

PERFORMANCE SCRUTINY COMMITTEE

Thursday, 16 June 2022

6.00 pm

Committee Rooms 1-2,
City Hall

Membership:	Councillors Gary Hewson (Chair), Pat Vaughan (Vice-Chair) David Clarkson, Thomas Dyer, Gary Hewson (Chair), Rebecca Longbottom, Adrianna McNulty, Lucinda Preston, Clare Smalley, Pat Vaughan (Vice-Chair) and Loraine Woolley
Substitute members:	Councillors Liz Bushell, Martin Christopher and Joshua Wells
Officers attending:	Democratic Services, Jaclyn Gibson (Chief Finance Officer), Sarah Hardy, Rob Marshall (Business Intelligence Analyst), Graham Rose, Simon Walters (Strategic Director of Communities and Environment) and Colleen Warren

AGENDA

SECTION A	Pages
1. Confirmation of Minutes - 3 March 2022	3 - 10
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. Lincoln's GEO-Sense Footfall Data	11 - 28
4. Operational Performance Report Q4 2021/22	29 - 72
5. Treasury Management Stewardship and Actual Prudential Indicators Report 2021/22 (Outturn)	73 - 96
6. Financial Performance - Outturn 2021/22	97 - 138
7. Work Programme Update 2022/2023	139 - 150
8. Strategic Risk Register - Quarterly Review	151 - 154
9. Exclusion of Press and Public	155 - 156

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

10. Strategic Risk Register - Quarterly Review

157 - 176
[Exempt Paras 3]

Present: Councillor Pat Vaughan (*in the Chair*),
Councillor Alan Briggs, Councillor Thomas Dyer,
Councillor Rebecca Longbottom, Councillor
Laura McWilliams, Councillor Donald Nannestad,
Councillor Lucinda Preston, Councillor Christopher Reid
and Councillor Loraine Woolley

Apologies for Absence: Councillor David Clarkson and Councillor Helena Mair

66. Declarations of Interest

No declarations of interest were received.

67. Portfolio Holder under Scrutiny - Quality Housing

Councillor Donald Nannestad, Portfolio Holder for Quality Housing:

a) presented a report to Performance Scrutiny Committee covering the following main points:

- Homelessness
- Tenancy Services
- Housing Repairs
- Voids
- Housing Investment
- New Build/Allocations
- Decarbonisation
- Private Sector Housing
- Health

b) invited members' questions and comments.

Question: Members asked how many people were currently in temporary accommodation and how many of these were not within Lincoln.

Response: There were currently 66 households in temporary accommodation, and none were outside the city. Other authorities were using properties in Lincoln which reduced the amount available to us.

Question: Members asked what effort was being made to get money back from void properties.

Response: If it was possible to recharge then we did but this was not always possible.

Question: Members asked whether the target value could be put on the targets, so they knew where we needed to get to.

Response: This was being added for Q1.

Question: Members asked what the main issue was with Housing nationally.

Response: The main issue was down to how many trades people could enter a property at the same time.

Question: Members asked if there was a delay in offering houses due to energy efficiency works taking place.

Response: There was no delay.

Question: Members asked for some buy-back data.

Response: We purchased 8 properties and were in the process of buying another 4 which should be completed by the end of March. We were up to date with spending our receipts so no money would be lost.

Question: Members asked for the presentation again next year as they found it really useful and wanted to know when the data was gathered.

Response: The deprivation data was the most up to date and was from 2019.

Question: Members asked for a breakdown by ward for where the buy backs were and what type/size of properties these were.

Response: This information would be forwarded onto the committee.

Question: Members asked what impact the new fleet provision would have on the reduction of Co2 emissions and what we were hoping from this.

Response: We would benefit from a more efficient fleet as the vehicles were newer. Driver styles were looked at and work took place with operatives to see if there was further scope for improvement or any training needed. If scheduled repairs were working efficiently then this could help improve production and reduce journeys around the city which would then reduce carbon emissions.

Question: Members asked if anything could be done with empty properties that had been empty for a long time.

Response: A lot of the problems were down to executors and wills which made it difficult as we needed to be sensitive given the circumstances. Sometimes owners move out but want to keep their homes.

Question: Members asked how many children were in temporary accommodation and how long it took to help those families with children. Also did we measure how many were classed as disabled.

Response: Peoples needs were addressed before temporary accommodation was offered as we tried to house them as best we could. The allocation model had changed and there were a number of facilities that we no longer used as we felt they were not suitable. There were 52 children in temporary accommodation (not B&B's). There were laws that we must follow that specify the amount of time people should be in temporary accommodation for.

Question: Members commented that Lincoln had the highest suicide rate in the country and asked how we signpost people that may need help and whether we did anything as an authority.

Response: There had been a lot of work carried out to try and find out why Lincoln had a high suicide rate but it hadn't been possible to find out why. This was part of the councils' corporate plan and staff have had suicide awareness training along with knowledge of where to signpost people when needed.

Question: Members asked whether suicides in the prison counted in our figures.

Response: No these were not part of our figures.

Question: Members asked how many void garages we had in the city and how much revenue was lost from these (broken down into wards).

Response: This information was to be forwarded onto the committee.

RESOLVED that:

1. Information regarding locations of buy-back by ward to be forwarded to the committee along with the type/size of the property.
2. Information on how many void garages we had (by ward) to be forwarded to the committee.
3. The report be noted.

68. Interim Christmas Market Outturn Report 2021

Simon Colburn, Assistant Director (Health and Environment):

- a) presented Performance Scrutiny Committee with the financial performance of the 2021 Lincoln Christmas Market
- b) highlighted that the 2021 Lincoln Christmas Market that was held from the 2nd to the 5th of December 2021 was visited by around 270,000 over the 4-day period
- c) explained that there was not an estimate of the economic impact of the 2021 market yet but according to the economic assessment and visitor surveys previously carried out by the University of Lincoln on our behalf:
 - total visitors spend from the event had been estimated in the region of £13m with the direct estimated economic value to the city of £2.5m
 - 42% of the audience were from the local area, compared to 58% being visitors
 - It was roughly an equal split between those that have attended the market before and those attending for the first time
 - Average visitors spend at the market was around £55 – normally split fairly equally between spend in the market and spend elsewhere in the locale
 - The market attracted visitors across a wide range of ages and income levels.
- d) invited members comments and questions.

Question: Members asked whether the impact from the market on car parking revenue was monitored.

Response: Currently we don't have two years of continuous data due to Covid so there was nothing to benchmark. This would be looked at for future.

Question: Members asked what feedback had been given from residents as members had less complaints than they normally did.

Response: A residents briefing took place in August before the market took place which turned out to be a busy event. This briefing seemed to iron out some queries/complaints that may have arisen after the market had taken place. There are some residents that complain every year and we try our best to improve this every year.

Question: Members commented that the price of items was a lot higher than previous years and asked whether this is monitored by us.

Response: We don't set a price limit or any guidelines as the stallholders decide what they charge. There were comments made that items were priced higher than before.

Question: Members asked whether there was a loss in income due to the rain at the park and ride site and what was being put in place this year to avoid a similar incident.

Response: This did cause a loss in income as the park and ride shut at around 11am. Some tickets had to be refunded and we used a company to help motorists out of the mud which cost around £200. The costs were minimal. As the contracts were procured for this year, a specialist parking company will be used.

Question: Members asked whether there could be signs outside car parks when the next market was on to notify motorists that there were no spaces, especially in the central car park.

Response: More work needed to take place around parking, but staff would be put on place to monitor car parks. The Park and Ride is always pushed for as this helped pay for the infrastructure of the market. There were only two streams of income for the market, and these were the park and ride and stallholders.

Question: Members asked for data regarding how many people were impacted by the train issues.

Response: It was too early to say as data wasn't available as of yet. We got a lot of visitors from the Northwest and Yorkshire etc. Data could not be sought from LNER as they only tell us how many extra carriages they put on for the market.

Question: Members asked if the Council was open to sponsorship for the market.

Response: Sponsorship was constantly looked for and a consultant was to be procured to look at sponsorship options. Any sponsorship deals found would be brought before members.

Comment: Members commented that an excellent job had been done with regards to pathways and matting around the Lawn. Members didn't hear any complaints regarding the one-way system this year.

Comment: Residents didn't notice that there were less stalls, but they did notice that they were more spread out, which they liked, as you could see the stalls instead of being overcrowded.

Question: Members asked how much it cost to have the Police and Fire Brigade at the market.

Response: It cost £5500 for the Fire Brigade, Police was £30,270 and Ambulance was £5000.

RESOLVED that the report be noted.

69. Section 106 and CIL Contributions Update

Nicola Collins, Heritage and Planning Enforcement Team Leader:

- a) presented Performance Scrutiny Committee with an annual update on Section 106 Agreements and Community Infrastructure Levy (CIL) that had been collected in the last 12 months to December 2021
- b) highlighted that a report was last brought before the committee in June 2021 outlining the Section 106 Agreement amounts for the year up to December 2020
- c) explained that the table in paragraph 4.2 of the report illustrated Section 106 contributions and CIL secured for 2021 up to and including December as a result of new planning applications submitted during that period
- d) explained that the table in paragraph 4.6 of the report illustrated the Section 106 and CIL contributions received during the period from development that had already commenced and met the trigger for payment
- e) invited members' comments and questions.

Question: Members asked whether paragraph 4.3 related to money that had not yet been collected.

Response: The officer confirmed that the money had not yet been collected.

Question: Members asked why money from Riseholme Road was used at Boultham Park as they were not close to each other.

Response: Money always tries to get awarded within the allocated areas but there wasn't always a green project taking place. As Boultham Park was used by all people no matter where they lived in Lincoln it was agreed that this money would be re-allocated.

Question: Members asked whether Section 106 monies that had been collected had been spent.

Response: Historic spends were spent. The Section 106 group make sure that money is spent within the allocated time frames and make sure the spend threshold was not breached.

Question: Members asked whether there would be a Section 106 element for the Western Growth Corridor.

Response: All the development obligations would come through as reserve matters.

Question: Members asked whether Section 106 could be used towards parking at Hartsholme Park.

Response: Funding from Section 106 monies for parking would be difficult as the money had to be for local green infrastructure. There was an aspiration for a project at Hartsholme Park, but this had not been started as yet.

Question: Members asked whether the money allocated to Whitton's Park was nearly lost as it took a long time to come to fruition.

Response: The project was not close to the expenditure date. A number of sites were being evaluated for the funding which took time and in the end, Whitton's Park was selected.

Question: Members asked whether there was limitation of what the money allocated to Boutham Park Medical Practice could be spent on.

Response: There were restrictions, and it must be spent on capital expenditure which was normally the expansion of the practice. Money was kept by us until it is asked for and they must provide evidence that the money would be used correctly before it was released.

RESOLVED that the report be noted.

70. Lincoln City Profile 2021/22

Pat Jukes, Business Manager – Corporate Policy:

- a) presented the updated Lincoln City Profile for 2021/22 to Performance Scrutiny Committee
- b) invited members comments and questions.

Question: Members asked how this document was advertised and whether it could be made easily available.

Response: The Lincoln City Profile was put on our website and could also be sent out as a link on the Councillors Briefing.

RESOLVED that the report be noted.

71. Targets for 2022/23

Robert Marshall, Business Intelligence Analyst - Corporate Policy:

- a) presented Performance Scrutiny Committee on proposed performance targets for 2022/23
- b) explained that Appendix A detailed the measures chosen to have targets monitored. The targets were developed by the Assistant Directors in consultation with their Service Managers and then confirmed by Directors and Portfolio Holders
- c) invited members' comments and questions.

Question: Members asked whether there was a long-term intention to get the target for voids back to pre-covid levels.

Response: Going forward the pre-covid voids target would be worked towards. As a Council we were performing better compared to other authorities.

Question: Members asked how data was being collected for the new measure added for Customer Services.

Response: An automatic text system was being used for customer feedback rather than the Customer Services Team phoning customers as in previous years.

RESOLVED that the report be noted.

72. Work Programme for 2022/23

Clare Stait, Democratic Services Officer:

- a) presented the draft work programme for 2022/23 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 2022/23.

RESOLVED that the work programme 2022/23 be noted.

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SUBJECT:	LINCOLN'S GEO-SENSE FOOTFALL DATA
DIRECTORATE:	DIRECTORATE FOR COMMUNITIES AND ENVIRONMENT
REPORT AUTHOR:	GRAHAM ROSE – STRATEGIC SENIOR POLICY OFFICER

1. Purpose of Report

1.1 To provide members of Performance Scrutiny Committee with an insight into the Geo-Sense footfall data available to City of Lincoln Council and partners. This follows a request by Performance Scrutiny Committee members for an insight into the data in late 2021.

2. Background

2.1 Previously City of Lincoln Council monitored footfall in Lincoln City Centre using data from CCTV cameras.

2.2 Due to the CCTV cameras only having the functionality to detect movement rather than unique visits, visitors were regularly counted multiple times, resulting in inaccurate data being provided. It is important to note that the CCTV cameras were never installed to capture footfall data.

2.3 Following City of Lincoln Council securing Reopening the High Street Safely funding in 2020, the council was able to procure a specialist company to install four footfall GEO-Sense footfall counters in Lincoln City Centre. The technology utilised by the GEO-Sense counters ensures individuals cannot be counted multiple times during their visit, providing significantly more reliable data.

2.4 During early 2021, funding secured through the Heritage Action Zone project allowed for three additional footfall counters to be installed in Lincoln City Centre further improving coverage. This increased the total number of counters installed in the city centre to seven.

3. How the sensors work and the data available

3.1 The presentation provided at Appendix A gives an insight into the technology behind the GEO-Sense footfall sensors, the data provided by the sensors and how the data is being used by the City of Lincoln Council and our partners.

4. Strategic Priorities

4.1 Let's drive inclusive economic growth

The data provided by the GEO-Sense footfall counters provides a clear and accurate view of footfall levels in Lincoln City Centre. This data has been key in monitoring the recovery of the city centre following the impacts of the pandemic. Looking ahead the data will assist the council to accurately monitor the ongoing recovery and future growth of the city centre, together with provide a platform to accurately monitor the success of city centre events.

5. Organisational Impacts

5.1 **Finance** – There are no financial impacts as a result of this report.

5.2 **Legal Implications including Procurement Rules** - There are no legal implications as a result of this report.

5.3 Equality, Diversity and Human Rights

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

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

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

6. Risk Implications

6.1 (i) **Options Explored** – N/A

6.2 (ii) **Key risks associated with the preferred approach** – N/A

7. Recommendation

7.1 Performance Scrutiny Committee members are asked to note the contents of this report and the associated presentation provided at Appendix A.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? One

List of Background Papers: None

Lead Officer: Graham Rose, Strategic Senior Policy Officer
Telephone (01522) 873658
Email address: graham.rose@lincoln.gov.uk

Lincoln's GEO-Sense footfall data

Performance Scrutiny Committee – 16th June 2022



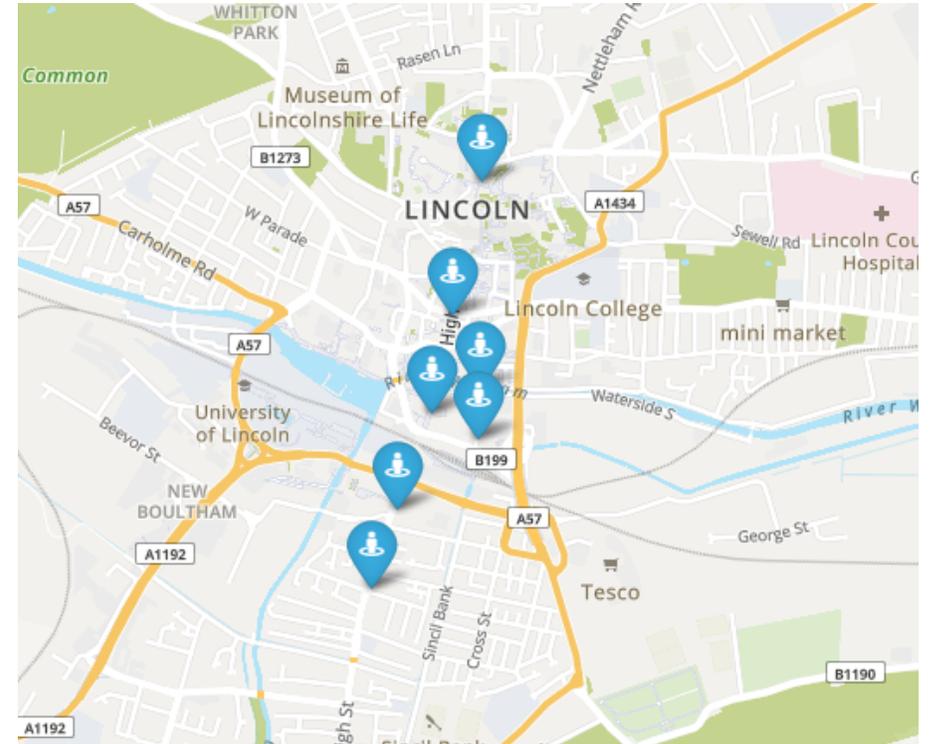
Background

- Footfall data previously collected by CCTV cameras
- Data not fully accurate as same visitor could be counted multiple times (data collection based on movement) – Important to note the CCTV cameras were never installed to capture footfall data.
- City Council and partners required accurate footfall data to monitor footfall recovery in the city centre during each stage of lockdown / recovery
- Following a procurement exercise undertaken by the City Council and Lincoln Business Improvement Group, Proximity Futures was selected to provide the sensors / data
- Initially four sensors were installed in Lincoln City Centre during November 2020. The installation of these four sensors was funded using the Reopening the High Street Safely fund.
- A further three sensors were install in early 2021 as part of the Heritage Action Zone (HAZ) project.
- As planned, City of Lincoln Council transferred the contract and the ownership of the sensors to Lincoln Business Improvement Group in April 2022 – COLC continues to have access to and use the data.

Locations of sensors

Sensors have been installed in the following locations -

- Castle Square
- High Street (junction of Corporation Street)
- High Street (outside Boots)
- City Square
- Sincil Street
- High Street (outside Magistrate Court)
- High Street (near Sibthorpe Street)
- Lincoln BIG is also looking to install an additional sensor on Brayford to help monitor waterfront events



How the sensors work

- Sensors detect MAC addresses from a visitor's personal device (each personal device has a unique MAC address). These addresses are instantly replaced with an alternative unique number
- Approach ensures a visitor cannot be recorded more than once by the sensors (eliminates double counting)
- Provides very accurate data compared to other data collection methods such as beam / camera sensors and manual counts
- Main focus of the sensors is to monitor shoppers / those likely to be spending in the city centre - Will only detect those carrying a mobile device



Note

- It is impossible for City of Lincoln Council / Proximity Futures to identify an individual using the data collected
- All data collection is in line with GDPR and data protection requirements and has been fully approved by the Information Commissioners Office.
- Technology is being used by a number of other local authorities to accurately monitor footfall recovery.



Data provided

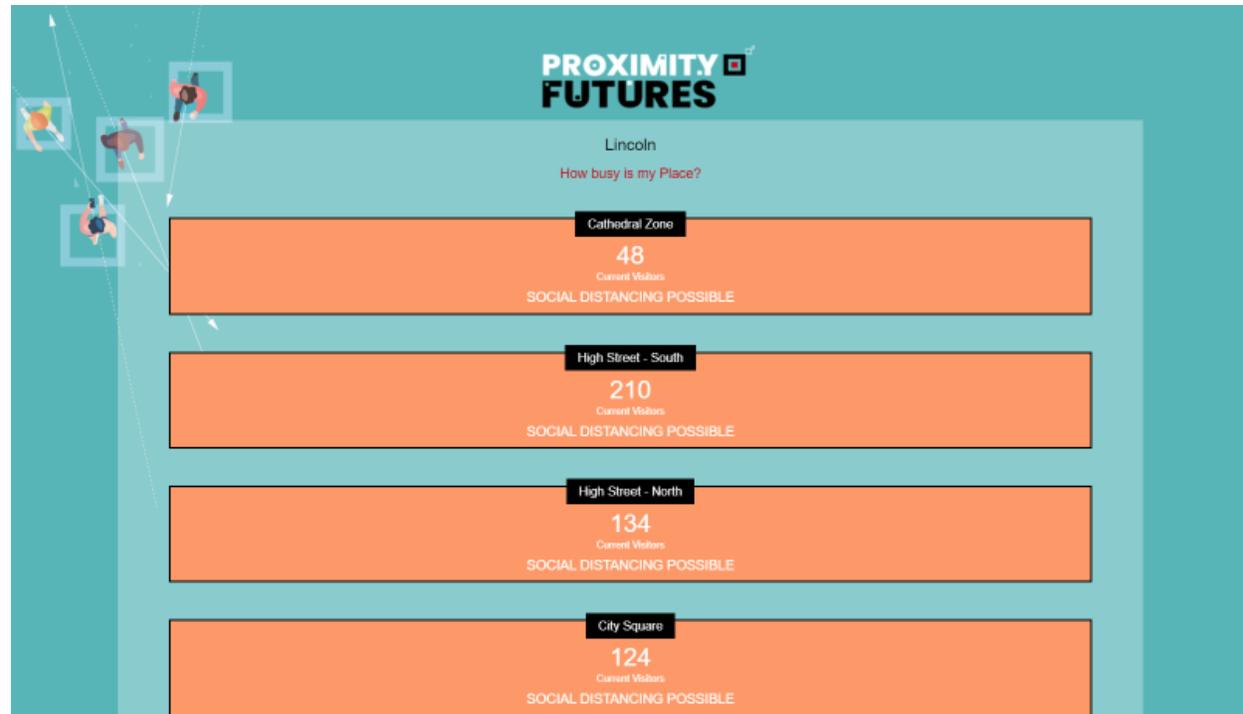
- Live footfall data per sensor
- Visitors per day, month, week, year
- Busiest time of day data
- Total visitors for selected period (fully customisable)
- Total visitors – New vs. Repeat
- Dwell time
- Average visitors per day for selected time period
- Number of individual visits per day
- Weather data alongside footfall data
- Visitor journey data (where visitors commenced / ended their journey)

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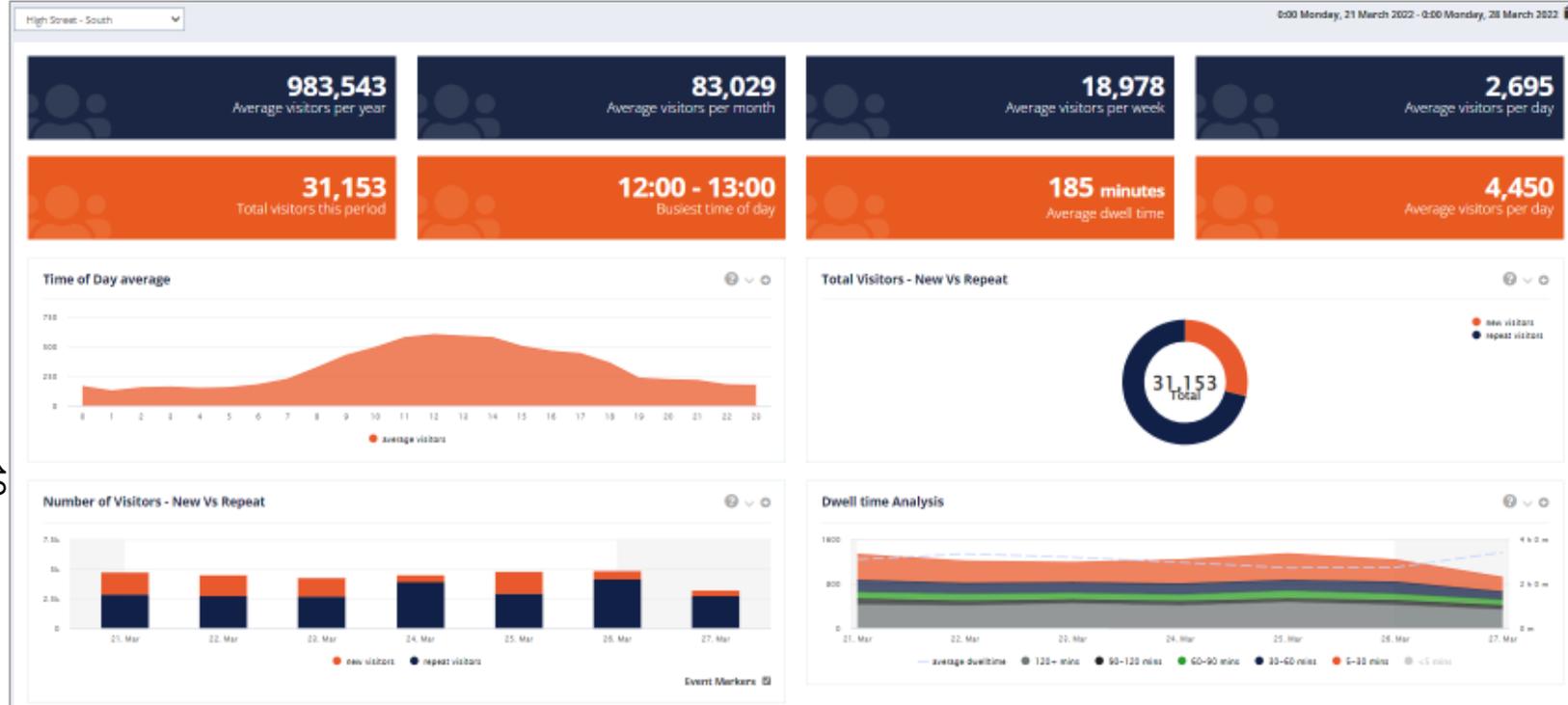
Reports available

Live visitor report

- Live footfall data from each individual sensor (includes functionality to identify when an area is getting busy)



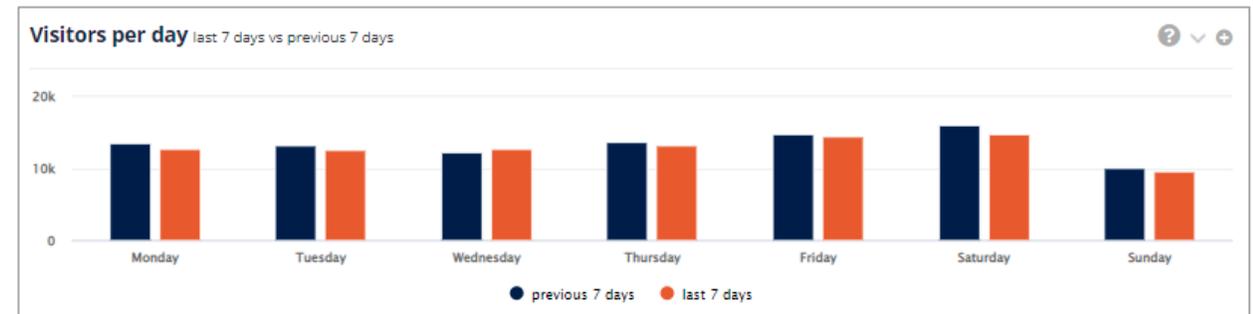
Zone report



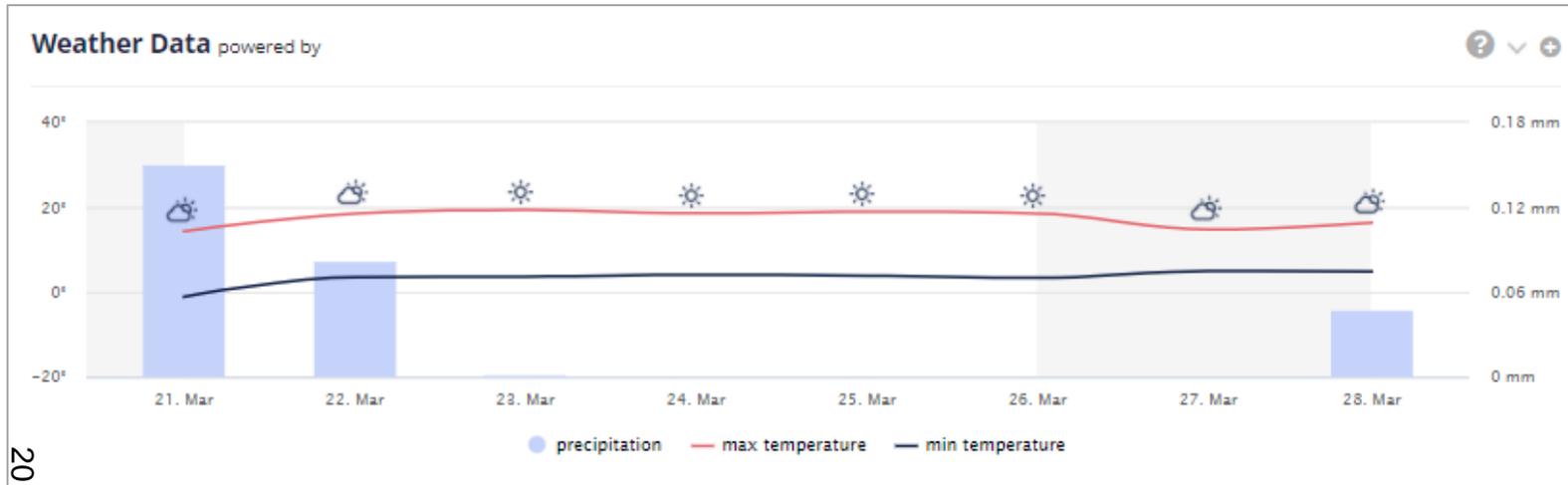
- Customised zone report by sensor(s) / date range
- Report includes:
 - Total visits in the period
 - Busiest time of day
 - Average visitors per day
 - Dwell time data
 - New visits compared to repeat visits

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- Instant week on week footfall comparisons comparing the current week against the previous week (split by day)
 - Counts
 - Percentage differences (+/-)

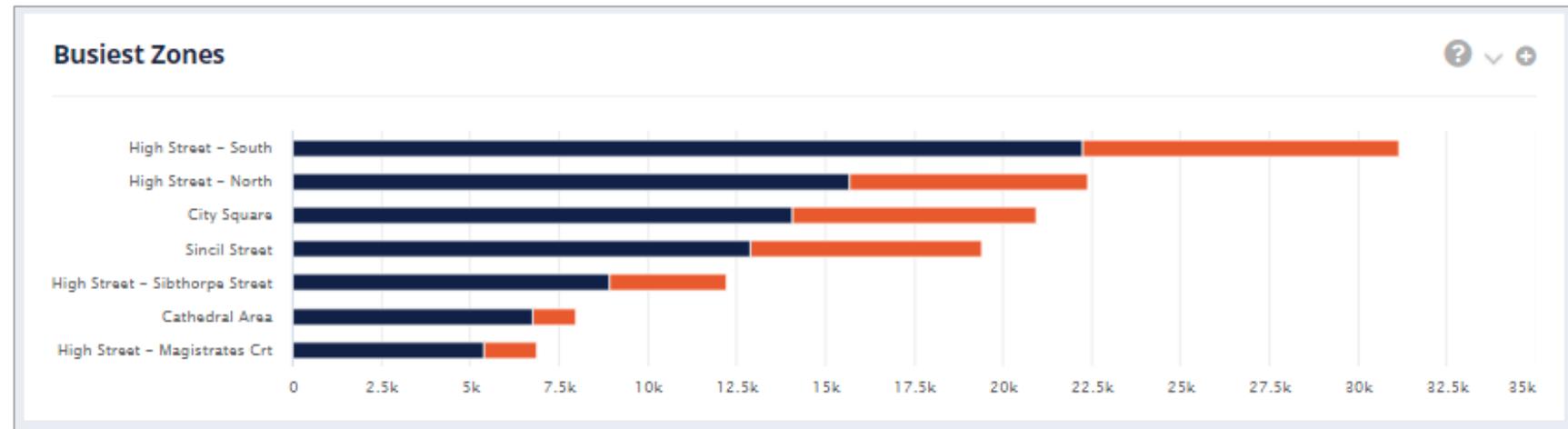


Zone report continued



- Weather data presented alongside footfall data for time period selected

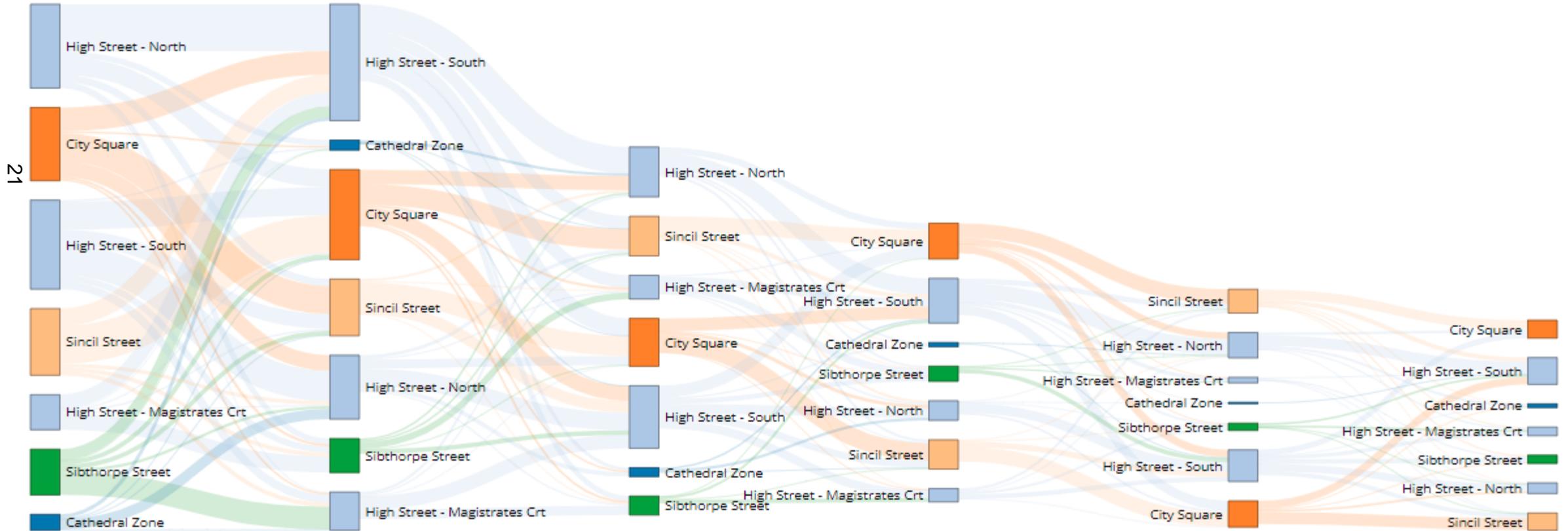
- Busiest zone – focuses on unique visits per zone for period selected. Split by new / repeat visitors.



Visitor journey report

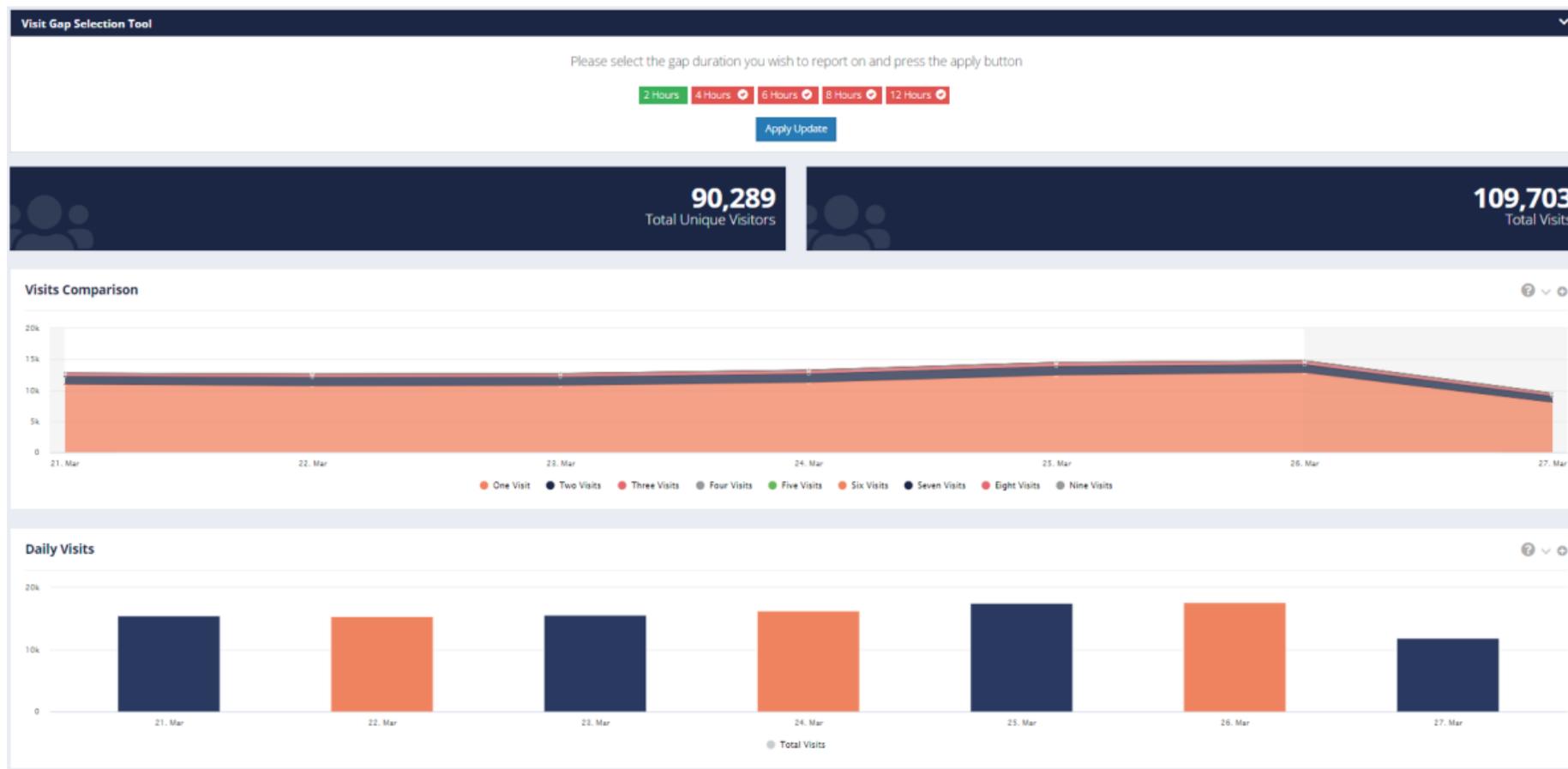
- Used to monitor movement of visitors – where the visitor commenced and ended their journeys

Note - Proximity Futures is currently developing a new report to improve visual appearance of journey data.



Visitor gap report

- Shows how many unique visits per day – Ability to change detection gap between visits to 2, 4, 6, 8 and 12 hours.



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Comparison against national footfall data report (new)

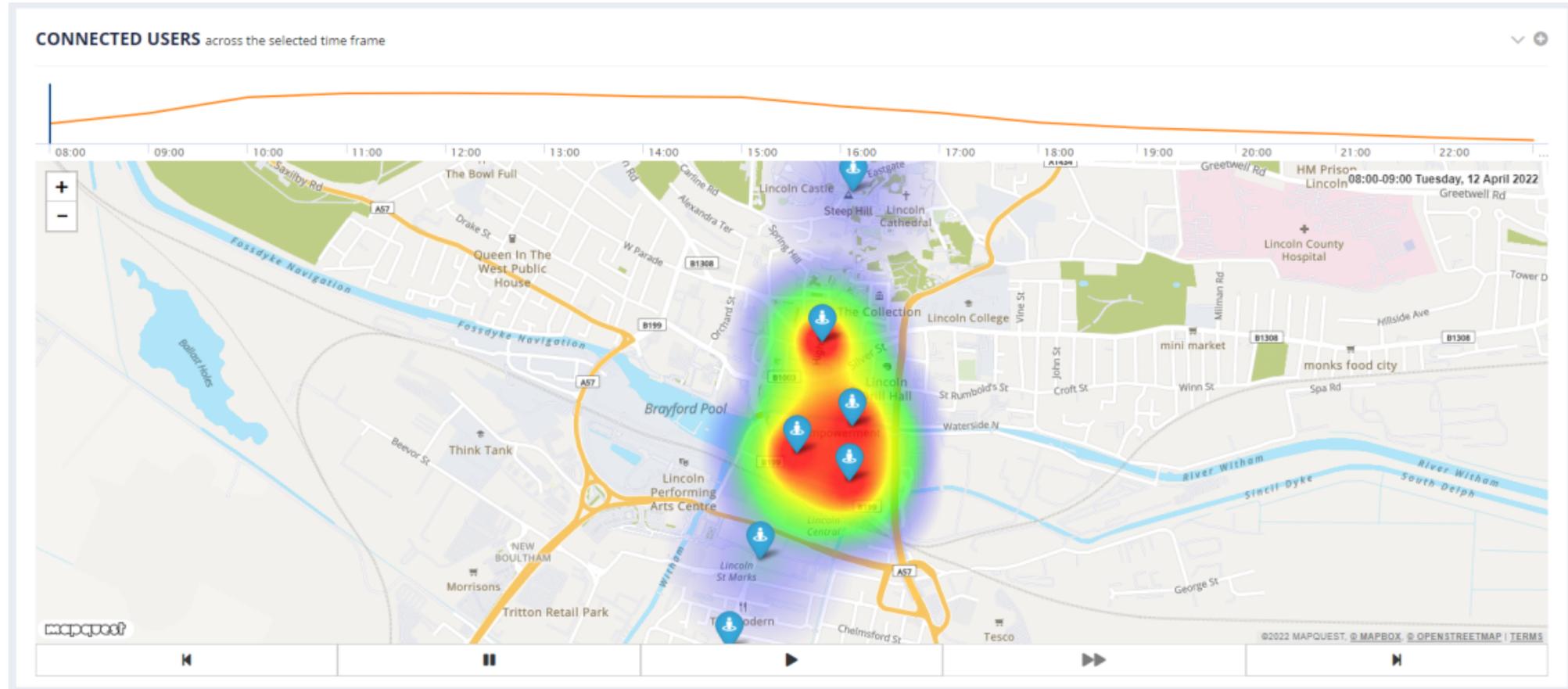
- Compares against the Geo-sense footfall data being collected in other areas (average across these areas)
- Filter by region, town / city
- Create customised report for selected dates



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Heat map

- Basic heat map showing those busier areas for selected dates



Automated reports

- The GEO-Sense system provides an automated monthly headline report
- Ideal for sharing with partners / city centre businesses
- Report can be run at any time for any previous month
- All data within the system can be exported in Excel format

Note – data / reports are only shared amongst approved users / partners.



Overall footfall statistics



Headlines

- The change in footfall compared to the previous month is a **15.73%** increased
- The total number of visitors was **405586** of which **343475** (85%) have visited previously and **62112** (15%) were new
- The average number of visitors per day has increased by **7.52%** based on the year to date average
- Footfall for the year to date has increased by **47.24%** (530772) based on the same period last year
- The busiest zone during March was the **High Street - South** with **142435** visitors, **35.12%** of the total venue visitors

Busiest Days

- The busiest day this month was **Saturday 19th** with **16001**, **4%** of the total of which **2587** (16%) were new visitors
- During this day the busiest time was between **14:00 and 15:00**
- Average Dwell for the day was **189** minutes

How the data is being used

- Used throughout each lockdown and reopening stage by the City Centre Recovery Group (COLC, Lincoln BIG, Visit Lincoln, Lincolnshire Police) to monitor footfall recovery
- Communicated to city centre businesses by Lincoln BIG on a monthly basis
- Communicated to COLC Managed Workspace businesses monthly
- Used by COLC, Lincoln BIG and Visit Lincoln to monitor city centre events
- Provided to event organisers to analyse success of events
- Used to support applications for funding (Town Deal etc)
- Used to monitor trends – week on week, month on month, year on year

City of Lincoln Council contacts

- Graham Rose – Strategic Senior Policy Officer
- Scott Lea – Policy Support Officer

Any questions?

SUBJECT: OPERATIONAL PERFORMANCE REPORT Q4 2021/22

DIRECTORATE: CHIEF EXECUTIVE'S

**REPORT AUTHOR: ROBERT MARSHALL – BUSINESS INTELLIGENCE ANALYST
CORPORATE POLICY**

**SCOTT LEA – POLICY PERFORMANCE AND SUPPORT
OFFICER**

1. Purpose of Report

- 1.1 To present to PSC an outturn summary of the council's performance in Q4 of 2021/22.

2. Executive Summary

- 2.1 This report covers Quarter 4 of 2021/22, with the data found in three Appendices A, B and C.

Appendix A – Summary of Quarterly and Annual Measure Performance by Directorate

Appendix B – Quarterly Measure Performance from PIMS

Appendix C – Annual Measure Performance from PIMS

There are 65 quarterly measures included within this report;

- 16 measures are RED (Below lower target boundary)
- 17 measures are Blue (Within target boundaries – Acceptable)
- 14 measures are Green (Exceeding the higher target)
- 18 measures are Volumetric (Contextual)

There are 6 annual measures include within this report;

- 0 measures are RED (Below lower target boundary)
- 4 measures are Blue (Within target boundaries – Acceptable)
- 2 measures are Green (Exceeding the higher target)
- 0 measures are Volumetric (Contextual)

The on-going effects of covid recovery, cost of living increases, supply shortages and the most recent lockdown period have impacted a range of services.

3. Background

- 3.1 City of Lincoln Council, like all other authorities, has had to make dramatic changes service provisions during the COVID pandemic and as we continue in this period of recovery, additional challenges (cost of living, reduced supply chain) are putting additional demand on the public and CoLC itself.

The need to ensure that our critical services functioning, but also to deliver a community leadership role for our city in a time of crisis has continued to be our focus.

- 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.

This report will present the performance of service areas and directorates against our agreed performance measures and targets, as well as corporate performance measures.

- 3.3 As requested by CMT each measure is monitored against a target boundary range. If a performance measure is Blue (Acceptable) this measure is seen as performing the higher target (Green) is seen as an aspirational target to further drive performance.
- 3.4 During the PSC for Q3 a request was made to include more detail in the table analysis that is found at the beginning of each directorate section.

Additional Information requested:

- Target Boundaries

Presently this detail can be found in Appendix B which gives more detail for each measure, but it was not possible to change the format during this financial year.

We are looking to be able to make this step as part of the Q1 report for 2022-03.

4. The Data Appendices

- 4.1 The full report is attached as **Appendix A**, with the Quarterly 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 Q4 for each of the key services plus a summary table of results by directorate.

- 4.2 The written report focuses on service areas performance measures and what has affected their outturn (performance). It offers commentary on why this is the case and what steps are in place to remedy any issues.

5. Strategic Priorities

- 5.1 City of Lincoln Council – Vision 2025
- 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.

The report is split into directorate and each directorate does connect loosely with our 2025 Vision Priorities but is not an explicit connection.

Directorate of the Chief Executive

– Reducing all Kinds of Inequality

Directorate of Communities and Environment

– Lets enhance our remarkable place

Directorate of Housing and Investment

- Lets deliver quality housing

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

- there are no direct financial implications because of this report. Further details on the Council's financial position can be found in the financial performance quarterly report.

6.2 Legal Implications including Procurement Rules

- There are no direct legal implications

6.3 Equality, Diversity and Human Rights

- There are no direct equality implications because of this report.

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 20th June 2022.

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

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CITY OF
Lincoln
COUNCIL

Operational Performance Report Q4 2021/22

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Introduction

Within this Operational Performance Report for City of Lincoln Council, Q4 2021-22 we are reviewing 65 quarterly measures and 6 annual measures across the Chief Executive (DCX), Community and Environment (DCE) and Housing and Investment Directorates (DHI).

As with previous reports, the report is split into 5 parts;

- 1- Introduction
- 2- Directorate of the Chief Executive Performance
- 3- Directorate of Communities and Environment Performance
- 4- Directorate of Housing and Investment Performance
- 5- Authority Wide Performance

The pandemic impacted many services for a prolonged period and as part of the recovery period, many services were working to reintroduce cyclical inspections, catch up with missed or postponed appointments, whilst introducing cost cutting initiatives as part of the 'Towards Financial Sustainability' programme. As with many sectors, capacity to handle the day to day operations, this unprecedented backlog, with resource and supply constraints is continuing to undermine some performance areas.

More recently, the effects of the cost of living increases are already starting to be felt as the wider community struggles with financial constraints; increasing the demand on council services, reducing surplus income, resources and material in a somewhat turbulent and volatile global environment which creates further uncertainty.

The council is working with all stakeholders, service providers and at all levels to mitigate the impacts of this ever changing environment, and strategically planning in the short and long term, and where possible grow revenue and reduce costs. A number of service areas are still following 18-month recovery plan implemented by government agencies before Business As Usual (BAU) resumes.

Performance has and will continue to be affected over the coming months as we strive to return to BAU and as the long term understanding of COVID is learnt. Clear focus and drive are put into returning to the new BAU but as with every new obstacle, challenge and change, this in itself is an ever changing state of fluctuation. There is however, still clear evidence of performance stabilisation and improvement across all directorates which will add value in the coming months and years.

As usual the detailed reports can be found in appendix B and C and corporate related measures are in section 5.

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



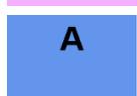
At or above target



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.

G At or above target

R Below target

V Volumetric/contextual measures that support targeted measures

A Acceptable performance - results are within target boundaries

Quarterly Strategic measure performance by status					
Directorate	Below Target	Acceptable	Above target	Volumetric	Total
CX	6	2	5	5	18
DCE	4	11	6	8	29
DHI	6	4	3	5	18
Total	16	17	14	18	65
Quarterly Strategic measure performance by direction					
Directorate	Deteriorating	No change	Improving	Volumetric	Total
CX	5	1	7	5	18
DCE	10	4	7	8	29
DHI	5	0	8	5	18
Total	20	5	22	18	65

Chief Executives Directorate Performance

Service Area	Measure	Current Value	Status	Direction
Communications	Percentage of media enquiries responded to within four working hours	73.00	A	▼
Communications	Number of proactive communications issued that help maintain or enhance our reputation	27	A	—
Work Based Learning	Percentage of apprentices completing their qualification on time	83.00	R	▲
Work Based Learning	Number of new starters on the apprenticeship scheme	5	V	—
Work Based Learning	Percentage of apprentices moving into Education, Employment or Training	83.00	V	—
Customer Services	Number of face to face enquiries in customer services	57	V	—
Customer Services	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	32,005	V	—
Customer Services	Average time taken to answer a call to customer services	321	R	▼
Accountancy	Average return on investment portfolio	0.30	G	▲
Accountancy	Average interest rate on external borrowing	3.02	G	▲
Revenues Administration	Council Tax - in year collection rate for Lincoln	94.00	R	▲
Revenues Administration	Business Rates - in year collection rate for Lincoln	98.45	R	▲
Revenues Administration	Number of outstanding customer changes in the Revenues team	2,413	R	▼
Housing Benefit Administration	Average (YTD) days to process new housing benefit claims from date received	16.54	G	▼
Housing Benefit Administration	Average (YTD) days to process housing benefit claim changes of circumstances from date received	3.55	G	▲
Housing Benefit Administration	Number of Housing Benefits / Council Tax support customers awaiting assessment	2,117	R	▼
Housing Benefit Administration	Percentage of risk-based quality checks made where Benefit entitlement is correct	97.13	G	▲
Housing Benefit Administration	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	4,036	V	—

Annual Measures

	Service Area	Measure	Current Year	Current Value	Status
CX	Debtors & Creditors	Percentage of invoices paid within 30 days	2021/22	95.84	A
	Debtors & Creditors	Percentage of invoices that have a Purchase Order completed	2021/22	55.00	A
	Debtors & Creditors	Average number of days to pay invoices	2021/22	13.00	G

Communications

There was a slight reduction in response time during Q4, performance was still within target boundaries of 70-85%, at 73%. This is compared to 76% in Q3 and means that for the 9th consecutive quarter responses to media enquiries have been within target boundaries.

As outlined in the previous quarter, vacancies within the department are the main obstacle to returning to last years 85%+ performance on response times. Recruitment for this position is still on-going and further steps have been taken to fill the vacant Communications Officer role. A further decision has been made to also appoint a 2-year fixed term contract, Senior Communications Officer. The responsibilities of this new role will include the management of media enquiries about Western Growth Corridor, the Town Deal Fund scheme and other partnership projects.

There was a wide variety of enquiries this quarter with the main focus on the closure and maintenance works on the ceiling above the main pool at Yarborough Leisure Centre, the upcoming closure and enhancement of the Central Market and the planning meeting and decision on Western Growth Corridor.

Work Based Learning

The focus within the team is on recruitment into the apprenticeship scheme following the impacts of Covid-19 and we continue to work with service areas to identify opportunities. This drive is continuing to increase performance from 3 new apprentices in Q3 to 5 in Q4, bringing the cumulative total to 14 apprentices year to date.

In Q4, the percentage of apprentices completing their qualification on time, is showing as below target for Q4. Five out of the six apprentices qualified on time at 83%, which is below the lower boundary target of 92%. This 'Red' status is as a result of the Covid recovery period, with there being only 6 apprentices against the usual 20. As with all WBL measures, we expect to see the continued improvement in to the next financial year.

Customer Services

For the first quarter this year we have seen a slight drop in face to face appointments across all services, these include Welfare Team, Housing Officers, Homelessness and Parking, with the Welfare team seeing the most customers.

CS1 - Q1 = 152, Q2 = 187, Q3 = 198 and Q4 = 187.

Within the Customer Services team, we have seen the same trend in face-to-face customers for Q4 at City Hall, being Q1= 53, Q2 = 72, Q3 = 73 and Q4 = 57. We continue to use the pre-booking system which is operating well for both staff and customers. It is worth noting that there was capacity to handle more face-to-face meetings but there was no demand.

During Q4 each year we expect to see an increase in call volume due to annual letters and bills being sent out. The total call volume for Q4 = 36,518 (+23.0% on Q3, 29,692 calls) and 36,518 (+7.97% YOY) for the same period last year. It is worth noting that a direct YOY comparison should not be made due to lockdown periods within this time period.

The following shows a breakdown of calls for Q4 (2021-22)

	No. of calls Q4 21-22	% of all calls 21-22
Elections / Xmas Market	61	0.2%
Environment	807	2.0%
Garden Waste	116	0.3%
Homeless	651	1.7%
Housing Solutions	5189	13.2%
Housing	17469	44.3%
Refuse	3531	9.0%
Repairs	647	1.6%
Revenues	10935	27.7%
Total	39430	NA

Table 1 – Calls to customers service split by Channel Shift areas

Calls in Q4 were answered on average in 321 seconds which is marginally outside the target boundary of 300 but is a reduction of 92 seconds from its peak in Q2. Taking into account the upturn in call volume from Q3 into Q4 shows improvements in efficiency to minimising wait times without an increase in staff costs are paying dividend.

The following shows call wait times and call length time per service area.

	No. of calls Q4 21-22	Average Wait Time	Average Call and Processing Time
Elections / Xmas Market	61	00:04:10	00:10:57
Garden Waste	116	00:02:45	00:07:40
Homeless	651	00:03:18	00:10:21
Housing Solutions	5189	00:03:26	00:09:54
Housing	17469	00:06:38	00:14:15
Refuse	3531	00:02:26	00:09:57
Repairs	647	00:10:23	00:15:48
Revenues	10946	00:05:38	00:15:33
Total	39417	00:05:21	00:13:30

Table 2 - Calls to customers service split by Channel Shift areas

Accountancy

The average return on investment has seen the third consecutive quarter of improvement, from 0.14% in Q3 to 0.3% in Q4. This means that for the last three quarters this measure has been within or exceeded the target boundaries of 0.12% and 0.18%. As outlined in previous quarters, The Bank of England base rate has increased driving this performance and we expect this trend to continue in future quarters.

We continue to outperform on ACC 2 – Average Interest rate on external borrowing and have achieved the higher target of 3.75 for the 9th consecutive period at 3.02% for Q4, this is a marginal drop from 3.10% in Q3.

Revenues

REV 1 – Collection rate for Q4 was 94% which is outside the lower target boundary of 95%. In monetary terms this is down on the previous year by 0.78% (£372,768). This outturn was affected by system issues as we still had £210,320 of covid hardship to apply to the accounts. The recent announcements of the Covid Additional Relief Fund and the £150 Council Tax Energy Rebate meant that the software suppliers were delayed in providing us with the necessary software. It is anticipated this would have improved collection by approximately 0.45% which would have brought us very close to the lower boundary target of 95%.

The Magistrate's Court has now reopened in its normal capacity although trying to deal with huge backlogs and the recovery team continues to try to engage with customers to come to arrangements to clear their bills before taking the route of enforcement.

The outturn for REV 2 is 0.05% below target for Q4 and sits at 98.45% against 98.50%. 98.45% is slightly lower than 2020/21 outturn of 98.97%. It should be noted that the Covid pandemic is still affecting some of the customers who had less help in 2021/22 than they did in 2020/21 which is affecting this performance.

The Expanded Retail Discount (ERD) was reduced from 100% in 2020/21 to 66% for the final three quarters of 2021/22 and was capped per business. This meant that the ERD grant reduced from 29m 2020/21 to just under 10m for 2021/22.

The Government announced the Covid Additional Relief Fund in March 21 but did not provide any details to the billing authorities until just before Christmas 2021. Once we had these details, including how much we would be granted, we had to put a local scheme into place, and invite applications from customers that we had identified as potentially eligible for this relief. The closing date for these applications was 31.3.2022 and as with REV 1, the financial impact expected in Q4 will be delayed into the next financial year due to this delay.

The number of outstanding customer changes in revenue has risen in Q4 to 2,413 against 1,738 in Q3 and 1,650 at the same point last year. The overall increase in correspondants was the main driver of this demand but has been confounded by high absence rates and a number of experienced officers leaving.

As outlined in Q3, a number of measures were put in place to mitigate the upturn in demand, this is still reducing the amount from its peak in Q2 of 3,737, by offering overtime and employing a temporary officer. We are currently waiting for DBS checks for 3 new full-time employees, which will bring the council tax team back to almost their full established compliment of staff. Within the recovery team we have appointed 1 full time employee and are carrying approx. 0.6FTE vacant hours which have gone out to advert.

Benefits Administration

For the 9th consecutive quarter, BE 1 – Average (YTD) days to process new housing benefit claims is outperforming target boundaries and in Q4 reported 16.54 days against a seasonal higher target of 17.00 days. The main reason given for the positive performance outcomes is the weekly monitoring of housing benefit claims which was introduced last year and continues to drive performance.

As with BE 1 we are continuing to see improvement in BE 2 which sits at 3.55 against the higher target of 4.5 days. This is an improvement of 1.82 days from Q3 and 1.94 days from its peak in Q2.

The number of housing benefit or council tax support customers waiting assessment (BE3) has continued to increase and for Q4 sits at 2,117 against the target boundary of 1,250-1,100. This is an increase in 474 from Q3 but a reduction of 6 from the same time last year. The main driver of the increase is due to changes in income and rent being made at the end of the financial year.

BE4 - Percentage of risk-based quality checks made where Benefit entitlement is correct continues to outperform target boundaries at 97.13% versus a higher target of 92%. The definition for 'correct, first time' relates to a claim being out by even 1p which shows the stringent controls and checks that are undertaken to maintain this measure. This is an improvement from Q3 where 96.40% of claims were quality checked to be 'Correct, First Time'.

The number of new benefit claims year to date (Housing Benefits/Council Tax Support) for Q4 was 887 for housing benefit and 3149 for council tax reductions. This is an increase of 242 and 828 respectively from Q3 but an overall reduction from Q4 last year of 1,299 total 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	98.10	G	▲
Food and Health & Safety Enforcement	Average time from actual date of inspection to achieving compliance	18.60	R	▲
Food and Health & Safety Enforcement	Percentage of food inspections that should have been completed and have been in that time period	100.00	G	▬
Development Management (Planning)	Number of applications in the quarter	228	V	▬
Development Management (Planning)	End to end time to determine a planning application (Days)	79.16	A	▼
Development Management (Planning)	Number of live planning applications open	145	A	▲
Development Management (Planning)	Percentage of applications approved	95.00	A	▬
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	83.00	A	▼
Development Management (Planning)	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	89.00	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)	28.00	R	▼
Private Housing	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	5.40	V	▬
Private Housing	Number of empty homes brought back into use	23	A	▲
Public Protection and Anti-Social Behaviour Team	Number of cases received in the quarter (ASB)	85	V	▬
Public Protection and Anti-Social Behaviour Team	Number of cases closed in the quarter	715	V	▬
Public Protection and Anti-Social Behaviour Team	Number of live cases open at the end of the quarter	248	A	▼
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	106,509	R	▼
Sport & Leisure	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	775.00	G	▼
CCTV	Total number of incidents handled by CCTV operators	2,134	V	▬
Waste & Recycling	Percentage of waste recycled or composted	32.30	A	▼
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	65	A	▲
Grounds Maintenance	Contractor points achieved against target standards specified in contract - Grounds Maintenance	35	G	▲
Allotments	Percentage occupancy of allotment plots	95.00	G	▼
Parking Services	Overall percentage utilisation of all car parks	42.00	R	▼

Parking Services	Number of off street charged parking spaces	3,771	V	—
Licensing	Total number of committee referrals (for all licensing functions)	3	V	—
Licensing	Total number of enforcement actions (revocations, suspensions and prosecutions)	1	V	—

Annual Measures

	Service Area	Measure	Current Year	Current Value	Status
CX	Debtors & Creditors	Percentage of invoices paid within 30 days	2021/22	95.84	A
	Debtors & Creditors	Percentage of invoices that have a Purchase Order completed	2021/22	55.00	A
	Debtors & Creditors	Average number of days to pay invoices	2021/22	13.00	G

Food Health and Safety

In Q4, we continue to operate under the guidance of the Food Standards Agency Recovery Plan and as a result the compliance of premises which have had a food, health and safety inspection undertaken must be continued to be treated with caution due to a continuing partial suspension of the service due to the impacts of Covid-19. This shows that 566 business out of 1,147 in total being fully or broadly compliant which is an increase from the previous quarter and it is anticipated the performance of this measure will continue to change over the next two quarterly periods as more businesses are inspected. It is important to note there are currently 11 businesses which are of non-compliant status and the food health and safety team are continuing to work with these businesses to support them in achieving a level that is broadly compliant.

As full recovery of the inspection programme is not expected by the FSA until March 2023, an improvement is being seen in the average time from date of inspection to achieving compliance reporting at 18.6 days and although this continues to fall outside of the higher and lower target boundary, is a significant improvement from the Q3 figure of 40.3 days. This is due to the team focusing on those businesses highlighted in the recovery plan which are the more compliant businesses as well as focusing on those businesses that required structural works completing.

Development Management (Planning)

Development Management has continued to show excellent progress in Q4, with one of their six measures above target and the other five on target.

In Q4, there were 228 planning applications submitted and remains at a consistent level compared to the previous Q3 figure which reported at 227 and continues to show an increased level of confidence in the development sector.

It took 79.16 days on average to determine the outcome of live planning applications in Q4 and although reporting higher than the Q3 return of 68.96 days, it still falls comfortably within the target boundaries. The reported figure for Q4 is as a result of an increase in more complex non-major applications which inevitably have taken more time to process. The number of planning applications that are still being worked on has decreased this quarter to 145 from the 156 reported in Q3, which shows the continued hard work of the development management team in ensuring more decisions have been made this quarter.

In Q4, performance continues to be high and consistent standing at 95%. This is the same percentage outturn as seen in Q3 reflecting the positive approach of the service with once again, no appeals overturned in Q4, highlighting the quality and robustness of the decisions made.

The percentage of non-major planning applications determined within government target reported at 83% and although a reduction on the previous quarters outturn of

90.89%, it still falls within the national threshold of 90%. There is an increase for major planning applications reporting at 89% this quarter, compared to 82.5% last quarter, but still falling comfortably above the required national threshold of 90%. It is important to note that major planning applications continue to remain the focus of prioritisation for the Development Management team.

Private Housing

In this financial year a total of 59 adaptations were completed costing £619k and a further £590K has been approved or committed, totalling a cost of £1.2m including administration fees. The average time from an occupational therapist notification to completing works on site was 28 weeks this is a slight drop in performance on the average time from the previous quarter. It is anticipated this will improve now the team have resumed home visits again, which will allow them to sit down with applicants to complete the application and obtain all the necessary information as opposed to carrying out this remotely which was the case during the pandemic period. The process has also been impacted by the contractors taking time in supplying the designs for the adaptations which has delayed the approval process and lastly the team has been impacted due to staff resource pressures.

During Q4, 15 disrepair/condition cases were resolved. In total for the full year we have seen 84 complaints resolved in an average time of 9 weeks. There are also 45 cases that remain open due to still being under investigation.

In Q4, 23 further empty properties have been returned to use compared to 17 saw in the previous quarter. Furnished empty properties that have been empty for longer than 6 months has increased again as expected and is reporting at 788. However it is important to note that whilst we continue to assist in bringing empty homes back in to use, the majority of these properties is made up of student accommodation which haven't been occupied during the academic year.

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), however in Q4, the figure reported at 85 which is an increase from the previous quarter and continues to show the significant impact on the PPASB team due to increased demand across all services.

This is also reflected in the 814 ASB service requests received in Q4, however the team has worked hard to ensure 715 of these have been closed. Overall, this years outturn for 2021/2022 has exceed figures from previous years.

The number of cases still open in Q4 is 248 which is higher than normally expected but still falls within the low target of 260. This is due to a higher number of cases being received this quarter and the complexity as well as resource pressures within the ASB team.

It is important to note that no collection is currently been undertaken this quarter for satisfaction of complainants relating to how the complaint was handled. Following the

trial in their services as outlined in Q3 it is anticipated this measure will resume in Q1 2022/2023, it is now live and working and ready to be distributed to customers.

Sports and Leisure

In Q4, visitor numbers to leisure centres in total across both Birchwood and Yarborough decreased slightly reporting at 106,509 down from 110,339 in Q3. The majority of this is a decrease at Yarborough due to the pool currently being closed for essential repairs.

As a result, Birchwood has seen visitor numbers increase to 39,613 (69% of pre-pandemic levels) and Yarborough has seen 66,896 visits (39% of pre-pandemic levels).

Artificial Grass Pitch (AGP) usage at Yarborough Leisure Centre & Birchwood Leisure Centre, has seen 775 hours of use during Q4 which is a slight decrease on the previous quarter of 806 hours however continues to remain comfortably above target. It is important to note that the weather has been a challenge over this period with high winds resulting in some outside events being cancelled.

Waste and Recycling

Note that the quarterly data presented here is, as usual, lagged by one quarter and thus refers to Q3 2021/22. In Q3, 18.8% of waste was recycled and 13.5% of waste was composted equating to an overall figure of 32.3% of waste being composted or recycled resulting in a 2.52% decrease from the previous quarter. It is important to note that composting tonnages are very much related to the weather and will vary seasonally.

In Q4, contractor points given against target standards for waste management remained within the target boundary of 50-150 despite reporting at 125, with 50 points in January, 40 points in February and 35 points in March. 5 performance points for each missed collection (where the miss was due to contractor error and not due to customer error or circumstances beyond the contractor's control such as a blocked street).

Street Cleansing and Grounds Maintenance

In Q4, we have recorded 65 contractor points against the Street Cleansing team and 35 against the Grounds Maintenance team which is an improvement in both areas from the previous quarter. This means that both teams are still within their target boundaries of between 50 and 150 maximum.

The breakdown across the quarter for contractor points awarded against the Street Cleansing team is 20 points were awarded in January, 15 points in February and 30 points in March.

The breakdown across the quarter for contractor points awarded against the Grounds Maintenance team is 0 points were awarded in January, 20 points in February and 15 points in March. It is important to note the points awarded in February and March corresponded to the services delivered by the tree team.

Allotments

As at the end of Q4, the percentage of occupancy of allotment plots is continuing to report comfortably above the target of 92% and at a consistent level with a figure of 95%. 1,057 plots of a total 1,168 were let. Of the 1,168 plots, 1,115 of these are currently lettable.

The demand for allotment tenancies continues to operate at a steady rate and all allotment sites currently have waiting lists for plots of which the team are continuing to work hard to address. It is important to note the new charge levels introduced and the removal of age related discounts are not seen to be currently having an impact on demand.

Parking

In Q4, the car parks have seen an expected decrease in utilisation over the winter months reporting at 42%. This is a significant improvement on the same quarter for the previous year as we continue to experience an increase in demand for car parking due to increased footfall and workers returning to the office. The team continue to ensure a clean, safe experience for customers and staff.



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)	0.70	A	▲
Housing Investment	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	183	V	▬
Housing Investment	Percentage of dwellings with a valid gas safety certificate	99.71	R	▲
Control Centre	Percentage of Lincare Housing Assistance calls answered within 60 seconds	98.24	A	▼
Rent Collection	Rent collected as a proportion of rent owed	100.18	G	▼
Rent Collection	Current tenant arrears as a percentage of the annual rent debit	3.63	A	▲
Housing Solutions	The number of people currently on the housing list	1,440	V	▬
Housing Solutions	The number of people approaching the council as homeless	990	V	▬
Housing Solutions	Successful preventions and relief of homelessness against total number of homelessness approaches	45.19	R	▲
Housing Voids	Percentage of rent lost through dwelling being vacant	1.41	R	▲
Housing Voids	Average re-let time calendar days for all dwellings - standard re-lets	56.08	R	▼
Housing Voids	Average re-let time calendar days for all dwellings (including major works)	65.76	R	▼
Housing Maintenance	Percentage of reactive repairs completed within target time (priority and urgent repairs) - HRS only	94.04	R	▲
Housing Maintenance	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	92.85	A	▼
Housing Maintenance	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	99.46	G	▲
Business Development	Number of users logged into the on-line self service system this quarter	14,771	G	▲
IT	Number of calls logged to IT helpdesk	1,124	V	▬
IT	Percentage of first time fixes	60.60	V	▬

Housing Investment

For the third consecutive quarter, we have seen a reduction (improvement) in the percentage of homes not at a 'Decent Homes' standard (excluding refusals), achieving 0.7% against 2.10% in Q1, 1.50% in Q2 and 1.06% in Q3. This means that this measure is now 'Achieving' (Blue) and within target boundaries.

This 0.7% equates to 56 properties that do not meet the decent homes standard and of these, 40 are in the programme for a replacement door. A further 14 are recorded as electrical failures and is due to failed access to undertake the 5-year electrical inspection. The final 2 properties require a new roof.

As outlined in previous reports, we are having long term access issues to carry out electrical testing, 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 183 properties which are considered 'not decent standard' as a result of tenants refusing us entry, this is an increase of 5 over Q4. This is the first increase we have seen over the last two financial years.

As discussed in previous reports, the Health and Safety Executive set the expectation that gas servicing must continue during the pandemic but we are still having access issues with a small number of properties. That said, we are continuing to see positive improvement quarter on quarter with the percentage of dwelling with a valid gas certificate now at 99.71% which is only 0.09% below the target boundary of 99.8%.

We have robust processes in place which are followed and failed access addresses are referred to legal services to obtain access. A detailed breakdown of reasons of non-compliance is shown in appendix B.

Control Centre

For the 5th consecutive quarter, the percentage of assistance calls answered within 60 seconds to Lincare has been within target boundaries. Q4 saw a slight drop in performance to 98.24% from 98.3% in Q3.

Lincare has noted that they have had staff shortages and continue to have disruption from COVID but that they have worked to maintain this level of service.

Rent Collection (Tenancy Services)

For Q4 in-year rent collection was 100.18%, meaning that we received more rent payments than was due in this period and therefore means the additional money goes towards arrears. Compared to the same period last year which was 99.46% this is the 9th consecutive quarter when outturn has outperformed target boundaries.

The current rent arrears (RC 2) as a % of the debit achieve for Q4 is 3.63%, which after a blip in Q2 means that this measure is again within target boundaries. This has resulted in an overall reduction in rent arrears of £18k compared to last financial year.

Since the eviction ban was lifted in October 2021, 10 evictions have been carried out which is not a significant number compared to previous years. This demonstrates the balance of maximising income to the HRA whilst prioritising tenancy support and sustainment.

Housing Solutions

Following two consecutive quarters of increase for (HS1) Number of people currently on the housing list, in Q4 this increase has flattened, now having 1,440 in Q4 verses 1,448 in Q3. With the cost of living rises there is an expectation that these numbers may still increase in coming months as people try to secure more affordable accommodation.

We are continuing to see exponential growth in the number of people approaching the council as homeless growing from 707 in Q3 to 990 in Q4 (+40%). This is also a sizeable increase from the same period last year which was 704. As with HS1 we are expecting to see an increase over the coming months due to the cost of living increases.

Successful preventions and relief of homelessness against the total number of homelessness approaches continue to be below target boundaries at 45.19% but is an improvement on performance from Q3 which was 43.70%.

The team continues to work with applicants to try to prevent or relieve homelessness. This has been extremely challenging over the past 18 months as shared living arrangements have irretrievably broken down following the national lockdowns and there have been fewer properties available in both the private rented sector and within our stock. Wherever possible and following government instruction, we have continued to prioritise those facing homelessness for available accommodation.

Housing Voids

For the first time in seven quarters we have seen a slight reduction in the percentage of rent lost through dwelling being vacant, from 1.44% in Q3 to 1.41% in Q4. This is compared to 1.12% for the same period last year.

The void process continues to face several challenges with labour, contractors and materials which has resulted in an increase in void time and consequently % of rent lost. The Voids Team are currently working to reduce this with the help of additional contractors as more materials become available.

For the 3rd quarter we have seen an increase in average re-let time, standard re-lets (HV2) with the Q4 being 56.08 days versus 51.94 days in Q3. As explored in previous reports, voids have experienced increased challenges since their initial contractor went into administration in 2021, leaving significant pressure on the DLO. There is a high, national demand for labour, meaning that ColC has had difficulty securing the necessary workforce to turnaround the empty properties to achieve the target of 32 days.

There has also been an increase in the number of terminations due to deaths, meaning that pre-termination inspections cannot be completed, resulting in more difficulty when planning required works.

There are now additional contractors in place to carry out void works and we have allocated additional staff from the DLO. Subsequently, we are seeing an increase in the properties being completed and relet and are on track to bring performance more in line within target in next financial year.

The current void turnaround time (HV 3) has continued to increase over the last three quarters with outturn being 65.76 days in Q4 versus 59.88 in Q3. Properties requiring major works have seen increased difficulty with sourcing necessary materials and labour, resulting in an increase in the re-let time. As with all re-lets, new tenants have often struggled to move due to isolation, or difficulty sourcing removals in a timely manner resulting in further delays.

With the award of a new repairs contract, contractor support will be in place and with the increasing availability of materials, we are expecting the void turnaround time to improve as we enter the new financial year.

To offer some further context to the work undertaken but not reported on as part of HV1-3, during 2021-22 we re-let 453 properties that are included within this measure

(General Needs / Sheltered), there were an additional 155 voids (+25%) that don't get included e.g. Homeless Licenses properties, purchase & repair, NSAP etc. Of the 453 properties re-let, there were 108 refusals which equates to 23.8%. When we have refusals this causes delays in the void time as the property is ready to let but we can't re-let until an offer is accepted from a prospective tenant.

Housing Maintenance

For the fourth consecutive quarter, the percentage of reactive repairs completed within target time (HM1) for priority and urgent repairs are outside of target boundaries, but we have seen the third consecutive quarter of improvement. The outturn for Q4 was 94.04% verses 92.66% in Q2 and 91.74% in Q1. The main driver of this improvement is having a full compliment of joiners and improvements made in the scheduling elements.

For the fifth quarter the percentage of repairs fixed first time (HM2) is within target boundaries and sits at 92.85% in Q4. This is a slight drop from 92.97% in Q3 but a significant increase from its lowest point in Q3 last year of 89.95%. As with HM1 this continued positive outturn is driven by the recent recruitment being done and continued upskilling and training of the workforce and therefore we would expect this to maintain and improve as we enter the new financial year.

For the 9th consecutive period, the percentage of appointments kept (priority and urgent) is performing above target boundaries and was 99.46% at the end of Q4. This is a slight improvement from Q3 at 99.30% and below the same period last year at 99.89% but is still a very positive performance.

Business Development

Although we have seen a decrease over the previous three quarters we have seen the seasonal increase in demand which is expected in Q4 for online self-service useage (BD1). For Q4 we saw 14,771 use the online service compared to 9,026 in Q3 and compared to 15,276 in the same period last year.

There are several programmes and projects taking place under the One Council vision which involves IT reviewing current systems and as part of this work will be done to identify any root causes of these reductions.

We have seen the fourth quarter increase in calls logged to IT (ICT1) to its highest point at of 1,124 in Q4 verses 993 in Q3. The main driver for this increase is due to quarantining of emails from the new IT process and software.

As with ICT1, ICT2 has seen a small but steady increase over the last six quarters to its highest rate in Q4 of 60.60% with the percentage of first time fixes.

**KEEP
LINCOLN
SAFE**

SPENCER

THE BULL
CAFE

Authority Wide Measures

Health and Wellbeing

Between January and March 2022, the council made 10 Occupational Health referrals.

HR have previously delivered Mental Health Awareness sessions with managers and more recently a tailored/interactive Mental Health Awareness session was delivered to a specific department and we are looking to produce a briefing for all employees on this.

HR have had an Employee Discount Platform review meeting with our account manager, and following this we will be re-promoting our platform with a focus on a way to help with household expenses/cost of living. Awareness sessions are being set up for the next quarter as part of 'Our Financial Health Matters'. Pension awareness and Budget Management sessions also being scoped for the next quarter.

Sickness performance

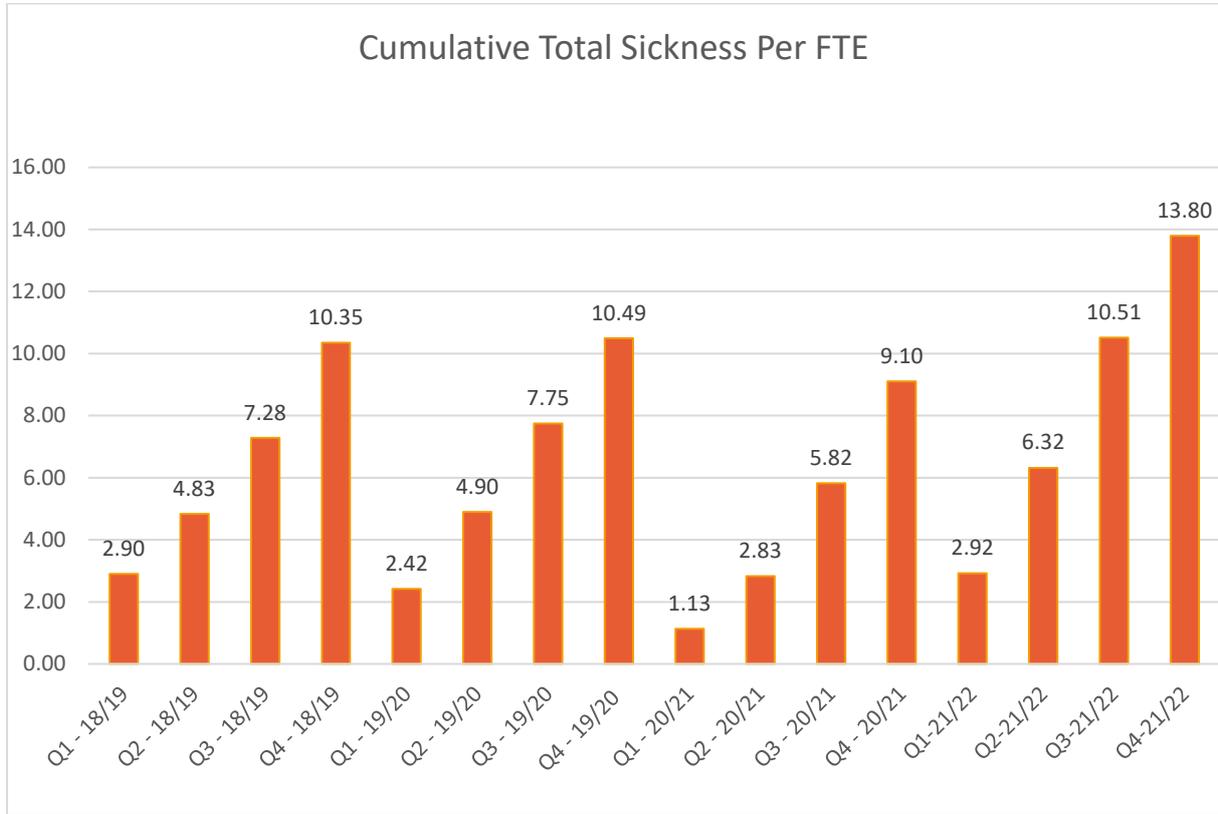
Overall average sickness absence rate of 3.29 days per FTE has risen slightly against the same quarter in 2020/2021, where it stood at 3.28 days per FTE, and is higher than the data from the previous two years before the Covid effect.

The short term sickness level has increased by 0.75 days per FTE compared to the same quarter in 2020/2021, now reporting at 1.57 days per FTE in Q4 2021/2022. The long-term sickness level has decreased by 0.75 days per FTE compared to the same quarter in 2020/21, now reporting at 1.71 days per FTE in Q4 2021/2022.

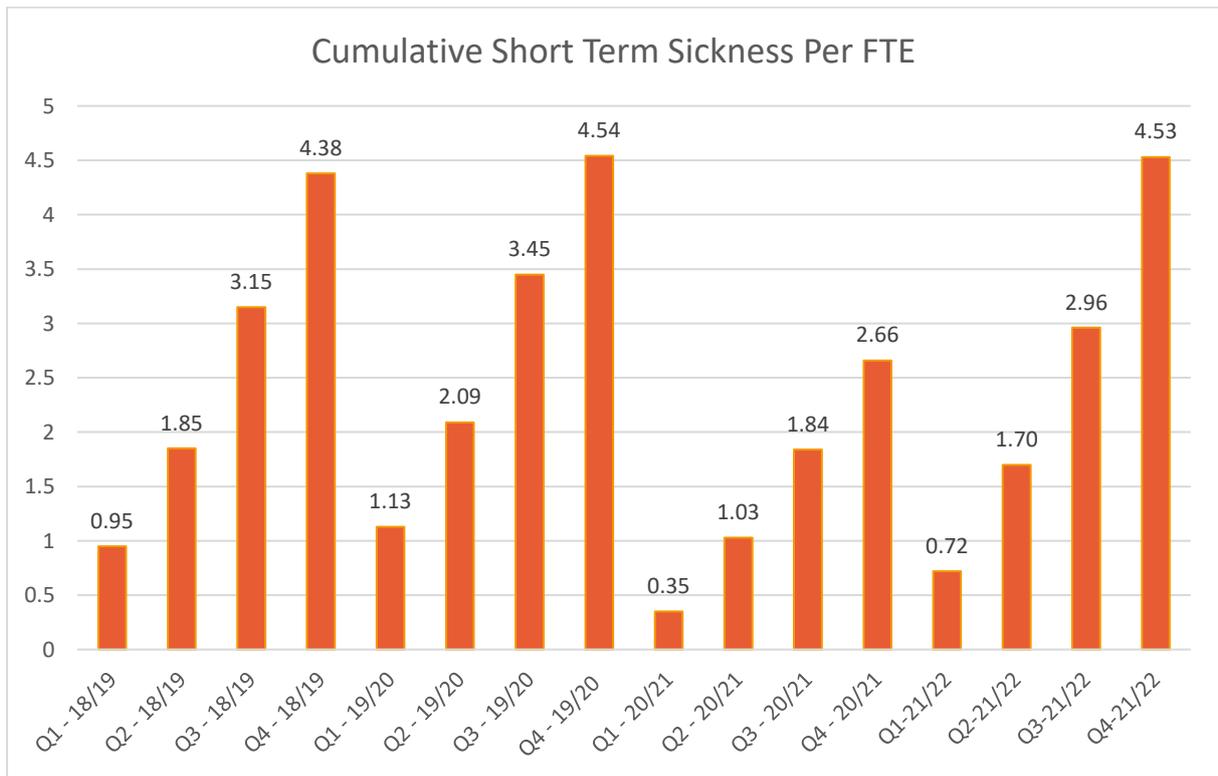
Q4 2021/22 ONLY

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)	Apprentice Sickness
Short Term Days Lost	326.5	172	0	333.5	832	30
Long Term Days Lost	274	108.5	0	523.5	906	0
Total days lost	600.5	280.5	0	857	1738	30
Number of FTE	167	131.76	13.26	217.01	529.03	6.16
Average Short-Term Days lost per FTE	1.96	1.31	0.00	1.54	1.57	4.87
Average Long-Term Days lost per FTE	1.64	0.82	0.00	2.41	1.71	0.00
Average Total Days lost per FTE	3.60	2.13	0.00	3.95	3.29	4.87

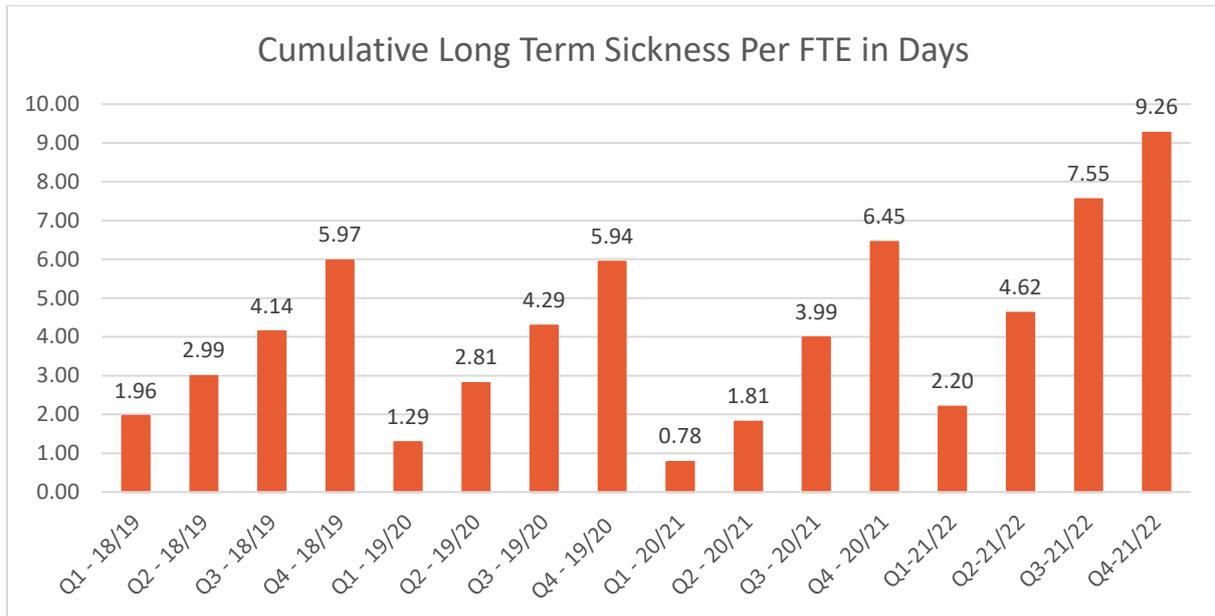
Cumulative Total Sickness Per FTE (excluding apprentices)



Cumulative Short-Term Sickness Per FTE in Days



Cumulative Long-Term Sickness Per FTE in Days



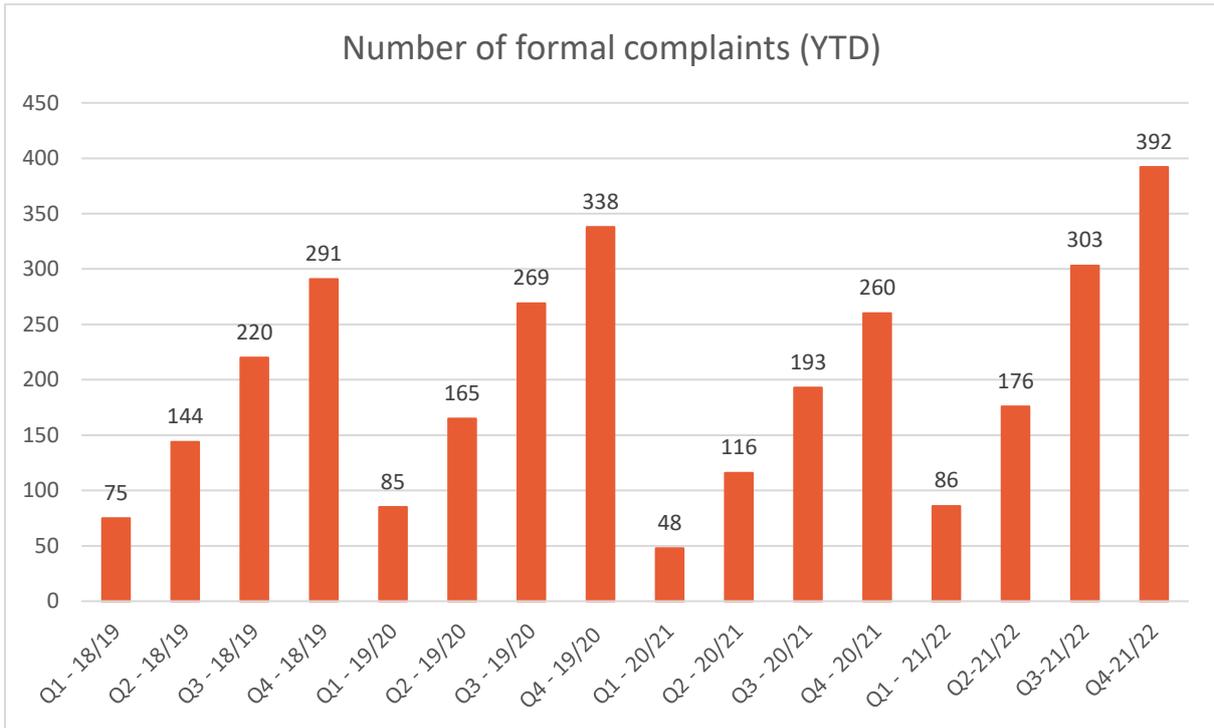
Complaints Performance

In Quarter four there were 89 complaints dealt with. It is important to note 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 66% year to date. In quarter four, we had no LGO complaints decided.

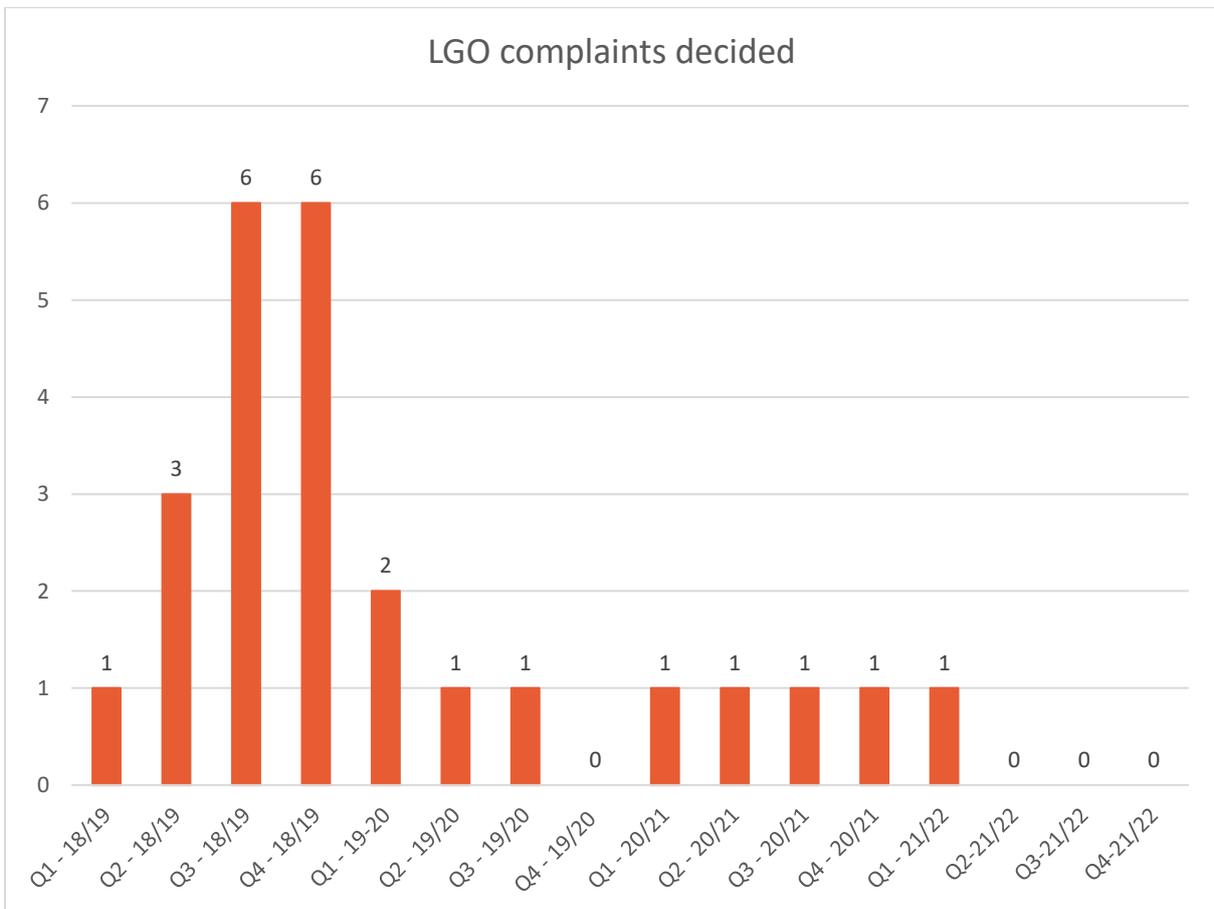
	CX	DCE	DMD	DHI	TOTAL
Number of Formal complaints dealt with this quarter	11	12	0	66	89
Number of Formal complaints Upheld this quarter	4 (36%)	3 (25%)	0	34 (51%)	41 (46%)
YTD total number of complaints investigated Cumulative (Q4)	35	51	3	303	392
YTD Number of Formal complaints Upheld	17 (49%)	16 (31%)	2 (66%)	158 (52%)	193 (49%)
% of responses within target time this quarter	36%	100%	0%	67%	67%
% of responses within target time YTD	66%	96%	66%	61%	66%
LGO complaints decided	0	0	0	0	0



Number of formal complaints (YTD)



Local Government Ombudsman Complaints Decided in Q4 2021/22



Resource Information

The total number of FTE employees (excluding apprentices) at the end of Q4 was 529.03 with an average of 6.16 apprentices over the period. In terms of the level of vacancies at Q4 - budgeted establishment unfilled positions (FTE) stood at 74 FTE. It should be noted that the council are actively recruiting 33.38 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 four was 3.00% (excluding apprentices).

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)
Number of FTE employees	167.00	131.76	13.26	217.01	529.03
Average number of apprentices (as at quarter end)	Authority Wide				6.16
Percentage of staff turnover	Authority Wide				3.00%
Total number of FTE vacancies (in i-Trent)	Authority Wide				74.00
Active vacancies which are being recruited (FTE)	Authority Wide				33.38

**QUARTERLY
MEASURES**

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	Q3 - 21/22	76.00	Q4 - 21/22	73.00	%	A ▼ Although not as busy as the previous quarter, when the Christmas Market took up most of our time, we received a higher than usual number of enquiries. This, added to the vacant Communications Officer post, resulted in a small increase in response times. This is the second quarter in a row where response times have increased, and steps have been taken to ensure this doesn't happen next quarter. Among these steps is recruitment to the vacant Communications Officer position and the creation of a two-year fixed Senior Communications Officer role whose responsibilities will include the management of media enquiries about Western Growth Corridor, the Town Deal Fund scheme and other partnership projects.
	Communications	COM 2	Number of proactive communications issued that help maintain or enhance our reputation	High is good	25	40	Q3 - 21/22	27	Q4 - 21/22	27	Number	A ▬ The team handled a wide variety of enquiries and issues this quarter, but the main focus was on the closure and maintenance works on the ceiling above the main pool at Yarborough Leisure Centre, the upcoming closure and enhancement of the Central Market and the planning meeting and decision on Western Growth Corridor. All of these required some clarity provided in order for media and citizens to appreciate why we had made certain decisions.
	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	High is good	92.00	95.00	Q3 - 21/22	0.00	Q4 - 21/22	83.00	%	R ▲ In Q4 2021/22 5/6 apprentices completed their apprenticeships on time (83%)
	Work Based Learning	WBL 2	Number of new starters on the apprenticeship scheme	N/A	Volumetric	Volumetric	Q3 - 21/22	3	Q4 - 21/22	5	Number	V We had 5 new starts within Q4. The cumulative figure up to Q4 is now 14
	Work Based Learning	WBL 3	Percentage of apprentices moving into Education, Employment or Training	N/A	Volumetric	Volumetric	Q3 - 21/22	0.00	Q4 - 21/22	83.00	%	V In Q4 2021/22 83% (5/6) of apprentices on programme moved into Employment Education or Training
	Customer Services	CS 1	Number of face to face enquiries in customer services	N/A	Volumetric	Volumetric	Q3 - 21/22	73	Q4 - 21/22	57	Number	V slightly lower for customer services, but overall, 187 customers were seen in a booked appointment the Welfare Team have seen the most customers in pre-booked appointments during the last 12 months, followed by customer services and then Tenancy Services
	Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	N/A	Volumetric	Volumetric	Q3 - 21/22	29,692	Q4 - 21/22	32,005	Number	V This is more calls than the previous quarter and a 16% increase against same quarter last year. the breakdown is 3863 for refuse/environment, 5283 for housing solutions/homeless, 13934 for housing and 8925 for council tax/benefits. There were 149 other calls. we would expect quarter 4 to be busy due to annual letters and bills landing.
	Customer Services	CS 3	Average time taken to answer a call to customer services	Low is good	300	180	Q3 - 21/22	272	Q4 - 21/22	321	Seconds	R ▼ The average wait has risen again but we have also taken more calls in this quarter. We had 3,777 calls chasing a repair that had already been reported compared to 5,181 customers reporting new repairs, the next highest type of call were customers checking their balance
	Accountancy	ACC 1	Average return on investment portfolio	High is good	0.12	0.18	Q3 - 21/22	0.14	Q4 - 21/22	0.30	%	G ▲ 0.3% for Q4 following rise in BoE base rate - cumulative average for 21/22 0.19%
	Accountancy	ACC 2	Average interest rate on external borrowing	Low is good	4.75	3.75	Q3 - 21/22	3.10	Q4 - 21/22	3.02	%	G ▲ 3.02% on average borrowing during 21/22 - lower rates available during the latter half of the financial year
	Revenues Administration	REV 1	Council Tax - in year collection rate for Lincoln	High is good	95.00	96.75	Q3 - 21/22	75.82	Q4 - 21/22	94.00	%	R ▲ Collection is down on the previous year by 0.78% (£372,768). We still had £210,320 of covid hardship to apply to the accounts but the recent announcements of the Covid Additional Relief Fund and the £150 Council Tax Energy Rebate meant that the software suppliers were delayed in providing us with the necessary software. This could have improved collection by approximately 0.45%. Considering how hard the teams have worked over the years to improve the collection figures for Lincoln, the pandemic has hit this hard as some customers struggle to pay their bills due to furlough or losing their jobs. As we come out of the pandemic and return to 'normality', customers will be hit with rises in NI contributions and increases in electric/gas/fuel/food bills etc all of which are likely to further impact their ability to pay. The Magistrate's Court has now reopened in its normal capacity although trying to deal with huge backlogs. The recovery team continues to try to engage with customers to come to arrangements to clear their bills before taking the route of enforcement.
	Revenues Administration	REV 2	Business Rates - in year collection rate for Lincoln	High is good	98.50	98.89	Q3 - 21/22	84.11	Q4 - 21/22	98.45	%	R ▲ This figure is slightly lower than 2020/21 - although it should be noted that the Covid pandemic is still affecting some of the customers who had less help in 2021/22 than they did in 2020/21. The Expanded Retail Discount (ERD) was reduced from 100% in 2020/21 to 66% for the final three quarters of 2021/22 and was capped per business. This meant that the ERD grant reduced from 29m 2020/21 to just under 10m for 2021/22. The Government announced the Covid Additional Relief Fund in March 21 but did not provide any details to the billing authorities until just before Christmas 2021. Once we had these details, including how much we would be granted, we had to put a local scheme into place, and invite applications from customers that we had identified as potentially eligible for this relief. The closing date for these applications was 31.3.2022. Had this been announced sooner, we may have been able to have helped eligible customers struggling to pay their rates sooner and this would have improved the collection rate.

Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues team	Low is good	650	450	Q3 - 21/22	1,738	Q4 - 21/22	2,413	Number	R	▼	Annual billing each year tends to increase the number of items of correspondence outstanding. This year has been particularly difficult as there has been a lot of sickness within the council tax admin team, training for new officers and a number of resignations within the team of very experienced officers. The outstanding documents peaked in October 2021, and we took action to reduce this by offering overtime and the employment of 1FTE temporary officer. We are currently waiting for DBS checks for 3 new full-time employees, which will bring the council tax team back to almost their full established posts. The recovery team have also had some resignations and have just appointed 1 full time employee and are carrying approx. 0.6FTE vacant hours which have gone out to advert. The number of officers that have had long term sickness and the number of resignations is unprecedented and has impacted the revenues team severely. In addition to 'normal' annual billing correspondence, the team were also impacted by the £150 Council Tax Energy Rebate announced by the government on 3.2.2022. This resulted in an increased number of phone calls, increased numbers of customers filing out online Direct Debit forms so expedite their £150 payment, increased contact from customers who did not pay by direct debit to see how they would be paid etc. Therefore to find that we have an increase in outstanding documents is not unexpected, and staff are working on these as a priority to get this up to date before we begin issuing the £150 energy rebates.
Housing Benefit Administration	BE 1	Average (YTD) days to process new housing benefit claims from date received	Low is good	19.00	17.00	Q3 - 21/22	16.45	Q4 - 21/22	16.54	Days	G	▼	Weekly monitoring has helped to enable prompt decision making despite increases in workloads during quarter 4.
Housing Benefit Administration	BE 2	Average (YTD) days to process housing benefit claim changes of circumstances from date received	Low is good	6.00	4.50	Q3 - 21/22	5.37	Q4 - 21/22	3.55	Days	G	▲	1 day changes due to notification of future rent and income changes has lowered average.
Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Low is good	1,250	1,100	Q3 - 21/22	1,643	Q4 - 21/22	2,117	Number	R	▼	2117 customers of which 1802 are waiting a first contact. Increase due to changes income and rent charges being reported for new financial year.
Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where Benefit entitlement is correct	High is good	89.00	92.00	Q3 - 21/22	96.40	Q4 - 21/22	97.13	%	G	▲	Increase in the amount of QA which are financially correct.
Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	N/A	Volumetric	Volumetric	Q3 - 21/22	2,966	Q4 - 21/22	4,036	Number	V		887 Housing Benefit and 3149 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	Q3 - 21/22	97.90	Q4 - 21/22	98.10	%	G	▲	This measure must be treated with some caution as we are still operating in accordance with the FSA Recovery Plan. The number of businesses that are included is 566 of the total businesses 1147 that are food registered in the city. What we can report is that there is a focus on less compliant businesses in the city, currently there are 11 businesses that are non-compliant, and we continue to work with them to get them to a level that is at least broadly compliant.
Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Low is good	13.00	8.00	Q3 - 21/22	40.30	Q4 - 21/22	18.60	Days	R	▲	There has been an improvement in this quarter because we were able to focus on businesses that are included in the Lincoln Recovery Plan, which are the more compliant businesses. Those businesses that required structural works previously and have now been completed and non-compliant businesses that we have worked with, to become broadly complaint in this quarter, have an impact on this measure.
Food and Health & Safety Enforcement	FHS 3	Percentage of food inspections that should have been completed and have been in that time period	High is good	85.00	97.00	Q3 - 21/22	100.00	Q4 - 21/22	100.00	%	G	→	There was only 1 business that fell into the scope of the FSA Recovery Plan. This has allowed us to focus on businesses that are included in the Lincoln Recovery Plan, which although are the more compliant businesses, they were not inspected when they became due during lockdown periods. 102 inspections were carried out during this quarter, and we were without the agency worker for approximately half the quarter.
Development Management (Planning)	DM 1	Number of applications in the quarter	N/A	Volumetric	Volumetric	Q3 - 21/22	227	Q4 - 21/22	228	Number	V		Overall no. of applications in the quarter remains consistent
Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Low is good	85.00	65.00	Q3 - 21/22	68.96	Q4 - 21/22	79.16	Days	A	▼	Whilst still within the tolerance this increase in end to end times is indicative of more complex non-major applications being processed which inevitably take longer to resolve
Development Management (Planning)	DM 3	Number of live planning applications open	Low is good	180	120	Q3 - 21/22	156	Q4 - 21/22	145	Number	A	▲	The decrease shows that more decisions have been made within the quarter
Development Management (Planning)	DM 4	Percentage of applications approved	High is good	85.00	97.00	Q3 - 21/22	95.00	Q4 - 21/22	95.00	%	A	→	This figure 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	Q3 - 21/22	0.00	Q4 - 21/22	0.00	%	G	→	Continued strong appeal performance reflecting the quality of 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	Q3 - 21/22	90.89	Q4 - 21/22	83.00	%	A	▼	Similar to DM2 this is indicative of the increased complexity of some of the applications within this quarter
Development Management (Planning)	DM 7	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	High is good	60.00	90.00	Q3 - 21/22	82.50	Q4 - 21/22	89.00	%	A	▲	A slight increase here for major applications highlighting the priority these applications receive
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	Q3 - 21/22	23.60	Q4 - 21/22	28.00	Weeks	R	▼	In this financial year 59 adaptations (excluding extensions) were completed on site at an actual cost including overheads of £619K in addition a further £590K has been approved or committed taking the total spend to £1.2M. There was an increase in the average time from an OT notification to the works being completed. There are a combination of reasons for this: The approval process has been stretched by Covid work arrangements where applications in the early part of the year were managed remotely and this does take longer, now that the team have resumed home visits this part of the process should improve as we are able to sit down with the

													applicant and complete the application and obtain all the necessary documentation at the same time. The contractor is doing the design and build element of the process and they are taking longer to supply the design for the approval to go ahead, primarily due to the demands within the construction industry currently. Thirdly, the team is one member of staff short currently The average time once the application has been approved to completion of works for all adaptations completed in this year was only 13 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	Q3 - 21/22	4.90	Q4 - 21/22	5.40	Weeks	V		During this quarter 4 period 15 property complaints were resolved. For the full year 84 complaints have been resolved with an average time of 9 weeks overall. There are 45 cases that remain open and under investigation. It is important to note the reported average figures for Q1 and Q2 were in excess of 13 weeks.
Private Housing	PH 3	Number of empty homes brought back into use	High is good	13	25	Q3 - 21/22	17	Q4 - 21/22	23	Number	A	▲	23 properties have been returned to use with the project's assistance. The total number of long-term empties however remain at around the same level of 420. Second Homes and furnished empty properties that have been empty for more than 6 months, have increased again as expected to 840 though only 788 properties have been empty for more than 6 months. Student housing still makes up the majority of these properties as they haven't been occupied this student year.
Public Protection and Anti-Social Behaviour Team	ASB 1	Number of cases received in the quarter (ASB)	N/A	Volumetric	Volumetric	Q3 - 21/22	73	Q4 - 21/22	85	Number	V		this is in line with the recent figures. per month this has been January 27, February 19, March 39.
Public Protection and Anti-Social Behaviour Team	ASB 2	Number of cases closed in the quarter	N/A	Volumetric	Volumetric	Q3 - 21/22	747	Q4 - 21/22	715	Number	V		the team have received 814 requests for service in this quarter and closed 715. This is slightly lower than last quarter however at this stage this is not of concern however will be monitored over the next quarter
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	Q3 - 21/22	194	Q4 - 21/22	248	Number	A	▼	This is slightly higher as a percentage (30%) of received cases than the average for the previous 12 months which was 21.5% of cases received in the quarter remaining open at the end of the quarter. Requests for service in this quarter are as follows; January 2022 we received 269 in February 231 and in March 314. It is therefore likely that the higher number of cases still open at the end of Q4 is due to the higher than normal demand on service that has been experienced through these months.
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	Q3 - 21/22	0.00	Q4 - 21/22	0.00	%	A	—	Not currently being collected this quarter but anticipated this will resume from Q1 2022/2023. The survey is now up and running in trial form.
Sport & Leisure	SP 1	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	High is good	213,355	213,991	Q3 - 21/22	110,339	Q4 - 21/22	106,509	Number	R	▼	Quarter 4 See's the pool at Yarborough shut for essential repairs which lowers the Yarborough figures significantly. Yarborough is currently 66,896 visits (which reflects the pool being closed) which 39% of pre-pandemic levels (Q4 19/20) however the pool was open during this period. Birchwood is currently 39,613 visits is 69% of pre-pandemic levels (Q4 19/20) and is increasing.
Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	High is good	520.00	650.00	Q3 - 21/22	806.00	Q4 - 21/22	775.00	Hours	G	▼	Yarborough and Birchwood are recovering well, and usage of slots is stable, the outside weather has been a challenge with high winds and some outside activities as a result have been cancelled during certain periods. Yarborough achieved 322 slots used Birchwood achieved 453 slots used
CCTV	CCTV 1	Total number of incidents handled by CCTV operators	N/A	Volumetric	Volumetric	Q3 - 21/22	2,181	Q4 - 21/22	2,134	Number	V		The numbers reflect the post-Christmas daytime/evening economy. Also, the reduction in staffing and hours covered has reduced incidents reported. The work involved in the recent server room upgrade has also disrupted proactive monitoring.
Waste & Recycling	WM 1	Percentage of waste recycled or composted	High is good	30.50	35.00	Q3 - 21/22	34.82	Q4 - 21/22	32.30	%	A	▼	This figure relates to Quarter 3 (October 2021 - December 2021). 18.8% has been recorded as waste being recycled, whereas 13.5% was recorded of waste being composted, equating to 32.30% being composted or recycled.
Waste & Recycling	WM 2	Contractor points achieved against target standards specified in contract - Waste Management	Low is good	150	50	Q3 - 21/22	95	Q4 - 21/22	125	Number	A	▼	125 points were recorded in Q4. This has been broken down into 50 points in January, 40 points in February and 35 points in March
Street Cleansing	SC 1	Contractor points achieved against target standards specified in contract - Street Cleansing	Low is good	150	50	Q3 - 21/22	80	Q4 - 21/22	65	Number	A	▲	Points were recorded as 65 collectively. This has been broken down into 20 points in January, 15points in February and 30 points in March.
Grounds Maintenance	GM 1	Contractor points achieved against target standards specified in contract - Grounds Maintenance	Low is good	150	50	Q3 - 21/22	135	Q4 - 21/22	35	Number	G	▲	Points were recorded as 35 collectively, broken down into 0in January 20 in February (Tree Team), 15 in March (Tree Team)
Allotments	AM 1	Percentage occupancy of allotment plots	High is good	84.00	92.00	Q3 - 21/22	97.00	Q4 - 21/22	95.00	%	G	▼	As at the end of March 2022, the Council had 1057 occupied plots. Demand for plots, remains quite high. All sites still have waiting lists for plots. New charge levels do not yet seem to have impacted demand.
Parking Services	PS 1	Overall percentage utilisation of all car parks	High is good	50.00	60.00	Q3 - 21/22	48.00	Q4 - 21/22	42.00	%	R	▼	Traditionally the lowest quarter of the year re Winter months however big improvement on the same period 2020/21 as shops remained open.
Parking Services	PS 2	Number of off street charged parking spaces	N/A	Volumetric	Volumetric	Q3 - 21/22	3,796	Q4 - 21/22	3,771	Number	V		The number of spaces available has been comprehensively reviewed to better reflect the actual provision, taking account of such as the Councillors car parking spaces at City Hall, and 1001 spaces at Central (in the last quarter only it was inadvertently represented in error). We do not anticipate any adjustments to this figure in the near future.
Licensing	LIC 1	Total number of committee referrals (for all licensing functions)	N/A	Volumetric	Volumetric	Q3 - 21/22	9	Q4 - 21/22	3	Number	V		1 PH driver for previous convictions, 1 PH driver for no certificate of good conduct, 1 LA03 premises licence review (adjourned to later date).

Licensing	LIC 2	Total number of enforcement actions (revocations, suspensions and prosecutions)	N/A	Volumetric	Volumetric	Q3 - 21/22	1	Q4 - 21/22	1	Number	V	LA03 premises licence revocation from February 2021 was upheld in magistrates court and council awarded £2000 costs.
DHI 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	Q3 - 21/22	1.06	Q4 - 21/22	0.70	%	A	The majority of the doors outstanding are access issues to survey or fit the doors. Most of these are Fire doors and so we are reluctant to remove from programme due to the safety implications. We will continue to attempt to gain access to these properties. x4 of the doors have now been fitted in April 2022. Of the x56 properties now failing; x40 doors, x14 Electrics, 2x roofs.
Housing Investment	HI 2	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	N/A	Volumetric	Volumetric	Q3 - 21/22	178	Q4 - 21/22	183	Number	V	The level of refusals is recorded but cannot be controlled by the Council. We have had an increase of 5 during quarter four.
Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	High is good	99.80	99.96	Q3 - 21/22	99.14	Q4 - 21/22	99.71	%	R	7510 properties with gas; x12 have a non-compliant certificate which Aaron need to review and revisit where necessary x10 have a compliant certificate but are now out of date x2 the tests are complete, and we are awaiting the certificates from Aaron - should be x1 has just become void so should be capped shortly, if not already x7 are no access and going through the legal process
Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	High is good	97.50	98.75	Q3 - 21/22	98.30	Q4 - 21/22	98.24	%	A	Considerable staff shortages have led to difficulty covering shifts, but we have maintained our high level of service exceeding the 97.5% target.
Rent Collection	RC 1	Rent collected as a proportion of rent owed	High is good	96.50	98.00	Q3 - 21/22	100.52	Q4 - 21/22	100.18	%	G	The in-year rent collection achieved for end of Q4 is 100.18%, exceeded the target of 96.5%. This has resulted in an overall reduction in rent owed to the authority. The enforcement restrictions as a result of the Covid-19 pandemic were still in place until October 2021, but despite this Officers have managed to support tenants through this difficult time whilst maximising income to the Housing Revenue Account.
Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	Low is good	4.50	3.50	Q3 - 21/22	3.68	Q4 - 21/22	3.63	%	A	The current rent arrears as a % of the debit achieve for Q4 is 3.63%, exceeding the target of 4.65%. This has resulted in an overall reduction in rent arrears of £18k compared to last financial year. Whilst we have ambitions to further reduce the total amount of rent owed by tenants, whilst continuing to sustain tenancies, this has surpassed expectation for rent collection, throughout a turbulent time for tenants. Since the eviction ban was lifted in October 2021, 10 evictions have been carried out which is not a significant number compared to relative years. This demonstrates the balance of maximising income to the HRA whilst prioritising tenancy support and sustainment.
Housing Solutions	HS 1	The number of people currently on the housing list	N/A	Volumetric	Volumetric	Q3 - 21/22	1,448	Q4 - 21/22	1,440	Number	V	We are seeing applications to join the Housing Register increase significantly since the pandemic. We anticipate this increase will continue given the current cost of living rises with many people seeking to secure more affordable accommodation.
Housing Solutions	HS 2	The number of people approaching the council as homeless	N/A	Volumetric	Volumetric	Q3 - 21/22	707	Q4 - 21/22	990	Number	V	*Includes Rough Sleeper Team. The number of applications has increased considerably, and we anticipate this will continue as the cost of living increases take hold.
Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	High is good	50.00	55.00	Q3 - 21/22	43.70	Q4 - 21/22	45.19	%	R	*Excludes Rough Sleeper Team. The team is finding it increasingly difficult to prevent or relieve homelessness. This is due to a combination of factors including applicants approaching us too late for us to successfully intervene, a lack of affordable private rented properties and lower void turnover within council stock.
Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	Low is good	0.80	0.90	Q3 - 21/22	1.44	Q4 - 21/22	1.41	%	R	Current rent lost through vacant dwellings is 1.41% against the target of 0.9%. The void process has faced several challenges with labour, contractors and materials which has resulted in an increase in void time and consequently % of rent lost. The Voids Team are currently working to reduce this with the help of additional contractors and an increase in available materials.
Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Low is good	32.00	29.00	Q3 - 21/22	51.94	Q4 - 21/22	56.08	Days	R	The current void turn-around time for void requiring minor works is 56.08 days against the target of 32 days. Voids have experienced increased challenges since their initial contractor went into administration in 2021, leaving significant pressure on the DLO. There is a high, national demand for labour, meaning that CoLC has had difficulty securing the necessary workforce to turnaround the empty properties to achieve the target of 32 days. There has also been an increase in the number of terminations through deaths meaning that pre-termination inspections cannot be completed, resulting in more difficulty when planning required works due to no advanced information on property conditions and information not being given at this stage causing tenant uncertainty on how the property is to be returned causing an increase pre-repair works, particularly cleansing and clearance works There are now additional contractors in place to carry out void works and we have allocated additional staff from the DLO. Subsequently, we are seeing an increase in the properties being completed and relet and are on track to bring performance more in line with target next financial year.
Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Low is good	38.00	35.00	Q3 - 21/22	59.88	Q4 - 21/22	65.76	Days	R	The current void turnaround time for all properties is 65.76 days against the target of 38 days. Properties requiring major works have seen increased difficulty with sourcing necessary materials and labour, resulting in an increase in the re-let time. As with all relets, new tenants have often struggled to move due to isolation, or difficulty sourcing removals in a timely manner resulting in further delays. With the award of a new repairs contract contractor support will be in place and with the increasing availability of materials, we are improving the void turnaround time. During 2021-22 we re-let 453 properties that are included within this measure (General Needs / Sheltered). However, it is important to note we completed an additional 155 voids that don't get included – Homeless Licenses properties, purchase & repair, NSAP etc. Although these voids don't affect the re-let time, they do still require resource/materials from the various teams in the voids process so naturally it will have played some part in the increased delays in void properties. We also had a high number of refusals on void properties during the year. Of the 453 properties let within this measure, we had 108 refusals which equates to 23.8%. When we have refusals, this causes delays in the void time as the property is ready to let but we can't re-let until an offer is accepted from a prospective tenant.

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	Q3 - 21/22	92.66	Q4 - 21/22	94.04	%	R	▲	This measure is showing a steady improvement rate, during quarter four alone, we have achieved 97% which is just 0.5% off the overall target. If we continue along this trend, we should see performance being in and around the target in 2022/23. Recruiting a full complement of joiners and tweaks to the scheduling element have been contributing factors.
Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	High is good	90.00	93.00	Q3 - 21/22	92.91	Q4 - 21/22	92.85	%	A	▼	A positive first-time fix result is a tell-tale sign of an efficient workforce, we need to operate with a skilled team to achieve this and continually update the technical skills of the workforce to ensure we maintain and improve on this measure
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	Q3 - 21/22	99.30	Q4 - 21/22	99.46	%	G	▲	While it should automatic that this measure is met, we need to keep an eye on it to ensure continued achievement.
Business Development	BD 1	Number of users logged into the on-line self service system this quarter	High is good	10,000	10,500	Q3 - 21/22	9,026	Q4 - 21/22	14,771	Number	G	▲	Seasonal upturn - Annual Council Tax billing process
IT	ICT 1	Number of calls logged to IT helpdesk	N/A	Volumetric	Volumetric	Q3 - 21/22	993	Q4 - 21/22	1,124	Number	V		Increase in tickets logged - much of which due to quarantining of emails from new process/software
IT	ICT 2	Percentage of first time fixes	N/A	Volumetric	Volumetric	Q3 - 21/22	58.60	Q4 - 21/22	60.60	%	V		Increase in first time fixes, largely due to increase in number of emails being quarantined - and therefore higher call rate

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ANNUAL MEASURES - Q4

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

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
CX	Debtors & Creditors	DCT 1	Percentage of invoices paid within 30 days	High is good	95.00	97.00	2020/21	98.92	2021/22	95.84	%	A Figures are calculated on all supplier invoices and credit notes (not refunds or grants) paid 01/04/2021 - 31/03/2022. Figures are adjusted based on certain assumptions as below: - 1) No invoice collected for payment by supplier by direct debit or standing order is assumed to be late. 2) No credit note taken by CoLC outside of 30 days classified as late. 3) 0.5% of those invoices paid over 30 days assumed to be in dispute at some point and hence paid late after dispute resolved not classified as late 4) 1% of those invoices paid after 30 days were held back from payment because the overall balance with the supplier was in credit
	Debtors & Creditors	DCT 2	Percentage of invoices that have a Purchase Order completed	High is good	55.00	65.00	2020/21	45.40	2021/22	55.00	%	A Based on supplier expenditure only of 13,903 AP lines. (Total AP lines 15,900 but all Gas, Water and electric invoices excluded as not suitable for POs). Of these 13,903 lines 7,723 were linked to either an Agresso or UH order number. Figure should only be taken as a rough guide as actual figures will not be available until the 20/05/2022 when complete City of Lincoln supplier spend data for 2021/22 is produced (in line with Final Accounts timetable).
	Debtors & Creditors	DCT 3	Average number of days to pay invoices	Low is good	27.00	30.00	2020/21	8.00	2021/22	13.00	Days	G Excludes non-supplier expenditure e.g., refunds, grants
DCE	Sport & Leisure	SP 3	Percentage of respondents to satisfaction survey who would recommend Birchwood Leisure Centre and/or Yarborough Leisure Centre to others	High is good	62.00	70.00	2020/21	0.00	2021/22	73.00	%	G Due to the pandemic, surveys only recommenced for Q4 2021/22 Annual National Bench Marking Score 45 Active Nation Organisational Target 45 Active Nation Organisational Score 9 Yarborough Bench Marking Score 38 Birchwood Bench Marking Score 60 Total Surveys Sent = 123, Survey Responses = 14 Positive Responses/ would recommend to others = 10 = 73% (Yarborough 5, 62%) (Birchwood 5 83%).

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SUBJECT:	TREASURY MANAGEMENT STEWARDSHIP AND ACTUAL PRUDENTIAL INDICATORS REPORT 2021/22 (OUTTURN)
REPORT BY:	CHIEF FINANCE OFFICER
LEAD OFFICER:	COLLEEN WARREN – FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 The annual Treasury Management stewardship report is a requirement of the Council's reporting procedures under regulations issued under the Local Government Act 2003. It covers the treasury management activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2. Executive Summary

- 2.1 During 2021/22 the Council complied with its legislative and regulatory requirements. The key prudential indicators for the year, with comparators, are as follows:

Actual Prudential Indicators	2021/22 £000	2020/21 £000
Actual Capital Expenditure	21,895	19,589
Capital Financing Requirement		
General Fund	68,407	67,501
HRA	74,452	70,274
Total	142,859	137,775
Net borrowing (borrowing less investments)	75,327	89,548
External debt (borrowing)	125,177	123,448
Investments		
• Longer than 1 year*		
• Under 1 year	49,850	33,900
• Total	49,850	33,900

Other prudential and treasury indicators are to be found in section 4. Please note that the figures above and all other figures in this report are based on figures which are subject to the conclusion of final accounts.

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 shows the status of the Prudential Indicators at 31st March 2022. For the 2021/22 financial year the minimum reporting requirements were that members should receive the following reports:

- an annual Treasury Management Strategy in advance of the year (Council 2nd March 2021)
- a mid-year Treasury Update report (Executive 18th November 2021)
- an annual report following the year describing the activity compared to the strategy (this report)

3.2 Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

3.3 In compliance with the Prudential Code treasury management reports are scrutinised by Performance Scrutiny Committee and reviewed by the Executive prior to reporting to full Council if required. Member training for the Performance Scrutiny and Audit Committees was undertaken on 18th November 2021 and 1st February 2022 in order to support their roles in scrutinising the treasury management strategy and policies.

4. Summary of Performance against Treasury Management Strategy 2021/22

4.1 The full details of transactions in the year and performance against the Prudential Indicators are included at Appendices A and B.

4.2

Actual Prudential Indicators	2021/22	2020/21
Actual Capital Expenditure	21,895	19,589
Capital Financing Requirement		
General Fund	68,407	67,501
HRA	74,452	70,274
Total	142,859	137,775
Financing Costs as a proportion of Net Revenue Stream		
General Fund	24.0%	22.6%
HRA	31.6%	31.4%

4.3 The Chief Finance Officer confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, the Authorised Limit was not breached.

Additional borrowing of £3.35m was taken in 2021/22.

At 31st March 2022, the principal value of the Council's external debt was £125.177m (£123.448m at 31st March 2021) and that of its investments was £49.85m (£33.9m at 31st March 2021).

4.4 The increase in General Fund Financing costs as a % of net revenue stream in 2021/22, when compared with 2020/21, is due additional MRP charges and lower rates of return on investments. The slight increase in HRA Financing costs results from borrowing arrangements being at rates lower than those for borrowing taken previously but also higher levels of depreciation.

4.5 The financial year 2021/22 continued the challenging environment of previous years; the effect of the Covid 19 pandemic, low investment returns and continuing counterparty risk were the main features.

4.6 Key issues to note from activity during 2021/22:

- The Council's total debt (including leases and lease-type arrangements) at 31st March 2021 was £125.177m (Appendix A section 4.4) compared with the Capital Financing Requirement of £142.86m (Appendix A section 3.5). This represents an under-borrowing position of £17.68m, which is currently being supported by internal resources. Additional long-term borrowing will be taken in future years to bring levels up to the Capital Financing Requirement, subject to liquidity requirements, if preferential interest rates are available.
- The Council's Investments at the 31st March 2022 were £49.85m (Appendix A section 4.3), which is £15.95m higher than at 31st March 2021. Average investment balances for 2021/22 were £44.7m, which was higher than estimated balances of £24.7m in the Medium Term Financial Strategy 2021-26 due to high balances being made available through government grants. It should be noted that this refers to the principal amounts of investments held, whereas the investment values included in the balance sheet are based on fair value. In most cases, this will simply be equal to the principal invested, unless the investment has been impaired.
- Actual investment interest earned on balances was £76.7k compared to £27k estimated in the Medium Term Financial Strategy 2021-26 (Appendix A section 10.2).
- The interest rate achieved on investments was 0.19% (for 2021/22 the average was 0.53%) which reflects the low yield environment during the year. The rate is no longer compared to the LIBID rate which ceased in December 2021.

4.7 Risk Benchmarking

The following reports the outturn position against the security and liquidity benchmarks in the Treasury Management Strategy.

Security

- The average security risk gives the estimated default rate on the investment counterparties which comprise the portfolio at 31st March 2022. The Council's actual average security risk for the portfolio as at 31st March 2021 is 0.014%, compared with the 0.006% for the budgeted portfolio. Whilst higher than anticipated this reflects a very low risk portfolio and equates to a potential financial loss of £2,912 on the investment portfolio of £21m using individual risk of default percentages (£28.85m of our instruments do not have a counterparty credit rating).
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk; however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2021/22 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31st March 2022, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this limit throughout the year.

Liquidity

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.11 years (40 days).

The actual liquidity indicators at 31st March 2021 were as follows:

- Liquid short term deposits of £28.85 million as at 31st March 2022.
- Weighted Average Life of the investment portfolio was 0.126 years (46 days). This reflects that larger amounts of investments were deposited in short term accounts to deal with cash flow requirements.

The Chief Finance Officer can report that liquidity arrangements were adequate throughout the year.

4.8 Benchmarking

The Council participates in the following benchmarking club:

- The Link Asset Services benchmarking club. Link Asset Services is the Council's treasury management advisors and they offer a benchmarking club for their clients. This is organised on a regional group basis. The group to which City of Lincoln belongs has 12 members within the East Midlands region. The following summary shows performance against the group average and against the benchmarking club as a whole, indicating a lower than average risk portfolio, with much lower levels of investment balances achieving a similar level of return.

	CoLC	Group Average	All club members
Principal at 31/3/22	£49,850,000	£121,919,777	£110,804,896
Weighted Average rate of return at 31/3/22	0.43%	0.54%	0.44%
Weighted average maturity at 31/3/22	46 days	103 days	74 days
Weighted average credit risk at 31/3/22	2.60	2.70	2.92

5. Strategic Priorities

- 5.1 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 in order to support the Medium Term Financial Strategy and the delivery of the Council's Vision 2025.

6. Organisational Impacts

- 6.1 Finance - The financial impacts are contained within the main body of the report and within appendices A and B.
- 6.2 Legal Implications including Procurement Rules - Section 15 of the Local Government Act 2003 requires local authorities 'to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in Regulation 24 require local authorities to have regard to the TM Code of Practice. Investment guidance issued by the Ministry for Housing Communities and Local Government (MHCLG – now DLUHC) which came into effect from 1st April 2010 requires investment policy to emphasise security and liquidity over income.

7. Equality, Diversity and Human Rights

- 7.1 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.

8. Risk Implications

- 8.1 The Council has the freedom to adopt its own treasury management policies. The CIPFA code of practice, which specifies the format and frequency of reporting, is part of the risk management procedures for treasury.

9. Recommendation

- 9.1 That Performance Scrutiny Committee notes the actual prudential indicators contained within appendices A and B.
- 9.2 That Performance Scrutiny Committee notes the annual treasury management report for 2021/22.

Key Decision No

Do the Exempt Information Categories Apply? No

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

How many appendices does the report contain? 2

List of Background Papers:

Link Annual Stewardship Reports for 2021/22
Medium Term Financial Strategy 2021-26 and 2022-27
Prudential Indicators 2021/22 – 2022/23 and Treasury
Management Strategy 2021/22 and 2022/23

Lead Officer: Colleen Warren – Financial Services Manager

Annual Report on the Treasury Management Service and Actual Prudential Indicators 2021/22

1. Introduction

1.1 The Council undertakes capital expenditure on long-term assets. These activities can be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

Capital expenditure activity is regulated by the CIPFA Prudential Code, which requires actual outturn to be reported in the following areas: -

- Capital expenditure;
- Capital Financing Requirement;
- Debt;
- Ratio of financing costs to net revenue stream.

The remaining prudential indicators are included to make the annual reporting comprehensive and to comply with the requirements of the Treasury Management Code.

1.2 Part of the Council's treasury activities is to address any borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance. This area of activity is regulated by the CIPFA Code of Practice on Treasury Management.

1.3 Wider information on the regulatory requirements is shown in section 11.

2. The Council's Capital Expenditure and Financing 2021/22

2.1 This forms one of the required prudential indicators and shows total capital expenditure for the year and how this was financed.

	2021/22 Actual £'000	2021/22 Revised Estimate £'000	2020/21 Actual £'000
General Fund capital expenditure	6,631	20,398	3,212
HRA capital expenditure	15,264	30,248	16,377
Total capital expenditure	21,895	50,646	19,589
Resourced by:			
Capital receipts	1,340	5,656	1,633
Capital grants & contributions	9,821	15,214	4,553
Direct Revenue Financing	215	6,186	663
Major repairs reserve	3,842	10,514	4,044
Un-financed capital expenditure (additional need to borrow)	6,677	13,076	8,696

2.2 Further details on 2021/22 Capital Expenditure and Financing can be found in the Financial Performance Detailed Outturn 2021/22 report elsewhere on the agenda.

3. The Council's Overall Borrowing Need

3.1 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position and represents 2021/22 and prior years' net capital expenditure that has not yet been charged to revenue or other resources.

3.2 Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council.

3.3 The General Fund element of the CFR is reduced each year by a statutory revenue charge (called the Minimum Revenue Provision - MRP). The total CFR can also be reduced by:

- the application of additional capital resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP) or depreciation.

3.4 The Council's MRP policy for 2021/22 was approved by Council on 2nd March 2021 as part of the Prudential Indicators 2021/22 – 2023/24 and Treasury Management Strategy 2021/22.

3.5 The Council's CFR for the year is shown below and represents a key prudential indicator. The CFR includes leasing schemes which increase the Council's

borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract. During the year land appropriations resulted in an appropriation between the General Fund and HRA CFR.

Capital Financing Requirement General Fund	31 March 2022 Actual £'000	31 March 2022 Revised Estimate £'000	31 March 2021 Actual £'000
Opening balance 1 April	67,502	67,502	68,562
Plus un-financed capital expenditure	2,500	9,129	597
Finance leases	0	0	(105)
Less MRP/VRP*	(1,444)	(1,444)	(1,552)
Use of capital receipts	(150)	(3,372)	0
Closing balance 31 March	68,407	71,815	67,502

Capital Financing Requirement HRA	31 March 2022 Actual £'000	31 March 2022 Revised Estimate £'000	31 March 2021 Actual £'000
Opening balance 1 April	70,273	70,273	62,174
Plus un-financed capital expenditure	4,178	3,947	8,099
Closing balance 31 March	74,451	74,220	70,273

* includes finance lease repayments

4. Treasury Position at 31st March 2022

4.1 Whilst the Council's gauge of its underlying need to borrow is the CFR, the Chief Finance Officer and the treasury team manage the Council's actual borrowing position by either:

- borrowing to the CFR,
- choosing to temporarily utilise some flow funds instead of borrowing (under-borrowing)
- borrowing for future increases in the CFR (borrowing in advance of need).

4.2 It should be noted that the figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest (outstanding interest due to be paid and received as at 31st March), or where the carrying amount is based on fair values.

- 4.3 During 2021/22 the Chief Finance Officer managed the borrowing position to £125.177 million. The treasury position at the 31st March 2021 compared with the previous year was:

	31 March 2022		31 March 2021	
	Principal £'000	Average Rate (full year)	Principal £'000	Average Rate (full year)
Borrowing Position				
Fixed Interest Rate Debt	125,177	3.02%	123,448	3.25%
Variable Interest Rate Debt	0	N/A	0	N/A
Total Debt (borrowing) *	125,177	3.02%	123,448	3.25%
Capital Financing Requirement (borrowing only)	142,858	N/A	137,775	N/A
Over/(under) borrowing	(17,680)	N/A	(14,327)	N/A
Investment Position				
Fixed Interest Investments	21,000	0.30%	19,000	0.41%
Variable Interest Investments	28,850	0.05%	14,900	0.10%
Total Investments **	49,850	0.19%	33,900	0.20%
Net Borrowing Position	75,327		89,548	

* Excludes local Bonds & Mortgages and other long-term liabilities (e.g. finance leases)

** The interest rate given differs from the interest rate given in Paragraph 4.6 of the main report because the rates above are for investments held at 31 March whereas the average rate of investment is for investments held during 2021/22.

- 4.4 The total debt position also includes other long term liabilities such as finance leases and embedded leases within service contracts. The total debt position at 31st March 2022 was £125.177 million as shown below:

	31 March 2022 Actual £'000	31 March 2022 Revised Estimate £'000	31 March 2021 Actual £'000
Gross borrowing	125,177	136,000	123,448
Other long term liabilities	0	0	0
Total External debt	125,177	136,000	123,448

- 4.5 The maturity structure of the debt portfolio was as follows:

	31 March 2022 Actual £'000	31 March 2021 Actual £'000
Under 12 months	13,215	7,710
12 months and within 24 months	2,500	8,215
24 months and within 5 years	2,897	6,072
5 years and within 10 years	11,462	10,696
10 years and above	95,103	90,755
Total	125,177	123,448

4.6 The maturity structure of the investment portfolio was as follows:

	31 March 2022 Actual £'000	31 March 2021 Actual £'000
Longer than 1 year	0	0
Under 1 year	49,850	33,900
Total	49,850	33,900

5. The Strategy for 2021/22

5.1 The Council's overall core borrowing objectives are:

- To reduce the revenue costs of debt in line with the targets set for the Chief Finance Officer by Council (see local indicators).
- To manage the Council's debt maturity profile, leaving no one future year with a high level of repayments that might cause problems in re-borrowing.
- To effect funding at the cheapest cost commensurate with future risk.
- To forecast average future interest rates and borrow accordingly i.e. short term/variable when rates are 'high', long term/fixed when rates are 'low'.
- To monitor and review the level of variable rate loans in order to take greater advantage of interest rate movements.
- To proactively reschedule debt in order to take advantage of potential savings as interest rates change. Each rescheduling exercise will be considered in terms of the effect of premiums and discounts on the General Fund and the Housing Revenue Account.
- To manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.

6. Actual Debt Management Activity during 2021/22

6.1 Borrowing

- 6.1.1 Long term borrowing, totalling £5m was taken in 2021/22; short term borrowing of £5m was taken in 2021/22; of this £6.645m were replacement loans. The 3% stock, PWLB, short term and annuity borrowing of £8.271m was repaid in 2021/22.
- 6.1.2 The average rate achieved for borrowing (excluding finance and embedded leases) in 2021/22 was 3.02%, which compares favourably to the target of 4.25% (2020/21 3.25% actual compared to the target of 4.75%). The decrease in rate is due to short term borrowing through other local authorities and new and replacement PWLB borrowing at favourable rates.

	31 March 2022 Actual £'000	31 March 2021 Actual £'000
Interest payable on borrowing	3,797	3,912
- General Fund	1,372	1,485
- HRA	2,425	2,427
Interest payable on finance leases	0	2
- General Fund	0	2
- HRA	0	0

6.2 Rescheduling

- 6.2.1 No rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

7. Prudential Indicators and Compliance Issues

- 7.1 Some of the required prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:

7.2 Net Borrowing and the CFR

7.2.1 In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2021/22 plus the expected changes to the CFR over 2021/22 and 2022/23 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2021/22. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2022 Actual £'000	31 March 2022 Revised Estimate £'000	31 March 2021 Actual £'000
Net borrowing position	75,327	103,000	89,548
Capital Financing Requirement	142,858	146,035	137,775

7.3 The Authorised Limit and Operational Boundary

7.3.1 The Authorised Limit is the "Affordable Borrowing Limit" required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2021/22 the Council has maintained gross borrowing within its Authorised Limit.

7.3.2 The Operational Boundary is the expected borrowing position of the Council during the year, and periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.

7.3.3 The table below shows the highest borrowing position reached in the year (including temporary borrowing and other long term liabilities) compared to the Authorised Limit and Operational Boundary.

	2021/22 £'000
Authorised Limit (revised estimate)	163,633
Maximum gross borrowing position during 2021/22	127,887
Operational Boundary (revised estimate)	160,833
Average gross borrowing position during 2021/22	124,933
Minimum gross borrowing position during the year	120,177

7.4 Actual financing costs as a proportion of net revenue stream

- 7.4.1 This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

Financing costs as a proportion of net revenue stream -	2021/22 Actual %	2021/22 Revised Estimate %	2020/21 Actual %
General Fund	24.0%	26.6%	22.6%
HRA	31.6%	30.7%	31.4%

The increase in General Fund Financing costs as a % of net revenue stream in 2021/22, when compared with 2020/21, is due to increased MRP charges and lower rates of return on investments.

The HRA Financing costs results reflect higher than anticipated levels of depreciation.

8. Economic Background for 2021/22

The following commentary on the economic conditions for 2021/22 is provided by Link Asset Services, the Council's treasury management advisers.

- 8.1 **UK. Economy.** Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

Average inflation targeting. This was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target sustainably*". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

USA. The flurry of comments from Fed officials following the mid-March FOMC meeting – including from Chair Jerome Powell himself – hammering home the hawkish message from the mid-March meeting, has had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.

In addition, the Fed is expected to start to run down its balance sheet. Powell noted that the rundown could come as soon as the next meeting in May.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all argue for tighter policy (CPI is estimated at 7.8% across Q1), but the hit to real disposable incomes and the additional uncertainty points in the opposite direction.

More recently, the inversion of the 10y-2y Treasury yield spread at the end of March led to predictable speculation that the Fed's interest rate hikes would quickly push the US economy into recession. Q1 GDP growth is likely to be only between 1.0% and 1.5% annualised (down from 7% in Q4 2021). But, on a positive note, the economy created more than 550,000 jobs per month in Q1, a number unchanged from the post-pandemic 2021 average. Unemployment is only 3.8%.

EU. With euro-zone inflation having jumped to 7.5% in March it seems increasingly likely that the ECB will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases in June – i.e., earlier than the Q3 date which the ECB targeted in March. And the market is now anticipating possibly three 25bp rate hikes later this year followed by more in 2023. Policymakers have also hinted strongly that they would re-start asset purchases if required. In a recent speech, Christine Lagarde said "we can design and deploy new instruments to secure monetary policy transmission as we move along the path of policy normalisation."

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a "technical" recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone is expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain. Finishing on a bright note, unemployment fell to only 6.8% in February.

China. After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; however, 2021 has seen the economy negatively impacted by political policies that have focussed on constraining digital services, restricting individual freedoms, and re-establishing the power of the One-Party state. With the recent outbreak of Covid-19 in large

cities, such as Shanghai, near-term economic performance is likely to be subdued. Official GDP numbers suggest growth of c4% y/y, but other data measures suggest this may be an overstatement.

Japan. The Japanese economic performance through 2021/22 is best described as tepid. With a succession of local lockdowns throughout the course of the year, GDP is expected to have risen only 0.5% y/y with Q4 seeing a minor contraction. The policy rate has remained at -0.1%, unemployment is currently only 2.7% and inflation is sub 1%, although cost pressures are mounting.

World growth. World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, 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 (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

9. Investment Position

- 9.1 The Council's investment policy is governed by DLUHC Guidance, which has been implemented in the Annual Investment Strategy approved by Council on 2nd March 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

- 9.2 The Council's longer-term cash balances comprise primarily revenue and capital resources, although these are influenced by cash flow considerations. The Council's core cash resources comprised as follows, and meet the expectations of the budget.

Balance Sheet Resources (draft) - General Fund	31 March 2022 £'000	31 March 2021 £'000
Balances	2,193	2,667
Earmarked reserves	12,473	19,563
Provisions	2,197	2,353
Usable capital receipts	30	623
Total	16,893	25,206
Balance Sheet Resources (draft) - HRA	31 March 2022 £'000	31 March 2021 £'000
Balances	1,025	1,075
Earmarked reserves	2,880	2,617
Usable capital receipts	5,678	3,889
Total	9,583	7,581
Total General Fund & HRA	26,476	32,787

Please note that at the time of writing the year end position is yet to be finalised and the balance sheet resources are draft, subject to approval of recommendations made in the outturn report.

10. Investments Held by the Council

- 10.1 The Council does not have the expertise or resources to actively use a wide range of investment products and therefore performance tends to be more stable but lower over the longer term than for professionally managed funds (whose performance may fluctuate more). The Council maintained an average balance of £44.695m and received an average return of 0.19%. The comparable performance indicator was previously the average 7-day LIBID rate; this is no longer available and the Treasury team are working with our advisors to develop a revised performance indicator.
- 10.2 In 2021/22, £76k interest was earned on balances (£72k in 2020/21). This is £49k more than the £27k estimated in the Medium Term Financial Strategy 2021-26 primarily due to increases in the BoE base rate during the year and higher than anticipated levels of balances. The analysis of this result is shown in the table below.

	MTFS 2021-26 Budget £'000	Outturn 2021/22 £'000
Interest earned - General fund & other commitments	18	52
- HRA	9	24

Total interest earned	27	76
Average balance invested in year	24,700	44,695
Average interest rate achieved	0.13%	0.19%

* The interest rate given differs from that given in Paragraph 4.3 of the main report because this is an average interest for the year whereas the interest rate given in paragraph 4.3 is a rate for balances at 31 March 2022.

The Economic Background for 2021/22 (see Section 8) sets out the economic conditions during this period. Below is Link's forecast for interest rates at 31 March 2022.

Link Group Interest Rate View		7.2.22											
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

11. Risk Benchmarking

The regulatory framework also requires the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Security and liquidity benchmarks are used to assess the level of risk in the investment portfolio and whether sufficient liquidity is being maintained.

11.1 The following reports the current position against the benchmarks originally approved in the 2021/22 Treasury Management Strategy.

Security

- The Council's security risk for the portfolio as at 31st March 2022 is 0.014%, which compares with the 0.006% for the budgeted portfolio. This gives the estimated default rate on the investment counterparties which comprise the portfolio at 31st March 2022. This equates to a potential financial loss of £2,912 on the investment portfolio of £21m - £28.85m of the portfolio is not subject to historic counterparty risk information
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2021/22 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31st March 2022, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this limit throughout the year.

Liquidity

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.11 years (40 days).

The actual liquidity indicators at 31st March 2022 were as follows:

- Liquid short term deposits of £28.85 million as at 31st March 2022.
- Weighted Average Life of the investment portfolio was 0.126 years (46 days).

11.2 Performance Indicators set for 2021/22

11.3 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury management function over the year. The Chief Finance Officer set 8 local indicators for 2021/22, which aim to add value and assist the understanding of the main prudential indicators. These indicators, detailed in Appendix B, are:

- Debt – Borrowing rate achieved against average 7 day LIBOR – this is no longer available
- Investments – Investment rate achieved against average 7 day LIBID – this is no longer available.
- Average rate of interest paid on the Councils Debt during the year – this will evaluate performance in managing the debt portfolio to release revenue savings.
- The amount of interest on debt as a percentage of gross revenue expenditure.
- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

Regulatory Framework, Risk and Performance

12. The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2021/22);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;

- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM has issued Investment Guidance to structure and regulate the Council's investment activities;

Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices.

- 12.1 The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.
13. The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Link Asset Services, the Council's advisers, has proactively managed its treasury position over the year. The Council has continued to utilise historically low borrowing costs and has complied with its internal and external procedural requirements. There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly fixed, utilising long-term loans.
- 13.1 Shorter-term variable rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

Prudential and Treasury Indicators 2021/22

1. PRUDENTIAL INDICATORS	2021/22 Actual	2021/22 Estimated	2020/21 Actual
Capital Expenditure	£'000	£'000	£'000
General Fund	6,631	20,398	3,212
HRA	15,264	30,248	16,377
TOTAL	21,985	50,646	19,589
Ratio of financing costs to net revenue stream	%	%	%
General Fund	24.0%	26.6%	22.9%
HRA	31.6%	30.7%	31.4%
Borrowing requirement General Fund	£'000	£'000	£'000
Borrowing requirement at 1 April	67,501	67,501	68,562
Borrowing requirement at 31 March	68,407	71,815	67,501
In-year borrowing requirement	905	4,313	597
Borrowing requirement HRA	£'000	£'000	£'000
Borrowing requirement at 1 April	70,274	70,274	62,174
Borrowing requirement at 31 March	74,451	74,220	70,274
In-year borrowing requirement	4,178	3,946	8,099
Net Debt	£'000	£'000	£'000
Actual borrowing less investments	75,327	100,633	89,548
CFR	£'000	£'000	£'000
General Fund	68,407	71,815	67,501
HRA	74,451	74,220	70,274
TOTAL	142,858	146,035	137,775
Annual change in Capital Financing Requirement	£'000	£'000	£'000
General Fund	905	4,313	(1,060)
HRA	4,178	3,947	8,099
TOTAL	5,083	8,260	7,039

2. TREASURY MANAGEMENT INDICATORS	2021/22 Revised	2021/22 Estimated	2020/21 Actual
Authorised Limit for external debt –	£'000	£'000	£'000
Borrowing	125,177	162,133	123,448
Other long term liabilities	0	1,500	0
TOTAL	125,177	163,633	123,448
Operational Boundary for external debt -	£'000	£'000	£'000
Borrowing	125,177	148,633	123,448
Other long term liabilities	0	1,200	0
TOTAL	125,177	160,833	123,448
Actual external debt	£'000	£'000	£'000
General Fund	54,079	63,000	52,909
HRA	71,098	73,000	70,539
TOTAL	125,177	136,000	123,448
Upper limit for fixed interest rate exposure	£m	Target £m	£m
Net principal re fixed rate borrowing / investments	104.2	125.3	104.5
Upper limit for variable rate exposure	£m	Target £m	£m
Net principal re variable rate borrowing / investments *	(28.85)	53.5	14.9
Upper limit for total principal sums invested for over 1 year (per maturity date)	£'000	£	£'000
	Nil	5	Nil

*negative due to holding variable investments only

Maturity structure of fixed rate borrowing during 2021/22	Actual %	Upper limit %	Lower limit %
Under 12 months	11%	40	0
12 months and within 24 months	2%	40	0
24 months and within 5 years	2%	60	0
5 years and within 10 years	9%	80	0
10 years and above	76%	100	10

Local Indicators Treasury Management Indicators

	2021/22 Actual %	2021/22 Revised %	2020/21 Actual %
Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year)	Achieved 0.55%	LIBOR no longer available for comparison	Achieved 0.40% LIBOR 0.054% +0.36%

	2021/22 Actual %	2021/22 Revised %	2020/21 Actual %
Investment rate achieved	Achieved 0.19%	LIBID no longer available for comparison	Achieved 0.2% LIBID - 0.07% +0.27%

	2021/22 Actual %	2021/22 Revised %	2020/21 Actual %
Average rate of Interest Paid on Council Debt (%)	3.02%	3.25%	3.25%

	2021/22 Actual %	2021/22 Target %	2020/21 Actual %
Interest on Debt as a % of Gross Revenue Expenditure	3.8%	4.4%	3.6%
General Fund	2.0%	2.4%	1.88%
HRA	7.6%	8.1%	8.02%

	2021/22 Actual (ave) %	2021/22 Target %	2020/21 Actual %
Upper limits on fixed interest rate investments	53%	100%	56%

	2021/22 Actual %	2021/22 Target %	2020/21 Actual %
Upper limits on fixed interest rate debt	100%	100%	100%

	2021/22 Actual (ave) %	2021/22 Target %	2020/21 Actual %
Upper limits on variable interest rate investments	47%	75%	44%

	2021/22 Actual %	2021/22 Target %	2020/21 Actual %
Upper limits on variable interest rate debt	0%	40%	0%

SUBJECT: FINANCIAL PERFORMANCE – OUTTURN 2021/22

REPORT BY: CORPORATE MANAGEMENT TEAM

LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 To present to PSC the provisional 2021/22 financial outturn position on the Council's revenue and capital budgets, including:
- General Fund
 - Housing Revenue Account
 - Housing Repairs Service
 - Capital Programmes
- 1.2 This report will provide PSC with a summary of actual income and expenditure compared to revised budget and how any surpluses have been allocated to reserves
- 1.3 PSC should note that the financial outturn is still subject to Audit by Mazars, the Council's external auditors.

2. Executive Summary

- 2.1 This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year and sets out the provisional financial outturn position.
- 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 the majority of cases these assumptions reflect the actual position achieved, and there in fact a number of areas that have exceeded assumptions, 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. Coupled with the current economic conditions of spiralling inflation, the Council will continue to face a number of significant financial challenges in 2022/23 and must ensure that its general balances and reserves are sufficient to respond to such pressures.
- 2.3 The table below sets out a summary of the financial position of the Council for the financial year 2021/22, based on the provisional outturn:

	2021/22		
	Budget £'000	Actual £'000	Variance £'000
Revenue Accounts			
General Fund – Contribution to/(from balances)	(477)	(467)	(9)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	69	49	(19)
Housing Repairs Service (surplus)/deficit	0	0	0
Capital Programmes			
General Fund Investment Programme	6,631	6,631	0
Housing Investment Programme	15,264	15,264	0
Capital Receipts			
General Fund	1,650	30	(1,620)
HRA	500	2,656	2,156
Reserves & Balances			
General Fund Balances	(2,193)	(2,203)	9
HRA Balances	(1,006)	(1,025)	19
HRS Balances	0	0	0
General Fund Earmarked Reserves	19,563	(6,896)	12,668
HRA Earmarked Reserves	2,617	259	2,876

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).

3.2 The financial performance quarterly monitoring report for the 3rd quarter predicted a underspend against the revised budget of £57,063. The provisional outturn for 2021/22 now indicates that this underspend has decreased by £47,707, resulting in an overall budget underspend of £9,356 (including proposed transfers to/from earmarked reserves and carry forward requests). This represents a variance against the revised budget of 0.4%.

3.3 There are a significant number of provisional 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
2021/22 national pay award implications	150
Housing Benefit reduction in overpayments (offset by a reduction in the HB bad debt provision)	148
In year losses at Yarborough Leisure Centre	144
Additional contribution to reserves for anticipated pressures in 22/23	520
Proposed carry forward contributions to reserves as outlined in paragraph 3.7 & 3.8	544
Sales, Fees & Charges income gains	(854)
Government Grants (New Burdens, Test & Trace & Covid Management support)	(522)
Release of Contingencies	(155)
Reduction in loan charges	(167)
Net other variances	183
Overall Budget Shortfall/(Surplus)	(9)

The most significant movements from Q3 to provisional outturn includes:

	£'000
Increased Housing Benefit overspend (less reduction in bad debt provision)	98
Increased Sales, Fees & Charges Income, primarily car parking and development control	(259)
Reduction in loan charges	(167)
Proposed carry forward contributions to reserves	544

3.4 The most significant of the provisional outturn variations is in relation to sales, fees and charges income which shows an increase in income of £854,128. This increase has mainly arisen as a result of significant improvements, predominantly within car parking income, with a much quicker than anticipated recovery in quarter three and four following vastly reduced income levels in the first half of the year. In addition, there has been a significant increase within Development Control and the Visitor Information Centre income against budget along with a new income stream from the enforcement of Civil Penalty Notices on HiMO properties.

This increase includes 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.

Despite these positive provisional outturn figures, the MTFS 2022-27 includes a stepped increase in a number of fees and charges budgets, as they are expected to improve further in line with the national recovery. However, given the volatility in the levels of income, as demonstrated in 21/22, there is a need for a proportion of this overachievement in 2021/22 to be contributed to an earmarked reserve to provide

resilience in future years. This was proposed, and provisionally approved, at £320,000 in the quarter three financial monitoring report.

- 3.5 In addition to the increase in income, the other most significant variance, £521,944, is in relation to income received from Government to compensate for the additional work that the Council has had to undertake to deliver a range of Government initiatives, primarily in response to the impact of Covid19 on households and businesses but also more recently in response to the escalating cost of living crisis. These additional areas of work have included the delivery of Business Support Grants, Business Rates Reliefs, Test & Trace Support Payments, Household Support Fund and Outbreak Prevention. Whilst the Council has incurred direct costs to delivery these initiatives, the primary cost has been the diversion of a significant level of resource away from operational service delivery. This has in many cases impacted on service levels and performance indicators and a proportion of this income has been contributed to reserves to provide capacity to support service backlogs in future years.

3.6 Earmarked Reserves

The provisional outturn of a £9,356 budget underspend includes a number of proposed transfers to/from earmarked reserves in addition to those transfers to/from earmarked reserves already approved and budgeted for. These further contributions to/from earmarked reserves are set out below:

Directorate	Reserve	£
Contributions to Reserves (primarily grants, external funding and existing reserves)		
CX-CFINOFF	Revenues & Benefits Community Projects fund – contribution to reserves to support ongoing schemes following rebate on court costs	(25,447)
CX-STRATDEV	IT Reserve – outturn contribution utilising service underspend	(16,370)
DCE-ADHENV	YLC - fund to support ongoing impact of YLC pool closures (provisionally approved at Q3 subject to outturn)	(200,000)
DCE-ADHENV	Birchwood Leisure Centre – contribution to R&M reserve.	(20,000)
DCE-ADHENV	AGP Sinking Fund – contribution to reserve for future replacement/maintenance of pitches.	(50,000)
DCE-ADCOMSS	Income Volatility Reserve – utilise in year over-achievement of income to support volatility of income streams in future years (provisionally approved at Q3 subject to outturn)	(320,000)
DCE-ADCOMSS	Boutham Park Lake Lottery Heritage Grant – grant funding for ongoing works in 22/23	(34,144)
DCE-ADCOMSS	Arboretum Play Area – contribution from Grounds Maintenance budget	(20,000)
DCE-ADPLAN	Biodiversity Grant – contribution of grant funding for use in 22/23	(10,047)
DCE-ADPLAN	Land Charges Transitional NB Payments – funding towards income losses in 22/23 and beyond	(20,000)
DCE-ADPLAN	HAZ Grant – Redundancy cost funding	(1,871)

GF HSG	Preventing Homelessness Grant – residual grant contribution to reserves	(137,330)
GF HSG	Rough Sleeping Grant – residual grant contribution to reserves	(200,752)
GF HSG	Support for Vulnerable Renters Grant – residual grant contribution to reserves	(71,732)
DMD	Levelling Up Grant – reserve contribution for use in 21/22	(125,000)
BRATES	Business Rates S31 Grant funding – contribution to reserves to fund deficit in 22/23 (grant funding received in advance).	(3,855,590)
Contributions from Reserves		
CX-STRATDEV	Invest to Save Reserve – M365 rollout	92,398
CX – STRATDEV	Lincoln Lottery – Outturn contribution for utilisation of lottery funding in year	519
CX – CFINOFF	Townsfund Grant – Project Accountant funding 21/22	9,338
CX-CFINOFF	Council Tax Hardship Fund – allocation of hardship payments in 21/22	318,756
DCE-ADHENV	Section 106 Grant – funding balance on adult goal post scheme	223
DCE-ADCOMS	Tree Risk Reserve – 20/21 works carried out less planned contribution	13,453
DCE-ADCOMS	Commons Parking – 21/22 works carried out	19,170
DCE-ADCOMS	Parks Funding Grant – 21/22 funded expenditure	2,475
DCE-ADPLAN	Levelling Up Grant – 21/22 funded expenditure	11,000
DCE-ADPLAN	Custom Build Grant – 21/22 funded expenditure	6,000
DCE-ADPLAN	WGC Planning Reserve – 21/22 funded expenditure	30,364
GF HSG	Community Chest Grant – 21/22 funded expenditure	7,140
GF HSG	Controlling Migration Grant – 21/22 funded expenditure	14,950
DMD	Townsfund Capacity Reserve – Revenue expenditure 21/22	15,384
DMD	Strategic Growth Reserve (WGC) – 20/21 Capital expenditure	11,901
TOTAL		(4,555,212)

All of the above proposed transfers to/from reserves are reflected in the provisional outturn position.

3.7 Carry Forward Requests

Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, subject to their Directorate as a whole not being overspent. As at quarter 3 monitoring there was one carry forward proposal, totalling £52,400:

Directorate	Reason for Carry Forward	Amount £
DMD	The Terrace Roof Repairs – utilise in year underspends to fund R&M required in 22/23	(52,400)
	Total additional reserve contribution required:	(52,400)

3.8 Following confirmation of the final cash limited outturn for each Directorate in 2021/22, a further list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £491,350:

Directorate	Reason for Carry Forward	Amount £
CORP	Countywide Devolution – to provide resources for ongoing project work	(20,000)
CORP	Invest to Save Reserve – to fund further upfront costs of implementing future TFS Programme costs and/or in addition to provide resources to support the work of the four pillar working groups as part of the One Council programme of works	(45,000)
CORP	Inflation Volatility Reserve – to provide capacity to respond to increased costs arising from escalating inflation in 2022/23, ahead of the refresh of the underlying assumptions for the MTFS 2023-28	(150,000)
CX-CITYSOL	HR Investigations – to provide resources for ongoing requirements	(50,000)
CX-CITYSOL	V2025 Projects - to provide capacity within Legal team for ongoing requirements	(50,000)
CX-STRATDEV	IT Reserve – contribution from underspend on staffing within IT & Systems Team	(50,270)
DCE-ADHENV	St Mary's Guildhall – to provide match funding for external grants	(10,000)
DCE-ADHENV	Licensing – contribution from ringfenced income surplus to support future IT requirements	(22,610)
DCE-ADHENV	Central Market – to fund one off revenue costs associated with the business case	(72,270)
GF HSG	Housing Solutions Agency – contribution from outturn underspend to support ongoing pressures	(21,200)
	Total additional reserve contribution required:	(491,350)

3.9 All of the proposed carry forward requests within paragraph 3.7 and 3.8 are reflected in the provisional outturn of £9,356 budget underspend.

3.10 The remaining underspend of £9,356 will result in a contribution of £467,884 from balances (£477,240 budgeted), with balances as at 31st March 2022 of £2,202,715, this is £9,356 more than the balance assumed in the MTFS and is within prudent levels.

3.11 The level of each of the current earmarked reserves, as at 31st March 2022 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves and the drawdown of funding to cover expenditure as per budget approvals and the additional transfers set out in paragraph 3.7 and 3.8 above.

3.12 Towards Financial Sustainability Programme

The savings target included in the MTFs for 2021/22 was originally £850,000. Progress against this target, based on the provisional outturn performance shows that secured savings total £877,960. This results in an over achievement of the target in 2021/22 by £27,960. A summary of the specific reviews that have contributed to this target are shown in Appendix M.

4. Housing Revenue Account

4.1 For 2021/22 the Council's Housing Revenue Account (HRA) net revenue budget was set at £14,910, resulting in an estimated level of general balances at the year-end of £1,059,743

4.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £31,226. The provisional outturn for 2021/22 now indicates an underspend of £19,339. This would result in HRA balances as at 31st March 2022 of £1,025,202.

4.3 Although the forecast position is a minor underspend there are a number of significant year-end variations in income and expenditure. Full details of the main variances are provided in the HRA Appendix, while the table below sets out the key variances:

	Provisional Outturn £'000
Reduced repairs and maintenance expenditure	(1,216)
Reduced Major Repairs Reserve contribution	(708)
Increased Depreciation	688
Increased rental income arising from Buy-Backs	(258)
Decreased rental income as a result of increased voids	537
HRS Repatriation	428
Reduction in admin fee income	293
Additional Contributions to Reserves	447
Vacancy savings	(343)
Net other variances	113
Overall Budget Shortfall/(Surplus)	(19)

Whilst the movement from Q3 to provisional outturn position is not significant, there have been a number of significant movements, which include:

	£'000
Final outturn position in the HRS – repatriation reduction	(289)
Increase cost of repairs and maintenance following completion of billing process for HRS	226
Proposed contribution to the Invest to Save Reserve to enable to continuation funding for fixed term employee posts	160

Proposed contribution to the Disrepair Management Reserve to enable further works to reduce the increase in disrepair claims the Council is currently receiving.	300
Reduction in loan charges interest	225

- 4.4 The largest variance for HRA is the underspend on repairs and maintenance. This is as a result of 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 continuing to work hard to address these issues, which has been demonstrated with a reduction in this underspend from £1.394m at quarter 2.

In part this underspend on repairs and maintenance is offset by large overspend, £428k, 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).

- 4.5 In addition, there has been a reduction in dwelling rental income of £537k, due to increased voids, a reduction in leasing income and lost rents from RTB sales. Void properties increased during the year 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. In addition, void numbers had increased due to a backlog created over 2020/21 as national restrictions were imposed. This was then compounded by a high level of tenancies ending as a result of; people seeking to move post pandemic. Furthermore, 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-on 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 were budgeted at 1% of the current housing stock, the outturn position for voids was closer to 1.1% of the current housing stock, this is a continued improvement in the position, from a high of 1.7% at quarter 2, however due to the higher than budgeted levels during the year the loss of income was unable to be recovered. This improvement will though ensure that 2022/23 void levels start at a level in line with the budget assumptions.

- 4.6 The provisional outturn of a £19,339 budget underspend includes two proposed transfers to earmarked reserves, in addition to those transfers to/from earmarked reserves already approved and budgeted for. These further contributions to/from earmarked reserves are set out below:

- Invest to Save Reserve - £160,000, to provide resources to meet future fixed term posts.
- Disrepair Management - £300,000, to enable further work to reduce the number of disrepair claims being received.

These proposed transfers to reserves are reflected in the provisional outturn position.

- 4.7 Subject to approval of the proposed transfers to earmarked reserves the underspend of £19,339 would result in HRA general balance of £1,025,202 as at 31st March 2022, remaining within prudent levels.
- 4.8 The level of each of the current earmarked reserves, as at 31st March 2022 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure and the additional transfers set out in para. 4.6 above.

5. Housing Repairs Service

- 5.1 For 2021/22 the Council's Housing Repairs Service (HRS) net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2 The financial performance quarterly monitoring report for the 3rd quarter predicted a £713,876 deficit outturn for 2021/22. The provisional outturn for 2021/22 shows a trading deficit of £427,757, a movement of £286,119. The movement is as a result of the delay in billing of void jobs as highlighted at Quarter 3, which made forecasting the outturn position difficult.
- 5.3 The net trading deficit of £427,757 is the result of several year-end variations in income and expenditure against the approved budget. The main over and underspends included within the provisional outturn are detailed in Appendix F, while the key variances are summarised below:

	£'000
Reduction of jobs carried out by CoL workforce – reduced income	205
Reduction in material costs due to less jobs being carried out by CoL staff – reduced expenditure	(538)
Staff vacancies not recruited for within the year – reduced expenditure	(407)
Sub-contractor costs have increased due to CoL staff vacancies and increases in prices – additional expenditure	1066
Net other variances	102
Overall Budget Shortfall/(Surplus)	428

- 5.4 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 has caused problems with repairs scheduling and void turnarounds, leading to a loss of rechargeable work and in increase in costs through the use of subcontractors.

Repairs numbers are down, at a time of high demand, as a result of this 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. In addition, 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, this reflects the sector as a whole. This use of more expensive

subcontractors has increased costs, which are not reflected in the service hourly rate, and therefore also contributes to the deficit 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. Whilst the primary reason for the improvement in the deficit position from quarter 3 to provisional outturn was due to a delay in billing of works, the measures instigated are also contributing to a reduction in the deficit position. These measures will continue to be monitored during 2022/23 to ensure the HRS works towards a breakeven position.
- 5.6 The deficit of £427,757 has been recharged to the HRA, which is the major service user. This is reflected in the HRA outturn within this report.

6. Earmarked Reserves

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

	Opening Balance	Increase	Decrease	Closing Balance
	01/04/21			31/03/22
	£'000	£'000	£'000	£'000
General Fund	19,563	6,897	(13,792)	12,668
HRA	2,617	465	(201)	2,880
Capital Resources	22,584	20,559	(15,367)	27,776

7. Capital Programme

7.1 General Investment Programme

- 7.2 The last quarterly report approved a General Fund Investment Programme for 2021/22 of £11,328,427. Movements in the programme since revised budget approval decreased actual capital expenditure in 2021/22 to £6,631,409. A summary of the budget changes is shown below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Approved Q3 Budget	11,328	19,407	1,872	683	500
Budget changes approved under CFO delegated authority:					
- Changes	(2)	355	(8)	0	0
- Refiling	(5,536)	5,848	(312)	0	0
Budget changes in Qtr to be approved by Executive	574	247	0	0	0
Budget changes in Qtr approved by Executive/Towns Fund Board	267	5,056	3,664	660	109

Revised Budget	6,631	30,913	5,216	1,343	609
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A detailed breakdown of the Programme is attached at Appendix K.

7.3 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. Primarily these changes in the final quarter are reprofiles of budgets between financial years. These changes are detailed in Appendix I.

7.4 All changes over the approved limit require approval by the Executive. The changes for the final quarter are summarised in the table below:

	2021/22 - Q4 Budget Increase £'000	2022/23 Q4 Budget Increase £'000
Community Services		
Boultham Park Lake Restoration	91	0
Safer Streets App & works	86	0
Major Developments		
Central Markets (All Funding Streams)	202	0
Towns Fund	186	0
Planning		
Heritage Action Zone (HAZ)	0	14
St Mary's Guildhall (HAZ)	9	233
	574	247

Budget Increases 2021/22

- **Boultham Park Lake Restoration** – An additional budget of £91,532 has been allocated to this scheme for additional works that were identified during the contract. These works are being financed from Section 106 monies.
- **Safer Streets App and Works** – 2021/22 budget increased by £85,558 to match the grant funding allocation from the Police and Crime Commissioner Lincolnshire.
- **Central Markets** - An additional £201,810 budget has been added to match grants awarded and not previously included (HAZ, Towns Fund etc).
- **Towns Fund, Cornhill Development** – £186,308 additional funding from of the Towns Fund Accelerated Fund to cover costs relating to this element of the Market and Cornhill initial projects.
- **St Mary's Guildhall (HAZ)** - £9k has been added to the St Mary's Guildhall budget due to reallocation of grant between revenue and capital.

Budget Increases 2022/23

- **Heritage Action Zone** - £13,770 for shop fronts from the reallocation of HAZ grant previously allocated to revenue.
- **St Mary's Guildhall (HAZ)** – A Repair Grant was awarded from Historic England to complete urgent structural repairs and re-roofing at St Mary's Guildhall for £228,130 with matched funding of £5,000.

7.5 All new projects are subject to Executive approval. There have been no new projects approved by the Executive during quarter 4. However, there have been new projects arising from the Lincoln Town Deal which have been approved by the Town Deal Board, under a separate governance framework, and are now included within the capital programme as the Council is the Accountable Body for the grant funding.

Where there are financial implications for the Council through match funding, these have been previously approved by the Executive. The Towns Deal projects included in the capital programme in quarter 4 are:

	2021/22 Q4 Budget Increase	2022/23 Q4 Budget Increase	2023/24 Q4 Budget Increase	2024/25 Q4 Budget Increase	2025/26 Q4 Budget Increase
	£'000	£'000	£'000	£'000	£'000
Barbican Production & Maker Hub	0	1,600	1,300	0	0
Greyfriars	0	313	227	0	0
Hospitality & Events & Tourism Institute	0	1,120	0	0	0
Lincoln Connected	33	433	356	124	50
Sincil Bank	53	795	1,656	460	0
Store of Stories	10	155	0	0	0
Wigford Way	11	300	0	0	0
Tentercroft Street	50	240	50	0	0
Towns Deal Prog Mgmt	110	100	75	76	59
	267	5,056	3,664	660	109

Detail of the individual project's budgets are included in Appendix K.

7.6 The table below provides a summary of the provisional outturn position for the General Investment Programme at 31st March 2022:

	2021/22 Budget Approved at Q3	Q4 Budget Movemen t between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiles	2021/22 Revised Budget	Outtur n	Variance to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CX -CFO	597	0	0	(407)	190	190	407
CX - STRATDEV	4	0	0	(2)	2	2	2
DCE- ADHENV	4,557	0	(2)	(1,396)	3,159	3,159	1,398

DCE - ADCOMM	642	0	177	(69)	750	750	(108)
DHI - HSG	320	0	0	(318)	2	2	318
MDD	3,301	10	548	(2,196)	1,663	1,663	1,638
DCE - ADPLAN	545	(10)	9	90	634	634	(89)
SubTotal	9,966	0	732	(4,298)	6,400	6,400	3,566
Externally Delivered Towns Deal Schemes	1,362	0	107	(1,238)	231	231	1,131
TOTAL GIP	11,328	0	839	(5,536)	6,631	6,631	4,697

7.7 The overall spending on the General Investment Programme (GIP) excluding externally delivered schemes for 2021/22 was £6,399,908.43 which is 64.21% (Total GIP £6,631,408, 58.54%) of the revised 2021/22 programme as per the MTFS 2022-27.

Although this would appear to be low, the following points should be taken into consideration: -

- Slippage on the Central Market during the procurement phase, of £1.3m.
- £1.2m Disabled Facilities Grant works are now expected to be completed in 2022/23. This high slippage was a result of Covid19 working practices impacting the number of referrals from Occupational Therapists and the number of applicants shielding. There was also a shortage of materials impacting contractors.

7.8 Housing Investment Programme

7.9 The last quarterly report approved a Housing Investment Programme for 2021/22 of £19,667,939. Movements in the programme since approval of the revised budget decreased actual capital expenditure to £15,263,968 in 2021/22.

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Approved Budget Q3	19,668	21,721	12,918	12,673	11,328
Budget changes approved under CFO delegated authority:					
- Changes	(25)	(113)	0	0	0
- Reprofiting	(4,379)	4,771	(177)	(105)	(110)
Budget changes for Executive approval at Outturn	0	(3,212)	(308)	1,548	(386)
Revised Budget	15,264	23,167	12,433	14,116	10,832

A detailed breakdown of the Programme is attached at Appendix L.

7.10 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. Changes in the final

quarter approved by the CFO under delegated authority are detailed in Appendix J, these are primarily reprofiles of budgets between financial years.

7.11 All changes over the approved limit require approval by the Executive. The changes for the final quarter are summarised in the table below:

	2021/22 Budget Changes	2022/23 Budget Changes	2023/24 Budget Changes	2024/25 Budget Changes	2025/26 Budget Changes
	£'000	£'000	£'000	£'000	£'000
<u>Decent Homes and Lincoln Standard</u>					
Bathrooms & WCs	0	(337)	0	0	0
DH Central Heating Upgrades	0	382	0	0	0
Door Replacement	0	(648)	0	0	0
Kitchen Improvements	0	(625)	0	0	0
LS Window Replacement	0	(585)	0	0	0
Re-roofing	0	(769)	(308)	(344)	(386)
Rewiring	0	(187)	0	0	0
Structural Defects	0	(118)	0	0	0
Thermal Comfort Works	0	(96)	0	0	0
Over bath showers (10 year programme)	0	(150)	0	0	0
<u>Other Schemes</u>					
Garages	0	(229)	0	0	0
<u>New Build</u>					
Hermit Street Regeneration	0	150	0	0	0
De Wint Court	0	(1,000)	0	0	0
Unallocated New Build	0	1,000	0	0	0
New Build Programme (141 eligible)	0	0	0	757	0
New Build Programme (Borrowing for 141 eligible)	0	0	0	1,135	0
TOTAL CHANGES	0	(3,212)	(308)	1,548	(386)

Delivery of the Housing Investment Programme has been impacted by delays appointing contractors, therefore budgets have accumulated. The programme will be delivered in future years following the development of an achievable plan, however at this point £4.2m has been removed from the programme, primarily in 2022/23 and returned to available balances.

Additional budget in the New Build Programme in 2024/25 represents an adjustment for higher than expected 141 receipts and the borrowing to match these to deliver New Build projects. These budgets will be allocated to specific schemes at the time they are bought forward for specific approval.

7.12 The table below provides a summary of the final outturn position:

	2021/22 Budget at Q3	Q4 Budget Changes	Reprofiles to/(from) 2021/22	2021/22 Revised Budget	Outturn	Variance
	£'000	£'000	£'000	£'001	£'000	£'000
Decent Homes	4,560	0	(1,039)	3,521	3,521	(1,039)
Lincoln Standard	5	0	(5)	0	0	(5)
Health and Safety	438	0	(287)	151	151	(287)
New build programme	14,174	0	(2,751)	11,423	11,423	(2,751)
Other Schemes	137	23	(86)	74	74	(63)
IT/Infrastructure Schemes	136	0	(41)	95	95	(41)
Contingency	218	(48)	(170)	0	0	(218)
Total	19,668	(25)	(4,379)	15,264	15,264	(4,404)

7.13 The overall spending on the Housing Investment Programme for 2021/22 was £15,263,968 which is 77.61% of the revised 2021/22 programme as per MTFS 2022-27.

The following points should be taken into consideration: -

- Due to Covid19 various scheduled work programmes have slipped or been delayed into 2022/23.
- There was £2.75m slippage within the New Build Programme. This included:
 - £1.5m on De Wint, £500k of which has been reprofiled in to 2022/23, with the remaining £1m being reallocated to unallocated New Build budgets.
 - Budgets of £812k have been reprofiled into 2022/23 for Rookery Lane and Western Growth Corridor.
 - The remaining slippage relates largely to housing purchases (£245k) that did not complete in the year.

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.

General Balances, on both the General Fund and HRA, are the only resource not earmarked 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 provisional outturn the level of balances as at 31st March 2022 will be maintained within these ranges, with the General Fund slightly higher.

Although this report sets out the financial outturn, which for the General Fund and HRA has resulted in a positive position, this does not mean that the financial issues for the Council are resolved. Beyond 2021/22 the Council is set to face ongoing pressures from the escalating inflation impacts, service demands arising from the cost-of-living crisis and the legacy of impacts of Covid19. The Council will continue to face financial challenges in 2022/23 as it responds to these issue as well as ensuring that it delivers the ongoing reductions in the net cost base that are already assumed in the MTFS 2022-27.

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 the report, no specific Equality Impact Analysis is required.

10. Risk Implications

- 10.1 A full financial risk assessment is included in the Medium Financial Strategy, this is continually reviewed in light of changes in the underlying financial assumptions. The most critical of these is the current escalating level of inflation, this will have financial implications for the Council and the cost of service provision in 2022/23 and in future years. Further details will be provided in the first quarters financial monitoring report for 2022/23.

11. Recommendations

PSC are recommended to:

- 11.1 Note the provisional 2021/22 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7, and in particular the reasons for any variances;
- 11.2 Review the proposed transfer to General Fund earmarked reserves detailed in paragraph 3.6, 3.7 and 4.6, prior to reporting to the Executive;
- 11.3 Review the new carry forward requests, not requested at Q3, as detailed in paragraph 3.8, prior to reporting to Executive;
- 11.4 Note the financial changes to both the General Investment Programme and the Housing Investment Programme (paragraphs 7.4 and 7.11) over the approved limit that require approval by the Executive.

Key Decision No

Key Decision Reference No. N/A

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

List of Background Papers: Medium Term Financial Strategy 2022-2027

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

GENERAL FUND SUMMARY – OUTTURN 2021/22

	Ref	Revised Budget £'000	Outturn £'000	Variance £'000
Strategic Development	A	1,940	1,933	(7)
Chief Finance Officer (S.151)	B	(179)	(110)	69
Major Developments	C	195	155	(40)
City Solicitor	D	1,516	1,500	(16)
Housing	E	445	395	(49)
Communities and Street Scene	F	2,764	2,780	16
Health & Environmental Services	G	1,328	1,809	481
Planning	H	1,024	836	(187)
		9,032	9,298	266
Corporate Expenditure	I	1,857	1,744	(113)
TOTAL SERVICE EXPENDITURE		10,889	11,043	154
Capital Accounting Adjustment	J	3,180	3,013	(167)
Specific Grants	K	(1,320)	(1,328)	(8)
Contingencies	L	(67)	0	67
Savings Targets	M	28	0	(28)
Earmarked Reserves	N	(6,896)	(6,896)	0
Insurance Reserve	O	(478)	(504)	(26)
TOTAL EXPENDITURE		5,337	5,328	(9)
CONTRIBUTION TO/(FROM) BALANCES		(477)	(468)	9
NET REQUIREMENT		4,859	4,859	0
Retained Business Rates Income	P	(17,649)	(17,664)	(15)
Tariff	Q	13,094	13,094	0
Section 31 Grant	R	(5,166)	(5,211)	(45)
Levy	S	698	758	60
Revenue Support Grant	T	(23)	(23)	0
Council Tax	U	(6,956)	(6,956)	0
Council Tax Section 31 Grant		0	0	0
Council Tax Surplus	V	76	76	0
NNDR Deficit	W	11,066	11,066	0
TOTAL RESOURCES		(4,859)	(4,859)	0
BALANCES B/F 1ST APRIL		(2,671)	(2,671)	0
USE OF/(CONTRIBUTION) TO BALANCES		477	468	(9)
BALANCES C/F 31ST MARCH 2022		(2,193)	(2,203)	(9)

Please note the above is now shown on an Expenditure Funding Analysis (EFA) basis. This means all charges which are reversed out under statute are now **not** shown in the above figures. Examples of this are depreciation and capital grants. This means the above only includes items which are a call on the general fund balance.

General Fund Forecast Variances - Outturn 2021/22

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref	<u>Additional Expenditure</u>	£	Reason for variance
A	Call Monitoring	27,570	Additional telephone systems resulting from working from home arrangements.
B	Property Management	33,940	Agency costs incurred to cover vacant post and external fees for asset appraisals/schemes.
C	Legal Services	30,350	Outsourcing of legal work due to vacant posts.
D	Housing Solutions	61,260	Agency pressures as a result of vacancies, ineligible for grant funding.
F	Car Parks	175,550	Additional costs on overtime, equipment maintenance and deep cleaning at Central car park (offset by income below).
F	Waste	60,300	Additional Contract costs.
G	Other Housing Issues	72,330	Administrative costs associated with Civil Penalty Notices on HiMO properties (offset by income below).
G	Yarborough Leisure Centre	169,550	Estimated losses as a result of pool closure.
L	Pay Award	150,000	The 2021/22 budget assumed an in year pay freeze in line with the Government Autumn Statement that public sector pay would face a pay freeze. Final pay award was agreed at 1.75%.
M	Annual Vacancy Savings Target	151,500	Vacancy savings target, offset by savings in service areas.
N	Earmarked Reserves	200,000	Proposed contribution to reserve for anticipated income losses at Yarborough Leisure Centre, as a result of pool closure, in 22/23.
N	Earmarked Reserves	543,750	Proposed carry forward contributions to reserves to support increased costs in future years, as outlined in paragraph 3.7 & 3.8

Ref		£	Reason for variance
	<u>Reduced Income</u>		
B	Housing Benefits	317,924	Reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears, offset by reduction Bad Debt provision below.
C	CX Workbased Learning	42,430	Reduced income through national scheme due to lower apprenticeship numbers during Covid19 (offset by reduced expenditure on CoLC Apprentices below).
G	Crematorium	53,660	Reduced income as a result of ongoing refurbishment works.
G	Yarborough Leisure Centre	25,000	Loss of school swimming income due to pool closures.
G	Christmas Market	62,800	Reduced income from stall holders and park and ride.
N	Earmarked Reserves	320,000	Proposed transfers to Earmarked reserves for Car Parking Income Volatility.
	<u>Reduced Expenditure</u>		
A	Business Dev & IT Manager	(52,700)	Additional vacancy savings after proposed contribution towards the TFS savings target, offset against corporate vacancy savings target
B	City Hall	(30,790)	Reduced premises running costs as a result of lower occupancy.
B	CX Business Management	(27,280)	Vacancy savings after proposed contribution towards the TFS savings target, offset against corporate vacancy savings target
C	Civic	(28,120)	Underspend due to a reduction in civic activities as a result of ongoing Covid19 restrictions.
C	CoLC Apprentices	(100,430)	Underspend, after agreed contribution to TFS, as a result of a reduced number of Apprentices in year due to ongoing impact of Covid19.
D	Community Leadership & Sustainability	(60,102)	Underspends on Specialist Miscellaneous expenditure and vacancy savings offset against corporate vacancy savings target.
E	DMD Director	(30,520)	Vacancy savings offset against corporate vacancy savings target.

Ref		£	Reason for variance
E	The Terrace	(39,080)	Vacancy savings, proposed for carry forward for future years maintenance works.
E	Major Development Team	(55,370)	Vacancy savings plus underspends on supplies and services, predominantly consultancy fees.
F	Bus Station	(70,800)	Underspend on repairs & maintenance and cleaning as a result of reduced wear and over lockdown restrictions.
G	Health & Safety	(43,550)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Food Health & Safety	(125,450)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Housing Regeneration	(28,870)	Vacancy savings offset against corporate vacancy savings target.
H	DCE Management	(38,910)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
I	Policy & Resources Other	(51,820)	Reduction in anticipated heritage costs for City of Lincoln's Collection.
I	Bad Debt Provision	(169,371)	Reduction in the required contribution to the bad debt provision for housing benefits and general fund debtor balances.
J	Capital Accounting Adjustments – Interest	(122,000)	Reduction in external interest payable.
J	Capital Accounting Adjustments – MRP	(44,000)	Reduction in Minimum Revenue Provision (MRP) charges.
M	Contingencies – Covid Mitigation	(154,900)	Contingency budget set aside to mitigate in year pressures resulting from in-year impacts of Covid19 on the local recovery.
<u>Additional Income</u>			
B	City Hall	(55,470)	Increased income as a result of in year rent and service charges reviews.
B	Test & Trace Support	(114,230)	New Burdens funding to compensate for work associated with administering the Test & Trace Support Payment grants.

Ref		£	Reason for variance
B	Lincoln Properties	(26,550)	Increased income as a result of in year rent reviews.
F	Car Parks	(531,800)	Overachievement on Car Parking income as a result of easing of covid restrictions.
F	Car Parks	(85,210)	SFC Income Compensation Scheme in excess of budget assumptions, offsets loss of car parking income in Q1 only.
G	Other Housing Issues	(84,880)	Income related to Civil Penalty Notices on HiMO properties, partially offset by a contribution to reserves for CPN's still subject to appeal.
G	Visitor Information Centre	(34,840)	Over-achievement of income due to increased visitors throughout summer and over the festive period.
H	Development Control	(176,100)	Additional income from major applications received in year, less reduction in SFC Income Compensation.
I	Corporates Services	(143,080)	New Burdens funding to compensate for work associated with administering the business support grants.

HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2021/22

HRA PROVISIONAL OUTTURN – 2021/22				
		Revised Budget £'000	Outturn £'000	Variance £'000
Gross Rental Income	A	(29,441)	(29,052)	389
Charges for Services & Facilities	B	(312)	(262)	50
Contribs towards Expenditure	C	(50)	(10)	40
Supervision & Management (Income)	D	(912)	(642)	270
Repairs Account Income	D2	0	(82)	(82)
Repairs & Maintenance	E	9,574	8,436	(1,138)
Supervision & Management:	F	8,079	7,984	(95)
Rents, Rates and Other Premises	G	334	455	121
Increase in Bad Debt Provisions	H	305	284	(21)
Insurance Claims Contingency	I	164	0	(164)
Contingencies	J	3	0	(3)
Depreciation	K	6,735	7,423	688
Impairments	L	0	0	0
Debt Management Expenses	M	12	1	(11)
HRS Trading Deficit/(Surplus)	N	0	428	428
Net Cost of Service	O	(5,509)	(5,037)	472
Loan Charges Interest	P	2,650	2,425	(225)
Investment/Mortgage Interest	Q	(20)	(24)	(4)
Net Operating Inc/Exp	R	(2,879)	(2,637)	242
Capital Accounting Adjustments	S	0	0	0
Major Repairs Reserve Adjustment	T	3,063	2,355	(708)
Transfers to/from reserves	U	(115)	331	446
(Surplus)/Deficit in Year		69	49	(19)
Pension Reserve	W	0	0	0
Balances b/f @ 1st April	X	(1,075)	(1,075)	0
(Increase)/Decrease in Balances	Y	69	49	(19)
Balances c/f @ 31st March	Z	(1,006)	(1,025)	(19)

Housing Revenue Account Variances - Outturn 2021/212

The variances analysed in the table below exclude any technical adjustments and only cover the true under or overspends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref		£	Reason for variance
<u>Increased Expenditure</u>			
N	HRS Trading Deficit -Repatriation	427,757	HRS deficit repatriated to the HRA (see HRS for detail).
U	Transfers to/from Reserves	300,000	Contributions to the Disrepair Reserve (£300k) to enable further work to reduce the number of disrepair claims being received.
E2	Repairs & Maintenance	232,908	Increased expenditure predominantly due to unbudgeted HRS skip charge (£98.8k), electrical testing including unforeseen PAT testing costs (£70k) and COVID19 on-costs (£63.6k).
F2	Supervision & Management	211,603	Increased expenditure predominantly due to void works orders (£65.9k), agency staff payments and additional contract termination costs (£79.3k).
U	Transfers to/from Reserves	160,000	Contributions to the Invest to Save Reserve (£160k) re continued funding of fixed term posts
G	Rents, Rates and Other Premises	121,015	Addition Council Tax liability for void properties and an increase in electricity costs.
E2	Repairs & Maintenance	78,642	Increased costs for additional ad hoc HRS works.
A	Garage Rent – VAT Payment	56,558	Payment to HMRC relating to previous years over-recovered VAT element of private rented garage income
<u>Increased Income</u>			
A	Rental Income	(258,151)	Dwelling social & affordable rent higher than budget due to additional properties coming online from NSAP & Purchase and Repair properties.

Appendix D

D	Supervision & Management	(47,636)	Additional rechargeable income relating to void garden works undertaken.
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Reduced Expenditure

E	Repairs & Maintenance	(1,449,039)	Underspends predominantly on Responsive Repairs and Painting/pre-Painting. Savings due to Covid19 delaying repairs, with savings incurred during lockdown and recovery period, as well as timing issue due to procurement priorities and resource.
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F	Supervision & Management	(343,606)	Vacancy savings across HRA.
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Reduced Income

A	Dwelling Rents	537,269	Reduction in rental income due to an increase in void properties and delays in voids being relet due to ongoing contractor issues.
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C	Supervision & Management	293,770	Reduction in Admin Fee income from contractors due to termination in contract.
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A	Dwelling Rents	73,906	Reduction of leasing income as lease properties now returned to HRA.
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C	Court Costs	39,636	Reduction in Court Cost income due to Covid19 delaying court cases.
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HOUSING REPAIRS SERVICE SUMMARY - OUTTURN 2021/22

	Revised Budget £'000	Outturn £'000	Variance £'000
Employees	3,351	2,944	(407)
Premises	55	91	36
Transport	333	344	11
Materials	1,415	877	(538)
Sub-Contractors	1,969	3,035	1,066
Supplies & Services	272	390	118
Central Support Costs	569	503	(66)
Capital Charges	0	2	2
Total Expenditure	7,965	8,187	223
Income	(7,965)	(7,760)	205
(Surplus)/Deficit	0	428	428

Housing Repairs Service Variances - Outturn 2021/22

The table below provides a summary of the provisional outturn position.

	£	Reason for Variance
<u>Reduced Income</u>		
Income - Other	204,955	Reduced Income due to fewer jobs being carried out by directly employed workforce.
<u>Reduced Expenditure</u>		
Central Support Charges	(66,138)	Reduction in Central Support Services recharges from General Fund and HRA, due to reduced service costs.
Materials	(537,924)	Reduced material costs due to fewer jobs being carried out by directly employed workforce, as sub-contractors have been utilised more to cover vacancies.
Employees	(407,119)	Due to vacancies within the red book staff, due to difficulties recruiting tradesman.
<u>Increased Expenditure</u>		
Supplies & Services	118,386	Additional equipment hire costs and an increase in IT costs following the purchase of tablets for red book staff.
Sub-Contractors	1,065,723	Increased use of sub-contractors due to a large number of vacancies within the red book staff. Also an increase in the price of sub-contractors following the pandemic.

EARMARKED RESERVES – OUTTURN 2021/22

<u>General Fund</u>	Revised Opening Budget £000's	Budgeted Contribution £000's	In Year Movements £000's	Closing Balance £000's
Grants & Contributions	1,385	754	(206)	1,932
Carry Forwards	482	299	(113)	667
Active Nation Bond	180	200	0	380
AGP Sinking Fund	2	50	0	52
Air Quality Initiatives	11	6	0	16
Asset Improvement	0	0	0	0
Backdated rent review	0	0	0	0
Birchwood Leisure Centre	46	20	0	66
Boston Audit Contract	0	0	0	0
Business Rates Volatility	13,376	3,856	(11,666)	5,566
Christmas Decorations	14	0	0	14
City Hall Sinking Fund	60	0	0	60
Commons Parking	20	10	(29)	1
Corporate Training	60	0	0	60
Council Tax Hardship Fund	531	0	(319)	213
Covid-19 Recovery	1,047	0	0	1,047
Covid-19 Response	354	0	0	354
DRF Unused	341	45	(182)	204
Electric Van replacement	19	4	0	24
Funding for Strategic Priorities	174	0	(85)	89
HiMO CPN Appeals	0	47	0	47
Income Volatility Reserve	0	320	0	320
Inflation Volatility Reserve	0	150	0	150
Invest to Save (GF)	453	60	(414)	100
IT Reserve	124	167	(72)	219
Lincoln Lottery	9	0	(1)	9
Mayoral car	27	0	0	27
Mercury Abatement	317	0	(317)	0
MSCP & Bus Station Midlife Refurb - Sinking Fund	60	44	0	104
Private Sector Stock Condition Survey	27	12	0	39
Property Searches	0	0	0	0
Revenues & Benefits Community Fund	0	25	0	25
Revenues & Benefits Shared Service	0	0	0	0
Section 106 interest	32	0	(0)	32
Strategic Growth Reserve	17	0	(12)	5
Strategic Projects - revenue costs	2	0	(2)	0
Tank Memorial	10	0	0	10
Tree Risk Assessment	97	19	(32)	84

Appendix G

Vision 2025	204	809	(312)	701
WGC Planning	80	0	(30)	49
Total General Fund Reserves	19,563	6,897	(13,792)	12,668

HRA	Revised Opening Budget £000's	Budgeted Contribution £000's	In Year Movements £000's	Closing Balance £000's
Capital Fees Equalisation Reserve	110	0	0	110
De Wint Court Reserve	73	0	0	73
Disrepairs Management Reserve	0	300	0	300
Housing Business Plan Reserve	77	0	0	77
Housing Repairs Service	126	0	0	126
HRA DRF	0	0	0	0
HRA Repairs Account	1,351	4	0	1,354
HRA Strategic Priority Reserve	722	0	(140)	582
HRA Survey Works	0	0	0	0
Invest to Save (HRA)	133	160	(40)	253
Stock Retention Strategy	0	0	0	0
Strategic Growth Reserve	26	0	(21)	5
Total HRA Reserves	2,617	465	(201)	2,880

Total Earmarked Reserves	22,180	7,362	(13,993)	15,548
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Insurance Reserves

General Fund Insurance Reserve	1,996	100	(604)	1,492
HRA Insurance Reserve	1,866	250	(178)	1,938
Total Insurance Reserves	3,862	350	(782)	3,430

CAPITAL RESOURCES – OUTTURN 2021/22

	Opening Balance	Contributions	Used in Financing/ Adjustments	Forecast Balance
	01/04/2021			31/03/2022
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	1,748	3,539	(3,465)	1,822
Capital Grants/Contributions (HRA)	2,025	4,331	(6,356)	0
Capital Receipts	623	30	(623)	30
Capital Receipts (HRA)	3,888	2,657	(867)	5,678
Major Repairs Reserve	7,763	7,425	(3,842)	11,346
DRF	161	191	(193)	159
DRF (HRA)	6,376	2,386	(21)	8,741
Total Capital Resources	22,584	20,559	(15,367)	27,776

GENERAL INVESTMENT PROGRAMME SUMMARY OF EXPENDITURE AS AT 31 MARCH 2022

	2021/22 Approved Budget at Q3 £'000	Q4 Budget Movements between Schemes £'000	Q4 Budget Increase / Decrease £'000	Year End Reprofiling £'000	Revised Budget £'000	Actual £'000	Variance to last approved budget Q3 £'000	% Spend to last approved budget Q3 %
CE Chief Finance Officer								
40 Michaelgate Structural works	2	0	0	(2)	0	0	2	0%
Brayford Viewing Platform	3	0	0	0	3	3	0	100%
Broadgate Fire Alarm	8	0	0	0	8	8	0	100%
Canwick Rd Cemetery Railings	10	0	0	(10)	0	0	10	0%
City Hall Lightning Protection	6	0	0	(6)	0	0	6	0%
Grandstand Terracing Improvements	15	0	0	(3)	12	12	3	78%
Greyfriars	174	0	0	(56)	118	118	56	68%
Greyfriars Roof Improvements	4	0	0	(4)	0	0	4	0%
Guildhall Walkway/ Access Improvements.	12	0	0	(12)	0	0	12	0%
Guildhall Works	18	0	0	(18)	0	0	18	0%
High Bridge Café	50	0	0	(50)	0	0	50	0%
Long Leys Road Drainage	10	0	0	(3)	7	7	3	69%
Monks Abbey Bowls Pavilions External Timber/ Fascia Board Improvements	11	0	0	(2)	9	9	2	80%
Planned Capitalised Works	58	0	0	(58)	0	0	58	0%
Play Area Surfacing Works	21	0	0	(5)	16	16	5	76%
St Nicholas Church - Wall	11	0	0	0	11	11	0	100%
Stamp End Demolition	139	0	0	(138)	1	1	138	1%
West Common External Rendering Improvements	5	0	0	0	5	5	0	100%
YLC Diving Boards	40	0	0	(40)	0	0	40	0%
CE Chief Finance Officer Total	597	0	0	(407)	190	190	407	32%
CE Strategic Development								
New Telephony System	4	0	0	(2)	2	2	2	60%
CE Strategic Development Total	4	0	0	(2)	2	2	2	60%
Community and Environment								
Artificial Grass Pitches (AGP)	88	0	0	(88)	0	0	88	0%
Crem - remodelling	2,488	0	0	(23)	2,465	2,465	23	99%
Disabled Facilities Grant	1,849	0	0	(1,229)	620	620	1,229	34%
New Software- Crem	2	0	(2)	0	0	0	2	0%
Whittons Park	130	0	0	(56)	74	74	56	57%
Community and Environment Total	4,557	0	(2)	(1,396)	3,159	3,159	1,398	69%

Appendix I

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
Community Services								
Boultham Park Lake Restoration	272	0	91	21	384	384	(112)	141%
Boultham Park Masterplan	50	0	0	(22)	28	28	22	56%
Car Park Improvements - CCTV in MSCPs	6	0	0	0	6	6	0	100%
EV Charge Points	44	0	0	0	44	44	(0)	100%
Flood Alleviation Scheme - Hartsholme Park	56	0	0	(40)	16	16	40	28%
Safer Streets App & works	184	0	86	0	270	270	(86)	146%
Traveller deterrent	30	0	0	(28)	2	2	28	8%
Community Services Total	642	0	177	(69)	750	750	(108)	117%
Housing Management								
Housing Renewal Area Unallocated	320	0	0	(318)	2	2	318	1%
Housing Management Total	320	0	0	(318)	2	2	318	1%
Major Developments								
Central Markets	163	(161)	0	(2)	0	0	163	0%
Central Markets (All Funding Streams)	0	1,699	202	(1,284)	617	617	(617)	
LAD 2 - Green Homes Grant Local Authority Delivery Scheme	480	0	0	(460)	20	20	460	4%
Tentercroft Street	0	0	50	(50)	0	0	0	
Towns Deal - Lincoln Central Market and Vibrant Public Realm	1,650	(1,650)	0	0	0	0	1,650	0%
Towns Deal Programme Management	0	0	110	19	129	129	(129)	
Towns Fund	169	122	186	0	477	477	(308)	282%
WGC Housing Delivery	0	31	0	0	31	31	(31)	
WGC Planning Support	0	45	0	0	45	45	(45)	
WGC Pre-planning	839	(76)	0	(419)	344	344	495	41%
Major Developments Total	3,301	10	548	(2,196)	1,663	1,663	1,638	50%
Planning								
Heritage Action Zone	436	(10)	0	85	511	511	(75)	117%
St Mary's Guildhall (HAZ)	109	0	9	5	123	123	(14)	113%
Planning Total	545	(10)	9	90	634	634	(89)	116%
Externally Delivered Towns Deal Schemes								
Drill Hall	1,000	0	0	(1,000)	0	0	1,000	0%
Lincoln City FC and Foundation	300	0	0	(300)	0	0	300	0%
Lincoln Connected	0	0	33	0	33	33	(33)	
Sincil Bank	33	0	53	13	99	99	(67)	300%
Store of Stories	0	0	10	0	10	10	(10)	

Appendix I

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
Wigford Way	29	0	11	49	89	89	(60)	305%
Externally Delivered Towns Deal Schemes	1,362	0	107	(1,238)	231	231	1,131	17%
Grand Total	11,328	0	839	(5,536)	6,631	6,631	4,697	59%

HOUSING INVESTMENT PROGRAMME SUMMARY OF EXPENDITURE AS AT 31 MARCH 2022

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
	£	£	£	£	£	£	£	
Housing Investment								
Decent Homes								
Bathrooms & WCs	15	0	0	(14)	1	1	(14)	7%
DH Central Heating Upgrades	2,060	0	0	(219)	1,841	1,841	(219)	89%
Door Replacement	600	0	0	(334)	266	266	(334)	44%
Fire Doors	5	0	0	(5)	0	0	(5)	0%
Kitchen Improvements	15	0	0	(15)	0	0	(15)	0%
Lincoln Standard Windows Replacement	295	0	0	(295)	0	0	(295)	0%
New services	25	0	0	(8)	17	17	(8)	68%
Re-roofing	10	0	0	(10)	0	0	(10)	0%
Rewiring	35	0	0	(12)	23	23	(12)	66%
Void Capitalised Works	1,500	0	0	(127)	1,373	1,373	(127)	92%
Decent Homes Total	4,560	0	0	(1,039)	3,521	3,521	(1,039)	77%
Lincoln Standard								
Over bath showers (10 year programme)	5	0	0	(5)	0	0	(5)	0%
Lincoln Standard Total	5	0	0	(5)	0	0	(5)	0%
Health and Safety								
Asbestos Removal	196	0	0	(140)	56	56	(140)	29%
Asbestos Surveys	167	0	0	(107)	60	60	(107)	36%
Fire Alarms	40	0	0	(5)	35	35	(5)	88%
Renew stair structure	10	0	0	(10)	0	0	(10)	0%
Replacement Door Entry Systems	25	0	0	(25)	0	0	(25)	0%
Health and Safety Total	438	0	0	(287)	151	151	(287)	34%
Other Schemes								
CCTV	47	0	0	(47)	0	0	(47)	0%
Communal Electrics	10	0	0	(2)	8	8	(2)	80%
Communal TV Aerials	5	0	0	(3)	2	2	(3)	40%
Environmental works	50	0	0	(9)	41	41	(9)	82%
Garages	25	0	0	(25)	0	0	(25)	0%
HRA Buildings	0	0	23	0	23	23	23	
Other Schemes Total	137	0	23	(86)	74	74	(63)	54%
Contingency Reserve								
Contingency	218	0	(48)	(170)	0	0	(218)	0%
Contingency Reserve Total	218	0	(48)	(170)	0	0	(218)	0%

Appendix J

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
IT/Infrastructure Schemes								
Housing Support Services Computer Fund	50	0	0	(26)	24	24	(26)	48%
Operation Rose	82	0	0	(13)	69	69	(13)	84%
Telephony	4	0	0	(2)	2	2	(2)	50%
IT/Infrastructure Schemes Total	136	0	0	(41)	95	95	(41)	70%
Total Housing Investment Programme	5,494	0	(25)	(1,628)	3,841	3,841	(1,653)	70%
Housing Strategy and Investment								
New build programme								
New Build Programme	0	1,000	0	(1,000)	0	0	0	
New Build Programme (141 eligible)	0	18	0	(18)	0	0	0	
New Build Programme (Borrowing for 141 eligible)	0	26	0	(26)	0	0	0	
New Build Site - Queen Elizabeth Road	27	0	0	(27)	0	0	(27)	0%
New Build Site - Rookery Lane	3,369	0	0	(552)	2,817	2,817	(552)	84%
New Build Site - Searby Road	63	0	0	(63)	0	0	(63)	0%
Acquisition Buy Back Programme	2,414	(44)	0	(244)	2,126	2,126	(288)	88%
Acquisition - NSAP properties	591	0	0	0	591	591	0	100%
Acquisition - RSAP properties	280	0	0	0	280	280	0	100%
New Build Capital Salaries	43	0	0	0	43	43	0	100%
New Build- De Wint Court	7,127	(1,000)	0	(582)	5,545	5,545	(1,582)	78%
Western Growth Corridor	260	0	0	(239)	21	21	(239)	8%
	14,174	0	0	(2,751)	11,423	11,423	(2,751)	81%
Total Housing Strategy and Investment Programme	14,174	0	0	(2,751)	11,423	11,423	(2,751)	81%
Total Housing Investment Programme	19,668	0	(25)	(4,379)	15,264	15,264	(4,404)	78%

GENERAL INVESTMENT PROGRAMME 2021-2026

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
CE Chief finance Officer					
40 Michaelgate Structural works	0	2	0	0	0
Allotments Asbestos Sheds	0	34	0	0	0
Brayford Viewing Platform	3	0	0	0	0
Broadgate Fire Alarm	8	0	0	0	0
Canwick Rd Cemetery Railings	0	10	0	0	0
City Hall Lightning Protection	0	6	0	0	0
Grandstand Terracing Improvements	12	3	0	0	0
Greyfriars	118	56	0	0	0
Greyfriars Roof Improvements	0	4	0	0	0
Guildhall Walkway/ Access Improvements.	0	12	0	0	0
Guildhall Works	0	18	0	0	0
High Bridge Café	0	50	0	0	0
Long Leys Road Drainage	7	3	0	0	0
Monks Abbey Bowls Pavilions External Timber/ Fascia Board Improvements	9	2	0	0	0
Planned Capitalised Works	0	280	200	200	200
Play Area Surfacing Works	16	5	0	0	0
St Nicholas Church - Wall	11	0	0	0	0
Stamp End Demolition	1	138	0	0	0
The Terrace Heat Mitigation Works	0	247	0	0	0
West Common External Rendering Improvements	5	0	0	0	0
YLC Diving Boards	0	40	0	0	0
CE Chief Finance Officer Total	190	910	200	200	200
CE Strategic Development					
New Telephony System	2	83	0	0	0
CE Strategic Development Total	2	83	0	0	0
Community and Environment					
Artificial Grass Pitches (AGP)	0	88	0	0	0
Crem - remodelling	2,465	131	0	0	0
Disabled Facilities Grant	620	1,529	300	300	300
Skate Park	0	0	0	183	0
Whittons Park	74	56	22	0	0
Community and Environment Total	3,159	1,804	322	483	300
Community Services					
Boultham Park Lake Restoration	384	17	0	0	0
Boultham Park Masterplan	28	22	0	0	0
Car Park Improvements - CCTV in MSCPs	6	0	0	0	0
EV Charge Points	44	0	0	0	0
Flood Alleviation Scheme - Hartsholme Park	16	319	0	0	0
Safer Streets App & works	270	0	0	0	0
Traveller deterrent	2	28	0	0	0
Community Services Total	750	386	0	0	0

Appendix K

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
Housing Management					
Housing Renewal Area Unallocated	2	338	20	0	0
Housing Management Total	2	338	20	0	0
Major Developments					
Central Markets	0	2	0	0	0
Central Markets (All Funding Streams)	617	6,984	966	0	0
Home Upgrade Grant	0	105	0	0	0
LAD 2 - Green Homes Grant Local Authority Delivery Scheme	20	460	0	0	0
LAD 3 - Green Homes Grant Local Authority Delivery Scheme	0	2,203	0	0	0
LAD 3 Top Up BEIS	0	440	0	0	0
Tentercroft Street	0	290	50	0	0
Towns Deal Programme Management	129	80	75	76	59
Towns Fund	477	0	0	0	0
WGC COLC	0	500	0	0	0
WGC Housing Delivery	31	6,766	0	0	0
WGC Planning Support	45	0	0	0	0
WGC Pre-planning	344	42	0	0	0
WGC Shared Infrastructure	0	2,160	0	0	0
Major Developments Total	1,663	20,033	1,091	76	59
Planning					
Heritage Action Zone	511	190	44	0	0
St Mary le Wigford (HAZ)	0	50	0	0	0
St Mary's Guildhall (HAZ)	123	349	0	0	0
Planning Total	634	589	44	0	0
Externally Delivered Towns Deal Schemes					
Barbican Production & Maker Hub	0	1,600	1,300	0	0
Drill Hall	0	1,000	0	0	0
Greyfriars	0	313	227	0	0
Hospitality & Events & Tourism Institute	0	1,120	0	0	0
Lincoln City FC and Foundation	0	800	0	0	0
Lincoln Connected	33	434	356	124	50
Sincil Bank	99	781	1,656	460	0
Store of Stories	10	155	0	0	0
Wigford Way	89	252	0	0	0
Externally Delivered Towns Deal Schemes Total	231	6,455	3,539	584	50
Schemes Currently Under Review					
Capital Contingencies	0	8	0	0	0
Compulsory Purchase Orders	0	151	0	0	0
Compulsory Purchase Orders	0	82	0	0	0
IT Reserve	0	74	0	0	0
Schemes Currently Under Review Total	0	315	0	0	0
Grand Total	6,631	30,913	5,216	1,343	609

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
Decent Homes					
Bathrooms & WCs	1	264	609	567	595
DH Central Heating Upgrades	1,842	2,319	1,628	1,657	1,740
Door Replacement	266	1,350	1,562	1,627	1,708
Fire Compartment works	0	5	5	5	5
Fire Doors	0	95	47	47	50
Kitchen Improvements	0	765	1,362	1,422	1,493
Lincoln Standard Windows Replacement	0	500	790	790	830
New services	17	38	55	57	60
Re-roofing	0	60	500	500	500
Rewiring	23	42	203	212	222
Structural Defects	0	10	62	64	67
Thermal Comfort Works	0	10	176	111	116
Void Capitalised Works	1,373	1,508	1,350	1,412	1,482
Decent Homes Total	3,522	6,966	8,348	8,471	8,870
Lincoln Standard					
Over bath showers (10 year programme)	0	80	275	286	301
Lincoln Standard Total	0	80	275	286	301
Health and Safety					
Asbestos Removal	56	291	190	199	209
Asbestos Surveys	61	256	129	134	140
Fire Alarms	35	30	0	0	0
Renew stair structure	0	10	40	42	44
Replacement Door Entry Systems	0	200	51	53	56
Health and Safety Total	151	787	410	427	449
New build programme					
Acquisitions	2,126	245	0	0	0
Acquisition - NSAP properties	591	0	0	0	0
Acquisition - RSAP properties	280	0	0	0	0
Hermit Street Regeneration	0	150	0	0	0
New Build Capital Salaries	42	44	46	47	48
New Build- De Wint Court	5,544	582	0	0	0
New Build Programme	0	3,532	360	0	0
New Build Programme (141 eligible)	(0)	791	420	1,415	0
New Build Programme (Borrowing for 141 eligible)	(0)	1,186	629	2,122	0
New Build Site - Queen Elizabeth Road	0	27	0	0	0
New Build Site - Rookery Lane	2,817	4,161	0	0	0
New Build Site - Searby Road	0	62	0	0	0
Western Growth Corridor	21	1,260	0	0	0
New build programme Total	11,422	12,040	1,455	3,584	48

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
Other Schemes					
CCTV	0	47	0	0	0
Communal Electrics	8	100	70	101	77
Communal TV Aerials	2	60	33	16	16
Environmental works	41	1,490	1,422	856	690
Garages	0	70	75	78	82
HRA Buildings	23	108	46	47	49
Other Schemes Total	74	1,874	1,645	1,097	915
IT/Infrastructure Schemes					
Housing Support Services Computer Fund	24	903	0	0	0
Operation Rose	68	14	0	0	0
Telephony	2	83	0	0	0
IT/Infrastructure Schemes Total	95	1,000	0	0	0
Contingency					
Contingency Reserve	0	420	299	250	250
Contingency Total	0	420	299	250	250
Grand Total	15,264	23,167	12,433	14,116	10,832

Appendix M

TFS Phase7 programme: progress at Q4 - 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 Q4 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 26.08.21
Parking Services	Deletion of vacant posts	DCE	39	39	0	Complete
Workbased Learning	Apprentice savings	CX	53	37	16	Complete
CCTV	Transfer to alternative provider	DCE	49	49	0	Executive 26.10.21

BDIT	Business Analyst Vacancy	CX	34	23	11	Complete for 21/22
CX Management	AD Strategic Development (less Transformation Manager)	CX	28	28	0	Complete for 21/22
Policy	Various vacant posts less temp arrangements	CX	65	49	16	Complete for 21/22
Grants to External Bodies	LADAR & CAB grant less loss in Rental Income	CX	55	55	0	Complete
Grounds Maintenance	Release duplicate budget on GM	CX	68	68	0	Complete
Major Developments	Capitalisation of Major Development Officer	DMD	54	54	0	Complete
TOTAL SAVINGS			981	878	104	

PEFORMANCE SCRUTINY COMMITTEE

16 JUNE 2022

SUBJECT: WORK PROGRAMME FOR 2022/23

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 2022/23 (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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16 June 2022

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	Rob Marshall	Quarterly Report-Professional High Performing Services
Strategic Risk Register – Quarterly Report Q3&4	Jaclyn Gibson/Colleen Warren	Quarterly Report Professional High Performing Services
Lincoln’s GEO – Sense Footfall Data	Graham Rose	Requested Report

4 August (moved from 14 July 2022)

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

18 August 2022 (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
Portfolio Under Scrutiny Session – Customer Experience and Review	Portfolio Holder	Annual Session Vision 2020 (Mixed)
Monitoring Items		
Financial Performance (Detailed) – Quarterly Monitoring: Quarter 1	Colleen Warren	Quarterly Report Professional High Performing Services
Performance Quarterly Monitoring: Quarter 1	Rob Marshall	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
Council Tax Rebate Payments	Martin Walmsley	Requested Report

29 September 2022 (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 – Annual Report

17 November 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 – 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	Rob Marshall	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

8 December 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 – Remarkable Place	Portfolio Holder	Annual Session Lets Enhance Our Remarkable Place

19 January 2023

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

15 February 2023 (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 2023-24	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	Rob Marshall	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
14 July 2022	Our People and Resources
18 Aug 2022	Customer Experience and Review
29 September 2021	Economic Growth
17 November 2021	Reducing Inequality
8 December 2022	Remarkable Place
19 January 2023	Quality Housing

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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 fourth 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 February 2022 and contained thirteen strategic risks.
- 2.2 Since reporting to Members in February, 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 twelve existing risks, as follows:
- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the 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
- 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

Risk No 11. Failure to put in place safe working practices and social distancing measures to protect officers and service users, has now been removed from the register as it has been at Green status for over 6 months.

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

- Risk No 1. Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the Council's Vision 2025 – The refreshed and refocused interim review of Vision 2025, with a greater focus on health inequalities, has now been approved by Full Council and published on the Council's website. This followed internal scrutiny with members and consultation with stakeholders. Work on delivering the year 3-5 delivery plans is now underway.
- Risk No 2. Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025) – following public consultation, alongside the review of Vision 2025, and after member scrutiny, the MTFS 2022-27 was approved by Full Council in March 2022. This demonstrated a sustainable financial position over the medium term. However the current economic climate and escalating inflation rates are likely to bring additional financial pressures.
- Risk No 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council – the target saving of £850,000 for 2021/22 was overachieved, savings of £877,060 being delivered in year. Significant progress has already been made towards achieving the 2022/23 target, however inflationary pressures may require additional savings.
- Risk No 8. Decline in the economic prosperity of the City Centre – Utilising the Government's Welcome Back Fund a range of successful events and initiatives, working alongside Lincoln BIG and Visit Lincoln, have now been

delivered. The Safer Streets funding has also enabled the completion of new CCTV cameras and app, designed to support the night-time economy. Towns Deal schemes continue to be delivered e.g. the reopening of The Drill. Work is now focussing on funding bids/investment plans to seek funding under Levelling Up 2 and the UK Shared Prosperity Fund.

- Risk No 13. Failure to mitigate against the risk of a successful cyber-attack against the council with significant / critical impact – work continues to deliver improvements, with new back up arrangements implemented, training completed in ICT/DR Plans and a suite of new ICT Policies have been considered by Scrutiny and approved by the Executive. Work is also in progress in replacing unsupported legacy systems with the focus on housing IT systems.

3.3 Despite the positive movement in control actions this hasn't resulted in a change to the assessed levels of likelihood and impact of the risks.

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, 5, 10 & 13	Red/High	Probable	Critical
7	Red/High	Almost Certain	Major
3 & 9	Amber/Medium	Probable	Major
12	Amber/Medium	Possible	Critical
1, 4, & 6	Amber/Medium	Possible	Major

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 it's 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 4 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

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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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