yearly Report Professional High Performing Services
Other Items:		
Budget Theme Group – Nominees	Jaclyn Gibson	Annual Appointment Professional High Performing Services

9 December 2021

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2021-22 - Update	Democratic Services	Regular Report
Creating Value Processes	Simon Walters	Requested Report

20 January 2022

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Work Programme for 2021-22 - Update	Democratic Services	Regular Report
Portfolio Under Scrutiny Session – Quality Housing	Portfolio Holder	Annual Session Lets Deliver Quality Housing
Monitoring Item(s)		
Fire Safety Update	Andrew McNeil/Matt Hillman	Annual Report
Lincoln's GEO – Sense Footfall Data	Graham Rose	Requested Report

17 February 2022 (Monitoring Overview)

Item(s)	Responsible Person(s)	Strategic Priority/ Comments
Standard Items		
Housing Scrutiny Sub-Committee Minutes	Democratic Services	Regular Report Lets Deliver Quality Housing
Draft Work Programme for 2022-23	Democratic Services	Regular Report
Monitoring Items		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 3	Pat Jukes	Quarterly Report Professional High Performing Services
Strategic Risk Register – Quarterly Report Quarter 3	Colleen Warren	Quarterly Report Professional High Performing Services
Feedback from Budget Review Group	Colleen Warren	Annual Report Professional High Performing Services
Christmas Market 2021 Outturn Report	Simon Colburn	Annual Report Lets Drive Economic Growth
Section 106 Contributions Update	Nicola Collins	Annual Report Lets Drive Economic Growth
Scrutiny Annual Report	Democratic Services	Annual Report Professional High Performing Services

Portfolio Under Scrutiny Sessions

Date	Portfolio
15 July 2021	Customer Experience and Review (Previous Year) Remarkable Place (Previous Year)
10 Aug 2021	Our People and Resources
30 September 2021	Economic Growth
18 November 2021	Reducing Inequality
20 January 2022	Quality Housing

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SUBJECT: BUDGET REVIEW PROCESS 2021/22

DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present to Members the process for the scrutiny of the proposed budget and Council Tax for the 2022/23 financial year and the Medium Term Financial Strategy 2022-2027.

2. Background

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

3. Proposed Process for 2022/23

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

responding to these.

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

- 3.2 Secondly, a more traditional scrutiny process will be undertaken to review in more detail the MTFS and the robustness of the proposed budget options and Council Tax for the 2022/23 financial year. This will be undertaken in a committee format as the Budget Review Group with the appropriate governance arrangements in place.
- 3.3 The main objective of the Group will be to examine the principles and planning process that underlie the proposed budget and Council Tax to be recommended by the Executive for the 2022/23 financial year. In general the Group's aim will be to establish that at each stage the budget;
 - is clear, focused, achievable, realistic and based on sound financial practices;
 - has clear linkages with corporate and other plans that form the Policy Framework to establish that they are identifiable and designed to improve services in the Council's strategic priority areas
- 3.4 It is proposed that the following governance arrangements shall be in place for the Group;
 - The Group will be made up of 9 non-Executive Members with a 6:3 proportionality share
 - The Group will be a sub group of the Performance Scrutiny Committee, although Members do not have to be Members of this committee.
 - The chair of the Group will be the Chair of the Performance Scrutiny Committee
 - The Group will be the main mechanism by which the Executive will formally consult scrutiny on the consideration of their budget proposals.
 - The meetings will be held in public and will be administered by Democratic Services.
 - Specific Portfolio Holders and Directors (or Assistant Directors) will be invited to attend the meetings of the group or be requested to provide written responses if so required.
 - Advice will be provided to the Group members by officers from the Council's Financial Services Team.
 - The Chair of the Group shall be required to provide a report to the next full

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

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

3.6 The following timetable is proposed for the process for 2022/23.

Executive – Approve draft budget proposals for 2022/23 and Medium Term Financial Strategy	17 th January 2022
All Member Briefing <ul style="list-style-type: none"> • Current financial climate • Latest developments in local government finance • Impact on the Council and the Council's strategy for responding 	19 th January 2022
Budget Review Group – presentation of the MTFS 2022-2027 and the proposed budget and Council Tax for 2022/23.	2 nd February 2022
Performance Scrutiny Committee – Consider response from Budget Review Group and refer to the Executive	17 th February 2022
Executive – Consider response from the Performance Scrutiny Committee and approve for referral to Council the final budget proposals for 2022/23 and Medium Term Financial Strategy	21 st February 2022
Council – Approval of budget proposals and Council Tax for 2022/23 and Medium Term Financial Strategy	1 st March 2022

4. Strategic Priorities

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

5. Organisational Impacts

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

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

6. Risk Implications

6.1 There are no specific risks associated with this report.

7. Recommendation

7.1 Members are asked to:

- a) Note the objectives and confirm the governance arrangements of the Budget Review Group for 2022/23 as set out in paragraphs 3.3 – 3.4
- b) Note the timetable for the Group as set out in paragraph 3.6
- c) Delegate responsibility for nominations to membership of the Group to the leaders of the respective political groups, including the Vice Chair to be recommended by the larger political group.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? None

List of Background Papers: None

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

SUBJECT: STRATEGIC RISK REGISTER – QUARTERLY REVIEW

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To provide the Members with a status report of the revised Strategic Risk Register as at the end of the second quarter 2021/22.

2. Background

- 2.1 An update of the Strategic Risk Register was developed under the risk management approach of 'risk appetite', was last presented Members in August 2021 and contained thirteen strategic risks.
- 2.2 Since reporting to Members in August, the Strategic Risk Register has been refreshed and updated by the Corporate Leadership Team. The Strategic Risk Register reflects the significant change in circumstances in which the Council has been operating since the onset of Covid19 and the different challenges and opportunities it now faces. This review has identified that there have been some positive movements in the register.
- 2.3 The updated Register is contained with Part B of this agenda, it contains thirteen strategic risks which are listed below, along with details of relevant mitigations.

3. Strategic Risks

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

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

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

- Risk No 6. Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020/2025 and the transformational journey to one Council approach – As from September the Council's New Ways of Working has commenced with officers adopting new workstyles, at the heart of this remains the focus on the customers needs. This has been supported by a new 'how to guide' along with FAQ's and support to managers. The Council's the intranet was also launched in September prompting the key values and Lincoln Charter.
- Risk No 8. Decline in the economic prosperity of the City Centre – the business case for Council's Central Market redevelopment scheme has been approved by the Towns Fund Investment Board for grant funding, the scheme will now progress to implementation, this represents a significant investment in the City Centre. In addition, the Towns Fund Board have approved a number of other schemes to be delivered by partner organisations. The Council has also been successful in securing Welcome Back funding which will be utilised during quarter 3 and 4.
- Risk No 10. Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money – the Council continues to implement a range of measures including working alongside contractors to manage price risk, splitting contracts into smaller lot sizes, seeking bonds/guarantees etc In addition regular communication on the Council's website is undertaken to inform customers of potential delays e.g housing repairs.

- Risk No 11. Failure to put in place safe working practices and social distancing measures to protect officers and service users – all Council buildings have now reopened with appropriate measures in place; all services have remobilised with appropriate measures in place however in some instances different delivery models, in comparison to pre-pandemic methods, are now in place; and all staff have now returned to working in Council offices/buildings and have adapted their workstyles as part of the Council's One Council ways of working.
- Risk No 12. Failure to protect the vulnerable in relation to the Council's PREVENT and safeguarding duties – a recent Section 11 audit was undertaken which concluded in a positive result and report from LSCP.

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

- Risk 11 has been decreased from Amber: Hardly Ever/Major to Green Hardly Ever/Minor – as this now a green risk it will be monitored for 6 months and then removed from the SRR
- Risk 12 has decreased from Red: Probable/Critical to Amber: Possible/Critical.

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

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

Control actions continue to be implemented and risks managed accordingly.

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

4. Strategic Priorities

4.1 Sound risk management is one way in which the Council ensures that it discharges its functions in accordance with its expressed priorities, as set out in the Vision 2025, and that it does so in accordance with statutory requirements and within a balanced and sustainable budget and MTFS.

5. Organisational Impacts

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

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

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

5.3 Equality, Diversity and Human Rights

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

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

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

Due to the nature of the report, no specific Equality Impact Analysis is required.

6. Risk Implications

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

7. Recommendation

- 7.1 Members are asked to note and comment on the Council's strategic risks as at the end quarter 2 2021/22.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer:

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

1. Purpose of Report

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

2. Recommendation

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

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