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CITY OF Lincoln COUNCIL

EXECUTIVE

Monday, 17 January 2022	6.00 pm	Committee Rooms 1 and 2, City Hall, Beaumont Fee, Lincoln, LN1 1DD

Membership: Councillors Ric Metcalfe (Chair), Donald Nannestad (Vice-Chair), Chris Burke, Sue Burke, Bob Bushell and Neil Murray

Officers attending: Angela Andrews, Democratic Services, Kate Ellis, Jaclyn Gibson, Daren Turner, Simon Walters and Carolyn Wheater

A G E N D A

SECTION A **Page(s)**

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

OUR PEOPLE AND RESOURCES

QUALITY HOUSING

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

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

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

SECTION B

REMARKABLE PLACE

Executive **4 January 2022**

Present: Councillor Ric Metcalfe *(in the Chair)*, Councillor Chris Burke, Councillor Sue Burke, Councillor Bob Bushell and Councillor Neil Murray

Apologies for Absence: Councillor Donald Nannestad

63. Confirmation of Minutes -13 December 2021

RESOLVED that the minutes of the meeting held on 13 December 2021 be confirmed.

64. Declarations of Interest

No declarations of interest were received.

65. Transfer of Land at Jasmin Green to Birchwood Area Community Land Trust

Purpose of Report

The report provided the Executive with and update on the position with the Jasmin Green land transfer and housing project last considered by Executive in October 2019.

Decision

(1) That, subject to the revision set out in (2), the decisions by the Executive in July 2017 and in October 2019 to support in principle the transfer of land to Birchwood Area Community Land Trust be reaffirmed.

(2) That the area of land to be transferred on a freehold interest to Birchwood Area Community Land Trust be revised to that set out in Appendix 3 to the report, at the nominal value of £1.

(3) That the intended disposal at an undervalue, set out in (2) above, would help to secure the promotion or improvement of the economic, social, or environmental wellbeing of the area.

(4) That decisions on the final terms and details of the transfer of the land, including any nomination rights to the new affordable housing, be delegated to the Director of Housing and Investment, in consultation with the Portfolio Holder for Quality Housing, the Monitoring Officer, and the Section 151 Officer, subject to the provision of the business case and a successful bid for funding, with the agreement being conditional upon the provision, by Birchwood Area Community Land Trust, of a viable business case which included all known development costs and a successful bid to Homes England to support the housing development.

(5) That the Executive agree, ahead of any transfer, to give notice of intention to dispose of public open space as per section 6.4 above and report back any objections raised for consideration.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

There had been several reports to the Executive on the potential transfer of a significant piece of housing revenue account land at Jasmin Green in the Birchwood area to the Birchwood Area Community Land Trust, which had originally been established with the intention of developing play and recreation facilities for young people in the area.

The basic concept would see the development of community affordable housing on a proportion of the site to be transferred. Income from which would fund the ongoing maintenance, in perpetuity of recreation and play facilities adjacent to the housing. These would mainly take the form of a skate park the capital costs of which would be funded by Birchwood Big Local.

To protect the Council's long-term position and the public purse, the Council had been seeking a definitive business plan/proposal that would demonstrate that a viable development could be delivered, which would complement the Council's existing vision and strategies and in turn meet the stated outcomes of Birchwood Area Community Land Trust.

66. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of Minute 67 only because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

No representations had been received in relation to the proposal to consider this item in private.

67. Transfer of Land at Jasmin Green to Birchwood Area Community Land Trust

Purpose of Report

As detailed in the exempt report to the Executive.

Decision

That the recommendations to the Executive, as set out in the exempt report, be approved.

Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

Reasons for the Decision

As detailed in the exempt report to the Executive.

NOTE: At this point in the proceedings, the Executive resolved to move back into Part A – open forum.

68. Council Tax Base 2022-2023

Purpose of Report

To seek the Executive's recommendation to the City Council of the Council Tax Base for the financial year 2022/23.

Decision

That it be recommended to the City of Lincoln Council that:

a) it be noted that there were no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area;

b) the Chief Finance Officer's calculation of the Council Tax Base for the financial year commencing 1 April 2022 and ending 31 March 2023, as set out in Appendix B of this report be approved; and

c) in accordance with the Chief Finance Officer's calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2022/23 financial year be 25,310.01.

Alternative Options Considered and Rejected

None. There was a requirement to set the Council Tax base for the City of Lincoln area for each ensuing financial year, in accordance with the Local Government Finance Act 1992 and Local Authorities (Calculation of Council Tax Base) Regulations 1992.

Reasons for the Decision

Special items of expenditure were defined as items of expenditure that related to one part of the local authority area. Expenditure on any special items could be levied on those residents in that area and not on others. In line with the Chief Finance Officer's advice, the Executive concluded that there were no special items of expenditure.

Appendix B to the report detailed the Chief Finance Officer's calculation of the council tax base, which took into account the number of chargeable dwellings in each council tax valuation band; the effects of discounts; and levies on empty properties. This showed the number of Band D equivalent chargeable dwellings as 25,310.01, which was based on the above regulations and assumed that 98.25% of the council tax due for 2022/23 would be collected.

69. Statement of Accounts 2020/2021

Purpose of Report

To consider for information the statement of accounts for the financial year ended 31 March 2021, following completion of the audit opinion.

Decision

That following scrutiny of the statement of accounts for the financial year ended on 31 March 2021, the statement of accounts be recommended to Council on 18 January 2022 for approval.

Alternative Options Considered and Rejected

None. The Council was required to publish its statement of accounts for the financial year 2020/21 with an audit opinion and certificate by no later than 30 November 2021. This date had been extended from the usual deadline of 31 July owing to Covid-19.

Reasons for the Decision

The statement of accounts for 2020/21 provided a comprehensive picture of the Council's financial circumstances and had been compiled to demonstrate probity and stewardship of public funds. It was noted that the Statement of Accounts for 2020/21 was subject to final verification by the external auditor, Mazars, who had commenced their audit in July 2021. Any material changes to be necessary as a result of this final external audit work, these would be reported back to the Executive.

The Council made the statement of accounts available for public inspection for the required ten working days, between 2 and 13 August 2021, during which time, the external auditor received no questions.

During the completion of the external audit there were five misstatements above the threshold level of £49,000; and two of these had been amended in the final version of the statement of Accounts.

The Council was also required to review of the effectiveness of its governance arrangements and the overall level of assurance provided in 2020/21 was substantial (green) and was in line with the Council's code of corporate governance.

70. Collection Fund Surplus/Deficit - Council Tax

Purpose of Report

To consider the estimated balance for the council tax element of the collection fund; and to confirm the declaration of the surplus for 2021/22.

Decision

1) That the Chief Finance Officer's declaration of a council tax surplus of £261,027 for 2021/22, to be distributed in 2022/23, be confirmed.

2) That the spreading adjustment of a £297,589 deficit to be distributed in 2022/23 be noted.

Alternative Options Considered and Rejected

None. Prior to setting the Council Tax for 2022/23, the City Council was required to estimate whether there was to be a surplus or deficit on the council tax element of the collection fund for the current financial year, 2021/22.

Reasons for the Decision

The Chief Finance Officer had declared a surplus on council tax collection of £261,027 for the financial year 2021/22, with the City Council's share being £38,883.

Under normal circumstances a surplus or deficit recorded for a given year was carried forward into the collection fund for the following financial year, for distribution and consequential impacts on the general fund budgets. However, regulations issued in 2020 had enabled the Council to spread any deficit arising during 2020/21 over the following three years, rather than the usual period of one year. Thus, a decision had been previously made to spread the deficit of £892,766 for 2020/21 over the following there years, in effect a sum of £297,589 each financial year: 2021/22, 2022/23 and 2023/24. The City Council's share of this deficit was £133,784 (£45,595 in each of the three financial years). When the surplus of £38,883 was offset against the £45,595, a total deficit of £5,712 was calculated.

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EXECUTIVE **17 JANUARY 2022**

SUBJECT:	**DRAFT MEDIUM TERM FINANCIAL STRATEGY 2022 - 2027**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 To recommend to the Executive the draft Medium-Term Financial Strategy for the period 2022-2027 and the draft budget and council tax proposal for 2022/23, for consultation and scrutiny.

1.2 To present the draft Capital Strategy 2022-2027 for consideration.

2. Executive Summary

2.1 The financial landscape for local government continues to pose an unprecedented challenge to the Council and is set in the context of significant, inherent, uncertainty with the ongoing impact of the Covid19 pandemic on income and expenditure assumptions and a lack of any form of clarity on future funding settlements from Government. It is a long time since the Council had any medium-term certainty during budget setting which makes financial planning in this climate extremely challenging.

2.2 The Covid19 pandemic continues to cast a shadow on the Council's finances with budget pressures arising from demand for services, the availability of goods and services, escalating costs and ongoing, permanent, reductions in income. Coupled with the state of flux in the economy with; rising inflation; labour shortages; and supply chains issues the level of uncertainty has never been so high.

2.3 Alongside these service pressures, there continues to be a lack of clarity over whether and when each of the planned local government finance reforms will be implemented. These reforms, together, have the ability to fundamentally alter the course of the MTFS. Providing certainty on these issues would make a significant difference to the Council's financial planning and therefore the services it delivers.

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

2.5 Although there is a significant level of uncertainty about future funding, based on what is currently known, or can be reasonably assumed, there still remains a current projected budget gap of £1.5m on the General Fund, which the Council must close to ensure it's financial sustainability. This is a significant target for the Council to achieve, particularly in light of the annual revenue reductions of nearly £10m that have already been delivered over the last decade. Whilst the Council seeks to deliver longer term transformational changes as well as using it's influence and direct investment to create the right conditions for the City's economy to recover and once again grow, thus increasing tax bases, there is a short term need to close the budget gap. The Council is therefore left with little option but to revert to more traditional cost cutting measures in order to deliver the reductions required within the short term, this is an approach that will continue through 2022/23. It will also require the careful use reserves and balances.

2.6 The Council will continue to build on it's successful financial planning to date and will seek to protect the core services for the people of Lincoln, whilst at the same time allowing for significant investment in the City, and its economy, and driving forward Vision 2025. Adopting this approach will ensure that it carefully balances the allocation of resources to it's vision and strategic priorities, whilst ensuring it maintains a sustainable financial position.

2.7 Prior to submission of the MTFS 2022-2027 and budget and council tax proposal for 2022/23 to Full Council, on 21st February 2022, this initial draft will be subject to public consultation and member scrutiny.

3. Background

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

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

3.3 In response to the unprecedent impact of Covid19 on the Council's finances and the inherent uncertainty in financial planning, the existing objectives of the MTFS were reviewed to ensure they remained relevant. The key overriding objective continues to be;

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

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

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

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

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

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

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

3.5 In response to this challenging financial environment the Council has embraced a forward thinking, ambitious and commercial approach in maintaining a sound financial position. This is an approach that has served the Council well and allowed savings of nearly £10m to be delivered over the last decade.

3.6 Looking ahead the financial landscape for local government continues to pose a high level of uncertainty, there continues to be a number of unknowns, which have been exacerbated in recent weeks; in terms of how long the pandemic will continue to affect communities and the economy; will further restrictions be imposed; will the bounce back recovery further dampen or re-bounce, and by how much; and how will customers, residents, businesses behave over time and how will their needs change. Coupled with the state of flux in the economy with; rising inflation; labour shortages; and supply chains issues the level of uncertainty has never been so high. Layered on top of this is the lack of clarity on further Government funding reforms, which have the ability to fundamentally alter the direction of the MTFS. Therefore, in order to ensure that the Council maintains a robust and sustainable financial position and is able to respond to the impact of volatile external events and increased financial risks that it faces, the MTFS needs to remain flexible, the council's reserves resilient and the sound track record of delivering savings needs to be sustained, whilst ensuring that resources are directed towards its vision and strategic priorities.

4. The General Fund

4.1 The Council's spending requirement, after capital charges and contributions to/from reserves are taken into account, for 2022/23 amounts to £8.923m which is £0.518m (4%) lower than the current year's budget. Although direct comparisons between the two years cannot be made due to the impact of significant fluctuations in the Collection Fund deficits. The provisional forecast spending requirements for the remaining four years of the MTFS are, £11.279m for 2023/24, £12.862m for 2024/25, £13.779m for 2025/26 and £14.551m for 2026/27.

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

4.3 **Provisional Finance Settlement 2020/21**

The 2022/23 local government finance settlement is for one year only, the fourth consecutive one-year local government finance settlement and is based on the Spending Review 2021 (SR21) funding levels. This is the first time since 2015 that, in the context of a multi-year Spending Review, the government has only provided local authorities with a single-year settlement. The Settlement sets out the Council's Core Spending Power which consists of; it's Settlement Funding Assessment (SFA) made up pf Revenue Support Grant (RSG) and Business Rates baselines figures; along with other specific grant allocations; and an assumed level of Council Tax. Overall, the Council's Core Spending Power has increased by 5.9% in comparison to an increase of 6.9% across all English local authorities.

4.4 **Revenue Support Grant**

In terms of the Council's RSG element of the SFA, as a result of the one-year settlement and further delay in the implementation of funding reforms, RSG has been extended for a further year and is at the same level as the 2021/22 allocations but uplifted by 3.1% in line with CPI inflation. The Council's allocation for 2022/23 is £0.024m, beyond this RSG is no longer assumed in the MTFS.

4.5 **Business Rates Retention**

The calculation of income to be received through BRR is critical in determining the amount of resources that the Council will have available to fund local services. The level of net rates payable by businesses in the City continues to be at reduced levels during 2021/22 due to a significant number of Government funded reliefs as well as an increase in empty property reliefs and business closures. These reductions in net retainable rates will continue to impact over the period of the MTFS until the City's economy is able to recover and once again grow.

4.6 The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2022/23, based on this and after allowing for the allocation of resources to Central Government and to the County Council it is estimated that £5.558m of the £33.8m of business rates generated within the City will be retained by the Council. Beyond 2022/23, assumptions have been made in relation to the reform of the BRR system, these will continue to be assessed as further details of the changes are released by the Government. Although no specific implementation date has yet been confirmed the MTFS assumes this will be effective from 2023/24. However, as much of the design and relative starting positions in the new scheme are as yet unknown it is extremely challenging to forecast the likely level of resources.

4.7 As reported elsewhere on this agenda the Business Rates element of the Collection Fund has declared a deficit in relation 2021/22 of £8.907m of which the Council's share is £3.563m. Whilst this is a significant deficit, £9.473m (£3,789m City Council share) of the deficit is offset by Government grants received to compensate local authorities in respect of the expanded retail rate reliefs awarded to business in response to the Covid19 pandemic. The remaining net surplus of £0.566m, of which the Council's share is £0.226m, has arisen due to the final year end position on the 2020/21 Collection Fund, which was more positive than estimated, offset by an in year increase in empty property reliefs, which has been adversely affected by the pandemic.

4.8 This level of retained business rates is calculated on the basis that the Council participates in the Lincolnshire Business Rate Pool in 2022/23. The pool consists of this Council, Lincolnshire County Council and the six other Lincolnshire District Councils. Membership of this pool allows the Council to retain an element of growth that would have otherwise been payable via a levy to the Government, this equates to retained resources of £0.457m in 2022/23.

4.9 Forecast business rates in the draft MTFS 2022-27 are based on the most recent available estimates of Lincoln's business rates base. However, until the business rates base for 2022/23 is finalised at the end of January 2022 the estimates in the draft MTFS are subject to change.

4.10 **Council Tax**

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

4.11 In view of this and taking into consideration the Council's need to protect its financial position from further decline and maintain its local income streams, the MTFS for consideration proposes a 1.89% rise in Council Tax for 2022/23, and a further 1.9% p.a. in each of the subsequent years. An increase of 1.89% in 2022/23 equates to an additional 7p per week for a Band A property and 8p per week for a Band B property (80% of properties fall within Band A and B), with a Band D equivalent of £290.79.

4.12 **Other Specific Grants**

In addition to RSG the Council also receives other specific grants. Further New Homes Bonus allocations for 2022/23 have been announced and the Council will receive £0.421m. The Lower Tier Services grant has been rolled over for a further year with a provisional allocation for 2022/23 is £0.171m.

In addition, a new one-off Services Grant worth £822 million has been announced for

2022/23. The grant is intended to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government. It includes funding for local government costs for the increase in employer NIC's. The grant is not ring-fenced. The allocation for 2022/23 is £0.263m, beyond 2022/23 whilst although the funding amount is expected to be in each of the next two years at Core Spending Power level, the methodology for allocation is likely to change. However, given within this amount there is the funding for the increased NICs burden, an assumption of £0.125m p.a. has been made.

4.13 **Fees & Charges**

The fees and charges levied by the Council are an important source of income, however the impact of Covid19 had a significant detrimental impact on fees and charges income over the last two years, with monthly levels plummeting across a range of discretionary services as a result of multiple lockdowns and the impact on the economy and the uneven path to recovery. Although many sources of fees and charges are expected to bounce back to their pre-covid levels it is the car parking income that poses the greatest financial risk to the Council's MTFS. Whilst initial assumptions have been made over the 5-year period, at this stage there is a significant level of uncertainty as to how these income sources will perform.

This current forecast has identified an increase in income levels of £0.256m from the levels previously assumed for 2022/23. This increase is primarily as a result of the introduction of new charges e.g. extension to residents parking schemes, rather than increased levels of existing charges.

4.14 **Spending Plans**

The annual delivery plans that support the overall Vision 2025 are now currently in the process of being refreshed to reflect the impact the pandemic has had on the Council, the City, it's residents and business, to ensure that the correct priority areas are focussed upon. The majority of new investment that is included in the Delivery Plan's for Years 3-5 is primarily of a capital nature with limited revenue implications. There are however a number of revenue schemes to be delivered, which are to be funded through existing cash limit budgets or through the existing Vision 2025 earmarked reserve.

4.15 The following other key assumptions have been used in formulating the draft General Fund revenue estimates for 2022/23 – 2026/27 as follows:

- Non-Statutory fees and charges mean average increase is 2.2% in 2021/22 with a 3% p.a. increase in yield thereafter. Although individual service income budgets have been re-based to reflect the impact of Covid19, with significant reductions forecasted.
- An increase in employer pension contribution rates capped at 1% p.a. for the period 2022/23.
- A provision for pay awards of 1.75% p.a. for 22/23 and 2.0% p.a thereafter.
- A provision for inflation of 4% for 22/23 and the 3%p.a. thereafter for contractual commitments linked to RPI based

- A provision for 3% for 22/23 and then 2%p.a. thereafter for general inflationary increases and contractual commitments linked to CPI
- Average interest rates on investments have been assumed at 0.20% in 2022/23, 0.28% in 2023/24, 0.40% in 2024/25, 0.50% in 25/26 and 0.50% in 2026/27.
- Staff turnover targets of 1% pa

4.16 **Towards Financial Sustainability**

4.17 The Council has a successful track record in delivering savings and has, over the last decade, delivered nearly £10m of annual revenue savings. Despite this success, the Council faces the challenge of having to further reduce its net cost base if it is to remain financially sustainable.

4.18 Whilst there are still significant uncertainties in financial planning, the additional resources made available due to the ongoing delay in implementation of Government funding reforms and the additional grant allocations in the Provisional Finance Settlement, have meant that the existing savings targets can be reduced slightly, without impacting overall financial sustainability. On the basis of the revised financial planning assumptions assumed in this MTFS, the savings targets will be revised as set out below:

2022/23 £'000	**2023/24 £'000**	**2024/25 £'000**	**2025/26 £'000**	**2026/27 £'000**
1,000	1,250	1,500	1,500	1,500

Although the savings targets have been reduced the Council still has a budget gap that it must address and must continue to focus on measures to drive down its net cost base to ensure it maintains a sound and sustainable financial position.

4.19 The key mechanism for delivering the required budget savings is through the Towards Financial Sustainability (TFS) Programme, which seeks to bring net service costs in line with available funding. Previously the Council has been able to achieve savings by re-investing in more efficient ways of working; adopting a more commercial approach; and prioritising resources for economic development measures, whilst making careful use of reserves to meet funding gaps. However, after a decade of delivering efficiency savings it is much harder to extract such savings and many now being considered are to be delivered as part of longer-term transformational changes to the organisation, there have been additional restrictions imposed on Council's in terms of commercial; and the delivery of benefits from economic development measures cannot be realised in the short term. The Council is therefore left with little option but to revert to more traditional cost cutting measures in order to deliver the scale of reductions required in the short term, this is an approach that will continue through 2022/23.

4.20 The focus of the TFS programme remains on two key strands:

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

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

4.21 Alongside this programme the Council still believes that the longer-term approach to finding efficiencies to close the funding gap is fundamentally through economic growth and investment. This is ever more critical in light of the crippling effect Covid19 has had on the local economy. As part of the recovery of the City from the pandemic the Council, through Vision 2025, will continue to seek ways to maximise its tax bases by creating the right conditions for the economy to recover and grow, to increase Business Rates income, and to encourage housebuilding to meet growing demand, generating additional Council Tax.

Robustness and Adequacy of the Budget and Reserves – General Fund

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

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

4.24 As a result of the level of financial risk currently faced by the Council and the threat this poses to the Council’s financial position the prudent minimum level of general reserves remains at an increased level. Based on an assessment of the estimated exposure, likelihood and possible mitigation of the financial risks that the Council faces it is deemed prudent to hold general reserves around £1.5m-£2m. Over the MTFS general reserves are maintained in line with (in excess of) this prudent minimum and show an estimated balance of £2.463m by the end of 2026/27.

4.25 Whilst the overall level of balances will still be maintained over the period of the MTFS there are planned uses of balances in the General Fund of £1.582m in 2023/24 and £0.600m in 2024/25. This use of balances, in the short term, along with the application of specific earmarked reserves will provide the Council the opportunity to deliver ongoing reductions in its net cost base, and also providing the flexibility to adjust the savings targets if there is a more positive outcome from the funding reforms. Based on the current trajectory of savings targets, by 2025/26 the General Fund will be in the position of making positive contributions to balances, with forecasted contributions of £0.096m in 2025/26 and £0.855m in 2026/27. The careful use of balances, along with earmarked reserves, in supporting the General Fund is seen as a short-term measure only to ensure a balanced budget position is maintained whilst savings are delivered, it is not foreseen as a long-term solution.

5. The Housing Revenue Account

5.1 The Council's Housing Revenue Account Business Plan 2016-2046 was approved in February 2016, since it's adoption a number of issues e.g., Brexit and the Covid19 pandemic have had a fundamental impact on the way the Council delivers it's housing and landlord services, now and in the future. In addition, the Vision 2025 and Annual Delivery Plans will include a much greater focus on health outcomes and the environment, with implications for the delivery of housing services. As a result, an interim high-level refresh of the Business Plan has been undertaken during 2021 with work now taking place to fundamentally re write the 30-year Plan to reflect the changes to the local, regional and national operating environment and to reflect the Councils current aims and ambitions in Vision 2025.

5.2 Housing Rents

In line with the Housing Business Plan and Government Rent Guidelines, that announced that from April 2020 social rents will increase by a maximum of CPI+1% for 5 years, the MTFS has historically been based on this assumption. The approach from 2025 remains uncertain but there is an expectation that social rent increase will remain.

5.3 The Council has historically set the rent levels in line with the requirement to increase rents by CPI + 1% (CPI being as at September each year) for general purpose accommodation and also increase sheltered accommodation and affordable rents, by the same. With CPI +1 % as at September 2021 levels this would mean an increase in rents of 4.1%. An increase of this level, in light of other impacts on household incomes arising from the current economic climate, could have a severe impact the Council's tenants and as such rent increases of 3.6% for 2022/23 are proposed. The assumption in the MTFS from 2023/24 onwards reverts to CPI + 1%. The average 52-week rent will be £73.44 per week for general purpose and sheltered accommodation, and £116.91 for affordable rents.

5.4 Financing the Capital Programme

Under HRA self-financing, the primary sources of funding for capital investment in the Council's housing stock is from the revenue account through asset depreciation charges and direct revenue contributions. This has however been lessened to some extent by the removal of the HRA borrowing cap but based on the current Housing Investment Programme (HIP), the need for £57.516m of revenue support is still anticipated over the MTFS period.

5.5 The following other key assumptions have been used in formulating the HRA estimates for 2022/23 – 2026/27 as follows:

- Assumptions for price inflation, interest rates, pay awards, vacancy savings and employer pension contributions are as per the General Fund

- Average Garage Rents increase of 3% pa
- Housing voids assumed at 1.23% for 2022/23, then 1% for 2023/24 – 2026/27.
- A collection rate of 99% p.a.
- Additional rental income from 42 new build properties.

Robustness and Adequacy of the Budget and Reserves – HRA

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

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

5.8 The prudent level of general reserves on the Housing Revenue Account is considered to be £1m - £1.5m. Whilst in 2022/23 to 2024/25 the level of reserves are within this prudent level, by the end of the MTFS period they are forecasted to be significantly in excess of this level, with an estimated balance of £1.828m at the end of 2026/27.

6. The General Investment Programme

6.1 The General Investment Programme (GIP) for the period 2022/23 – 2026/27 is included within the MTFS at Appendix 2. The total allocated capital programme over the next five years is £21.799m of which £18.253m is estimated to be spent in 2022/23.

6.2 The capital spending plans for the next five years include the delivery of schemes from Vision 2025, with a focus on supporting the recovery of the City or key One Council projects, and investment in existing assets to either maintain service delivery or existing income streams.

- Western Growth Corridor - £8.694m
- Disabled Facilities Grants - £1.500m
- Planned asset maintenance - £1.130m
- Sustainable Warmth - £1.874m
- Lincoln Central Market - £6.666m
- Heritage Action Zone - £0.476m

6.3 Further schemes in support of Vision 2025 will be included in the GIP at the relevant stage in their development e.g., grant funding secure, design stage completed etc. Further details of the investment plans are provided in the Capital Strategy.

7. The Housing Investment Programme

7.1 The Housing Investment Programme (HIP) for the period 2022/23 – 2026/27 is included within the MTFS at Appendix 4. The total allocated capital programme over the next five years is £67.487m of which £20.559m is estimated to be spent in 2022/23.

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

7.3 Future spending plans for the HIP are expected to include capital investment in further progression of the Council House New Build Programme, initiatives through the Council's carbon neutral ambition, other new schemes emerging through Vision 2025 and implications arising from the Social Housing White Paper, particularly a revision to Decent Homes Standard, and the Building and Fire Safety regulations. As set out above the HRA 30-year business plan, which has had a light touch refresh in 2021 and will have a full refresh in 2022, will shape the direction of the HIP and its priority areas.

7.4 As set out in paragraph 5.4 above, the primary sources of financing for the HIP are from depreciation, with financing of £43.389m over the 5-year period and from revenue contributions, totaling £14.128m over the 5-year period. In addition the HIP is set to utilise £6.594m of prudential borrowing to fund the Council House New Build Programme this is further supported by capital receipts (including Right-to-Buy receipts) of £2.880m.

8. Capital Strategy

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

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

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

8.3 A draft Capital Strategy is attached at Appendix B.

8.4 In December 2021 CIPFA published revised Prudential and Treasury Management Codes. These new codes will have a 'soft' launch of provisions for 2022/23, i.e where possible local authorities should make their best endeavours to adhere to the provisions and not undertake any new investments that would not be consistent with the changes and will be fully implemented in the 2023/24 financial year. Whilst the Council will ensure its borrowing and investment activity during 2022/23 will be in accordance with the revised provisions, a full refresh of the Capital Strategy will be undertaken ahead of 2023/24.

9. Consultation and Scrutiny

9.1 Budget consultation will be undertaken primarily based alongside consultation on the refreshed Vision 2025 in terms of the key priorities for the Annual Delivery Plans. This will be undertaken via an online survey and through the Citizens Panel, the key purpose of which will be to;

1. Highlight the proposed budget and Council Tax for 2022/23, seeking views on the proposed increase.

2. Outline the scale of significant financial challenges facing the Council.

3. Seek views on the Council's Strategic Priorities and focus of the Annual Delivery Plans.

9.2 In terms of member budget scrutiny an all-member workshop will be undertaken during January 2022, albeit virtually, to ensure that as large a number of members as possible have the opportunity to fully understand the financial position of the Council. This will be followed by a Budget Review Group who will focus on the detail of the draft MTFS, proposed budget and Council Tax recommendation.

9.3 Consultation and scrutiny comments and responses will be considered when the Executive makes its final budget recommendations on 21st February 2022.

10. Strategic Priorities

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

11. Organisational Impacts

11.1 Finance - There are no direct financial implications arising from the approval of the Draft MTFS 2022-2027 for consultation and scrutiny. The strategy provides information on the Council's spending, income and key financial challenges.

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

- making prudent allowance in the estimates for services; and

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

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

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

11.5 Equality, Diversity and Human Rights –

This report provides a summary of the financial planning activities across the Council. As a consequence of the approval of the MTFS and budget for 2022/23 there may be an impact on certain council services which will be subject to review. Planning work undertaken to develop the Towards Financial Sustainability Programme and strands and investment in the Vision 2025 and strategic priorities, set out above, involves taking an overview of the potential cumulative impact. This is further expanded and built upon as the specific reviews and projects are developed and so detailed equalities implications will be assessed at the individual service level.

12. Risk Implications

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

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

13. Recommendation

13.1 That the Executive agree, for consultation and scrutiny, the

- The Draft Medium Term Financial Strategy 2022-2027, and.
- The Draft Capital Strategy 2022-2027

Including the following specific elements:

- A proposed council tax Increase of 1.89% for 2022/23.
- A proposed housing rent increase of 3.6% for 2022/23.
- The Council is member of the Lincolnshire Business Rates Pool in 2022/23.
- The Draft General Fund Revenue Forecast 2022/23-2026/27 as shown in Appendix 1 and the main basis on which this budget has been calculated (as set out in paragraph 4).
- The Draft General Investment Programme 2022/23-2026/27 as shown in Appendix 2, and the main basis on which the programme has been calculated (as set out in paragraph 6).
- The Draft Housing Revenue Account Forecast 2022/23-2026/27 as shown in Appendix 3 and the main basis on which this budget has been calculated (as set out in paragraph 5).
- The Draft Housing Investment Programme 2022/23-2026/27 as shown in Appendix 4, and the main basis on which the programme has been calculated (as set out in paragraph 7).

13.2 That Executive agree to delegate to the Chief Finance Officer approval of the final Business Rates Base for the financial year commencing 1st April 2022 and ending 31st March 2023 and submission of the base (via the NNDR1 return) to the DLUCH by 31st January 2022. All changes to the base estimated in the Draft MTFS 2022/27 will be reported to the Executive as part of the Final MTFS 2022-27 on 21st February 2022.

Is this a Key Decision?	No – Draft proposals only
Do the Exempt Information Categories Apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Two

List of Background Papers: Medium Term Financial Strategy 2021-26 – Executive 22nd February 21
Setting the 2022/23 Budget and Medium Term Financial Strategy 2022-27 – Executive 22nd November 2022

Lead Officer: Jaclyn Gibson, Chief Finance Officer
Jaclyn.gibson@lincoln.gov.uk

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Draft Medium Term Financial Strategy

2022/23- 2026/27

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Foreword

Welcome to this latest version of the City Council's Medium Term Financial Strategy covering the period 2022-2027.

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

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

The development of this latest strategy needs to be seen in the context of significant inherent uncertainty for the Council, with the ongoing impact of the Covid19 pandemic on income and expenditure assumptions, and a lack of any form of clarity on future funding settlements from government. It is a long time since the Council had any certainty during budget setting which makes financial planning in this climate extremely challenging.

The Covid19 pandemic fundamentally affected the way in which the Council works and will have long term and societal impacts. Elements of this change which related directly to the emergency response have largely reverted back to normal. However, an event of this magnitude has undoubtedly meant that the Council has to consider how its business and services should operate in the future and the impact of the changing needs and demands of, residents, businesses and customers, on those services.

The measures introduced nationally to combat the virus had direct and indirect negative impacts on the Council's finances which fundamentally altered the direction of the MTFS. Despite the relaxation of national restrictions, during 2021, and in some instances a return to normal, there still remains potential longstanding impacts on the Council's finances. Budget pressures arise from demand for services, the availability of goods and services, escalating costs and ongoing, permanent, reductions in income. Latest national measures and the resulting impact on public confidence will no doubt have further financial implications for the Council.

The financial implications are challenging to estimate with certainty, there continues to be a number of unknowns, which have been exacerbated in recent weeks; in terms of how long the pandemic will continue to affect communities and the economy; will further restrictions be imposed; will the bounce back recovery further dampen or re-bounce, and by how much; and how will customers, residents, businesses behave over time and how will their needs change. Coupled with the state of flux in the economy with; rising inflation; labour shortages; and supply chains issues the level of uncertainty has never been so high.

Alongside these service pressures, the Council continues to face a lack of clear direction on a longer-term financial settlement for Local Government and whether and when each of the planned local government finance reforms will be implemented.

Despite the impact of the pandemic on the economy, improved growth forecasts for 2021 provided the Government with the ability to announce additional funding for public services, including Local Government, in the Spending Review 2021. Despite having outlined a three-year spending envelope in the Spending Review, Local Government were only provided with a one-year Finance Settlement, in line with the delay in implementation of the finance reforms. This additional funding for Local Government did though provide some limited and short-term stability for the Council with additional resources for 2022/23.

Together, a longer-term financial settlement and implementation, or not, of the finance reforms have the ability to fundamentally alter the course of the MTFS. Providing certainty on these issues would make a significant difference to the Council's financial planning and therefore the services it delivers.

Although there is a significant level of uncertainty about future funding, based on what is currently known, or can be reasonably assumed, the Council continues to need to make further reductions in the net cost base of the General Fund. The additional resources in 2022/23, and the delay in implementation of national reforms has provided some financial capacity to lower the level of reductions required, but it does not alter the underlying need to reduce the net cost base by if the Council is to remain sustainable in the medium term. Ongoing reductions of £1.5m by 2024/25 are still required.

This is a significant target for the Council to achieve, particularly in light of the annual revenue reductions of nearly £10m that have already been delivered. After a decade of delivering these efficiency savings it is much harder to extract such savings and many now being considered are to be delivered as part of longer-term transformational changes to the organisation. Alongside these longer-term transformational changes the other key aspect to the Council close the funding gap is through economic growth and investment. This is ever more critical in light of the crippling effect Covid19 has had on the local economy. Through Vision 2025 the Council will continue to seek ways to maximise it's tax bases by creating the right conditions for the economy to recover and grow, as well as through direct intervention, such as through; the Town Deal; the Council House New Build Programme; and other capital investment.

These longer-term transformational changes and the delivery of benefits from economic development measures cannot be realised immediately. The Council is therefore left with little option but to revert to more traditional cost cutting measures in order to deliver the scale of reductions required within the short term, this is an approach that will continue through 2022/23.

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

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

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Jaclyn Gibson, FCCA
Chief Finance Officer

Section 1 – Introduction

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

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

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

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

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

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

Objectives

In response to the unprecedent impact of Covid19 on the Council's finances and the inherent uncertainty in financial planning, the existing objectives of the MTFS were reviewed to ensure they remained relevant. The key overriding objective continues to be;

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

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

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

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

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

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

Policy and Financial Planning Framework

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

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

Section 2 – Context

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

Economic Climate

The UK's economic recovery from the Covid19 pandemic has so far proven to be rapid, but as yet; un-sustained; imbalanced; incomplete; and dampened by the fallout of Brexit. The UK economy contracted by a record 9.7% in 2020, the largest recession on record. This contraction continued into 2021 with a decline in the economy of 1.4% in quarter one. The easing of Covid restrictions during quarter two triggered an economic bounce-back, with the UK economy growing by 5.5%, which was higher than the previous estimate of 4.8% - although still 3.3% smaller than in the final quarter of 2019, before the pandemic hit. However, while spending soared during quarter two, more recent figures indicate that there is a loss of momentum with the recovery appearing to have stagnated. In July, growth was dented by the "pingdemic" which saw many employees self-isolating. Growth was just 0.1% in July, down from 1.4% in June, August to October has seen similar stagnated growth with monthly increases of 0.2%, 0.6% and 0.1%. The latest national measures and resulting impact on public confidence will no doubt further dampen growth in the short term.

The recovery is now being hampered by supply chain and staffing problems affecting sectors from fuel supply to supermarkets. The supply chain issues have arisen both, globally as the world's economy sluggishly wakes up from lockdown, and in the UK due to fewer European workers and the imposition of non-tariff barriers on trade with the rest of Europe. Coupled with a sharp rebound in consumer demand, these supply distributions and depleted stores of goods have pushed up prices and shipping costs around the world. In addition, the high number of job vacancies in the UK, compounded by Brexit, is putting an upward pressure on wages.

These factors are pushing up general prices and resulting in the higher than target inflation levels. CPI inflation in November 2021 rose to 5,1%, it's highest rate in ten years. Current forecasts earlier in December, anticipated CPI to temporarily hitting a 10-year high of 5% by the beginning of 2022, with this figure having already been hit there are concerns around how high CPI may rise. At the same time as rising prices, the Government ended support through the furlough scheme, as well as removing the temporary increase in Universal Credit support. The consequent impact of these factors, along with the latest national measures to tackle the pandemic, will in turn result in consumers reining in spending and hence future growth in the economy will be hampered.

In response to rising inflation in the economy, in an effort to bring inflation back down to the target rate of 2%, the Bank of England is voted by a majority of 8-1 raise interest rates by 0.15% to 0.25%. Rates had been at a 325-year low of 0.1% following an emergency rate cut in March 2020. Forecasters now predict a further increase to potentially 0.4% in early 2022 if the inflation continues to soar.

As a result of short-term forecasts for the economy, provided by OBR, which revised up its 2021 growth forecast and reduced its estimate of the long-term "scarring" to the economy from the pandemic, coupled with the money raised from last month's announcement of higher national insurance to pay for health and social care, the Chancellor was able to announce a major spending boost in the Budget

Despite the worst economic recession in 300 years and the unstable path to economic recovery, an improvement in short-term forecasts for the economy, provided by OBR in the Autumn, revised up the 2021 growth forecast and reduced its estimate of the long-term "scarring" to the economy from the pandemic. This, coupled with the money raised from the announcement of higher national insurance to pay for health and social care, enabled the Chancellor to announce a major spending boost in the Autumn Budget and Spending Review 2021. This spending increase, along with focused tax change, is part of the Government's broader plan to return public finances to a sustainable footing over the medium-term.

The Autumn Budget and Spending Review were delivered against a backdrop of the economic recovery being underway and emergency support to businesses and individuals winding down. The financial impact of the latest national measures and restrictions will not be known for some time but will undoubtedly impact on the Government's plans for borrowing, taxes, and public expenditure, and potentially Local Government.

National Priorities

As set out in the economic update, Covid19 has fundamentally impacted on the UK economy and on the political agenda of the Government. The multi-year Spending Review 2021 set out how the Government intent to Build Back Better through:

- Ensuring strong and innovative public services - making people's lives better across the country by investing in the NHS, education, the criminal justice system and housing;
- Levelling up across the UK to increase and spread opportunity; unleash the potential of places by improving outcomes UK-wide where they lag and working closely with local leaders; and strengthen the private sector where it is weak;
- Leading the transition to Net Zero across the country and more globally;
- Advancing Global Britain and seizing the opportunities of EU Exit;
- Delivering the Plan for Growth - delivering plans for an infrastructure and innovation revolution and cementing the UK as a scientific superpower, working in close partnership with the private sector.

Spending Review 2021

For two years, the government has only held single-year Spending Reviews, with 2019 being a single year due to the political turbulence around Brexit, and 2020 being a single year, given the pandemic. However, on 27th October 2021, the Chancellor, set out the Spending Review and Autumn Budget 2021, representing the first return to multi-year statements since 2015.

As a result of short-term forecasts for the economy, provided by OBR, which revised up its 2021 growth forecast and reduced its estimate of the long-term "scarring" to the economy from the pandemic, coupled with the money raised from the announcement of higher national insurance to pay for health and social care, the Chancellor was able to announce a major spending boost in the Budget. Together these two 'windfalls' provided additional resources of c£50bn, which on the whole has been used to; mainly increase spending with increases in spending for all government departments for the next three years; some small tax cuts; and some reduction in borrowing in order to adhere to the new fiscal rules.

The government announced its top priorities in the SR21, to where much of the additional funding has been allocated, and this includes:

- Health and social care
- Education
- Housing
- Criminal justice
- Local government

The main points from the Chancellor's Budget Statement that are relevant to local government are as follows:

- Total departmental spending set to grow in real terms at 3.8% a year on average– a cash increase of over £150 billion a year by 2024-25 (£90 billion in real terms).

- Core spending power for local authorities is estimated to increase by an average of 3% in real terms each year over the SR21 period. This includes £3.6bn to fund social care reforms, the increase for councils' existing responsibilities will be 1.8% a year on average.

- New grant funding for local government has been announced over the next three years, worth £4.8bn. This is front loaded providing £1.6bn in 2022/23 followed by two cash flat settlements for 2023/24 and 2024/25. The details of how this funding will be distributed and which services it will be allocated to were not included in the speech, although this will include a £200m commitment to increase Supporting Families funding, funding for cyber security and funding to improve local delivery and transparency. In addition, it has been subsequently been confirmed that the additional funding, will also have to meet the additional costs from higher wage bills in relation to the increase in National Insurance Contributions.

- In addition to the new grant funding of £4.8bn, £3.6 billion of the previously announced £5.4bn for the adult social care sector, funded through the new National Insurance levy, will be routed through local authorities.

- There was also no announcement on funding reform, and no confirmation that the business rates reset would be delayed beyond 1st April 2022.

- The Spending Review document confirms that the Council Tax referendum limit is expected to remain at 2% per annum for the Spending Review Period, with an additional 1% per annum flexibility for social care authorities to increase the Social Care Precept.

- The Business Rates multiplier will, again, be frozen, rather than rising by inflation, as in 2021/22. It is expected that this will be funded by government through a further increase to the multiplier cap compensation grant. The conclusion of the review of business rates was published alongside the SR21, which included 3-yearly revaluations from 2023, and a new business rates improvement relief, which, from 2023, will allow businesses to make improvements and pay no extra business rates for 12 months (it is expected that this relief would be funded for local government).

- Retail, Hospitality and Leisure relief will be extended at 50% for 2022/23, subject to a £110,000 cash cap. This is £5,000 higher than the cap currently applicable to the 66% relief to businesses, which were not (or would not have been) required to close on 5th January 2021. The government estimates the relief will be worth £1.7bn to business. Again, it is expected that this will continue to be fully funded for local government.

- £560m will be provided for youth services as part of the levelling up agenda. There will also be new funding for community football pitches (£200m+), to support museums and libraries (£800m), and for 100 new 'pocket parks' on small areas of derelict land.

- A nearly £24bn multi-year settlement for housing, including up to 180,000 affordable homes through investment of £11.5 billion in the Affordable Homes Programme. Funding for locally-led grant funding to unlock smaller brownfield sites for housing. An additional £65 million investment to improve the planning regime, through a new digital system. £9 million in 2022-23 to fund more than 100 green spaces across the UK on unused, undeveloped, or derelict land. £639 million resource funding by 2024/25 as part of the government's commitment to end rough sleeping.

- Funding of more than £300 million to implement free, separate food waste collections in every local authority in England from 2025. There was however no mention of DEFRA's proposed policy of free garden waste collections.

- The public sector pay freeze will not continue, and the intention is to return to the usual system of independent pay commission recommendations for 'fair and affordable' pay rises over the whole Spending Review period. The minimum wage will be increased to £9.50 per hour, accepting the Low Pay Commission's recommendation.

- Other announcements include a reduction to the Universal Credit taper from 63% to 55% (which is the amount that Universal Credit falls as income rises from work).

The announcement of an additional investment of £4.8bn in local government was hugely welcome. It will go some way to meet some of the pressures of inflation, higher wages and ongoing covid costs/income losses that Councils are facing. But, although it was greater than expected it is not enough to address the funding gap created by previous cuts and demand pressures.

Recent studies by both the Local Government Association (LGA) and the Institute for Fiscal Studies (IFS) both concluded that local authorities need billions more from Government and large council tax rises to maintain services and pay for social care reforms. Even after the additional investment in the Spending Review, the IFS estimates that council tax increases of 3.6% per year will be needed for the next three years just to ensure councils can provide the same range and quality of services in 2024/25 as was provided pre-pandemic.

Despite the announcement of a three-year Spending Review, this was not followed up with a three-year Finance Settlement for Local Government. Disappointingly a one-year settlement was announced, albeit with the additional resources, as set out above. While the sector welcomed the additional resources announced for 2022/23, they only provide some limited and short-term stability for councils. The continued absence of a longer-term settlement for 2023 and beyond hampers financial planning, is not conducive to good financial management and makes delivering value for money more challenging.

Other Reforms

Whilst the Spending Review sets the overall quantum for local government funding the specific allocation of funding to individual authorities is affected by a number of mechanisms. Prior to the outbreak of Covid19 the Government had intended on making a number of significant reforms to these mechanisms, which will have significant impacts on the level of funding each local authority. These reforms have been pending now since 2019, having also been delayed by one year due to the impact of Brexit. These reforms are:

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

It was hoped that a multi-year Provisional Finance Settlement for Local Government would provide some clarity on the timing of these funding reforms, however the only announcement regarding funding reform was as follows:

"Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013/14 to a large degree, and even as far back as 2000. Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes".

As such there is still no specific timetable for implementing the Fair Funding Review or Business Rates Reset.

Further information on each of these key reforms are set out in the following paragraphs.

Fairer Funding Review

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

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

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

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

Although previous technical consultations had been published, prior to the pandemic, which indicated a shift in resources from district councils towards statutory social services at county and unitary level, there has been no new consultation on any proposed new formula. In releasing funding to support local authorities with Covid19 expenditure pressures in 2020/21 the Department for Levelling Up, Communities and Housing (DLUCH) decided to use a new formula based on elements of the Fair Funding Review, perhaps indicating, at that point, the possible outcomes of the review.

However, the allocation of additional resources in the 2022/23 Provisional Finance Settlement provides some indication of a possible shift in direction of the review with the use of the 2013/14 SFA methodology, which is itself linked to deprivation factors. This would support statements made by the Secretary of State at a Select Committee where he referenced looking to see what headroom DLUCH has for a redistribution to better reflect the additional needs of local government in those areas that don't have the same resilient council tax base or same level of business rates to draw upon, saying that, "It is not as crude as seeking to help local authorities in the North more than we are helping other local authorities, but if it had to be boiled to down to a single sentence, then that is very much something that is in my mind". This would certainly seek to support the Government's levelling up policy agenda.

Business Rates Retention Reform

Business Rate Reform, including the Business Rates Reset and future plans for Busines Rates Retention were also planned to be introduced alongside the Fair Funding Review and as part of a multi-year settlement. The reset in particular has significant financial implications for the majority of local authorities, for those below their baselines this would be a positive move, but it presents a serious threat to those with high growth above baselines, with a punitive, cliff-edge reset.

Before the 2017 election, the Local Government Finance Bill 2016 was prepared with the aim of introducing primary legislation to enact the move from the 50% business rates retention (BRR) scheme to 100% BRR. Subsequently, as part of the Local Government Finance Settlement 2018/19 government announced that local business rate retention would move forward from 50% to 75% in 2020/21 rather than 100% as previously announced. This move does now however appear in doubt based now with ministers cautioning against the expectations of future increases in the current 50% retention rate.

A full business rate baseline reset of accumulated growth is also expected to take place, with the intention of better reflected how much local authorities are actually collecting in business rates. This reset has the effect of wiping out any business rate gains that individual authorities have built since the launch of the current system in

2013/14. Until the onset of the current pandemic it had been assumed that at a national level the total gains would be redistributed through the system of baseline need so it was likely that the Council would receive an element of this. The impact of Covid19 across the country is now likely to have reduced some of the gains local authorities had built up leaving less for redistribution now.

With these key reforms postponed again, and with no further clarity in terms of the timing and extent of the reforms, local authorities are left to wait for the Government to assess how it will share out resources fairly in the future.

Levelling Up White Paper

As well as significant uncertainties around Government policy in terms of the Fairer Funding Review and Business Rates there are also potentially other major reforms with the White Paper on Levelling Up due for publication in early 2022.

The paper will focus on industry, skills and transport and is set to fulfil a key promise in the Government's 2019 election manifesto to level up the UK. It will set out new policy interventions to improve livelihoods and opportunities in all parts of the UK. It will look to improve living standards, grow the private sector, improve health, education and policing, strengthen communities and local leadership and restore pride in place. The paper is also expected to reset the relationship between national and local government and will incorporate the Government's proposals for a new framework of devolution for England. The White Paper will undoubtedly have significant implications for the Council.

Local Priorities

City Profile

Lincoln is a cathedral city, and is one of the oldest cities in Britain, with an estimated population of around 100.049 (0.75% increase on the previous year). Lincoln is one of seven Districts in Lincolnshire and, being an urban area located within a predominantly rural county, faces both unique challenges and opportunities.

Although the population of Lincoln is estimated at over 100,000, at times almost twice as many people visit the city during the daytime as live here, boosting the local economy but also putting immense pressure on local services and infrastructure.

In the last ten years, from 2011 to 2021, Lincoln has seen a significant 7.5% increase in the number of people who live here. As one of the smaller cities geographically – with just just 3569 hectares (13.78 square miles) of land, the population currently sits at 2803 heads per square kilometer.

As you might expect from a city with two universities, a high level of the population is in the younger bracket. There are some 18,705 students at the University of Lincoln or Bishop Grosseteste University – in fact Lincoln's most common age group overall is 20-24, 14.3% of the population, which is a jump from 12.5% last year. Age bands 15-29 are all above the England rate with a figure of 30.2% of the population compared to the England's 18.3%. Lincoln can therefore be considered a "younger" city.

In terms of the economy, the City faces a number of challenges. Before the pandemic the City's business base had been growing consistently for some years, with almost

90% of new businesses surviving their first year. Through the pandemic the Council has worked hard to mitigate business failure and unemployment rates, distributing grants to businesses, working with partners across the City to support the High Street, through direct investment in the City and progression of the Towns Fund bid as well as other measures. Nevertheless, lockdowns and ongoing restrictions have had a major impact on the local economy with many businesses forced to close or make staff redundant, meaning that the latest (model based) unemployment rates have risen slightly from 6.5 a year ago to 7.1 in March 2021.

However, during 2020, we have seen median annual salaries and gross weekly pay rates rise for both full and part time workers, and as of the latest data, we have 76.5% of 16-64 years old's who are economically active, and a 'job density' (the level of jobs per resident) of 0.9, which is higher than both the East Midlands and England rates.

The number of Local Council Tax Support claimants had reduced year on year since April 2013, but for the first time in 2020 we saw a rise in claimants – and as of April 2021, we had 8982 claimants – an increase of 458 (5.4%) on the previous year. Although we saw a rise in the number of people claiming Universal Credit in 2020 (as people moved across to the new system), in 2021 we actually saw a fall in claims from 2,885 in August 2020 to 2,390 in August 2021. However, this includes the first period of lockdown and the introduction of furlough, so this will have affected the data.

Only around 0.4% of properties fall within council tax bands G and H, and 80% fall within the lowest bands A or B. This low Council Tax base, compounded by the increased cost of the LCTS scheme, has a significant limiting impact on the Council's ability to raise revenue via the Council Tax and creates a higher dependency on other sources of income.

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

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

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

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

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

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

Vision 2025

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

The Council's current vision for 2025 is;

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

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

- Let's drive inclusive economic growth
- Let's reduce all kinds of inequality
- Let's deliver quality housing
- Let's enhance our remarkable place
- Let's address the challenge of climate change

These five strategic priorities will be supported in Vision 2025 by a programme called One Council. One Council is made up of the following pillars:

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

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

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

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

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

These ADP's are currently in the process of being refreshed to reflect the impact the pandemic has had on the Council, the City and it's residents and business, to ensure that the correct priority areas are focussed upon. Reflecting on the disproportionate impact Covid19 has had on the economically disadvantaged in the City, new schemes focusing on health inequalities and 'greening our space' will be a key feature of the ADP's. A further key element of the ADP's will be the officer resource to support the delivery of the savings programme, whilst also ensuring that resource is available to maximise external funding opportunities to bring forward new development to support the City and its economy. The ADP's for Years 3-5, are currently being finalised for consideration by Members and will focus on:

- Agreed savings projects to be progressed
- Key legacy projects (already underway) to be completed
- New projects in support of the five priorities
- Key One Council projects that will kick start new ways of working
- Any other service priorities

Section 3 – Revenue (General Fund)

Impacts of Covid19

Covid19 has taken its toll on the financial resilience of the Council as income streams plummeted and there was a requirement to incur costs to ensure services continued to be provided throughout, and in order to respond to consequences of the pandemic.

Whilst financial support was provided by the Government in 2020/21 and 2021/22, this did not fully compensate the Council for the financial losses it incurred. Furthermore, there has been no announcement of any ongoing funding to directly compensate for the impact of Covid19 from 2022/23 onwards, although 'general' additional short-term resources for Local Government were announced. The General Fund is therefore left facing an ongoing financial detriment, with a legacy of reduced earmarked reserves and higher savings targets in order to absorb the impacts of Covid19 on it's financial position.

These impacts affect the General Fund both in terms of demand for and cost of services, and through reductions in income. In terms of service demands, the Council plays a vital role in supporting the most vulnerable in the City. The impact of Covid19 has been felt hardest by those who are the most economically disadvantaged due to the interlinkages with existing health inequalities and social conditions. These impacts manifest themselves directly in the short term through increased demand for; welfare advice; housing benefits; housing solutions, homelessness support etc. The longer term affects and the impacts on health and wellbeing will continue to shape the MTFS for many years.

It is though the threat to the Council's income streams, through local sources (Council Tax, Business Rates, Fees & Charges) that poses the most significant risk to the MTFS. The Council's reliance on local income streams has increased significantly in recent years as Government funding has reduced through austerity measures and new funding mechanisms have been introduced resulting in the Council having to be more self-sufficient and secure its own funding sources. Prior to the implement of new funding mechanisms in 2013 less than 20% of the Council's funding sources were subject to any level of volatility, for 2022/23 90% is now subject to volatility and emphasises the financial risk that the Council faces from its income streams.

In addition, the impact of Covid19 is still being felt 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.

Whilst income and expenditure budgets have been revised as part of the MTFS refresh, these are based on a number of assumptions around the speed and extent of the national and local recoveries particularly in relation to income budgets and remain a significant risk for the General Fund.

Furthermore, the imposition of the new national measures and restrictions over the winter period will undoubtedly adversely affect the Council's finances.

Spending Plans

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

The Year 3-5 Annual Delivery Plans (ADP's) of Vision 2025 are currently being developed, following a review of the Vision to reflect the impact of Covid19 on the Council, the City and it's residents and businesses, to ensure that the correct priority areas are focussed upon. The ADP's recognise the need to reduce the Council's net cost base alongside the completion of legacy schemes and further new investment to support the priorities.

The majority of new investment that is included in the ADP's Year 3-5 are primarily of a capital nature, aimed at supporting the economic prosperity of the City and is largely funded through external grant funding, with limited revenue implications. There are however a number of revenue schemes to be delivered, which are to be funded through existing cash limit budgets or through the existing Vision 2025 earmarked reserve.

Spending Assumptions

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

Inflation – Pay and Prices

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

	2022/23 % per year	2023/24 % per year	2024/25 % per year	2025/26 % per year	2026/27 % per year
Pay	1.75%	2.0%	2.0%	2.0%	2.0%
General (CPI)	3.0%	2.0%	2.0%	2.0%	2.0%
RPI linked Contractual Commitments	4.0%	3.0%	3.0%	3.0%	3.0%
Non domestic rates	0%	2.0%	2.0%	2.0%	2.0%

Annual price increases in a number of the Council's contracts are linked to CPI at a defined date in the year, primarily September and March. In addition, the general inflationary increase applied within the MTFS is normally maintained in line with CPI projections. CPI over the period of 2022/23 has been assumed to fall back from it's current high to an average of 3%, falling back in line with the Bank of England's target rate of inflation of 2% from 2023/24 onwards. There also a small number of contracts linked to increases in RPI, in line with CPI, RPI assumptions have been increased temporarily for 2022/23, before falling back from 2023/24 onwards.

Land Drainage Levies

Local Authorities are required to make payments of Special Levies to Internal Drainage Board (IDB) for the specific use to manage the maintenance and operation of drainage, water levels and flood risk, which is required to manage water resources and reduce flood risk to people, businesses, communities and the environment. These Special Levies represent a significant proportion of the Councils' net budget at £872,000 p.a. The annual increase in levies is ordinarily in line with CPI projections, however due to significant cost increases borne by the IDB's, inflationary increases of 7% have been assumed for 2022/23, reverting to CPI projections from 2023/24 onward

Employers National Insurance Contributions

In September 2021 the Government announced a new social care package to be funded through a new, UK-wide 1.25% health and social care levy' from April 2022, based on National Insurance contributions. The Levy will be introduced from April 2022, when NICs for working age employees, self-employed and employers will increase by 1.25%. From April 2023, once HMRC's systems are updated, the 1.25% Levy will be formally separated out and will also apply to individuals working above State Pension age, and NICs rates will return to their 2021/22 levels. The Council's pay estimates have been increased to include these additional contributions.

Employer's Pension Fund Contributions

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

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

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

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

Net Interest Receipts

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

Historically investment income, which is heavily dependent on how the Council uses its reserves and the prevailing interest rates, was an important source of income for supporting the Council's service expenditure. As a result of the prevailing low Bank of England base rate the Council has seen a significant reduction in interest rates offered on new investments. Investments are being kept short and liquid to ensure the Council has enough liquid resources to meet the ongoing challenges of the pandemic. The total interest income received significantly fallen over the last decade and the average interest rate achieved is barely above base rate.

Interest rates are forecast to remain below 1% until 2024 according to the Councils Treasury Management advisors. This is reflected in investment income forecasts in the MTFS.

Borrowing costs incurred on any short-term borrowings are minimal and the Council's portfolio of long-term borrowings currently includes 3 loans that are due to be repaid during the coming five financial years. The council has short term loans which mature in 2022 and 2023. All other loans mature after 2026/27 and are fixed rate loans. Six of these loans have lender options to vary their terms at six monthly intervals.

Sensitivity to changes in interest rates is linked more markedly to investments rather than to the portfolio of borrowing as all borrowing is at fixed interest rates. As an indication, a change in interest rates of +/- 0.5% the interest receivable would have an estimated combined impact of approximately £34k.

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

	2022/23 %	2023/24 %	2024/25 %	2025/26 %	2026/27 %
Interest Rate	0.20	0.28	0.40	0.50	0.50

Based on the current forecasts for interest payable on new borrowing (averaging around 2.1%) and receivable on investments (averaging around 0.20%), and the estimated level of balances available for investment, it is currently anticipated that new borrowing will be taken to fund the borrowing requirement for the General Fund over the 5-year strategy. Internal balances will be used to fund the existing borrowing requirement where it remains financially advantageous to do so, reducing the amount of interest that would have been payable on new debt, partially offset by a reduction in interest receivable (due to reduced balances available for investments).

Resource Assumptions

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

The Provisional Local Government Finance Settlement for 2022/23 sets out the distribution of centrally allocated resources for local authorities and provides authorities with a combination of grant allocations and their baseline figures within the BRR scheme.

As in previous years, the provisional settlement provides authorities with a combination of provisional grant allocations and their baseline figures within the BRR scheme. This means that no retained growth (or decline) is included, and authorities are very unlikely to receive the amounts actually shown in Core Spending Power.

The 2022/23 local government finance settlement is for one year only, the fourth consecutive one-year local government finance settlement, and is based on the Spending Review 2021 (SR21) funding levels. This is the first time since 2015 that, in the context of a multi-year Spending Review, the government has only provided local authorities with a single-year settlement.

With the 2022/23 figures being for a single year only and the deferral on the Fair Funding Review, New Homes Bonus reform and the Business Rates Reset for a further year, the 2022/23 settlement is similar to the 2021/22 settlement with the emphasis on providing stability, through rolling forward key elements of last year's package. Albeit, with an additional £1.8bn of funding (including the grant increase of £1.6bn and the Adult Social Care Reform funding of £0.2bn, as announced at Spending Review).

Core Spending Power

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

The table below shows the national changes to Core Spending Power between 2015/16 and 2022/23 and the breakdown across the various funding sources. Overall, spending power will increase by £3.464bn, 6.9%, from £50.392bn to £53.856bn, an overall increase for the period 2015/16 to 2022/23 of 20.6%.

England	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	£bn	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**
Settlement Funding Assessment	21.250	18.602	16.633	15.574	14.560	14.797	14.810	14.882
Under-indexing business rates multiplier	0.165	0.165	0.175	0.275	0.400	0.500	0.650	1.025
Council Tax	22.036	23.247	24.666	26.332	27.768	29.227	30.327	31.728
Improved Better Care Fund	0	0	1.115	1.499	1.837	2.077	2.077	2.139
New Homes Bonus	1.200	1.485	1.252	0.947	0.918	0.907	0.622	0.554
Transition Grant	0	0.150	0.150	0	0	0	0	0

Rural Services Delivery Grant	0.016	0.081	0.065	0.081	0.081	0.081	0.085	0.085
Lower Tier Services Grant	0	0	0	0	0	0	0.111	0.111
Adult Social Care Support Grant	0	0	0.241	0.150	0	0	0	0
Winter Pressures Grant	0	0	0	0.240	0.240	0	0	0
Social Care Support Grant	0	0	0	0	0.410	0	0	0
Social Care Grant	0	0	0	0	0	1.410	1.710	2.346
2022/23 Service Grant	0	0	0	0	0	0	0	0.822
Market Sustainability & Fair Cost of Care Fund	0	0	0	0	0	0	0	0.162
Core Spending Power	**44.667**	**43.730**	**44.296**	**45.098**	**46.213**	**48.999**	**50,392**	**53.856**
Change %		**-2.1%**	**1.3%**	**1.8%**	**2.5%**	**6.0%**	**2.8%**	**6.9%**
Cumulative change %		**-2.1%**	**-0.8%**	**1.0%**	**3.5%**	**9.7%**	**12.8%**	**20.6%**

Although the national level of Core Spending Power is forecast to increase by 6.9% there will be a variation between individual authorities and types of authority. The calculation also contains assumptions around council taxbase changes and increases which may not be reflected in local projections.

Shire Districts, including Lincoln have historically experienced the worst reductions or lowest increases in core spending power, due to changes in distribution methodologies and a redirection of resources towards social care pressures and the allocation of other specific grants towards upper tier or rural authorities. Although Districts have once again fared the worst of the authority types, at an average CSP increase of 4.3%, Lincoln's increase of 5.9% is above the District average. This provides some indication of a possible shift in direction of the Fair Funding review with the use of the 2013/14 SFA methodology, which is itself linked to deprivation factors, and would be in keeping with the Government's Levelling Up agenda. Lincoln's position is as set out in the table below, this shows a total reduction in core spending power of 12% over the seven-year period to 2022/23, with a 5.9% increase for 2022/23.

Lincoln	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
SFA	6.048	5.188	4.543	4.197	3.775	3.837	3.837	3.838
Council Tax;	5.637	5.916	6.145	6.393	6.679	6.915	6.956	7.145
Other grants	2.120	2.335	1.709	1.090	0.843	0.924	0.678	1.169
Core Spending Power	**13.804**	**13.439**	**12.396**	**11.680**	**11.297**	**11.676**	**11.471**	**12.152**
Change over the period (£m)								**-1.652**
Change (%)								**5.9%**
Cumulative Change (%)								**-12%**

Settlement Funding Assessment

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

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue Support Grant	2.585	1.698	0.981	0.000*	0.022	0.023	0.023	0.24
Baseline BR Funding Level	3.463	3.491	3.562	4.197	3.753	3.814	3.814	3.814
SFA	**6.048**	**5.188**	**4.543**	**4.197**	**3.775**	**3.837**	**3.837**	**3.838**
Change over the period (£m)								**-2.210**
Change over the period (%)								**-36.6%**

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

Revenue Support Grant

In terms of the Council's RSG element of the SFA, as a result of the further delay in the implementation Fair Funding Review and Business Rates Rest, the figures announced in the Provisional Finance Settlement are at the same level as the 2021/22 allocations uplifted by 3.1% in line with CPI inflation. Over the 7-year period from 2015/16, the Council's allocation has reduced by 99.1% from £2.585m in 2015/16 to £0.024m in 2022/23, as shown in the table below.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
RSG	2.585	1.698	0.981	0.528*	0.022	0.023	0.023	0.024
Change %		-34.3%	-42.2%	-46.2%	-95.8%	1.63%	0.55%	3.1%
Cumulative change %		-34.3%	-62.1%	-79.6%	-99.1%	-99.1%	-99.1%	-99.1%

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

Beyond 2022/23 it is assumed that there will be no further RSG payable by the Government.

Business Rates Retention

The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2022/23 and based on the principles of the current 50% Business Rates Retention scheme the estimated level of NDR to be retained is set out in the table below.

The level of outstanding appeals continues to create a high level of uncertainty both in respect of the outstanding appeals from the 2010 and 2015 ratings lists already lodged with Valuation Office, but also in relation to appeals to the 2017 list that are submitted under the new Check, Challenge Appeal process. The Valuation Office continues to make progress, with new cases back to pre-covid levels, outstanding Check & Challenge reducing and a 56% reduction March to September in 2010 list appeals outstanding. However, until such time that the Valuation Office has reduced it's overall backlog of outstanding Appeals the uncertainty over prior year settlements and the impact on future business rates income will remain.

During 2020/21 and 2021/22 there was a significant number of businesses submitting business rates appeals on the basis of a material change in circumstances (MMC) arising as a result of Covid19. In response the Government announced new measures, through the Rating (Coronavirus) and Directors Disqualification (Dissolved

Companies) Bill & MCC appeals to limit the use of MMC provisions during the covid period, this Bill became law in December 2021. This left a significant number of business in the position of having no rate relief awarded and no ability to seek a reduction in rates. Instead, the Government announced a new £1.5bn of support for businesses who had not already benefited from business rate reliefs. This new funding is be to allocated and awarded through local authorities, who are required to develop their own, local, discretionary scheme. The Council's allocation is £2,711,060, to be awarded in 2021/22.

The Collection Fund is required to fully provide for the expected result of all appeals and using external assessments as to the likely level and value of these appeals. The current provision of outstanding appeals stands at £6.119m, of which the Council's share is £2.448m. This provision did not include any allowance for the MMC Challenges received.

In addition to the backdated element of these appeals there is also an ongoing impact due to the reduction in the business rates base, which ultimately reduces the level of income to be retained in the future by the Council. The MTFS assumes a £1.5m p.a. reduction in the BRR forecasts set out below.

For 2022/23 the Council along with the County Council, who are a top up authority, and the six other Lincolnshire District Councils have received designation to act as a BRR pool. The governance arrangements for the pool allow for the allocation of any retained levy to be allocated 40% to the County Council and 60% allocated to the District Council that has generated the business rates growth. The estimated benefit of this to the Council is £457k in 2022/23.

An adjustment has however been made from 2023/24 onwards to remove the gains that are currently received from pooling as it is uncertain whether pooling exist following the Reset/changes to the Retention Scheme.

Beyond 2022/23 forecasting the level of Business Rates income to be retained is extremely challenging due to a lack of clarity around the proposed reset of baselines and changes to the Retention Scheme, in terms of both the timing and nature of the changes. These changes though, if implemented, will wipe out the accumulated gains the Council has achieved since the launch of the current system in 2013/14 and return income to the Council's baseline levels. In 2022/23 the accumulated growth to the Council is c£1.5m p.a.

Until the onset of the current pandemic it had been assumed that at a national level the total gains would be redistributed through the system of baseline need so it was likely that the Council would receive an element of this. The impact of Covid19 across the country is now likely to have reduced some of the gains local authorities had built up leaving less for redistribution now.

Until further announcements are made, the MTFS is based on a continuation of the existing 50% scheme, and BR pool in 2022/23 and then, prudently, from 2023/24 assumes a full reset of baselines with only a small element of assumed redistribution of the total national gain. Beyond 2023/24 further growth in business rates is assumed to be retained on the basis of a 50% retention rate. These forecasts will continue to be assessed as further information regarding the design and implementation of the new scheme is made available.

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

Income Forecast	**2022/23 £m**	**2023/24 £m**	**2024/15 £m**	**2025/26 £m**	**2026/27 £m**
Forecast retained Income	5,588	4,139	4,929	5,570	6,065

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

Council Tax

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

In light of the financial position of the Council and in accordance with the referendum thresholds to be applied for 2022/23, the MTFS assumes the following indicative council tax increases and subsequent overall yields:

	2022/23	**2023/24**	**2024/25**	**2025/26**	**2026/27**
% Increase	1.89%	1.89%	1.91%	1.91%	1.9%
Council Tax Base	25,310	25,876	26,274	26,677	27,063
Council Tax Yield	£7.360m	£7.667m	£7.934m	£8.209m	£8.486m
Band D	£290.79	£296.28	£301.95	£307.71	£313.56
Band D £ Increase	£5.40	£5.49	£5.67	£5.76	£5.85

For 2022/23 the Council Tax amount for a Band D property (excluding County Council and Police Authority precepts) is £290.79, a 1.89%/£5.40 increase from 2021/22.

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

Since the introduction of the scheme in 2013 the number of claimants had as at April 2020 decreased by over 20%. However, during 2020/21, as a result of Covid19 and the impact on household incomes, the caseload significantly increased, peaking at 5.9% in September 2020. The caseload then plateaued until the spring of 2021 with month-on-month reductions now being seen. The current caseload is now at 3% of pre-covid levels. Although impossible to predict with certainty, there is the potential for the caseload to rise again slightly in the latter half of 2021/22 due to certain national ‘protections’ ending e.g, furlough scheme, prior to reducing again, along the current trajectory.

The MTFS has therefore been prepared on the basis of a reduction in claimant numbers of 1% p.a. in 2022/23 and 2023/24, followed by 2 years of reductions of 0.5%, returning to pre-covid levels by 2026/27. The council tax base in the table above reflects these estimated changes in caseload.

New Homes Bonus

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

Previously Government announced that a Spring 2020 consultation on the future of the New Homes Bonus scheme would be undertaken, stating that ‘it is not clear that the NHB in its current form is focused on incentivising homes where they are needed most’ and the consultation will ‘include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need, and which is aligned with other measures around planning performance’. Due to Covid19 this consultation was delayed until February 2021.

The consultation, when launched, focused on a continuation of the scheme but with reform of some of the key elements of the existing scheme, including:

- raising the baseline percentage
- rewarding improvement on average past housing growth
- rewarding improvement or high housing growth
- support infrastructure investment in areas with low land values
- introducing a premium for modern methods of construction (MMC)
- introducing an MMC condition on receipt of funding
- requiring an up-to-date local plan

An announcement on the outcome of the consultation was expected as part of the Provisional Finance Settlement. However, no such announcement was made, presumably due to a delay in other funding reforms and a further years allocation for 2022/23 was instead announced. Similar to the 2021/22 allocations there will be no future legacy payments attached to the allocation.

The MTFS is based on the allocation of £421,441 for 2022/23 as announced in the Provisional Finance Settlement.

Lower Tier Services Grant

A new grant of £111m was awarded in 2021/22 to all lower tier authorities, the Council’s allocation was £266,061. The grant has been continued for 2022/23 with the total amount allocated and methodology remaining unchanged. However, individual authority allocations have altered, as authorities are in a different position in terms of the Core Spending Power change between years, compared to 2021/22. Reflecting an increase in New Homes Bonus in it's Core Spending Power, the Council's allocation reduced to £171,094.

2022/23 Services Grant

A new one-off Services Grant worth £822 million has been announced for 2022/23. This new grant will be distributed through the existing formula for assessed relative need across the sector, using 2013/14 shares of Settlement Funding Assessment. The grant is intended to provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. It includes funding for local government costs for the increase in employer NIC's. The grant is not ring-fenced.

The grant itself is intended to be a one-off grant for 2022/23 although the funding amount is expected to be in each of the next two years at Core Spending Power level. The methodology for allocation is likely to change. However, given within this amount there is the funding for the increased NICs burden, it would be reasonable to expect all authorities will get something going forward from this allocation.

The Council's allocation for 2022/3 is £262,940 beyond this £125,000 p.a. has been assumed.

Fees and Charges

The fees and charges levied by the Council are an important source of income, however the impact of Covid19 had a significant detrimental impact on fees and charges income over the last two years, with monthly levels plummeting across a range of discretionary services as a result of multiple lockdowns and the impact on the economy and the uneven path to recovery. Although many of the discretionary income areas have, or have begun, to bounce back there are some income areas that are unlikely to ever return to their pre-Covid levels. This is likely as a result in a change in people's habits and preferences as well as the way businesses operate. The largest of these reductions will be in car parking income which is set to drop permanently.

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

This assessment has identified an increase in income levels of £0.256m from the levels previously assumed for 2022/23. This increase is primarily as a result of the introduction of new charges e.g. expansion of residents parking schemes, rather than an increase in existing income forecasts.

Although many sources of fees and charges are expected to bounce back to their pre-covid levels over the life of the MTFS it is the car parking income that poses the greatest financial risk to the Council's MTFS. Whilst initial assumptions have been made over the 5-year period, at this stage there is a significant level of uncertainty as to how these income sources will perform.

The MTFS assumes that the Council will raise £10.929m from fees and charges in 2022/23. The mean average overall increase in the non-statutory fees and charges is 2.2%, however this includes some fees that have been increased by higher and lower percentages.

Bridging the Gap

The previous MTFS 2021-26 was based on a savings target of £0.850m in 2021/22, increasing to £1.350m in 2022/23 and £1.750m p.a. from 2023/24 onwards. Despite the continued impact of the pandemic on the Council, it's services and staffing resources, good progress towards these targets has been made, however there remains a significant target still to achieve for 2022/23 onwards, as set out below:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Savings required as per MTFS 2021-26	850	1,350	1,750	1,750	1,750
Savings delivered in 2021/22	(601)	(637)	(647)	(656)	(668)
Balance of savings to be achieved	**249**	**712**	**1,103**	**1,093**	**1,082**

The targets in the previous MTFS were set at high levels due to the number of uncertainties in terms of financial planning and as a result of the financial impacts of Covid19. The MTFS at that time showed a required use of Balances in the short term but a longer-term position of contributing to Balances. Whilst the uncertainties in financial planning still exist, as do the ongoing impacts of Covid, the additional resources made available due to a delay in funding reforms and additional allocations in the Provisional Finance Settlement, have meant that the targets can be reduced without impacting overall financial sustainability.

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

2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
1,000	1,250	1,500	1,500	1,500

These revised targets incorporate the balance of savings required from the existing programme. Set against the savings secured to date this leaves the following targets to be delivered;

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Savings required as per MTFS 2020-25	1,000	1,250	1,500	1,500	1,500
Savings delivered in 2021/22	(637)	(647)	(656)	(668)	(679)
Balance of savings to be achieved	**363**	**603**	**843**	**832**	**821**

Although the savings targets have been reduced the Council still has a budget gap that it must address and must continue to focus on measures to drive down it's net cost base to ensure it maintains a sound and sustainable financial position.

The key mechanism for delivering the required budget savings is through the Towards Financial Sustainability (TFS) Programme, which seeks to bring net service costs in line with available funding. Over the last decade, through it’s TFS Programme and precursor programmes, the Council has delivered annual savings of nearly £10m, a significant amount in comparison to its overall net budget.

This level of savings has been achieved by re-investing in more efficient ways of working; adopting a more commercial approach; and prioritising resources for economic development measures, whilst making careful use of reserves to meet funding gaps. However, after a decade of delivering efficiency savings it is much harder to extract such savings and many now being considered are to be delivered as part of longer-term transformational changes to the organisation, there have been additional restrictions imposed on Council’s in terms of commercial; and the delivery of benefits from economic development measures cannot be realised in the short term. It has been left with little option but to revert to more traditional cost cutting measures in order to deliver the scale of reductions required within the necessary timescale, this is an approach that will continue through 2022/23.

Every possible effort is being made to find the least painful solutions and minimise the impact on jobs and services, but it is simply not possible to achieve the level of savings required, in the short term, through some of the more forward thinking or ambitious approaches previously adopted. Inevitably there has had to be some withdrawal of services, the Council has tried to keep this to a minimum and continues to seek to protect its core services that matter most.

The focus of the TFS programme remains on two key strands:

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

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

Closing a projected budget gap of this size is a challenge for the Council, but the Council has confidence in it’s track record of delivering strong financial discipline and that it can continue to rise to the challenge.

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

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

Revenue Forecast

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

Risks to the Revenue Budget

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

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

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

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

Section 4 – General Investment Programme

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

Capital Spending Plans

The capital spending plans for the next five years include the delivery of schemes from Vision 2025, with a focus on supporting the recovery of the City or key One Council projects, and investment in existing assets to either maintain service delivery or existing income streams.

Total planned expenditure over the 5-year programme is estimated to be £21.799m of which there are the following key schemes:

- Western Growth Corridor - £8.694m
- Disabled Facilities Grants - £1.500m
- Planned asset maintenance - £1.130m
- Sustainable Warmth - £1.874m
- Lincoln Central Market - £6.666m
- Heritage Action Zone - £0.476m

In addition, the Lincoln Town Deal Programme, announced at £19m has further schemes to be approved, which will be added to the capital programme as the business cases are developed and approved by the Town Deal Board. The majority of the schemes will be delivered by external organisations with the Council acting as the Accountable Body, there are however two schemes (in addition to the Lincoln Central Market) that the Council will directly deliver.

Further schemes in support of Vision 2025 will be included in the GIP at the relevant stage in their development e.g. grant funding secure, design stage completed etc. Further details of the investment plans are provided in the Capital Strategy.

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

Spending Pressures

Asset Management

The Council's corporate property portfolio comprises operational properties and investment properties with a combined asset value of £129 million.

The Council's current Asset Management Plan identifies the need for significant investment to ensure that its assets are properly maintained and safe for use. Additional resources have previously been allocated, including works to income earning assets e.g. the crematorium refurbishment and investment in leisure facilities. There does however remain a legacy of outstanding investment required in the Council's assets, with a number of maintenance liabilities now arising. These are mainly in relation to operational assets, which will require investment in order to remain in service delivery, but the liabilities also extend to some of the Council's natural assets.

Allocation of the annual planned capitalised works budget (£200k p.a.) to maintain specific assets will be determined by the structured approach being undertaken and will also be influenced by the outcomes of the continual review programme of all assets as part of the Better Use of Assets pillar of the One Council programme. Outcomes of this include the potential re-configuration of operational assets which as a result of changes in working practices following Covid19 are no longer required on such a scale; as well as the potential disposal/transfer of specific assets which may in turn relieve the Council on the ongoing repair liability. In order to provide additional resource, where possible the short term priority for any surplus capital receipts will to be investment in the Council's existing assets. Consideration will also be given to the use of prudential borrowing for income generating assets and in the absence of any other funding source.

Construction Industry

Across General Investment Programme capital projects have been impacted as a result of the current challenges in the construction sector particularly around supply of skilled labour, availability of materials and costs of materials. The Council has adopted a collaborative approach with contractors to ensure that the impacts are minimised using a range of mechanisms including; rescheduling the programme to absorb delays, changing materials, accepting time delay but without imposing a time penalty to counter cost increase, use of contingencies and sharing cost increase. Inevitably some projects have or will be delayed in terms of completion dates and it is expected that there will be some cost impacts on projects that are currently being developed.

Resources

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

Due to revisions in the Public Works Loan Board (PWLB) lending terms, Local Authorities can now longer borrow from the PWLB with the intention to buy assets for yield. Authorities will still be able to access the PWLB for spending to improve or maintain existing properties, for housing, for regeneration purposes and for preventative action, in the absence of other funding the Council will consider prudential borrowing for these purposes. However, given the additional revenue costs this creates and the current financial challenges the General Fund is facing, the use of prudential borrowing will be prioritised for income generating/sustaining schemes.

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

Capital Receipts

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

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

The GIP assumes a capital receipt from a current land disposal in 2022/23, although this has not yet been allocated for use in financing the programme. This receipt and any further receipts from asset disposals will be prioritised for allocation to schemes in accordance with the Capital Strategy.

Further capital receipts are forecasted in 2022/23 and 2023/24 from land/property disposals as part of the development of Western Growth Corridor. These receipts, assumed at £3.374m, will be retained within the scheme to contribute towards the upfront capital costs of further phases of the development.

Prudential Borrowing

The basic principle of the Prudential System is that local authorities are free to invest so long as their capital spending plans are affordable, prudent and sustainable. The Council will need to meet the whole of the capital financing costs associated with any level of extra borrowing through its revenue account. For every £1m of prudential borrowing undertaken by the Council for investment in long life assets, the annual revenue consequence arising is c£45k based on an interest rate of 2.5%.

The MTFS includes an unsupported prudential borrowing requirement of £8.7m over the period 2022/2-2026/27. This includes £4.59m temporary borrowing relating to Western Growth Corridor and longer term borrowing to support the Town Deal Programme investment in the market.

The use of long-term prudential borrowing will only be used as a funding mechanism for key projects following a full financial assessment, with priority for income generating/sustaining schemes. It may however be used as a short-term measure to fund capital expenditure prior to a capital receipt being received, or in the absence of any other funding source.

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

Capital Grants

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

Over the 5 year planning period of the MTFS £7.469m is expected to be received from external capital grants, which is largely for Disabled Facilities Grant £1.5m, Towns Fund £4.97m for currently approved business plans and Green Homes/Sustainable Warmth Grant £1.87m. Subject to development of business cases for the Lincoln Town Deal Programme further external funding is expected and will be included as schemes progress.

Projected Capital Resources

Resources to fund the General Investment Programme 2022/23-2026/267 are estimated to be approximately £21.799m, as follows:

	£'000
Capital Grants	10.314
Capital Receipts	2.534
Direct Revenue Financing	206
Prudential borrowing	8.745
TOTAL	**21,799**

General Investment Programme Forecast

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

Risks to the General Investment Programme

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

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

- Loss of anticipated external resources,
- Inability to secure further external funding,
- Increased project costs, particularly in light of the current challenges in the construction sector

- Unplanned emergency maintenance to Council's corporate properties.

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

Section 5 – Housing Revenue Account (HRA)

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

Housing Revenue Account Business Planning

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

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

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

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

Impacts of Covid19

Similar to the General Fund, Covid19 took it's toll on the financial resilience of the Housing Revenue Account as income streams were threatened and there was a requirement to incur costs to ensure services were provided throughout and to respond to consequences of the pandemic.

Whilst the immediate impacts have dissipated the legacy of Covid19 is still being felt in relation to service delivery both in terms of backlogs of outstanding housing repairs work but also due to the current economic operating conditions in terms of supply chain issues, escalating costs and availability of labour etc. Given the significant level of annual repairs and maintenance and planned capital maintenance to the Council's housing stock the impact of these factors is causing significant income losses and cost increases for the HRA.

The inability to recruit to the Housing Repairs Service workforce (the service is currently experiencing a 20% vacancy rate and the loss of sub-contractors locally (due to administration) is resulting in increased repairs and void turnarounds. In order to try and fill the productivity gap, local sub-contractors are being utilised however, they are experiencing with the same labour shortages. Any contracts awarded to help alleviate the system are now at hugely inflated prices which reflects the sector as a whole. Added to these increased labour costs are escalating material prices due to national and world shortages of specific materials, shipping delays and rising inflation.

The increase in void turnarounds is further worsened by a higher-than-normal level of voids with a backlog created over the 18-month period as national restrictions were imposed and people now seeking to move post pandemic. The financial implications of increased void turnarounds result in a reduction in dwelling rent income.

Whilst mitigations are place in order to address some of these factors, which are likely to be short term in nature e.g., a reduction in voids backlogs, there are ongoing cost implications primarily through contractor prices, that have had to be addressed within the MTFS, increasing the cost base of the HRA.

Although the Government have previously provided financial support to the General Fund, no such financial support has been provided to Housing Revenue Account. Cost pressures are therefore left to be funded through the housing rental income.

Spending Plans

The HRA Business Plan

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

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

Since adoption of the Plan, in 2016, a number of issues e.g., Brexit and the Covid19 pandemic have had a fundamental impact on the way the Council delivers it's housing and landlord services, now and in the future. In addition, the refreshed and repurposed strategic plan, Vision 2025, includes a much greater focus on health outcomes and the environment, with implications for the delivery of housing services. As a result, an interim high-level refresh of the Business Plan has been undertaken during 2021 with work now taking place to fundamentally re write the 30-year Plan to reflect the changes to the local, regional and national operating environment and to reflect the Councils current aims and ambitions in Vision 2025.

A different more focussed approach will lead to individual assessments being made of the needs of estate areas as individual geographical areas but also as different communities. This will lead to actions plans prioritised and targeted at the needs of specific areas rather than a generic approach. The implications of Brexit, Covid19 and national policy changes around Housing notably the Social Housing White Paper and Building Safety will also be included. This work will be concluded by the end of 2022 and reflected in the next update of the MTFS.

Spending Assumptions

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

Repairs and Maintenance

Repairs and maintenance is an essential part of the asset management of the Council's housing stock. As set out in the impacts of Covid section above, the cost of repairs and maintenance to the housing stock is increasing due to labour shortages, contractor price increases and material price increases. These additional costs have been reflected in the HRA with annual increases of c£0.300m. Work continues within the service to drive down costs and deliver efficiencies were possible in order to reduce repairs costs e.g. the scheduled repairs initiative.

There is continued capital investment in existing and new housing stock. Several schemes are under development which aim to deliver new housing in the City. These will be reported to committee as they come on stream.

Funding the Capital Programme

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

There is a reliance on the HRA to support the capital programme to the value of £57.518m over the 5-year MTFS period through depreciation and direct revenue financing.

Resource Assumptions

Rents

In line with the Housing Business Plan and Government Rent Guidelines, that announced that from April 2020 social rents will increase by a maximum of CPI+1% for 5 years, the MTFS has historically been based on this assumption. The approach from 2025 remains uncertain but there is an expectation that social rent increase will remain.

Included in the Council's housing stock are a number of properties that were partly funded by HCA grants on the condition that they are to be let on the basis of an affordable rent rather than on social rents. In addition, there are a number of other dwellings that are let on the basis of an affordable rather than social rent. Affordable rents are not subject to Government Rent Restructuring Policies and are let at 80% of market rent levels in the local area. The MTFS assumes rental increases in line with social rents for its affordable rents.

The Council has historically set the rent levels in line with the requirement to increase rents by CPI + 1% (CPI being as at September each year) for general purpose accommodation and also increase sheltered accommodation and affordable rents, by the same. With CPI +1 % as at September 2021 levels this would mean an increase in rents of 4.1%. An increase of this level, in light of other impacts on household incomes arising from the current economic climate, could have a severe impact the Council's tenants and as such rent increases of 3.6% for 2022/23 are proposed. The assumption in the MTFS from 2023/24 onwards reverts to CPI + 1%. The average 52-week rent will be £73.44 per week for general purpose and sheltered accommodation, and £116.91 for affordable rents.

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

Average rent increase per property by number of bedrooms per week as 13/12/2021	
No. of beds	Increase per week
	£
1 & bedsits	2.33
2	2.65
3	2.96
4	3.35
5	3.15
6+	3.43

As a result of Covid19 and the impact on household income the level of housing rent arrears has been affected, to the detriment. Whilst the Council has continued to support tenants through the Hardship Fund, DHP and general advice and guidance, Government's restrictions on enforcement action for rent arrears in response to the pandemic has not permitted robust action to be taken when tenants have the means to pay but fail to do so. As a result the level of rent arrears has gradually increased and are expected to be around £1.326m-£1.342m by the end of March 2022 (from £1.060m at March 2021). Whilst this is likely to require an increase in bad debts provision in 2021/22, the non-collection rate from 2022/23 onwards has though been maintained at £0.250m.

Net Interest Receipts

The HRA receives investment interest on the balances it holds (HRA balances are made up of General Balances, earmarked reserves and the Major Repairs Reserve). The MTFS 2022-27 includes interest income into the HRA based on the level of HRA balances assumed in the MTFS 2022-27. The HRA is sensitive to changes in interest rates linked to its investments, as an indication a change in interest rates of +/- 0.5% would have an estimated combined impact of approximately £29k.

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

Releasing Resources

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

Housing Revenue Account Forecast

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

Risks to the Housing Revenue Account Budget

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

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

- Risk of further government announcements limiting the flexibilities and freedoms offered by the HRA Self -Financing regime particularly housing rent levels
- Delivery of new build programme and associated rental streams
- Reduced rental income and increased arrears, particularly as a result of Covid19, voids backlogs and RTB sales etc
- Increased cost of repairs and maintenance to housing stock .
- Implications for service delivery arising from the Social Housing White Paper.
- Changes to key assumptions within the MTFS e.g. interest rates.
- Financial and budget management issues.

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

Section 6 – The Housing Investment Programme

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

Capital Spending Plans

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

In terms of housing strategy, the focus continues to be on maximising the use of 1-4-1 retained right to buy receipts, assessing the use of prudential borrowing and seeking government grant funding for new build schemes or purchase & repair schemes that generate a rental stream, as well as considering partnering options to bring forward larger new developments. In relation to housing investment the HIP will continue to focus on the allocation of resources to the key elements of decent homes (in line with the 2020 Stock Condition Survey) and supporting the Lincoln Standard.

The 5-year housing programme amounts to £67.487m and comprises the following main areas of work:

- Maintenance of the Decent Homes and the Lincoln Standard, £55.194m

- New Build Programme £9.970m – this includes the use of retained 1-4-1 right to buy receipts which are not yet allocated to specific schemes and will be dependent on approvals of individual business cases.

As set out in the Section 5 above the 30-year HRA Business Plan has undergone a high-level review during 2021 with a full review to be undertaken during 2022, to reflect the changes to the local, regional and national operating environment and to reflect the Councils current aims and ambitions in Vision 2025.

Spending Pressures

Construction Industry

Similar to the General Investment Programme the Housing Investment Programme has been impacted as a result of the current challenges in the construction sector particularly around supply of skilled labour, availability of materials and costs of materials. The Council has adopted a collaborative approach with contractors to ensure that the impacts are minimised using a range of mechanisms including; rescheduling the programme to absorb delays, changing materials, accepting time delay but without imposing a time penalty to counter cost increase, use of contingencies and sharing cost increase. It is though inevitable that there will be cost impacts on both housing investment programme as well as on specific scheme in the housing strategy programme that are currently being developed.

Resources

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

Major Repairs Reserve

The Major Repairs Reserve (MRR) is the main source of capital funding and the mechanism by which timing differences between resources becoming available and being applied are managed. The MRR may be used to fund capital expenditure and to repay existing debt. Depreciation is a real charge on the HRA and is paid into the MRR from the Housing Revenue Account to fund capital expenditure. The total charge to the revenue account over the 5-year MTFS period through depreciation is £37.250m.

Revenue Contributions

The 5-year MTFS includes contributions of £18.026m of direct revenue finance over the five-year period of which £14.128m is planned to be utilised.

Grants and Contributions

The 5-year MTFS includes grants and contributions of £0.495m (from Homes England) received over the five-year period, all of which is planned to be utilised.

Capital Receipts

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

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

The proceeds of dwelling sales under the Right-to-Buy scheme provide a regular source of capital receipts with the number of sales increasing in recent years. The MTFS assumes 50 sales per year. However, this is a difficult area to predict accurately as it is affected by external factors, such as interest rates, property prices and Government initiatives aimed at further stimulating Right-to-Buy sales. Receipts of £3.750m are assumed over the MTFS period.

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

Prudential Borrowing

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

The Capital Financing Requirement (CFR) is forecast to rise to £81m by the final year of the MTFS with additional borrowing included in the MTFS and no allowance made for the repayment of existing debt. Actual borrowing utilised will be £6.6m to fund the new build programme alongside 1:4:1 receipts and borrowing taken during the MTFS period will be £6.5m.

Projected Capital Resources

Resources to finance the proposed £67.487m Housing Investment Programme 2022/23 – 2026/27, are currently estimated to be as follows:

	£000
Major Repairs Reserve (depreciation)	43,389
Direct Revenue Financing	14,128
Grants and Contributions	0.495
Capital Receipts (inc RTBs)	2,880
Borrowing	6,594
TOTAL	**67,487**

Housing Investment Programme Forecast

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

Risks to the Housing Investment Programme

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

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

- Generation of sufficient revenue surpluses to resource required investment
- Achievement of capital receipts (including Right to Buy sales) targets
- Future building costs, particularly in light of the current challenges in the construction sector
- Condition of existing stock
- Interest rate increases impacting on future borrowing costs

- Implications of the Social Housing White Paper and Building & Fire Safety, specifically the revision of the Decent Homes Standards

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

Section 7 – Reserves and Balances

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

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

Financial Resilience Index

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

	2015/16	2016/17	2017/18	2018/19	2019/20
Reserves Sustainability	n/a	n/a	23.47	100	100
Level of Reserves	83.97%	79.31%	65.28%	73.59%	99.40%
Change in Reserves	n/a	n/a	-11.33%	-2.48%	22.79%

Whilst full data is not available through the index it does highlight areas of potential financial risk, this is demonstrated in 2017/18 when there was a 11.33% reduction in the level of reserves, reducing in turn the reserves sustainability factor. However, this use of reserves was planned and provided for in the MTFS as the Council used its earmarked reserves to cushion the revenue impacts during the building of the transport hub, as well as a planned use of unallocated reserves whilst savings were delivered through the TFS Programme. The increase in 2019/20 was due to a planned contribution to General Balances (as the Council seeks to increase it's level of Balances ahead of the forthcoming funding reforms) as well as year-end contributions to earmarked reserves in anticipation of the financial impacts of Covid19 in 2020/21.

Data for 2020/21 has not yet been published due to a delay in the completion of many local authorities' audit opinions. Once available the data will be reviewed, however as a result of the pandemic and the timing of funding for Business Rates Reliefs and Tax Income Guarantee compensation versus the declaration of Collection Fund deficits, the results are likely to provide little assurance as to the Council (or any Council's) over financial resilience.

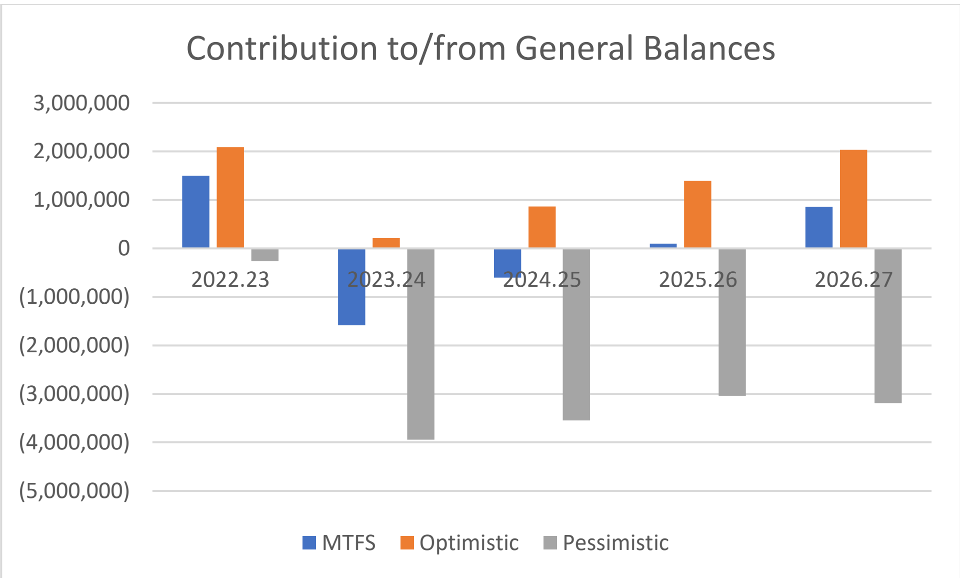
Management of Risk

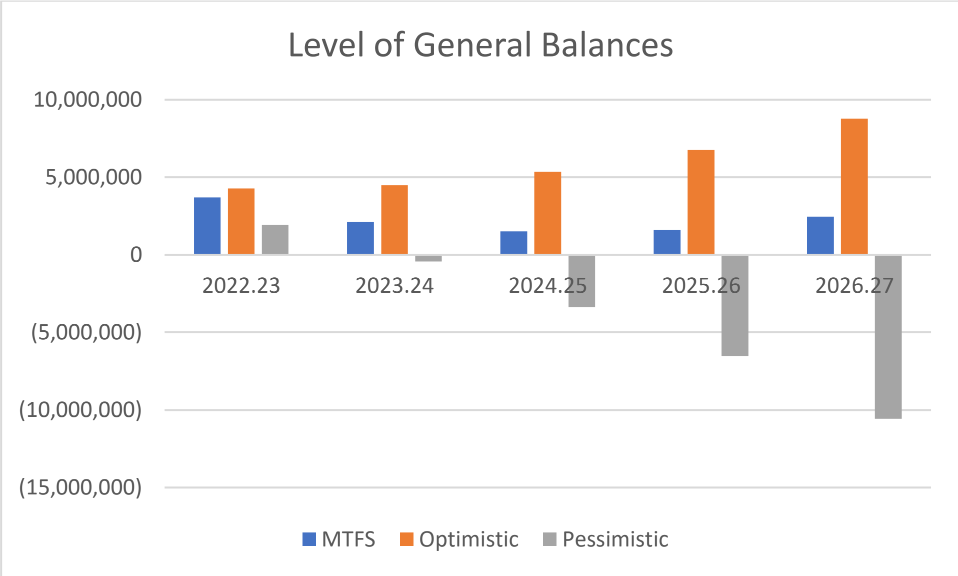
The Council has always maintained a very proactive approach to managing risk and there are effective arrangements for financial control already in place. However, as a result of the significant changes to local government funding, which saw a shift towards self –sufficiency and dependence on local funding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

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

Scenario Planning

A scenario planning approach is taken to assess the impact of changes in the key assumptions underpinning the revenue budgets. This is based on the assumptions in the MTFS being the most likely, set against an optimistic and pessimistic list of variables. At a high level the pessimistic scenario demonstrates a further significant financial challenge for the Council, primarily based on a reduction in income levels, as well increased costs towards the end the of the MTFS as key service contracts are due to end. The optimistic scenario is based on the key assumption that the planned reforms to business rates are not progressed and the Council is able to retain it's accumulated growth.





As can be seen table above, under the pessimistic scenario the level of General Balances would be eliminated by the end of 2023/24 if mitigations and/or savings could not be found. This emphasis the Council's sensitivity to changes in it's income levels and the level of inherent risk and volatility it faces.

Planned work is under to establish scenario planning for the Housing Revenue Account as part of the Business Plan refresh.

Planned Use and Contribution to Reserves

The increase in the prudent level of reserves has allowed the Council to be able to cushion the impact that Covid19 has had on its finances and will continue to so in future years. Whilst the overall level of balances will still be maintained over the period of the MTFS there are planned uses of balances in the General Fund of £1.582m in 2023/23 and £0.600m in 2024/25. This is as a result of the forthcoming funding reforms and the assumption that the accumulated gains on Business Rate income will be reset, leaving the Council at a significant financial detriment, as well as the legacy impacts of Covid19. Whilst the Council has assumed an increased level of savings will be required to mitigate the ongoing impacts of this income loss, in the short term the use of balances and earmarked reserves provides the Council the opportunity to deliver ongoing reductions in its net cost base, and also providing the flexibility to adjust the savings targets if there is a more positive outcome from the funding reforms. Based on the current trajectory of savings targets, by 2025/26 the General Fund will be in the position of making positive contributions to balances, with forecasted contributions of £0.096m in 2025/26 and £0.855m in 2026/27.

The careful use of balances, along with earmarked reserves, in the supporting the General Fund is seen as a short-term measure only to ensure a balanced budget position is maintained whilst savings are delivered, it is not foreseen as a long-term solution.

The general reserves at the end of each year for 2022/23 to 2026/27 are summarised in the table below.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
General Fund	3,694	2,112	1,511	1,608	2,463
Housing Revenue Account	1,035	1,085	1,054	1,128	1,829

The overall levels of General Fund and Housing Revenue Account balances in 2026/27 are in line with, and in excess of, the prudently assessed minimum level of balances.

Earmarked Reserves

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

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

Appendix 1

GENERAL FUND BUDGET SUMMARY 2022/23 - 2026/27

	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
Chief Executive & Town Clerk	3,121,030	3,266,620	3,390,740	3,448,840	3,633,010
Communities & Environmental Services	5,073,660	4,323,650	4,011,950	4,044,870	4,038,110
Major Developments	549,030	515,870	514,870	513,730	512,360
Housing & Regeneration	767,040	730,610	741,910	791,200	800,640
Corporate	2,123,370	2,133,880	2,145,820	2,162,420	2,175,800
	11,634,130	**10,970,630**	**10,805,290**	**10,961,060**	**11,159,920**
Capital Accounting Adjustment	3,377,700	3,284,990	3,327,970	3,158,740	3,139,850
Base Requirement	**15,011,830**	**14,255,620**	**14,133,260**	**14,119,800**	**14,299,770**
Specific Grants	(855,470)	(125,000)	(125,000)	(125,000)	(125,000)
Contingencies	(66,540)	(67,940)	(128,710)	(63,740)	(61,140)
Savings Targets	(362,710)	(603,330)	(843,570)	(832,180)	(820,900)
Transfers to/(from) earmarked reserves	(5,844,830)	(635,220)	386,530	545,520	369,020
Transfers to/(from) insurance reserve	(460,310)	37,950	40,110	38,340	36,660
Total Budget	**7,421,970**	**12,862,080**	**13,462,620**	**13,682,740**	**13,695,410**
Use of Balances	1,500,790	(1,582,610)	(600,290)	96,380	855,360
NET REQUIREMENT	**8,922,760**	**11,279,470**	**12,862,330**	**13,779,120**	**14,550,770**
Business Rates	5,588,470	4,138,620	4,928,800	5,570,320	6,064,850
Business Rates Surplus/(Deficit)	(4,044,040)	(481,140)	0	0	0
Revenue Support Grant	24,140	0	0	0	0
Council Tax Surplus/(Deficit)	(5,710)	(44,600)	0	0	0
Council Tax	7,359,900	7,666,590	7,933,530	8,208,800	8,485,920
Total Resources	**8,922,760**	**11,279,470**	**12,862,330**	**13,779,120**	**14,550,770**
Balances b/f @ 1st April	**2,193,359**	**3,694,149**	**2,111,539**	**1,511,249**	**1,607,629**
Increase/(Decrease) in Balances	1,500,790	(1,582,610)	(600,290)	96,380	855,360
Balances c/f @ 31st March	**3,694,149**	**2,111,539**	**1,511,249**	**1,607,629**	**2,462,989**

HOUSING REVENUE ACCOUNT SUMMARY 2022/23 - 2026/27

	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
Income					
Gross Rental Income					
- Dwellings rents	(29,996,080)	(31,086,190)	(31,871,930)	(32,621,490)	(33,389,330)
- Non-Dwelling rents	(436,640)	(449,740)	(463,230)	(477,130)	(491,440)
Charges for Services & Facilities	(647,780)	(704,670)	(727,830)	(751,980)	(777,130)
Repairs Account Income	(658,770)	(658,810)	(667,890)	(676,520)	(685,050)
Contributions towards Expenditure	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Income	**(31,789,270)**	**(32,949,410)**	**(33,780,880)**	**(34,577,120)**	**(35,390,950)**
Expenditure					
Repairs Account Expenditure	10,021,710	10,230,910	10,356,450	10,435,130	10,516,390
Supervision & Management:	8,336,620	8,484,850	8,624,240	8,728,670	8,860,860
Contingencies	(35,010)	(35,670)	(36,450)	(37,220)	(37,990)
Rents, Rates and Other Premises	485,690	494,560	503,740	508,550	518,130
Insurance Claims Contingency	168,930	174,000	179,230	184,610	190,150
Depreciation of Fixed Assets	7,450,000	7,450,000	7,450,000	7,450,000	7,450,000
Debt Management Expenses	14,850	11,990	11,980	11,980	11,860
Increase in Bad Debt Provisions	250,000	250,000	250,000	250,000	250,000
Total Expenditure	**26,692,790**	**27,060,640**	**27,339,190**	**27,531,630**	**27,759,400**
Net cost of service	**(5,096,480)**	**(5,888,770)**	**(6,441,690)**	**(7,045,490)**	**(7,631,550)**
Loan Charges Interest	2,615,000	2,650,000	2,665,000	2,675,000	2,640,000
- Investment Interest	(38,710)	(45,840)	(49,050)	(54,510)	(55,600)
- Mortgages Interest	0	0	0	0	0
Surplus on HRA for the year	**(2,520,190)**	**(3,284,610)**	**(3,825,740)**	**(4,425,000)**	**(5,047,150)**
DRF used for Financing	2,558,950	3,159,060	3,786,150	4,286,150	4,286,150
Contribs to/(from) Reserves:					
- Insurance Reserve	81,070	76,000	70,770	65,390	59,850
- Capital Fees Equalisation	0	0	0	0	
- Strategic Priority Reserve	(16,940)	0	0	0	
(Surplus)/deficit in year	**23,840**	**(49,550)**	**31,180**	**(73,460)**	**(701,150)**
Balance b/f at 1 April	(1,059,743)	(1,035,903)	(1,085,453)	(1,054,273)	(1,127,733)
Balance c/f at 31 March	**(1,035,903)**	**(1,085,453)**	**(1,054,273)**	**(1,127,733)**	**(1,828,883)**

GENERAL INVESTMENT PROGRAMME - 2022/23 to 2026/27

	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
Expenditure Programme					
Chief Executives	691,592	200,000	200,000	200,000	200,000
Directorate of Communities and Environmental Services	457,778	678,103	483,021	300,000	300,000
Directorate of Major Developments	16,767,438	966,000	0	0	0
Directorate of Housing	20,000	20,000	0	0	0
Schemes Under Review	315,985	0	0	0	0
Total Programme Expenditure	**18,252,793**	**1,864,103**	**638,021**	**500,000**	**500,000**
Capital Funding					
Contributions from Revenue					
Opening balance	157,311	3	3	3	3
Received in year	45,100	0	0	0	0
Used in financing	(202,408)	0	0	0	0
Closing balance	**3**	**3**	**3**	**3**	**3**
Capital receipts					
Opening balance	30,000	1,485,475	4,904,079	4,904,079	4,904,079
Received in year	7,210,800	5,560,800	0	0	0
Used in financing	(2,533,910)	0	0	0	0
Used to repay temporary borrowing	(3,221,415)	(2,142,196)	0	0	0
Used to reduce the CFR	0	0	0	0	0
Closing balance	**1,485,475**	**4,904,079**	**4,904,079**	**4,904,079**	**4,904,079**
Grants & contributions					
Opening balance	2,844,817	0	0	0	0
Received in year	5,891,310	678,103	300,000	300,000	300,000
Used in financing	(8,736,127)	(678,103)	(300,000)	(300,000)	(300,000)
Closing balance	**0**	**0**	**0**	**0**	**0**
Unsupported borrowing					
Opening balance	0	0	0	0	0
Received in year	6,780,348	1,186,000	383,021	200,000	200,000
Used in financing	(6,780,348)	(1,186,000)	(383,021)	(200,000)	(200,000)
Closing balance	0	0	0	0	0
Total Capital Funding	(18,252,793)	(1,864,103)	(683,021)	(500,000)	(500,000)
Available Resources c/f	**1,485,478**	**4,904,082**	**4,904,082**	**4,904,082**	**4,904,082**

HOUSING INVESTMENT PROGRAMME - 2022/23 - 2026/27

	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
Capital Programme					
Decent Homes	8,678,201	8,656,831	8,815,200	9,255,960	9,718,758
Health & Safety	452,771	458,990	427,310	448,675	471,109
New build programme	8,366,041	1,459,870	46,953	47,892	48,850
Lincoln Standard	225,000	275,000	286,450	300,773	315,811
Other schemes	567,277	177,052	104,580	109,809	115,299
Contingent capitalised repairs	250,000	250,000	250,000	250,000	250,000
Other	2,019,362	1,640,254	871,412	914,982	960,731
Total Programme Expenditure	**20,558,652**	**12,917,997**	**10,801,905**	**11,328,091**	**11,880,558**
Capital funding					
Major Repairs Reserve					
Opening balance	14,494,647	13,210,985	13,011,918	13,893,117	14,249,067
Depreciation received in year	7,450,000	7,450,000	7,450,000	7,450,000	7,450,000
Depreciation used in financing	(12,192,611)	(7,156,831)	(7,565,200)	(6,755,960)	(9,718,758)
DRF received in year	2,558,950	3,109,060	3,786,150	4,286,150	4,286,150
DRF used in financing	(0)	(4,301,296)	(3,189,751)	(4,524,239)	(2,112,950)
Closing balance	12,310,986	14,411,918	11,893,117	12,349,067	12,253,509
Capital receipts					
Opening balance	1,279,839	784,910	1,502,688	2,205,735	2,907,843
Received in year	750,000	750,000	750,000	750,000	750,000
Used in financing	(1,244,929)	(32,222)	(46,953)	(47,892)	(48,850)
Closing balance	784,910	1,502,688	2,205,735	2,907,843	3,608,993
1-4-1 receipts					
Opening balance	1,487,155	465,732	27,771	27,771	27,771
Used in financing	(1,021,423)	(437,961)	0	0	0
Closing balance	465,732	27,771	27,771	27,771	27,771
Grants & contributions					
Opening balance	0	0	0	0	0
Grants & contributions received in year	495,000	0	0	0	0
Used in financing	(495,000)	0	0	0	0
Closing balance	0	0	0	0	0
Borrowing					
Opening balance	187,623	82,934	93,247	93,247	93,247
Borrowing taken in year	5,500,000	1,000,000	0	0	0
Used in financing	(5,604,689)	(989,687)	0	0	0
Closing balance	82,934	93,247	93,247	93,247	93,247
Total Capital funding	(20,558,652)	(12,917,997)	(10,801,905)	11,328,091)	(11,880,558)
Available Resources c/f	**13,644,562**	**13,035,625**	**14,129,870**	**15,377,929**	**15,983,521**

Appendix 5

BUDGET RISK ASSESSMENT

Appendix 5

No.	Budget Item	Risk	2022/23	2023/24 - 2026/27	Containment
			Risk score	**Risk Score**	
1	Business Rates Base	Reduction and/or fluctuations in income against budget variation in: – Recovery/growth compared to forecasts – Changes in the NNDR base – Changes in rateable values (e.g. appeals, economic downturn, changes in use, material change in circumstances) – Collection rates – Ongoing impact on the NNDR base of successful appeals - Estimates of appeals provision higher/lower than actually required – Changes nationally to the valuation assessments of certain property/infrastructure – Introduction of 75% retained Business Rates and reform of the system – Reset of the Business Rates Retention system from 2023/24	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 12** Likelihood: 4 Impact: 3	• In year monitoring of the NNDR base, Collection Fund, collection rates, growth assumptions and rateable value appeals. • Produce monthly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • A Business Rate Volatility Reserve is maintained to provide a degree of protection from fluctuations in Business Rate Income • Quarterly monitoring of the Lincs NNDR Pool by Lincs Finance Officers • Independent specialist assessment made of the required level of NNDR appeals provision • Specialist advice sought to assist in budgeting assumptions and assessment of implications of changes to the funding system • Delivery of key schemes in Vision 2025 to support recovery of the High Street, City and the economy, including direct investment by the Council.

2	Fairer Funding Review	Assessment of relative need and relative resources results in a baseline need below current level. Transitional arrangements are not sufficient to mitigate impacts. Impact of Government Policy on Levelling Up	**Total Score: 2** Likelihood: 1 Impact: 1	**Total Score: 12** Likelihood: 4 Impact: 3	• Assessment of Government consultations with responses where appropriate • Lobby through national groups, respond to national consultations • Work with Association of Lincolnshire Finance Officers and the Society of District Treasures • Work with external funding specialists to identify and assess the impact of proposed funding changes (e.g. New Homes Bonus)
3	Capital Expenditure	Slippage in the project, Increased project costs including labour and material costs post Brexit/COVID19 Inflationary impacts. Failure of contractor i.e. contractor goes into liquidation. Demand for improvement grants. Sunk costs of aborted schemes Achieving levels of projected costs in the HRA Business plan	**Total Score: 12** Likelihood: 4 Impact: 3	**Total Score: 12** Likelihood: 4 Impact: 3	• Regular budget monitoring and reporting to Capital Programme Board and Housing Delivery Group • Ensure correct project management procedures followed (Lincoln Model) • Quarterly budget monitoring and reporting to Performance Scrutiny and the Executive • Financial procedure rules are followed, including financially vetting of all contractors • Use of collaborative contracts/framework agreements where possible e.g. EMPA • Support from Procurement engaged at an early stage • Carry out post implementation reviews • Ensure risk assessments completed for all significant schemes before commencing • Value engineering used to contain project costs • Cost estimates obtained ahead of procurement exercises. • Consideration of Fixed Price Contracts and/or Risk Sharing • Consideration of alternative/cheaper materials • PGC's/Bonds to be obtained on key contracts

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

5	Capital Financing - Long Term Borrowing	Balances unavailable for internal borrowing External borrowing costs above interest rates in MTFS	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Continue to monitor the cost effectiveness of utilising internal balances instead of taking external borrowing • Actively monitor the achievement of the capital receipts target and potential additional borrowing requirement • Actively monitor the cost effectiveness of asset disposals compared to Prudential Borrowing • Ongoing monitoring of cashflows from major sources of income • Regular review of current and future predicted borrowing rates to inform timing of borrowing decisions • Actively monitoring the cash flow on a daily basis.
6	Repairs & Maintenance on Corporate Properties	Unplanned emergency maintenance is required on the Council’s Corporate Properties Increase in demands to meet statutory requirements and to minimise risks of adverse claims. Increase in demands to maintain operational service assets Increased investment required in natural assets. Impact of works on income and service delivery.	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Updated stock condition surveys for all corporate properties to undertaken in 2022/23 • Comprehensive asset management planning in place (including identifying assets with large repairs and maintenance liabilities for disposal) • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Properties with large maintenance liabilities are reviewed for potential disposal • New capital schemes allow for whole life costing. • Responsible Officer system in place.

7	Revenue Savings Targets	The required savings targets are not achieved nor required efficiencies delivered	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 12** Likelihood: 3 Impact: 4	• TFS7 programme developed with timescales agreed. • The Council's strategy focuses on a two key strands approach to realise the required savings in the revenue budgets with the primary focus on service withdrawal and 'one council'. • TFS7 delivery is a priority in Vision 2025, year 3 Annual Delivery Plan • Report monthly to Programme Board (CMT) and quarterly to Executive and Performance Scrutiny Committee
8	General Budget Assumptions	CPI and RPI inflation exceed rates assumed in the budget Actual establishment exceeds 99% Implications from Government Policy in response to Covid19 legacy. Increased pension contributions as a result of triennial valuation Pay inflation exceeds rates assumed in the budget	**Total Score: 12** Likelihood: 4 Impact: 3	**Total Score: 9** Likelihood: 4 Impact: 3	• Set prudent but realistic projections based on analysis of economic commentators and Bank of England predictions – projections updated in latest MTFS • Monthly monitoring of RPI and CPI index changes • Make use of expert forecasts of future RPI and CPI trends • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Monitor significant changes in economic indicators • Monitor the pension fund position through discussions with Lincolnshire County Council and Lincolnshire Finance Officers • Report any changes to Members as soon as officers become aware • Pension Fund Stabilisation Approach adopted

9	HRA Repairs and Maintenance Costs	Reduced ability to recruit and retain skilled workforce in HRS, increased reliance on sub-contractors Sub-contractors prices significantly increasing Increased cost of materials as a result of Covid/Brexit	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Council housing capital investment is carried out • Produce regular budget monitoring reports and HRA revenue and capital budgets reported and monitored together • Report quarterly to Departmental Management Team, Corporate Management Team, Executive and Performance Scrutiny Committee • Results of recent stock condition surveys informing future maintenance requirements • Increased costs factored into latest MTFS • Consider alternative recruitment options • Use of collaborative contracts/framework agreements where possible • Seek efficiencies within HRS i.e scheduled repairs pilot

10	Demand for services	Impact of Covid19 legacy on service demands, e.g. homelessness, revenues and benefits, customer services, council housing etc Impact of Social Housing White Paper on requirements of housing function The increase in property numbers and development of the City Centre results in additional cost pressures within the Services that have not been built into the budget Increasing demands for housing tenant support as other providers withdraw services	**Total Score: 9** Likelihood: 3 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Identification and drawdown of additional funding made available from Government and others to support additional demand • Lean systems approach taken to identify efficiencies in service delivery (e.g. benefits service) • Collaboration and joint working arrangement opportunities identified with local partners to help meet additional service demands • Consistent monitoring of service demands and needs of the city through data analysis and key indicators • Assessment of White Paper impacts to be undertaken. • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

11	Housing Rents and Property Voids	Increased arrears due to impact of Covid19 on household incomes More Council House disposals than anticipated and/or slower than anticipated progress on the council house new build programme Void properties exceeding the allowance included in the budget (particularly due to impacts of Covid19 on turnaround times and resourcing/contractor issues in HRS). CPI inflation less than budgeted rate (from 2023/24)– reducing rental income Impact of future interventions by Govt to alter Social Rent Policy.	**Total Score: 12** Likelihood: 4 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Produce regular budget monitoring reports • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Directorate ongoing monitoring is a performance indicator • Monthly monitoring of RPI and CPI index changes • Make use of expert forecasts of future RPI and CPI trends and the impact on housing rents • 30-year Business Plan to undergo a refresh. • Continual monitoring of arrears and void positions. • Housing Rents Hardship Fund established. • Monthly New Homes Board meeting of cross directorate officers monitoring progress of New Build programme and capital & revenue funding • Analysis of factors driving voids increases, now assessing how these can be mitigated • Investment in tenancy sustainment officers • New subcontractors engaged to support the void process

12	Capital Funding	Shortfall in the actual amount of Capital Receipts (i.e. Council House Sales, other HRA assets, GF assets) against the targets set within the HIP & GIP Revenue contributions are not sustainable in the revenue accounts of the HRA or General Fund Increase in borrowing costs (covered in separate risk – see no.5 & no. 13) Reductions in grant funding (covered in separate risk – see no. 15).	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 6** Likelihood: 2 Impact: 3	• Undertake regular monitoring of the capital receipts position • Capital Receipts targets incorporated in the Capital Strategy • Property Section fully informed of current targets within the GIP & HIP • Review of the most cost-effective funding options (e.g. capital receipts compared to prudential borrowing) • Monitor and report on the revenue and capital budgets together to ensure both capital and revenue impacts are identified • HRA Business plan includes allowance for full funding of capital requirements over 30 years, including revenue contributions.
13	Cashflow Management (Investments and short-term borrowing)	Available cash flow surpluses less than anticipated and/or interest rates lower than forecast Reduction in cash flow results in deficits and/or rising interest rates Impact of major sources of income not being received when expected.	**Total Score: 3** **Likelihood: 3** **Impact: 1**	**Total Score: 6** Likelihood: 3 Impact: 2	• Monitor the average interest rate being achieved against the budget target and the level of balances available for investment • Actively monitoring the cash flow on a daily basis • Ongoing monitoring of cashflows from Business rates • Quarterly monitoring of Collection Fund forecast balances • Take account of economic analysts and Bank of England predictions and advice from Treasury Management Consultants • Hold regular Treasury Management meetings • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

14	Government Grants (including RSG, Lower Tier Services, 22/23 Services, New Homes Bonus)	Cash reductions in Government Grant which are in excess of the levels assumed in the MTFS The Council is unable to sustain sufficient levels of growth and future levels of funding are reduced Amount and timing of receipt of some grants not as assumed in the MTFS	**Total Score: 2** Likelihood: 1 Impact: 1	**Total Score: 3** Likelihood: 3 Impact: 1	• Regular review and reporting of new home figures • The Council will seek to realise the benefits of the financial incentives available • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Regular review of grant figures and distribution mechanisms. • Lobby through national groups, respond to national consultations • Work with Association of Lincolnshire Finance Officers and the Society of District Treasures • Work with external funding specialists to identify and assess the impact of proposed funding changes (e.g. New Homes Bonus) • Budget assumptions assume limited funding beyond 2022/23
15	External Funding of Capital Programme	Loss of anticipated external resource to support the capital programme Changes to the allocation of grant funding for Disabled Facilities Grants (DFG) from the City Council to County Council, while the City Council retains statutory duty to provide services. Inability to attract/gain further external grant funding/partner contributions to deliver schemes included in Vision 2025	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 12** Likelihood: 3 Impact: 4	• Ensure grant conditions are complied with throughout scheme • Continue to seek alternative funding sources and make appropriate grant applications. • Continue to work with partner organisations to secure additional funding opportunities. • Produce regular grant monitoring statements • Regular budget monitoring and reporting to Capital Programme Board • Ongoing discussions with the County Council to ensure the provision of DFG's meet the Council's funding requirements. • New schemes not approved until external funding secured.

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

Appendix 5

18	Housing Benefits/Subsidy	Increase in payments that do not attract 100% subsidy i.e. overpayments and local authority errors Failure to comply with complex legislative requirements Lack of audit trail to substantiate grant claim Backlog of work Pressures from customer demands and complex enquiries due to welfare changes	**Total Score: 4** Likelihood: 2 Impact: 2	**Total Score: 4** Likelihood: 2 Impact: 2	• Regular monitoring of claims being processed • Undertake staff training and sample accuracy checks • Ensure system backups are carried out and historic information is recoverable • Implementation of new systems, processes and structures following Lean Systems Intervention
19	Housing Investment Requirements	Implications arising from Social Housing White Paper including additional investment requirements and pledge to revise Decent Homes Standard. Implications arising from Building & Fire Safety regs. Implications arising from change in planned maintenance contractor.	**Total Score: 6** Likelihood: 2 Impact: 3	**Total Score: 9** Likelihood: 3 Impact: 3	• Assessment of White Paper implications • Assessment of Building and Fire Safety implications • Stock condition surveys undertaken 2020 • Refresh of HRA Business Plan for 203/24 • Revised Lincoln Decent Homes Standard to be developed • Project team in place and managing insourcing of planned maintenance programme. • Use of collaborative contracts/framework agreements where possible e.g. EMPA • Ensure risk assessments completed for all significant schemes before commencing • Value engineering used to contain project costs • Cost estimates obtained ahead of procurement exercises.

GENERAL FUND EARMARKED RESERVES FORECAST 2021/22 – 2026/27

Description	Balance @ 31.03.22	Balance @ 31.03.23	Balance @ 31.03.24	Balance @ 31.03.25	Balance @ 31.03.26	Balance @ 31.03.27
Carry Forwards	389,670	389,670	389,670	389,670	389,670	389,670
Active Nation Bond	180,000	180,000	180,000	180,000	180,000	180,000
AGP Sinking Fund	2,440	52,440	102,440	152,440	202,440	252,440
Air Quality Initiatives	16,080	21,590	27,100	32,610	38,120	43,630
Birchwood Leisure Centre	45,970	45,970	45,970	45,970	45,970	45,970
Business Rates Volatility	5,499,480	728,990	247,850	347,850	597,850	597,850
Christmas Decorations	13,870	13,870	13,870	13,870	13,870	13,870
City Hall Sinking Fund	60,460	60,460	60,460	60,460	60,460	60,460
Commons Parking	19,860	19,860	19,860	19,860	19,860	19,860
Corporate Training	60,300	60,300	60,300	60,300	60,300	60,300
Council Tax Hardship Fund	531,440	531,440	531,440	531,440	531,440	531,440
Covid-19 Recovery	1,047,230	199,990	199,990	199,990	199,990	199,990
Covid-19 Response	353,650	353,650	0	0	0	0
DRF Unused	202,410	0	0	0	0	0
Electric Van replacement	23,790	28,220	32,650	37,080	41,510	45,940
Funding for Strategic Priorities	89,240	14,240	14,240	14,240	14,240	14,240
Grants & Contributions	1,244,910	1,171,960	1,124,200	1,075,720	1,026,390	1,026,390
Invest to Save	149,880	150,460	150,460	150,460	150,460	150,460
IT Reserve	152,430	217,430	282,430	347,430	412,430	477,430
Lincoln Lottery	9,450	9,450	9,450	9,450	9,450	9,450
Mayoral Car	27,100	27,100	27,100	27,100	27,100	27,100
Mercury Abatement	0	0	0	0	0	0
MSCP & Bus Station Sinking Fund	104,160	149,210	195,160	242,030	289,840	338,610
Private Sector Stock Condition Survey	39,460	51,460	3,460	15,460	27,460	39,460
Residents Parking Scheme	0	0	84,590	252,600	420,020	586,830
Section 106 interest	31,790	31,790	31,790	31,790	31,790	31,790
Strategic Growth Reserve (WGC)	16,990	16,990	16,990	16,990	16,990	16,990
Tank Memorial	10,000	10,000	10,000	10,000	10,000	10,000
Tree Risk Assessment	117,100	133,600	150,100	166,600	183,100	199,600
Vision 2025	636,730	560,920	584,270	550,960	527,140	527,140
Western Growth Corridor Planning	79,770	79,770	79,770	79,770	79,770	79,770
TOTAL GENERAL FUND	**11,155,660**	**5,310,830**	**4,675,610**	**5,062,140**	**5,607,660**	**5,976,680**

HOUSING REVENUE ACCOUNT EARMARKED RESERVES FORECAST 2021/22 to 2026/27

Description	Forecast Balance 31.03.22 £	Forecast Balance 31.03.23 £	Forecast Balance 31.03.24 £	Forecast Balance 31.03.25 £	Forecast Balance 31.03.26 £	Forecast Balance 31.03.27 £
Capital Fees Equalisation	110,034	110,034	110,034	110,034	110,034	110,034
De Wint Court Reserve	73,480	73,480	73,480	73,480	73,480	73,480
Housing Business Plan	76,559	76,559	76,559	76,559	76,559	76,559
Housing Repairs Service	125,713	125,713	125,713	125,713	125,713	125,713
HRA Repairs Account	1,350,645	1,350,645	1,350,645	1,350,645	1,350,645	1,350,645
HRA Strategic Priority Reserve	570,693	555,693	555,693	555,693	555,693	555,693
HRA Invest to Save	106,197	25,207	25,207	25,207	25,207	25,207
Strategic Growth Reserve (WGC)	26,029	26,029	26,029	26,029	26,029	26,029
TOTAL HOUSING REVENUE ACCOUNT	**2,439,351**	**2,343,361**	**2,343,361**	**2,343,361**	**2,343,361**	**2,343,361**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
GUILDHALL				
ROOM HIRE:				
Guildhall Room Hire Fee	206.00	212.00	**218.40**	
Private & Specialist Tours (Charge per person)				
- Classification 1 (minimum booking of 10 people) *				
Monday to Saturday 60-90 minutes	5.20	5.40	**5.60**	**inc VAT**
Monday to Saturday 120-180 minutes	9.30	9.60	**9.90**	**inc VAT**
- Classification 2 (minimum booking for 15 people)**				
Monday to Sunday 60-90 minutes	7.70	8.00	**8.20**	**inc VAT**
Monday to Sunday 120-180 minutes	8.00	8.30	**8.60**	**inc VAT**
* Where a private tour is booked during the day and interferes with public tours				
** Where a tour is outside of normal working hours - evenings Monday-Friday all day Saturday and Sunday) & Any other Specialist tours, talks & events				
CITY HALL				
ROOM HIRE:				
Charities & organisations with Council representation (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	34.00	35.00	**37.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	24.00	25.00	**26.00**	**inc VAT**
Lincs non-profit making organisations (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	58.00	60.00	**62.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	34.00	35.00	**37.00**	**inc VAT**
Other users including Government and Court use (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	136.00	140.00	**145.00**	**inc VAT**
- City Hall (Small Committee rooms, 3 and 4)	92.00	95.00	**98.00**	**inc VAT**
Supplement for evening use	50%	50%	**50%**	
Drinks (per delegate per half day)	2.50	2.60	**3.00**	**inc VAT**
Cancellation Fee	10.00	10.00	**12.00**	
COMMITTEE SERVICES				
- Supplying a copy of or extract from a document (excluding site plans or planning decision notices) (plus postage)	7.80	8.00	**8.20**	**inc VAT**
- Council Summons (per year) (Incl postage & packing)	196.90	202.80	**-**	

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
ELECTORAL SERVICES				
STATUTORY:				
Public Sales				
- Sale of Electoral Register per 1000 names, or part (plus cost postage & packing)				
Paper copy				
- initial fee	10.00	10.00	**10.00**	
- per 1000 names, or part	5.00	5.00	**5.00**	
Data				
- initial fee	20.00	20.00	**20.00**	
- per 1000 names, or part	1.50	1.50	**1.50**	
- Sale of Marked Register per 1000 names, or part (plus cost postage & packing)				
Paper copy				
- initial fee			**10.00**	
- per 1000 names, or part			**2.00**	
Data				
- initial fee			**10.00**	
- per 1000 names, or part			**1.00**	
- Copies of Candidate's Expenses (per side)	0.20	0.20	**0.20**	
NON-STATUTORY:				
- Postage & Packing of Register of Electors	22.50	23.20	**-**	
- Hire of Ballot Boxes	9.10	9.40	**-**	**inc VAT**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

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

HACKNEY CARRIAGES

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
- Vehicle Licence/Renewal (one year)	135.00	137.00	**137.00**	
- Plates Deposit (refundable)	13.00	13.00	**13.00**	
- Replacement Plate(s)	16.00	16.00	**16.00**	
-Test Certificate admin fee	16.50	17.00	**17.00**	
- Change of Vehicle/HV/Reg	68.00	70.00	**70.00**	
-Change of Owner (Previously in above)	48.00	46.00	**46.00**	
- Driver Licence (one year)	128.00	129.00	**129.00**	
- Driver Licence (three year)	224.00	229.00	**229.00**	
- Drivers Knowledge Test	36.00	37.00	**37.00**	
-DBS check (enhanced)	40.00	40.00	**40.00**	
-DBS check (standard)	23.00	23.00	**23.00**	
-DVLA Check	3.00	3.00	**3.00**	**plus VAT**
-DVLA Check - (Non UK driving licences)	15.00	15.00	**15.00**	**plus VAT**
- Badge Deposit (refundable)	6.00	6.00	**6.00**	
- Badge Replacement (previously in above)	8.00	8.00	**8.00**	

PRIVATE HIRE

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
- Vehicle Licence/Renewal (one year)	109.00	113.00	**113.00**	
- Plates Deposit (refundable)	13.00	13.00	**13.00**	
- Replacement Plate(s)	16.00	16.00	**16.00**	
-Test Certificate admin fee	16.50	17.00	**17.00**	
- Change of Vehicle/Operator/HV/Reg	68.00	70.00	**70.00**	
-Change of Owner (Previously in above)	48.00	46.00	**46.00**	
- Driver Licence (one year)	91.00	95.00	**95.00**	
- Driver Licence (three year)	187.00	195.00	**195.00**	
- Drivers Knowledge Test	36.00	37.00	**37.00**	
-DBS check (enhanced)	40.00	40.00	**40.00**	
-DBS check (standard)	23.00	23.00	**23.00**	
-DVLA Check	3.00	3.00	**3.00**	**plus VAT**
-DVLA Check - (Non UK driving licences)	15.00	15.00	**15.00**	**plus VAT**
- Badge Deposit (refundable)	6.00	6.00	**6.00**	
- Badge Replacement (previously in above)	8.00	8.00	**8.00**	
- Operators Licence (five years) 10 Vehicles or More	1,050.00	1,071.00	**1,071.00**	
- Operators Licence (five years) less than 10 Vehicles	335.00	347.00	**347.00**	

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
LICENCES AND CERTIFICATES				
Dangerous Wild Animals	448.00	488.00	**488.00**	
Dangerous Wild Animals Renewal	179.00	201.00	**201.00**	
Horse Registration Fee	60.00	62.00	**62.00**	
Sex Establishment New Licence Application Fee	489.00	504.00	**504.00**	
Sex Establishment New Licence Issue Fee	206.00	209.00	**209.00**	
Sex Establishment Renewal Application Fee	192.00	201.00	**201.00**	
Sex Establishment Renewal Issue Fee	179.00	186.00	**186.00**	
Sex Establishment Transfer Application Fee	82.00	85.00	**85.00**	
Sex Establishment Transfer Issue Fee	192.00	201.00	**201.00**	
Sex Establishment Variation Application Fee	325.00	349.00	**349.00**	
Sex Establishment Variation Issue Fee	27.00	31.00	**31.00**	
STREET TRADING				
Street Trading Consent - Initial Applicaction				
- Initial Administration Fee	297.00	318.00	**318.00**	
- Initial Annual Consent Fee	27.50	31.00	**31.00**	
Renewal Consent Fee				
- Renewable Annual Administation Fee	27.50	31.00	**31.00**	
- Renewable Annual Consent Fee	27.50	31.00	**31.00**	
ANIMAL ACTIVITIES LICENCE				
Animal Activities Licence	299.00	300.00	**300.00**	plus Vet Fees
Request Re-Inspection for Star Review	130.00	130.00	**130.00**	
Requesting Variation of the Licence	115.00	118.00	**118.00**	
Performing Animals Licence*	250.00	255.00	**255.00**	plus Vet Fees

* 10% Discount for Charities

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
LICENCES AND CERTIFICATES			
Scrap Metal Dealers & Motor Salvage Operators			
New Application	924.00	948.00	**948.00**
Site Renewal	694.00	743.00	**743.00**
Collectors Licence	261.00	271.00	**271.00**
Variations			
- Add New Site Manager (Existing within LA area)	10.50	10.50	**10.50**
- Add New Site Manager (Not Existing within LA area	69.00	69.00	**69.00**
- Remove Site Manager (Existing within LA area)	10.50	10.50	**10.50**
- Duplicate Licence	10.50	10.50	**10.50**
- Change of Trading Name	10.50	10.50	**10.50**
Remove a Site			
- Refund In Year 1**	304.00	284.00	**284.00**
- Refund In Year 2**	139.00	129.00	**129.00**
- In Year 3	15.00	15.00	**15.00**
Add a Site			
- In Year 1	508.00	511.00	**511.00**
- In Year 2	344.00	344.00	**344.00**
- In Year 3	179.00	201.00	**201.00**
Collectors Licence to Site Licence			
- In Year 1	567.00	630.00	**630.00**
- In Year 2	457.00	497.00	**497.00**
- In Year 3	347.00	351.00	**351.00**
Site Licence to Collectors Licence			
- Refund In Year 1**	43.00	13.00	**13.00**
- In Year 2**	121.00	142.00	**142.00**
- In Year 3	261.00	271.00	**271.00**
Surrender Collectors Licence			
- Refund In Year 1**	110.00	124.00	**124.00**
- Refund In Year 2**	55.00	62.00	**62.00**

**** This is a Refund**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
LICENCES AND CERTIFICATES			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £0 - £4,300	100.00	100.00	**100.00**
- NDRV £4,301 - £33,000	190.00	190.00	**190.00**
- NDRV £33,001 - £87,000	315.00	315.00	**315.00**
- NDRV £87,001 - £125,000	450.00	450.00	**450.00**
- NDRV £125,001 and over	635.00	635.00	**635.00**
Premises Licence - Annual			
- NDRV £0 - £4,300	70.00	70.00	**70.00**
- NDRV £4,301 - £33,000	180.00	180.00	**180.00**
- NDRV £33,001 - £87,000	295.00	295.00	**295.00**
- NDRV £87,001 - £125,000	320.00	320.00	**320.00**
- NDRV £125,001 and over	350.00	350.00	**350.00**
Premises Licence - Variation Fee in Transition			
- NDRV £0 - £4,300	20.00	20.00	**20.00**
- NDRV £4,301 - £33,000	60.00	60.00	**60.00**
- NDRV £33,001 - £87,000	80.00	80.00	**80.00**
- NDRV £87,001 - £125,000	100.00	100.00	**100.00**
- NDRV £125,001 and over	120.00	120.00	**120.00**
For premises used exclusively or primarily in the business of selling alcohol for consumption on the premises and within bands D & E - the following multiplier applies - Band D x 2, Band E x 3			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £87,001 - £125,000	900.00	900.00	**900.00**
- NDRV £125,001 and over	1,905.00	1,905.00	**1,905.00**
Premises Licence - Annual			
- NDRV £87,001 - £125,000	640.00	640.00	**640.00**
- NDRV £125,001 and over	1,050.00	1,050.00	**1,050.00**
Club Premises Certificates -Grant/Variation (Not change of name, alteration of club rules or registered address)			
- NDRV £0 - £4,300	100.00	100.00	**100.00**
- NDRV £4,301 - £33,000	190.00	190.00	**190.00**
- NDRV £33,001 - £87,000	315.00	315.00	**315.00**
- NDRV £87,001 - £125,000	450.00	450.00	**450.00**
- NDRV £125,001 and over	635.00	635.00	**635.00**
Club Premises Certificates - Annual			
- NDRV £0 - £4,300	70.00	70.00	**70.00**
- NDRV £4,301 - £33,000	180.00	180.00	**180.00**
- NDRV £33,001 - £87,000	295.00	295.00	**295.00**
- NDRV £87,001 - £125,000	320.00	320.00	**320.00**
- NDRV £125,001 and over	350.00	350.00	**350.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
LICENCES AND CERTIFICATES			
Copy of Licence/Certificate/Notice or Summary on theft or loss of:			
- Premises Licence or Summary	10.50	10.50	**10.50**
- Club Premises Certificate or Summary	10.50	10.50	**10.50**
- Personal Licence	10.50	10.50	**10.50**
- Temporary Events Notice	10.50	10.50	**10.50**
Change of name or address			
- Holder of Premises Licence	10.50	10.50	**10.50**
- Personal Licence	10.50	10.50	**10.50**
Change of name or alteration to club rules	10.50	10.50	**10.50**
Change of relevant registered address of club	10.50	10.50	**10.50**
Vary specific individual as premises supervisor	23.00	23.00	**23.00**
Transfer Premises Licence	23.00	23.00	**23.00**
Interim Authority Notice	23.00	23.00	**23.00**
Provisional Statement	315.00	315.00	**315.00**
Temporary Events Notice	21.00	21.00	**21.00**
Personal Licences			
- Grant/Renewal	37.00	37.00	**37.00**
Minor Variation of a Premises Licence/Club Premises Certificate	89.00	89.00	**89.00**
Notification of Interest	21.00	21.00	**21.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
GAMBLING ACT - PERMIT FEES			
FEC Gaming Machine -			
- Application Fee	300.00	300.00	**300.00**
- Renwal Fee	300.00	300.00	**300.00**
Prize Gaming -			
- Application Fee	300.00	300.00	**300.00**
- Renewal Fee	300.00	300.00	**300.00**
Alcohol Licences Premises - Notification of less than 2 Machines			
- Application Fee	50.00	50.00	**50.00**
Alcohol Licences Premises - More than 2 Machines			
- Application Fee	150.00	150.00	**150.00**
- Annual Fee	50.00	50.00	**50.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Gaming Permit -			
- Application Fee	200.00	200.00	**200.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	200.00	200.00	**200.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Gaming Machine Permit -			
- Application Fee	200.00	200.00	**200.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	200.00	200.00	**200.00**
- Transitional Application Fee	100.00	100.00	**100.00**
Club Fast-track for Gaming Permit or Gaming Machine Permit -			
- Application Fee	100.00	100.00	**100.00**
- Annual Fee	50.00	50.00	**50.00**
- Renewal Fee	100.00	100.00	**100.00**
- Transitional Application Fee			
Small Society Lottery Registration -			
- Application Fee	40.00	40.00	**40.00**
- Annual Fee	20.00	20.00	**20.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

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	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
GAMBLING ACT - PERMIT FEES cont.			
FEC Permits -			
- Change of Name	25.00	25.00	**25.00**
- Copy of Permit	15.00	15.00	**15.00**
Prize Gaming Permits -			
- Change of Name	25.00	25.00	**25.00**
- Copy of Permit	15.00	15.00	**15.00**
Alcohol Licences Premises - Notification of More than 2 Machines -			
- Change of Name	25.00	25.00	**25.00**
- Copy of permit	15.00	15.00	**15.00**
- Variation	100.00	100.00	**100.00**
- Transfer	25.00	25.00	**25.00**
Club Gaming Permit -			
- Copy of Permit	15.00	15.00	**15.00**
- Variation	100.00	100.00	**100.00**
Club Gaming Machine Permit			
- Copy of Permit	15.00	15.00	**15.00**
- Variation	100.00	100.00	**100.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
GAMBLING ACT - APPLICATION FEES			
Classes of Premises Licence -			
Regional Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	8,000.00	8,000.00	**8,000.00**
- Fee in respect of other premises	15,000.00	15,000.00	**15,000.00**
- Annual Fee	15,000.00	15,000.00	**15,000.00**
- Application to vary licence	7,500.00	7,500.00	**7,500.00**
- Application to transfer a licence	6,500.00	6,500.00	**6,500.00**
- Application for reinstatement of a licence	6,500.00	6,500.00	**6,500.00**
- Application for provisional statement	15,000.00	15,000.00	**15,000.00**
Large Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	5,000.00	5,000.00	**5,000.00**
- Fee in respect of other premises	10,000.00	10,000.00	**10,000.00**
- Annual Fee	10,000.00	10,000.00	**10,000.00**
- Application to vary licence	5,000.00	5,000.00	**5,000.00**
- Application to transfer a licence	2,150.00	2,150.00	**2,150.00**
- Application for reinstatement of a licence	2,150.00	2,150.00	**2,150.00**
- Application for provisional statement	10,000.00	10,000.00	**10,000.00**
Small Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	3,000.00	3,000.00	**3,000.00**
- Fee in respect of other premises	8,000.00	8,000.00	**8,000.00**
- Annual Fee	5,000.00	5,000.00	**5,000.00**
- Application to vary licence	4,000.00	4,000.00	**4,000.00**
- Application to transfer a licence	1,800.00	1,800.00	**1,800.00**
- Application for reinstatement of a licence	1,800.00	1,800.00	**1,800.00**
- Application for provisional statement	8,000.00	8,000.00	**8,000.00**
Converted Casino premises licence -			
- Annual Fee	3,000.00	3,000.00	**3,000.00**
- Application to vary licence	2,000.00	2,000.00	**2,000.00**
- Application to transfer a licence	1,350.00	1,350.00	**1,350.00**
- Application for reinstatement of a licence	1,350.00	1,350.00	**1,350.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

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	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
GAMBLING ACT - APPLICATION FEES			
Bingo Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	3,500.00	3,500.00	**3,500.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,750.00	1,750.00	**1,750.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	3,500.00	3,500.00	**3,500.00**
Adult Gaming centre Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	2,000.00	2,000.00	**2,000.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,000.00	1,000.00	**1,000.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	2,000.00	2,000.00	**2,000.00**
Betting premises (track) Licence -			
- Application Fee in respect of Provisional statement premises	950.00	950.00	**950.00**
- Fee in respect of other premises	2,500.00	2,500.00	**2,500.00**
- Annual Fee	1,000.00	1,000.00	**1,000.00**
- Application to vary licence	1,250.00	1,250.00	**1,250.00**
- Application to transfer a licence	950.00	950.00	**950.00**
- Application for reinstatement of a licence	950.00	950.00	**950.00**
- Application for provisional statement	2,500.00	2,500.00	**2,500.00**
Family Entertainment centre premises licence:			
- Application Fee in respect of Provisional statement premises	950.00	950.00	**950.00**
- Fee in respect of other premises	2,000.00	2,000.00	**2,000.00**
- Annual Fee	750.00	750.00	**750.00**
- Application to vary licence	1,000.00	1,000.00	**1,000.00**
- Application to transfer a licence	950.00	950.00	**950.00**
- Application for reinstatement of a licence	950.00	950.00	**950.00**
- Application for provisional statement	2,000.00	2,000.00	**2,000.00**

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**
GAMBLING ACT - APPLICATION FEES			
Betting premises (other) Licence			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	**1,200.00**
- Fee in respect of other premises	3,000.00	3,000.00	**3,000.00**
- Annual Fee	600.00	600.00	**600.00**
- Application to vary licence	1,500.00	1,500.00	**1,500.00**
- Application to transfer a licence	1,200.00	1,200.00	**1,200.00**
- Application for reinstatement of a licence	1,200.00	1,200.00	**1,200.00**
- Application for provisional statement	3,000.00	3,000.00	**3,000.00**
Change of Circumstance fee	50.00	50.00	**50.00**
Copy of Licence Fee	25.00	25.00	**25.00**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
INTERMENTS				
Child up to sixteen years	No Charge	No Charge	**No Charge**	
Person over sixteen years	1,140.00	1,175.00	**1,210.00**	
Preparation for Exhumation	2,130.00	2,195.00	**2,260.00**	
Grave Purchase (50 Year Lease)**	1,110.00	1,145.00	**1,180.00**	
Grave Purchase (Baby)	290.00	300.00	**310.00**	
Interments of cremated remains:				
- From Lincoln Crematorium*	85.00	88.00	**90.00**	
- From Other Crematorium*	115.00	120.00	**125.00**	
Preparation for Exhumation of Ashes	300.00	310.00	**320.00**	
Cremation Plot Purchase	290.00	300.00	**310.00**	
Body Parts/blocks/slides*	74.00	76.00	**78.00**	

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
MONUMENTS, GRAVE STONES, TABLETS & INSCRIPTIONS				
Monumental Mason Headstone	115.00	118.00	**120.00**	**inc VAT**
MISCELLANEOUS				
Levelling and re-turfing of graves	49.00	50.00	**51.00**	**inc VAT**
Burial records search fee where appropriate	6.00	6.00	**6.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
INTERMENTS			
Child up to sixteen years	No Charge	No Charge	**No Charge**
Person over sixteen years			
- Resident	740.00	760.00	**780.00**
- Non-resident	1,480.00	1,520.00	**1,560.00**
Interments of cremated remains			
- From Lincoln Crematorium *	100.00	105.00	**110.00**
- From Other Crematorium *	125.00	130.00	**135.00**
PURCHASE OF GRAVE PLOT			
Grave Purchase (50 Year Lease) **			
- Resident	640.00	660.00	**680.00**
- Non-resident	1,280.00	1,320.00	**1,360.00**
Grave Purchase (Baby)			
- Resident	155.00	160.00	**165.00**
- Non-resident	310.00	320.00	**330.00**
Cremation Plot Purchase			
- Resident	155.00	160.00	**165.00**
- Non-resident	310.00	320.00	**330.00**

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

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
CREMATION FEES				
Body Parts/Slides/Blocks	80.00	83.00	**85.00**	
Child up to sixteen years	No Charge	No Charge	**No Charge**	
Person over sixteen years	780.00	805.00	**830.00**	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Charge for non-city residents :				
Person over sixteen years	780.00	805.00	**830.00**	
(Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)				
Service Extension (20 min period)	180.00	185.00	**190.00**	
MEMORIALS AND INSCRIPTIONS				
Book of Remembrance				
2 Lines	95.00	100.00	**105.00**	**inc VAT**
5 Lines	125.00	131.00	**135.00**	**inc VAT**
8 Lines	155.00	160.00	**165.00**	**inc VAT**
Miniature Books				
2 Lines	105.00	110.00	**115.00**	**inc VAT**
5 Lines	115.00	120.00	**125.00**	**inc VAT**
8 lines	130.00	135.00	**140.00**	**inc VAT**
Remembrance cards				
2 Lines	65.00	67.00	**70.00**	**inc VAT**
5 Lines	75.00	77.00	**80.00**	**inc VAT**
8 Lines	90.00	93.00	**95.00**	**inc VAT**
Additional lines to existing books and cards per line	18.50	19.00	**19.60**	**inc VAT**
MISCELLANEOUS CHARGES				
- Caskets	55.00	57.00	**59.00**	
- Extract from Register of Cremations	12.00	12.00	**12.00**	
Memorial Service (when space available)	360.00	370.00	**380.00**	
DEPOSIT OF ASHES				
- Temporary deposit of ashes per month after one month	15.00	16.00	**16.50**	
- For burying of ashes in Garden of Remembrance where cremation carried out at other crematorium	95.00	100.00	**103.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
MEMORIAL GARDEN				
Wall Tablet (10 year lease)	233.33	241.66	**250.00**	**plus VAT**
Bench Tablet (10 year lease)	325.00	333.33	**341.67**	**plus VAT**
Kerb Tablet (10 year lease)	350.00	358.33	**366.67**	**plus VAT**
Vault Tablet (20 year lease)	791.67	800.00	**816.67**	**plus VAT**
Designer images on plaques - from	116.66	120.83	**125.00**	**plus VAT**
Ceramic Photo Plaques				
4cm x 3cm	108.33	112.50	**116.67**	**plus VAT**
7cm x 5cm	150.00	154.17	**158.33**	**plus VAT**
Renewal of Wall Tablet (10 year lease)			**150.00**	**plus VAT**
Renewal of Bench Tablet (10 year lease)			**233.33**	**plus VAT**
Renewal of Kerb Tablet (10 year lease)			**250.00**	**plus VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
BREAVEMENT SERVICES				
Witnessed burial in the Garden of Remembrance	30.00	31.00	**32.00**	
Direct Cremation Service	595.00	480.00	**495.00**	
Change of fees for a memorial permit to make it a clear price	115.00	118.00	**120.00**	
WESLEY SYSTEM				
Audio recording supplied on CD - 1st Copy	58.00	60.00	**62.00**	**inc VAT**
Audio recording supplied on CD - subsequent copies	28.00	29.00	**30.00**	**inc VAT**
Video recording supplied on DVD - 1st copy	58.00	60.00	**62.00**	**inc VAT**
Video recording supplied on DVD - subsequent copies	28.00	29.00	**30.00**	**inc VAT**
Video recording supplied on download			**30.00**	**inc VAT**
VISUAL TRIBUTES				
Visual tribute - 1 photograph	24.00	25.00	**26.00**	**inc VAT**
Visual tribute - 2-5 photographs	34.00	35.00	**36.00**	**inc VAT**
Visual tribute - 6-10 photographs	45.00	46.00	**47.00**	**inc VAT**
Visual tribute – 10+ photographs subsequent per photograph)	2.50	3.00	**3.00**	**inc VAT**
Video tribute - up to 2 minutes	34.00	35.00	**36.00**	**inc VAT**
Video tribute - over 2 minutes to 5 minutes	45.00	46.00	**47.00**	**inc VAT**
DVD containing the tribute - 1st copy	34.00	35.00	**36.00**	**inc VAT**
DVD containing the tribute - subsequent copies	28.00	29.00	**30.00**	**inc VAT**
Tribute embedded into video of the service	78.00	80.00	**82.00**	**inc VAT**
WEBCASTING				
Webcasting of Service	58.00	60.00	**62.00**	**inc VAT**
MEMORIAL TREE				
Memorial Leaf (Name Only)*	150.00	155.00	**162.50**	**plus VAT**
Memorial Leaf (Name & Inscription)*	175.00	180.00	**187.50**	**plus VAT**

*Subject to a 10 year lease

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**
LICENCES, CERTIFICATES AND AUTHORISATIONS			
Food Certificates			
- Condemned food	42.80	44.10	**45.40**
(No charge for single items)			
- Consignments for Export	68.60	77.70	**80.00**
Authorisations *- Prescribed Processes (All subject to notification by DEFRA) :			
- Application Fees			
- Standard	1,579.00	1,579.00	**1,579.00**
- Additional Fee for Operating without a Permit	1,137.00	1,137.00	**1,137.00**
- PVRI, SWOB's and Dry Cleaners	148.00	148.00	**148.00**
- PVR Combinded I & II	246.00	246.00	**246.00**
- VR & other Reduced Fee Activities	346.00	346.00	**346.00**
- RFA Additional Fee for no Permit	68.00	68.00	**68.00**
- Mobile Plant **	1,579.00	1,579.00	**1,579.00**
- for 3rd to 7th Applications	943.00	943.00	**943.00**
- for 8th & Subsequent Applications	477.00	477.00	**477.00**
Where an Application for any of the above is for a combined Part B and Waste Application add extra £297 to Amount shown			
- Subsistence charges			
- Standard - Low	739.00	739.00	**739.00**
- Standard - Med	1,111.00	1,111.00	**1,111.00**
- Standard - High	1,672.00	1,672.00	**1,672.00**
- PVRI, SWOB's and Dry Cleaners Low	76.00	76.00	**76.00**
- PVRI, SWOB's and Dry Cleaners Med	151.00	151.00	**151.00**
- PVRI, SWOB's and Dry Cleaners High	227.00	227.00	**227.00**
- PVR I & II Combined Low	108.00	108.00	**108.00**
- PVR I & II Combined Med	216.00	216.00	**216.00**
- PVR I & II Combined High	326.00	326.00	**326.00**
- VRs & other Reduced Fees Low	218.00	218.00	**218.00**
- VRs & other Reduced Fees Med	349.00	349.00	**349.00**
- VRs & other Reduced Fees High	524.00	524.00	**524.00**
- Mobile Plants for 1st & 2nd Permits Low **	618.00	618.00	**618.00**
- Mobile Plants for 1st & 2nd Permits Med **	989.00	989.00	**989.00**
- Mobile Plants for 1st & 2nd Permits High **	1,484.00	1,484.00	**1,484.00**
- For the 3rd to 7th Permits Low	368.00	368.00	**368.00**
- For the 3rd to 7th Permits Med	590.00	590.00	**590.00**
- For the 3rd to 7th Permits High	884.00	884.00	**884.00**
- For the 8th and Subsequent Permits Low	189.00	189.00	**189.00**
- For the 8th and Subsequent Permits Med	302.00	302.00	**302.00**
- For the 8th and Subsequent Permits High	453.00	453.00	**453.00**
- Late Payment Fee	50.00	50.00	**50.00**

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

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
LICENCES, CERTIFICATES AND AUTHORISATIONS				
- Transfer & Surrender				
- Standard Process Transfer	162.00	162.00	**162.00**	
- Standard Process Partial Transfer	476.00	476.00	**476.00**	
- New Operator - Low risk Fee	75.00	75.00	**75.00**	
- Reduced Fee Activities Partial Transfer	45.00	45.00	**45.00**	
- Temporary Transfer for Mobiles				
- First Transfer	51.00	51.00	**51.00**	
- Repeat following Enforcement or Warning	51.00	51.00	**51.00**	
- Substantial Change				
- Standard Process	1,005.00	1,005.00	**1,005.00**	
- Standard Process where result in a new PPC Activity	1,579.00	1,579.00	**1,579.00**	
- Reduced Fee Activities	98.00	98.00	**98.00**	
Local Government Misc Provisions- Skin Piercers (including Tattooing & Acupuncture)				
- Premises	164.90	169.90	**175.00**	
- Persons	31.60	32.60	**34.00**	
Re-issue of Skin Piercers Registration Certificate	15.00	15.50	**16.00**	

* 10% discount for registered charities

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
PUBLIC CONVENIENICES				
Castle Hill	0.20	0.20	**0.20**	
Tentercroft Street	0.20	0.20	**0.20**	
Westgate	0.20	0.20	**0.20**	
Bus Station	0.20	0.20	**0.20**	
Lucy Tower	0.20	0.20	**0.20**	
E-Access Card	5.00	5.00	**5.00**	**inc VAT**

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
Dogs :				
- Penalty for Strays *(Set by EPA & charged on 2nd continuing offence.)	25.00	25.00	**25.00**	
- Housing of Strays (Kennel fee per day) (Cost + Handling Charge)	12.40	12.80	**13.20**	**inc VAT**
- Acceptance of, for Destruction	83.40	85.90	**88.50**	

OTHER

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
Provision of Information				
- Photograph (Each additional photo £1.30)	14.00	14.40	**14.80**	**inc VAT**
- Documents	12.70	13.10	**13.50**	**inc VAT**
- Factual Statement & Report of Investigations	139.30	143.50	**147.80**	**inc VAT**
- Food Safety Act Register (25 entries or part)	4.80	5.00	**5.20**	**inc VAT**
- Information on Former Use of Land (Charge per hour, or part thereof)	84.80	87.40	**90.00**	
- Provision of Information - Outstanding Notices Administration Charge	42.40	43.70	**45.00**	
- Default Works (incl Intruder Alarm Disconnection)	Cost + 10%	Cost + 10%	**Cost + 10%**	
Safer Food Better Business Management System	6.50	6.70	**7.00**	
Safer Food Better Business Daily Diary	4.50	4.70	**5.00**	
Re-inspection of Food Business	154.50	155.00	**160.00**	
- Graffiti Busting per hour	43.50	45.00	**46.40**	**plus VAT**

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

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
ENFORCEMENT OFFICER				
Fixed Penalty Notices				
- Littering*	75.00	75.00	**75.00**	
- Dog Fouling	50.00	50.00	**50.00**	
- Breach of Community Protection*	75.00	75.00	**75.00**	
- Breach of a Public Space Protection Order*	75.00	75.00	**75.00**	
- Breach of S46 Notice (Presentation of Waste)*	75.00	75.00	**75.00**	
*** Discount of £25 given if paid within 10 days of receiving the fine**				
GREEN WASTE				
Green Waste Bin Collection				
- Annual Fee	39.00	39.00	**39.00**	
- Additional Bin	15.00	15.00	**15.00**	
- Delivery Fee	15.00	15.00	**15.00**	
DEVELOPER BIN CHARGES				
Charges per bin				
- 140 Litre Bin	22.00	22.70	**23.40**	**plus VAT**
- 240 Litre Bin	26.00	26.80	**27.60**	**plus VAT**
- Communal Bin (Usually 660l or 1100l)	149.00	153.50	**158.10**	**plus VAT**
- Delivery Charge	10.00	10.30	**10.60**	**plus VAT**
Admin Charge		**10% of total charge**	**10% of total charge**	

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HOUSING- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
HOUSING ADVANCES				
- Second mortgage enquiry fee	104.40	107.50	**110.70**	**inc VAT**
- Transfer of mortgage fee	155.30	160.00	**164.80**	
- Business rate enquiry fee	33.80	34.80	**35.80**	
- Council Tax enquiry fee	26.70	27.50	**28.30**	
- Right to Buy leaseholders repair loan	202.60	208.70	**215.00**	
HOUSES IN MULTIPLE OCCUPATION				
Premises Licence Fee*				
- Basic (up to 5 Bedrooms)	875.50	900.00	**927.00**	
- 6 to 10 Bedrooms	Basic + 10%	Basic + 10%	**Basic + 10%**	
- 11 to 15 Bedrooms	Basic + 20%	Basic + 20%	**Basic + 20%**	
- 16 to 20 Bedrooms	Basic + 30%	Basic + 30%	**Basic + 30%**	
- For every 5, or part thereof, over 20	Additional 10%	Additional 10%	**Additional 10%**	
Variation to Licence				
Trusted Landlord Scheme Discount (must be accredited on the date of the completed application)	**35% of Basic**	**35% of Basic**	**35% of Basic**	

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

GARAGES				
Garage transfer fees	21.90	22.60	**23.30**	**inc VAT**
Garage sites	77.70	80.00	**82.40**	**inc VAT**
Garage access fees	77.70	80.00	**82.40**	**inc VAT**

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

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

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

HOUSING- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
SUPPORTED HOUSING				
Community Alarms Service	155.00	155.00	**160.00**	
SHELTERED ACCOMMODATION				
Service charges, per rent week (50 weeks) - residents :				
- 1 person flat				
Derek Miller Ct	8.80	9.10	**9.40**	
St.Botolphs	8.80	9.10	**9.40**	
- 2 person flat				
Derek Miller Ct	12.50	12.90	**13.30**	
St.Botolphs	12.50	12.90	**13.30**	
- Electricity				
Derek Miller Court (only)	4.30	4.40	**4.50**	
Service charges, per rent week (50 weeks) - wardens :				
- 2 bed accommodation	10.00	10.30	**10.60**	
- 3 bed accommodation				
Lenton Green	12.10	12.50	**12.90**	
Others	11.90	12.30	**12.70**	
Concessionary TV Licences	7.50	7.50	**7.50**	
Next Steps Accommodation Programme (NSAP) – Service Charge			**£5,670****	
Rough Sleeping Accommodation Programme (RSAP) – Service Charge			**£5,670****	
MISCELLANEOUS				
Additional keys for door entry	14.00	14.40	**14.80**	**inc VAT**
Building Society enquiry fees	83.30	85.80	**88.40**	**inc VAT**

****The charge will vary up/down depending on the property value at time of acquitison**

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LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
ALLOTMENTS				
Standard rent for allotment				
51 to 100 sq yards	31.80	47.70	49.10	
101 to 150 sq yards	33.60	50.40	51.90	
151 to 200 sq yards	35.50	53.30	54.90	
201 to 250 sq yards	37.40	56.10	57.80	
251 to 300 sq yards	39.10	58.70	60.50	
301 to 350 sq tards	41.00	61.50	63.40	
351 to 400 sq yards	43.10	64.70	66.60	
401 to 450 sq yards	44.80	67.20	69.20	
451 to 500 sq yards	46.60	69.90	72.00	
501 to 550 sq yards	48.50	72.80	75.00	
551 to 600 sq yards	50.30	75.50	77.80	
601 to 650 sq yards	52.20	78.30	80.70	
651 to 700 sq yards	54.30	81.50	84.00	
701 to 750 sq yards	56.00	84.00	86.50	
751 to 800 sq yards	57.70	86.60	89.20	
801 to 850 sq yards	59.70	89.60	92.30	
851 to 900 sq yards	61.60	92.40	95.20	
901to 950 sq yards	63.50	95.30	98.20	
951 to 1000 sq yards	65.30	98.00	100.90	
Water supply to allotment				
- minimum charge	20.30	20.90	21.50	
Garage site				
- Rents and access charge	43.10	44.40	45.70	**inc. VAT**
Discounts				
6 - 10 allotments	10%	10%	**10%**	
11+ allotments	20%	20%	**20%**	
Means tested benefits	50%	50%	**50%**	
Pensioners	50%	-	-	

CONDITIONS

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

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
ALL CENTRES				
Room Hire (per hour)				
- Main Hall/Weighing Room				
Commercial	19.90	20.50	**21.00**	
Standard	15.90	16.40	**17.00**	
Supported	7.90	8.10	**9.00**	
- Small Meeting Rooms				
Commercial	10.40	10.70	**11.00**	
Standard	6.60	6.80	**7.00**	
Supported	3.90	4.00	**4.50**	
- Large Meeting Rooms				
Commercial	16.40	16.90	**17.50**	
Standard	13.10	13.50	**14.00**	
Supported	7.70	7.90	**8.50**	
Surcharge after 11pm	100%	100%	**100%**	
Projector/Screen Hire				
- Per Hour	5.00	5.00	**5.00**	
- Per day	25.00	25.00	**25.00**	
Service Charge (Caretaker fee)	Cost	Cost	**Cost**	**plus VAT**
Surcharge after 11pm (Caretaker	Cost	Cost	**Cost**	**plus VAT**
Call out recharges	Cost	Cost	**Cost**	**plus VAT**
Additional Cleaning	Cost	Cost	**Cost**	**plus VAT**
Flip chart hire/paper			**5.00**	
Other Charges				
Activities (per hour)				
- Badminton per court	9.10	9.40	**10.00**	**inc VAT**
- Table Tennis per table	3.90	4.00	**5.00**	**inc VAT**
- Carpet Bowls per carpet	5.60	5.80	**6.00**	**inc VAT**
- Booking Fee**	5.60	5.00	**5.00**	
- Amendment Fee	3.30	3.00	**3.00**	
- PRS	Cost + 50%	Cost + 50%	**Cost + 50%**	

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

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
COMMONS				
- Impounding of Horses on City Commons	Contract Price + 15%	Contract Price + 15	**Contract Price + 15%**	**plus VAT**
RECREATION GROUNDS				
- Cricket, pitch and accommodation				
Weekend match				
Adult teams	35.30	38.80	**41.50**	**inc VAT**
Youth teams	20.30	22.30	**24.00**	**inc VAT**
Weekday match (evening)				
Adult teams	23.90	26.20	**28.00**	**inc VAT**
Youth teams	17.10	18.80	**20.00**	**inc VAT**
- Rounders (Per pitch Per match)	Cost	Cost	**Cost**	**plus VAT**

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

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
RECREATION GROUNDS				
- Football (per pitch)				
Per game with attended changing facilities				
Adult teams	60.00	66.00	**70.00**	**inc VAT**
Youth teams	30.00	33.00	**35.00**	**inc VAT**
Junior Pitches	25.00	27.60	**29.50**	**inc VAT**
Mini Pitches	15.00	16.60	**17.50**	**inc VAT**
Per game for keyholders (Skellingthorpe Rd and King George's Field)				
Adult teams	50.00	55.00	**58.50**	**inc VAT**
Youth teams	25.00	28.60	**30.50**	**inc VAT**
Junior Pitches	20.00	22.00	**23.50**	**inc VAT**
Per season (16 Bookings**) with attended changing facilities				
Adult teams	450.00	495.00	**524.50**	
Youth teams	220.00	242.00	**256.50**	
Junior Pitches	165.00	181.60	**192.50**	
Mini Pitches	120.00	132.00	**140.00**	
Per season (16 Bookings*) for key holders (Skellingthorpe Rd and King George's Field)				
Adult teams	350.00	385.00	**408.00**	
Youth teams	175.00	192.60	**204.00**	
Junior Pitches	125.00	137.60	**146.00**	
Mini Pitches	75.00	82.60	**87.50**	
Additional Cleaning	Cost	Cost	**Cost**	**plus VAT**

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

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
Conference / Meeting Room				
Tenants (Inc Post Box Holders) - **SEE FOOTNOTE BELOW**				
Per Hour	15.00	15.50	**15.50**	**excl VAT**
Per ½ Day	45.00	46.40	**46.40**	**excl VAT**
Per Day	80.00	82.40	**82.40**	**excl VAT**
Non Tenants				
Per Hour	30.00	30.90	**30.90**	**excl VAT**
Per ½ Day	90.00	92.70	**92.70**	**excl VAT**
Per Day	160.00	164.80	**164.80**	**excl VAT**
Projector/Lap Top available at additional cost of £5 per hour or £25 per day				
Faxing (Per Page)				
Inward / Outward	0.50	0.50	**0.50**	**excl VAT**
Overseas	1.00	1.00	**1.00**	**excl VAT**
- Laminating				
A4 (Per Sheet)	1.30	1.30	**1.30**	**excl VAT**
A3 (Per Sheet)	2.15	2.15	**2.15**	**excl VAT**
Photocopying (Per Sheet)				
A4 Paper	0.10	0.10	**0.10**	**excl VAT**
A3 Paper	0.15	0.15	**0.15**	**excl VAT**
A4 Paper - Coloured	0.50	0.50	**0.50**	**excl VAT**
A3 Paper - Coloured	1.00	1.00	**1.00**	**excl VAT**
Bulk Copying (50+)				
Own Paper	0.05	0.05	**0.05**	**excl VAT**
Telephone Answering Service				
Monthly Rate	14.50	15.00	**15.00**	**excl VAT**
Price is based on a calendar month and is exclusive to VAT.				
- Virtual Mailbox				
Annual	295.00	304.00	**304.00**	**excl VAT**
Replacement keys				
Unit Key				
Security Access Key	11.50	11.50	**11.50**	**excl VAT**

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	PROPOSED 2023/24 £	
HARTSHOLME COUNTRY PARK					
- Overnight stay, incl use of showers (per night)					
Standard non-electric price for a pitch in the tent only area (apart from backpack tent).					
- High Season *	18.00	18.50	**19.00**	**19.60**	**inc VAT**
- Low Season	16.00	16.50	**17.00**	**17.50**	**inc VAT**
Electric included in pitch price for all other pitches					
Four berth caravan, motorhome or tent and car					
- High Season *	20.50	21.00	**21.50**	**22.00**	**inc VAT**
- Low Season	18.50	19.00	**19.50**	**20.00**	**inc VAT**
Dogs (each per stay)	1.00	1.00	**1.00**	**1.00**	**inc VAT**
Backpack Tent	12.00	12.50	**13.00**	**13.50**	**inc VAT**
Overflow Pitch	10.00	10.50	**11.00**	**12.00**	**inc VAT**
Camping Pod Single Night	40.00	40.00	**41.00**	**42.00**	**inc VAT**
Camping Pod 2 nights or more	35.00	35.00	**36.00**	**37.00**	**inc VAT**
Camping Pod Christmas Market	50.00	50.00	**50.00**	**50.00**	**inc VAT**
Non-refundable deposit - (included within price)					
Bank Holiday Weekends only					
Single night	10.00	10.00	**10.00**	**10.00**	**inc VAT**
Two or more nights	20.00	25.00	**25.00**	**25.00**	**inc VAT**
Full Awning	3.00	3.00	**3.00**	**3.00**	**inc VAT**
Additional Adult	3.00	3.00	**3.00**	**3.00**	**inc VAT**
Additional Car parking	3.00	3.00	**3.00**	**3.00**	**inc VAT**
- Christmas Market period, per pitch *					
Non-refundable deposit - (included within price)					
Two - four nights	25.00	25.00	**25.00**	**30.00**	**inc VAT**
With electric hook-up					
Single night Thur/Fri/Sat	31.00	31.00	**31.00**	**31.00**	**inc VAT**
Five nights	135.00	135.00	**135.00**	**137.00**	**inc VAT**
Single night Wed/Sun	26.00	26.00	**26.00**	**27.00**	**inc VAT**

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

- Activity/Visit (tier 1)					
Per Person	3.50	3.50	**3.50**	**3.60**	**inc VAT**
Group of 30 (can be broken down into £40 per hour)	82.00	84.00	**86.50**	**100.00**	**inc VAT**
- Activity/Visit (tier 2) (Rangers Club per activity)	5.00	5.00	**5.50**	**5.70**	**inc VAT**
- Hire of Activity Box	25.00	25.00	**26.00**	**30.00**	**inc VAT**
- Wreath Making	25.00	25.00	**26.00**	**30.00**	**inc VAT**
- Willow Weaving	25.00	25.00	**26.00**	**30.00**	**inc VAT**
- Meeting Room	10.00	10.00	**10.50**	**15.00**	**inc VAT**

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2022 - 31/03/2023 APPENDIX 7

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
- Lucy Tower Street				
1 hour	1.60	1.80	**1.80**	**inc VAT**
2 hours	3.20	3.40	**3.50**	**inc VAT**
3 hours	4.80	5.00	**5.00**	**inc VAT**
4 hours	6.20	6.40	**6.50**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.80	4.00	**4.00**	**inc VAT**
- City Hall (Season Tickets Prohibited)				
1 hour	1.60	1.80	**1.80**	**inc VAT**
2 hours	3.20	3.40	**3.50**	**inc VAT**
3 hours	4.80	5.00	**5.00**	**inc VAT**
4 hours	6.20	6.40	**6.50**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.80	4.00	**4.00**	**inc VAT**
- Motherby Lane (Season Tickets Prohibited)				
1 hour	1.60	1.80	**1.80**	**inc VAT**
2 hours	3.20	3.40	**3.50**	**inc VAT**
3 hours	4.80	5.00	**5.00**	**inc VAT**
4 hours	6.20	6.40	**6.50**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.80	4.00	**4.00**	**inc VAT**
- Flaxengate				
1 hour	1.60	1.80	**1.80**	**inc VAT**
2 hours	3.20	3.40	**3.50**	**inc VAT**
3 hours	4.80	5.00	**5.00**	**inc VAT**
4 hours	6.20	6.40	**6.50**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.80	4.00	**4.00**	**inc VAT**
- Tentercroft Street				
1 hour	1.60	1.80	**1.80**	**inc VAT**
2 hours	3.20	3.40	**3.50**	**inc VAT**
3 hours	4.80	5.00	**5.00**	**inc VAT**
4 hours	6.20	6.40	**6.50**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.80	4.00	**4.00**	**inc VAT**
- Lincoln Central Car Park				
1 hour	1.60	1.80	**1.80**	**inc VAT**
2 hours	3.20	3.40	**3.50**	**inc VAT**
3 hours	4.80	5.00	**5.00**	**inc VAT**
4 hours	6.20	6.40	**6.50**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.50	**8.50**	**inc VAT**
Evening Charge	3.80	4.00	**4.00**	**inc VAT**
- Castle (Season Tickets Prohibited)				
1 hour	1.80	1.90	**1.90**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	5.00	5.20	**5.50**	**inc VAT**
4 hours	6.00	6.00	**6.20**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.80	**9.00**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
- Westgate (Season Tickets Prohibited)				
1 hour	1.80	1.90	**1.90**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	5.00	5.20	**5.50**	**inc VAT**
4 hours	6.00	6.00	**6.20**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.80	**9.00**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- The Lawn Complex				
1 hour	1.80	1.90	**1.90**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	5.00	5.20	**5.50**	**inc VAT**
4 hours	6.00	6.00	**6.20**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.80	**9.00**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- Langworthgate				
1 hour	1.80	1.90	**1.90**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	5.00	5.20	**5.50**	**inc VAT**
4 hours	6.00	6.00	**6.20**	**inc VAT**
Over 4 hours and up to 8am next day	8.50	8.80	**9.00**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- St Pauls (Season Tickets Prohibited)				
1 hour	1.80	1.90	**1.90**	**inc VAT**
2 hours	3.00	3.20	**3.20**	**inc VAT**
3 hours	5.00	5.20	**5.50**	**inc VAT**
Evening Charge	3.50	3.80	**4.00**	**inc VAT**
- Broadgate				
1 hour	1.50	1.50	**1.60**	**inc VAT**
2 hours	2.80	3.00	**3.00**	**inc VAT**
3 hours	4.20	4.30	**4.50**	**inc VAT**
Over 4 hours and up to 8am next day	6.00	6.00	**6.00**	**inc VAT**
Evening Charge	2.80	2.80	**3.00**	**inc VAT**
- Chaplin Street				
1 hour	1.50	1.50	**1.60**	**inc VAT**
2 hours	2.80	3.00	**3.00**	**inc VAT**
3 hours	4.20	4.30	**4.50**	**inc VAT**
Over 4 hours and up to 8am next day	6.00	6.00	**6.00**	**inc VAT**
Evening Charge	2.80	2.80	**3.00**	**inc VAT**
- Rosemary Lane (Season Tickets Prohibited)				
1 hour	1.50	1.50	**1.60**	**inc VAT**
2 hours	2.80	3.00	**3.00**	**inc VAT**
3 hours	4.20	4.30	**4.50**	**inc VAT**
Over 4 hours and up to 8am next day	6.00	6.00	**6.00**	**inc VAT**
Evening Charge	2.80	2.80	**3.00**	**inc VAT**
- Weekend/Bank Holiday				
Up to 2 Hours	2.50	2.80	**3.00**	**inc VAT**
24 hours	4.00	4.00	**4.50**	**inc VAT**
Evening Charge	2.80	2.80	**3.00**	**inc VAT**

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
OTHER				
- Car Park Evening Permit	97.50	100.00	**103.00**	**inc VAT**
- 7 Day Scratch Cards	44.00	45.00	**45.00**	**inc VAT**
- Evening Scratch Card (All sites)	25.00	25.00	**25.00**	**inc VAT**
- Hampton/Hermit Street Compound	139.00	145.00	**149.00**	**inc VAT**
- Motorcycle parking where available	2.50	2.50	**2.50**	**inc VAT**

Additional Information:

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

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

Special Offer Tariffs

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

SCHOOL'S OUT
(Rosemary Lane Only) £4 all day during the months of July and August

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

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
OTHER				
- Season Tickets and Excess Charge Notices				
Annual (Valid for Broadgate, Lawn, King/Chaplin St/Langworthgate)				
Monday to Sunday	985.50	985.50	**1,020.00**	**inc VAT**
Monthly (Valid for Broadgate, Lawn, King/Chaplin St, Langworthgate)				
Monday to Sunday	83.30	83.30	**90.00**	**inc VAT**
Annual Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	1,251.70	1,251.70	**1,300.00**	**inc VAT**
Monthly Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	108.20	108.20	**115.00**	**inc VAT**
Lucy Tower St Long Stay Corporate User				
City Council staff (60 max)	907.20	907.20	**951.00**	**inc VAT**
County Council staff (40 max)	907.20	907.20	**951.00**	**inc VAT**
Corporate User, 100+ tickets				
Broadgate, King St/Chaplin St, Langworthgate and City Council staff	742.80	742.80	**771.00**	**inc VAT**
School Drop Off Pass				
Per Term		105.00	**105.00**	**inc VAT**
All 3 Terms		299.00	**299.00**	**inc VAT**
Admin Charge on Refunds	15.00	15.00	**15.00**	**inc VAT**
Replacement of Lost/Stolen Tkts	10.00	10.00	**10.00**	**inc VAT**
- Higher rate PCN contravention	70.00	70.00	**70.00**	**inc VAT**
- Higher rate PCN contravention - Discount	35.00	35.00	**35.00**	**inc VAT**
- Lower rate PCN contravention	50.00	50.00	**50.00**	**inc VAT**
- Lower rate PCN contravention - Discount	25.00	25.00	**25.00**	**inc VAT**

Discount only applies if PCN is paid within 14 days

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

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
CITY BUS STATION				
- Departure Fees :				
Notified timetable departures				
Departures over 100,000	0.79	0.82	**0.85**	**inc VAT**
Departures under 100,000	0.79	0.82	**0.85**	**inc VAT**
- Layover Bay Per Bay Per Quarter :	1,041.00	1,072.20	**1,115.00**	**inc VAT**
RESIDENTS PARKING SCHEMES				
- Private Residents				
1st permit	26.00	26.00	**26.00**	*
2nd permits	52.00	52.00	**52.00**	*
- Houses in Multiple Occupation (HIMO)				
max. of 2 per dwelling (each)	52.00	52.00	**52.00**	*
- Residents Parking Concessions				
permit (each)	No Charge	No Charge	No Charge	
- Business Permits				
max. of 2 per business (only issued to businesses in the residents parking zones with no off-street parking)	52.00	52.00	**52.00**	*
- Business Permits (Support Agencies)	70.00	70.00	**70.00**	*
- Daily Visitor Permits				
per 10	17.00	17.00	**17.00**	*
- Replacement Permits				
Change of vehicle registration	5.00	5.00	**5.00**	*
Damaged or lost	5.00	5.00	**5.00**	*
- Emissions Permit				
Low Emissions 1st Permit	13.00	13.00	**13.00**	
Low Emissions Subsequent Permit	26.00	26.00	**26.00**	
- Administration Charge on Refunds	5.00	5.00	**5.00**	

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

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

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
Research and Supply of Information/Questions and Answers (per item)	44.60	46.00	47.40	inc VAT
Copies of Approvals, Permissions and associated documents (per item and electronic)				
Microfiche	30.00	95.00	95.00	inc VAT
Standard Copy	4.60	-	-	plus VAT
Visit to site to check buildings erected in accordance with Permission				
- minimum charge	95.50	98.40	101.40	inc VAT
- or per property	26.60	27.40	28.20	inc VAT
Checking compliance with planning permission and/or legal agreement				
- minimum charge	68.50	70.60	72.70	inc VAT
- or per property	17.50	18.00	18.50	inc VAT
Advertisements erected in accordance with Advertisement Consent	48.80	50.30	51.80	inc VAT
Supply of Technical Information/Site visit reports	Cost+25%	Cost+25%	Cost+25%	inc VAT
Photocopies (per A4 sheet)	2.10	-	-	
Copies of Plans				
A4	2.10	2.20	2.30	
A3	3.90	4.00	4.10	
A2	10.20	10.50	10.80	
A1	10.20	10.50	10.80	
A0	10.20	10.50	10.80	
Document & Advice notes	Cost+25%	Cost+25%	Cost+25%	

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

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**	
Local Authority Land Charges				
- Standard Search Fees				
LLC1 only	19.60	20.20	20.80	
Con.29R	120.40	125.00	128.80	inc VAT
- Con. 29R individual questions				
Administration Fee	10.00	10.00	10.30	inc VAT
Question 3.5	2.90	3.00	3.10	inc VAT
Question 3.7 a	4.80	5.00	5.20	inc VAT
Question 3.7 b, c, f	4.80	5.00	5.20	inc VAT
Question 3.7 d	4.80	5.00	5.20	inc VAT
Question 3.8	3.50	3.60	3.70	inc VAT
Question 3.12	2.90	3.00	3.10	inc VAT
Question 3.13	2.90	3.00	3.10	inc VAT
- Part II enquiries	23.60	25.00	25.80	inc VAT
- Solicitors own enquiries	21.60	22.00	22.70	inc VAT
- Extra parcel of land	21.60	22.00	22.70	inc VAT
- Personal Search (Statutory)				
Street Naming and Numbering				
Issue/Change of House Name	15.50	16.00	16.50	
- Application Fee	51.50	53.00	54.60	
- Per Plot	12.90	13.30	13.70	

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	**CURRENT 2021/22 £**	**PROPOSED 2022/23 £**
CENTRAL MARKET			
Daily Lettings	24.70	25.50	**25.50**
TEMPORARY MARKETS :			
- Charitable organisations	No Charge	No Charge	**No Charge**
- Professional traders (per stall)	10.00	10.30	**10.30**
PROMOTIONS :			
- Advertising on Council Assets	Price on Application	Price on Application	**Price on Application**
MARKET LICENSE CHARGES			
Commercial Food			
-Per Stall	16.00	17.00	**17.00**
- Per Table / Car Boot	7.90	8.80	**8.80**
Commercial Retail Goods			
-Per Stall	10.80	11.75	**11.75**
- Per Table / Car Boot	5.50	6.30	**6.30**
Craft items/home made goods			
-Per Stall	5.50	6.30	**6.30**
- Per Table / Car Boot	2.70	3.40	**3.40**
Second Hand Goods			
-Per Stall	5.50	6.30	**6.30**
- Per Table / Car Boot	2.70	3.40	**3.40**
Charitable/fundraising Markets			
-Per Stall	0.50	-	**-**
- Per Table / Car Boot	0.30	-	**-**
Car Boot			
- Per Table / Car Boot	2.20	2.90	**2.90**
Per Stall (up to 8 m^2)			
Per Table/Car boot (up to 2 m^2)			

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

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

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
COACH FEES				
Up to 15 Seats				
All Day		Use Park & Ride	**Use Park & Ride**	
Departure during 16:00 - 18:00				
16-30 Seats - Early Bird Advanced	66.00	68.00	**70.00**	**inc VAT**
16-30 Seats - Advanced	68.00	70.00	**72.10**	**inc VAT**
16-30 Seats - On the day	136.00	140.10	**144.30**	**inc VAT**
31-45 Seats - Early Bird Advanced	88.00	90.60	**93.30**	**inc VAT**
31-45 Seats - Advanced	90.00	92.70	**95.50**	**inc VAT**
31-45 Seats - On the day	181.00	186.40	**192.00**	**inc VAT**
45+ Seats - Early Bird Advanced	110.00	113.30	**116.70**	**inc VAT**
45+ Seats - Advanced	113.00	116.40	**119.90**	**inc VAT**
45+ Seats - On the day	225.00	231.80	**238.80**	**inc VAT**
Departure outside of 16:00 - 18:00				
16-30 Seats - Early Bird Advanced	50.00	51.50	**53.10**	**inc VAT**
16-30 Seats - Advanced	52.00	53.60	**55.20**	**inc VAT**
16-30 Seats - On the day	136.00	140.10	**144.30**	**inc VAT**
31-45 Seats - Early Bird Advanced	72.00	74.20	**76.40**	**inc VAT**
31-45 Seats - Advanced	74.00	76.20	**78.50**	**inc VAT**
31-45 Seats - On the day	181.00	186.40	**192.00**	**inc VAT**
45+ Seats - Early Bird Advanced	94.00	96.80	**99.70**	**inc VAT**
45+ Seats - Advanced	97.00	99.90	**102.90**	**inc VAT**
45+ Seats - On the day	225.00	231.80	**238.80**	**inc VAT**

Early Bird Advanced Booking Discount
This is only available if booked before **30th September** 2021.

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

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

Christmas Market Dates: Thursday 2nd - Sunday 5th December 2021

All dates shown in green are provisional

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	*	CURRENT 2021/22 £	PROPOSED 2022/23 £	
STALL HOLDER FEES					
Stall Fees					
Castle Square	1,800.00		1,854.00	**1,909.60**	**inc VAT**
Castle Grounds	1,963.00		2,022.00	**2,082.70**	**inc VAT**
The Lawn (Outdoor)	1,471.00		1,515.00	**1,560.50**	**inc VAT**
Christmas Bazaar	1,552.00		1,599.00	**1,647.00**	**inc VAT**
Christmas Pantry	1,552.00		1,599.00	**1,647.00**	**inc VAT**
Westgate (Outdoor)	1,471.00		1,515.00	**1,560.50**	**inc VAT**
Westgate Marquees	1,552.00		1,599.00	**1,647.00**	**inc VAT**
Perfect Presents	1,800.00		1,854.00	**1,909.60**	**inc VAT**
Additional Sq Metre	224.00		231.00	**237.90**	**inc VAT**
Corner Plot Premium	Plus 25% of Stall Rent		Plus 25% of Stall Rent	**Plus 25% of Stall Rent**	**inc VAT**
Backup Storage Spaces					
Per Sq Metre	93.00		96.00	**98.90**	**inc VAT**
Additional Socket Outlets					
13 AMP Socket	93.00		96.00	**98.90**	**inc VAT**
16 AMP Socket	93.00		96.00	**98.90**	**inc VAT**
32 AMP Socket	140.00		144.18	**148.50**	**inc VAT**
Surcharge on Food Traders					
Catering 1	Plus 50% of Stall Fee		Plus 50%	**Plus 50%**	**inc VAT**
Catering 2	Plus 100% of Stall Fee		Plus 100%	**Plus 100%**	**inc VAT**
Alcohol Levy Band 1					
(Baileys in Hot Chocolate/Charities)	358.00		369.00	**380.10**	**inc VAT**
Alcohol Levy Band 2					
(Hard Alcohol)	715.00		736.00	**758.10**	**inc VAT**
Discounts (Only taken off basic stall fee)					
Charity Discount (%)	50%		50%	**50%**	**inc VAT**
Craft/Fairtrade Discount	100.00		103.00	**106.10**	**inc VAT**
Local Traders - Within Lincoln Boundary	200.00		206.00	**212.20**	**inc VAT**
Local Traders - Within Lincolnshire	150.00		155.00	**159.70**	**inc VAT**
Stall Holder Vehicle Parking at Designated Areas					
Per Vehicle	152.00		157.00	**161.70**	**inc VAT**

REGENERATION & TOURISM- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	
PARK AND RIDE				
Pre Booking Online	12.00	12.00	**12.40**	**inc VAT**
None Pre Booked				
Thursday	13.00	13.00	**13.40**	**inc VAT**
Friday	14.00	14.00	**14.40**	**inc VAT**
Saturday	15.00	15.00	**15.50**	**inc VAT**
Sunday	14.00	14.00	**14.40**	**inc VAT**
Mini Bus	25.00	25.00	**25.80**	**inc VAT**
MARKET RIGHTS				
Market Rights - Per Stall* *During market period	2.5 x Normal License Fee	2.5 x Normal License Fee	**2.5 x Normal License Fee**	

SOCIAL INCLUSION- FEES AND CHARGES WEF 01/04/2022 - 31/03/2023

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £
OTHER			
- Housing Benefit Landlord Enquiry per year	163.00	168.00	**173.00**

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Draft Capital Strategy

2022/23 - 2026/27

Contents

Section 1 - Introduction

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

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

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

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

The Council's capital programme consists of two elements:

- The General Investment Programme (GIP) with a budget for 2022-27 of £21.8m

- The Housing Investment Programme (HIP) with a budget for 2022-27 of £67.5m

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

The Council has at 1 April 2021 a diverse asset portfolio including, 7,759 council dwellings, 3,622 car parking spaces, 2 sports and leisure centres, 1,131 acres of parks and recreation grounds, and 5 community centres. There is also a sizable commercial property portfolio including industrial units and shops.

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

31/3/2020 £000		**31/3/2021 £000**
376,194	Property, Plant & Equipment	393,123
2,907	Heritage Assets	2,768
34,646	Investment Property	34,203

309	Intangible Assets	191
1,500	Assets held for sale	0
415,556	**Total assets**	**430,285**

Section 2 - Purpose and Objectives

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

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

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

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

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

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

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

Section 3 - Policy and Financial Planning Framework

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

The Council’s capital programme and its subsequent revenue implications form part of the Medium Term Financial Strategy (MTFS) 2022-27 and as such is one of a suite of plans and strategies that sit within the Council’s Policy and Financial Planning Framework.

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

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

Linkages with other key strategies and plans are identified below:

Vision 2025

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

The Council's current vision for 2025 is;

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

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

- Let's drive inclusive economic growth
- Let's reduce all kinds of inequality
- Let's deliver quality housing
- Let's enhance our remarkable place
- Let's address the challenge of climate change

These five strategic priorities will be supported in Vision 2025 by a programme called One Council. One Council is made up of the following pillars:

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

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

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

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

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

- Let's reduce all kinds of inequality

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

- Let's deliver quality housing
  - Continue to increase net council house numbers – delivery of affordable housing scheme at Rookery Lane
  - Continue to increase net council house numbers – retain and develop a new pipeline, e.g., Queen Elizabeth Road, Searby Road.
  - Housing Standards in new builds - in addition to standards that meet climate change objectives, new builds will also meet "Lifetime" homes, minimum space standards and health equality objectives and will include the quality of the environment in which new homes are built.
  - Improve Temporary Accommodation options across all sectors - considering the use of additional furnished accommodation to raise the standard of homes offered e.g NSAP/RSAP
  - Estate Improvements – taking a new approach to communal gardens, green spaces, communal entrances, landscaping and the links between the natural and build environments, and reviewing car parking and traffic management issues within estates.
  - Respond to regeneration need in Sincil Bank area, including remodelling of existing stock and developing garage sites - including looking at garage sites and communal (potentially green) areas, to address long standing issues of ASB and criminal activity. Examples of such opportunities will centre on proposals for Hermit Street garages and surrounding areas

- Let's enhance our remarkable place
  - Heritage Asset Programme – including Re-imagining Greyfriars and further development of options for the 21/22 Steep Hill.
  - Finalise the play area strategy - using the financial contributions from developers arising from new housing schemes to invest in existing sites such as Whitton's Park on Long Leys Road and on Swift Gardens in St Giles

- Let's address the challenge of climate change
  - Make current and future business premises as energy efficient as possible - when a council building needs modernising or repairing, use more efficient materials and replacement items to improve the efficiency of those buildings.

  - Climate conscious infrastructure projects developed as part of Town Fund Board Vision - A range of infrastructure projects that will set out a vision for the city, identifying key transformational projects and programmes which will include initiatives that directly and indirectly contribute to the climate change agenda.
  - Delivery of the Sustainable Warmth Fund, to enable retrofit works (energy efficient/low carbon measures) to be undertaken in the private sector

Local Plan

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

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

Specifically, the Local Plan:

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

The current Local Plan was adopted in April 2017 and continues to perform well in making decisions on development, however, in response to significant changes to national policy and to ensure the guidance is updated so that ambitions of the city can be delivered a new Draft Local Plan was published for consultation in June 2021. Following consultation the submission of the proposed Local Plan is scheduled for Spring 2022.

Asset Management Plan

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

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

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

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

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

HRA Business Plan

The HRA Business Plan sets out how the Council will deliver its vision for the HRA including, investment in the housing stock, maintaining all homes to the Lincoln Homes Standard and the process of tenant consultation to agree priorities for investment in existing stock over and above the Decent Homes Standard. It also demonstrates that the proposed investment programme is financially viable by indicating that the underlying HRA debt is repayable within the 30-year period of the Business Plan, should the Council chose to do so. There is, however, no obligation to repay debt and the MTFS does not assume this is the case. Further borrowing to fund HRA investment is now limited by prudence rather than the old system of an imposed borrowing cap. Currently the HRA borrowing requirement stands at £70m and is expected to increase to £74m by the end of 21/22 and £80m by the end of the MTFS period. This additional borrowing is being used to fund new build expenditure.

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

- Decent Homes and Lincoln Standards Programme
- Council House New Build Programme

The current Business Plan is due to be fundamentally refreshed during 2022 reflect the changes to the local, regional and national operating environment and to reflect the Councils current aims and ambitions in Vision 2025.

Treasury Management Strategy

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

Section 4 - Financing the Capital Programmes

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

- Capital Receipts – from the sale of Council assets

- Use of Council's own resources – through depreciation charges, other contributions from revenue and use of reserves

- Capital Grants and Contributions – including contributions from developers and grants towards specific schemes

- Prudential Borrowing – the Prudential Code allows borrowing if the Council can demonstrate it is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy)

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

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

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

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

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

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

The City Council's General Investment Programme and Housing Investment Programme for the period 2022/23 – 2026/27, are set out in the MTFS 2022-27.

Section 5 - Capital Prioritisation

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

Project Managers are required prepare project briefs, which must go through five essential steps to initiate a project, with the clear intention of effectively demonstrating how the project will support the achievement of both their service area aims and the Council's strategic priorities.

The five essential steps are as follows:

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

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

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

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

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

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

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

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

Section 6 - Capital and Project Monitoring

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

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

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

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

- Met its stated aims and objectives
- Was delivered on time and within budget

- Was acceptable to the client/stakeholder and met all their specific requirements

Section 7 – Commercial Activity and Investment Property

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

The Council has previously invested in property to secure the economic wellbeing of the City by generating additional income for the provision of services, for the purpose of economic development or regeneration, or a combination of both. Historically the Council could fund the purchase of property through borrowing (through the PWLB or as part of cash flow borrowing). Under the new CIPFA Prudential Code borrowing it is no longer deemed prudent for authorities to undertake borrowing that has the main aim of producing commercial income. The new code states that authorities "must not borrow to invest primarily for financial return". It also states that it is not prudent for authorities to make any investment or spending decision that could increase the need for borrowing, unless related to the functions of the authority and where financial returns are "either related to the financial viability of the project in question or otherwise incidental to the primary purpose". In addition, the PWLB have revised their lending terms which now prohibits authorities from accessing PWLB funds to finance debt-for-yield schemes. As a result of these changes the Council's GIP and Capital Strategy do not include any proposals to investment in any new commercial property. The Council will though continue to progress opportunities for regeneration and housing developments, in accordance with the revised guidance and lending terms.

Historically the council's property investments have provided strong returns in terms of capital growth and generation of stable income. Property investments are not without risk as property values are subject to many national and other external factors which are outside the control of the council. Where possible investments of this type will also have a 'fall back' position in addition to their expected commercial arrangement e.g. the council has purchased the freehold of a car park which it leases to a large, national company however should the company surrender the lease or not meet the lease payments the council could operate the car park themselves or seek an alternative tenant.

At 31/3/2021 the council has £34.203m of investment properties on the balance sheet with no further investment planned in the current General Investment Programme. The income from investment properties is predominantly derived from ground rent and land leases. Further details relating to investment properties are given below:

Total value of investment properties	£34.203m
Value of properties held for rental income	£34.045m
Value of properties earning rental income	£33.096m
Income from properties earning rental income	£1.990m
Yield from properties earning rental income	6.01%
Value of properties held for capital appreciation or where the freehold has a market value*	£0.158m

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

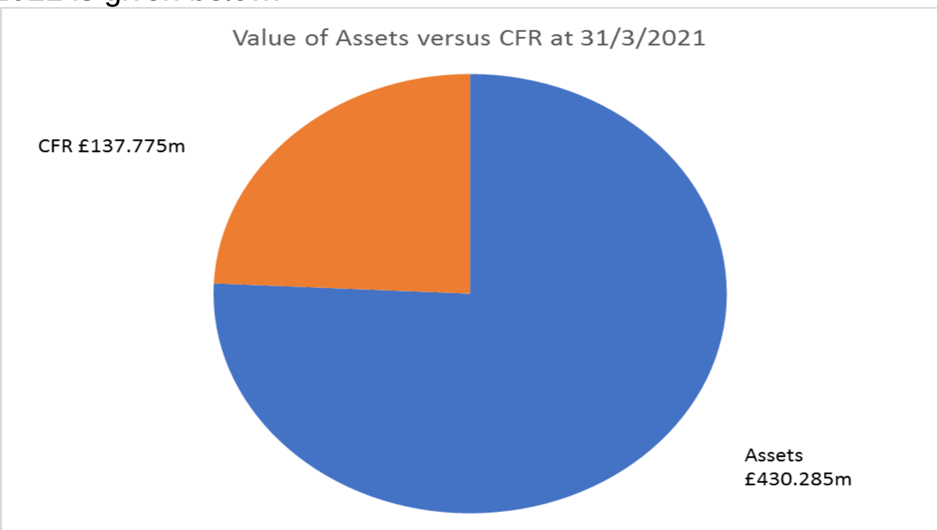
For the year 2022/23 the anticipated income from investment properties represents less than 4.1% of the council's gross expenditure.

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

Asset type	Value at 31.03.21	Annual income Anticipated (21/22)	Yield on value of assets	Borrowing costs	Annual surplus
Car Parks	£5,704,000	£344,357	6.04%	£192,180*	£152,177
Freehold property	£11,960,000	£739,820	6.19%	£497,327	£242,493
Retail units	£6,330,000	£445,500	7.04%	£334,551*	£110,949

*assumed in business cases

A graph illustrating the value of the council's assets compared to the capital financing requirement (the underlying need to borrow to fund capital investment) at 31 March 2021 is given below:



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

Current budgeted cost of borrowing					
	2022/23	2023/24	2024/25	2025/26	2026/27
GENF borrowing cost as a % of revenue expenditure	11.35%	12.72%	12.73%	12.23%	11.99%
Limit of GENF borrowing cost as a % of revenue expenditure	15%	15%	15%	15%	15%
HRA borrowing cost as a % of revenue expenditure	9.80%	9.79%	9.75%	9.72%	9.51%
Limit of HRA borrowing cost as a % of revenue expenditure	14%	14%	14%	14%	14%

Section 8 – Loans and investments in local businesses and organisations

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

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

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

Section 9 – Knowledge and Skills

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

Section 10 - Conclusion

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

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Item No. 4

EXECUTIVE **17 JANUARY 2022**

SUBJECT:	**COLLECTION FUND SURPLUS OR DEFICIT – BUSINESS RATES**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 To inform Members of the estimated balance for the Business Rates element of the Collection Fund and the surplus or deficit to be declared for 2021/22.

2. Executive Summary

2.1 Prior to setting the Council Tax for 2022/23 the City Council is required to estimate whether there is to be a surplus or deficit on both the Council Tax and Business Rates elements of the Collection Fund for the current financial year (2021/22).

2.2 At the Executive meeting on 4th January 2021 the Council declared a deficit on Council Tax of £35,562 for the financial year 2021/22, of which it's share was £5,712. The Council will declare a deficit on the Business Rates Collection Fund of £8,907,238 for 2021/22 subject to the confirmation of the Business Rates base by 31st January 2022, of which its share is £3,562,895.

2.3 Whilst this is a significant deficit, £9,473,367 (£3,789,347 City Council share) of the deficit is offset by Government grants received to compensate local authorities in respect of the business rate reliefs awarded to business in 2021/22 in response to the Covid19 pandemic. The remaining balance of £566,129 surplus, of which the Council's share is £226,452, has arisen due to the final year end position on the 2020/21 Collection Fund, which was more positive than estimated, offset by an in-year increase in empty property reliefs, which has been adversely affected by the pandemic.

2.4 In addition, as part of a spreading adjustment in respect of 2020/21 deficits, a deficit of £1,202,848, with the City Council's share being £481,139, will be distributed in 2022/23.

2.5 The net position to be distributed in 2022/23, for the City Council's share, is therefore a deficit of £4,044,035, as set out below:

	2022/23 CoLC Share £
Business Rates – 21/22 estimated deficit	4,160,683
Business Rates - prior years surplus	(597,788)
Total Surplus Declared for 21/22	**3,562,895**
Business Rates – spreading adjustment 20/21	481,139
Total Deficit to be distributed in 22/23	**4,044,035**

3. Background

3.1 As a Business Rates Billing Authority the Council is required by legislation to estimate the surplus or deficit for each financial year on the Collection Fund. Prior to 2013/14 this estimate was only required for Council Tax. However, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention (BRR) Scheme from April 2013, whereby the collection and distribution of business rates is done via the Collection Fund (distribution of business rates had previously been managed nationally). Local Authorities as a result took on an additional level of risk and uncertainty of business rates funding. In a similar way to Council Tax precepts from the Collection Fund business rate precepts are now fixed prior to the start of a financial year and any variations from this realised through the Collection Fund in year are distributed in the following financial years (based on estimated in the following year and actuals in the subsequent year).

3.2 The calculation of business rates is based on an estimate of rates collected in year compared to the estimate made the previous year, taking into account any previously declared surplus or deficit, and a forecast for the remainder of the current year.

3.3 A surplus or deficit may occur in the Collection Fund if actual performance during the year is higher or lower than originally estimated when Council was set. Areas of variance include:

- Business rates base is larger or smaller than originally anticipated (reasons include properties coming off and off the valuation list (e.g., as a result of redevelopments), appeals by businesses to rating valuations.
- In year collection rates are higher or lower than expected,
- Arrears collection rates are higher or lower than expected

3.4 However, 2021/22 has seen some significant changes in the business rates base arising due to the Covid19 pandemic. The most significant of which has been the Expanded Business Rates Reliefs. Following the significant reliefs awarded to businesses in the hospitality, retail, and leisure industry in 2020/21, the Government announced in March 2021 further rate relief support for 2021/22, providing 100% relief for three months and 66% for the remaining period. This adversely impacted on Local Authorities expected Business Rates income collection by significantly reducing the amount of Business Rates payable, for the Council the level of reliefs awarded was equivalent to 20% of the net rates payable. In order to compensate Local Authorities for the income loss the Government has reimbursed the through a Section 31 grant received in 2021/22. Due to the nature of Collection Fund accounting the deficit to Local Authorities arising from the in-year reduction of net rates payable due to the additional reliefs awarded will not be borne until the following financial year. The Section 31 grant will need to be held in earmarked reserves at the financial year end and used to reimburse the element of the declared Business Rates deficit resulting from the expanded retail relief in 2022/23.

3.5 Under normal circumstances a surplus or deficit reported in year is carried forward in the Collection Fund into the following financial year, when it then impacts on the

General Fund budget. However, on 1st December 2020 the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 came into effect. These regulations, which are mandatory, amend the rules governing the apportionment of Collection Fund surpluses and deficits for Council Tax and Non-domestic Rates. The key element of the Regulations is that Collection Fund deficits arising in 2020/21 can be spread over the following three years, rather than the usual period of one year. The amended legislation states that the Council is required to estimate an 'exceptional balance' for each of the Council Tax and Business Rates 2020/21 position: for Business Rates, this excludes amounts in respect of expanded Business Rates relief to businesses to support them during the pandemic and is net of any previous year's surplus/deficit. If this 'exceptional balance' is in deficit, the deficit phasing provisions within the amended legislation are triggered and the amount must be spread and reimbursed to the Collection Fund in three equal portions over the next three financial years.

3.6 The Council is required to declare any surplus or deficit during January of each financial year and once approved has an obligation to notify its major precepting authorities (for business rates these are Lincolnshire County Council and the Government) of their share of the estimated surplus or deficit.

4. Estimated Surplus/Deficit for 2021/22 – Business Rates

4.1 As at 31st March 2022 the Collection Fund is estimated to have a deficit of £10,401,708 for business rates relating to the financial year 2021/22, the City Council's share of this being £4,160,683. Of the Council's share of this deficit, £3,789,347 (£9,473,367 total) has arisen due to the Government support provided to business through the expanded retail relief. A compensating amount of grant has been received from the Government in 2021/22 and will be held in an earmarked reserve to offset the deficit in 2022/23. The remaining balance of the deficit of £928,341, of which the Council's share is £371,336, has arisen primarily due to an in-year increase in empty property reliefs, which has been adversely affected by the pandemic.

4.2 In addition to declaring the estimated deficit position on the Collection Fund for the current financial year the Council is also required to declare any surplus or deficit relating to the difference between previously declared surplus/deficit positions and the actual outturn position as reported in the Council's Statement of Accounts. In 2021/22 there is a surplus balance of £1,494,470 in the Collection Fund relating to previous years, the City Council's share of this being £597,788.

4.3 Based on the forecast position of the in-year Collection Fund as at 31st March 2022 and taking into account an adjustment for the difference between prior year estimates compared to the actual outturn it is estimated that there will be a deficit of £8,907,238 on the business rates element of the Collection Fund in 2021/22.

5. Spreading Adjustment

5.1 As set out in paragraph 3.5 above under normal circumstances a surplus or deficit reported in year is carried forward in the Collection Fund into the following financial year, when it is distributed and then impacts on the General Fund budget. However, on 1st December 2020 the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 came into effect, requiring Collection

Fund deficits arising in 2020/21 be spread over the following three years, rather than the usual period of one year.

5.2 As a result of this the deficit that the Council declared in relation to 2020/21, of £892,766, was spread over three year as follows:

	2021/22 £	2022/23 £	2023/24 £	Total £
City of Lincoln Council	481,139	481,139	481,139	**1,443,417**
Lincolnshire County Council	120,285	120,285	120,285	**360,855**
Central Government	601,424	601,424	601,424	**1,804,272**
Total 2020/21 estimated deficit	**1,202,848**	**1,202,848**	**1,202,848**	**3,608,544**

The deficit of £1,202,848 will therefore also be distributed in 2022/23, in addition to the deficit of £8,907,238, a total position of a £10,110,086 deficit.

6. Strategic Priorities

6.1 There are no direct implications for the Council's Strategic Priorities arising as a result of this report.

7. Organisational Impacts

7.1 <u>Finance</u>

For City of Lincoln the financial implications of the report are summarised below:

	2022/23 £
Business Rates – 21/22 estimated deficit	4,160,683
Business Rates - prior years surplus	(597,788)
Total Surplus Declared for 21/22	**3,562,895**
Business Rates – spreading adjustment 20/21	481,139
Total Deficit to be distributed in 22/23	**4,044,035**

The Council's share of the estimated deficit will be distributed as set out in the above table and will form part of the Medium Term Financial Strategy 2022-27.

The Council's overall share of the 2021/22 forecast outturn position for the Collection Fund is a declared deficit of £4,044,035. However, as outlined above this declared position will be partially offset in 2022/23 by the Section 31 grant received in relation to expanded Business Rates reliefs given to businesses as a result of the pandemic.

7.2 <u>Legal Implications incl Procurement Rules</u>

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

7.3 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.

8. Risk Implications

8.1 Business rate income and appeals assessments are monitored on a monthly basis and form part of the overall budget monitoring and reporting to Members. However, the volatility in the level of business rate income presents a significant financial risk to the Council which has been heightened to unprecedented levels due to the Covid19 pandemic. This risk along with other key financial risks forms part of the overall risk assessment of the MTFS and in part determines the Council's approach to the level of reserves and balances that it deems prudent to hold.

9. Recommendations

9.1 The Executive are recommended to confirm the action of the Chief Finance Officer in declaring a business rates deficit of £8,907,238 for 2021/22 subject to the confirmation of the business rates base by 31st January 2022. Any amendments to the declared deficit will be notified to the relevant preceptors and be included in the Final MTFS 2022-27 to be presented to the Executive 21st February 2022.

9.2 The Executive are asked to note the spreading adjustment of a £1,202,848 deficit to be distributed in 2022/23.

Is this a key decision?	Yes
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	None
List of Background Papers:	None
Lead Officer:	Jaclyn Gibson, Chief Finance Officer Telephone (01522) 873258

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Item No. 5

EXECUTIVE **17 JANUARY 2022**

SUBJECT:	**LOCALISED COUNCIL TAX SUPPORT SCHEME 2022/23**
DIRECTORATE:	**CHIEF EXECUTIVE & TOWN CLERK**
REPORT AUTHOR:	**MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS**

1. Purpose of Report

1.1 To provide information regarding the outcome of consultation regarding 2022/23 Council Tax Support Scheme options.

To propose options for a Council Tax Support Scheme for the 2022/23 financial year, which must be approved by Council before 31st January 2022.

2. Background

2.1 The national Council Tax Benefit system was abolished on 31st March 2013 and replaced by the Council Tax Support Scheme (CTS). (CTS is also sometimes known as ‘Council Tax Reduction’ – CTR). This scheme can be determined locally by the Billing Authority having had due consultation with precepting authorities, key stakeholders, and residents.

2.2 As at the end of August 2021, there were 8,870 residents claiming CTS in Lincoln. 2,704 being pensioners who are protected under the legislation and receive CTS as prescribed by the Government (broadly similar to the level of Council Tax Benefit). It is the 6,166 working age claimants where a local scheme can be determined which can change the level of support provided. Unless a decision by the Council is made to apply scheme changes to vulnerable working-age customers, the localised CTS scheme would historically only be applied to non-vulnerable working age. Vulnerable working-age customers are those that have one of the following for CTS purposes:

- Disability Premium;
- Enhanced Disability Premium;
- Severe Disability Premium;
- Disabled Child Premium;
- In receipt of a war pension;
- Qualifies for disabled or long-term sick earnings disregard;
- Employment and Support Allowance (income-related, where the support or work-related component is received and has been recorded separately).

As at the end of August 2021, the split of the 6,166 working age CTS recipients is as follows:

- Working age – employed: 598;

- Working age – vulnerable: 3,069;
- Working age – other – i.e., not employed: 2,499.

2.3 The initial City of Lincoln CTS Scheme from 2013/14 effectively 'protected' working age Council Tax payers seeking support, retaining eligible entitlement of up to 100% and not restricting other areas of entitlement calculation. However, in recent years the scheme has changed in light of increasing scheme costs and budget pressures.

2.4 The proposed CTS scheme must go through certain steps to comply with the provisions stated in the Local Government Finance Act 2012, before it can be adopted by this Council as a Billing Authority:-

- *Before making a scheme, the authority must (in the following order):-*
  - *Consult any major precepting authority which has power to issue a precept to it,*
  - *Publish a draft scheme in such manner as it thinks fit, and*
  - *Consult such other persons as it considers are likely to have an interest in the operation of the scheme*.

3. Impacts of Covid-19

3.1 Covid-19 has had an impact on the amount of CTS awarded, with significant increases in caseload and cost of the scheme.

3.2 The table below shows how Lincoln's CTS caseload has changed over the last two years.

	Working age	Pension age	Total
September 2019	5,639	2,903	8,542
December 2019	5,578	2,881	8,459
January 2020	5,601	2,865	8,466
February 2020	5,586	2,865	8,451
March 2020	5,638	2,853	8,491
April 2020	5,684	2,840	8,524
May 2020	5,972	2,835	8,807
June 2020	6,197	2,842	9,039
July 2020	6,159	2,832	8,991
August 2020	6,177	2,814	9,021
September 2020	6,225	2,806	9,031
October 2020	6,163	2,797	8,969
November 2020	6,193	2,786	8,979
December 2020	6,182	2,773	8,955
February 2021	6,227	2,754	8,981
April 2021	6,253	2,726	8,979
May 2021	6,250	2,726	8,976
June 2021	6,220	2,720	8,940
July 2021	6,191	2,718	8,909
August 2021	6,166	2,704	8,870

3.3 The level of CTS caseload is an important factor when considering the potential cost of a local CTS scheme – as effectively an increase in caseload increases the cost of the scheme, and vice versa the cost decreases when the CTS caseload reduces. Understandably, the Covid-19 pandemic had a direct impact on the number of residents claiming Council Tax Support. This increase now seems to have plateaued somewhat, and is falling slightly. Although impossible to predict with certainty, it would appear likely that the caseload may rise again in the latter half of 2021/22 due to certain national ‘protections’ ending – for example, furlough scheme. Whether or not an increased CTS caseload continues into 2022/23, very much depends on the economic climate and impact on jobs and businesses from the Covid-19 pandemic. As an update, officers can report that as at 7th December 2021, the total CTS caseload is 8,684.

4. City of Lincoln Council 2021/22 CTS Scheme

4.1 The current, 2021/22 scheme has the following restrictions for working age customers: -

- Capital limit £6,000;
- Minimum entitlement of £2 per week;
- Property banding capped at Band B e.g., a customer in Band C (and above) property, will only have their CTS calculated on Band B liability;
- Backdating restricted to 1 month; and
- Temporary absence from home in line with Housing Benefit regulations.

5. Council Tax Support Scheme Options for 2022/23

5.1 In this Council’s Medium Term Financial Strategy (MTFS), the budgeted cost of the 2022/23 CTS scheme is £1,339,316 (i.e., City of Lincoln Council’s share 14.9%, - (with the total scheme cost £8,988,698)).

If the Council wishes to continue protecting vulnerable working age CTS recipients, then any changes to the CTS scheme will only apply to 3,097 customers or 34.92% of the caseload. Changes to the CTS scheme may be made for vulnerable working age customers too, however pension age residents are ‘protected’ and the ‘default’ government scheme effectively applies.

City of Lincoln’s CTS caseload at the end of August 2021 can be broken down as follows:

Caseload breakdown	Caseload	% of total caseload
Total caseload	8,870	
Pensioner	2,704	30.48%
Working age vulnerable	3,069	34.60%
Working age non-vulnerable	3,097	34.92%

5.2 Based on the current core elements of the existing scheme, caseload increases of 0% and 5% have been modelled, along with Council Tax increases of 1.9% and 2.5%. These are summarised in **Appendix 1**, giving an indication of the potential cost and savings to City of Lincoln Council. Also included is the potential value for non-collection, based on the collection figure currently included in the MTFS (98.25%).

5.3 As a billing authority the Council can decide whether or not to amend core elements of its scheme each year. Following consideration by Executive on 25th October 2021, the options as set out in paragraph 5.5 have been subject to consultation.

There will be some technical changes that will still need to be applied to ensure that the Council's scheme complies with the Prescribed Scheme Regulations (for example, covering Universal Credit, premiums and discounts). These details are awaited from the Ministry of Housing, Communities and Local Government (MHCLG).

Technical amendments to the scheme in relation to uprating income, applicable amounts, disregards and allowances are to be collated once statutory details have been released by the Secretary of State.

5.4 In developing the modelling for each of the Council Tax Support Scheme options a number of assumptions have been made, as follows:

- **Uprating freeze for social security benefits**, based on current national policy;

- As the Council and major preceptors are likely to set differing levels of Council Tax increases, this creates a variety of modelling scenarios. **Council Tax increases of 1.9% and 2.5%** have therefore been assumed for modelling purposes. The final costs of the scheme will though be increased by the actual level of Council Tax increases applied. The modelling does not though take into consideration that the Council's percentage share of the overall cost of the scheme would slightly reduce if other preceptors increase their Band D by a greater percentage than the Council, this would in effect reduce the cost of the scheme to the Council.

- **No increase in caseload for 2022/23, also a 5% caseload increase**. The 0% caseload change would effectively allow for the slightly decreasing CTS caseload to continue, then potentially rise slightly as national Covid-19 'protections' end and as the economy becomes more buoyant the CTS caseload falls again. However, a company offering advice to Revenues and Benefits services has indicated there could be caseload increases of up to 5%. Of course, officers can only predict the economy and subsequent impacts on Covid-19 caseload, particularly in the current climate this cannot be an 'exact science'.

- **Collection rate of 98.25%.** The Council Tax base 2020/21 included a collection rate of 98.75%, however this was reduced to 97.75% for 2021/22 to take into account impacts on collection due to Covid-19. The MTFS assumes an increase, but not to the pre Covid-19 collection rate, 98.25% from 2022/23.

5.5 The options that have been subject to consultation, for the period 3rd November 2021 to 14th December 2021, are as below:

- **Option 1: No change to the current scheme;**

- **Option 2: 'All working age' banded scheme** - * see paragraph 5.6 (below) for further information ;

- **Option 3: 'De Minimis' scheme** - * see paragraph 5.7 (below) for further information. (Not modelled – A 'De Minimis' scheme is not included in the Northgate CTS modelling tool).

Options 2 and 3 very much focus on potentially simpler schemes for customers where many will receive less re-assessments of CTS entitlement in-year, reducing the number of complex CTS notifications they receive as well as subsequent Council Tax Bills with revised payment instalments. These options would also potentially make a more efficient scheme for officers, reducing the cost of outgoing correspondence.

5.6 **'All Working Age' Banded Scheme**

For 2022/23, an option being put forward is to make a fundamental change to the way CTS is calculated for all working-age customers.

Part of this proposal is due to the way Universal Credit (UC) is re-assessed on a monthly basis by Department for Work and Pensions (DWP) – this means many Council Tax payers have their UC entitlement altered each month – for example, where they have a fluctuating wage. If the UC recipient is also receiving CTS, this subsequently means that they then have a re-assessment of their CTS entitlement – meaning that it is possible to keep having a new bill sent each month, with instalments for repayment being 're-set' – which can be confusing for customers, as well as administratively inefficient for officers – and preventing recovery progressing where there is non-payment of Council Tax. This is a particular issue with customers who have opted to pay by direct debit, as month after month the instalment resets and the direct debit is never taken. This moves their whole debt to the end of the year where potentially they are asked to pay more than they can afford, when they may have made every effort to pay this during the year.

Although income changes for UC customers are more likely to be more frequent, other working age CTS customers can also have numerous changes in income throughout a financial year, also causing numerous re-assessments in entitlement and multiple entitlement notifications and Council Tax bills being issued – which result in enquiries to the Revenues and Benefits Service, as well as to Customer Services.

Therefore, an option is an income-banded scheme which would apply to UC and non-UC working age customers – (otherwise effectively a 'two-tier' scheme would be in place, if the scheme was for UC recipients only). This would include groups currently protected as 'vulnerable' – which could potentially mean some customers receive a lesser award of CTS than under the current scheme. However, through effective use of the Exceptional Hardship Payments scheme (see paragraph 5.8), some of these effects may be mitigated. An indication of numbers who may receive a 'lesser award', are: Single persons 1,304, Couples 171, Households with one child 547, Households with two or more children 800.

For the purposes of modelling such a scheme, the following parameters have been included. However, further modelling continues to take place with regard to these income bands and level of non dependant deduction. To make the scheme work effectively, the 'bands' will need to be as reflective as possible of current caseload earnings levels – to reduce numbers that may 'lose out' under a banded scheme, - as well as also removing excessive changes between income bands throughout the year. The levels initially proposed are as follows – income bands shown are weekly figures:

Discount	Passported	Single Income Band £	Couples Income Band £	Family with 1 child £	Family with 2+ children
Band 1: 100%	Relevant benefit	0.00 to 120.00	0.00 to 165.00	0.00 to 220.00	0.00 to 275.00
Band 2: 85%	N/A	120.01 to 160.00	165.01 to 210.00	220.01 to 265.00	275.01 to 315.00
Band 3: 50%	N/A	160.01 to 245.00	210.01 to 285.00	265.01 to 345.00	315.01 to 385.00
Band 4: 25%	N/A	245.01 to 315.00	285.01 to 365.00	345.01 to 420.00	385.01 to 470.00

Under this scheme, it is proposed the following incomes would be disregarded (not taken into account):

- Disability Living Allowance;
- Personal Independence Payment;
- Armed Forces Independence Payment;
- Child Benefit;
- Child Maintenance;
- War Disablement Benefits.

The following fixed-rate non-dependant deductions would apply:

Non dependant deduction where non-dependant is not working. Also, a non-dependant deduction will not apply in some circumstances, such as where certain household members have disabilities, are pensioners, students, receiving war pension incomes (including Armed Forces Independence Payments) or members of the armed forces away on operations.	Deduction – Nil
Non dependant deduction where non-dependant is in work or their level of income has not been ascertained	Deduction - £4.00 per week

5.7 **'De Minimis' Scheme**

An option, which could be applied across all working age CTS recipients, would be to effectively 'ignore' any change in circumstance which affects weekly CTS entitlement by less than £4.00 (either increased or decreased entitlement). This would reduce the number of CTS re-assessments being made affecting the level of entitlement, reduce the number of updated Council Tax bills being issued, reduce the need for customers to contact the Revenues and Benefits Office, or Customer Services, to query their change to entitlement/ new Council Tax bill.

This proposal could potentially produce efficiencies for the service – allowing officers to deal with more complex cases and the increased workload in other areas of Revenues and Benefits administration. However, ongoing modelling and testing of this scheme continues to provide more understanding of the positives and negatives of such a scheme.

5.8 **Continuation of the Exceptional Hardship Payments scheme:** Exceptional Hardship Payments (EHP) assist persons who have applied for Council Tax Support and who are facing 'exceptional hardship' – it is similar to the Discretionary Housing Payment scheme (DHP) for Housing Benefit shortfalls. EHP provides a further financial contribution where an applicant is in receipt of Council Tax Support but the level of support being paid by the Council does not meet their full Council Tax liability.

The Council is required to provide financial assistance to the most vulnerable residents, who have been disproportionately affected by the changes made in 2021 to the Council Tax Support Scheme. Since April 2013, the Council has agreed to introduce an EHP scheme each year, in order to provide a safety net for customers, in receipt of Council Tax Support who were experiencing difficulty paying their Council Tax. Exceptional Hardship falls within Section 13A(1) of the Local Government Finance Act 1992 and forms part of the Council Tax Support Scheme.

The current EHP budget is £20,000 and the cost of EHP awards is borne solely by City of Lincoln. As at 31st August 2021, a total of £9,070 EHP has been awarded for 2021/22. It should be noted though there is an additional government-funded Council Tax Hardship Scheme available in 2020/21 and 2021/22, which has also been utilised to assist those receiving Council Tax Support (and others who may require this kind of financial assistance) – officers are unaware of any plans for this latter hardship fund to be available in 2022/23. It is therefore proposed to be considered whether or not the EHP budget be increased from £20,000 to £25,000 for 2022/23.

The EHP scheme could be vital if any of the options proposed in paragraphs 5.6 and 5.7 are implemented – as this could potentially be used in appropriate circumstances to make payments to CTS recipients with reduced awards under the scheme and suffering exceptional hardship as a result.

5.9 **Timetable**

5.10 The timetable to approve any changes to the new scheme takes into account the existing calendar of meetings. Full Council of the Billing Authority needs to approve the scheme after consultation as outlined in paragraph 2.3.

5.11 The timetable is as follows:

- Executive: 25th October 2021, *to consider/approve options for consultation*

- Consultation starts (6 weeks): 3rd November 2021, *including consultation with public, other appropriate organisations (e.g., Citizens Advice), and major precepting authorities*
- Policy Scrutiny Committee: 23rd November 2021, *as part of consultation process*
- Consultation Ends: 16th December 2021
- Executive: 4th January 2022, *to refer to Council a recommendation on a proposed 2022/23 scheme*
- Council: 18th January 2022, *the Local Government Finance Act 2012 requires a full review of the scheme by the Billing Authority. City of Lincoln Council will need to approve a new scheme after consultation by 31st January 2022*.

6. Outcomes of Consultation

6.1 A fuller report of public consultation outcomes is included at Appendix 2 of this report.

A summary of key findings is as below:

- 128 responses (48% increase on the number of responses for 2021/22 scheme);

- 64% agreed that there should be reduced support where it is likely that that a household has more income coming in or have savings to pay Council Tax;

- 83% agreed that the core elements of the 2021/22 scheme be retained for 2022/23;

- 83% agreed with the proposal to increase the Exceptional Hardship Fund to £25,000 for 2022/23;

- 73% agreed that a Working Age Banded scheme should be considered/implemented;

- 73% agreed that a Minimum Threshold scheme should be considered/implemented.

7. Outcomes from Further Potential Schemes Modelling and Testing

7.1 Detailed, robust modelling and testing of proposed schemes has continued to take place over the last four months. Officers involved in this testing have raised some real concerns over the working-age banded and De Minimis schemes, such as:

- Unintended consequences such as real scope for customers ‘losing out’ on entitlement – e.g., for tax credit cases, also customers may ‘break’ CTS claim and re-claim to fall into a new income band/ have their change actioned within CTS entitlement;
- Scope for confusion for customers, as certain changes are actioned and others are not – leading to potential non-reporting of changes, ultimately resulting in large overpayments/underpayments;
- Universal Credit changes – such as removal of £20 uplift and taper change –

are already having an impact on CTS claims;
- Continuing Covid-19 recovery and associated impacts – likely to continue throughout 2022/23;
- Other local authorities who have considered/implemented similar such schemes, have also provided concerns as to certain aspects of the scheme which can cause confusion for customers, unintended consequences, as well as requiring running regular manual reports/interventions to identify and correct certain cases.

7.2 It is not felt that 2022/23 is the year to make such a significant change to City of Lincoln Council's CTS scheme which, generally, currently works well and supports those in need of this type of financial assistance. A more appropriate way forward is to continue modelling and testing working-age banded and De Minimis schemes throughout 2022/23, - ready for consideration of a 2023/24 scheme.

7.3 There are other ways by which potential administrative efficiencies can be achieved – such as automation of certain Universal Credit documents/changes (which is currently being worked on and progressed), as well as implementation of a new self-serve system for Revenues and Benefits customers – this is included in the 2022/23 Revenues and Benefits Shared Service Annual Business Plan.

8. Significant Policy Impacts

8.1 Strategic Priorities

Let's drive inclusive economic growth - Council Tax Support has a key role in Reducing poverty and disadvantage by ensuring residents in those households who cannot afford to pay their Council Tax receive financial support. The changes to Council Tax Support form part of the national welfare reform agenda, with the risks of changes to numbers of claimants due to economic change and funding gap costs being passed from central government to local authorities. Central government now has a fixed cost funding arrangement whereas local government must set a scheme in advance of the financial year it applies to but cannot change it should circumstances change unexpectedly or if the assumptions used to decide the scheme are not realised. Central government states that this places responsibility for the local economy such as creating businesses and jobs on local government as part of the localism agenda

Let's reduce all kinds of inequality - The Authority will be obliged to comply with its general equality duty under the Equality Act 2010. The scheme is being amended in line with statutory requirements and uprating the financial allowances. Early modelling shows the number of customers affected and pay how much (total and average per week). Once a decision has been made regarding the options of modelling, an equality impact assessment will be undertaken.

Council Tax Support awards are notified on Council Tax bills. If the scheme were likely to change, consultation with precepting authorities, stakeholders (such as Citizens Advice and Financial Inclusion Partnership) and residents would be required. Once a decision has been made, notification within Council Tax bills and annual CTS uprating letters would be issued advising claimants of the decision once their award for the new financial year is known.

8.2 **Organisational Impacts**

Finance (including whole life costs where applicable)

The actual cost of the discount scheme in 2022/23 will not be known for certain until the end of the financial year and will be dependent on the actual caseload in year as well as the levels of Council Tax set by the City Council and the major precepting authorities.

An indicative range of costs for 2022/23 based on various scenarios and the options set out in section 5 of this report are set out in **Appendix 1**.

It should be noted that modelling financially for the proposed banded scheme and De Minimis scheme comes with a real 'disclaimer' that the modelling can only be based on information available at that time within the CTS caseload – and due to the nature of these schemes it is almost impossible to predict with any certainty which new claims and changes will affect the levels of CTS being awarded in 2022/23 – therefore, the cost of the scheme is unpredictable.

The estimated cost of the scheme, based on current caseload, is taken into consideration when calculating the Council's tax base for the financial year and will impact on the estimated Council Tax yield for the year. Any difference in the actual cost of the discount scheme to that estimated in the tax base calculation will be accounted for within the Collection Fund and will be taken into account when future years surpluses or deficits are declared.

The cost of the Exceptional Hardship Fund is wholly borne by City of Lincoln Council as Billing Authority.

8.3 **Legal implications inc Procurement Rules**

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, laid before Parliament on 22nd November 2012, set out the regulations for a default scheme and this was adopted by the Council subject to local policy needs in January 2013. The Secretary of State has issued amendment regulations setting out some changes that must be adopted by the Council for pensioners and the Council has also decided in 2013 to keep the schemes allowances and premiums in line with those for Housing Benefit for working age claimants. These are incorporated into amendments to the local scheme for approval by the Council.

It is intended that the regulations for the City of Lincoln Council scheme proposed to be adopted are to be collated and made available for Council in January 2022

8.4 **Equality, Diversity and Human Rights**

The Authority will be obliged to comply with its general equality duty under the Equality Act 2010 – an Equality Impact Assessment is included at Appendix 6 to this report.

8.5 **Staffing**

No change to current staffing arrangements as a result of this policy.

9. Risk Implications

9.1 The Council, along with the other preceptors, bears the risk of the cost of the Council Tax Support scheme should caseload increase causing the cost to increase more than predicted.

9.2 Any revisions to the scheme must be approved by 31st January 2022 before the financial year begins.

9.3 The scheme cannot be changed mid-year and therefore it is vital an appropriate scheme is in place.

10. Recommendations

10.1 Executive is asked to:

1) Consider this report, taking into consideration the responses as part of the consultation and the current / modelled spend of the existing scheme – as well as outcomes from modelling and testing of proposed schemes.

2) Executive is asked to recommend to Council that it:

(a) Approves the continuation of proposed ‘no change’ to the core Council Tax Support scheme for 2022/23 as set out in Section 4 and subject to the technical amendments described in paragraph 5.3;

(b) Approves an increase in the Exceptional Hardship Payments scheme from £20,000 to £25,000, for the financial year 2022/23.

Key Decision	Yes
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 Appendix 1 – Council Tax Modelling 2022/23 Appendix 2 – Consultation Summary Appendix 3 – Policy Scrutiny Committee draft Minute 23rd November 2021 Appendix 4 – Consultation response from Lincolnshire County Council Appendix 5 – Consultation response from Lincolnshire Police and Crime Commissioner Appendix 6 – Equality Impact Assessment
List of Background Papers:	None
Lead Officer:	Martin Walmsley – Telephone 01522 873597

Option 1: No change to the current scheme	**Estimated Total Spend (all preceptors)**	**City of Lincoln Spend – 14.90%**	**Difference to MTFS (£1,339,316) – (saving) / cost**	**Amount expected to be collected using collection figure of 98.25%**
• 0% caseload change • 1.9% Council Tax increase	£8,705,500	£1,297,120	(£42,197)	(£41,459)
• 0% caseload change • 2.5% Council Tax increase	£8,760,650	£1,305,337	(£33,980)	(£33,385)
• 5% caseload increase • 1.9% Council Tax increase	£9,138,611	£1,361,653	£22,337	£21,946
• 5% caseload increase • 2.5% Council Tax increase	£9,196,325	£1,370,252	£30,936	£30,395

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Option 2: 'All Working Age' Banded Scheme	Estimated Total Spend (all preceptors)	City of Lincoln Spend – 14.90%	Difference to MTFS (£1,339,316) – (saving) / cost	Amount expected to be collected using collection figure of 98.25%
• 0% caseload change • 1.9% Council Tax increase	£7,519,109	£1,120,347	(£218,969)	(£215,137)
• 0% caseload change • 2.5% Council Tax increase	£7,562,759	£1,126,851	(£212,465)	(£208,747)
• 5% caseload increase • 1.9% Council Tax increase	£7,893,085	£1,176,070	(£163,246)	(£160,389)
• 5% caseload increase • 2.5% Council Tax increase	£7,938,905	£1,182,897	(£156,419)	(£153,682)

<table>
<tr><th>Option 3: ‘De Minimis’ Scheme</th><th>Estimated Total Spend (all preceptors)</th><th>City of Lincoln Spend – 14.90%</th><th>Difference to MTFS (£1,339,316) – (saving) / cost</th><th>Amount expected to be collected using collection figure of 98.25%</th></tr>
<tr><td>• 0% caseload change
• 1.9% Council Tax increase</td><td colspan="4" rowspan="4">A ‘De Minimis’ scheme is not included in the Northgate CTS modelling tool. An initial Northgate report has been looked at for the year 2021/22 so far – the report shows there has been 257 changes which have reduced CTS entitlement by up to £4.00 per week, and 223 changes which have increased CTS entitlement by up to £4.00 per week.

However, more work is required to establish the effect of multiple changes on CTS claims that might include higher changes in entitlement.</td></tr>
<tr><td>• 0% caseload change
• 2.5% Council Tax increase</td></tr>
<tr><td>• 5% caseload increase
• 1.9% Council Tax increase</td></tr>
<tr><td>• 5% caseload increase
• 2.5% Council Tax increase</td></tr>
</table>

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Council Tax Support Survey Results – proposed scheme for 2022/23

Total Responses = 128

(48% increase on the number of responses for 2021/22 scheme)

Q1- We have designed our proposed support scheme considering the following principles.

- Reduced support where it is likely that that a household has more income coming on or have savings to pay Council Tax
- Pension age – protection is statutory under Central Government Legislation

Do you agree with these principles?

Yes	**82 (64.1%)**
No	**27 (21.1%)**
Don't know	**19 (14.8%)**

Question 2

Our current 2021 scheme has the following restrictions for working age customers –

- Capital is limited to £6,000;
- Minimum entitlement is £2 per week;
- Property banding capped at Band B – a customer in band C and above will only have their Council Tax Support calculated on a band B liability
- Backdating is restricted to 1 month since 1st April 2018;
- Temporary absence from home in line with Housing Benefit regulations

Our current scheme provides care leavers with a full exemption up to the age of 25 years

We have premium charges for properties left empty for more than 2 years, more than 5 years and more than 10 years.

We have an Exceptional Hardship Fund of £20,000

We are considering not changing any of the above

Pensioners and working age vulnerable are excluded from this scheme

Do you agree with our proposal not to change the above scheme?

Yes	**106 (82.8%)**
No	**8 (6.3%)**
Don't know	**14 (10.9%)**

Question 2a

In question 2, I told you that we were not considering changing the current scheme.

However, included in the scheme is some money which is set aside called the Exceptional Hardship Fund.

This is a total of £20,000 for the year 2021.

We are considering increasing this fund to £25,000 from 1st April 2022.

Do you agree with our proposal to increase the Exceptional Hardship Fund to £25,000 ?

Yes	**106 (82.8%)**
No	**10 (7.8%)**
Don't know	**11 (6.4%)**

Question 3

We are considering a banded scheme for our working age customers. This could have fixed non-dependant deductions and will apply to all working age customers, including those on Universal Credit and those considered vulnerable. Currently almost every change to income results in a change to the Council Tax Support and this can result in multiple changes over a year.

The banded scheme will consider who lives in the property and what the weekly household income is. It could look something like this – although at this time the figures have not been confirmed.

Discount	Passported	Single Income Band £	Couples Income Band £	Family with 1 child £	Family with 2+ children
Band 1: 100%	Relevant benefit	0.00 to 120.00	0.00 to 165.00	0.00 to 220.00	0.00 to 275.00
Band 2: 85%	N/A	120.01 to 160.00	165.01 to 210.00	220.01 to 265.00	275.01 to 315.00
Band 3: 50%	N/A	160.01 to 245.00	210.01 to 285.00	265.01 to 345.00	315.01 to 385.00
Band 4: 25%	N/A	245.01 to 315.00	285.01 to 365.00	345.01 to 420.00	385.01 to 470.00

Under this scheme, we are considering disregarding (ignoring) the following incomes when calculating the applicable income, which gives vulnerable customers some additional protection

- Disability Living Allowance;
- Personal Independence Payment;
- Armed Forces Independence Payment;

- Child Benefit;
- Child Maintenance;
- War Disablement Benefits.

Customers will be placed into a Council Tax Support band according to a calculation based on their individual circumstances. This will mean that small changes in the household income, either up or down, will not affect the Council Tax Support **if** the calculation leaves the customer in the same band. Depending on the values of the bands, some customers may find that they still receive multiple changes if they move from one band to another.

However for the majority of people, this should reduce the number of changes to Council Tax Support over the year and also gives some clarity to customers as to what their entitlement to Council Tax Support will be.

Pensioners are excluded from this scheme

Do you agree with the proposed change?

Yes	**93 (72.6%)**
No	**13 (10.2%)**
Don't know	**22 (17.2%)**

Question 4

We are also considering a 'Minimum Threshold' Scheme which would be applied across all working age Council Tax Support recipients. This would mean that where a customer had a change in circumstances that affected their weekly Council Tax Support entitlement by less than a set amount a week , either an increase or decrease, this change would be ignored.

This will give customers of all working age, including those classed as vulnerable, clarity regarding their entitlement to Council Tax Support over the year and will reduce the number of changes that customers receive.

Under this scheme, we are considering disregarding (ignoring) the following incomes when calculating the applicable income, which gives vulnerable customers some additional protection

- Disability Living Allowance;
- Personal Independence Payment;
- Armed Forces Independence Payment;
- Child Benefit;
- Child Maintenance;
- War Disablement Benefits.

Pensioners are excluded from this scheme

Do you agree with the proposed changes?

Yes	**94 (73.4%)**
No	**13 (10.2%)**
Don't know	**21 (16.4%)**

Where the customer has answered yes to the question above –

What do you think is an appropriate set amount?

Increase or decrease of £3.00 each week	15
Increase or decrease of £3.50 each week	5
Increase or decrease of £4.00 each week	11
Increase or decrease of £4.50 each week	0
Increase or decrease of £5.00 each week	28
Other	6
Don't know	29

Policy Scrutiny Committee **23 November 2021**

Present:	Councillor Bill Bilton *(in the Chair)*, Councillor Calum Watt, Councillor Liz Bushell, Councillor Bill Mara, Councillor Alan Briggs and Councillor Rebecca Longbottom
Apologies for Absence:	Councillor Jane Loffhagen, Councillor Mark Storer and Councillor Pat Vaughan

22. Localised Council Tax Support Scheme 2022/23

Martin Walmsley, Head of Shared Revenues and Benefits

a. presented the proposed scheme for Local Council Tax Support for the financial year 2022/23, as part of the formal consultation period, as well as regarding proposals made in relation to an Exceptional Hardship Payments Scheme.

b. gave the background to the scheme as detailed at paragraph 2 of the report and advised that there were currently 8870 residents claiming Council Tax Support in Lincoln.

c. advised that there were 2,704 pensioners in receipt of Council Tax Support and they were protected under the legislation so that they would not be affected by any changes made to the Council Tax Support Scheme.

d. further advised that there were 6166 working claimants who would be affected by any changes made to the scheme, and such any potential reduction in support being provided. Unless a decision by the Council was made to apply scheme changes to vulnerable working-age customers, the localised Council Tax Scheme.

e. highlighted the impacts of Covid-19 on the amount of Council Tax Scheme awarded, with significant increases in caseload and cost of the scheme as detailed at paragraph 3 of the report.

f. referred to paragraph 4 of the report and gave an overview of the current Council Tax Support Scheme.

g. advised that based on the current core elements of the existing scheme, caseload increases of 0% and 5% had been modelled, along with Council Tax increases of 1.9% and 2.5%. These were summarised in Appendix 1 of the report which gave an indication of the potential cost and savings to the City of Lincoln. Also included was the potential value for non-collection (based on projected collection in the tax base of 98.75%)

h. explained that as a billing authority the Council could decide whether or not to amend core elements of its Council Tax Support scheme each year. Officers were proposing options for consultation to change certain core elements of the scheme which were summarised at Appendix 1 of the report.

i. referred to paragraph 5.3 and 5.4 of the report and explained the technical amendments and assumptions that had been made in developing the modelling for each Council Tax Support Scheme.

j. explained option 2 the ‘All Working Age’ Banded scheme as detailed at paragraph 5.6 of the report and advised that it was an option put forward and would make a fundamental change to the way that the Council Tax Support Scheme was calculated for all working-age customers.

k. referred to paragraph 5.7 of the report and explained the ‘De Minimis’ Scheme which was put forward as option 3.

l. referred to paragraph 5.8 of the report which detailed the Exceptional Hardship Payments Scheme and proposed that the Exceptional Hardship Budget be increased from £20,000 to £25,000 for 2022/23.

m. asked for committee’s consideration and comments as part of the formal consultation process.

Members discussed the Exceptional Hardship Scheme and supported the proposed increase in budget to £25K which they felt was reasonable considering the current circumstances.

The committee discussed in detail the options proposed and were minded to support option 2 which was the “All Working Age” banded scheme. It was felt that this option would be the best option for residents and would also be more streamlined for the Council to administer. Members questioned how many residents would ‘lose out’ in the scheme and requested information on which band would be affected by this. Martin Walmsley, Head of Shared Revenues and Benefits responded that the scheme would be continued to be modelled based on the case load, to reduce the number of ‘losers’ as much as possible. The information on the affected band would be circulated to members following the meeting and be included within the Executive report.

RESOLVED that

1. option 2 “All Working Age” Banded Scheme, as set out in paragraph 5.6 of the report be supported.

the proposed increase of the £5,000 to £25,000, in the Exceptional Hardship fund for 2022/23 to top up Council Tax support awards in appropriate cases be supported.

Lincolnshire County Council email response to Localised Council Tax Support 2022/23 consultation

From: Michelle Grady
Sent: 15 December 2021 16:25
To: Gibson, Jaclyn(City of Lincoln Council); Andrew Crookham
Cc: Parker, Tracey (City of Lincoln Council)
Subject: RE: Local Council Tax Support Scheme - 22/23 consultation

Hello Jaclyn

Thank you for your invitation to comment on the City of Lincoln Council Tax Support Scheme 2022/23 proposed changes.

Whilst the number of the case load seems to have plateaued, given this is likely to be an uncertain picture for a while, we would support any option that minimises the impact of the council tax collected, whilst supporting those with the greatest need.

We have not commented on the option of increasing the Exceptional Hardship Fund, as this is a cost borne solely by City of Lincoln Council.

The options 2 and 3 seem to present an opportunity to reduce the cost impact and make the process simpler for residents accessing the scheme . This should help to mitigate the cost of the demand on the scheme, although the modelling on option 3 still needs to be calculated to demonstrate this. We would be supportive of an option that can minimise the growth in demand against the scheme.

Kind regards, Michelle

Michelle Grady

Assistant Director Finance

Lincolnshire County Council

County Offices, Newland, Lincoln LN1 1YL

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COUNTY COUNCIL
Working for a better future

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Lincolnshire
POLICE & CRIME COMMISSIONER
SAFER TOGETHER

Deepdale Lane, Nettleham, Lincoln LN2 2LT
Telephone (01522) 947192 Fax (01522) 558739
E-Mail: lincolnshire-pcc@lincs.pnn.police.uk Website: www.lincolnshire-pcc.gov.uk

Date: 15th December 2021
Our Ref: JF/ch/2021-1242

Jaclyn Gibson
Chief Finance Officer
City of Lincoln Council
City Hall
Beaumont Fee
LINCOLN
LN1 1DD

By Email: Jaclyn.Gibson@lincoln.gov.uk

Dear Jaclyn

CONSULTATION ON PROPOSED COUNCIL TAX SUPPORT SCHEME FOR 2022/23

Thank you for your letter of 2 November in which you seek views on City of Lincoln Council's proposed Council Tax Support Scheme for 2022/23. I note that three options for change are being considered. Both Option 2 and Option 3 would appear to result in a more efficient and streamlined process resulting in more clarity for claimants and reduced administrative costs, both of which are to be welcomed.

The PCC would welcome a decision by the Council to introduce a council tax discount scheme for Special Constables.

Thank you for giving us the opportunity to comment.

Yours sincerely

Julie Flint

Julie Flint
Chief Finance Officer

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Equality with Human Rights Analysis Toolkit

SECTION A

Name of policy / project / service	Council Tax Support Scheme 2022/23
Background and aims of policy / project / service at outset	The Council must review and reapprove its Council Tax Support scheme each year as part of its budget setting process, and make any necessary changes for 1st April 2022. It is recognised that the combined effects of the wider welfare reform package on the residents of the District requires a robust and detailed Equality Impact Assessment (EIA). This EIA makes reference to data derived from the current Council Tax Support caseload. Following publication of the draft scheme, formal consultation will commence on 27th October 2021, utilising a combination of means, e.g. press releases, social media and letters issued to those in receipt of Council Tax Support directing the public to the on-line consultation documents, as well as potentially interested organisations such as Citizens Advice, and other Council Tax major precepting authorities. The level of changes to the current scheme are not yet known but the individuals / groups impacted by the selection of changes is. Each of these has been considered in relation to how the changes might differently and / or adversely affect people with protected characteristics. The EIA assesses our approach to consultation on the proposed scheme and will be added to during and following the results of this consultation. The consultation will be monitored with information used to develop the draft scheme.
Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality	Martin Walmsley, Head of Shared Revenues and Benefits

analysis	
Key people involved *i.e. decision-makers, staff implementing it*	• Decision Makers – City of Lincoln Members, and Executive • Staff implementing any changes

SECTION B

This is to be completed and reviewed as policy / project / service development progresses

	Is the likely effect positive or negative? (please tick all that apply)			Please describe the effect and evidence that supports this?*	Is action possible to mitigate adverse impacts?	Details of action planned including dates, or why action is not possible
	Positive	**Negative**	**None**			
Age	Y	Y		Pensioners are a protected group for the purposes of Council Tax support Scheme so	Yes	Action dependant on outcome of consultation and Executive

191				will not be financially affected, therefore the reduction in benefit will be borne by the remainder of those in receipt of Council Tax Support (working age). There could be a risk people of working age who will bear all the financial impact of the changes, may resent the fact that pensioners are exempt. Working age claimants with younger children under 5 are more likely to be unemployed or work part-time hours (and are mostly female), therefore childcare costs could be a barrier to employment. However, the current Council Tax Support scheme takes childcare costs up to a certain level into account, also Universal Credit takes account of childcare costs in the assessment of entitlement. Due to the current economic climate, it is more difficult for younger people to access employment providing further financial difficulties. Council Tax Support will only be available to those young people who are liable to pay Council Tax and this only applies to householders over 18 years of age. If the young person is living in their parent or other householder's home they will not be liable to pay Council Tax so will not be affected by the Council Tax Support scheme unless they are a non-dependent in the householder's home.		recommendation on 4th January 2022 With effect from 1st April 2022
Disability including carers	Y			The Department for Work and Pensions states that disabled people are less likely to	Yes	Action dependant on outcome of consultation and Executive

(see Glossary)				be in employment, therefore the proposals do not impact on this group to the extent that they are regarded as a vulnerable group – or certain incomes would be disregards under the 'All working age banded scheme'. To qualify as 'disabled' the person must • Qualify for a disability, enhanced disability or severe disability premium for the claimant or partner, or • Qualify for disability or enhanced disability premium for a dependent, or • Qualify for a disability earnings disregard, or • Receive a disability related council tax reduction. • Be in receipt of Employment and Support Allowance (Work Related or Support Group component).		recommendation on 4th January 2022 With effect from 1st April 2022
Gender re-assignment			Y	This does not have any effect on the decisions made under this policy.	N/A	
Pregnancy and maternity			Y	This does not have any effect on the decisions made under this policy.	N/A	
Race			Y	Persons from abroad are excluded from provision by statute but race or ethnicity itself does not have any effect on the application of the scheme. Scheme rules do not take into account race or ethnicity.	N/A	

				Council Tax Support is proposed to be considered to potentially affect all working age customers. It is proposed within one of the options to introduce temporary absence from home rules in line with Housing Benefit and Universal Credit.		
Religion or belief			Y	There is no evidence at this stage of an impact in relation to religion or belief	N/A	
Sex			Y	This does not have any effect on the decisions made under this policy.	N/A	
Sexual orientation			Y	This does not have any effect on the decisions made under this policy.	N/A	
Marriage/civil partnership			Y	This does not have any effect on the decisions made under this policy.	N/A	
Human Rights (see page 8)			Y	This does not have any effect on the decisions made under this policy.	N/A	

- *Evidence could include information from consultations; voluntary group feedback; satisfaction and usage data (i.e. complaints, surveys, and service data); and reviews of previous strategies*

Did any information gaps exist?	**Y/N/NA**	**If so what were they and what will you do to fill these?**
	N	

SECTION C

Decision Point - Outcome of Assessment so far:

Based on the information in section B, what is the decision of the responsible officer (please select one option below):

Tick here

- ✓ **No equality or human right Impact** (your analysis shows there is no impact) - sign assessment below [ ]
- ✓ **No major change required** (your analysis shows no potential for unlawful discrimination, harassment)- sign assessment below [ ]
- ✓ **Adverse Impact but continue** (record objective justification for continuing despite the impact)-complete sections below [x]
- ✓ **Adjust the policy** (Change the proposal to mitigate potential effect) -progress below only AFTER changes made [ ]
- ✓ **Put Policy on hold** (seek advice from the Policy Unit as adverse effects can't be justified or mitigated) -STOP progress [ ]

Conclusion of Equality Analysis (describe objective justification for continuing)	Council Tax has to be paid by all those liable to pay it but some people will have limited means to do this because of their low income or they have higher living costs due to illnesses, disabilities or family or personal circumstances. Council Tax is required to raise month to fund Council Services but a certain amount of money is directed to those who cannot afford to pay the Council Tax to reduce the financial burden on those households because they need it or because society considers that financial support is beneficial to help certain categories of people in certain situations. The aim of the proposed changes is to consider a reduction in scheme expenditure in light of further reductions to local government finance, as well as efficiencies in Council Tax Support and Council Tax processes.

When and how will you review and measure the impact after implementation?*	The policy and Council Tax Support is the responsibility of City of Lincoln Council. It is approved by Executive and then Full Council. It will be administered by the Council's Shared Revenues and Benefits Service. The Council continually analyses its Council Tax Support caseload and produce figures showing the main groups of working age claimants getting Council Tax Support now and likely to be affected by changes to the current scheme. Extracts of the data will allow monitoring of the main types of people affected by the policy can take place as required.

Checked and approved by responsible officer(s) (Sign and Print Name)	Martin Walmsley	Date	24th September 2021
Checked and approved by Assistant Director (Sign and Print Name)		Date	

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Item No. 6

EXECUTIVE **17 JANUARY 2022**

SUBJECT:	**FEES AND CHARGES AT DE WINT COURT**
DIRECTORATE:	**HOUSING AND INVESTMENT**
REPORT AUTHOR:	**FRANCES JELLY - HOUSING BUSINESS SUPPORT MANAGER**

1. Purpose of Report

1.1 To seek Executive approval for the proposed fees and charges for De Wint Court Extra Care accommodation, to be effective from 31 January 2022 to 31 March 2023, after which they will be reviewed as part of the Council's annual review of fees and charges**.**

2. Executive Summary

2.1 De Wint Court Extra Care will consist of 70 Extra Care flats (50 one bed and 20 two bed) and will be supported by grant funding from Lincolnshire County Council (LCC) and Homes England (HE). The previous scheme contained 37 units so the council will see a net increase of 33 units.

The report sets out the fees and charges to be implemented from 31 January 2022 in relation to: -

- Intensive Management Support,
- Utilities – Electric,
- Utilities – Water and Heating,
- Guest Room.

3. Background

3.1 In May 2017, Executive approved to demolish and rebuild De Wint Court in its entirety.

3.2 Original objectives presented to the Executive in May 2017 were to:

- deliver a flagship Extra Care scheme to fill the growing needs of older people,
- to be modern and fit for purpose, user friendly and compliant with current housing design standards,
- to increase the provision of units from 37 to 70,
- enable the investment of £3.22m of Homes England funding into the city,
- enable the investment of £2.8m of LCC investment into the city,
- increase the affordable Extra Care provision.

Part of the extra care provision is an expectation that the scheme contains additional facilities such as a restaurant and hair dressing salon.

3.3 Housing and Support Needs

Applications will be assessed to ensure that people with the greatest housing need and existing City of Lincoln Council tenants are given the appropriate priority to enable them to move to more suitable accommodation.

All applicants must meet at least one of the following criteria:

- A support and / or care need as identified by a Lincolnshire County Council Adult Social Care assessment,
- A housing need as identified through the Lincs Homefinder lettings policy application,
- Are awaiting discharge from residential, nursing, hospital or other care settings and their previous housing is no longer suitable to return to due to a decline in their health,
- Require assistance with their daily living tasks and / or personal care as identified by a Lincolnshire County Council Adult Social Care assessment,
- Have care and support needs due to a range of difficulties or disabilities as identified by a Lincolnshire County Council Adult Social Care assessment; or
- Be a carer of a partner who requires care and support.

3.4 Assessment of an Application

Applications will be assessed based on the housing and support needs by the De Wint Court Extra Care Panel comprising representatives from City of Lincoln Council and Lincolnshire County Council.

An applicant will be informed in writing of the outcome of their assessment.

3.5 Successful Applications

Where applications have been assessed as successful for De Wint Court, the applicant will be awarded a Care Needs Profile. An applicant's Care Needs Profile along with his/her housing banding (set out in Lincs Homefinder lettings policy) will determine an applicant's priority status on the De Wint Court housing waiting list.

3.6 Balanced Care Profile

De Wint Court is designed to provide high quality housing, support and care services which enable, support and encourage people to live independently for as long as they wish to do so. Extra care sheltered housing seeks to provide a positive approach to the health and wellbeing of those who live within such schemes. It is therefore important to make allocations which aim to promote a balanced community within De Wint Court. To ensure there is a balanced mix of residents with differing levels of care need, across the low to high care need range, there are three levels of care need based on Lincolnshire County Council's Adult Social Care assessment policy.

This will result in a balance of the De Wint Court community shown below:

- A third of residents with a housing only / or low care needs,
- A third of residents who have moderate care needs,
- A third of residents who have high care needs**.**

If a resident requires care levels beyond the level that can be adequately met by De Wint Court, then Lincolnshire County Council will work to find a more suitable option for the individual and the panel will formally notify the referrer of the outcome and alternative provision.

3.7 The 70-unit extra care sheltered housing scheme at De Wint Court is under construction with an expected practical completion date week commencing 31 January 2022.

3.8 Extra Care accommodation will help free up care home bed spaces for those with a very high care need and offers a more affordable supported option to those in a care home without a nursing care package**.**

3.9 Each property will have a service charge of £88.33 plus an affordable rent (TBC) charged on a weekly basis.

3.10 The service charge and rent are both housing benefit eligible; an application for housing benefit would contribute to either pay all or part of the total weekly charge depending on the individual's income.

Individuals will fund their own element of care requirements, or this can be provided by Lincolnshire County Council or relatives.

4. Details of Proposed Rents and Service Charges

4.1 A working group involving officers from the project team including Financial Services and support from the Housing Benefits team reviewed the proposed charges. The following is a breakdown of the charges: -

See Appendix 1 for the breakdown of rent and service charges.

4.2 The affordable rent calculation is provided by a member of the Royal Institution of Chartered Surveyors – (RICS); the Senior Surveyor has provided details of the current Market Value and Market Rental Values (MRV) of the properties. The affordable rent is then calculated at 80% of the MRV.

4.3 Intensive Housing Management.

The staffing complement consists of:

- Supported Housing Manager (25% of their time)
- Three Assistance Scheme Managers (75% of their time)
- The scheme to be staffed 7am to 10pm daily, with Lifeline, a secure door entry system and CCTV.
- This charge is covered under the Housing Benefit regulations**.**

see Appendix 2 – No 1
(Resident Service Charge for De Wint Court – Intensive Housing Management)

4.4 Utilities – Electric – full cost recovery.

- **Variable recharge, dependant on sub metered usage.**

(The alternative was to include a set cost within the Intensive Housing Management service charge as part of a gross rent, however, this could lead to a deficit if insufficient funds are recouped and is non-benefitable.

This also leads to disparity between tenants if some use more electricity than others, penalising frugal energy users)

- **Tenant to be invoiced on a quarterly basis**

see Appendix 2 – No 2
Resident Service Charge for De Wint Court – Utilities (Electricity)

4.5 Utilities – Water and Heating - full cost recovery

- **Variable recharge, dependant on apportioned variable costs.**

The alternative was to include a set cost within the Intensive Housing Management service charge as part of a gross rent, however, this could lead to a deficit if insufficient funds are recouped and is non-benefitable
This also leads to disparity between tenants if some use more than others, penalising frugal energy users.

- **Tenant to be invoiced on a quarterly basis**

see Appendix 2 – No.3
(Resident Service Charge for De Wint Court – Utilities (Water and Heating)

4.6 Guest Room – full cost recovery

- **£25 per night incl. VAT**

(Includes cleaning and washing of bedding and towels; to charge at the existing approved charge of £7.50 per night would not recover the full cost of providing the service)

NOTE: Guest rooms at our sheltered housing stock are rented to residents' families at a fee of £7.50 per night; however, there are no facilities with this accommodation – no bathroom, or on-site restaurant etc.

Payment method to be paid in advance by credit / debit card (payment card machine on site) or online.

see Appendix 2 – No.4
(Service Charge for De Wint Court – Guest Room)

5. Strategic Priorities

5.1 <u>Let's reduce all kinds of inequality</u>

The delivery of new affordable homes will enable access to housing by residents of Lincoln who find it most difficult to find their needs met by the private sector offering

5.2 <u>Let's deliver quality housing</u>

All homes built will be built to modern, energy efficient standards and will contribute directly to our Vision for housing

5.3 <u>Let's enhance our remarkable place</u>

The design of the De Wint extra care scheme has been through a careful process to be sympathetic to the locality in which it is situated. It is, however, a flagship scheme which is intended to show the vision of Lincoln as a place to choose to live.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

The proposed fees and charges are in line with the estimates included within the original business case and are set to ensure the scheme overall operates at full cost recovery ~~position~~. The fees and charges will be reviewed after 12 months as the fees and charges are currently set, based on estimates, and will need to be reviewed once actual charges are realised. Fees and Charges will then be reviewed annually to ensure an that scheme overall operates at full cost recovery ongoing.

The revenue budgets for income and expenditure for De Wint Court extra care will be updated as part of the MTFS refresh.

6.2 Legal Implications

There are no legal implications arising from this report.

6.3 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.

Equality and Diversity has been considered throughout the De Wint Court project including the fee setting.

See Appendix 3.
(Equality Impact Assessment.)

7. Risk Implications

7.1 (i) Key Risks Associated with the Preferred Approach

The main risk is the costs (excluding the affordable rents) have been derived from estimates as we have no comparable extra care facility.

The estimates are taken from our current Supported Housing Schemes; De Wint Court extra care is a new build facility which will be more energy efficient.

8. Recommendation

8.1 To approve the proposed fees and charges for De Wint Court extra care accommodation with effect from week commencing 31 January 2022 and after which they will be reviewed as part of the Council's annual review of fees and charges to ensure an ongoing full cost recovery position as set out in section 4 above.

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
List of Background Papers:	None
Lead Officer:	Frances Jelly – Housing Business Support Manager Telephone (01522) 873229 Email address: frances.jelly@lincoln.gov.uk

APPENDIX 1

Core rent		
One bedroom	*£121.20	
Two bedroom	*£135.00	
		*Average affordable rent for one and two bedroom
Service charges		
Intensive housing management	£23.55	
Office and administration costs	£2.76	
CCTV and door entry system	£5.52	
Cleaning	£17.16	
Repairs and maintenance	£14.05	
Sinking fund	£2.83	
Communal utilities	£8.09	
Grounds maintenance	£1.18	
Central administration & insurance	£4.68	
Voids allowance	£6.02	
Bad debt	£1.20	
Council Tax voids allowance	£1.29	
Total services charges	£88.33	
Gross Affordable Rent one-bedroom	£209.53	
Gross Affordable Rent two-bedroom	£223.33	

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APPENDIX 2

1.0

Description of fee/charge
Resident Service Charge for De Wint Court – Intensive Housing Management

Charging Policy
Full cost recovery

Comparative Information
Affordable Registered Provider's (RP) and local authorities who provide Extra Care accommodation, charge a gross rent which includes rent and service charge.

Financial	
Information Required	Description
Level of charge	£88.33 per week
VAT Status	Non business
Degree of change	N/A
Start date	TBC
Total income generated	Nil
Surplus/deficit as a percentage of cost	£0
Surplus/deficit per usage	£0

Impact on Other Areas
None

Method of Collection
As part of a gross affordable rent

Alternatives
Not to charge and the Housing Revenue Account (HRA) to bear the cost

2.0

Description of fee/charge
Resident Service Charge for De Wint Court – **Utilities (Electricity)**

Charging Policy
Full cost recovery

Comparative Information

Financial	
Information Required	Description
Level of charge	Variable recharge, dependant on sub metered usage. (electric)
VAT Status	5% (Metered utilities - if the overall supply to the facility is <1000kWh per month, 5% VAT to be added, >1000 kWh 20%)
Degree of change	None
Start date	TBC
Total income generated	Full cost recovery
Surplus/deficit as a percentage of cost	£0
Surplus/deficit per usage	£0

Impact on Other Areas
None

Method of Collection
Invoiced quarterly

Alternatives
To include a set cost within the Intensive Housing Management service charge as part of a gross rent, however, this could lead to a deficit if insufficient funds are recouped. This also leads to disparity between tenants if some use more than others, penalising frugal energy users.

3.0

Description of fee/charge
Resident Service Charge for De Wint Court – **Utilities (Water and heating)**

Charging Policy
Full cost recovery

Comparative Information

Financial	
Information Required	Description
Level of charge	Variable recharge, dependant on apportioned variable costs. (water and heating)
VAT Status	Non Business (Apportioned utilities (domestic supplies) - non business outside scope of VAT (as per rent))
Degree of change	None
Start date	TBC
Total income generated	Full cost recovery
Surplus/deficit as a percentage of cost	£0
Surplus/deficit per usage	£0

Impact on Other Areas
None

Method of Collection
Invoiced quarterly

Alternatives
To include a set cost within the Intensive Housing Management service charge as part of a gross rent, however, this could lead to a deficit if insufficient funds are recouped. This also leads to disparity between tenants if some use more than others, penalising frugal energy users.

4.0

Description of fee/charge
Service Charge for De Wint Court – **Guest Room**

Charging Policy
Cost recovery

Comparative Information
Guest rooms at our sheltered housing stock are rented to residents' families as fee per night. This existing charge for guest room at existing sheltered accommodation is £7.50 per night, however there are no facilities with this accommodation – no bathroom, or on-site restaurant etc.

Financial	
Information Required	Description
Level of charge	£25 per night incl. VAT Includes cleaning and washing of bedding and towels.
VAT Status	From 1/4/22 20%, 1/10/21-31/3/2022 12.5%
Degree of change	None
Start date	TBC
Total income generated	None – full cost recovery
Surplus/deficit as a percentage of cost	£0
Surplus/deficit per usage	£0

Impact on Other Areas
None

Method of Collection
Payment in advance – by card or online

Alternatives
To charge at the existing approved charge of £7.50 per night and not recover the full cost of providing the service.

Equality with Human Rights Analysis Toolkit

The Equality Act 2010 and Human Rights Act 1998 require us to consider the impact of our policies and practices in respect of equality and human rights.

We should consider potential impact before any decisions are made or policies or practices are implemented. This analysis toolkit provides the template to ensure you consider all aspects and have a written record that you have done this.

If you need any guidance or assistance completing your Equality and Human Rights Analysis contact:
Corporate Policy Unit email: Policy.unit@lincoln.gov.uk. Alternatively contact Legal Services on (87)3840

A diagram of the process you should follow is on page 2, and glossary and guidance to help you complete the toolkit can be found on pages 6-9.

Even after your policy, project or service has been implemented; it is recommended that analysis is undertaken every three years, and that this analysis is updated at any significant points in between. The purpose of any update is that the actual effects will only be known after the implementation of your policy, project or service. Additionally, area demographics could change, leading to different needs, alternative provision can become available, or new options to reduce an adverse effect could become apparent.

<u>Useful questions to consider when completing this toolkit</u>

1. What is the current situation?
2. What are the drivers for change?
3. What difference will the proposal make?
4. What are the assumptions about the benefits?
5. How are you testing your assumptions about the benefits?
6. What are the assumptions about any adverse impacts?
7. How are you testing your assumptions about adverse impacts?
8. Who are the stakeholders and how will they be affected?
9. How are you assessing the risks and minimising the adverse impacts?
10. What changes will the Council need to make as a result of introducing this policy / project / service / change?
11. How will you undertake evaluation once the changes have been implemented?

STEP BY STEP GUIDE TO EQUALITY ANALYSIS

STEP 1

In Section A identify background information to the policy, project or service you are analysing.

STEP 2

In Section B highlight any likely impact on equality or human rights as a result of the policy, project or service. You must have evidence* to support this. Impacts can be positive and negative

STEP 3

In Section C record your findings as a result of the analysis (this can include 'no impact' if you have evidence of no equality or human rights impact).

STEP 4

The responsible officer (completing this assessment) must now check the analysis and sign Section C, and have the relevant senior manager also check and approve this analysis, and sign the relevant part of Section C.

STEP 5

Publish the analysis (e.g. submit to the relevant committee) alongside the policy, project or service that it forms part of.

STEP 6

Monitor and review your policy, project or service once it has been implemented to ensure any future adverse effects are mitigated. Ensuring the Equality Analysis is kept up to date will from a core part of this.

*** Evidence could include information from consultations; voluntary group feedback; satisfaction and usage data (i.e. complaints, surveys, and service data); and reviews of previous strategies**

SECTION A

Name of policy / project / service	De Wint Court Extra Care – Fees and Charges
Background and aims of policy / project / service at outset	Approval for the proposed fees and charges for De Wint Court Extra Care accommodation, to be effective from week commencing 31 January 2022, after which they will be reviewed as part of the Council's annual review of fees and charges.
Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis	Yvonne Fox – Assistant Director Housing Frances Jelly – Housing Business Support Manager
Key people involved *i.e. decision-makers, staff implementing it*	Yvonne Fox – Assistant Director of Housing Andrew McNeil – Assistant Director of Strategy & Investment Clive Thomasson – Supported Housing Manager Frances Jelly – Business Support Manager Sarah Hardy–Finance Business Partner Laura Shipley – Finance Business Partner Tracey Footsoy - Housing Strategy Officer (Development Enabling)

SECTION B

This is to be completed and reviewed as policy / project / service development progresses

	Is the likely effect positive or negative? (please tick all that apply)			Please describe the effect and evidence that supports this and if appropriate who you have consulted with*	Is action possible to mitigate adverse impacts?	Details of action planned including dates, or why action is not possible
	Positive	**Negative**	**None**			
Age	Yes			De Wint Court is a flagship extra care scheme designed to provide high quality housing, support and care services which enable, support and encourage people to live independently for as long as they wish to do so with a minimum age of 55 years. A balanced mix of residents with differing levels of care need, across the low to high care need range, there are three levels of care need based on Lincolnshire County Council's Adult Social Care assessment policy.	N/A	
Disability including carers (see Glossary)	Yes			To be modern and fit for purpose, user friendly and compliant with current housing design standards All applicants must meet at least one of the following criteria: A support and / or care need as identified by a Lincolnshire County Council Adult Social Care assessment, A housing need as identified through the Lincs Homefinder lettings policy application, Are awaiting discharge from residential, nursing, hospital or other care settings and their previous housing is no longer suitable to return to due to a decline in their health,	N/A	

				Require assistance with their daily living tasks and / or personal care as identified by a Lincolnshire County Council Adult Social Care assessment, Have care and support needs due to a range of difficulties or disabilities as identified by a Lincolnshire County Council Adult Social Care assessment; or Be a carer of a partner who requires care and support		
Gender re-assignment			Yes	The service / charges are the same irrespective of Gender re-assignment	NA	
Pregnancy and maternity			Yes	Our Service is predominantly for older people therefore no effect with regards pregnancy/maternity	NA	
Race			Yes	The service / charges are the same irrespective of Race	NA	
Religion or belief			Yes	The service / charges are the same irrespective of Religion or belief	NA	
Sex			Yes	The service / charges are the same irrespective of gender	NA	
Sexual orientation			Yes	The service / charges are the same irrespective of sexual orientation	NA	
Marriage/civil partnership			Yes	The service / charges are the same irrespective of Marital Status	NA	
Human Rights (see page 8)	Yes			DWC Extra Care has the following:- Staff on site seven days per week 7am to 10pm, Lifeline alarm service connected to LinCare Secure door entry system and CCTV.	NA	

**Evidence could include information from consultations; voluntary group feedback; satisfaction and usage data (i.e. complaints, surveys, and service data); and reviews of previous strategies*

Did any information gaps exist?	Y/N/NA	If so what were they and what will you do to fill these?
	N/A	

SECTION C
Decision Point - Outcome of Assessment so far:

Based on the information in section B, what is the decision of the responsible officer (please select one option below):

Tick here

- **No equality or human right Impact** (your analysis shows there is no impact) - sign assessment below [√]
- **No major change required** (your analysis shows no potential for unlawful discrimination, harassment)- sign assessment below [√]
- **Adverse Impact but continue** (record objective justification for continuing despite the impact)-complete sections below [ ]
- **Adjust the policy** (Change the proposal to mitigate potential effect) -progress below only AFTER changes made [ ]
- **Put Policy on hold** (seek advice from the Policy Unit as adverse effects can't be justified or mitigated) -STOP progress [ ]

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Conclusion of Equality Analysis (describe objective justification for continuing)	There are no adverse effects on any of the key characteristics, however there are some very clear positives for the elderly and vulnerable

When and how will you review and measure the impact after implementation?*	A review of Fees and Charges will take place alongside the authority's annual financial review of all Fees ad Charges

Checked and approved by responsible officer(s) (Sign and Print Name)	Frances Jelly	Date	14/12/2021
Checked and approved by Assistant Director (Sign and Print Name)	Yvonne Fox	Date	

When completed, please send to policy@lincoln.gov.uk and include in Committee Reports which are to be sent to the relevant officer in Democratic Services

The Equality and Human Rights Commission guidance to the Public Sector Equality Duty is available via: www.equalityhumanrights.com/new-public-sector-equality-duty-guidance/

City of Lincoln Council Equality and Human Rights Analysis Toolkit: Glossary of Terms

Adult at Risk - an adult at risk is a person aged 18 years or over who is or may be in need of community care services by reason of mental health, age or illness, and who is or may be unable to take care of themselves, or protect themselves against significant harm or exploitation.

Adverse Impact. Identified where the Council's operations has a less favourable effect on one or more groups covered by the Equality Act 2010 than it has on other groups (or a section of a group)

Carer - see also disability by association. A carer is a person who is unpaid and looks after or supports someone else who needs help with their day-to-day life, because of their age, long-term illness, disability, mental health problems, substance misuse

Disability by association. Non disabled people are also protected from discrimination by association to a disabled person. This might be a friend, partner, colleague or relative. This is applies to carers who have a caring responsibility to a disabled person.

Differential Impact. Identified where a policy or practice affects a given group or groups in a different way to other groups. Unlike adverse impact, differential impact can be positive or negative.

Disability. It is defined under the Equality Act 2010 as 'having a physical or mental impairment which has a substantial and adverse long term effect on a person's ability to carry out normal day to day activities'.

Physical impairment is a condition affecting the body, perhaps through sight or hearing loss, a mobility difficulty or a health condition.

Mental impairment is a condition affecting 'mental functioning', for example a learning disability or mental health condition such as manic depression

Diversity. Diversity is about respecting and valuing the differences between people. It is also recognising and understanding the mix of people and communities who use services and their different needs.

Discrimination. Discrimination has been defined as 'the unequal treatment of individuals or groups based onless because of a protected characteristic – see protected characteristic. This includes discrimination by association, perception, direct and indirect discrimination.

Example of discrimination: An employer does not offer a training opportunity to an older member of staff because they assume that they would not be interested, and the opportunity is given to a younger worker

Equality. The right of different groups of people to have a similar social position and receive the same treatment:

Equality Analysis. This is a detailed and systematic analysis of how a policy, practice, procedure or service potentially or actually has differential impact on people of different Protected Characteristics

Equality Objectives. There are specific strategic objectives in the area of equalities and should set out what services are seeking to achieve in each area of service in terms of Equality.

Equality of Opportunity. Equality of opportunity or equality opportunities may be defined as ensuring that everyone is entitled to freedom from discrimination. There are two main types of equality encompassed in equal opportunities:

1. Equality of treatment is concerned with treating everyone the same. Thus, in an organisational context it recognises that institutional discrimination may exist in the form of unfair procedures and practices that favour those with some personal attributes, over others without them. The task of equal opportunities is therefore concerned with the elimination of these barriers.

2. Equality of outcome focuses on policies that either have an equal impact on different groups or intend the same outcomes for different groups.

Evidence. Information or data that shows proof of the impact or non impact - evidence may include consultations, documented discussions, complaints, surveys, usage data, and customer and employee feedback.

Foster good relations. This is explicitly linked to tackling prejudice and promoting understanding.

General Equality Duty. The public sector equality duty on a public authority when carrying out its functions to have ‘due regard’ to the need to eliminate unlawful discrimination and harassment, foster good relations and advance equality of opportunity.

Gender reassignment. The process of changing or transitioning from one gender to another – for example male to trans-female or female.

Harassment. This is unwanted behaviour that has the purpose or effect of violating a person’s dignity or creates a degrading, humiliating, hostile, intimidating or offensive environment.

Human Rights – Human rights are the basic rights and freedoms that belong to every person in the world **- see below**

Marriage and Civil Partnership. Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters. Single people are not protected. Discrimination on grounds of marriage or civil partnership is prohibited under the Act. The prohibition applies only in relation to employment and not the provision of goods and services.

Pregnancy and Maternity. Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Protected Characteristics. These are the grounds upon which discrimination is unlawful. The characteristics are:

- Age
- Disability
- Gender reassignment
- Race
- Religion and belief (including lack of belief)
- Sex/gender
- Marriage and civil partnership
- Pregnancy and maternity
- Sexual orientation

Public functions. These are any act or activity undertaken by a public authority in relation to delivery of a public service or carrying out duties or functions of a public nature e.g. the provision of policing and prison services, healthcare, including residential care of the elderly, government policy making or local authority services.

Race. This refers to the protected characteristic of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Religion or belief. Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Section 11 of the Children Act. This duty is a duty under the Children Act 2004 that requires all agencies with responsibilities towards children to discharge their functions with regard to the need to safeguard and promote the welfare of children. They must also ensure that any body providing services on their behalf must do the same. The purpose of this duty is that agencies give appropriate priority to safeguarding children and share concerns at an early stage to encourage preventative action.

Sex. It refers to whether a person is a man or a woman (of any age).
Sexual Orientation. A person's sexual attraction is towards their own sex; the opposite sex; or to both sexes: *Lesbian, Gay or Bisexual*
Victimisation. Victimisation takes place where one person treats another less favourably because he or she has exercised their legal rights in line with the Equality Act 2010 or helped someone else to do so.
Vulnerable Adult. A Vulnerable Adult is defined as someone over 16 who is or may be in need of community care services by reason of mental or othe disability, age or illness and who is or may be unable to take care of him/herself or unable to protect him/herself against significant harm or exploitation'

Human Rights

Human rights are the basic rights and freedoms that belong to every person in the world. They help you to flourish and fulfill your potential through:

- being safe and protected from harm
- being treated fairly and with dignity
- living the life you choose
- taking an active part in your community and wider society.

The Human Rights Act 1998 (also known as the Act or the HRA) came into force in the United Kingdom in October 2000. It is composed of a series of sections that have the effect of codifying the protections in the European Convention on Human Rights into UK law.

The Act sets out the fundamental rights and freedoms that individuals in the UK have access to. They include:

- Right to life
- Freedom from torture and inhuman or degrading treatment
- Right to liberty and security
- Freedom from slavery and forced labour
- Right to a fair trial
- No punishment without law
- Respect for your private and family life, home and correspondence
- Freedom of thought, belief and religion
- Freedom of expression
- Freedom of assembly and association
- Right to marry and start a family
- Protection from discrimination in respect of these these rights and freedoms
- Right to peaceful enjoyment of your property

- Right to education
- Right to participate in free elections

Many every day decisions taken in the workplace have no human rights implications. However, by understanding human rights properly you are more likely to know when human rights are relevant and when they are not. This should help you make decisions more confidently, and ensure that your decisions are sound and fair.

Item No. 7

SUBJECT:	**EXCLUSION OF THE PRESS AND 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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