Public Document Pack

EXECUTIVE

Monday, 21 February 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, Carolyn Wheater and Paul Hopkinson

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A G E N D A

SECTION A **Page(s)**

1. Confirmation of Minutes - 17 January 2022 **3 - 8**

2. Declarations of Interest

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

OUR PEOPLE AND RESOURCES

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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.

These items are being considered in private as they are 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 these items in private.

SECTION B

OUR PEOPLE AND RESOURCES

16. Strategic Risk Register - Quarterly Review **489 - 506**

[Exempt Para 3]

CUSTOMER SERVICES AND REVIEW

17. ICT Security Policies **507 - 590**

[Exempt Para 3]

Executive **17 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

71. Confirmation of Minutes - 4 January 2022

RESOLVED that the minutes of the meeting held on 4 January 2022 be confirmed.

72. Declarations of Interest

No declarations of interest were received.

73. Draft Medium Term Financial Strategy 2022-2027

Purpose of Report

To consider the draft Medium-Term Financial Strategy for the period 2022-2027; the draft budget and council tax proposal for 2022-23; and the draft Capital Strategy 2022-2027.

Decision

(1) That the Draft Medium Term Financial Strategy 2022-2027, and the Draft Capital Strategy 2022-2027 be approved for consultation and scrutiny.

(2) That it be noted that the Draft Medium Term Financial Strategy 2022-2027, and the Draft Capital Strategy 2022-2027 include the following specific elements:

(a) a proposed council tax Increase of 1.89% for 2022/23;
(b) a proposed housing rent increase of 3.6% for 2022/23;
(c) the Council's membership of the Lincolnshire Business Rates Pool in 2022/23;
(d) the draft General Fund Revenue Forecast 2022/23 - 2026/27, detailed in Appendix A of the report, and the main basis on which this budget had been calculated, as set out in section 4 of the report;
(e) the draft General Investment Programme 2022/23 - 2026/27, detailed in Appendix B of the report, and as the main basis on which the programme had been calculated, as set out in section 6 of the report;
(f) the draft Housing Revenue Account Forecast 2022/23 -2026/27, detailed in Appendix A of the report, and as the main basis on which this budget had been calculated, as set out in section 5 of the report; and
(g) the Draft Housing Investment Programme 2022/23 - 2026/27, as detailed in Appendix A of the report, and as the main basis on which the programme has been calculated, as set out in section 7 of the report.

(3) That the Chief Finance Officer be delegated authority to approve the final Business Rates Base for the financial year commencing on 1 April 2022 and ending 31 March 2023 and submission of the base (via the NNDR1 return) to the Department of Levelling Up, Communities and Housing by 31 January 2022, with changes to the base estimated in the Draft Medium Term Financial Strategy 2022/27 being reported to the Executive as part of the Final MTFS 2022-27 on 21 February 2022.

Alternative Options Considered and Rejected

As detailed throughout the report.

Reasons for the Decision

The Medium Term Financial Strategy detailed the overall framework on which the Council planned and manages its financial resources to support the direction of the Council's vision and strategic priorities. The Medium Term Financial Strategy integrated revenue allocations, savings targets and capital investment and provided 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.

Prior to the submission of the Medium Term Financial Strategy for 2022-2027 and budget and council tax proposal for 2022/23 to the Council on 21 February 2022, the initial draft would be subject to public consultation and member scrutiny.

74. Collection Fund Surplus or Deficit - Business Rates

Purpose of Report

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

Decision

(1) That the action of the Chief Finance Officer in declaring a business rates deficit of £8,907,238 for 2021/22 be confirmed, subject to the confirmation of the business rates base by 31 January 2022, with any amendments to the declared deficit being notified to the relevant preceptors and being included in the Final Medium Term Financial Strategy 2022-27, to be presented to the Executive 21 February 2022.

(2) That the spreading adjustment of a £1,202,848 deficit to be distributed in 2022/23 be noted.

Alternative Options Considered and Rejected

None. The Council was required by law to estimate whether there would be a surplus or deficit on its business rates collection prior to setting its budget for the following year.

Reasons for the Decision

The Council would declare a deficit on the Business Rates Collection Fund of £8,907,238 for 2021/22. This figure would be subject to the confirmation of the Business Rates base by 31 January 2022, of which its share was £3,562,895.

Much of the deficit had been offset by government grants to compensate local authorities for the business rate reliefs awarded to businesses in 2021/22, as part of the response to the Covid-19 pandemic.

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, would be distributed in 2022/23. The net position to be distributed in 2022/23, for the City Council's share, was therefore a deficit of £4,044,035.

75. Localised Council Tax Support Scheme 2022/23

Purpose of Report

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.

Decision

(1) That the responses received 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, be noted.

(2) That it be recommend to the City of Lincoln Council that:

(a) the continuation of proposed 'no change' to the core Council Tax Support scheme for 2022/23, as set out in Section 4 of the report, be approved, subject to the technical amendments described in paragraph 5.3; and
(b) an increase in the Exceptional Hardship Payments scheme from £20,000 to £25,000, for the financial year 2022/23, be approved.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

National council tax benefits had been abolished by the government on 31 March 2013 and replaced by the Council Tax Support Scheme, which could be determined locally by the City of Lincoln Council, as the billing authority, after consultation with precepting authorities, key stakeholders and residents.

On 31 of August 2021, there had been 8,870 residents claiming Council Tax Support in Lincoln, with 2,704 of these as pensioners protected under the legislation and receiving Council Tax Support, as prescribed by the Government, broadly similar to the level of Council Tax Benefit.

A local scheme could be determined for the 6,166 working age claimants, of whom 598 were of working age and employed; 3,069 were of working age and vulnerable; and 2,499 were of working age and not employed.

76. Fees and Charges at De Wint Court

Purpose of Report

To consider the proposed fees and charges for De Wint Court Extra Care accommodation, which would be effective from 31 January 2022 to 31 March 2023.

Decision

(1) That the fees and charges for De Wint Court extra care accommodation, as set out in section 4 and appendices 1 and 2 of the report, be approved for implementation for the week commencing on 31 January 2022 until 31 March 2023, with the aim of ensuring an ongoing full cost recovery position.

(2) That the level of fees and charges for the De Wint Court extra care accommodation from 1 April 2023 be reviewed as part of the Council's annual review of fees and charges.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

In May 2017, the Executive had approved the demolition and rebuild of De Wint Court, with a view to delivering a flagship extra care housing scheme to meet the growing needs of older people. The redevelopment would be modern and fit for purpose, user friendly and compliant with current housing design standards, and would increase the provision from 37 to 70 units, thus representing an increase of 33 units. The development enabled the investment of £3.22 million by Homes England and of £2.8 million by Lincolnshire County Council.

The report set out the fees and charges to be implemented from 31 January 2022 for intensive management support; utilities (electricity, water and heating); and the guest room.

77. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following item of business 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.

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

78. Hartsholme Country Park Flood Alleviation Project

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.

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Item No. 3

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**VISION 2025 – 3-YEAR DELIVERY PLAN 2022-2025**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**ANGELA ANDREWSM, CHIEF EXECUTIVE AND TOWN CLERK**

1. Purpose of Report

1.1 To seek approval from Executive on the draft mid-term review of the Vision 2025 and the core delivery plan for the final three years of Vision 2025.

2. Executive Summary

2.1 Vision 2025 was approved in February 2020, but due to the onset of the Covid-19 pandemic was never officially launched and in some areas of activity, progress on the initial plans has been affected.

2.2 As the council moves back to a new business as usual situation, a mid-term review on the proposals in the original vision was undertaken. As part of this work, the effect of covid-19 on the health of our residents has been considered – and as a result, a new focus on physical and mental health developed for the way forward.

2.3 The attached three-year Delivery Plan (Appendix A) should be considered as an addendum to Vision 2025 as there are no changes to the core priorities, aspirations or values identified in that document.

3. Background

3.1 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 by senior management and members and approved by Executive on 24th February 2020, before being adopted by Council.

Vision 2025 provided the priorities and aspirations as well as a high-level view of how these would be achieved. 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 (ADP) for each year, in which individual projects would be agreed by management and Portfolio Holders for each priority.

3.2 The Year one ADP was in the process of gaining agreement from Leadership for roll out at the Growth Conference, when in March 2020 Covid-19 hit and severely impacted the council's ability to deliver beyond critical services.

The launch of the Growth Conference and the Annual Delivery Plan was immediately deferred, and services were re-focussed on service recovery.

2020/21 has seen most services recover to a 'new' normal, however, this is not necessarily the same as pre-covid times. As well as business as usual - we are still facing:

- Additional service demands as customers start to bring up requests they have held on to during the pandemic
- The reintroduction of some cyclical inspections (e.g. in Private Sector Housing, Food Health & Safety and in Housing)
- Regaining access to houses where residents have not wanted us to access from health concerns (e.g. Housing, Disabled Facility Grant's)
- Trying to restore income levels to nearer pre-covid levels (e.g. Parking, Leisure)
- The need to help the High Street recover (e.g. progressing the Town Fund, and the Welcome Back Fund)

3.3 As we move towards 2022/23 and onwards, focus is now firmly on the process of delivering our strategic aims. Due to the financial and resource effects of the Covid-19 impact, we are not in a place to completely pick up where we were, so the new three-year plan has been developed with flexible timescales.

It is important to note that not all projects will be able to start in 2022/23 and not all projects will complete by 2025 – however, the aim is to progress as quickly as possible, and the results of the public consultation will help prioritisation of workload.

3.4 It should be recognised that although the pandemic did significantly affect the council's ability to progress in all aspects of Vision 2025 – this does not mean that there has been no progress. In fact, it is worth noting the level of projects that have been continued with:

- Western Growth Corridor/Swanpool project – planning permission has been granted to progress this major development
- Market improvements have commenced
- Funding has been sought and achieved to support Greyfriars
- The city centre vibrancy programme – is now funded by Town Deal
- The Cornhill improvements are almost complete
- New affordable housing has been built on Rookery Lane
- We have additional move on accommodation to support homeless people
- The Trusted Landlord Scheme is in place and will be pushed further
- De Wint Court extra care sheltered housing scheme is complete
- Crematorium refurbishment has been completed with a new chapel and new cremators as well as additional parking
- Resident's parking schemes have been consulted on and will progress
- We have used the Welcome Back Fund to support high street recovery
- Safer Streets programme is being implemented currently
- The Boultham Park restoration (phase 2) is well underway
- A start has been made on the Heritage Action Zone project to improve the look of our high street and condition of key buildings
- We have started the creation of more wildflower meadows
- Electric vehicles charging points are being installed in new council properties
- Recruitment of new business to the Lincoln Social Responsibility Charter
- Funding found to sustain the rough sleepers and homelessness teams
- The carbon action survey and staff travel surveys are now completed

- We have a roadmap to zero carbon events programme in place
- We have a decarbonisation Strategy and Management plan
- We have achieved Environmental management accreditation

4. Development of the Mid-Term Vision 2025 Review

4.1 As services showed strong signs of recovery from the effects of the pandemic, the Executive group made the decision to review progress towards Vision 2025 plans, and importantly, what steps can now be taken to re-start the programme in earnest.

4.2 The five existing priorities and their aspirations will not be changed as it was determined that they still meet the needs of the city and our residents.
They remain as:

- 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

4.3 However, as part of in-depth discussions at Portfolio Holder level, members highlighted key areas to be considered when considering the way forward:

- The economic recovery plan for the city
- The health and inequalities faced by residents as we move out of the pandemic
- Provision for more greening projects across the city

These key points were a significant part of the review of project priorities.

4.4 The resulting Vision 2025 mid-term review **(Appendix A)** contains a range of projects spread across the five priorities and 25 aspirations, however, this is a three-year plan and thus there are minimal specific dates given at project level, so that workload can be spread to match available resource as well as meet customer priorities.

4.5 Consultation with the public, businesses and the voluntary sector started on the 18th January 2022, and completed on 10th February 2022. The consultation primarily asked for prioritisation of key existing programmes, and the results from this are included in Appendix B and will inform the prioritisation of the programme start dates over the next three years.

In summary – the programmes seen as the most important in each Strategic Priority, by the majority of respondents are:

- Take a leading role in the recovery of the Lincoln economy
- Improve the health and quality of life for people living in Lincoln
- Continue to increase the supply and number of affordable homes in the city
- Embark on an ambitious programme to enhance the natural environment across the city
- Promote sustainable transport options

5. Strategic Priorities

5.1 By the very nature of the Strategic Plan, the Vision 2025 ADP effects all five priorities in driving them forwards. Projects included cover all five priorities, but the specific effects will be monitored via each individual project plan as it is developed, presented and approved for commencement.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

The M**edium-Term** Financial Strategy 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 the net cost base.

The new three-year ADP includes a significant amount of new investment, primarily of a capital nature, aimed at supporting the economic prosperity of the City which will be largely funded through external grant funding. In addition, through the refocusing of existing resources and allocation of the existing Visions 2025 earmarked reserve, there are also a number of new revenue schemes.

Individual projects contained within the ADP will be subject to separate, appropriate, approval processes as they are bought forward for implementation.

Vision 2025 also recognises the need to reduce the Council's net cost base alongside the further new investment to support the priorities.

6.2 Legal Implications including Procurement Rules

This report refers to a selection of projects which will each individually be reported to the appropriate decision maker – and will include legal implications where appropriate

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

Care has been taken when developing the Vision 2025 mid-term review to consider all aspects of equality, and whilst this retained the specific Priority for "Reducing all kinds of Inequality" which specifically tackles some aspects of equality – all other projects identified will also consider this throughout their initiation, planning and delivery. In addition consultation has been carried out which will reflect any E&D concerns raised.

7. Risk Implications

7.1 (i) Options Explored – Resource (financial and people) is a key risk and has been considered when reviewing which projects to tackle/continue in years three-five.

7.2 (ii) Key Risks Associated with the Preferred Approach – One Council, Health, and Legacy projects are to be the key focus initially, but changes in the working environment such as TFS requirements and the pandemic legacy will be built in as well.

8. Recommendation

8.1 Executive is asked to approve the mid-term review, 3-year delivery plan.

Is this a key decision?	Yes
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules apply?	No
How many appendices does the report contain?	Two
List of Background Papers:	None
Lead Officer:	Pat Jukes, Business Manager, Corporate Policy Email address: **pat.jukes@lincoln.gov.uk**

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Vision 2025

Interim Review

February 2022

Together, let's deliver
Lincoln's ambitious future

Appendix A

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Foreword

Vision 2025 sets out the priorities and aspirations over a five-year plan. However, following the pandemic faced by the world and still affecting this country and this city, we need to review actions planned to ensure they meet Lincoln residents' emerging needs.

The consequences of the pandemic have impacted us all, our home lives, our children's education, our working lives, our financial situation, and our health. It's been clear from the early stages of the pandemic that some groups are more affected than others, including the elderly, the disabled, people with limited income and those from some minority communities. One aspect has become clear, after two years of changes, people are still facing their own individual challenges, and in many cases, this is health related, both physical and mental, and at a time when our health services are under considerable pressure.

The council has a key role to play not just in working with our partners to develop the economic sustainability of our city – but also in supporting partners and other key providers to ensure that the health of our residents is placed as a high priority.

As we move towards the start of a new financial year, we see this as an opportunity to refocus our resources towards prevention and addressing those areas, including health inequalities, that will be needed most in the next three-year period, and into the future. This is an opportunity to review and relaunch Vision 2025, ensuring that the actions we take to meet our priorities will help tackle those needs. As a starting point City of Lincoln Council is already working with our Lincolnshire District Council counterparts to look at how and where we can jointly support the Health agenda across the County. The following sections will take you through our action plan for the next three years.

Angela Andrews

Chief Executive & Town Clerk

Cllr Ric Metcalfe

Leader

Introduction

This review is positioned as an addendum to the original five-year plan Vision 2025, which although originally launched in March 2020, was almost immediately affected by the impact of the Covid 19 pandemic.

The Vision, the five priorities and the aspirations under each priority agreed under consultation - are still relevant and there is no requirement to change these. However, we will ensure promoting positive health for the city will be a key feature within these goals wherever possible. That means that we do need to review the activities originally planned to achieve these goals to ensure that our limited resources are used in the most effective way.

As a nation we are facing a backlog of untreated health issues as well as a raft of indirect impacts such as obesity, excess alcohol consumption, poor quality private sector housing conditions and increasing anti-social behaviour, causing health inequalities to widen, especially in our deprived areas of Lincoln.

One change now in place is that instead of an annual delivery plan, we have developed a three-year plan which will be resourced as appropriate over the next three years. There are several new projects proposed which will support the work of partners in helping tackle health inequalities exacerbated by the pandemic.

Over the first two years of the Vision, there were several projects that continued to be progressed and some are now complete. However, with continued restrictions on our funding, there are some proposals that will either be deferred or no longer be progressed. As this is a three-year plan, the projects mentioned later will not all start in 2022, they will be phased appropriately to meet residents' needs and when resources are available.

The following pages are a reminder of our Vision, Priorities and Aspirations

Our vision

Together, let's deliver Lincoln's ambitious future

The strategic priorities that underpin our vision:

Our aspirations

The aspirations that underpin our five strategic priorities

Let's drive inclusive economic growth

- Let's build a strong, viable, inclusive and prosperous future for Lincoln
- Let's continue to help businesses prosper
- Let's support a culture of innovation
- Let's attract investment
- Let's continue to make things happen

Let's reduce all kinds of inequality

- Let's improve the health and quality of life for people living in Lincoln
- Let's help people succeed
- Let's provide help to the most vulnerable in our city
- Let's help people feel safe and welcome in their communities
- Let's help more businesses embrace corporate social responsibility

Let's deliver quality housing

- Let's provide housing which meets the varied needs of our residents
- Let's work together to tackle homelessness in Lincoln
- Let's improve housing standards for all
- Let's build thriving communities
- Let's help people have a sense of belonging

Let's enhance our remarkable place

- Let's show the world what Lincoln has to offer
- Let's cherish and enhance our natural environment
- Let's preserve the unique character of our city
- Let's deliver a rich and varied cultural experience
- Let's provide interesting, exciting and vibrant places to enjoy

Let's address the challenge of climate change

- Let's ensure our development approach reduces our carbon footprint
- Let's set the Lincoln standard for sustainable zero carbon development
- Let's make walking, cycling and the use of public transport the best and favourite way to move around Lincoln
- Let's ensure the city's infrastructure is fully adaptable and resilient to the challenges of climate change
- Let's make our existing housing and business premises energy efficient

Let’s drive inclusive economic growth

Introduction from Portfolio Holder

Cllr Neil Murray

“Inclusive economic growth covers many areas, so in the next three years we will focus on ensuring the Town Deal programme starts delivering as soon as possible as it has potential to improve so many aspects of residents lives including their prosperity and health. In addition, sustainable developments such as the Swanpool project, and the markets project, along with regeneration, and improved digitalization, will be pivotal in supporting investment and the growth of a diverse economy”

Let’s build a strong, viable, inclusive, and prosperous future for Lincoln

As part of tackling the wider determinants of health, we will develop an `Inclusive Growth Strategy’ reviewing economic inequalities such as low income and skill sets. Working with partners, we will deliver key schemes from the Lincoln Transport Strategy including Neighbourhood mobility hubs, as well as reviewing our own parking strategy in the light of changes caused by the pandemic. The Transport Taskforce will review all forms of movement in and around the city to improve sustainable and healthy connectivity. Progressing the Western Growth Corridor Swanpool project will create an inclusive, sustainable community within the heart of Lincoln, with much needed new housing.

Let’s continue to help businesses prosper

We will continue to develop the city centre with a mix of city centre living and new retail offerings. The Town Deal has already funded a feasibility study for Tentercroft Street to review opportunities for a mixed-use development in that area, and funding bids will be submitted to hopefully allow us to take the project forward. Following on from the successful Cornhill developments, we will now develop the Central Market and City Square to deliver a sustainable and vibrant indoor and outdoor market offer as well as to revitalise our heritage building.

Let’s support a culture of innovation

We will support the private sector in continued growth of the digital sector, with the aim of providing affordable access to broadband for all premises and homes in the city and the development of digital skills for residents who need it. We will develop a City of Lincoln Council strategy to support the continued growth of start-up and small businesses, particularly in high growth sectors.

Let's attract investment

As Lincoln is receiving £19m Government funding for the Town Deal - a programme of specifically designed projects has been built to ensure the Town Deal Partnership delivers key aims. We are applying for funding to develop a masterplan for the Waterside East area of the city. If successful, further funding will be sought to deliver the masterplan.
We will establish a Place Board with our partners that will promote Lincoln as a visitor, business, and educational destination.

Let's continue to make things happen

We will complete the review of the local plan, which will provide a blueprint for the next 20 years of how the city can continue to grow and develop. In addition, we will improve the look of the High Street through the Heritage Asset Programme - continuing the excellent progress already made in the cultural, physical intervention and community engagement strands of this key project delivering high quality heritage led regeneration, which includes a range of projects including the Central Market, St Mary's Guildhall and Shopfronts improvements.

Let’s reduce all kinds of inequality

Let’s reduce all kinds of inequality

Introduction from Portfolio Holder
Cllr Sue Burke

“Inequality of all types is an issue faced by many in our city, however, in the after-effects of the pandemic the concern is that health inequality has increased, particularly for the most vulnerable in our society. Whilst focus will be placed on this area, we will continue to deliver improvements in other areas too”

Let’s improve the health and quality of life for people living in Lincoln

We will hold a concerted campaign to promote the use of all our parks and open spaces to ensure that residents can make the most of our green spaces. Through the development of a District Health and Wellbeing Strategy, we will work in partnership with the Primary Care Network to explore options for supporting projects such as volunteering, helping isolation as well as looking for opportunities for co-location through a ‘one public estate’ project. As part of the safer streets programme, we will introduce CCTV on all primary pedestrian routes out of the city centre.

Let’s help people succeed

The Inclusive Growth Strategy will look at how we can assist residents who need skills support, and will encourage working with training providers, businesses, and partners to increase opportunities for local people to access training and employment. We will continue to work with partners to maximise the support and advice available to young people as we recover from covid.

Let’s provide help to the most vulnerable in our city

We will continue our programme to eradicate the need for rough sleeping by disadvantaged groups, with teams supporting those on the street needing help for mental health, drug, or homelessness problems. In addition, we will also continue to tackle local street drinking, begging and anti-social behaviour in city centre to avoid an adverse effect on the experience for residents and visitors alike. We aim to develop a 'Community Development Toolkit' for local Ward Councillors to support them in delivering their role effectively.

Let’s help people feel safe and welcome in their communities

We will continue to deliver the Sincil Bank Revitalisation project with the aim of making the area a better place for people to live and work. We have already developed the new Community Hub in Sincil Bank - to address community needs, develop the skills of residents and encourage businesses to locate to the area. We will continue to develop plans for further regeneration and community cohesion activities in the area.

Let’s help more businesses embrace corporate social responsibility

We will develop a corporate approach to social value that will ensure our Social Value Policy is embedded within our procurement practices where relevant and proportionate to do so. We will review how Social Value generated through procured contracts is used, to ensure a consistent approach across the authority to ensure the best outcome for our residents.

Let's deliver quality housing

Introduction from Portfolio Holder
Cllr Donald Nannestad

"The link between good housing and good health is very clear. Affordable, safe, warm, and secure homes contribute towards good mental and physical wellbeing. We will do everything possible to meet housing demand whilst improving the quality of housing across the city"

Let's provide housing which meets the varied needs of our residents

We will continue to increase the supply and number of affordable homes in the city - over the next three years we will progress several schemes to develop new housing. This includes completing the Rookery Lane development, starting work on Hermit Street as well as progressing masterplans for several other sites such as Queen Elizabeth Road. As part of this we will review all specifications to ensure that net zero carbon and best practice guidelines are adopted.

Let's work together to tackle homelessness in Lincoln

We will continue to improve temporary accommodation options across all sectors – this includes delivering additional move-on accommodation for former rough sleepers, as well as reviewing other options for example new builds. We plan to work with the private sector to deliver a reduction in the number of properties with a category 1 hazard outstanding, at the same time sourcing and securing additional, good quality accommodation in the private rental sector to reduce pressure on social housing.

Let's improve housing standards for all

Whilst we have the Lincoln decent homes standards applied to our own housing stock, we also want to address the condition of the private rented sector in the City and the high proportion of rented properties that do not yet meet the decent homes standard. To make this happen we will continue to push the Trusted Landlord scheme; we will pursue grant funding to help address issues of poor insulation and heating within the private sector; and we will develop a selected licensing scheme - a new tier of licensing to capture those properties falling below the HMO threshold.

Let's build thriving communities

We will continue with our plans to regenerate the Sincil Bank area. Plans that are underway or being considered include projects around – developing more open green spaces; plans for housing in Hermit Street; consideration of how to best use the Palmer Street garage site; a redesign of traffic flows and the inclusion of resident parking as well as plans for cleaner safer streets. If resources permit, we would like to hold, on a ward-by-ward basis, mini neighbourhood assessments, to determine how we could improve our housing estates in the future, improving their look and feel, and thus increasing the esteem of the tenure.

Let's help people have a sense of belonging

We will complete the De Wint extra care supported housing scheme early in 2022 and then commence letting tenancies to those in need of them. Following the opening, we will then undertake an options appraisal survey of sheltered housing bedsit schemes.
Progression with the World of Work programme development, (on hold due to Covid) will be restarted in 2023 with Abbey Access Centre and Lincoln College. This project is initially aimed at council tenants, and will bring together the council, local businesses, charities, and education providers to provide a work experience-based training course for those who are currently out of work but wish to return into employment.

Let’s enhance our remarkable place

Introduction from Portfolio Holder Cllr Bob Bushell

“Lincoln is already a remarkable place and has assets that can help improve the health and wellbeing of our residents. We will do more by promoting further use of our parks and open spaces and making the most of our leisure facilities. We will provide events to encourage people to get out and about; as well as protecting our heritage now and for the future”

Let’s show the world what Lincoln has to offer

As the city emerges from the effects of the pandemic, along with our partners Lincoln BIG and Visit Lincoln, we will use the government’s ‘Welcome Back Fund’ to ensure residents and visitors alike feel safe in returning to a refreshed and deep cleaned city centre. We have delivered the second crematorium chapel, and new car park spaces to extend the capacity of our crematorium and will ensure these blend comfortably with the existing facilities.

Let’s cherish and enhance our natural environment

As a city blessed with the one of the highest percentage of green space in the country, we will further enhance our natural environment by developing a tree planting scheme to further increase tree canopy cover in the city, as well as working with our grounds maintenance contractor to increase wildlife verges and meadows. Working with Lincoln BIG, we also want to maximise impact of current green spaces in the city centre, through creative thinking e.g. green walls, vertical gardens, redesign of current spaces. Further infrastructure investment is needed in the Park Ward area – for example a new residents parking scheme and re-modelled navigation across the area and greening the area will be a core principle incorporated into the designs. We will also look to tackle long standing problems with littering, fly tipping and bins left on streets in a wider area of the city.
Our partners Lincs Trust has funding for the first phase of two new projects to improve biodiversity. They are working on a pilot project to create some small improvements in biodiversity adjacent to the river including creation of channels, pools, and fish refuge. The second is biodiversity improvements to Brayford Pool with the creation of ‘bio haven floating habitats’ scheme.

We will also be preparing for some major changes in our waste collection services over next 4 to 5 years supporting the development of consistent policies for waste across Lincolnshire, within the Lincolnshire Waste Partnership, including waste enforcement policies.

Let's preserve the unique character of our city

We will progress the Heritage Action Zone Programme. We have already started preparation work on St Mary's Guildhall, with the aim of stabilising the building through use of HAZ funding pending applications for further funding streams and we will also submit the second-round funding bid to progress the overall Greyfriars project. In addition, in the latter part of the three-year plan we will start preparing the development of a digital heritage trail using our pone line heritage database called ARCADE.

Let's deliver a rich and varied cultural experience

As a key activity, if funding can be found, during this plan we will develop a programme that could potentially support a City of Culture bid in 2029. Work has already started on the development of a Cultural Compact and utilisation of the Heritage Action Zone Cultural Programme. We will also re-instigate the 10-year vision for the Christmas Market to transform it from a retail experience to a cultural experience.

Let's provide interesting, exciting, and vibrant places to enjoy

We will complete the Boultham Park phase 2 - the transformation of the park including the Lake renovation and associated edge treatments, supported by a comprehensive community engagement project. In conjunction with Sport England and Active Lincolnshire we will help produce an all-encompassing Leisure Strategy for the City. This will enable us to complete a scoping exercise to identify the needs of a new leisure village and the key stakeholders that will need to be involved. And not forgetting our younger residents, we will complete the development of the Whitton's Park Play area as well as develop a Strategy to focus investment appropriately in new play areas.

Let's address the challenge of climate change

Introduction from Portfolio Holder Cllr Bob Bushell and Climate Champion Cllr Lucinda Preston

"After declaring a climate emergency in July 2019, the most important thing we need to do is to follow up on the commitments we made. We will work with partners on the Lincoln Climate Commission and deliver our Climate Action Plan to manage the impact of climate change locally, and to improve residents' health"

Let's ensure our development approach reduces our carbon footprint

We will create a strategy for the city which ensures a joined-up approach to all energy, transport, waste, water, and digital projects for the future.

Let's set the Lincoln standard for sustainable zero carbon development

We will follow up on the commitments made in the Climate declaration, working with our partners in the Lincoln Climate Commission to develop and then deliver our Climate Action Plan. Consultations on the Plan will start in January 2022 and are expected to complete in July 2022. In the council we will stop using single-use plastics ourselves internally and at all city council events and we will encourage our partners to do the same.

Let's make walking, cycling and the use of public transport the best and favourite way to move around Lincoln

We will promote sustainable transport options through support for funding bids for appropriate projects. In addition, we will campaign to support people in reducing their own carbon footprint.

Let’s ensure the city’s infrastructure is fully adaptable and resilient to the challenges of climate change

As part of Town Fund Board vision, we will ensure that all new infrastructure projects are supported to ensure they are adaptable to climate change and buildings are low or zero carbon wherever possible.

Let’s make our existing housing and business premises energy efficient

We will complete an annual review and update of the Council's Environmental Management Plan in June to September each year. We will maintain the independent assessment by Investors in the Environment for the Green Accreditation that we have already achieved, and we will set up a dashboard to monitor ongoing performance. The City of Lincoln council decarbonisation action plan was approved in December 2021. As part of this we will make our current and future business premises as energy efficient as possible, reviewing and implementing the commitments within the environmental policies annually.
As the opportunity arises, we will explore further options to move towards an electrical fleet, including the refuse fleet, as part of the next contract renewals, accepting this will require significant investment.

Vision 2025 Interim Review Results Summary

The maximum number of respondents to each question is 229.

City of Lincoln Council is currently completing an interim review of the direction for the next three years of our Strategic Plan, whereby respondents were asked their views on prioritisation of the projects to be delivered under each priority.

Looking ahead – Vision 2025 Strategic Plan

The following questions are 'ranked' questions whereby respondents were asked to rank the 3 projects under each priority with 1 being the most important and 3 being the least important to them.

The charts below show the percentages based on which project respondents selected as their first, second and third choice. It is important to note that the percentages do not add up to 100% as this was a non-mandatory question and some respondents chose not to answer all of these questions in this section. Therefore, the percentages reflect those who answered the question.

Priority - Let's drive inclusive economic growth

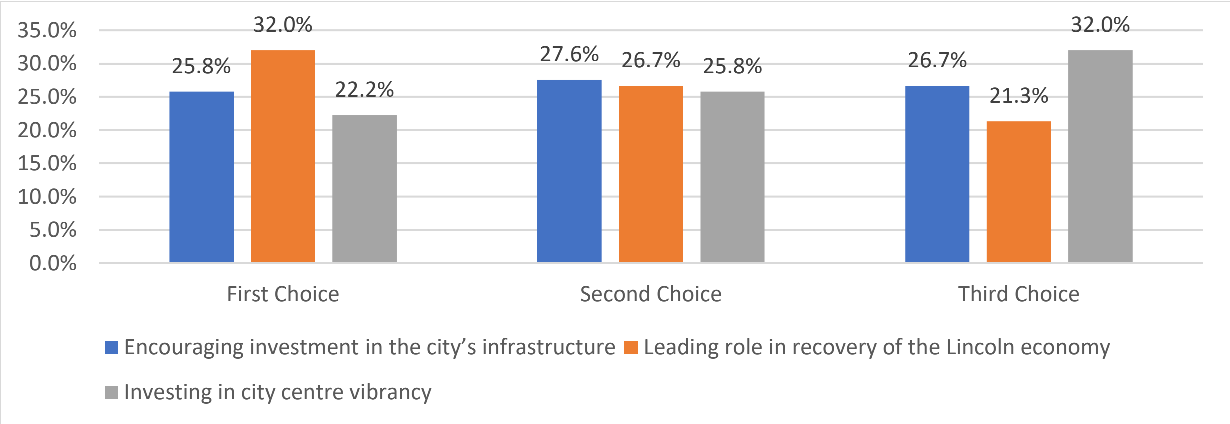

Figure 1

Priority - Let's reduce all kinds of inequality

Figure 2

Priority - Let's deliver quality housing

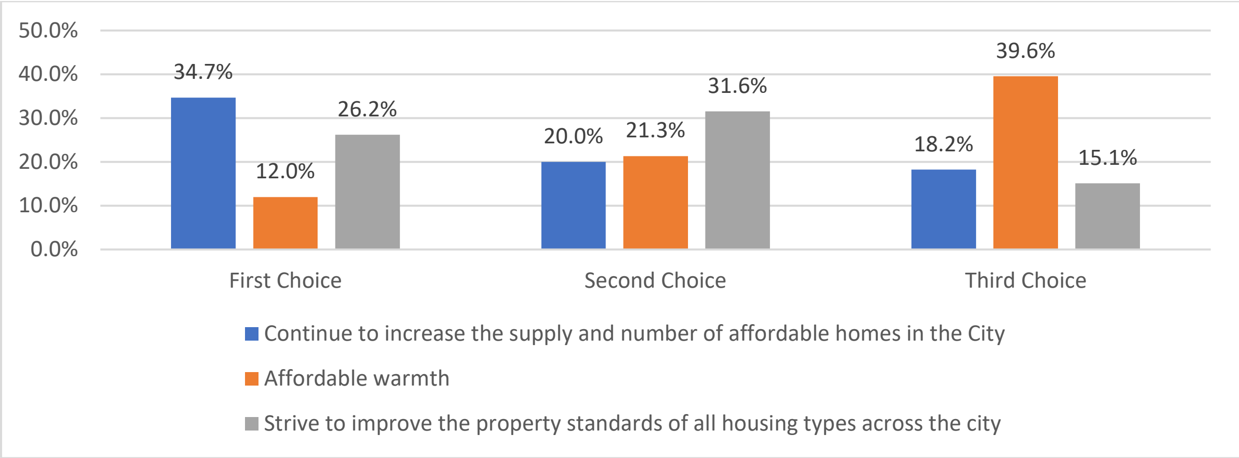

Figure 3

Priority - Let's enhance our remarkable place

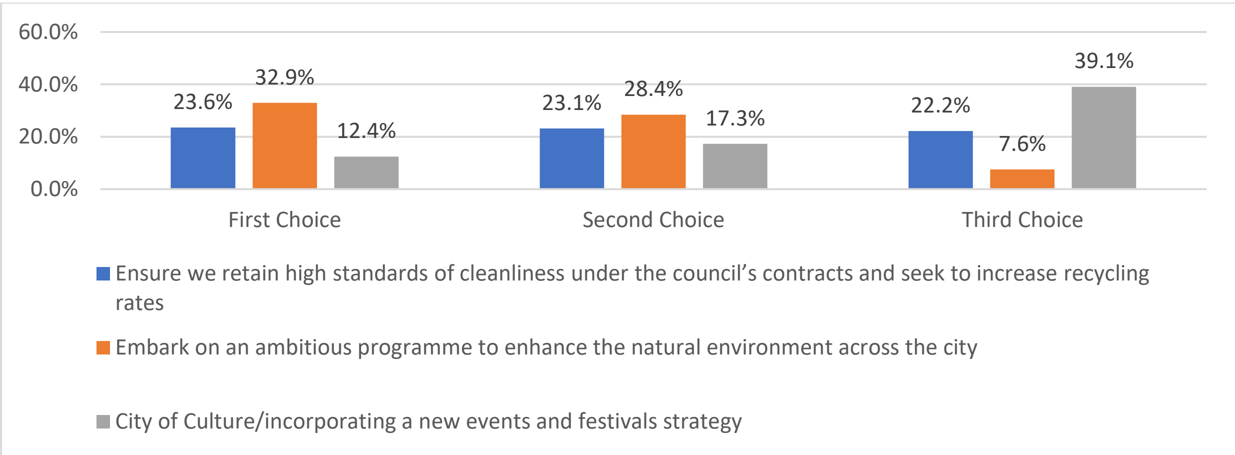

Figure 4

Priority - Let's address the challenge of climate change

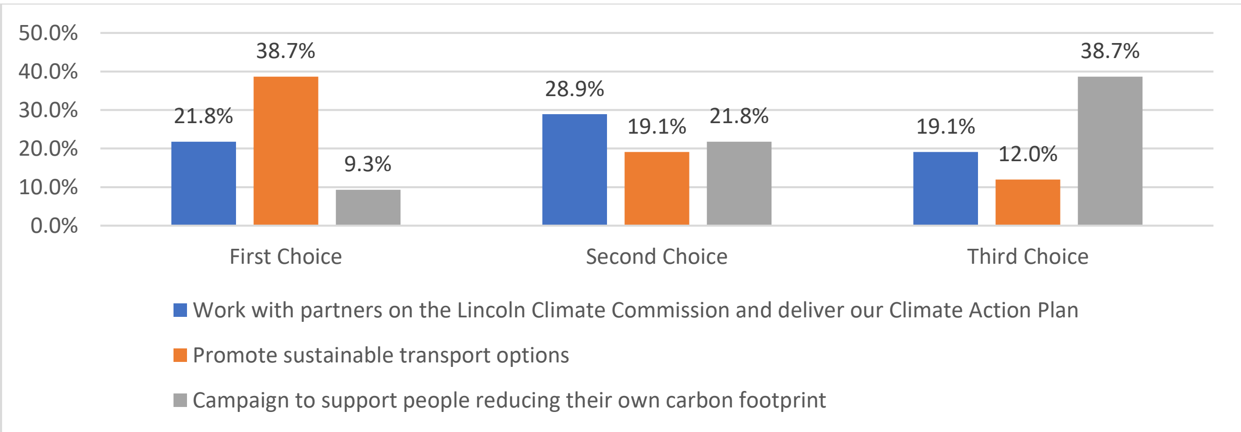

Figure 5

Demographic splits

The maximum number of respondents to each question is **229.**

Your Details

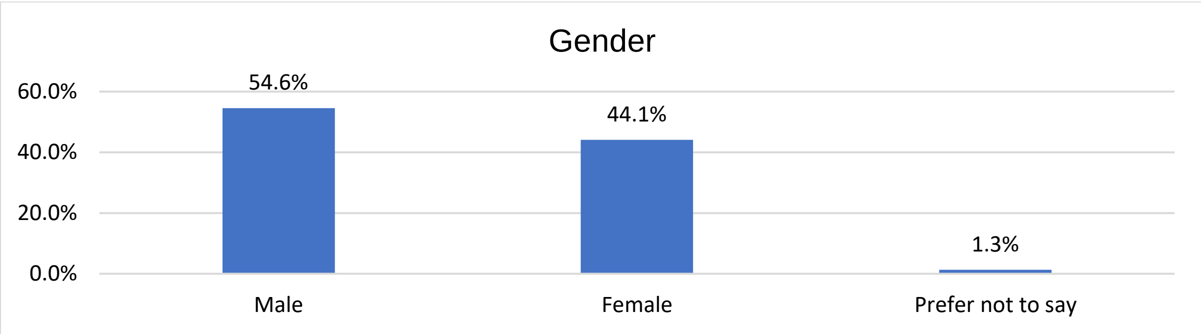

Figure 6

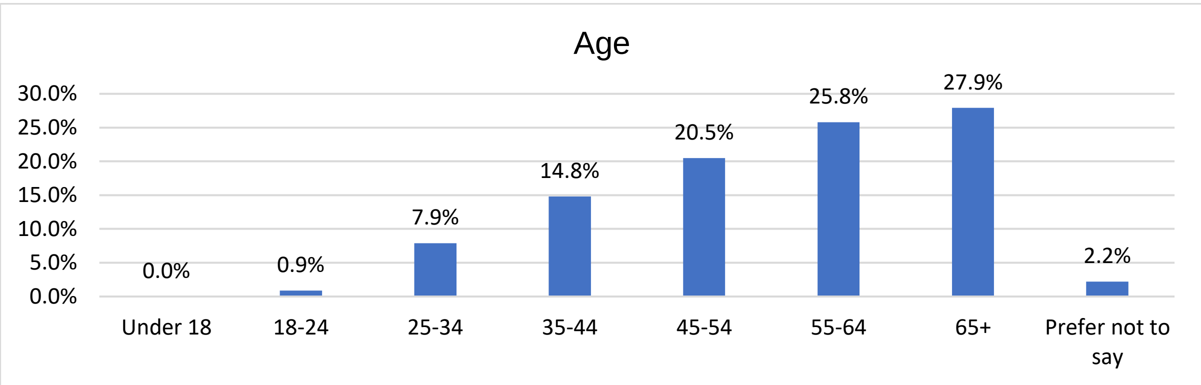

Figure 7

Postcode area

We received responses from across the city with 25% of the respondents who provided a postcode coming from the LN6 area, and the next highest levels from LN1, LN2 and LN5

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Item No. 4

EXECUTIVE **21 FEBRUARY 2022**

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

1. Purpose of Report

1.1 To present to Executive the third quarter's performance (up to 31st December), on the Council's:

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

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

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

2. Executive Summary

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

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

2.3 Based on a significant number of planning variables, as at the end of the third quarter (up to 31st December), the forecast financial position of the Council for 2021/22 is:

	2021/22		
	Budget £'000	**Forecast @ Q3 £'000**	**Variance @ Q3 £'000**
Revenue Accounts			
General Fund – Contribution to/(from) balances	(477)	(420)	(57)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	15	(31)	(46)
Housing Repairs Service (HRS) (Surplus)/Deficit	0	717	717

Capital Programmes			
General Investment Programme	20,398	11,328	0
Housing Investment Programme	30,248	19,668	0

Reserves & Balances			
General Fund Balances	(2,193)	(2,250)	57
HRA Balances	(1,059)	(1,105)	46
HRS Balances	0	0	0
General Fund Earmarked Reserves	(12,384)	(7,375)	4,244
HRA Earmarked Reserves	(177)	(178)	(121)

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

3. General Fund Revenue Account

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

3.2 The General Fund Summary is currently projecting a forecast underspend of £57,063 (appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,250,422.

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

	Forecast £'000
Potential pay award	150
Housing benefit under recovery of overpayments	50
Anticipated in year losses at Yarborough Leisure Centre	142
Proposed additional contribution to reserves for anticipated pressures in 22/23	721
Sales, Fees & Charges income gains	(564)
Government Grants (New Burdens, Test & Trace support)	(273)
Release of Contingencies	(155)
Increase Rent and Service Charge income	(84)
Net other variances	(44)
Overall forecast budget shortfall/(surplus)	**(57)**

3.4 The most significant of the forecast variations is in relation to fees and charges income which is currently forecasting an increase in income of £564,050. This increase has mainly arisen as a result of significant improvements, predominantly within car parking income, with a much quicker than anticipated recovery in quarter three following vastly reduced income levels in the first half of the year. In addition, there has been an improvement in income for the crematorium and cemeteries and a new income stream from the enforcement of Civil Penalty Notices on HiMO properties.

This increase includes additional income of £66,348, through the Government's Sales, Fees and Charges Income Compensation scheme which provided additional financial support for losses in quarter one only.

The significant improvement in the forecast position since quarter two demonstrates the high volatility of these income streams to the Council, it is therefore proposed that a proportion of this increase be contributed to an earmarked reserve to provide resilience in future years.

All key income budgets are monitored closely and reported to Corporate Management Team on a monthly basis. Officers are responding to, and will continue to do so through quarter 4, to identify and implement appropriate mitigations to ensure the budget remains balanced in 2021/22.

3.5 Although the forecast outturn for the General Fund is a surplus of £57,063 at this stage, the forecast outturn remains difficult to predict due to volatility, and uncertainty, particularly around income streams.

3.6 **Contributions to/from Earmarked Reserves**

Included in the forecast outturn underspend of £57,063 is the following proposed additional contributions (to)/from earmarked reserves:

Directorate	Reserve	Amount £
Contributions from Reserves:		
DHI	County Homelessness Partnership – payment of NKDC share of grant	12,270
Contributions to Reserves:		
DCE-ADCOMSS	Income Volatility Reserve – utilise in year over-achievement of income to support volatility of income streams in future years	(320,000)
DCE-ADHENV	YLC - fund to support ongoing impact of YLC pool closures	(200,000)
DCE-ADHENV	Domestic Abuse Grant – carry forward specific grant income in line with planned expenditure	(32,200)
DCE-ADHENV	LOEB Grant – balance of grant to support ongoing outbreak prevention in 22/23	(96,660)
DCE-ADHENV	HiMO Civil Penalty Notice Appeals – hold income on CPN's until potential appeals are concluded	(84,880)
	Total Contribution to Reserves:	**(721,470)**

3.7 Exec should be aware that the forecast underspend of £57,063 does not take into account any requested carry forwards. In addition to the above reserve movements, the following carry forward has been requested to be transferred into earmarked reserves to offset expenditure next financial year:

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

3.8 The forecast outturn for the General Fund would therefore be an underspend of £4,663 if the above carry forward and the earmarked reserve requests were to be agreed.

Executive are asked to consider the proposed transfers to and from earmarked reserves and the proposed carry forward requests.

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

3.10 **Towards Financial Sustainability Programme**

The savings target included in the MTFS for 2021/22 was £850,000. Progress against this target, based on quarter 3 performance shows that secured savings total £756,350. A summary of the specific reviews that have contributed to this target are shown in Appendix N.

4. Housing Revenue Account

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

4.2 The HRA is currently projecting an in-year variance of a £31,226 underspend, which would increase the General Balances to £1,105,879 at the end of 2021/22.

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

	Forecast £'000
Reduced dwelling rent income for Affordable, Social Housing and Leases	370
Reduced income from Contracts	280
Increased utility and Council Tax charges	150
Reduced repairs and maintenance expenditure	(1,363)
HRS forecast deficit	717
Depreciation	715
Reduced MRR contribution	(715)
Net other variances	(185)
Overall forecast budget (surplus)/deficit	**(31)**

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

4.5 The largest variance for HRA is the current forecast underspend on Repairs and Maintenance. This is due to the ongoing impact of Covid19 affecting the ability to carry out repairs, the current reduction in charges from HRS (detailed in section 5 below) and the lack of tradespeople to carry out the repairs required. HRA and HRS are working hard to address these issues and so this underspend may be reduced over the remainder of the year. In part this is offset by large overspend forecast by HRS due to a reduction in rechargeable works and inability to recover the overhead costs of HRS (details of which are contained within section 5.2).

4.6 In addition, there is forecast reduction in dwelling rental income of £370,814, this is due to increased voids, a reduction in leasing income and lost rents from RTB sales. Void properties are currently on the increase due to a lack of labour force in the HRS and as a result of the designated Voids contractor entering into administration at short notice leaving the service without a key resource to respond to growing void numbers. Void numbers have increased due to a backlog created over the last 18 months as national restrictions were imposed. This has then been compounded by a high level of tenancies ending as a result of; people now seeking to move post pandemic, an unprecedented (sadly) number of deaths in Council properties and people leaving due to other more restrictive reasons such as being detained in prison by the courts. In addition, as a result of the successful bids for the Next Steps and Rough Sleeping Accommodation Programmes, the HRA has acquired a number of units of move accommodation across the city to alleviate the pressure on temporary accommodation and negate the use of bed and breakfast facilities. Whilst this has been successful and consequently saved the general fund huge costs the pressure has fallen on HRS to bring these units up to letting standards before they can be occupied. This has added to the numbers being managed through the void process. At budget setting voids are budgeted at 1% of the current housing stock, currently voids are closer to 1.4% of the current housing stock, this is an improvement on quarter 2 when voids were 1.7%.

4.7 **Contributions to/from Earmarked Reserves**

There are no further contribution (to)/from earmarked reserves requested as at quarter 3.

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

5. Housing Repairs Service

5.1 For 2021/22 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2 At quarter 3 HRS are forecasting a deficit of £716,516 in 2021/22 (Appendix E provides a forecast HRS Summary), with full details of the main variances provided in appendix F. This is an improvement on the forecast overspend of £811,418 estimated at quarter 2.

5.3 The main contributory factor for this deficit is the ongoing impact of Covid19. The loss of one of the main sub-contractors locally (due to administration) and the inability to recruit to the workforce is causing problems with repairs scheduling and void turnarounds. Repairs numbers are down, at a time of high demand, as a result lower recharges are being made to the HRA due to less work being carried out by the Council's workforce. Although the reduction in staffing costs offsets the reduction in income recharged to the HRA, the overhead cost of the repairs service, which is ordinarily charged in addition to the service hourly rate is not being recovered due to the reduction in internal jobs, this is creating the majority of the forecast overspend. In addition, to try and fill the productivity gap, local sub-contractors are being utilised however, they are struggling with the same labour shortages. Any contracts awarded to help alleviate the system are now at hugely inflated prices which reflects the sector as a whole. This use of more expensive subcontractors has increased costs which at this stage are not reflected in the service hourly rate and therefore also contributes to the forecast overspend.

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

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

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

In addition, a cross departmental short life working group has been established which is reporting to CMT monthly in order to review the mitigations being undertaken.

Many of the actions taken above have started to have an impact on these issues with the forecast overspend reducing by £94,872 since quarter 2. Work continues on these actions in order to manage in the year financial position. In addition, the budgets for 2022/23 have been revised to reflect some of the more longer-term and structural changes in HRA/HRS income and expenditure.

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

6. Earmarked Reserves

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

	Opening Balance	Budgeted Contribution	Actuals Q1-Q3	Forecast Q4	Forecast Balance
	01/04/21				31/03/22
	£'000	£'000	£'000	£'000	£'000
General Fund	19,563	(11,619)	(578)	4,822	12,188
HRA	2,617	(57)	(121)	0	2,439
Capital Resources	22,423	(2,215)	10,595	(12,810)	20,208

7. Capital Programme

7.1 General Investment Programme

7.2 The revised General Investment Programme for 2021/22 amounted to £20.397m following Quarter 2 report. At quarter 3 the programme has decreased by £9.069m to £11.328m, as shown below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget Quarter 2	20,397	7,080	1,872	683	500
Budget changes for approval	(9,069)	12,327	0	0	0
Revised Budget	**11,328**	**19,407**	**1,872**	**683**	**500**

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

	2021/22	2022/23
	£'000	**£'000**
Brayford Viewing Platform – scheme complete	(6)	0
Capital Contingency	(2)	8
Town's Deal – Lincoln Central Market and Vibrant Public Realm	(4)	0
Allotments Asbestos Sheds - Reprofile	(34)	34
Compulsory Purchase Orders - Reprofile	(151)	151
Compulsory Purchase Orders - Reprofile	(82)	82
Infrastructure Upgrade - Reprofile	(4)	0
IT Reserve - Reprofile	(71)	75
Planned Capitalised Works- Reprofile	(130)	130
The Terrace Heat Mitigation Works - Reprofile	(247)	247
WGC Phase1a - Reprofile	(8,500)	8,500
Total schemes approved by CFO	**(9,231)**	**9,227**

7.4 All changes over the approved limit require approval by the Executive. There was one change requiring Executive approval for the third quarter resulting from notification of additional grant funding:

	2021/22
	£'000
Heritage Action Zone (HAZ) – Additional grant awarded by Historic England: £90,000 for the Barbican and £87,310 for the St Mary's Guildhall Scheme. This change also includes a £4,500 adjustment from Markets.	182

All new projects are subject to Executive approval. During the third quarter the following schemes were added to the GIP, having been considered by the Executive in the third quarter:

	2021/22	2022/23
	£'000	
New Telephony System – approved by Executive 13th December 2021, funded through existing capital scheme underspend and direct revenue finance.	(20)	73
Local Authority Delivery (LAD) 3 Green Homes Grant – approved by Executive 25th October 2021, fully funded by external grant.	0	2,203
Flood Alleviation Scheme Hartsholme Park – approved by Executive 17th January, 2022 funded through prudential borrowing.	0	279
Total Schemes Approved by Executive in Quarter 3	**(20)**	**2,555**

In addition, there are two further new projects that require the approval of the Executive. These projects form part of the Local Authority Delivery Green Homes Scheme and result from additional funding awarded:

	2021/22	2022/23
	£'000	
Local Authority Delivery (LAD) 3 Green Homes Top Up Grant, in addition to scheme approved by Executive on 25th October 2021.	0	440
Home Upgrade Grant (HUG) Scheme. This scheme is part of the LAD Energy Efficiency Award and is additional funding for rural areas that do not have gas	0	105
Total New Schemes to be Approved by Executive	**0**	**545**

7.5 The table in 7.7 provides a summary of the projected outturn position for the General Investment Programme.

7.6 The overall cumulative spending on the General Investment Programme for the third quarter of 21/22 is £4.131m, which is 36.47% of the 2021/22 programme and 36.47% of the active programme. This is detailed further at Appendix J.

Although this is a low percentage of expenditure at this stage of the financial year, further expenditure is expected on all schemes showing an underspend in Appendix J.

7.7 General Investment Programme Projected Outturn

	2021-22 Budget following Q2 report	Revised Budget	Forecast Outturn	Variance
	£'000	**£'000**	**£'000**	**£'000**
Active Programme				
Housing & Investment	320	320	320	0
Communities & Environment	5,562	5,744	5,744	0
Chief Executive	1,041	601	1,041	0
Major Developments	11,806	3,301	3,301	0
Externally Delivered Towns Fund Schemes	1,362	1,362	1,362	0
Total Active Schemes	**20,091**	**11,328**	**11,328**	**0**
Schemes on Hold/Contingencies	306	0	0	0
Total Capital Programme	**20,397**	**11,328**	**11,328**	**0**

7.8 Housing Investment Programme

7.9 The Housing Investment Programme for 2021/22 following the Quarter 2 report amounted to £30.248m. This has been further adjusted to £19.668m during the third quarter of 2021/22. A summary of the changes are shown below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Revised budget following Q2 Report	30,248	18,959	12,918	10,802	11,328
Budget changes to be approved during Q3	**(10,580)**	**2,762**	**0**	**1,871**	**0**
Revised Budget	**19,668**	**21,721**	**12,918**	**12,673**	**11,328**

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

Project Name	2021/22 Budget following Q2	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
	£'000	£'000	£'000	£'000
Decent Homes				
Kitchen Improvements	50	(35)	15	35
Re-roofing	20	(10)	10	10
Re-wiring	50	(15)	35	15
Structural Defects	10	(10)	0	10
Fire Doors	48	(43)	5	43
New Services	30	(5)	25	0
Other				
2 Gunby Avenue	3	(3)	0	0
Communal Electrics	37	(27)	10	0
Garages	44	(19)	25	19
Communal TV Aerials	10	(5)	5	0
Total	**302**	**(172)**	**130**	**132**

7.11 All changes over the approved limit require approval by the Executive. The following changes require Executive approval for the third quarter:

Project Name	2021/22 Budget following Q2	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Decent Homes				
Door Replacement	750	(150)	600	150
Other				
Environmental Works	248	(198)	50	0
HRA Assets– Shops/Buildings	60	(60)	0	60
Health and Safety				
Replacement Door Entry Systems	94	(69)	25	69
Other Schemes				
Housing Support Services Computer Fund	180	(130)	50	130
Infrastructure Upgrade	252	(252)	0	166
Contingency Schemes				
Contingency Reserve	4,209	(3,992)	218	0
Land Acquisition				
Land Acquisition Fund	95	(95)	0	0

Housing New Build				
New Build Programme	1,203	(1,203)	0	0
De Wint Court	9,127	(2,000)	7,127	0
Western Growth Corridor	1,260	(1,000)	260	1,000
Property Acquisitions	2,339	76	2,415	0
Rough Sleepers Accommodation Project	1,619	(1,339)	280	0
Total budget movements to be approved by Executive	**21,436**	**(10,412)**	**11,024**	**1,575**

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

	2021/22	**2022/23**
	£'000	**£'000**
New Telephony System – approved by Executive 13th December 2021, funded through existing HIP budget allocation	4	81
	4	**81**

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

	2021/22 Budget Following Q2 Report	**Revised Budget**	**Forecast Outturn**	**Variance**
	£'000	**£'000**	**£'000**	**£'000**
Decent Homes/ Lincoln Standard	4,834	4,566	4,566	0
Health and Safety	507	438	438	0
Contingent Major Repairs/ Works	4,210	218	218	0
New Build Programme	19,640	14,173	14,173	0
Land Acquisition Fund	95	0	0	0
Other Schemes	450	137	137	0
Computer Fund	513	136	136	0
Total Capital Programme	**30,248**	**19,668**	**19,668**	**0**

7.14 Expenditure against the HIP budget to the third quarter was £9.472m, which is 48.17% of the revised programme. A further £0.92m has been spent as at the end of January 2022. The expenditure is detailed further at Appendix L.

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

8. Strategic Priorities

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

9. Resource Implications

9.1 General Balances, on both the General Fund and HRA, are the only resource not ear-marked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the latest forecasts of income and expenditure and measures to be applied the level of balances in 2021/22 for the General Fund and the HRA will be maintained within these ranges.

Although the primary focus of this report has been to set out the financial variances being faced in the current financial year, beyond 2021/22 the Council still faces significant financial challenges. Ongoing reductions in resources and increased service costs from the legacy of impacts of Covid19 require ongoing reductions in the net cost base if the Council is to live within a significantly reduced resources envelope. The MTFS 2022-2027, to be considered by Full Council on 1st March 2022 sets out the financial challenges the Council faces.

9.2 Legal Implications including Procurement Rules

There are no legal implications arising from this report.

9.3 Equality, Diversity and Human Rights

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

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

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

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

10. Risk Implications

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

11. Recommendations

Executive are recommended to:

11.1 Note the financial performance for the period 1st April to 31st December 2021, and the projected outturns for 2021/22.

11.2 Assess the underlying impact of the pressures and underspends identified in paragraphs 3.3 (and appendix B), 4.3 (and appendix D), and 5.2 (and appendix F).

11.3 Approve the proposed contributions (to)/from earmarked reserves as set out in paragraph 3.6 and proposed carry forward request as set out in paragraph 3.7.

11.4 Review the changes made by the Executive/to be approved by the Executive to the General Investment Programme and the Housing Investment Programme as detailed in paragraphs 7.4, 7.11 and 7.12.

Is this a key decision?	Yes
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Fourteen
List of Background Papers:	MTFS 2021-2026
Lead Officer:	Colleen Warren, Financial Services Manager Telephone (01522) 873361

GENERAL FUND SUMMARY - AS AT 31 DECEMBER 2021

Service Area	**Ref**	**Revised Budget £'000**	**Projected Outturn £'000**	**Variance £'000**
Strategic Development	A	1,986	1,971	(15)
Chief Finance Officer (S. 151)	B	(498)	(549)	(51)
City Solicitor	C	1,566	1,494	(72)
Housing	D	494	505	11
Director of Major Developments	F	285	207	(78)
Communities and Street Scene	G	4,599	4,548	(51)
Health & Environmental Services	H	128	186	58
Planning	I	927	820	(106)
		9,488	**9,183**	**(305)**
Corporate Expenditure	J	2,070	1,974	(96)
TOTAL SERVICE EXPENDITURE		**11,558**	**11,158**	**(401)**
Capital Accounting Adjustment	K	3,170	3,170	0
Specific Grants	L	(1,320)	(1,320)	0
Contingencies	M	(17)	127	144
Savings Targets	N	(94)	(94)	0
Earmarked Reserves	O	(11,364)	(7,375)	3,989
Insurance Reserve	P	(478)	(478)	0
TOTAL EXPENDITURE		**1,456**	**5,188**	**3,732**
CONTRIBUTION FROM BALANCES		**(477)**	**(420)**	**57**
NET REQUIREMENT		**978**	**4,768**	**3,789**
Retained Business Rates Income	Q	5,143	8,932	3,789
Tariff	*R*	*0*	*0*	*0*
Section 31 grant	*S*	*0*	*0*	*0*
Levy	*T*	*0*	*0*	*0*
Collection Fund surplus/ (deficit)	U	(11,143)	(11,143)	0
Revenue Support Grant	V	23	23	0
Council Tax	W	6,956	6,956	0
TOTAL RESOURCES		**978**	**4,768**	**3,789**

General Fund Forecast Variances - Quarter 3

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

Ref	Additional Expenditure	£	Reason for variance
A	Call Monitoring	28,640	Additional telephone systems resulting from current working from home arrangements.
B	Revenues Local Taxation	27,923	Additional costs related to the Empty Homes Review (compensated by additional grant income through the New Homes Bonus in 2022/23).
B	Benefits	28,305	Additional overtime costs for administration of Test and Trace payments (offset by additional grant).
D	Homeless Bed & Breakfast	39,081	Additional costs of unrecoverable Bed & Breakfast expenditure due to increased costs of accommodation.
D	Control Centre	35,134	Additional costs due to supplying digital equipment rather than analogue as a result of Covid restrictions.
F	Car Parks	65,400	Additional costs on overtime, equipment maintenance and deep cleaning at Central car park.
G	Other Housing Issues	72,330	Administrative costs associated with Civil Penalty Notices on HiMO properties.
G	Yarborough Leisure Centre	142,000	Estimated losses as a result of pool closure.
H	Development Control	25,000	Court fees incurred as a result of a planning challenge, less compensation received.
L	Pay Award	150,000	The 2021/22 budget assumed an in year pay freeze in line with the Government Autumn Statement that public sector pay would face a pay freeze. Although the local government pay award has not been agreed a pay increase is now currently forecasted.
M	Vacancy Savings Target	151,500	Vacancy savings target, offset by savings in service areas.

Ref		£	Reason for variance
N	Earmarked Reserves	200,000	Proposed contribution to reserve for anticipated income losses at Yarborough Leisure Centre in 22/23.
	Reduced Income		
B	Council Tax	30,533	Reduction in anticipated court cost income as a result of reduced court dates due to covid restrictions.
B	Housing Benefits	50,000	Anticipated reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears.
B	Housing Benefits	40,816	Funding allocation shortfall, offset by additional New Burdens funding below.
C	CX Work Based Learning	48,010	Reduced income through national scheme due to lower apprentice numbers during Covid19.
E	Managed Workspace	29,620	Deficit on MWS contract following end of existing contract.
G	Xmas Market	71,082	Anticipated shortfall in income from stallholders and park and ride.
G	Community Centre	38,630	Loss of income due to closure of centres due to Covid restrictions during quarter one.
N	Earmarked Reserves	404,880	Proposed transfers to Earmarked reserves for Car Parking Income Volatility and HiMO CPN Appeals.
	Reduced Expenditure		
A	Business Dev & IT Manager	(68,020)	Vacancy savings after proposed contribution towards the One Council savings target.
C	CoLC Apprentices	(100,790)	Underspend, after agreed contribution to TFS, as a result of a reduced number of Apprentices in year due to ongoing impact of Covid19.
D	Housing Solutions	(42,060)	Vacancy savings offset against corporate vacancy savings target.
E	DMD Director	(37,550)	Vacancy savings offset against corporate vacancy savings target.
E	The Terrace	(37,780)	Vacancy savings, proposed for carry forward for future years maintenance works.

Ref		£	Reason for variance
E	Major Development Team	(51,360)	Vacancy savings plus underspends on supplies and services, predominantly Consultancy fees.
F	Car Parks	(48,740)	Underspend on specialist maintenance and electric requirements due to reduced car park usage.
F	Bus Station	(45,630)	Underspend on repairs & maintenance and cleaning
G	Health and Safety	(35,888)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Food Health and Safety	(84,364)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Housing Regeneration	(27,584)	Vacancy savings offset against corporate vacancy savings target.
M	Covid Mitigation	(154,900)	Contingency budget set aside to mitigate in year pressures resulting from in-year impacts of Covid19 on the local recovery.
	Additional Income		
B	Test & Trace Support	(133,524)	New Burdens funding to compensate for work associated with administering the Test & Trace Support Payment grants.
B	Benefits	(76,358)	Additional New Burdens funding including HBAA, VEP and Welfare Reform.
B	City Hall	(44,150)	Increased income as a result of in year rent and service charges reviews.
B	Lincoln Properties	(40,331)	Increased income as a result of in year rent reviews.
F	Car Parks	(402,410)	Overachievement on Car Parking income as a result of easing of covid restrictions.
G	Other Housing Issues	(84,880)	Income related to Civil Penalty Notices on HiMO properties.
G	Visitor Information Centre	(34,840)	Anticipated over-achievement of income due to increased visitors throughout summer and over the festive period.
H	Development Control	(140,800)	Additional income from major applications received in year, less reduction in SFC Income Compensation.

Ref		£	Reason for variance
I	Covid 19 Business Grants	(104,000)	New Burdens funding to compensate for work associated with administering Business Rate Support grants.

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 31 DECEMBER 2021

	Ref	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Gross Rental Income	A	(29,433)	(28,918)	515
Charges for Services & Facilities	B	(312)	(304)	8
Contribution towards Expenditure	C	(50)	(11)	39
Supervision & Management Income	D	(912)	(749)	162
Repairs Account Income	D2	0	(9)	(9)
Repairs & Maintenance	E	9,574	8,211	(1,363)
Supervision & Management: Expenditure	F	8,049	7,799	(250)
Rents, Rates and Other Premises	G	334	484	150
Increase in Bad Debt Provisions	H	305	305	0
Insurance Claims Contingency	I	164	164	0
Contingencies	J	(24)	(24)	0
Depreciation	K	6,735	7,450	715
Debt Management Expenses	L	12	12	0
HRS Trading (Surplus) / Deficit	M	0	717	717
Net Cost of Service	M	**(5,558)**	**(4,873)**	**685**
Loan Charges Interest	O	2,650	2,650	0
Investment/Mortgage Interest	-P	(20)	(21)	(1)
Net Operating Inc/Exp		**(2,928)**	**(2,244)**	**684**
Major Repairs Reserve Adjustment	Q	3,042	2,327	(715)
Transfers to/from reserves	R	(92)	(92)	0
(Surplus)/Deficit in Year		**22**	**(9)**	**(31)**

Appendix D

Housing Revenue Account Variances - Quarter 3

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

Ref		£	Reason for variance
	Reduced Expenditure		
F	Supervision & Management	(342,308)	Staff vacancies across HRA.
T	Major Repairs Reserve Adjustment	(715,030)	Reduced DRF contribution following revaluation of Council's Housing Stock and subsequent increase in deprecation charge (offset below).
E	Repairs & Maintenance	(1,577,247)	Reduced expenditure on minor works, responsive repairs, voids and external decoration due to Covid19 and current impacts within HRS.
	Increased Expenditure		
L	HRS Trading Deficit	716,516	Estimated deficit position for HRS (refer to HRS vacancies).
G	Rent, Rates and Other Premises	149,687	Increased costs for Amenity and Footpath lighting & void Council Tax charge.
E	Repairs & Maintenance	213,560	Increase in expenditure due to HRA electrical testing, skip charges & works to improve community assets.
A	Gross Rental Income	56,555	Payment to HMRC for previous financial years understated private garage rent VAT.
F	Supervision & Management	80,000	Overspend on work on void properties in relation to property clearance.
K	Depreciation	715,030	Increase in depreciation charge within financial year post valuation of Council's Housing Stock (offset above).
	Reduced Income		

Ref		£	Reason for variance
A	Gross Rental Income	296,908	Reduction of rental income predominantly due to large number of voids within financial year, and reduction of houses from Housing Stock due to RTB sales, decants to De Wint Court.
C	Contributions towards Expenditure	39,007	Court income reduction due to courts being closed due to Covid19.
D	Supervision & Management	280,000	Lower than budgeted 5% admin fee income for invoice processing – predominantly due to loss of contractor, and reduction of contracted works.
	Increased Income		
D	Supervision & Management	(40,000)	Additional income from Garden Voids income.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 31 DECEMBER 2021

	Revised Budget	Forecast Outturn	Variance
	£'000	**£'000**	**£'000**
Employees	3,351	2,963	(388)
Premises	55	109	54
Transport	333	333	0
Materials	1,415	1,087	(328)
Sub-Contractors	1,969	2,823	854
Supplies & Services	272	328	56
Central Support Charges	572	572	0
Capital Charges	0	0	0
Total Expenditure	**7,967**	**8,216**	**249**
Income	(7,965)	(7,499)	465
(Surplus)/Deficit	**3**	**717**	**714**

Housing Repairs Service Variances - Quarter 3

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

	£	Reason for Variance
Reduced Expenditure		
Employee Costs	(387,709)	Operative/labourer vacancies, due to current market conditions recruitment to posts has been difficult.
Supplies & Services	(328,400)	Reduction in use of direct materials due to fewer jobs being carried out.
Increased Expenditure		
Supplies & Services	854,058	Additional use of sub-contractors due to current vacancies and the conclusion of the Planned Maintenance contract.
Reduced Income		
Premises	54,082	Reduced rental income for Hamilton House due to the conclusion of Planned Maintenance contract.
Income	465,347	Reduction in income due to a reduction of jobs carried out by CoL operatives and a backlog of jobs due to contractor going into administration. (see paragraph 5.3)

Appendix G

EARMARKED RESERVES – Q3 MONITORING 2021/22

GENERAL FUND	Revised Opening Budget	Budgeted Contribn	Actuals Q1-Q3	Forecast Q4	Closing Balance
Grants & Contributions	1,385	(71)	(69)	584	1,829
Carry Forwards	482	(49)	(43)	(21)	369
Active Nation Bond	180	0	0	200	380
AGP Sinking Fund	2	0	0	41	43
Air Quality Initiatives	11	6	0	0	16
Asset Improvement	0	0	0	0	0
Backdated rent review	0	0	0	0	0
Birchwood Leisure Centre	46	0	0	20	66
Boston Audit Contract	0	0	0	0	0
Business Rates Volatility	13,376	(11,666)	0	3,789	5,499
Christmas Decorations	14	0	0	0	14
City Hall Sinking Fund	60	0	0	0	60
Commons Parking	20	0	0	(20)	0
Corporate Training	60	0	0	0	60
Council Tax Hardship Fund	531	0	0	0	531
Covid-19 Recovery	1,047	0	0	0	1,047
Covid-19 Response	354	0	0	0	354
DRF Unused	341	(129)	(9)	0	202
Electric Van replacement	19	4	0	0	24
Funding for Strategic Priorities	174	(85)	0	0	89
HiMO CPN Appeals	0	0	0	85	85
Income Volatility Reserve	0	0	0	320	320
Invest to Save (GF)	453	15	(319)	(98)	52
IT Reserve	124	28	0	26	178
Lincoln Lottery	9	0	0	0	9
Mayoral car	27	0	0	0	27
Mercury Abatement	317	(317)	0	0	0
MSCP & Bus Station Sinking Fund	60	44	0	0	104
Organisational Development	0	0	0	0	0
Private Sector Stock Condition Survey	27	12	0	0	39
Property Searches	0	0	0	0	0
Revenues & Benefits shared service	0	0	0	0	0
Section 106 interest	32	0	0	0	32
Strategic Growth Reserve	17	0	0	0	17
Strategic Projects - revenue costs	2	0	(2)	0	0
Tank Memorial	10	0	0	0	10
Tree Risk Assessment	97	20	0	(37)	81
Vision 2025	204	568	(136)	(11)	626
WGC Planning	80	0	0	(57)	23
Yarbrough Leisure Centre	0	0	0	0	0
	19,563	**(11,619)**	**(578)**	**4,822**	**12,188**

HRA	Closing Balance	Budgeted Contribn	Actuals Q1-Q3	Forecast Q4	Closing Balance
Capital Fees Equalisation Reserve	110	0	0	0	110
De Wint Court Reserve	73	0	0	0	73
Housing Business Plan Reserve (NEW)	0	77	0	0	77
Housing Repairs Service	126	0	0	0	126
HRA DRF	0	0	0	0	0
HRA Repairs Account	1,351	0	0	0	1,351
HRA Strategic Priority Reserve	722	(57)	(95)	0	571
HRA Survey Works	54	(54)	0	0	0
Invest to Save (HRA)	133	0	(26)	0	106
Stock Retention Strategy	22	(22)	0	0	0
Strategic Growth Reserve	26	0	0	0	26
	2,617	**(57)**	**(121)**	**0**	**2,439**

Total Earmarked Reserves	**22,180**	**(11,676)**	**(699)**	**4,822**	**14,628**

CAPITAL RESOURCES – Q3 MONITORING 2021/22

	Opening balance £'000	Adj to Opening balance £'000	Contributions £'000	Used in financing £'000	Forecast balance 31/03/2022 £'000
Capital Grants/Contributions	3,773	-	10,058	(13,831)	0
Capital receipts General Fund	623	-	30	(623)	30
Capital receipts HRA	1,674	-	1,000	(322)	2,352
Capital receipts 1-4-1	2,214	-	677	(983)	1,908
Major Repairs Reserve	7,763	-	7,450	(5,494)	9,719
HRA DRF	6,661	(285)	3,042	(3,219)	6,199
Total Capital Resources	**22,708**	**(285)**	**22,257**	**(24,322)**	**20,208**
As the contributions for 1:4:1 receipts depend upon levels of RTB sales, no budget is set for these receipts. Currently the HIP has schemes planned to facilitate use of all 1:4:1 receipts with no repayment required in 21/22.					

Appendix I

General Investment Programme – Summary of Financial Changes

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q2 Report	**20,397**	**7,080**	**1,872**	**683**	**500**
Budget changes at Q3	(9,069)	12,327	0	0	0
Revised Budget	**11,328**	**19,407**	**1,872**	**683**	**500**
Approved by Chief Finance Officer					
Allotments Asbestos Sheds	(34)	34	0	0	0
Brayford Viewing Platform	(6)	0	0	0	0
Capital Contingencies	(2)	8	0	0	0
Infrastructure Upgrade	(4)	0	0	0	0
Town's Deal – Lincoln Central Market and Vibrant Public Realm	(4)	0	0	0	0
Compulsory Purchase Orders	(151)	151	0	0	0
Planned Capitalised Works	(130)	130	0	0	0
IT Reserve	(71)	75	0	0	0
Compulsory Purchase Orders	(82)	82	0	0	0
The Terrace Heat Mitigation Works	(247)	247	0	0	0
WGC Pre-planning	(8,500)	8,500	0	0	0
Approved During the quarter by Executive					
Flood Alleviation Scheme	0	279	0	0	0
LAD 3 – Green Homes Grant Local Authority Delivery Scheme	0	2,203	0	0	0
New Telephony System	(20)	73			
For Approval by Executive:					
Heritage Action Zone	182	0	0	0	0
Home Upgrade Grant	0	105	0	0	0
LAD 3 – Top up BEIS	0	440	0	0	0
Total changes	**(9,069)**	**12,327**	**0**	**0**	**0**

Appendix J

General Investment Programme – Summary of Expenditure as at 31st December 2021

Scheme	Revised Budget following Q2 report	Budget to be approved	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
ACTIVE SCHEMES					
DCE (Communities & Environment)					
Disabled Facilities Grant	1,849,085	1,849,085	446,931	(1,402,154)	24%
Artificial Grass Pitches (AGP)	88,307	88,307	0	(88,307)	0%
New Software (Crem)	2,250	2,250	0	(2,250)	0%
Crematorium	2,487,550	2,487,550	2,260,462	(227,088)	91%
Whittons Park Play Area	130,000	130,000	0	(130,000)	0%
	4,557,192	**4,557,192**	**2,707,393**	**(1,849,799)**	**59%**
DCE (Community Services)					
Flood alleviation scheme (Hartsholme Park)	55,415	55,415	2,150	(53,265)	4%
Boultham Park Masterplan	49,700	49,700	9,130	(40,570)	18%
Boultham Park Lake	272,306	272,306	343,230	70,924	126%
Car Park Ticket Machines	0	0	(6,200)	(6,200)	0%
Car Park Improvements (CCTV in MSCPs)	6,142	6,142	4,808	(1,334)	78%
EV Charging Points	43,982	43,982	26,389	(17,593)	60%
Traveller deterrent	30,000	30,000	2,499	(27,501)	8%
Safer Streets	184,126	184,126	0	(184,126)	0%
	641,671	**641,671**	**382,006**	**(259,665)**	**60%**

Appendix J

Scheme	Revised Budget following Q2 report	Budget to be approved	Actuals as at Q3	Variance	Spend
	£	£	£	£	%
DCE (Planning)					
Heritage Action Zone	254,505	436,315	65,078	(371,237)	15%
St Mary's Guildhall	109,000	109,000	20,673	(88,327)	19%
	363,505	**545,315**	**85,751**	**(459,564)**	**23%**
DCE Total	**5,562,368**	**5,744,178**	**3,175,150**	**(2,569,028)**	**55%**
General Fund Housing					
Housing Renewal Area Unallocated	320,152	320,152	-	(320,152)	0%
	320,152	**320,152**	**-**	**(320,152)**	**0%**
Major Developments					
LAD 2 Green Homes	479,600	479,600		(479,600)	0%
Lincoln Transport HUB	-	-	(59,202)	(59,202)	0%
Central Markets	163,383	163,383	395	(162,988)	0%
Western Growth Corridor (Phase 1a)	9,339,303	839,303	154,015	(685,288)	18%
Towns Fund	169,010	169,010	452,353	283,343	268%
Lincoln Central Market & Vibrancy Project	1,654,533	1,650,033	244,671	(1,405,362)	15%
Towns Deal Programme Management	-	-	51,237	51,237	0%
Externally delivered Town's Fund Schemes					
Lincoln City FC and Foundation	300,000	300,000	-	(300,000)	0%
Drill Hall	1,000,000	1,000,000	-	(1,000,000)	0%
Wigford Way	29,000	29,000	-	(29,000)	0%
Sincil Bank	33,000	33,000	-	(33,000)	0%
	13,167,829	**4,663,329**	**843,469**	**(3,819,860)**	**18%**

Appendix J

Scheme	Revised Budget following Q2 report	Budget to be approved	Actuals as at Q3	Variance	Spend
Chief Executives (Corporate Policy)					
New Telephony System	24,099	4,000	-	(4,000)	0%
Infrastructure Upgrade	3,772	-	-	-	0%
	27,871	**4,000**	**-**	**(4,000)**	**0%**
Chief Executives (Chief Finance Officer)					
Planned Capitalised Works	187,541	57,541	11,125	(46,416)	19%
Allotments Asbestos Sheds	33,795	-	-	-	0%
City Hall Improvements	-	-	-	-	0%
Guildhall Works	17,630	17,630	-	(17,630)	0%
Stamp End Demolition	139,400	139,400	-	(139,400)	0%
Greyfriars Roof Improvements	4,050	4,050	-	(4,050)	0%
City Hall 3rd Floor Fire Works	0	0	-	0	0%
Guildhall	0	0	-	0	0%
Michaelgate Structural Works	2,283	2,283	-	(2,283)	0%
Play Area Surfacing Works	21,446	21,446	-	(21,446)	0%
Long Leys Road Drainage	10,438	10,438	7,163	(3,275)	69%
YLC Diving Boards	39,825	39,825	-	(39,825)	0%
The Terrace	0	0	(2,712)	(2,712)	0%
The Terrace Heat Mitigation Works	246,547	-	-	-	0%
Brayford Viewing Platform	8,246	2,500	1,484	(1,016)	59%
Greyfriars	174,317	174,317	95,364	(78,953)	55%
Monks Abbey Bowls Pavilions External Works	11,125	11,125	-	(11,125)	0%
Guildhall Walkway/ Access Improvements.	11,959	11,959	-	(11,959)	0%
Grandstand Terracing Improvements	15,000	15,000	-	(15,000)	0%

Appendix J

Scheme	Revised Budget following Q2 report	Budget to be approved	Actuals as at Q3	Variance	Spend
West Common External Rendering Improvements	4,980	4,980	-	(4,980)	0%
City Hall Lightning Protection	6,104	6,104	-	(6,104)	0%
High Bridge Cafe	50,000	50,000	-	(50,000)	0%
Broadgate Fire Alarm	7,545	7,545	-	(7,545)	0%
St Nicholas Church Wall	11,125	11,125	-	(11,125)	0%
Canwick Road Cemetery Railings	9,500	9,500	-	(9,500)	0%
	1,012,856	**596,768**	**112,424**	**(484,344)**	**19%**
TOTAL BUDGET FOR ACTIVE SCHEMES	**20,091,076**	**11,328,427**	**4,131,043**	**(7,197,384)**	**36%**
Schemes Currently Under Review					
Capital Contingencies	2,424	-	-	-	0%
IT Reserve	70,562	-	-	-	0%
Compulsory Purchase Orders	233,481	-	-	-	0%
	306,467	**-**	**-**	**-**	**0%**
TOTAL GENERAL INVESTMENT PROGRAMME	**20,397,542**	**11,328,427**	**4,131,043**	**(7,197,384)**	**36%**

Appendix K

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

Project Name	2021/22 MTFS Budget Following Q2 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Unallocated new build budget	1,203,265	(1,203,265)	0	1,203,265
New Build Programme 60% Match funding	0	0	0	(53,025)
New Build Programme (141 eligible)	0	0	0	(22,725)
New Build Capital Salaries	42,416	0	42,416	0
New Build (De Wint Court)	9,126,588	(2,000,000)	7,126,588	0
New Build (Searby Road)	62,497	0	62,497	0
Western Growth Corridor	1,259,766	(1,000,000)	259,766	1,000,000
New Build (QER)	26,761	0	26,761	0
Rookery Lane	3,369,420	0	3,369,420	0
Next Steps Accommodation Project	591,105	0	591,105	0
Property Acquisitions	2,338,689	75,750	2,414,439	0
Rough Sleepers Accommodation Project	1,619,250	(1,338,793)	280,457	0
New Build Programme	**19,639,757**	**(5,466,308)**	**14,173,449**	**2,127,515**
Land Acquisition				
Land Acquisition fund	94,689	(94,689)	0	94,689
Land Acquisition	**94,689**	**(94,689)**	**0**	0
Total New Build/Acquisitions	**19,734,446**	**(5,560,997)**	**14,173,449**	**2,222,204**

Appendix L

Housing Investment Programme – Decent Homes– Summary of Financial Changes

Project Name	2021/22 MTFS Budget Following Q2 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from)future years
	£	£	£	£
Decent Homes				
Bathrooms & WC's	15,000	0	15,000	0
DH Central Heating Upgrades	2,060,491	0	2,060,491	0
Thermal Comfort Works	0	0	0	0
Kitchen Improvements	50,000	(35,000)	15,000	35,000
Rewiring	50,000	(15,000)	35,000	15,000
Reroofing	20,000	(10,000)	10,000	10,000
Lincoln Standard Windows Replacement	295,159	0	295,159	0
Structural Defects	10,000	(10,000)	0	10,000
Door Replacement	750,000	(150,000)	600,000	150,000
New services	30,000	(5,000)	25,000	0
Void Capitalised Works	1,500,000	0	1,500,000	0
Fire doors	47,879	(42,879)	5,000	42,879
Fire compartment works	0	0	0	0
Total Decent Homes	**4,828,529**	**(267,879)**	**4,560,650**	**262,879**
Lincoln Standard				
Over bath showers (10(year programme)	5,000	0	5,000	0
Total Lincoln Standard	**5,000**	**0**	**5,000**	**0**
Health & Safety				
Asbestos Removal	195,850	0	195,850	0
Asbestos Surveys	167,640	0	167,640	0

Appendix L

Replacement Door Entry Systems	93,740	(68,740)	25,000	68,740
Renew stair structure	10,000	0	10,000	0
Fire Alarms	40,000	0	40,000	0
Total Health & Safety	**507,230**	**(68,740)**	**438,490**	**68,740**
Other				
Environmental new works	248,293	(198,293)	50,000	198,293
Gunby Avenue	3,333	(3,333)	0	0
Communal Electrics	37,469	(27,469)	10,000	27,469
Garages	44,409	(19,409)	25,000	19,409
HRA Assets (Shops/Buildings)	60,094	(60,094)	0	60,094
CCTV	46,685	0	46,685	0
Communal TV Aerials	10,000	(5,000)	5,000	5,000
Total Other	**450,283**	**(313,598)**	**136,685**	**310,265**
Contingency Schemes				
Contingency Reserve	4,209,563	(3,991,667)	217,896	0
Total Contingency Schemes	**4,209,563**	**(3,991,667)**	**217,896**	**0**
Other Schemes				
Housing Support Services Computer Fund	179,602	(129,602)	50,000	129,602
Infrastructure Upgrade	251,633	(251,633)	0	166,383
Operation Rose	81,769	0	81,769	0
Telephony	0	4,000	4,000	81,250
Total Other Schemes	**513,004**	**(377,235)**	**135,769**	**377,235**
Total Housing Investment	**10,513,608**	**(5,019,119)**	**5,494,489**	**1,019,119**

Appendix M

Housing Investment Programme – Summary of Expenditure as at 31st December 2021

Housing Investment						
Project Name	**2021/22 Budget following Q2 report**	**Q3 Budget Changes**	**Revised Budget**	**Actual expenditure as at Q3**	**Variance**	**% Spend**
Decent Homes						
Bathrooms & WC's	15,000	0	15,000	(4,447)	(19,447)	0%
DH Central Heating Upgrades	2,060,491	0	2,060,491	1,130,132	(930,359)	55%
Thermal Comfort Works	0	0	0	(822)	(822)	0%
Kitchen Improvements	50,000	(35,000)	15,000	(15,833)	(30,833)	0%
Rewiring	50,000	(15,000)	35,000	21,940	(13,060)	63%
Reroofing	20,000	(10,000)	10,000	(2,290)	(12,290)	0%
Lincoln Standard Windows Replacement	295,159	0	295,159	(1,846)	(297,005)	0%
Structural Defects	10,000	(10,000)	0	(177)	(177)	0%
Door Replacement	750,000	(150,000)	600,000	38,673	(561,327)	6%
New services	30,000	(5,000)	25,000	5,550	(19,450)	22%
Void Capitalised Works	1,500,000	0	1,500,000	322,256	(1,177,743)	21%
Fire Doors	47,879	(42,879)	5,000	(1,499)	(6,499)	0%
Fire Compartment Works	0	0	0	(1,915)	(1,915)	0%
Total Decent Homes	**4,828,529**	**(267,879)**	**4,560,650**	**1,489,722**	**(3,070,928)**	**33%**
Lincoln Standard						
Over bath showers (10 year programme)	5,000	0	5,000	(585)	(5,585)	0%
Total Lincoln Standard	**5,000**	**0**	**5,000**	**(585)**	**(5,585)**	**0%**

Health & Safety						
Asbestos Removal	195,850	0	195,850	66,593	(129,257)	34 %
Asbestos Surveys	167,640	0	167,640	39,254	(128,386)	23%
Replacement Door Entry Systems	93,740	(68,740)	25,000	0	(25,000)	0%
Renew stair structure	10,000	0	10,000	0	(10,000)	0%
Fire Alarms	40,000	0	40,000	33,309	(6,691)	83%
Total Health & Safety	**507,230**	**(68,740)**	**438,490**	**139,156**	**(299,334)**	**32%**
Other						
Environmental works	248,293	(198,293)	50,000	(697)	(50,697)	0%
Landscaping & Boundaries	0	0	0	(6,052)	(6,052)	0%
2 Gunby Avenue	3,333	(3,333)	0	0	0	0%
Communal Electrics	37,469	(27,469)	10,000	(795)	(10,795)	0%
Garages	44,409	(19,409)	25,000	116	(24,884)	0%
HRA Assets (Buildings)	60,094	(60,094)	0	0	0	0%
CCTV	46,685	0	46,685	0	(46,685)	0%
Communal TV Aerials	10,000	(5,000)	5,000	0	(5,000)	0%
Total Other	**450,283**	**(313,598)**	**136,685**	**(7,428)**	**(144,113)**	**0%**
Contingency Schemes						
Contingency Reserve	4,209,563	(3,991,667)	217,896	0	(217,896)	0.00%
Total Contingency Schemes	**4,209,563**	**(3,991,667)**	**217,896**	**0**	**(217,896)**	**0.00%**
Other Schemes						
Housing Support Services Computer Fund	179,602	(129,602)	50,000	0	(50,000)	0%
Operation ROSE	81,769	0	81,769	67,306	(14,463)	82%

Appendix M

IT Infrastructure Upgrade	251,633	(251,633)	0	0	0	0%
Telephony	0	4,000	4,000	0	(4,000)	0%
Other Schemes	**513,004**	**(377,235)**	**135,769**	**67,306**	**(68,463)**	50%
Total Housing Investment	**10,513,608**	**(5,019,119)**	**5,494,489**	**1,688,170**	**(3,806,319)**	
Housing Strategy						
New Build Programme						
Unallocated New Build	1,203,265	(1,203,265)	0	0	0	0%
New Build Programme	131,674	0	131,674	0	(131,675)	0%
Purchase and repair	2,338,689	75,750	2,414,439	1,204,279	(1,210,160)	50%
Rookery Lane	3,369,420	0	3,369,420	1,601,635	(1,767,785)	48%
Western Growth Corridor	1,259,766	(1,000,000)	259,766	0	(259,766)	0%
NSAP Properties	591,105		591,105	592,567	1,462	100%
De Wint Court	9,126,588	(2,000,000)	7,126,588	4,106,094	(3,020,494)	58%
RSAP Properties	1,619,250	(1,338,793)	280,457	278,938	(1,518)	99%
Total New Build Programme	**19,639,758**	**(5,466,308)**	**14,173,450**	**7,783,513**	**(6,389,936)**	**55%**
Land Acquisition						
Land Acquisition Fund	94,689	(94,689)	0	0	0	0.00%
Total Land Acquisition	**94,689**	**(94,689)**	**0**	**0**	**0**	**0.00%**
Total Housing Strategy	**19,734,447**	**(5,560,997)**	**14,173,450**	**7,783,513**	**(6,389,936)**	
Total Housing Investment & Strategy	**30,248,055**	**(10,580,116)**	**19,667,939**	**9,471,684**	**(10,196,255)**	**48%**

Appendix N

TFS Phase7 programme: progress at Q3 - 2021/2022

Service	Summary of project	Dir.	Total savings in 2021/22 £000's	GF savings in 2021/22 £000's	HRA savings in 2021/22 £000's	Comments
ACTIONS COMPLETED AS OF END Q3 2021/22						
Major Developments	Carry forward of new burdens funding	DMD	35	35	0	Complete for 21/22 – future business case required
Revenues & Benefits Shared Service	Deletion of vacant hours/post	CX	35	35	0	Complete
Sports, Leisure & City Services	Review of Recreational Services	DCE	21	21	0	Executive 17.03.21
Development Control	Review of Development Control	DCE	32	32	0	Executive 17.03.21
Development Control	Reinstatement	DCE	(36)	(36)	0	Complete
Business Development & IT	Review of Systems & Info Team	CX	27	26	1	Executive 17.03.21
Council-Wise	Mutually Agreed Resignation Scheme	ALL	254	194	59	Executive 22.02.21
Property Services	Transfer of HRA shops to General Fund	CX	117	117	0	Executive 17.03.21
Corporate	Review of funding support to The Network	CORP	4	4	0	Complete
Facilities Management	Deletion of vacant post	CX	10	10	0	Complete
Community Services	Review or public conveniences	DCE	38	38	0	Executive 26.08.21
Parking Services	Deletion of vacant posts	DCE	39	39	0	Complete
Workbased Learning	Apprentice savings	CX	53	37	16	Complete
CCTV	Transfer to alternative provider	DCE	49	49	0	Executive 26.10.21

BDIT	Business Analyst Vacancy	CX	34	23	11	Complete for 21/22
CX Management	AD Strategic Development (less Transformation Manager)	CX	28	28	0	Complete for 21/22
Policy	Various vacant posts less temp arrangements	CX	65	49	16	Complete for 21/22
Grants to External Bodies	LADAR & CAB grant less loss in Rental Income	CX	55	55	0	Complete
TOTAL			**860**	**756**	**103**	

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Item No. 5

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**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 Medium-Term Financial Strategy for the period 2022-2027 and the budget for 2022/23, for referral to Council.

1.2 To recommend to the Executive the Capital Strategy 2022-2027 for referral to Council.

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 savings target of £1.5m on the General Fund, which the Council must deliver to ensure it's financial sustainability. Whilst 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, considerable progress has already been made with over 50% of the target already achieved. In the longer term the Council is seeking to deliver 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 and ensuring it's financial sustainability. However, due to the short term need to close the budget gap the Council is left with little option but to revert to more traditional cost cutting measures in order to deliver the reductions required, this is an approach that will continue through 2022/23.

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 to the Executive and Full Council, public consultation and member scrutiny has been undertaken.

3. Background

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

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

3.3 In 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 months; 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 £8.907m. Due to the impact of significant fluctuations in the Collection Fund deficits and Section 31 grant funding it is not possible to make direct comparisons to prior or future financial years. The provisional forecast spending requirements for the remaining four years of the MTFS are, £11.279m for 2023/24, £12.862m for 2024/25, £13.789m for 2025/26 and £14.549m 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 **Finance Settlement 2022/23**
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 of 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 6.6% in comparison to an increase of 7.4% 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 Business Rates Retention (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 £5.573m of the £38.898m 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 to the Executive on 17th January 2022, the Business Rates element of the Collection Fund has declared a deficit in relation to 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 £0.455m in 2022/23.

4.9 **Council Tax**

The Localism Act 2011 introduced a power for residents to approve or veto excessive council tax increases. This means that any local authority setting an excessive increase, as set by the Secretary of State, would trigger a referendum of all registered electors in their area. The Government confirmed in the Settlement that there will continue to be differential limits that will trigger the need for a referendum. There will be a 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).

4.10 In view of this and taking into consideration the Council's need to protect its financial position from further decline and maintain its local income streams, the MTFS for consideration proposes a 1.89% 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.

4.11 **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 an allocation for 2022/23 is £0.174m.

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 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 £0.150m p.a. has been made.

4.12 **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 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.

4.13 **Spending Plans**
The three-year Annual Delivery Plan (ADP) for the remaining period of Vision 2025 has been developed following a mid-term review of the proposals in the original vision. This review was an opportunity to review and relaunch Vision 2025 and ensure that the actions taken to meet the priorities will help tackle the needs of the City's residents and businesses. The new three-year ADP includes a significant amount of new investment, primarily of a capital nature, aimed at supporting the economic prosperity of the City and is largely funded through external grant funding. In addition, through the refocusing of existing resources and allocation of the existing Visions 2025 earmarked reserve, there are also a number of new revenue schemes. Further details of the specific projects and investments in Visio 2025 are included elsewhere on this agenda.

4.14 The following other key assumptions have been used in formulating the 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 0.44% in 2022/23, 0.56% in 2023/24, 0.64% in 2024/25, 0.72% in 25/26 and 0.80% in 2026/27.
- Staff turnover targets of 1% pa

Towards Financial Sustainability

4.15 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 it's net cost base if it is to remain financially sustainable.

4.16 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 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**
Savings required as per MTFS 2020-25	1,050	1,300	1,500	1,500	1,500
Savings delivered in 2021/22	(716)	(736)	(756)	(778)	(792)
Balance of savings to be achieved	**334**	**564**	**743**	**721**	**708**

Although the savings targets have been reduced, and considerable progress has already been made towards the above targets, 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.

4.17 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 activity; 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.

4.18 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.

4.19 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.

Robustness and Adequacy of the Budget and Reserves – General Fund

4.20 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.

4.21 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.

4.22 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 £2.422m by the end of 2026/27.

4.23 Whilst the overall level of balances will still be maintained over the period of the MTFS there are planned uses of balances in the General Fund of £0.073m in 2023/24 and £0.670m 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 it's 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 £0.072m in 2025/26 and £0.840m 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 Plan 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 rewrite 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 £55.326m 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 2025/26 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 £2.012m at the end of 2026/27. These additional resources will be taken into consideration as part of the Business Plan refresh.

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 £22.954m of which £19.406m 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 - £2.2m
- 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 £70.521m of which £21.721m 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 £45.388m applied over the 5-year period and from revenue contributions applied, totaling £15.664m over the 5-year period. In addition the HIP is set to utilise £5.972m of prudential borrowing to fund the Council House New Build Programme this is further supported by capital receipts (including Right-to-Buy receipts) of £3.002m.

8. Capital Strategy

8.1 The CIPFA Prudential and Treasury Management Code (revised 2017) 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 The Capital Strategy is attached at Appendix B.

8.4 In December 2021 CIPFA published revised Prudential and Treasury Management Codes. These new codes apply with immediate effect, except where authorities may defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. The revised reporting requirements include changes to the capital strategy, prudential indicators and investment reporting. Whilst the Council will ensure it's borrowing and investment activity during 2022/23 will be in accordance with the revised provisions, it has as opted to defer full implementation of the revised reporting requirements until the 2023/24.

9. Consultation and Scrutiny

9.1 Budget consultation has been undertaken alongside consultation on the interim review of Visions 2025. The consultation, which consisted of an online questionnaire was undertaken with the public, businesses and the voluntary sector over a period of three week. The consultation primarily asked for prioritisation of key existing projects, prioritisation of the key strands of the TFS Programme, as well as seeking views on Council Tax proposals and value for money. The detailed results of the consultation are attached at Appendix C. In terms of the specific question in relation to Council Tax increases:

- 15.5% of respondents would support a 0% increase
- 22.6% of respondents would support a 1% increase
- 33.6% of respondents would support a 1.9% increase (as per the proposed increase)
- 28.3% of respondents would support a 3%.

The Executive must consider the results and comments from the consultatation in arriving at its recommendations in relation to the final budget.

9.2 In terms of member budget scrutiny an all member workshop was undertaken during January 2022 to ensure that as large a number of members as possible had the opportunity to fully understand the financial position of the Council. This was followed in February by a Budget Review Group who focused on the detail of the draft MTFS, proposed budget and Council Tax recommendation.

9.3 The minutes of the Budget Review Group are attached at Appendix D, there were a number of specific recommendations made by the Group, as set out below, but none that were specific to the MTFS and 2022/23 budget proposals:

- That once the full financial implications of the Environment Act were known that Performance Scrutiny Committee were updated.

- That the Internal Drainage Boards be invited to attend an all-member briefing on the work of the drainage boards and use of council tax payers resources

- That the relevant Portfolio Holder included reference to the work of the Internal Drainage Board’s in their annual report to Council

- That the Director of Major Developments gave consideration to the oversight of performance monitoring for the Western Growth Corridor.

10. Strategic Priorities

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

11. Organisational Impacts

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

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

- making prudent allowance in the estimates for services; and

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

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

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

11.5 Equality, Diversity and Human Rights –

This report provides a summary of the financial planning activities across the Council. As a consequence of the approval of the MTFS and budget for 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 ongoing budget monitoring and reporting to Members.

13. Recommendation

13.1 That the Executive recommend to Council for approval, the

- The Medium Term Financial Strategy 2022-2027, and.
- The 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 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 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 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 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).

Is this a Key Decision?	No – Referral to Full Council
Do the Exempt Information Categories Apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Four
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 Draft Medium Term Financial Strategy 2022-27 – Executive 17th January 22
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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 it's 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 months; 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. Although a three-year spending envelope was outlined 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. The 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 mutli-year 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 £1.5m by 2024/25 if the Council is to remain sustainable in the medium term.

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 in closing 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; 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 has been taken during 2021/22, already securing over 50% of the required £1.5m savings, and will continue through 2022/23.

In this current exceptionally uncertain period and in light of the Council's funding position the overriding financial strategy continues to be, to drive down the net cost base to ensure a sound and sustainable financial position is maintained. The key mechanism for delivering this strategy is through the Towards Financial Sustainability Programme which seeks to bring service costs in line with available funding. Alongside this over the medium term the Council will use it'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 will continue to 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.

3

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% - 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 saw similar stagnated growth with monthly increases of 0.2%, 0.6% and 0.2%. However, November saw the economy surpass it's pre-pandemic level for the first time, ahead of the rapid spread of the Omicron variant, with growth of 0.9%. The impact of the national measures introduced in December and resulting impact on public confidence will no doubt temporarily dampen this growth.

The recovery is now also 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 5.4%, it's highest rate in ten years. Current forecasts earlier in December, anticipated CPI to temporarily hit 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. The Bank of England expects the rate to reach over 7% in Spring 2022 but estimate it to fall back towards the 2% target over the second half of the year and during 2023.

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 national measures introduced in December 2021 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 to raise interest rates by 0.15% to 0.25% in December 2021 followed by a further increase to 0.5% in February 2022. 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 in early 2022 if the inflation continues to soar.

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 national measures and restrictions imposed during the Winter 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; unleashing 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 has been used to; mainly increase spending with increases in spending for all government departments for the next three years; allow some small tax cuts; and allow 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, to include:

- 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 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 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, although there are indications that a consultation in Spring 2022 could be announced.

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 reset to the 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..

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 however now appear in doubt, 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 reflecting 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. This 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. 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 reforms following the publication of the Levelling Up White Paper in February 2022.

The White Paper outlines the government's plan for reversing the UK's geographic inequalities and improving the country. The paper set out 12 national missions, all to be measured and achieved by 2030, to level up the UK relating to: pay; productivity; local transport; gigabit-capable broadband; school performance; skills; life expectancy; wellbeing; pride in place; home ownership; crime rates; and, devolution deals.

The policy proposals set out in the paper relevant to Local Government are:

- A new devolution framework which sets out a clear menu of options for places in England that wish to unlock the benefits of devolution. By 2030, every part of England that wishes to have a 'London-style' devolution deal will have one.
- A transformation of the government's approach to data and evaluation, with a new independent body created to improve transparency of local government performance.
- A commitment to simplify the local growth funding landscape.
- The intention to mobilise £16 billion of the Local Government Pension Scheme for investments in local projects.
- The £2.6 billion UK Shared Prosperity Fund will be decentralised to local leaders as far as possible.
- Councils will be given the power to require landlords of empty shops to fill them if they have been left vacant for too long.
- 68 more councils to be supported by the High Streets Task Force.
- All homes in the Private Rented Sector will have to meet a minimum standard – the Decent Homes Standard.
- 55 Education Investment Areas (EIAs) will be designated where school outcomes are currently weakest and will benefit from intensive investment and support.

The White Paper promises a series of next steps: a comprehensive programme of engagement across the UK; consultation on missions and metrics and the devolution framework; the establishment of a new body focusing on local government data; rolling out Levelling Up Directors across the UK; simplifying growth funding; creating three sub-groups to support the levelling up advisory council; and introducing future legislation to create an obligation on the UK Government to publish an annual report on progress and to strengthen devolution legislation in England.

This series of next steps, and most importantly the new devolution framework for

England, 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 the Council in early 2020, but was almost immediately affected by the onset of the pandemic.

Vision 2025 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 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.

Over the first two years of the Vision, although the Council 's ability to deliver beyond critical services was severely impacted, there were several projects that continued to be progressed and some are now complete. However, in the majority of areas of activity, progress on the initial plans was affected.

As the council moves back to a new business as usual situation, a mid-term review on the proposals in the original Vision has been undertaken. As part of this work, the effect of the pandemic on the health of the City's residents has been considered – and as a result, a new focus on physical and mental health developed for the way forward.

In addition, a change now in place is that instead of an annual delivery programme, a three-year plan has been developed which will be resourced as appropriate over the next three years. There are also several new projects proposed which will support the work of partners in helping tackle health inequalities exacerbated by the pandemic.

Moving towards 2022/23 and onwards, the focus is now firmly on the process of delivering the strategic aims. Due to the financial and resource effects of the pandemic, the Council is not in a place to completely pick up where it was, so the new three-year plan has been developed with flexible timescales. As this is a three-year plan the projects will not all start in 2022, they will be phased appropriately to meet residents' needs and when resources are available.

In terms of the availability of resources, key to this is the officer resource to support the delivery of the savings programme, whilst also ensuring that resource is available to deliver against our strategic aims, maximising where possible external funding opportunities to bring forward new development to support the City and its economy.

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 implementation 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 therefore remain a significant risk for the General Fund.

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 the net cost base.

The three-year Annual Delivery Plan (ADP) for the remaining period of Vision 2025 has been developed following a mid-term review of the proposals in the original vision. This review was an opportunity to review and relaunch Vision 2025 and ensure that the actions taken to meet the priorities will help tackle the needs of the City's residents and businesses. As part of this work, the effect of covid-19 on the health of residents has been considered – and as a result, a new focus on physical and mental health developed for the way forward.

This mid-term review has given the opportunity to refocus resources towards prevention and addressing those areas, including health inequalities, that will be needed most in the next three-year period.

The new three-year ADP includes a significant amount of new investment, primarily of a capital nature, aimed at supporting the economic prosperity of the City and is largely funded through external grant funding. In addition, through the refocusing of existing resources and allocation of the Vision 2025 earmarked reserve, there are also a number of new revenue schemes.

The ADP also recognises the need to reduce the Council's net cost base alongside the further new investment to support the priorities.

Further details of the specific projects and investment of the three-year period to 2025 can be found within the ADP.

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 Boards (IDB's) for the specific use of managing 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 £0.896m p.a, equating to 13% of the Council Tax Requirement. 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 5.9% have been assumed for 2022/23, reverting to CPI projections from 2023/24 onwards.

Employers National Insurance Contributions

In September 2021 the Government announced a new social care package to be funded through a UK-wide 1.25% health and social care levy' 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 be 1% before the end of 2022 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 achievable on investments of +/- 0.5% the interest receivable would have an estimated combined impact of approximately £0.046m. A rise of 0.5% in the Bank of England base rate would not translate into a 0.5% increase in investment rates available.

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

	2022/23 %	**2023/24 %**	**2024/25 %**	**2025/26 %**	**2026/27 %**
Interest Rate	0.44	0.56	0.64	0.72	0.80

Based on the current forecasts for interest payable on new borrowing (averaging around 2.05% in 22/23) and receivable on investments (averaging around 0.44% in 22/23), and the estimated level of balances available for investment, it is currently anticipated that new borrowing will be taken to fund the borrowing requirement for the General Fund over the 5-year strategy. Internal balances will be used to fund the existing borrowing requirement where it remains financially advantageous to do so, reducing the amount of interest that would have been payable on new debt, partially offset by a reduction in interest receivable (due to reduced balances available for investments).

Resource Assumptions

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

The Local Government Finance Settlement for 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 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 Settlement is for one year only, the fourth consecutive one-year 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 the previous 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 £3.730bn, 7.4%, from £50.392bn to £54.122bn, an overall increase for the period 2015/16 to 2022/23 of 21.2%.

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	1.275
Council Tax	22.036	23.247	24.666	26.332	27.768	29.227	30.327	31.742
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	0.556
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**	**54.122**
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%**	**21.2%**

Although the national level of Core Spending Power is forecast to increase by 7.4% 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, Lincoln's increase of 6.6% 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 11.4% over the seven-year period to 2022/23, with a 6.6% 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	1.249
Core Spending Power	**13.804**	**13.439**	**12.396**	**11.680**	**11.297**	**11.676**	**11.471**	**12.232**
Change (%)								**6.6%**
Cumulative Change (%)								**-11.4%**

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 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 £2.711m, 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 £0.455m 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	5,573	4,139	4,929	5,569	6,063

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% above 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 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 £0.421m for 2022/23 as announced in the 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 £0.266m. 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 £0.174m

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 SFA. 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 also includes funding for local government costs for the increase in employer NIC's, although this is not separately identifiable. 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 however likely to change. Given that within the £822m 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 £0.263m beyond this £0.150m 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	(756)	(716)	(736)	(756)	(778)
Balance of savings to be achieved	**249**	**634**	**1,014**	**993**	**972**

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 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
1,050	1,300	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	1,050	1,300	1,500	1,500	1,500
Savings delivered in 2021/22	(716)	(736)	(756)	(778)	(792)
Balance of savings to be achieved	**334**	**564**	**743**	**721**	**708**

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 activity; 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 £22.954m 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 - £2.2m
- Lincoln Central Market - £6.666m
- Heritage Action Zone - £0.476m

In addition, the Lincoln Town Deal Programme totalling £19m has further schemes to be included in the capital programme at such time 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 above) 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 the 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 increases. 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 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 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 from land/property disposals as part of the development of Western Growth Corridor. These receipts, assumed at £3.224m (net of repaying temporary borrowing), 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 £9.028m over the period 2022/2-2026/27. This includes £5m temporary borrowing relating to Western Growth Corridor and longer term borrowing to support the Town Deal Programme investment in the Central 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 £11.190m is expected to be received from external capital grants, which is largely for Disabled Facilities Grant £1.5m, Towns Fund £5.08m for currently approved business plans and Green Homes/Sustainable Warmth Grants totalling £2.7m. 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 £22.954m, as follows:

	£'000
Capital Grants	11.190
Capital Receipts	2.534
Direct Revenue Financing	0.202
Prudential borrowing	9.028
TOTAL	**22.954**

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 £55.326m 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, which announced that from April 2020 social rents should 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 available on investments of +/- 0.5% would have an estimated combined impact of approximately £74k. A rise of 0.5% in the Bank of England base rate would not translate into a 0.5% increase in investment rates available.

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 £70.521m and comprises the following main areas of work:

- Maintenance of the Decent Homes and the Lincoln Standard, £58.159m
- New Build Programme £12.362m – 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 £15.664m 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 £80m by the final year of the MTFS with additional borrowing included in the MTFS and no allowance made for the repayment of existing debt. Actual borrowing utilised will be £5.97m to fund the new build programme alongside 1:4:1 receipts and borrowing taken during the MTFS period will be £6.05m.

Projected Capital Resources

Resources to finance the proposed £70.521m Housing Investment Programme 2022/23 – 2026/27, are currently estimated to be as follows:

	£000
Major Repairs Reserve (depreciation)	45,388
Direct Revenue Financing	15,664
Grants and Contributions	495
Capital Receipts (inc RTBs)	3,002
Borrowing	5,972
TOTAL	**70,521**

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:

	2017/18	2018/19	2019/20	2020/21	Stress Compared to other Councils
Reserves Sustainability	23.47	100	100	100	
Level of Reserves	65.28%	73.59%	99.40%	142.33%	
Change in Reserves	-11.33%	-2.48%	22.79%	209.86%	

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.

Covid19 has had an impact on the 2020/21 resilience index, it should therefore be viewed in the context of this having been a transitional year. The index continues to illustrate the financial resilience of authorities during the pandemic but figures on reserves have been affected by a series of Covid-related payments at the very end of the financial year. The Council's reserves increased by £13m in 2020/21, primarily due to £11.5m of grant funding from Government to recompense for the lost income resulting from the Business Rates reliefs awarded due to the pandemic. The grant funding was received in 2020/21 however the corresponding losses on the Collection

Fund were not declared until 2021/22 – 2023/23, the grant received will therefore be drawn down through reserves over this period. In addition, of the Covid19 grant support provided by Government in 2020/21 to support local authority pressures £0.622m was transferred to reserves to be used to mitigate the impacts of Covid19 in future years. A further £0.531m of was transferred to reserves from the Council Tax Hardship funding that was granted in 2020/21, for which the expenditure will be incurred in 2021/22. It is estimated that the level of reserves will reduce significantly during 2021/22, further skewing the resilience indictors.

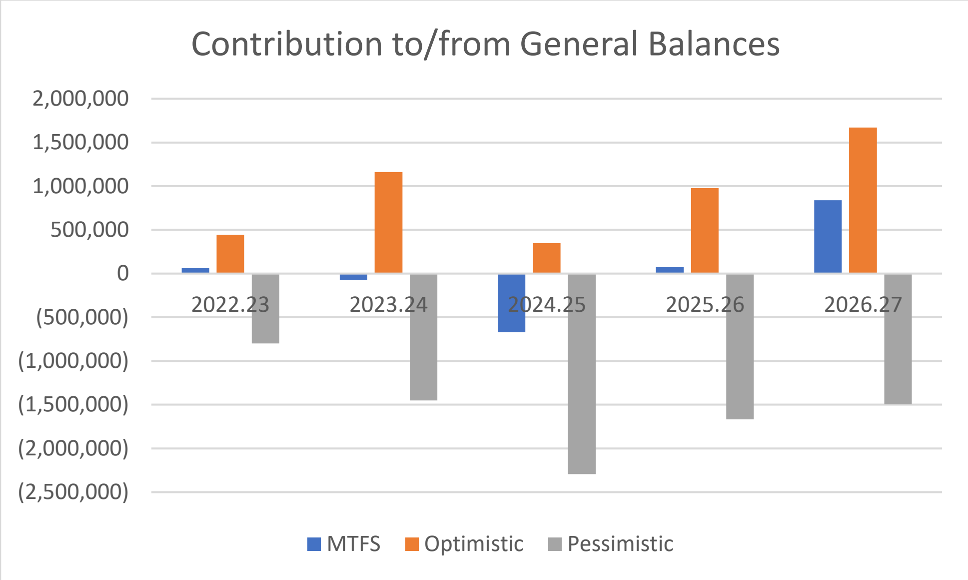
Management of Risk

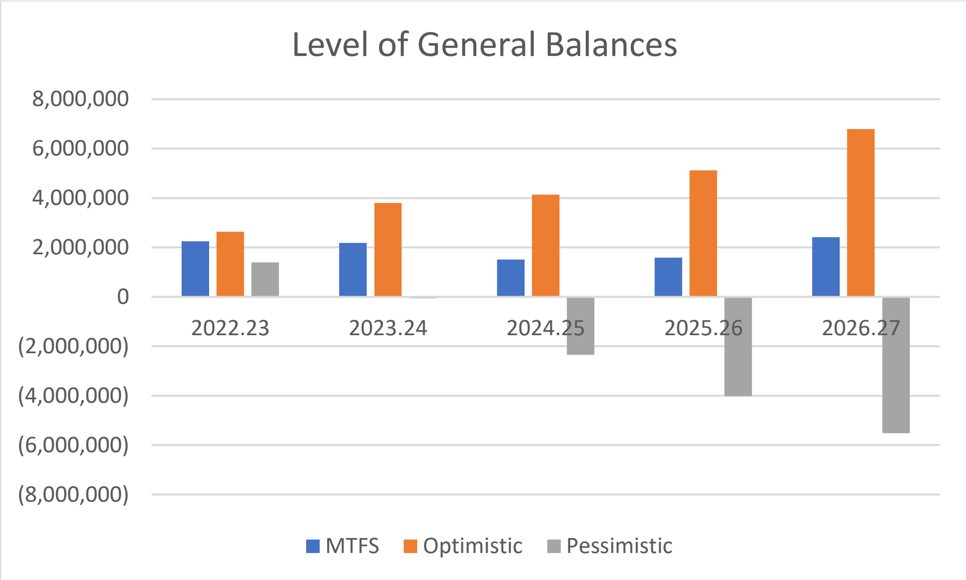
The Council has always maintained a very proactive approach to managing risk and there are effective arrangements for financial control already in place. However, as a result of the significant changes to local government funding, which saw a shift towards self –sufficiency and dependence on local funding 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 during 2023/24 if mitigations and/or savings could not be found. This emphasises 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 to be held has allowed the Council to be able to cushion the impact that Covid19 has had on its finances and will continue to do so in future years. Whilst the overall level of balances will still be maintained over the period of the MTFS there are planned uses of balances in the General Fund of £0.073 m in 2023/24 and £0.670m in 2024/25. The use in 2023/24 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 £0.072m in 2025/26 and £0.840m 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	2,254	2,181	1,510	1,582	2,422
Housing Revenue Account	1,098	1,168	1,160	1,278	2,012

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 2023/24, during the anticipated first year of the Business Rates Reset, 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 and the Covid recovery reserve.

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

GENERAL FUND BUDGET SUMMARY 2022/23 - 2026/27

	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
Chief Executive & Town Clerk	3,016,780	3,153,290	3,260,380	3,300,260	3,469,880
Communities & Environmental Services	5,209,660	4,461,830	4,152,370	4,127,600	4,123,210
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	2,113,830	2,124,150	2,135,890	2,152,290	2,165,460
	11,656,340	**10,985,750**	**10,805,420**	**10,885,080**	**11,071,550**
Capital Accounting Adjustment	3,376,590	3,293,840	3,341,830	3,172,590	3,153,690
Base Requirement	**15,032,930**	**14,279,590**	**14,147,250**	**14,057,670**	**14,225,240**
Specific Grants	(858,870)	(150,000)	(150,000)	(150,000)	(150,000)
Contingencies	(66,540)	(67,940)	(148,710)	(63,740)	(61,140)
Savings Targets	(333,590)	(564,180)	(743,340)	(721,810)	(708,040)
Transfers to/(from) earmarked reserves	(4,966,830)	(1,682,460)	386,530	545,520	369,020
Transfers to/(from) insurance reserve	36,690	(462,050)	40,110	38,340	36,660
Total Budget	**8,846,790**	**11,352,960**	**13,531,840**	**13,705,980**	**13,708,740**
Use of Balances	60,700	(73,490)	(670,110)	71,890	840,150
NET REQUIREMENT	**8,907,490**	**11,279,470**	**12,861,730**	**13,777,870**	**14,548,890**
Business Rates	5,573,200	4,138,620	4,928,200	5,569,070	6,062,970
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	**8,907,490**	**11,279,470**	**12,861,730**	**13,777,870**	**14,548,890**
Balances b/f @ 1st April	**2,193,359**	**2,254,059**	**2,108,569**	**1,510,459**	**1,582,349**
Increase/(Decrease) in Balances	60,700	(73,490)	(670,110)	71,890	840,150
Balances c/f @ 31st March	**2,254,059**	**2,180,569**	**1,510,459**	**1,582,349**	**2,422,499**

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	2,580,000	2,650,000	2,665,000	2,660,000	2,650,000
- Investment Interest	(66,220)	(65,610)	(72,150)	(84,530)	(98,390)
- Mortgages Interest	0	0	0	0	0
Surplus on HRA for the year	**(2,582,700)**	**(3,304,380)**	**(3,848,840)**	**(4,470,020)**	**(5,079,940)**
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	**(38,670)**	**(69,320)**	**8,080**	**(118,480)**	**(733,940)**
Balance b/f at 1 April	(1,059,743)	(1,098,413)	(1,167,733)	(1,159,653)	(1,278,133)
Balance c/f at 31 March	**(1,098,413)**	**(1,167,733)**	**(1,159,653)**	**(1,278,133)**	**(2,012,073)**

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	736,551	678,103	483,021	300,000	300,000
Directorate of Major Developments	17,642,319	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	**19,406,447**	**1,864,103**	**683,021**	**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)	02	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		0	0	0	0
Received in year	9,611,008	678,103	300,000	300,000	300,000
Used in financing	(9,611,008)	(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	7,059,121	1,186,000	383,021	200,000	200,000
Used in financing	(7,059,121)	(1,186,000)	(383,021)	(200,000)	(200,000)
Closing balance	0	0	0	0	0
Total Capital Funding	(19,406,447)	(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	8,941,080	8,656,831	8,815,200	9,255,960	9,718,758
Health & Safety	521,551	458,990	427,310	448,675	471,109
New build programme	9,117,669	1,455,267	1,691,953	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	2,098,865	1,640,254	1,097,174	914,982	960,731
Total Programme Expenditure	**21,721,402**	**12,918,394**	**12,672,667**	**11,328,091**	**11,880,558**
Capital funding					
Major Repairs Reserve					
Opening balance	16,239,525	11,112,696	9,848,265	10,103,702	10,559,651
Depreciation received in year	7,450,000	7,450,000	7,450,000	7,450,000	7,450,000
Depreciation used in financing	(8,941,080)	(8,656,831)	(8,815,200)	(9,255,960)	(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	(6,194,699)	(3,166,660)	(2,165,514)	(2,024,239)	(2,112,950)
Closing balance	11,112,696	9,848,265	10,103,702	10,559,651	10,464,092
Capital receipts					
Opening balance	2,354,836	2,104,826	2,854,836	3,604,836	4,306,943
Received in year	750,000	750,000	750,000	750,000	750,000
Used in financing	(1,000,000)	0	0	(47,892)	(48,850)
Closing balance	2,104,836	2,854,836	3,604,836	4,306,943	5,008,093
1-4-1 receipts					
Opening balance	1,905,526	1,114,742	676,781	0	0
Used in financing	(790,794)	(437,961)	(676,781)	0	0
Closing balance	1,114,742	676,781	0	0	0
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	18,836	18,997	112,055	96,883	96,883
Borrowing taken in year	4,300,000	750,000	1,000,000	0	0
Used in financing	(4,299,839)	(656,942)	(1,015,072)	0	0
Closing balance	18,997	112,055	96,883	96,883	96,883
Total Capital funding	(21,721,402)	(12,918,394)	(12,672,667)	(11,328,091)	(11,880,558)
Available Resources c/f	**14,351,271**	**13,491,937**	**13,805,420**	**14,963,478**	**15,569,070**

Appendix 5

BUDGET RISK ASSESSMENT

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Appendix 5

No.	Budget Item	Risk	2022/23	2023/24-2026/27	Containment
			Risk Score	Risk Score	
1	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

2	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

3	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

4	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

5	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.

6	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.
7	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.

8	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	• 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
9	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

10	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.
11	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

12	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.
13	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

15	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
16	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. 10) Reductions in grant funding (covered in separate risk – see no. 6).	**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.

17	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
18	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

19	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

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	1047,230	0	0	0	0
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	0	0	0	0	0
Grants & Contributions	1,244,910	1,171,960	1,124,200	1,075,720	1,026,390	1,026,390
Income Volatility Reserve	320,000	320,000	320,000	320,000	320,000	320,000
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	605,920	629,270	595,960	572,140	572,140
Western Growth Corridor Planning	79,770	79,770	79,770	79,770	79,770	79,770
TOTAL GENERAL FUND	**11,475,660**	**6,508,830**	**4,826,380**	**5,212,910**	**5,758,430**	**6,127,450**

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

	PREVIOUS 2020/21 £	CURRENT 2021/22 £	PROPOSED 2022/23 £	

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)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	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)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	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				
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				
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	42.40	43.70	**45.00**	
Administration Charge				
- 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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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**

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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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Capital Strategy

2022/23 - 2026/27

Contents

1. Introduction
2. Purpose & Objectives
3. Policy and Financial Planning Framework
4. Financing the Capital Programme
5. Capital Prioritisation
6. Capital and Project Monitoring
7. Commercial activity and investment property
8. Loans to and investments in local businesses and organisations
9. Knowledge and Skills
10. Conclusion

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 £22.954m

- The Housing Investment Programme (HIP) with a budget for 2022-27 of £70.521m

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 by Executive on 24th February 2020 but was almost immediately affected by the impact of the pandemic.

Vision 2025 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. Over the first two years of the Vision, although the Council 's ability to deliver beyond critical services was severely impacted, there were several projects that continued to be progressed and some are now complete. However, in the majority of areas of activity, progress on the initial plans was affected.

From 2022/23 and onwards, the focus is now firmly on the process of delivering the strategic aims. Due to the financial and resource effects of the pandemic, it is not possible to completely pick up where the Council was, so the new three-year plan has been developed with flexible timescales. As this is a three-year plan the projects will not all start in 2022, they will be phased appropriately to meet residents' needs and when resources are available.

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.
- Town Deal Programme – manage, monitor and evaluate the Town Deal Programme as Accountable Body
- 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.
- Waterside East – regeneration of this area of the City
- Public Toilet Provision to Support the Tourism Economy – improve things to the extent of making Lincoln a top destination for disabled access/baby changing facilities etc.

- Let's reduce all kinds of inequality
  - Safer Streets Project – implementation of the Safer Streets CCTV extension.
  - 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.

- 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 RSAP, Carholme Rd new build
  - 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.
- Boultham Park Phase 2 – completion of transformation of the park and lake renovation

- 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 choose 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.

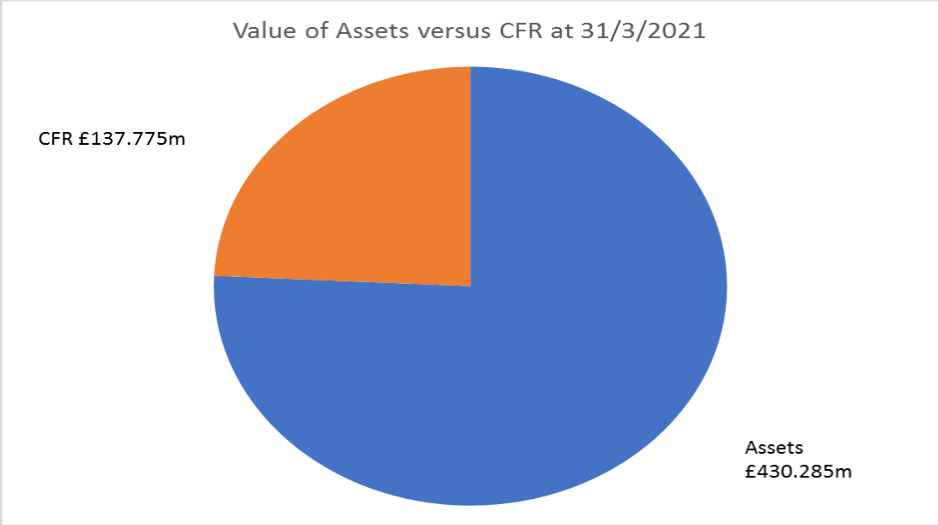
For the year 2022/23 the anticipated income from investment properties represents less than 4.0% of the council's gross expenditure.

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:



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	11.14%	11.41%	11.89%	11.55%	11.35%
Limit of GENF borrowing cost as a % of revenue expenditure	15%	15%	15%	15%	15%
HRA borrowing cost as a % of revenue expenditure	9.67%	9.79%	9.75%	9.66%	9.55%
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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Together, let's deliver Lincoln's ambitious future

City of Lincoln Councils Budget Proposals 2022/2023 Results Summary

City of Lincoln Council asked for respondents' views on the budget proposals for 2022/2023.

The maximum number of respondents to each question is **229.**

Your Details

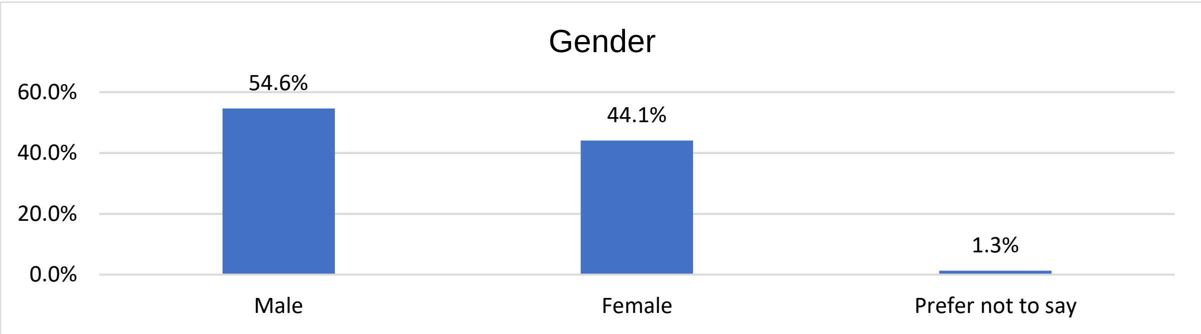

Figure 1

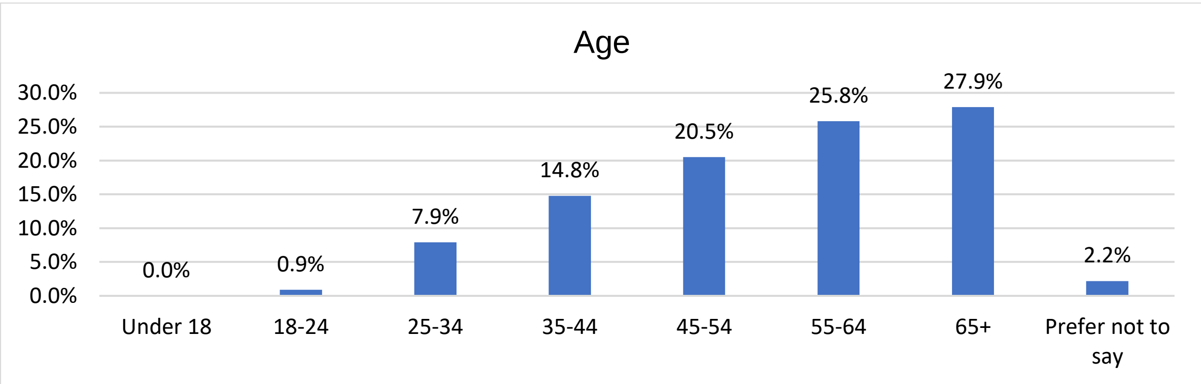

Figure 2

Delivering Savings

<u>For each of the activities below can you tell us how strongly you feel they could deliver efficiencies.</u>

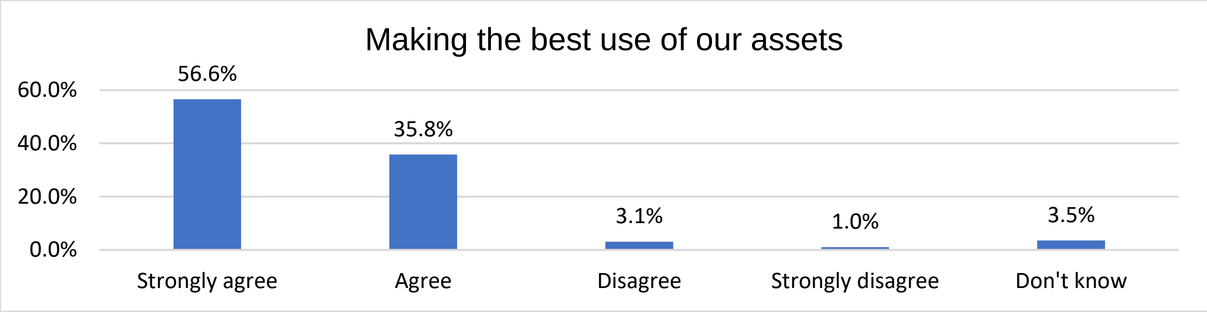

Figure 3

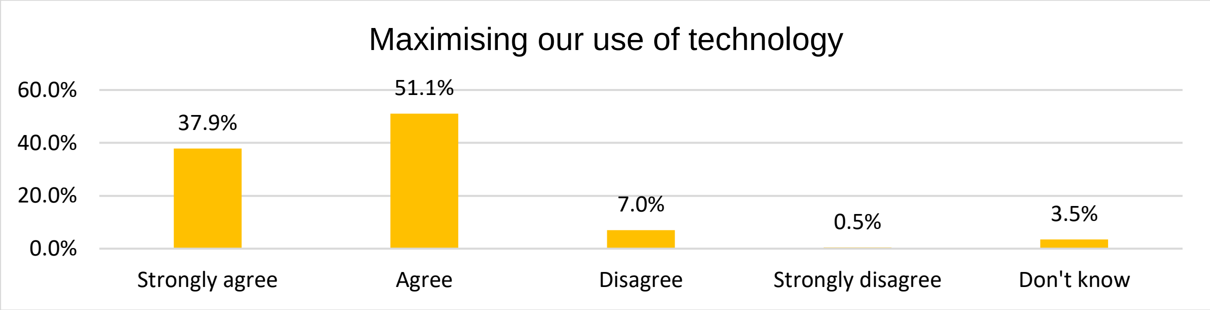

Figure 4

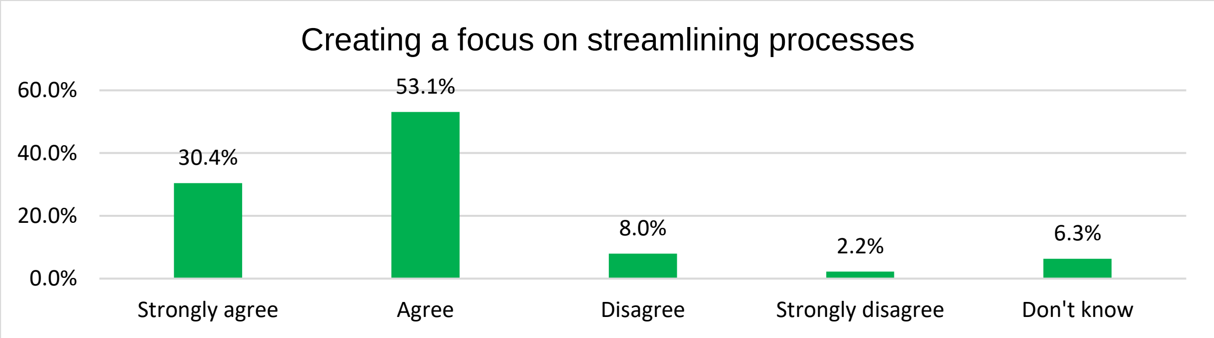

Figure 5

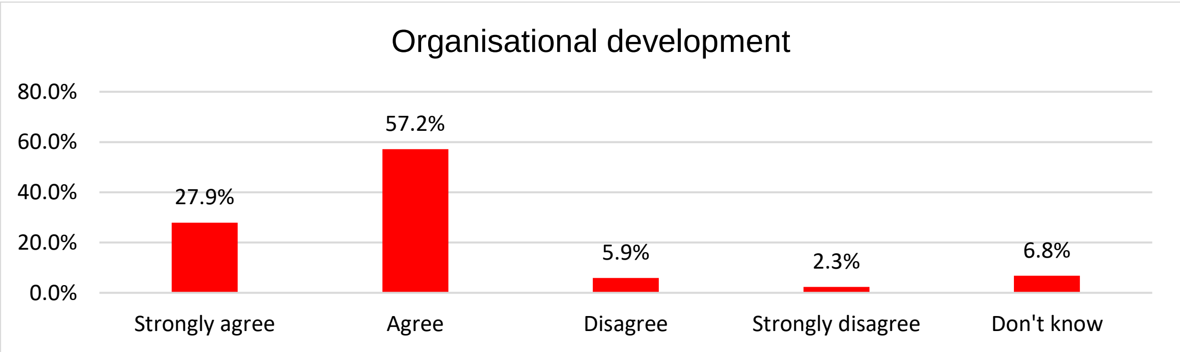

Figure 6

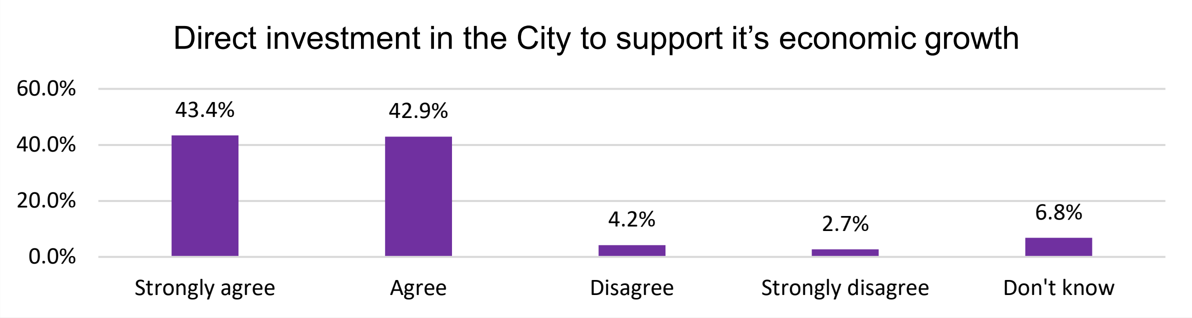

Figure 7

If you have any comments on the proposed savings by category, please let us know.

The following was a comment based question. A detailed breakdown of the comments can be seen below. A total of 48 comments were received for this question overall.

Comments – 48 comments
Firm partnerships with private sector and community spirited organisations like Investors in Lincoln, coop etc
Keep building and pursuing new infrastructure it's the greatest benefit economically for Lincoln. Lincoln has the potential to become a leading City with great ambition, keep investing - be modern, make sure there is facilities and jobs for the young.
Does the terrace on Grantham Street yield a good revenue? Because on face value it seems a really good idea that if replicated would easily fill up again
Enable Jobs, training, and facilities for young people in Lincoln schools to allow them to take on paid work or activities that will keep them engaged in their futures. I would particularly like to see local firms encouraged to allow 15/16 Yr. olds to access local paid work. They will then feel invested in our city and take pride in their areas
Maximising the use of technology should not be at the expense of job losses but should increase productivity and enhance the service to end users.
Not sure what you mean by instilling a website first culture - but to me this suggests taking away the human contact element which so many people need and value rather than looking on an impersonal screen and having to navigate and guess where to find the information you need. This seems to be a justification for staff cuts and failing to provide a customer focused service.
The use of technology is not maximised at present, so I am sceptical savings in this area would be efficient or productive. In my experience, CCTV in the St Marks area is poor if not completely useless and did nothing to help when my car was broken into at 5pm in front of a CCTV camera.
The aspirations are fine, apart from the "website first" approach: experience from banks and building societies shows many people - older citizens, those with specific needs, those for whom English is not their first language, those feeling lost and isolated - want a human relationship, not a website portal. The City Council should open up High Street to be even more accessible and customer facing. This would contribute to High Street regeneration.
People want a person to talk to. "Website first" is not a people friendly strategy.
Utilising existing assets is quite often overlooked for new shiner exciting things.
Cut out waste. There is so much waste in council offices any decent industrial manager could make huge savings. Also make all employees work until the normal retirement age. The days of working only 30 years for a full pension needs to be stopped. Everyone else has to work until 66/67 so should council workers, after all we the rate payer are footing the bill. It's our money not yours stop wasting it.
Investing in our young people and motivating them to be a positive presence in our community
Small councils should not be overly process driven.
No one would disagree with No 9 - the problem is the best way of enhancing the five items - and how long it will take to achieve results that can be seen to be doing what they should be doing.

How is the street lighting change to power efficient lighting going? Only one has been changed on my estate. How about providing an advice bureau to help citizens avoid scams in trying to get help to keep warm e.g., insulation in cavity walls. I have a newish house, but the east room is always the coldest place. It has insulation but I would like to know if there is any way I can increase it.
I don't believe that "website first" is the way to go, although a well designed and functioning website is very important for those with access, there are many people who don't have access or the confidence to use it and who prefer face to face conversations and/or help. I also have problems with the word "growth", as they say, you can't have infinite growth in a finite world.
I DIDN'T UNDERSTAND THE QUESTION
Maximising technology and streamlining should not be at the expense of citizen access to services.
I’m sure whatever you do there will be people who loss out on a service. Perhaps reducing car park fees might make people come into town more, until there are enough buses etc.
None
Keep hold of your assets and lower the rent if needed. Land and buildings will only rise in value. Value for money when investing
Organisational Development usually means some kind of time and financially costly transformation process. Experience had shown that such initiatives rarely deliver efficiencies and usually lead to I'll feeling and poor value for money
True savings can be found through serious commitment to Local Government Reorganisation.
I feel you are asking the public to do the work and suggest savings, when you are either elected or you are officers who are paid to do this work? In addition, we don't know all the ins and outs of each category, so how on earth are we supposed to know where you can make savings?
Although the move to online and virtual services is welcomed, especially for easily automated processes such as making payments etc. It is still vital to have an easily accessible form of human contact. the vulnerable and elderly particularly benefit from the reassurance of face to face or verbal contact. During the pandemic I have found it increasingly frustrating at many organisations when I have attempted to make contact. (Not the council I might add). If you have a generic query then fine, but anything that doesn't fit into a "box" or can’t be dealt with by "bots" just ends up with the customer going round in circles. so please keep up the human face of the council.
Lincoln just a magnet for rough sleepers and the streets are filthy with debris and chewing gum covering the pavement puts me off walking in the centre. The Brayford is filthy looking too. I no longer shop or visit Lincoln and can't wait to relocate to a more pleasant location.
Sell off City Hall on Orchard Street - an eyesore and I doubt it has anywhere close to occupancy. A smaller leaner council. From what I understand the Unions run the show which means they indirectly dictate staffing and services, so I don't see organisational development working unless you merge with other local authorities. A robust private sector approach to performance managing your staff and exiting poor performers is owed as responsibility to taxpayers. Stop bidding and showboating funding for rough sleeping - it is killing and destroying the soul of the city. If you can't manage or deal with the problem, cut loose from 'inviting' cohort after cohort.
Please just keep this going for our country
The use of technology is great but remember some residents cannot access a PC or mobile and do not have internet use
Having worked at a senior level in the areas of maximising technology and streamlining processes in large organisations, I am aware that these activities can create efficiencies, but only if they are carried out while taking into consideration the knowledge, skills and experience of the staff running the processes, and only if customer requirements are taken seriously e.g. it is recognised that there is a hierarchy of customer access required depending on the emotional importance and complexity of the transaction - purely unemotional and simple transactions work well online, but more emotional and complex transactions will always need a level of human interaction, whether by telephone or face to face
When it comes to the customer interface the increasing use of technology can impede the efficient delivery of services because people in the older generation are not always able to access services this way. There should always be the option of speaking to someone on the telephone or in person.

I think the city council has had it priorities wrong and spending approx. £60,000 on gates and fancy block paving next to the Morning Star, whilst claiming it cannot afford to spend £20,000pa on keeping Westgate loos open, where do they expect delivery drives, taxi drivers, post office worker, car parking staff, people living in hostels and the homeless to go? Quite apart the tourists who do not feel welcome to Lincoln when they rattle the door of locked loos beside the main car park uphill.
Get rid of all the green crap. Stop supporting businesses, it's a business it should not ask for or receive taxpayer money in any way shape or form.
Employ more street cleaners, get rid of beggars and rough sleepers
Bring in outside (global even) 3rdParty / Learned Bodies assistance if necessary
Nothing directly. Coming into a difficult time where savings will be required by central government
Look at elections. Costs less if held less often.
Council buildings do not have to be in the high value areas of the city nor split into different buildings. I can see that a building needs to be easily accessed by walking customers so obviously some office complex is necessary, but the majority of staff could be in cheaper areas. Isn't it time to look at selling off those enormous buildings and put the money raised into better things, or create enough space within one of the council buildings to accommodate both County and City Council staff................. Parking - wouldn't it be better to fill car parks at a cheaper rate than have most of the spaces empty? Surely better to have 10 spaces full at £3 each than only 2 spaces full at £5 each. You are not helping anyone with sky high parking charges. Major review required as we're all suffering from lack of money.
Sell City Hall for student accommodation. Get your back room staff working from home and frontline staff out in the community and visibly working. Clean the filthy city centre streets of fast food, chewing gum and rough sleepers' debris. Have shared services with North Kesteven where possible.
The city needs to aspire to become more than a student city. We should take our cues from York and the more higher end areas of Leeds. Inviting and funding big chain businesses is necessary but the focus on more interesting shops, restaurants, etc of an independent/bespoke variety should not be overlooked.
Stop sending out council tax bills in paper format, you would save a fortune
Creating a focus on streamlining processes - website first culture must be flexible some service users many do not have access to the internet for various reasons including homelessness, support and resources should be put in place for these users.
Get rid of Lincoln BIG
I haven't found the link (via the council website) between the council taxpayer and the council particularly strong. Having a unique identifier (e.g., the council tax reference number) and a password should enable informed access to any department without having to reinsert all the personal data again.
Keep up the good work
The trouble with moving more towards a technological approach is that there are still many (mainly elderly) people who have difficulties with this. For at least the next 10 years, there still needs to be a 'people first' approach to include people with limited technological knowledge or access to online facilities.
You used technology to organise the booking system for the refuse tip and, in my opinion, it was ridiculously over expensive. I was shocked.
1. Safe, clean, cultured city spaces 2. Recycling free bins all over the city 3. Wi-Fi for visitors around the city Other Try out jobs days where anyone can attend, or kids have a go see behind the scenes

Budget Allocation

In 2021/22, 80% of Lincoln householders currently only pay £190.26 and £221.97 per year (on average £3.96 per week) for services provided by the Council. To what extent do you agree or disagree with the statement that City of Lincoln Council provides value for money?

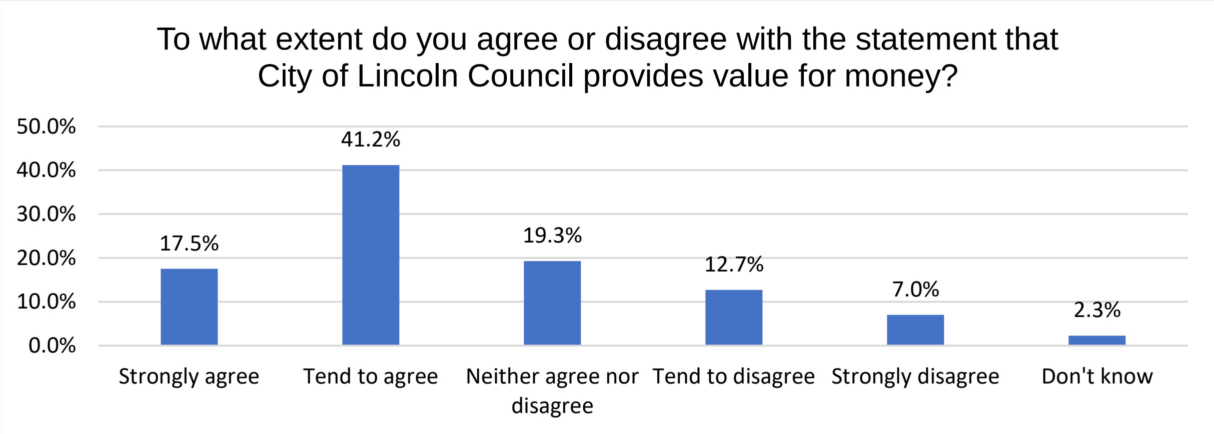

Figure 8

Council Tax and Rents

In light of the financial pressures the Council is facing as well as a need to invest in its priority areas, what level of council tax increase would you support for 2022/23?

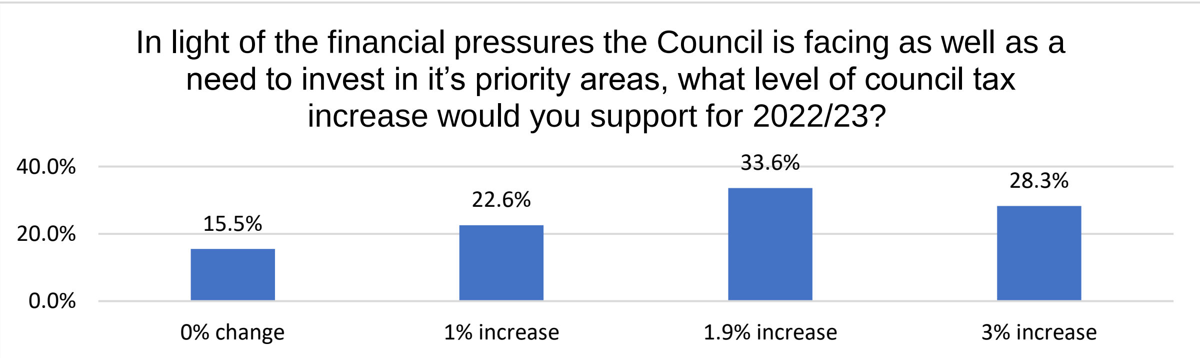

Figure 9

Do you think that local councils should have the ability to determine Council Tax without the need for a referendum if the amount proposed is above the Governments Cap?

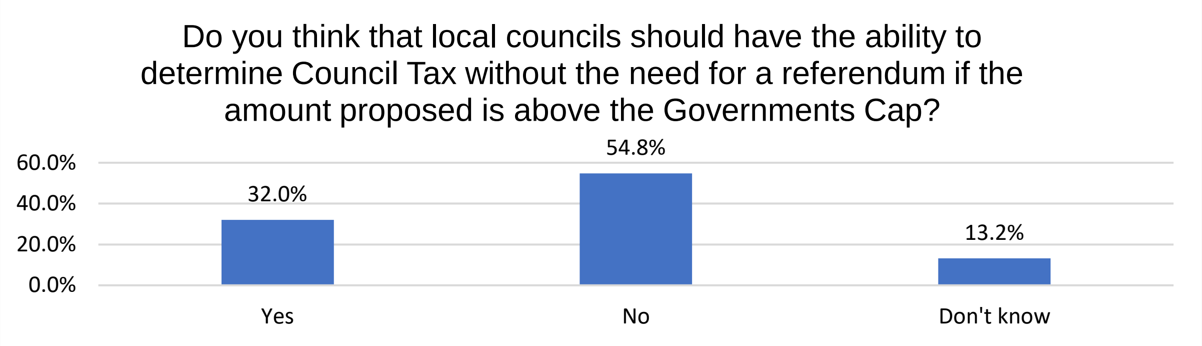

Figure 10

<u>Do you have any further comments you wish to make around the level of Council Tax?</u>

The following was a comment based question. A detailed breakdown of the comments can be seen below. A total of 56 comments were received for this question overall.

Comments – 56 comments
Are those numbers, right? 3% increase doesn't seem to yield much more than 1.9%
Council tax seems to be increasing year by year with no evidence of benefits to the residents, particularly the increase in funding for the Police but see no evidence of the increase in outcomes,
No
I believe a 3% increase in council tax is necessary because of stringent government cuts in local government spending over many years. However, I know many residents will struggle to pay any increase. It's a pity councils can't apply different percentage increases to different bands i.e., higher % to higher band properties.
Times are tough but I would rather pay a little bit more but received good services from council and make Lincoln to be good place to live
No
Council Tax should be renamed Civic Contribution - it is not a tax, but a mutual investment; the same should apply to Income Tax, which should be called Public Contribution. A 3% increase is entirely reasonable to address the needs of the people through locally deliverable services
Time for an increase in central government grant
The District Council is a relatively small proportion of the council tax when compared to the County and the Police. Council taxpayers will not be happy to have large increases. A 1.9% increase for the district may be 10p a week on a band D property but it is the overall increase of all the precepting authorities that has an impact on Council Taxpayers. There are a lot of customers who struggle to pay their current council tax liability, and any increase is not going to be welcome. I hope that the major precepting authorities are mindful of this as their increases causes the biggest increase in the overall council tax liability.
Scrap the county's PCC and go back to the way it was run.
Please review the different bands and support those struggling to find affordable housing
I would like a breakdown of community level services, such as Parish councils' level - not enough money is allocated to parks, play areas, pitches etc.
I am not against Council Tax, per se, but believe that properties over Band H should be paying a lot more in Council Tax. A recent survey showed that 10 - 15% of income was paid in Council Tax by poorer taxpayers, but that those with large estates and properties were paying between 0.5 and 2% of income, this is patently unjust and a headache that should be addressed by not only Local, but Central Government.
I don't know how it compares with other places in Lincolnshire or other cities. It might be useful to know.

I appreciate the pressures that councils across the country have been under due to reductions from central government funding. However, it is hard for many members of the public to swallow increases in tax when wages (especially for public sector workers) are not rising by the same equivalent.
Are Council house tenants means tested say every 5 years? It would seem to me that some Council house tenants who perhaps needed the help of the state at one time, go on to have successful careers or receive inheritances. Once a tenant is in a financial position to afford open market rents, they should have their lease terminated and the property offered back to someone who is in need of a roof over their head. I know this is separate to Council Tax, but some reforms are required that would see the Council retain their stock and encourage existing tenants to invest in the open market.
I have indicated a willingness to pay a 3% increase in the rate of Council Tax. I have done so because I believe that local councils need more money to run services and invest in the future, and I am in a position to do without it affecting my standard of living. Not everyone will be able to absorb a 3% increase and will need financial support through rate rebates etc.
In terms of personal finances, I cannot see how I am supposed to pay for so many huge increases in my bills. Council tax is just one of many that are hitting me at present. As an older adult with no means of increasing my personal income, I cannot support any further increases to my bills. I'd rather cut services instead.
Many households like myself have one bread winner as they have disabled partner, we are already squeezed financially and at this present time of higher energy bills and inflation it can push people into poverty. There is a lot of waste within the system, and this should not be passed to the poor.
You need to collect all the bad debt
At a time when people's income is being cut by extra tax and inflation proposing more tax seems unfair. The benefits the council is striving for appear not to be for the citizens of Lincoln but for how the council looks to outsiders. Services to citizens should come first and vanity projects such as the green agenda when it can be afforded.
From the above financial details given I find that the ability of the city council will be constrained by the government's policy to level up rather unsettling and upsetting. As a pensioner on a fixed income and in the light of very low interest rates (0.01%) and rising prices, (Present inflation this month of 5.2%). it looks as if everyone on low incomes will be adversely affected. Even with some savings I received no interest on an account so will obviously find myself in a poorer situation as purchasing power will be much reduced, so the ability to help reduce my carbon footprint and necessary living expenses will be affected. Those in a less advantaged economic position will be even worse off.
Council Tax increases need to be in line with people's income.
We need devolution to rule ourselves as a city, one council, one city.
Councillors pay increase equals council tax rise in other words not fit for purpose to much greed to many chiefs running the Indians. I could add more but you will do as you please
It is important that local services are improved as at present certain aspects of our city are declining. Cleanliness, safety and improved pedestrian and cycle access should be priorities, with this underpinned by council tax rises where necessary. But it is important that the taxpayer can visibly appreciate the benefits they get for their money.
Keep it as low as possible to provide the services required.
Your claim at the start of this survey is incorrect. The PCC is just below the COLC allocation. If the socialists had their way, they'd tax us even more. Therefore, the government cap keeps them at bay.
Q13. Again, I feel you are asking lay members of the public to make decisions without having the full information available to them. You are paid to do this work.
Stop wasting money on Net Zero.
Although it does state on the bills how council tax is split, is there a way to make this even clearer to customers? I find most complaints about council services seem to be more aimed at county council i, e street lighting, potholes etc. But it is the city council which takes a lot of flack for this as customers don't seem to realise, we are separate as we collect the funds on behalf of the police and county council
North Kesteven are way superior in what they deliver. Perhaps the local authorities need to come under one umbrella as COLC an outlier and does not deliver services as well

I don't think your frontline services in areas like street cleaning, toilets provision, bin collection etc are very good. Other towns and cities I visit do it way better. Go beyond the Bailgate and much of the city looks like overspill from a rubbish dump. Newark is a delight to walk around - Lincoln not so much. Fast food packaging and chewing gum pave the streets now.
They need to be able to put sufficient money into the important areas need so extra money would need to be available
Honesty and concern for the public is important
No
Should be a local
Charge students and other currently exempt groups council tax
No
How come you have money to spend of work on the Well at St Paul in the Bail but no money for Westgate loos? You need to consider the essential needs of local residents first. Your plan on the Bailgate to give residents parking, meaning locals lose free street parking is just a cynical way to try to force people to use your expensive car parks because your strapped for cash. People will just stop shopping local and buy online and the Bail will become just bars and take away if we lose the veg shop, chemist, Curtis etc. How can you let this happen to our historic quarter?
I cannot see how people will be able to afford an increase
Stop advertising for ridiculous nonjobs, I have seen them advertised in the Lincolnite, cut staff or even better merge with county council is there really a need for this tier of local authority.
Make people way a proportion of their income, 20% of nothing is still nothing!!
Before any expenditure - the council should step back and ask themselves: "can I justify this spending on someone who is struggling to make ends meet?" for instance Twinned Cities spending, keeping the lights, and heating on in offices. This doesn’t mean looking in a mirror, pulling your tie up and saying "aye that's ok"
To include garden refuse collection
I would wish to pay more to invest in city. It has huge potential.
Get your street cleaning sorted before daring to increase council tax. The city centre is like a sewer.
Maybe allowing people to pay weekly would show them how little they pay for the services on offer
Keep residents’ tax the same. Level up business rates
Streamline operations
Given the rise in the cost of delivering services the proposed increase of 3% is reasonable, but any underspending should be re invested to provide Improved services rather than being diverted off
I do find the increases in green waste collection a tad arbitrary. Tying these to the council tax increase would be more equitable and transparent.
Provide incentives for those struggling to own their property- affordable housing
I think there are enough financial pressures on people at present. Although I understand the council’s difficulties in providing services at the current rate, some people are struggling to eat or heat their homes so keeping cost down for another year would be helpful to many.
Raise it and put the money where the mouth is People don't mind spending if there's something good material to show for it publicly and multiple schemes so different groups of people's needs are met and not just one short term wonder project
If the proposed amount is less than 50p per week per household then it's really no big deal, particularly if the money is used to directly benefit residents and not "organisational developments" which no one cares about.

Please provide any other comments about the proposed budget and plans to focus our resources on Vision 2025 priorities

The following was a comment based question. A detailed breakdown of the comments can be seen below. A total of 42 comments were received for this question overall.

Comments – 42 comments

May not be the correct forum, but the council needs to improve the roads, potholes mending etc.
Better recycling, more bins to allow better recycling to match other countries, across the whole city
Traffic is horrendous especially down the bottom end of the city. Encouraging bus and bike use is ok if the jobs are local and accessible. If I am a working parent who has to drop kids to school and then have to be at work at a certain time, there is unfortunately a need to drive. Personally, I would love to work in the city and walk to work but there are no jobs at the level that would enable me to support my family.
I wish you all the very best with realising the Vision
Current Bill on Planning before Parliament by merging Section 106 with Community Infrastructure Levy will make it impossible for the city to afford to build affordable housing. The Council passed an application for Phase 1a of the AND to proceed without affordable homes allocation. This is directly opposite of what the Council says via one of the links in this survey. Boris type U-turn! Your budget needs to take this into account.
No mention of better care provision for elderly and/or dementia persons.
How much does the county's PCC cost to the people of Lincolnshire, see previous comments?
1% increase but a vetting is needed to address those manipulating the system
In truth it is all very worthy and dull - not always a bad thing - but I would strongly prefer measures to decrease cars on the roads. The Proposed Western Growth Corridor will particularly stress the Skellingthorpe Road, for example - when it is already for much of the day a heavily used area. Another 3000 homes might not seem much, but traffic studies have shown that when roads are near full capacity it only requires a small increase of vehicular activity to bring considerable road blockages into force.
I think you should shelve an lowering or anything to do with Climate change or climate warming. The IPCC report said that the world is cooling at 0.8 degrees per century and has been doing for the last seven years. Wouldn't it be prudent to wait a few years and concentrate on spending on schemes to lower costs?
I think the proposal to build an extra 3,200 homes on Swanpool contradicts the Councils climate emergency and therefore as an authority you and your purposed vision 2025 cannot unfortunately really be taken seriously. Instead of these extra homes on a flood plain I think the area should be turned into a forest with hundreds of thousands native trees planted instead.
I support what the council is trying to achieve.
Focus on making our lives affordable. I am close to poverty now and am sinking under the weight of ever increasing bills. Just keeping warm is a challenge so all talk of the councils' ideals about climate change and their budget worries are a very low priority to me right now.
I would like to see affordable housing in Lincoln for people who live here all the time and not just students. We are losing the beauty of Lincoln and keeping the young people here. Too much emphasis is now on students which is great, but we also need to think about all the rest of us.
Put money into concrete services not vanity unnecessary projects, they can come later when times are better.
The budget for the council seems to be so constrained that unavoidable cuts to services will result in unnecessary hardship for many, and the direct opposite of the governments levelling up policy? The covid pandemic is not over and with the government not having completed all aspects of Brexit and with the prospects of threats from the east prioritising possible defence expenditure the general public will be even further constrained.
Your vision 2025 is way off the mark the city centre looks like any other city centre there is no thought or real time planning the same mistakes made ten years ago are still the ones made today. the council committee always think they no best, how can 5 votes pass Swanpool?
I don't know about the full ins and outs of council budgets, so I can't commit on all the issues you are asking questions about. However, one area I do know about, and can give you an example of how a general member of the public views something where I think you are trying to make money but appears incredibly ill informed and bizarrely short-sighted: This is the proposal that you are making the street parking in the Bailgate into residential parking. You

may raise a little bit of income from the small number of residents passes, but you will lose vast sums of money from the reduced business rates, and lack of car park fees. Because this will cause many of the independent shops to close and therefore less people will visit the area and car park fees income will reduce too. Bearing in mind the Bailgate is a vibrant and cultural area of the city, and you are hoping to apply for cultural status in future, actively trying to run down the area, doesn't make any sense at all. I have been informed that the hour bays will still be there, but the Bailgate residents will be able to park in them 24/7. And because you will be issuing more passes than there are spaces, there won't be enough spaces for the pass holders, never mind the other Lincoln residents who want to park there for 30 minutes and pop to the chemist and the bakers for example. Despite an overwhelming response to a consultation in which thousands of people opposed the proposals, it is bizarre that someone appears to be giving disproportionate consideration to the significant benefit of a very small number of Bailgate residents (some of houses are Bed & Breakfasts for example, and I suspect the owners may simply want the passes for their own business benefit?) Whereas the scheme would be detrimental to many, many thousands of other Lincoln residents, and visitors. So, you can see from the general public’s point of view, it makes no sense at all, either logically or from a business perspective.
Stop wasting money on Net Zero.
The Climate Change area is positive and that focus on sustainability important, but the basics need to put right first. Clean up the filthy city- it disgusts and appals visitors who veer away from uphill to City Centre. City Hall is a monstrosity. Sell it off for student accommodation and use a smaller office and have staff working from home or actually out about delivering front line services.
It's just rhetoric and platitudes to make an impression but drill it down and there is little practicality or pragmatism. It's like it’s been written by people who sit a million miles away from frontline services and have no real concept of how things are on the ground. Maybe more of your managers and backroom staff need to get out and about and understand what public services need to do.
Keep in control of everything.
Budget should be used to support all residents who pay council tax
Should be a local decision
Charge students and other currently exempt groups council tax
Would appreciate more road and path clearing along with weed control the leaves on both the paths and the roads around St Giles have been very dangerous at time. I do a litter pick most days around Shelley Drive and the amount of rubbish I collect is enormous with glass bottles smashed near the school’s dog poo and drug paraphernalia. As inflation goes up, we should also expect our tax rates to go up but in the same breath value for money is very important. I would also like to mention the condition of the roads around the St Giles area potholes and flashing streetlights have increased it seems the council wait until the roads are practically unpassable to encourage them the repair the roads. More cycle lanes would also be a priority for me.
None
One of the first areas that needs addressing is making sure the existing housing stock is of good quality, followed by a big push on new building or redevelopment of other properties into the housing stock, but at the same time using full use of eco-friendly products and equipment to heat and save money and the environment
When you're focussing on equal access and equal opportunities for all it is important to remember that it will be sometime yet before all your users are technology literate. It is important to maintain opportunities for personal contact.
This was just a lot of words and waffle, because you have to tick the box to say you have consulted, when your actions over the past few years show that you don’t care or think about the actual lives of local residents, who just need to use the loo on their post round as they have for decade’s? Shame on

you. You expect uphill to pay the highest council tax amounts, but you're spending all your money on your "vanity project" the Cornhill, this is Lincoln we need a regular market, with fish and fruit and veg, helping with your friends the co-op to put in lots of expensive shops in small units making them look like independents is ridiculous. No one is foiled, it's just bleak, you could be anywhere in the county. Now you're going to spend even more of our money transforming the market into more chain eating establishments, oh and you might even build some state of the art loos, bloody unisex ones that no one wants. Just reopen current loos, with an upgrade if required.
I have no faith in any plans you have for 'enhancing' the local environment. You have degraded the Lawn by turning it into a vast car park, and you are now claiming that you can no longer afford to look after the John Dauber garden - even though you have spent millions in tarting up the city centre (your emphasis on 'vibrancy' is totally misplaced; does the Council really believe that Lincoln can become Barcelona-in-the-Wolds?). You also trash uphill Lincoln every year with the ghastly Christmas Market - a heap of tasteless vulgarity which inspires no confidence in your ability ever to claim to be 'City of Culture'. The fact that you have washed your hands of the Drill Hall, while persisting with the unloved Market, reveals that beyond all the glitz the Council is running a city of anti-culture. I should also say that your use of the photo of the Cornhill as background to this questionnaire stinks of hypocrisy since the plane tree has only survived thanks to a public campaign to prevent the Council from axing it.
Cut the green crap, merge with county council. Stop wasting money on non-jobs and empire building.
Don't waste money on so called vanity projects
Well, advertised, Free Car Parking days to shoppers into the city. Extend the Park and Ride to the South of the City (ASDA maybe?).
Not at this time
I believe the city council is on the right track. If I have any criticism, it is that CoLC is a little naive when it comes to its dealings with the county council. If LCC gets its way with devolution the people of Lincoln will be very poorly represented.
Deal with the here and now. Vision 2525 corporate buzzwords that mean diddly squat.
Make a plan that's not full off buzz words and actually implement real change not smoke screens
1% is already difficult for those struggling to pay rising bills.
In light of the cost of the refuse tip booking scheme I have become suspicious of the motives behind awarding such contracts. The council has now lost my trust.
Focus on City Centre vibrancy. Lincoln has so much potential as a world class city destination. The Cornhill development is fantastic however the Hight Street link now between St Mary's and Silver Street is tired, poorly maintained and a poor use of public realm. The High Street is still the main attraction. Also, the Branford could be a far greater mix of commercial and residential. A smaller version of Salford Quays, Albert Docks - significant regeneration is required this would be a gold mine to the city, if it became more modern, more vibrant and a better mixed use area.
Prioritise opportunities for young people.

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

3. Declarations of Interest

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

4. Draft Medium Term Financial Strategy 2022-2027

The Budget Review Group considered the draft Medium Term Financial Strategy 2022-2023 and provisional 2022/23 budget and Council Tax proposals. A copy of the Medium-Term Financial Strategy was appended to the report.

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

- examine the principles and planning process that underlaid the proposed budget and Council Tax for the 2021/23 financial year
- ensure that at each stage the budget was clear, focused, achievable, realistic, and based on sound financial practices;
- ensure that at each stage the budget had clear linkages with corporate plans that formed the Council's Policy Framework, establishing that they were identifiable and designed to improve services in the Council's strategic priority areas.

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

Question: What were the expected cost pressures as a result of the Environment Act?

Response: At this stage it was difficult to predict the costs for the Council until we knew exactly which statutory duties would be included in secondary legislation.

These new duties could include a number of areas e.g.

- The introduction of the Biodiversity Net Gain and impacts on the planning service
- The requirement to undertake community consultation prior to any tree felling
- The requirement for weekly separate food waste collection
- New legally binding long-term targets to improve air quality
- New enforcement powers for some control areas
- Requirement to provide free green waste collections.

It was also difficult to assess the full financial implications without knowing whether new burdens funding would be provided e.g., the sector was lobbying for authorities to be compensated if free green waste was introduced.

Officers were continuing to assess both the services and the financials of the potential new statutory duties and were developing options to mitigate impacts where possible e.g., work with partners across Central Lincolnshire on a joint approach to resourcing new systems for LPA’s.

In summary the implications of the Environment Act would be considerable but as yet unquantified until further secondary legislation and funding support was known.
Question: In respect of Drainage Rates, did we now receive any money from Central Government in a different format.

Could it be explained to the Group how much the Council paid and could the rate payers in the city be informed somehow.

Response: The Drainage Levies for 2022/23 had been set at £922,696. This was a 5.9% increase, £51,447, from 2021/22.

In context, the total levy equated to 13% of our Council Tax requirement and the £51,447 increase equated to a 0.75% increase in Council Tax.

Historically the cost of drainage levies was included within the Revenue Support Grant formula, however our grant was now only £24,000 p.a

There was no other direct compensation for the drainage levies.

Three of the District Council’s in the south of the county were currently lobbying Government for central funding for IBD’s or for separate tax raising.

In terms of informing the Council Taxpayers, we were unable to include anything other than what was prescribed in legislation on the Council Tax bill.

We could though include reference in our MTFS and budget reports to the Council.

Question: Members asked how much it would cost if the council had to collect paper/food waste.

Response: This information wasn’t currently available. However, Members should also note that in future the Council’s contract for waste collection was due for renewal and the cost of the overall service was likely to change.

Question: Members asked if it could be recommended that information on the Environment Act budget be taken to Performance Scrutiny Committee.

Response: The specific budget implications of the Environment Act were likely to feature in either future financial performance reports or in future budget setting reports.

Recommendation that once the full financial implications of the Environment Act were known that Performance Scrutiny Committee were updated.

Question: Members asked whether there was a quarterly newsletter issued to residents regarding what services were included in their council tax payments.

Response: The Council's newsletter, Our Lincoln, was not in hardcopy anymore but was published online. A leaflet was included with the council tax bills which explained what was included in the council tax charge.

Comment: Members commented that it would be worth looking at other channels of communication to tell the public what was levied out of Council Tax.

Recommendation that the Internal Drainage Boards be invited to attend an all-member briefing on the work of the drainage boards and use of council tax payers resources

Response: A Member briefing would be ideal to explain to members what the Drainage Board did.

Recommendation that the relevant Portfolio Holder included reference to the work of the Internal Drainage Board's in their annual report to Council

Costs for the drainage boards across all Lincolnshire districts was in excess of £3m. Each districts costs would be sent to the group.

Question: Members asked whether the bond to Active Nation was paid yearly and whether we received any revenue from them.

Response: The bond was not given on a yearly basis but was kept in case any issues may arise. Profit sharing was in place regarding the contract and this element was budgeted for within the MTFS. Active Nation set their own charges; however, we did have strong partnership arrangements with Active Nation.

Question: Members asked how risks to budgets could be seen as a positive risk.

Response: An example of a positive risk would be interest rates changing, we could increase above the assumptions we had made and increase investment income.

Question: Members asked when the strategic car parking review would be released.

Response: An overachievement in car parking income was forecast for this year. It was not at pre-Covid levels, but monthly targets had been met. The predicted profit for car parking was £320K. The car parking strategy was an action in Vision 2025.

Question: Members asked what the priorities were when trying to avoid cutting back services.

Response: This was too early to say. There were so many uncertainties, and a number of reviews were still taking place. If we could limit the amount of cost cutting needed, this would help.

Question: Members asked if the financial situation changed whether we would consider not looking at some reviews.

Response: Savings had to be made in areas where there was long term revenue support needed for them. If ongoing revenue was repaired then yes, reviews would not take place, but this was unlikely as revenue from central government was unlikely to improve. Services were only cut as a last resort.

Question: Members asked how much financial risk we had put ourselves in with regard to the Western Growth Corridor Development and whether a company would be established.

Response: There were a number of decisions that still needed to be made on how the project would be delivered. A range of work now needed to take place. All options needed to be assessed.

Question: Members asked what oversight would be given to members on the Western Growth Corridor Project and whether Performance Scrutiny Committee would monitor the performance of the project.

Response: It was needed to be determined how it would be reported, as part of normal financial monitoring the capital scheme would be reported to Performance Scrutiny on a quarterly basis.

Recommendation that the Director of Major Developments gave consideration to the oversight of performance monitoring for the Western Growth Corridor.

Question: Members asked how much it would cost to correct the issues at Yarborough Leisure Centre and how it would be funded.

Response: Contractors were currently producing designs and specifications for the required works– these had not yet been costed by the contractor. The intention was to fund by capital receipts, but we may need to borrow for it. The building was built in 1970s and was not built to modern day standards.

Question: Members asked if the Vision 2025 reserve, which had levels predicted past 2025, would be reduced to zero after this time.

Response: The amount would go to zero and the reserve would be allocated to new priority areas.

Question: Members asked what happened to the £1m Business Rate retention.

Response: The savings target had been reduced as our income was greater than our expenditure. There were pressures in the short-term and the £1m reserve had been used to reduce the savings target.

Question: Members asked what thought had gone into deciding the increase in the amount charged to Christmas Market stallholders.

Response: There was a big increase in the rent to stallholders after the year the market was cancelled due to the weather and was increasing year on year. The team that dealt with the market like to assess how the previous year had gone before the fees and charges were set for the following years.

RESOLVED

That the Budget Review Group:

(1) Agreed that at each stage the budget was clear, focused, achievable, realistic, and based on sound financial practices and had clear linkages with corporate and other plans that formed the Policy Framework to establish that they were identifiable and designed to improve services in the Council's strategic priority areas.

(2) Agreed to provide its comments to the Performance Scrutiny Committee and Executive on the draft Medium Term Financial Strategy 2022-27 and 2022/23 budget and Council Tax proposals prior to formal consideration by Council at its meeting on 1 March 2022.

Councillors Thomas Dyer, David Clarkson and Christopher Reid requested that their abstentions from voting be noted.

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Item No. 6

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**COUNCIL TAX 2022/23**
REPORT BY:	**CHIEF EXECUTIVE & TOWN CLERK**
LEAD OFFICER:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

1.1 In light of the report on the Medium-Term Financial Strategy, which appears elsewhere on this agenda, this report will set out the City Council's council tax requirement and, together with the requirements of the County Council and the Police & Crime Commissioner Lincolnshire and will allow Members to make a formal recommendation to Council for the overall levels of council tax for 2022/23.

2. City Council Requirement 2022/23

2.1 The net General Fund Budget requirement as set out in the Medium Term Financial Strategy report totals £8,907,490 which includes a contribution to balances of £60,700.

2.2 For 2022/23 a council tax increase of 1.89% has been applied.

2.3 The council tax requirement for 2022/23 is £7,359,900.

2.4 By reference to the Band D level, the 2022/23 council tax would rise by £5.40 to £290.79 per annum. The range of council taxes will be:

Band	**2021/22 Council Tax** £	**2022/23 Council Tax** £
A	190.26	193.86
B	221.97	226.17
C	253.68	258.48
D	**285.39**	**290.79**
E	348.81	355.41
F	412.23	420.03
G	475.65	484.65
H	570.78	581.58

3. Requirements of the Police & Crime Commissioner and the County Council

3.1 The County Council are due to agree their 2022/23 council tax requirement on the 18th February and the Police & Crime Commissioner Lincolnshire is due to agree their requirement on 23rd February 2021. The County Council have recommended a 4.99% increase (1.99% Precept and 3% ASC), and the Police & Crime Commissioner have provisionally proposed an increase of 3.75%.

At Band D council tax level these are as follows: -

	£
Police & Crime Commissioner	276.30
Lincolnshire County Council	1,432.17

Should any final amendments be made to either the County Council or the Police and Crime Commissioner's Band D equivalents, these will be reported to Full Council at its meeting on the 1st March 2022 when it will formally approve the overall council tax levels for 2022/23.

4. Total Council Tax 2022/23

4.1 The council tax requirements for all the authorities for 2022/23 is summarised as follows:

	£	% share
City of Lincoln Council	290.79	14.6%
Police & Crime Commissioner Lincolnshire (NOT YET CONFIRMED)	276.30	13.8%
Lincolnshire County Council (NOT YET CONFIRMED)	1,432.17	71.6%
Total Band D Charge	**1,999.26**	**100.0%**

This represents an overall increase of 4.35% for 2022/23.

5. Strategic Priorities

5.1 Council Tax income is a key source of revenue funding by which the Council is able to fund the services it delivers in support of its Vision 2025.

6. Organisational Impacts

6.1 Finance – The council tax requirement is in accordance with the Council's 2022/23 budget requirement and MTFS 2022-27 which appear elsewhere on this agenda for approval.

6.2 Legal including Procurement Rules - Local authorities must decide, prior to the 11th March, each year how much they are going to raise from Council Tax.

6.3 The Local Government Finance Act 1992 sets out the legislative powers for each billing authority to levy and collect Council Tax which shall be payable in respect of dwellings situated in its area.

6.4 Equality, Diversity and Human Rights

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

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

- Eliminate discrimination
- Advance equality of opportunity

- Foster good relations between different people when carrying out their activities

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

7. Risk Implications

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

8. Formal Council Tax Recommendation 2022/23

8.1 The Executive is requested to recommend to Council:

1. Acceptance of the 4th January 2022 Executive Committee recommendation that the Council Tax Base for 2022/23, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, to be £25,310.01.

2. That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

a)	£114,288,370	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
b)	£106,928,470	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c)	£7,359,900	being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act).
d)	£290.79	being the amount at 2(c) above (Item R), all divided by Item T (1 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
e)	£0	being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
f)	£290.79	being the amount at 2c) above less the amount at 2e) above, all divided by the amount at 1 above, calculated by the Council in accordance

with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

g) **City of Lincoln Council**

A	**B**	**C**	**D**
£193.86	£226.17	£258.48	£290.79
E	**F**	**G**	**H**
£355.41	£420.03	£484.65	£581.58

being the amounts given by multiplying the amount at 2f) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular band divided by the number which in proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken for the year in respect of categories of dwellings listed in different bands.

3. That it be noted that for the year 2022/23 Lincolnshire County Council have provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Lincolnshire County Council

A	**B**	**C**	**D**
£954.78	£1,113.91	£1,273.04	£1,432.17
E	**F**	**G**	**H**
£1,750.43	£2,068.69	£2,386.95	£2,864.34

4. That it be noted that for the year 2022/23 Police & Crime Commissioner Lincolnshire have provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Police & Crime Commissioner Lincolnshire

A	**B**	**C**	**D**
£184.20	£214.90	£245.60	£276.30
E	**F**	**G**	**H**
£337.70	£399.10	£460.50	£552.60

5. That having calculated the aggregate in each case of the amounts at 2g, 3 and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following as the amounts of Council Tax for the year 2022/23 in accordance with the dwelling bandings shown below:

Total Council Tax Charge 2022/23

A	**B**	**C**	**D**
£1,332.84	£1,554.98	£1,777.12	£1,999.26
E	**F**	**G**	**H**
£2,443.54	£2,887.82	£3,332.10	£3,998.52

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

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Item No. 7

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**PRUDENTIAL INDICATORS 2021-2022 – 2024/25 AND TREASURY MANAGEMENT STRATEGY 2022/23**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**COLLEEN WARREN, FINANCIAL SERVICES MANAGER**

1. Purpose of Report

1.1 The purpose of the report is for Executive to review and recommend to Council for approval the adoption of the 15 statutory prudential indicators and 8 local indicators for the period 2021/22 to 2024/25 together with the 2022/23 Treasury Management Strategy.

2. Executive Summary

2.1 The table below summarises the key prudential indicators that have been incorporated into the 2022/23 strategy. The projected capital expenditure will determine the capital financing or borrowing requirement, which will in turn determine the actual level of external borrowing taken and hence, cash balances available for investment.

Key Prudential Indicators	**2021/22 Revised £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**	**2024/25 Estimated £'000**
Capital Expenditure				
General Fund	11,328	19,407	1,864	683
HRA	19,668	21,721	12,918	12,673
Total	**30,996**	**41,128**	**14,782**	**13,356**
Capital Financing Requirement				
Non HRA	69,242	69,398	68,840	67,432
HRA	73,889	78,189	78,846	79,861
Total	**143,131**	**147,587**	**147,686**	**147,293**
Net Borrowing	**94,000**	**109,000**	**113,000**	**109,000**
External debt (borrowing only)	**126,000**	**139,000**	**140,000**	**136,000**
Investments				
Under one year	**32,000**	**30,000**	**27,000**	**27,000**

2.2 The methodology employed for selecting investment counterparties is a multi-stage formula based creditworthiness methodology provided by the Council's treasury management advisors, Link Group. The aim of the investment strategy is to generate a list of highly creditworthy counterparties, allowing the Council to maintain a diversified portfolio of investments that safeguards the cash balances whilst generating a reasonable rate of return. The Link methodology, which incorporates credit ratings, credit outlooks and watches and overlays credit default swaps as a measure of market risk, fully meets the aim of the strategy.

2.3 The Council is required to by statutory provision and regulation to 'have regard to' the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003. An updated Prudential Code has been published in December 2021 and applies with immediate effect, except that authorities may defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. The revised reporting requirements include changes to the capital strategy, prudential indicators and investment reporting. The Council has opted to defer full implementation of the revised reporting requirements until the 2023/24 financial year.

The general ongoing principles of the revised Prudential Code, including the requirement in paragraph 51 that an authority must not borrow to invest primarily for financial return, apply with immediate effect. The Council's Treasury Management Strategy has been prepared in accordance with this.

3. Background

3.1 This report covers the operation of the Council's prudential indicators, its treasury function and its likely activities for the forthcoming year. It incorporates four key Council reporting requirements:

- **Prudential and Treasury Indicators** – the reporting of the statutory prudential indicators together with local indicators, in accordance with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice.
- **Minimum Revenue Provision (MRP) Statement** – the reporting of the MRP policy which sets out how the Council will pay for capital assets through revenue each year (as required by regulation under the Local Government Act 2003)
- **Treasury Management Strategy –** which sets out how the Council's treasury activity will support capital decisions, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Authorised Borrowing Limit required by s3 of the Local Government Act 2003 and is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.
- **Investment Strategy –** this is included within the Treasury Management Strategy and sets out the criteria for choosing investment counterparties

and limiting exposure to the risk of loss. It is reported annually (in accordance with Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance).

4. Treasury Management Requirements 2022/23

4.1 The Capital Prudential Indicators 2021/22 – 2024/25

4.1.1 The Council's capital expenditure plans are one of the key drivers of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. The Prudential Code requires the Council to approve as a minimum the statutory indicators and limits. This report revises the indicators for 2021/22 and details them for 2022/23 to 2024/25. An explanation and calculation of each Prudential Indicator is provided in **Appendix 1** and the key messages summarised in section 4.1.3.

4.1.2 Capital Expenditure and Financing

The Council's capital expenditure plans (as detailed in the Draft MTFS 2022-27) are summarised below. Capital expenditure can be paid for immediately (by resources such as capital receipts, capital grants or revenue resources) but if these resources are insufficient, any residual capital expenditure will form a borrowing need. This can be supported by government grant for the repayment of debt (very limited support available) or can be unsupported (prudential borrowing) where the Council needs to identify the resources to finance and repay debt through its own budget.

Indicators 1&2	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
Capital Expenditure				
General Fund	11,328	19,407	1,864	683
HRA (including New Build)	19,668	21,721	12,918	12,673
Total Expenditure	**30,996**	**41,128**	**14,782**	**13,356**
Financed by:				
Borrowing	6,950	11,359	1,843	1,398
Capital Receipts	1,778	4,325	438	677
Capital Grants and Contributions	13,832	10,106	678	300
Major Repairs Reserve	5,494	8,941	8,657	8,815
Revenue Contributions	2,942	6,397	3,166	2,166
Total Financing	**30,996**	**41,128**	**14,782**	**13,356**

4.1.3 The Council's Borrowing Need - the Capital Financing Requirement (CFR)

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either capital or revenue resources. It is essentially a measure of the Council's underlying borrowing need. Based on the capital expenditure plans in paragraph 4.1.2 the CFR for 2021/22 to 2024/25 is projected to be:

Indicators 3&4	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
Capital Financing Requirement				
General Fund	69,242	69,398	68,840	67,432
HRA	73,889	78,189	78,846	79,861
Total CFR @ 31 March	**143,131**	**147,587**	**147,686**	**147,293**
Net movement in CFR	5,356	4,456	99	(393)
Actual debt (borrowing & other liabilities)	126,000	139,000	140,000	136,000
Net borrowing need for the year	7,100	6,170	1,843	1,399
Minimum Revenue Provision (MRP)	(1,594)	(1,714)	(1,744)	(1,792)
Application of Capital Receipts	(150)	0	0	0
Movement in CFR	**5,356**	**4,456**	**99**	**(393)**

The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility, so the Council is not required to separately borrow for them. The Council has no such leases within the CFR in 2021/22. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing. Once the final cost of the replacement fleet is established the CFR will be increased to reflect a borrowing requirement for the replacement fleet. This will also increase the MRP charge annually during the lifetime of the lease arrangements.

In future years all lease liabilities, including some of those currently treated as operating leases and expensed through revenue, will be 'on balance sheet' which will increase the CFR. With the exception of the new leased fleet it is not considered that any of the council's existing arrangements will be on balance sheet at the point of transition.

4.1.4 **Limits on Borrowing –** In order to ensure that borrowing decisions are based on consideration of affordability, prudence and sustainability and that treasury management decisions are taken in accordance with good professional practice, in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to City of Lincoln Council, the Prudential Code requires that Council's set limits on borrowing activity.

Limiting Borrowing for Capital Purposes - the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future.

Operational Boundary for External Debt – boundary based on the expected maximum external debt during the course of the year.

Authorised Limit for External Debt - represents the limit beyond which external debt is prohibited. It represents the level of debt, which while not desired, could be afforded in the short term, but is unsustainable in the long term. This limit needs to be set or revised by full Council.

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). Financial modelling has been carried out for both and the affordability and sustainability of the potential borrowing requirement has been assessed and can be contained within the Draft MTFS 2022-27. This is reflected in the table below and in the Prudential Indicators 7 and 8 tables in Appendix 1.

Indicator 7	**2021/22 Revised £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**	**2024/25 Estimated £'000**
Authorised limit				
Borrowing	138,428	156,991	153,511	148,051
Other long term liabilities	1,380	1,380	1,380	1,380
Total Authorised limit	**139,808**	**158,371**	**154,891**	**149,431**

4.2 Minimum Revenue Provision (MRP) Policy

4.2.1 The Council is required to pay off an element of the accumulated General Fund borrowing each year (the CFR) through a revenue charge - the Minimum Revenue Provision (MRP), and is also allowed to undertake additional voluntary payments (VRP). No revenue charge is currently required for the HRA. However, under self-financing, the HRA is now required to charge depreciation on its assets, which has been built into the revenue charges in the HRA 30 year Business Plan.

The Department for Levelling Up. Homes and Communities have issued statutory guidance on the options available for making prudent provision for the repayment of debt. The Council must have regard to this guidance. The guidance is not prescriptive and makes it clear that councils can follow an alternative approach, provided they still make a prudent provision. The broad aim of a 'prudent provision' is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits to service delivery.

Guidance issued by the Secretary of State requires that before the start of each financial year the Council prepares a statement of its policy on making MRP in respect of the forthcoming financial year and submits it to Full Council for approval. There has been no amendment to the proposed MRP policy for 2022/23.

The MRP policy statement is set out in **Appendix 2.**

4.3 The Treasury Management Strategy 2022/23

4.3.1 Treasury Management is an important part of the overall financial management of the Council’s affairs. The treasury management service performs the borrowing and investment activities of the Council and effectively manages the associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Treasury Management Policy and Practices and the annual Treasury Management Strategy provides the operational rules and limits by which day to day treasury management decisions are made.

4.3.2 The Treasury Management Strategy for 2022/23 is attached at **Appendix 3**. The strategy outlines expected treasury activity for the coming year and expected prudential indicators relating the treasury management for the next three years. The key principals in the strategy are summarised below.

- **Debt and Investment Projections (Treasury Management Strategy section 2)** – based on the budgeted borrowing requirements, estimated balances and cash flow, year-end debt and investment projections are:

	2021/22 Revised £’000	2022/23 Estimated £’000	2023/24 Estimated £’000	2024/25 Estimated £’000
External Debt				
Debt at 31 March (including other long term liabilities)	126,000	139,000	140,000	136,000
Investments				
Total Investments at 31 March	32,000	30,000	27,000	27,000

- **Expected Movement in Interest Rates (Treasury Management Strategy section 3)** - the forecast for Bank Rate is that this will be at or above 1% by the end of 2022.

- **Borrowing & Debt Strategy (Treasury Management Strategy section 4)** - The main aims are:
  - To reduce the revenue costs of debt
  - To manage the Council's debt maturity profile
  - To effect funding at the cheapest cost commensurate with future risk
  - To forecast average future interest rates and borrow accordingly
  - To proactively reschedule debt in order to take advantage of potential savings as interest rates change.
  - To manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing.

- **Investment Strategy (Treasury Management Strategy section 5)** - The Council’s investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time, then ensuring adequate liquidity, with investment return being the final objective.

The current investment climate continues to present one over-riding risk consideration, that of counterparty security risk. In order to fully consider counterparty risk factors when selecting investment counterparties, the Council employs the multi-stage formula based creditworthiness methodology provided by the Council's treasury management advisors, Link Group . This methodology, developed by Link, uses credit ratings as the core criteria but also incorporates other market information on a mathematical basis. The methodology is continuously reviewed and changes are made in response to changes made by the credit rating agencies. There haven't been any major changes made to the credit rating methodology since last year's change when any reference to the implied levels of sovereign support (which were phased out last year) were taken out. The current methodology is explained in detail in the Council's Investment Strategy 2022/23 in **Section 5** of **Appendix 3**.

The aim of the investment strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk (i.e. placing a large proportion of investments with a small number of counterparties). The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use are listed in **Appendix 3** under the specified and non-specified investments categories. Counterparty limits will be as shown in **Appendix 3**. Examples of institutions which currently fall under the various colour coded categories are as follows:

- Blue (part-government owned - 1 year)
- Orange (1 year)
- Green (100 days)
- Yellow (5 years) – Local Authorities.

Sole reliance will not be placed on the use of this external service. In addition, officers will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

The criteria to be used to select investment counterparties are set out in Appendix 3. These include:-

- Maintenance of a counterparty list with approved credit ratings and time and principal limits
- Regular monitoring of counterparties with the help of the Council's treasury management advisors
- Limits on the amounts on non-specified investments (e.g. over 1 year investments)
- Limits on non-UK counterparties

- **Risk Benchmarking** – The revised CIPFA Code and the CLG Investment Guidance adopted 2nd March 2010 introduced the consideration and approval of security and liquidity benchmarks. The Investment Strategy for 2022/23 includes the following benchmarks for liquidity and security:-

Liquidity – The Council's bank overdraft limit is nil. The Council will seek to maintain liquid short-term deposits of at least £5,000,000 available with a week's notice. The weighted average life (WAL) of investments is expected to be 0.08 years as investments are kept in accounts of less than 365 days maturity.

Security – the Council's expected security risk benchmark from its budgeted investment strategy is 0.012% historic risk of default when compared to the whole portfolio. This means that the risk amounts to approximately £0.002m on the expected investment portfolio of £18 million. Money Market Funds are not subject to historic risk of default.

- **Treasury Limits on Activity (Treasury Management Strategy section 6)** – This section includes statutory and local indicators covering treasury management activity. These include limits on fixed and variable interest rate exposure, maturity structure of debt and performance targets for interest rates on new investments and loans.

- **Breakdown of Investment Categories (Treasury Management Strategy section 7)** – covers authorised posts for treasury management activities.

The need to limit the risk to the Council of loss from counterparty failure results in a restricted range of counterparties available for investment.

4.4 Treasury Management Practices

The Council adopted the CIPFA Code of Practice on Treasury Management (revised December 2017) on 2nd March 2010. The Treasury Management Policy Statement was also adopted at this time. The Treasury Management Policy and Practices (TMP's) are updated annually to reflect the Treasury Management Strategy approved by Council and to reflect any changes in staffing structures or working practices of the treasury function and are attached as Appendix 4.

5. Strategic Priorities

5.1 The budget process sets the resources in support of the Council's Strategic Priorities and determines the Service Plans for the year ahead. Effective scrutiny of the budget process should support the Executive in reaching the right decisions with regard to finances.

6. Organisational Impacts

6.1 Finance

Financial implications are contained in the main body of the report.

6.2 Legal Implications including Procurement Rules

The powers for a local authority to borrow and invest are governed by the Local Government Act 2003 (LGA 2003) and associated Regulations. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs. The Regulations also specify that authorities should have regard to the CIPFA Treasury Management Code and the MHCLG Investment Guidance when carrying out their treasury management functions.

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.

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

7. Risk Implications

The Local Government Act 2003, the Prudential Code and the Treasury Management Code of Practice include a key principal that an organisations appetite for risk is included in their annual Treasury Management Strategy and this should include any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing.

8. Recommendations

8.1 The Executive are recommended to:

8.2 Review and recommend to full Council the prudential indicators detailed in section 4.1 and appendix 1 of the report.

8.3 Review and recommend to full Council the Treasury Management Strategy (including the treasury management prudential indicators and the Investment Strategy) set out section 4 and appendix 3 of the report.

8.4 Review and recommend to full Council the MRP policy in appendix 2 of the report.

8.5 Review and recommend to full Council the Treasury Management Practices in Appendix 4.

8.6 To note the minutes from Audit Committee at Appendix 5.

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?	5
List of Background Papers:	Medium Term Financial Strategy 2022-27 CIPFA Code of Practice CIPFA Prudential Code Treasury Management Practices
Lead Officer:	Colleen Warren – Financial Services Manager Telephone (01522) 873361

Appendix 1

Prudential Indicators 2021/22 – 2024/25

1.0 Introduction

1.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. The Code sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. The Prudential Code operates by the provision of prudential indicators, which highlight particular aspects of the capital expenditure planning. This report revises the indicators for 2021/22 and details them for 2022/23-2024/25. Each indicator either summarises the expected capital activity or introduces limits upon the activity, and reflects the outcomes of the Council's underlying capital appraisal systems.

1.2 The Prudential Code requires the Executive and full Council to approve as a minimum the 15 statutory indicators. The Chief Finance Officer has added 8 local indicators that are believed to add value and assist understanding of the main indicators.

1.3 The purpose of the indicators is to provide a framework for capital expenditure decision-making. It highlights, through the prudential indicators, the level of capital expenditure, the impact on borrowing and investment levels and the overall controls in place to ensure the activity remains affordable, prudent and sustainable.

1.4 Within this overall capital expenditure framework there is a clear impact on the Council's treasury management activity, either through increased borrowing levels or the investment of surplus balances. As a consequence the treasury management strategy for 2022/23 (see Appendix 3) includes the expected treasury management activity, together with the 5 specific Prudential indicators and 8 local indicators, which relate to treasury management.

1.5 The 15 statutory prudential indicators can be categorised under the following four headings:

- Capital Expenditure and External Debt (numbers 1, 2, 3, 4, 5, 7, 8)
- Prudence (number 6)
- Affordability (numbers 9,10)
- Treasury Management limits (numbers 11, 12, 13, 14, 15)

(The numbers above relate to the reference given to each indicator).

1.6 The paragraphs 2 to 4 below detail the 10 statutory indicators under the headings of Capital Expenditure/External Debt, Prudence and Affordability. The remaining 5 statutory and 8 local indicators relating to the treasury management strategy are set out in appendix 3.

2.0 Capital Expenditure Prudential Indicators

2.1 The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. This expenditure can be paid for immediately (by resources such as capital receipts, capital grants etc.), but if resources are insufficient any residual expenditure will form a borrowing need.

2.2 A certain level of capital expenditure may be supported by government grant; any decisions by Council to spend above this level will be unsupported and will need to be paid for from the Council's own resources. This unsupported capital expenditure needs to have regard to:

- Service objectives e.g. strategic planning
- Stewardship of assets e.g. asset management planning
- Value for money
- Prudence and sustainability e.g. implications for external borrowing and whole life costing
- Affordability
- Practicality e.g. achievability of plan

The revenue consequences of capital expenditure, particularly the unsupported expenditure, will need to be paid for from the Council's own resources.

The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been required.

2.3 The key risks to the plans are that some estimates for sources of funding, such as capital receipts, may be subject to change over this timescale. For instance, anticipated asset sales may be postponed due to the impact of the recession on the property market.

2.4 The summary capital expenditure and financing projections are shown in the table below.

Indicators 1&2	**2021/22 Revised £'000**	**2022/23 Estimated £'000**	**2023/24 Estimated £'000**	**2024/25 Estimated £'000**
Capital Expenditure				
General Fund	11,328	19,407	1,864	683
HRA (including New Build)	19,668	21,721	12,918	12,673
Total Expenditure	**30,996**	**41,128**	**14,782**	**13,356**
Financed by:				
Capital receipts	1,778	4,325	438	677
Capital grants & contributions	13,832	10,106	678	300
Depreciation (HRA only)	5,494	8,941	8,657	8,815
Revenue/Reserve Contributions	2,942	6,397	3,166	2,166
Borrowing need	6,950	11,359	1,843	1,398

3.0 External Debt and Prudence Prudential Indicators

3.1 **Borrowing Need** - The Council's Capital Financing Requirement (CFR) represents the Council's borrowing need. The CFR is simply the total outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

3.2 The CFR also includes any other long term liabilities (e.g. finance and embedded leases) brought on to the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, they are purely accounting adjustments and include a borrowing facility, so the Council is not required to separately borrow for them. The Council has no such leases within the CFR in 2021/22. The CFR does not yet include any allowance for the planned replacement of the majority of the vehicle fleet under leasing arrangements.

3.3 Capital Financing Requirement projections are detailed below:

Indicators 3&4	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
Capital Financing Requirement				
General Fund	69,242	69,398	68,840	67,432
HRA	73,889	78,189	78,846	79,861
Total CFR @ 31 March	**143,131**	**147,587**	**147,686**	**147,293**
Net movement in CFR	**5,356**	**4,456**	**99**	**(393)**
Actual debt (borrowing & other liabilities)	126,000	139,000	140,000	136,000
Net borrowing need for the year	7,100	6,170	1,843	1,399
Minimum Revenue Provision (MRP)	(1,594)	(1,714)	(1,744)	(1,792)
Application of Capital Receipts	(150)	0	0	0
Movement in CFR	**5,356**	**4,456**	**99**	**(393)**

* MRP = Minimum Revenue Provision – Statutory requirement to annually fund the repayment of General Fund borrowing.

3.4 **Estimates of External Debt -** The expected impact of the capital expenditure decisions on the Council's net debt position is shown below:

Indicator 5	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
External Debt				
Gross Borrowing	126,000	139,000	140,000	136,000
Other Long Term Liabilities*	0	0	0	0
Total Debt at 31 March	**126,000**	**139,000**	**140,000**	**136,000**

*Other Long Term liabilities include finance leases

3.5 The expected movement in the CFR over the next three years is dependent on the level of capital borrowing taken during the budget cycle. Such borrowing is the capital expenditure freedom allowed under the Prudential Code i.e. prudential borrowing which allows the freedom to enter into projects such as spend to save schemes, or decisions to allocate additional resources from revenue to capital to enable service enhancements (subject to affordability).

3.6 There are two limiting factors on the Council's ability to undertake prudential borrowing:

1. Whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs. Can the Council afford the implications of the capital expenditure?

2. The Government may use a long stop control to ensure that either the total of all the Councils' plans do not jeopardise national economic policies, or in the event of an assessment by Central Government that local plans are unaffordable at a council, it may implement a specific control to limit its capital expenditure plans. No such control has been implemented during 2021/22.

3.7 **Limits to Borrowing Activity -** Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well-defined limits.

3.8 For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and next two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

Indicator 6	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
Gross Borrowing	126,000	139,000	140,000	136,000
Investments	32,000	30,000	27,000	27,000
Net Borrowing	94,000	109,000	113,000	109,000
CFR	143,131	147,587	147,685	147,292
Net Borrowing is below CFR	**49,131**	**38,587**	**34,685**	**38,292**

The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.9 A further two key prudential indicators control or anticipate the overall level of borrowing, these are:

- **The Authorised Limit for External Debt** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt, which while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

- **The Operational Boundary for External Debt** – This indicator is based on the expected maximum external debt during the course of one year; it is not a limit and actual borrowing could vary around the boundary for short times during the year.

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). The affordability and sustainability of the borrowing requirement for both have been assessed and can be contained within the Draft MTFS 2022-27. The operational and authorised limits for 2021/22 have been set to allow these.

Indicator 7	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
Authorised Limit				
Borrowing	138,428	156,991	153,511	148,051
Other long term liabilities*	1,380	1,380	1,380	1,380
Total Authorised Limit	**139,808**	**158,371**	**154,891**	**149,431**

Indicator 8	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
Operational Boundary				
Borrowing	135,738	148,523	149,453	145,228
Other long term liabilities*	1,200	1,200	1,200	1,200
Total Operational Boundary	**136,938**	**149,723**	**150,653**	**146,428**

*Other Long Term liabilities include finance leases

3.10 **Borrowing in advance of need** – The Council has some flexibility to borrow funds this year for use in future years. The Chief Finance Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Chief Finance Officer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 75% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 36 months in advance of need

3.11 Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

4.0 Affordability Prudential Indicators

4.1 The 8 statutory indicators above cover the overall capital and control of borrowing, but in addition, within this framework, there are further indicators that assess the affordability of the capital investment plans. These indicators provide an indication of the impact of the capital investment plans on the Council's overall finances. For 21/22 and 22/23 the figures used to calculate these indicators have been adjusted to reflect one-off adjustments in respect of business rates as a result of the Covid 19 pandemic. The adjusted calculations are shown below:

Indicators 9 & 10	2021/22 Revised	2022/23 Estimated	2023/24 Estimated	2024/25 Estimated
General Fund	26.8%	23.8%	23.9%	25.1%
HRA	31%	30.1%	29.5%	28.9%

Appendix 2

Minimum Revenue Provision (MRP) Policy

1.0 The Council is required to pay off an element of the accumulated General Fund borrowing each year through a revenue charge (the Minimum Revenue Provision), and is also allowed to undertake additional voluntary payments (VRP).

1.1 DLUHC Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. A variety of options are provided so long as there is a prudent provision. The MRP policy takes into account recent changes to guidance issued by DHLUC.

1.2 Members are recommended to approve the following MRP Statement:

For capital expenditure incurred:

(A) Before 1st April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

Existing practice - MRP will follow the existing practice outline in former CLG Regulations, but on a 2% straight-line basis, i.e. provision for the full repayment of debt over 50 years;

(B) From 1st April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be:

Asset Life Method – MRP will be based on the estimated life of the assets on either a straight line or annuity basis (as deemed most appropriate for capital expenditure being financed through borrowing). Asset life is deemed to begin once the asset becomes operational. MRP will commence from the financial year following the one in which the asset becomes operational.

MRP in respect of unsupported borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset life method as recommended by the statutory guidance.

(C) The Council has set aside £750k of capital receipts to the Capital Adjustment Account instead of applying these receipts to new expenditure in order to reduce the total debt liability (£150k per annum over the period 2017/18 to 2021/22). The Council will reduce the MRP provision for the year by the same amount. The application of these capital receipts to the Capital Adjustment Account will be complete in 2021/22 and will not apply to 2022/23 and future years.

Appendix 3

Treasury Management Strategy 2022/23

1.0 Introduction

1.1 Treasury Management is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. The prudential indicators in Appendix 1 cover the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992. There are 5 specific statutory treasury management prudential indicators and 8 local indicators.

1.2 The treasury management service performs the borrowing and investment activities of the Council and effectively manages the associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management - Revised December 2017). The adoption of the Code is one of the 12 statutory Prudential Indicators. This Council adopted the Code of Practice on Treasury Management on 2nd March 2010. As a result of adopting the Code, the Council also adopted a Treasury Management Policy Statement on 2nd March 2010.

1.3 The policy requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming year and includes prudential indicators relating specifically to Treasury Management for the next three years. Further reports are produced; a mid-year monitoring report and a year-end report on actual activity for the year (Annual Treasury Management Stewardship Report). In addition, Treasury Management Practice (TMPs) documents are also maintained by the Chief Finance Officer. The TMPs have been reviewed and updated to reflect any changes in the Treasury Management Strategy and are attached as appendix 4.

1.4 A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. This strategy covers:

- The Council's debt and investment projections;
- The expected movement in interest rates;
- The Council's borrowing strategy;
- The Council's investment strategy;
- Treasury Management prudential indicators and limits on activity;
- Local Treasury issues

2.0 Debt and Investment Projections 2021/22 – 2024/25

2.1 The borrowing requirement comprises the expected movement in the Capital Financing Requirement (CFR) and any maturing debt that will need to be re-financed. The table below shows the anticipated effect on the treasury position over the current and next three years based on the current capital programme.

The expected maximum debt position during each year represents the Operational Boundary prudential indicator (for borrowing only) and so may be different from the year-end position. It also highlights the expected change in investment balances.

	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
External Debt				
Debt at 1 April	123,448	125,738	138,523	139,453
Expected change in debt	2,290	12,785	930	(4,225)
Debt at 31 March	**125,738**	**138,523**	**139,453**	**135,228**
Operational Boundary (debt only)	135,738	148,523	149,453	145,228
Investments				
Total Investments at 31 March	32,000	30,000	27,000	27,000
Investment change	(3,000)	(2,000)	(3,000)	0

Expected borrowing has been profiled to take out loans before current low borrowing interest rates are forecast to rise significantly.

2.2 The related impact of the above movements on the revenue budgets are:

	2021/22 Revised £'000	2022/23 Estimated £'000	2023/24 Estimated £'000	2024/25 Estimated £'000
Revenue Budgets				
Total interest payable on borrowing	3,975	4,040	4,200	4,215
Related HRA charge	2,500	2,580	2,650	2,665
Net General Fund interest payable	1,475	1,460	1,550	1,550
Total investment income	27,247	123,710	129,820	146,640
Related HRA income share	9,290	66,220	65,610	72,150
Net General Fund income	17,957	57,490	64,210	74,490

3.0 Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Link central view and paragraph 3.1 gives Link's view on economic prospects.

Annual Average %	Bank Rate	PWLB Rates*		
		5 year	25 year	50 year
March 2021	0.25	1.50	1.90	1.70
March 2022	0.75	2.20	2.40	2.20
March 2023	1.25	2.30	2.60	2.40
March 2024	1.25	2.30	2.60	2.40

* Borrowing Rates

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

As shown in the forecast table above, the forecast for Bank Rate now includes a further three increases of 0.25%, in March, May and November 2022 to end at 1.25%

4.0 The Council's Borrowing and Debt Strategy 2022/23

4.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high and will be maintained for the borrowing.

4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances as follows.

4.3 If it was felt that there was a significant risk of a sharp fall in long term rates e.g. due to a marked increase of risks around a relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

4.4 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates remain low.

4.5 The Council's overall core borrowing objectives will remain uniform and follow a similar pattern to previous years as follows:

- To reduce the revenue costs of debt in line with the targets set for the Chief Finance officer (see local indicators).
- To manage the Council's debt maturity profile, leaving no one future year with a high level of repayments that might cause problems in re-borrowing.
- To effect funding at the cheapest cost commensurate with future risk.
- To forecast average future interest rates and borrow accordingly i.e. short term/variable when rates are 'high', long term/fixed when rates are 'low'.
- To monitor and review the level of variable rate loans in order to take greater advantage of interest rate movements.
- To proactively reschedule debt in order to take advantage of potential savings as interest rates change. Each rescheduling exercise will be considered in terms of the effect of premiums and discounts on the

General Fund and the Housing Revenue Account.

- To manage the day-to-day cash flow of the Council in order to, where possible, negate the need for short-term borrowing. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.

4.7 There is unsupported borrowing in the General Fund Investment Programme (GIP) as detailed in the Capital Strategy – the requirement to produce a Capital Strategy was introduced in 2018. The Council expects to take out loans for the General Fund however, will continue to use internal balances whilst interest rates on investments remain low. Officers are continually evaluating the cost effectiveness of borrowing as opposed to selling capital assets. Proposals are presented to Members when borrowing becomes more cost effective.

4.8 During the next MTFS period borrowing is planned for the HRA investment programme.

4.9 The strategy allows for additional borrowing in line with the expected movement in the Capital Financing Requirement (CFR), should it become necessary for cash flow requirements. The Council will consider PWLB loans, Market loans, the Municipal Bond Agency and other financial institutions, if attractive rates are offered. In addition, should schemes be identified that benefit the Council's strategic aims and be deemed cost effective, i.e. Invest to Save schemes where the income streams more than pay for the borrowing costs, unsupported borrowing will be considered.

5.0 The Council's Investment Strategy 2022/23

5.1 The Council's investment strategy's primary objectives are safeguarding the repayment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective.

The intention of the strategy is to provide security of investment and minimisation of risk.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.
In line with this aim, the Council will ensure:

- It maintains a policy covering the types of specified and unspecified investments it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security. This is set out in the paragraphs below.

    - Specified Investments – these are high security investments (i.e. high credit quality) and high liquidity investments in sterling with a maturity of no more than one year.
    - Non-specified Investments – investments that do not fall into the category of Specified Investments, representing a potential greater risk (e.g. over one year).

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

5.2 Risk benchmarking

Yield benchmarks are widely used to assess investment performance. Discrete security and liquidity benchmarks are also requirements to Treasury Management reporting, although the application of these is more subjective in nature. Additional background in the approach taken is shown at the end of this appendix.

5.3 These benchmarks are simple guides to maximum risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

5.4 Security

The Council's expected security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.012% historic risk of default when compared to the whole portfolio.

5.5 Liquidity

In respect of this area the Council seeks to maintain:

- Bank overdraft - £nil.
- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.08 years.

5.6 Yield

Local measure of yield benchmark employed is:

- Investments – return above the appropriate SONIA rate – This measure has been revised following the cessation of the use of LIBOR and associated LIBID rates at the end of 2021.

5.7 Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the

Specified and Non-Specified investment sections below.

It has sufficient liquidity in its investments. For the purpose it will set out procedures for determining the maximum periods for which funds may be prudently committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

5.8 The Chief Finance Officer will maintain a counterparty list in compliance with the criteria set out in the table contained within this appendix and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which chooses Specified and Non-Specified investments as they provide an overall pool of counterparties considered high-quality which the Council may use rather than defining what its investments are.

5.9 Following the reductions to the Council's grant funding settlement and ongoing financial pressures, the identification of savings and income generation are critical to the delivery of the Medium Term Financial Strategy. Treasury Management is an important area for further income generation and therefore, the main theme of the Council's investment strategy must continue to be to maximise interest from investments, after ensuring adequate security and liquidity. The Investment Strategy 2022/23 seeks to achieve this objective by establishing a pool of counterparties available for investment whilst still containing overall risk within acceptable levels.

5.10 The Council uses Link Group' creditworthiness service. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard and Poor's.

In accordance with the guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

As with previous practice, ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets, engaging with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the creditworthiness methodology provided by Link Group . The result is a colour coding system, which shows the varying degrees of suggested creditworthiness.

Alongside the credit ratings other information sources are used and include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process with regard to the suitability of potential investment counterparties.

The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;

- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads resulting in a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Yellow	5 years
Purple	2 years
Blue	1 year (only applies to part-government owned UK banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	Not to be used

The Link Group creditworthiness service uses a wider array of information than primary ratings alone and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

5.11 Typically, the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The credit ratings specified above are defined as follows:-

F1 (short term rating) – Highest credit quality
A- (long term rating) – High credit quality, denoting a very strong bank

5.12 All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of Link's creditworthiness service.

- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's counterparty list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

5.13 Country and sector considerations

Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part the country selection will be chosen by the credit rating of the Sovereign state. In addition:

- No more than 50% will be placed with any non-UK country at any time (see below).
- Group limits have been set to ensure that the Council is not exposed to excessive risk due to concentration of investments within any one institution or group. These are detailed in the Investment Counterparty Limits table contained within this appendix.

Although the strategy sets a limit for investment in non-UK countries at no more than 50%, the Council has been operating a tighter operational strategy in the light of the Eurozone difficulties and has not been investing outside the UK. This operational restriction will continue until the problems in the Eurozone economy have been sufficiently resolved.

5.14 In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be used for the control of liquidity as both categories allow for short-term investments. The Chief Finance Officer will strive to keep investments within the Non-specified category to a prudent level (having regard to security and liquidity before yield). To these ends the Council will maintain a <u>maximum</u> of 75% of investments in Non-specified investments.

5.15 The use of longer-term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. The investment in longer-term instruments is also limited by the prudential indicator 14 shown in paragraph 6.3, which gives the maximum amount to be invested over 1 year, as well as the limits on the amounts that can be placed with the categories within the non-specified range of investments (see above paragraph 5.14).

5.16 Expectations on shorter-term interest rates, on which investment decisions are based, reflect the fact that an increase in the current 0.50% Bank Rate is likely during 2022. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

5.17 There are operational challenges arising from the ongoing economic conditions. Ideally investments would be invested longer to secure better returns, however shorter dated investments provide better security.

5.18 The criteria for choosing counterparties set out above provide a sound approach to investment in difficult market circumstances.

5.19 Sensitivity to Interest Rate Movements

The Council's Statement of Accounts is required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 0.5% increase/decrease in the average interest rates for investments for next year. That element of the debt and investment portfolios, which are of a longer term, fixed interest rate nature, will not be affected by interest rate changes. There will be no effect on borrowing costs as all the Council's existing debt is fixed rate and the additional borrowing planned will also be fixed rate and has been included within the budget figures in this report at the forecast rate for 2021/22.

£000	**2022/23 Estimated + 0.5%***	**2022/23 Estimated - 0.5%**
Revenue Budgets		
Investment income	121	0
Related HRA Income	75	0
Net General Fund/Other Income	46	0

*This assumes that the rise of 0.50% would be reflected in the rates available to invest– in practice a rate rise of 0.50% would not equal an increase in the rates available. As the rates of interest on investments assumed in the MTFS are lower than 0.50% a reduction of 0.50% would result in Nil income.

6.0 Treasury Management Limits on Activity

6.1 There are four further treasury activity limits, which were previously prudential indicators. The purpose of these is to contain the activity of the treasury function within certain limits, thereby managing the risk and reducing the impact of an adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunity to reduce costs. The indicators are:

- **Upper limit on variable rate exposure** – this identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- **Upper limit on fixed rate exposure** – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- **Maturity structures of borrowing** – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing at the same time and are required for upper and lower limits.
- **Total principal sums invested for periods longer than 1 year** – These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

6.2 In addition, the Chief Finance Officer has set eight additional local indicators. The aim of these indicators is to increase the understanding of the treasury management indicators.

6.3 The 4 treasury limits above together with the adoption of the Code of Practice indicators are shown below:

Indicator 11	**2022/23 Target £m**	**2023/24 Target £m**	**2024/25 Target £m**
Upper Limit on variable interest rate exposure	55.4	55.8	54.1

Indicator 12	**2022/23 Target £m**	**2023/24 Target £m**	**2024/25 Target £m**
Upper Limit on fixed interest rate exposure	134.0	135.4	131.2

Indicator 13	**2022/23**		**2023/24**		**2024/25**	
Maturity Structure of fixed borrowing	**Lower**	**Upper**	**Lower**	**Upper**	**Lower**	**Upper**
Under 12 months	0%	40%	0%	40%	0%	40%
12 months to 2 years	0%	40%	0%	40%	0%	40%
2 years to 5 years	0%	60%	0%	60%	0%	60%
5 years to 10 years	0%	80%	0%	80%	0%	80%
10 years and above	10%	100%	10%	100%	10%	100%

Indicator 14	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**
Maximum principal sums invested for longer than 1 year	7	7	7

Indicator 15
CIPFA Code of Practice for Treasury Management in the Public Services (Revised December 2017) adopted by Council on 2nd March 2010.

6.4 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury management function over the year. The Chief Finance Officer has therefore set 8 local indicators, which are believed to add value and assist the understanding of the main prudential indicators. These indicators are:

- Debt – Borrowing rate achieved against the average appropriate SONIA rate.*
- Investments – Investment rate achieved against the average appropriate SONIA rate.*
- Average rate of interest paid on the Councils Debt – this will evaluate performance in managing the debt portfolio to release revenue

savings.

- Amount of interest on debt as a percentage of gross revenue expenditure.
- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

*See paragraph 5.6 above

6.5 The 8 indicators are shown below:

	2022/23 Target	2023/24 Target	2024/25 Target
Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year) *	less than SONIA rate	less than SONIA rate	less than SONIA rate

*See paragraph 5.6 above

	2022/23 Target	2023/24 Target	2024/25 Target
Investment rate achieved*	Greater than SONIA rate	Greater than SONIA rate	Greater than SONIA rate

*See paragraph 5.6 above

	2022/23 Target	2023/24 Target	2024/25 Target
Average rate of Interest Paid on Council Debt (%)	4.25%	4.25%	4.25%

	2022/23 Target	2023/24 Target	2024/25 Target
Interest on Debt as a % of Gross Revenue Expenditure	5%	5%	5%

	2022/23 Target	2023/24 Target	2024/25 Target
Upper Limit on fixed interest rate Investments	100%	100%	100%

	2022/23 Target	2023/24 Target	2024/25 Target
Upper Limit on fixed interest rate debt	100%	100%	100%

	2022/23 Target	2023/24 Target	2024/25 Target
Upper Limit on variable interest rate investments	75%	75%	75%

	2022/23 Target	2023/24 Target	2024/25 Target
Upper Limit on variable interest rate debt	40%	40%	40%

6.6 **Treasury Management Advisers**

The Council has engaged the services of Link Group as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt rescheduling advice surrounding the existing portfolio;
- Credit ratings/market information service comprising the three main credit rating agencies.

Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

6.7 **Member and Officer Training**

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers.

This Council has addressed this important issue by:

- Member Training – Our treasury management advisers provided training to the Audit Committee prior to the consideration of this year's strategy. They also provided training to the Performance Scrutiny Committee to support their consideration of the mid-year report. The training needs will be regularly reviewed and updated as necessary in 2022/23.
- Staff Training – training needs for staff engaged in treasury management are addressed through the appraisal process. Training is provided both by the Council's treasury management advisers, other external providers and internally. In addition, the Council encourages staff engaged in treasury to undertake a professional accountancy qualification and ensures that the day-to-day trading is overseen by a professionally qualified accountant following the CIPFA Code of Practice.

7.0 Breakdown of Investment Categories with Maximum Amounts and Periods

The Chief Finance Officer, in accordance with TMP 1 (1) within the Council's Code of Practice, is authorised to invest funds surplus to immediate requirements with the following types of institutions subject to the minimum ratings produced by the three credit rating agencies Fitch, Moody's and Standard & Poor's. The Link Group creditworthiness service is applied to determine a list of suitable counterparties available for investment. The minimum ratings applied by Link Group in compiling their recommended counterparty list are set out in section 5.11 of the investment strategy.

All counterparty ratings are updated on a regular basis on the advice of the Council's Treasury Consultants. Notifications of rating changes are received as they happen.

<u>Investment Counterparty Limits</u>

Institution	Minimum credit criteria/colour band	Maximum limit per group or institution £ million	Maximum maturity period
SPECIFIED INVESTMENTS			
UK Bank [*1]	Orange/Blue Red Green	£7 million	1 year 6 months 100 days
Non-UK Banks[*1] Sovereign rating AA	Orange Red Green	£7 million	1 year 6 months 100 days
Building Society[*2]	Orange Red Green	£5 million	1 year 6 months 100 days
Money Market Fund[*3]	Yellow	£7 million	Liquid
UK Government[*4]	Yellow	unlimited	6 months
UK Local Authority[*4]	Yellow	£3 million	1 year
NON-SPECIFIED INVESTMENTS			
UK Bank[*1]	Purple	£7 million	2 years
Non-UK Banks[*1] Sovereign rating AA	Purple	£7 million	2 years
Building Society[*2]	Purple Yellow	£2 million	2 years 5 years
UK Local Authority[*4]	Yellow	£3 million	5 years
Lincoln Credit Union	N/A	£10K	N/A
Council's own bank[*5] (operational cash limit in addition to investment group limit)	N/A	£500K	Overnight

***1**Where the term 'Bank' is used, this denotes a UK or European Bank authorised to accept deposits through a bank account incorporated within the UK banking sector. The maximum amount indicated is the 'Group total' and covers the total amount that can be invested when spread over any number of subsidiaries within that group.

***2** Where the term Building Society is used, this denotes a UK Building Society.

***3** Money market funds (MMF) are mutual funds that invest in short-term high quality debt instruments. The assets are actively managed within very specific guidelines to offer liquidity and competitive returns. Recently MMFs have changed from a constant net asset value basis to a low volatility net asset value. Although money funds are regarded as short-term investments the rating agencies use a classification system based on long-term debt ratings.

***4** The UK Government (i.e. HM Treasury and its Executive Agency, the Debt Management Office) and Local Authorities, although not rated as such, are classified as having the equivalent of the highest possible credit rating.

***5**This limit covers normal treasury management activities but excludes any deposits received after money market trading has closed.

It allows up to £500K of operational cash to be held in the Council's main bank account in addition to the group investment limit for the bank, if the bank is included on the Council's counterparty list.

Approved Investment Instruments

In addition to determining the rating and limits of authorised counterparties TMP 4 "Approved instruments, methods and techniques" within the Council's Code of Practice requires the Council to define the instruments that the Authority will use in undertaking its Treasury Management activities. In accordance with this, and the investment regime issued as part of the prudential capital finance system, the Instruments that the Chief Finance Officer will consider investing surplus funds in are shown below:

Instruments of Specified Investments *1

1. Gilt-edged securities issued by the United Kingdom Debt Management Office (UK DMO), an Executive Agency of HM Treasury.
2. Treasury Bills issued by the UK DMO.
3. Deposits with the Debt Management Office Debt Management Account Deposit Facility (DMADF).
4. Deposits with a Local Authority, Parish Council or Community Council.
5. Deposits with Banks and Building Societies (Including opening Business Accounts).
6. Certificates of deposit issued by Banks and Building societies.
7. Pooled investment vehicles (e.g. money market funds)

***1** To be defined as a Specified Investment the above instruments will have these features common to all:

- Be denominated in Sterling,
- Of not more than 1 year maturity,
- Of longer than 1 year maturity but the Council has the right to be repaid within 12 months,
- For instruments numbered 5 to 7 these must be with institutions of high credit quality.

Instruments of Non-Specified Investments *2

1. Deposits with Banks, Building Societies and their subsidiaries.
2. The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.
3. Certificates of deposit issued by Banks and Building Societies.

***2** To be defined as a Non-Specified Investment the above instruments will have these features common to all:

- Denominated in Sterling,
- Of more than 1 year maturity,
- Of less than 1 year maturity with an institution that does not meet the basic security requirements under Specified Investments e.g. a deposit with a non-credit rated Bank or Building Society

Security, Liquidity and Yield benchmarking

Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service

A requirement for Treasury Management reporting is the consideration and approval of security and liquidity benchmarks.

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

Yield – These benchmarks are widely used to assess investment performance. Local measures of yield benchmarks are:

- Investments – Internal returns above the appropriate SONIA rate- see paragraph 5.6 above.

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. Benchmarks for the cash type investments are set out below and these will form the basis of reporting in this area. In other investment categories appropriate benchmarks will be used where available.

Liquidity – This is defined as "having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives" (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - nil
- Liquid short term deposits of at least £5m available with a week's notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – a shorter WAL would generally embody less risk. In this respect the proposed benchmark to be used is:

- WAL benchmark is expected to be 0.08 years.
- Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poor's). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy.

The Council's expected security risk benchmark from its budgeted investment strategy is:

- 0.012% historic risk of default when compared to the whole portfolio which equates to a potential loss of £2,160 on an investment portfolio of £18m. In addition that the security benchmark for each individual year is:

	1 year	2 year	3 year	4 year	5 year
Maximum	0.30%	0.30%	0.30%	0.30%	0.30%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported

CITY OF LINCOLN
TREASURY MANAGEMENT POLICY – CODE OF PRACTICE FOR TREASURY MANAGEMENT
(January 2022)

KEY PRINCIPLES

The City of Lincoln Council adopts the following three key principles identified within the *CIPFA Treasury Management in the Public Services Code of Practice* (The Code).

Key Principle 1

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Principle 2

The policies and practices should make clear that the effective management and control of risk are prime objectives of the treasury management activities and that responsibility for these lies clearly within the organisation. The appetite for risk should form part of the annual investment strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and *portfolio* liquidity when investing *treasury management* funds.

Key Principle 3

They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

ADOPTED CLAUSES

In accordance with *CIPFA's Treasury Management in the Public Services Code of Practice* (The Code), the City Of Lincoln Council adopts the following four clauses:

1. The City of Lincoln Council will create and maintain, as the cornerstones for effective treasury management:

   - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities

   - suitable treasury management practices (TMP's), setting out the manner in which it will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

   The content of the policy statement and TMP's will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the City of Lincoln Council materially deviating from the Code's key principles.

2. The Performance Scrutiny Committee of the City of Lincoln Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, a mid-year review and an annual report after its close, in the form prescribed in its TMP's. The Audit Committee of the City of Lincoln Council will receive on at least an annual basis a report of the treasury management strategy before approval by the Executive and full Council. Revised strategies may be prepared and presented to full Council for approval at any point during the year if deemed necessary eg there may be investment issues that full council should be made aware of.

3. The City of Lincoln Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Performance Scrutiny Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs.

4. The City of Lincoln Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

TREASURY MANAGEMENT POLICY STATEMENT

1. The City of Lincoln Council defines its treasury management activities as:

   "*The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.*"

2. The City of Lincoln Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organization, and any financial instruments entered into to manage these risks.

3. The City of Lincoln Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

TREASURY MANAGEMENT PRACTICES

TREASURY MANAGEMENT PRACTICE 1

RISK MANAGEMENT

General statement

The City of Lincoln Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly it will ensure that robust due diligence procedures cover all external investments. The Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the City of Lincoln Council's objectives in this respect, all in accordance with the procedures set out in TMP6 *Reporting requirements and management information arrangements.* In respect of each of the following risks, the arrangements, which seek to ensure compliance with these objectives, are set out in the schedule to this document.

[1] Credit and counterparty risk management

Credit and counter-party risk is *The risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing (not part of the Treasury Management function), particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources"*

The City of Lincoln Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 *Approved instruments, methods and techniques* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow or with whom it may enter into other financing arrangements.

In preparing the annual strategy, the City of Lincoln Council will:

- Produce a list of approved investment instruments for both Specified and Non-specified Investments,
- Identify criteria for inclusion on the Council's Counterparty List,

- Determine the minimum credit ratings required for both Specified and Non-Specified Investments and the maximum amounts and periods to be invested in Specified and Non-specified Investments,

[2] Liquidity risk management

This is *“The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisations business/service objectives will be thereby compromised.”*

The City of Lincoln Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The City of Lincoln Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The Treasury Management section shall seek to minimise the balance held in the Council’s main bank accounts at the close of each working day at £500,000. Borrowing or lending shall be arranged in order to achieve this aim.

[3] Interest rate risk management

This is *“The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately.”*

The City of Lincoln Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 *Reporting requirements and management information arrangements.*

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

[4] Exchange rate risk management

This is *“The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately.”*

City of Lincoln Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

[5] Inflation risk management

This is "The chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation,"

The City of Lincoln Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

[6] Refinancing risk management

"The risk that maturing borrowings, capital, project or partnership financing cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and / or that the terms are inconsistent with prevailing market conditions at the time."

The City of Lincoln Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the City of Lincoln Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

Debt/Other Capital Financing, Maturity Profiling, Policies and Practices
The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

a) the generation of cash savings at minimum risk;
b) to reduce the average interest rate;
c) to amend the maturity profile and /or the balance of volatility of the debt portfolio.

Rescheduling will be reported to the Council at the meeting immediately following its action / in the annual Review Report.

Projected Capital Investment Requirements
The responsible officer will prepare a five year plan for capital expenditure for the Council. The capital plan will be used to prepare a five year revenue budget for all forms of financing charges.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing
In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax and (in the case of authorities with an HRA), housing rent levels. It will also take into account affordability in the longer term beyond this three year period.

- Financial Conduct Authority's Code of Market Conduct
- The Council's Standing Orders relating to Contracts
- The Council's Financial Regulations
- The Council's Scheme of Delegated Functions

[7] Legal and regulatory risk management

This is *"The risk that the organisation itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly."*

The City of Lincoln Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] *Credit and counterparty risk management,* it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the City of Lincoln Council, particularly with regard to duty of care and fees charged.

The City of Lincoln Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the City of Lincoln Council.

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council.

Procedures for Evidencing the Council's Powers/Authorities to Counterparties
The Council's powers to borrow and invest are contained in legislation.

In addition, it will make available on request the following: -
a) the scheme of delegation of treasury management activities which is contained in Financial Procedure Rules
b) the document which sets out which officers are the authorised signatories.

Required Information on Counterparties
Lending shall only be made to counterparties on the Approved Lending list. This list has been compiled using advice from the Council's treasury advisers based upon credit ratings supplied by Fitch, Moodys and Standard and Poors and CDS prices.

Statement on the Council's Political Risks and Management of Same
The responsible officer shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council, change of Government etc.

Monitoring Officer
The monitoring officer is the City Solicitor; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

Chief Financial Officer
The Chief Financial Officer is the Chief Finance Officer, the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if she has concerns as to the financial prudence of its actions or its expected financial position.

[8] Fraud, error and corruption, and contingency management

"The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its TM dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk."

The City of Lincoln Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore:-

a. seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
b. Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
c. Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
d. Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

[9] Price risk management

"The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated TM policies and objectives are compromised, against which effects it has failed to protect itself adequately."

The City of Lincoln Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.

TREASURY MANAGEMENT PRACTICE 2

PERFORMANCE MEASUREMENT

The City of Lincoln Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the City of Lincoln Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

TREASURY MANAGEMENT PRACTICE 3

DECISION-MAKING AND ANALYSIS

The City of Lincoln Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions both for the purposes of learning from the past and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

TREASURY MANAGEMENT PRACTICE 4

APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

The City of Lincoln Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 *Risk management.*

City of Lincoln Council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

TREASURY MANAGEMENT PRACTICE 5

ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

The City of Lincoln Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is a clarity of treasury management responsibilities at all times.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling those policies, particularly regarding the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the City of Lincoln Council intends, as a result of lack of resources or other circumstances to depart from these principles, the Chief Finance Officer will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements,* and the implications properly considered and evaluated.

The Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Chief Finance Officer will also ensure that those engaged in treasury management will, at all times, follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The Chief Finance Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the Chief Finance Officer in respect of treasury management are set out in the schedule to this document. The Chief Finance Officer will fulfil all such responsibilities in accordance with the City of Lincoln Council's policy statement and TMP's.

TREASURY MANAGEMENT PRACTICE 6

REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

The City of Lincoln Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the full Council will receive:

- an annual report on the strategy and plan to be pursued in the coming year. Revised strategies may be presented to full Council at any point in the year if deemed necessary.
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with its treasury management policy statement and TMP's.

The Performance Scrutiny Committee will receive regular monitoring reports on treasury management activities and risks.

The Audit Committee will have responsibility for the scrutiny of treasury management policies and practices. It will receive an annual report on the treasury management strategy before approval by the Executive and full Council.

The Executive will receive the Treasury Management Strategy prior to submission to Full Council, regular monitoring reports and an annual report on the Treasury Management function, on the effects of the decisions taken and the transactions executed in the past year.

The City of Lincoln Council will report the treasury management indicators as detailed in the local authority guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

TREASURY MANAGEMENT PRACTICE 7

BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

The Chief Finance Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will as a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement*, and TMP4 *Approved instruments, methods and techniques*. The form, which the City of Lincoln Council's budget will take, is set out in the schedule to this document. The Chief Finance Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.

The City of Lincoln Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the City of Lincoln Council's accounts is set out in the schedule to this document.

The City of Lincoln Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfillment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed in the schedule to this document.

TREASURY MANAGEMENT PRACTICE 8

CASH AND CASH FLOW MANAGEMENT

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the City of Lincoln Council will be under the control of the Chief Finance Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Chief Finance Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1[2] *liquidity risk management*. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

TREASURY MANAGEMENT PRACTICE 9

MONEY LAUNDERING

The City of Lincoln Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties, and reporting suspicions ensuring that staff involved in treasury activities and accepting payments are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

Money Laundering is defined as "*a process where the identity of the proceeds of criminal proceedings (dirty money) is changed through apparently legitimate transactions so that the money appears to originate from a legitimate source*"

TREASURY MANAGEMENT PRACTICE 10

STAFF TRAINING AND QUALIFICATIONS

The City of Lincoln Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Chief Finance Officer will recommend and implement the necessary arrangements.

The Chief Finance Officer will ensure that the council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule to this document.

TREASURY MANAGEMENT PRACTICE 11

USE OF EXTERNAL SERVICE PROVIDERS

The City of Lincoln Council recognises that the responsibility for treasury management decisions remains with the organisation at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review. It will also ensure that where any external investment manager is used that they are contractually required to comply with the Council's Strategies. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over-reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Chief Finance Officer, and details of the current arrangements are set out in the schedule to this document.

TREASURY MANAGEMENT PRACTICE 12

CORPORATE GOVERNANCE

The City of Lincoln Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The City of Lincoln Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Chief Finance Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

INVESTMENTS THAT ARE NOT PART OF TREASURY MANAGEMENT ACTIVITY

MANAGEMENT PRACTICES FOR NON-TREASURY INVESTMENTS

City of Lincoln Council recognizes that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcome, investments in subsidiaries, and investment property portfolios.

City of Lincoln Council will ensure that all its investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, its risk appetite and specific policies and arrangements for non-treasury investments. It will be recognized that the risk appetite for these activities may differ from that for treasury management.

The City of Lincoln Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and its risk exposure

TREASURY MANAGEMENT PRACTICES – SCHEDULES

This section contains the schedules, which set out the details of how the Treasury Management Practices (TMP's) are put into effect by City Of Lincoln Council.

TREASURY MANAGEMENT PRACTICE 1
RISK MANAGEMENT

[1] Credit and counterparty risk management (reviewed and updated annually as part of the Council's Treasury Management Strategy)

- ***Debt Management Office*** – The council to use at the discretion of the Chief Finance Officer.

- ***Criteria to be used for creating/managing approved counterparty lists/limits*** – the type of institutions that are included on the Council's counterparty list are based on the Council's ethical policy and by reference to investment guidance. The Council uses the creditworthiness service provided by its treasury management advisors, Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies, Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with overlays of credit watches and credit outlooks from credit rating agencies; Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings; and sovereign ratings to select counterparties from creditworthy countries. The criteria used for the counterparty list are based on the Council's attitude to investment risk and advice from the Council's treasury management consultants. Typically, the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalent) of F1 (highest credit quality) and a long-term rating A- (high credit quality). There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but the counterparty may still be used if consideration of the whole range of ratings available and other topical market information supports their use.

  The Link Group modelling approach described above combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

  - Yellow 5 years

- Purple 2 years
- Blue 1 year (only applies to part-government owned UK banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour Not to be used

The current minimum criteria for inclusion of counterparties on the list using the colour coding are as shown below, along with the allowable time and money limits.

Investment Counterparty Limits

Institution	Minimum credit criteria/colour band	Maximum limit per group or institution £ million	Maximum maturity period
SPECIFIED INVESTMENTS			
UK Bank *1	Orange/Blue Red Green	£7 million	Up to 1 year Up to 6 months Up to 100 days
Non-UK Banks*1 Sovereign rating AA	Orange Red Green	£7 million	Up to 1 year Up to 6 months Up to 100 days
Building Society*2	Orange Red Green	£7 million	Up to 1 year Up to 6 months Up to 100 days
Money Market Fund*3	AAA	£7 million	Liquid
UK Government*4	Yellow	unlimited	Up to 6 months
UK Local Authority*4	Yellow	£3 million	Up to 1 year
UNSPECIFIED INVESTMENTS			
UK Bank*1	Purple	£7 million	Up to 2 years
Non-UK Banks*1 Sovereign rating AA	Purple	£7 million	Up to 2 years
Building Society*2	Purple Yellow	£2 million	Up to 2 years Up to 5 years
UK Local Authority*4	N/A	£3 million	Up to 2 years
Lincoln Credit Union	N/A	£10K	N/A
Council's own bank*5 (operational cash limit in addition to the investment group limit)	N/A	£500K	Overnight

***1** Where the term 'Bank' is used this denotes a UK or European Bank authorised to accept deposits through a bank account incorporated within the UK banking sector. The maximum amount indicated is the 'Group total' and covers the total amount that can be invested when spread over any number of subsidiaries within that group.

***2** Where the term Building Society is used this denotes a UK Building Society.

***3** Money market funds are mutual funds that invest in short-term high quality debt instruments. The assets are actively managed within very specific guidelines to offer safety of principal, liquidity and competitive returns. Although money funds are regarded as short-term investments the rating agencies use a classification system based on long-term debt ratings.

***4** The UK Government (i.e. HM Treasury and its Executive Agency the Debt Management Office) and Local Authorities, although not rated as such, are classified as having the equivalent of the highest possible credit rating.

***5** This limit covers normal treasury management activities but excludes any deposits received after money market trading has closed. It allows up £500K operational cash to be held in the Council's main bank account in addition to the group investment limit for the bank, if the bank is included on the Council's counterparty list.

- ***Approved methodology for changing limits and adding/removing counterparties*** - The Council's treasury management consultants compile a full list of counterparties, with their appropriate colour coding, designated as the "Credit list". This list is issued to the Council and renewed on a weekly basis. Notifications of any changes are received as they occur. The latest position is also available on Link's Passport system. The credit rating position is updated on this system as soon as any changes are made to credit ratings. The latest position will be checked and is used as a source of reference before any investments are undertaken. If the change to a counterparty is a downgrade and no longer meets the Council's minimum criteria then its further use as a new investment will be withdrawn immediately.
- ***Full individual listings of counterparties and counterparty limits*** – the minimum creditworthiness (indicated by the colour coding) for inclusion of a counterparty is shown in the table above. Investments are categorised as specified and non-specified (in line with the investment guidelines issued in March 2010) and the maximum amounts and periods to be invested within the two categories are shown in the table above (based on the current Treasury Management Strategy).
- ***Details of credit rating agencies' services*** – The creditworthiness service provided by Link Group and used by the Council uses the three credit rating agencies, Fitch, Standard and Poor's and Moody's, which are recognised worldwide. Each of them is established in most countries and has a universal credit rating scale. These three leading international rating agencies have established a universal and open methodology of drawing up rating reports. Activities of the rating agency are public and all necessary information of rating decisions is available on the Internet.

- **Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part the country selection will be chosen by the credit rating of the Sovereign state. In addition:
  - No investments to be placed in non-EU banks.
  - No more than 50% will be placed with any non-UK country that is within the EU.

- **Use of additional information other than credit ratings** - Additional requirements under the Code of Practice now require the Council to supplement credit rating information. The creditworthiness service provided by Link Group now employed by the Council fully meets this requirement as the sophisticated modelling approach combines credit ratings, credit watches and credit outlooks and then overlays CDS spreads to produce a final creditworthiness score. However, sole reliance is not placed on the use of this external service. In addition, the Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

[2] Liquidity risk management

- ***Minimum cash balances and short term investments*** – the Council has a policy of a minimum of £5m to be deposited in instruments that can be accessed within a week but does not have set amounts for minimum cash balances to cover shortages in cash flow. A twelve month cash flow forecast model is used as a tool to forecast cash inflows and outflows, and investments are made for specific periods, which take into account when money is required to fund cash outflows, thereby keeping short term borrowing to an absolute minimum. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.

- ***Standby facilities*** – these relate to any tools that the Council has to manage its liquidity and as such are covered by short-term borrowing facilities (see below). In addition the Council also maintains several Money Markets Funds and five Deposit accounts. These are exceptionally liquid investment instruments that offer same day access to any funds placed therein. The Council does not have a Policy of maintaining a minimum balance within any of these funds but in reality these funds are used as an alternative to overnight and other short-term periods of investment.

- ***Bank overdraft arrangements*** – the Council does not currently have an overdraft facility with its bankers (currently Lloyds Bank). Accurate cash flow forecasting and immediate access to funds in Money Market Funds mean that under normal circumstances an overdraft facility is not required. On the very rare occasions that the bank balance may be overdrawn the fees charged are considerably less than the annual overdraft fee. The need for an overdraft facility is reviewed annually in August 30th and forms part of the 'Overdraft and other Facilities' agreement with the Bank.

- ***Short term borrowing facilities*** – When the Council has a need to borrow short-term (up to 1 year), Money Market Brokers are contacted (currently Tradition, BGC or King and Shaxson) to obtain the necessary funds. The broker will quote a rate that is based on current market conditions. A fee is payable to the broker for this service, typically between 3 and 10 basis points.

- ***Insurance/guarantee facilities*** – the Council is insured in respect of loss of money or other property belonging to it or in its trust or custody under a Fidelity Guarantee with Travelers. This only relates to loss occurring as a direct result of any act of fraud or dishonesty on the part of an employee (as specified under the Policy Schedule). This Policy is renewable annually in April. The full terms and conditions of the Fidelity Guarantee and Policy schedule including the designated Officers, the employees and sums for which they are covered are available from the Financial Services Manager.

- ***Other contingency arrangements*** – in line with investment guidance the Council has set maximum amounts and periods for which funds may prudently be committed to ensure it has sufficient liquidity in its investments. The limits are shown below in section 5 Credit and counterparty risk management (limits are based on the current Treasury Management Strategy):

  In addition the Council has adopted the following Prudential Indicator to limit the amount that can be invested over 1 year as shown below:

Prudential Indicator No.14	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**
Maximum principal sums invested for longer than 1 year	7	7	7

[3] Interest rate risk management

- ***Approved interest rate exposure limits*** – in order to minimise the risk of wide fluctuations in interest rates the Council sets annually upper limits on variable and fixed interest rate exposure (based upon the debt position net of investments), the current limits are as follows:

	2022/23 Upper £m	**2023/24 Upper £m**	**2024/25 Upper £m**
Upper Limits on variable interest rate exposure	55.4	55.8	54.3

	2022/23 Upper £m	**2023/24 Upper £m**	**2024/25 Upper £m**
Upper Limits on fixed interest rate exposure	132.3	132.4	128.2

  These limits are based on the following limits on borrowing and investment exposures:

  - Upper limit on fixed rate investments – 100%
  - Upper limit on variable rate investments – 75%
  - Upper limit on fixed rate borrowing – 100%
  - Upper limit on variable rate borrowing – 40%

  The indicators above are set as part of the Council's annual Prudential Indicators and Treasury Management Strategy.

- ***Trigger points and other guidelines for managing changes to interest rate levels*** – the Council's current Treasury Management consultants provide regular interest rate forecasts and economic advice, which assists the Council to manage changes in interest rate levels. This forecasting and economic advice includes:

- Regular forecasts of PWLB rates and imminent changes are given to the Council, with particular regard to the agreed underlying strategy. Continuous updates on market conditions and trends affected by economic, fiscal and political factors are also provided
- A weekly and monthly newsletter
- A quarterly 'Economic and Interest Rate Forecast' bulletin

▪ ***Minimum/maximum proportions of variable rate debt/interest*** – the Council has set the maximum proportion of variable interest rate exposure (based upon the debt position net of investments) as shown above.

The Council also sets a minimum level for the proportions of variable rate debt and interest (detailed above). These limits feed into the limit on the net debt position, which is based on estimated levels of debt and investments.

[4] Exchange rate risk management

▪ The Council only invests and borrows funds in sterling; thereby avoiding any risk associated with fluctuations in exchange rates.

[5] Refinancing risk management

▪ ***Debt/other capital financing maturity profiling, policies and practices*** – as part of the annual Prudential Indicators and Treasury Management Strategy the gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing. The current limits are as follows:

Maturity Structure of fixed borrowing	2022/23		2023/24		2024/25	
	Lower	Upper	Lower	Upper	Lower	Upper
Under 12 months	0%	40%	0%	40%	0%	40%
12 months to 2 years	0%	40%	0%	40%	0%	40%
2 years to 5 years	0%	60%	0%	60%	0%	60%
5 years to 10 years	0%	80%	0%	80%	0%	80%
10 years and above	10%	100%	10%	100%	10%	100%

The Council's treasury management consultants are continually reviewing the Council's debt portfolio in terms of seeking opportunities for debt restructuring to ascertain the most beneficial loans in terms of savings and spreading the maturity profiles.

▪ ***Projected Capital Investment Decisions*** – The Council has a 5-year Financial Strategy that is updated annually. The strategy incorporates the projected capital programme together with the associated funding i.e. grants, capital receipts, Direct Revenue Financing (DRF) and borrowing. Any new capital schemes are appraised in terms of funding; if any unsupported borrowing is required this is determined in terms of affordability and the Council assesses the loan type, loan period and interest rate with reference to the current strategy and age debt profile of the current portfolio.

[6] Legal and regulatory risk management

- ***Relevant statutes and regulations*** – in all the treasury management activities, the City Council follows the Local Government Act 2003. Chapter 1 of the Act sets out the statutory powers of local authorities; to borrow, control borrowing, duty to determine affordable borrowing limit, imposition of borrowing limit, temporary borrowing, protection of lenders and power to invest. In addition the City Council follows the regulations as set out below:

    - CIPFA Code of Practice on Local Authority Accounting (“The Code”)
    - CIPFA Code of Practice on Treasury Management
    - Prudential Code for Capital Finance in Local Authorities (CIPFA)
    - Local Government Investment Guidance (DLUHC)

[7] Fraud, error and corruption, and contingency management

- ***Systems and procedures to be followed*** – in order to minimise the possibility of fraud, error or corruption, procedures for carrying out and monitoring treasury management activities involve rigorous requirements for audit, checking, control and reporting. These requirements are detailed in the relevant schedules i.e. TMP5 – Organisation, Clarity and Segregation of Duties and Dealing Arrangements. In the event of any fraud or corruption this will be immediately reported to either the Financial Services Manager or Chief Finance Officer who will determine the appropriate course of action. Similarly, any errors, which result in the breach of procedures set down in these schedules, will be reported either to the Financial Services Manager or Chief Finance Officer.

- ***Emergency and contingency planning arrangements* –** Procedures to be implemented in the event of a disaster will be contained in the Council’s I.T. Disaster Recovery Plan.

- ***Insurance cover details* –** see TMP 1[2] for details.

[8] Market risk management

- ***Approved procedures and limits for controlling exposure to investments whose capital value may fluctuate* -** the Council does not expose itself to this risk as it does not use investments whose capital value may fluctuate; in addition the Council does not use Fund Managers who may use investments whose capital value may fluctuate.

TREASURY MANAGEMENT PRACTICE 2
PERFORMANCE MEASUREMENT

- ***Methodology to be applied for evaluating the impact of treasury management decisions –*** to assess the adequacy of the treasury management function, the Council has set 8 local indicators. These indicators are as follows:

  - **Debt** (Borrowing rate achieved against average 7 day SONIA) - target; less than 7 day SONIA.
  - **Investments** (Investment rate achieved against average 7 day SONIA) – target; greater than 7 day SONIA.
  - Upper limit on fixed rate investments – 100%
  - Upper limit on variable rate investments – 75%
  - Upper limit on fixed rate borrowing – 100%
  - Upper limit on variable rate borrowing – 40%
  - **Average rate of interest paid on the Councils Debt during the year** (this will evaluate performance in managing the debt portfolio to release revenue savings) – target; 4.25%
  - **The amount of interest on debt as a percentage of gross revenue expenditure** target; 5.2%

The local indicators are subject to scrutiny through the mid year treasury management reports submitted to the Council's Performance Scrutiny Committee.

In addition the Council sets budgetary targets for investment interest receivable (net of short-term borrowing interest) and borrowing interest payable, both on the General Fund and Housing Revenue Accounts. These budget targets are included in the Council's 5-year Financial Strategy and are monitored on a regular basis to ensure there are no material variances. In the event of material variances, these would be reported to the Council's Performance Scrutiny Committee and Executive as part of the quarterly budget monitoring reports and reported to the Chief Finance Officer and the Financial Services Manager through regular updates.

- ***Policy concerning methods for testing value for money in treasury management***

    - The Council appoints an external treasury management consultant to advise on treasury management activities and in order to obtain expert independent advice on a range of treasury management issues e.g. interest rate forecasts, investment instruments, investment and borrowing strategy, credit ratings. Link Group are the council's appointed advisors until 31 December 2022. The contract was let using an ESPO framework and will be reviewed in June 2022 with a view to letting a tender for a longer term contract for this type of service.

    - Banking Services are also re-tendered or renegotiated periodically to ensure that the level of prices reflect efficiency savings achieved either by the Council or the supplier. The current banking contract is for seven years until 1 January 2029 with the option of a further extension of three years i.e. a maximum of ten years in total.

    - The Council sometimes uses money broking services in order to make deposits or to borrow. Charges for all services are established prior to using them and the use of brokers takes account of both the prices and quality of services.

TREASURY MANAGEMENT PRACTICE 3
DECISION-MAKING AND ANALYSIS

Detailed records are maintained of all borrowings and investments made by the Council. In respect of every decision concerning changes to existing patterns of lending or borrowing made, the Council will:

- above all be clear about the nature and extent of the risks to which the organisation may become exposed
- be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies and that limits have not been exceeded
- be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive

With the need to realise significant General Fund revenue savings to ensure that the budget is balanced and sustainable in the long term and the need to achieve efficiency savings in the Housing Revenue Account, the main theme of the borrowing and debt strategy is to reduce the individual average interest rates paid by each fund. The reduction in interest rates will be undertaken through debt restructuring opportunities and taking new borrowing with lower interest rates than the rates that have been projected in the budget estimates. However, restructuring that increases the interest rate payable may be considered if it offers the Council the opportunity to take a discount, as part of the rescheduling exercise. In respect of borrowing decisions, the Council will:

- Manage the Council's debt maturity profile, considering the optimum period leaving no one future year with a high level of repayments that might cause problems in re-borrowing in light of the maturity profile of existing loans and prevailing market conditions.
- Effect funding at the cheapest cost commensurate with future risk.
- Forecast average future interest rates and borrow accordingly i.e. short term/variable when rates are 'high', long term/fixed when rates are 'low'.

- Monitor and review the level of variable rate loans in order to take greater advantage of interest rate movements. Consider whether fixed or variable interest rates offer best value, whilst ensuring that variable and fixed rates do not exceed the Prudential Indicator limits as shown in TMP1 schedule [2] above.
- Proactively reschedule debt in order to take advantage of potential savings as interest rates change. Each rescheduling exercise will be considered in terms of the effect of premiums and discounts on the General Fund and the Housing Revenue Account.
- Manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates. Before proceeding to borrow the Council will consider the optimum period and prevailing market conditions and compare interest rates to bank overdraft rates to ensure best value.
- Consider the alternative financial institutions and borrowing products that the Council can use.
- Ensure total borrowing does not exceed the Authorised Limit set for that financial year, approved as part of the Prudential Indicators and Treasury Management Strategy.

The main theme of the investment strategy is to ensure the security of the sums invested as a first priority and secondly to ensure that the Council has access to sufficient liquid funds. Then thirdly to maximise interest from investments, within the constraints imposed by having regard to security and liquidity, in order to contribute towards the General Fund and Housing Revenue Account savings targets as detailed above. The increase of investment income will be sought through actively undertaking investments with higher interest rates than the rates that have been projected in the budget estimates. In respect of investment decisions, the Council will:

- consider the optimum period, in light of cash flow availability and prevailing market conditions
- consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital, although the Council does not use such products
- ensure investments are included in the Councils ‘approved investment instruments’ (see TMP4 below)
- consider financial institutions and ensure they meet the minimum requirements for inclusion in the Council’s counterparty list (see TMP1 schedule [1] above)

- ensure that the counterparty individual/group investment limits are not exceeded (see TMP1 [1] above)
- ensure the non-specified investment limit is not exceeded current limit is 75% of the total of investments, as approved in the Prudential Indicators and Treasury Management Strategy
- ensure that investments over 1 year do not exceed the limit of £7m (see TMP1 schedule [1] above). This includes forward deals.

A meeting will be held for the Finance Business Partner to advise the Financial Services Manager when it is necessary to make investment and borrowing decisions where the length of the deal to be brokered has a maturity period of over 3 months, and as necessary when other issues arise. A briefing note is prepared giving details of the proposed deal and supporting information which is discussed at the meeting. It will be signed off by the Financial Services Manager and then the Chief Finance Officer (or City Solicitor in their absence) before the investment is made or any borrowing is taken.

TREASURY MANAGEMENT PRACTICE 4
APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- ***Listings and individual limits for the use of approved instruments* –** In accordance the Council's current treasury management strategy, the instruments (split between specified and non-specified investments) that the Council will consider investing surplus funds in are shown below (individual limits are not set for approved investment instruments):

Instruments of Specified Investments *1

1. Gilt-edged securities issued by the United Kingdom Debt Management Office (UK DMO), an Executive Agency of HM Treasury.
2. Treasury Bills issued by the UK DMO.
3. Deposits with the Debt Management Office Debt Management Account Deposit Facility (DMADF).
4. Deposits with a Local Authority, Parish Council or Community Council.
5. Deposits with Banks and Building Societies (Including opening Business Accounts).
6. Certificates of deposit issued by Banks and Building societies.
7. Investment Schemes i.e. a Money Market Fund.

***1** To be defined as a Specified Investment the above instruments will have these features common to all:

- Be denominated in Sterling,
- Of not more than 1 year maturity,
- Of longer than 1 year maturity but the Council has the right to be repaid within 12 months,
- For instruments numbered 5 to 7 these must be with institutions that have been awarded a high credit rating by a Rating Agency (i.e. see Appendix 4).

Instruments of Non-Specified Investments *2

1. Deposits with Banks, Building Societies and their subsidiaries.

***2** To be defined as a Non-Specified Investment the above instruments will have these features common to all:

- Denominated in Sterling,
- Of more than 1-year maturity,
- Of less than 1-year maturity with an institution that does not meet the basic security requirements under Specified Investments e.g. a deposit with a non-credit rated Bank or Building Society.

- ***Approved method/techniques and sources of raising capital finance* –** capital finance will only be raised in accordance with the Local Government Act 2003 and within this limit the Council has a number of approved methods and sources of raising capital finance. These could include:

	Fixed	Variable
PWLB	●	●
Market Loans (long-term)	●	●
Local Bonds	●	
Negotiable Bonds	●	●
Finance Leases	●	●

  Other methods of financing include Government and European Capital Grants, Lottery monies, Private Finance Initiative (PFI) (now PF2), Public-Private Partnerships (PPP), operating leases and other capital contributions from relevant partners and stakeholders.

  All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Chief Finance Officer has delegated powers, in accordance with the Officers' Scheme of Delegation within the Constitution and the Treasury Management Strategy, to borrow using the most appropriate sources.

- ***MIFID II* –** the council has opted for professional status for the purposes of MIFID II. The council is registered as a professional client with:

  Link Group
  King and Shaxson
  BGC
  Tradition
  Institutional Cash Distributors Ltd

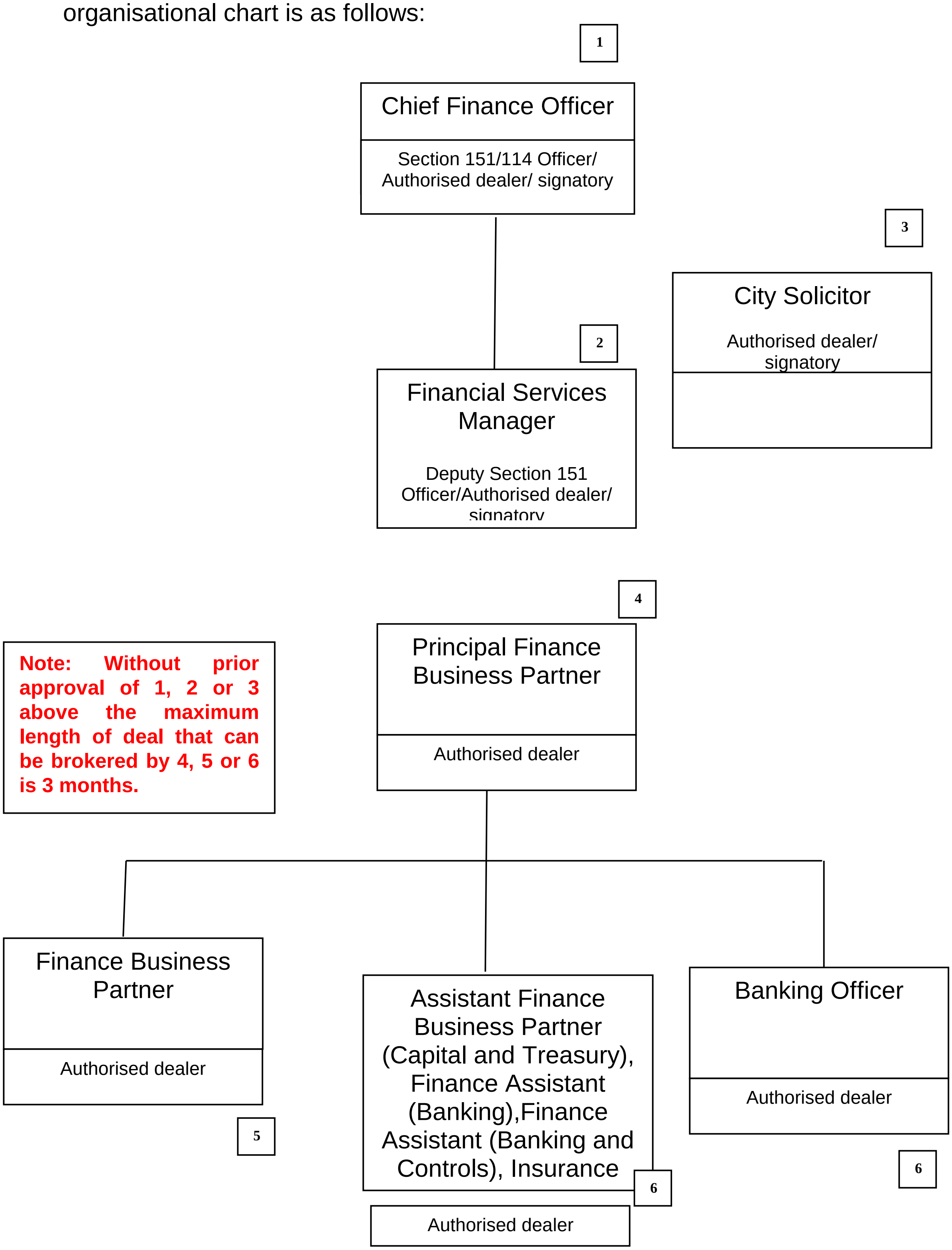
TREASURY MANAGEMENT PRACTICE 5
ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- ***Limits to responsibilities/discretion at committee/executive levels*** – in accordance with the Council's financial procedure rules, full Council is responsible for approving the annual prudential indicators and treasury management strategy, which is proposed to full Council by the Executive. All decisions on borrowing, investment or financing are delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities. In addition at the end of each financial year an outturn report detailing the years performance against the Prudential and local indicators and treasury management activities is submitted to the Council's Performance Scrutiny Committee, Executive and full Council. Mid Year treasury management reports are submitted to the Council's Executive and Performance Scrutiny Committee, to update Members as to the actual position against the local and Statutory Prudential Indicators, and to summarise the treasury management activities undertaken during the previous six months.

- ***Principles and practices concerning segregation of duties*** – in order to reduce the risk of fraud and corruption, the following duties are divided between different staff:

    - As part of the procedures for making CHAPS payments (i.e. repayment of loans, depositing investments and urgent payments) three different members of staff undertake the stages of setting up the payment, approval and authorisation
    - Any investment or borrowing over 3 months must be agreed by the Financial Services Manager and then the Chief Finance Officer (or City Solicitor in their absence). A briefing document giving all the details of the investment or borrowing will be presented for approval to all three signatories.
    - The principal and practices concerning segregation of duties is set out in the hierarchical responsibilities/duties of each post, as set out below

Treasury Management organisation chart – the Council's current organisational chart is as follows:



- ***Statement of duties/responsibilities of each treasury post*** –

1. Chief Finance Officer

- Duties in line with S151 and S114 responsibilities
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Authorised Signatory

2. City Solicitor

- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Authorised signatory

3. Financial Services Manager

- Duties in line with deputy S151 responsibilities
- Advise the Chief Finance Officer on Treasury Management matters
- Receive and review Treasury Management investment and borrowing proposals
- Review and appoint Treasury Management consultants
- Ensure that staff involved in treasury management receive appropriate training
- Ensure that the treasury management function is adequately resourced to meet current requirements
- Absence cover for the Chief Finance Officer for responsibilities detailed above.
- Ensure there is adequate internal checking and control
- Ensure the Treasury Management Strategy, the Treasury Management Outturn Report and mid-year Monitoring Reports are prepared and complied with
- Ensure implementation of Treasury Management actions agreed by the Chief Finance Officer
- Ensure Treasury Management Practices are complied with and are reviewed at least annually
- Ensure the appropriate division of duties within the section
- Identify and recommend opportunities for improved Treasury Management Practices
- Implementation of the Treasury Management Strategy
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Authorised signatory

4. Principal Finance Business Partner (PFBP)

- Advise Financial Services Manager on Treasury Management matters
- Oversee the compilation of the yearly cash flow
- Oversee the monitoring, update, revision and reporting on the authorities cash flow
- Prepare the annual Treasury Management Strategy and Outturn Reports
- Compile mid year treasury management reports to the Council's Performance Scrutiny Committee
- Monitor and calculate the prudential indicators/local indicators and performance against budget targets (i.e. borrowing and investment interest)
- Prepare an annual budget for Treasury Management activities (i.e. borrowing and investment interest, debt management expenses)
- Ensure implementation of Treasury Management actions agreed by the Financial Services Manager and Chief Finance Officer
- Assist the Financial Services Manager in implementation of the Treasury Management Strategy
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)

5. Finance Business Partner (FBP)

- Construction of yearly cash flow
- Advise Financial Services Manager and PFBP on Treasury Management matters
- Monitor, update, revise and report on the authority's cash flow
- Monitor and calculate the prudential indicators/local indicators and performance against budget targets (i.e. borrowing and investment interest)
- Maintain the Council's Money Market Funds and Call accounts
- Liaise with brokers on a day to day basis and monitor interest rates
- Invest short-term cash surpluses in line with Councils investment policy/strategy
- Take short-term borrowings to cover cash flow shortages in line with Council's investment policy/strategy.
- Maintain the Councils Counterparty list in line with Council's investment policy/strategy
- Action periodic interest payments on long term loans
- Instigate year-end accruals for investments and loans.
- Assist in the preparation of mid year treasury management reports and Annual Treasury Management Strategy and Outturn Reports.
- Administer the Council's 3% Stock, war stock and local bonds

- Monitor the Councils approved Prudential Indicators/Local Indicators and percentage of investments held as Specified/Non-Specified Investments
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Production of quarterly reconciliations for all Treasury Management ledger accounts

6. Assistant Finance Business Partner (Capital and Treasury), Finance Assistant (Banking), Finance Assistant (Banking and Control) and Insurance Assistant, Banking and Controls Officer

- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Absence cover for Finance Business Partners
- Download on a daily basis the Council's bank statements in order to monitor Council's cash position

- ***Absence cover arrangements*** – The Banking Team (within the Technical and Exchequer section) provides absence cover for the Finance Business Partner (Capital, Treasury and VAT) and the Assistant Finance Business Partner (Capital and Treasury).

- ***Dealing Limits* –** all staff authorised to deal on behalf of the Council must comply with the Council's Counterparty list limits set out in the Treasury Management Strategy as detailed in TMP schedule 1

- ***List of approved brokers*** –BGC Brokers, Tradition, King and Shaxson and Link Group

- ***Policies on recording of conversations* –** Calls to Brokers are currently recorded by the Brokers only. Taping facilities from the main Council switchboard are not available at present.

- ***Direct dealing practices*** – interest rates/risks are evaluated through comparing the rates offered by brokers and those offered direct from institution e.g. Debt Management Office. Should deals from direct institutions prove to be better value this option will be preferred.

- ***Settlement transmission procedures* –** all funds to be remitted in respect of a treasury management transaction are via CHAPS. The Council uses the Lloyds Commercial Banking online Electronic Payments System provided by the Council's Bankers. The procedure is as follows:

  - The officer setting up the payment completes a pro-forma detailing the agreed transaction(s) together with a batch header

- An officer with the appropriate level of access (see below) sets up the transaction(s) on Lloyds Commercial Banking online
- The transaction is approved by a separate officer with the appropriate level of access (see below) on Lloyds Commercial Banking online
- The transaction is then authorised by a separate officer with the appropriate level of access (see below) on Lloyds Commercial Banking online
- Finally, the transaction is submitted via Lloyds Commercial Banking online for onward transition to the borrower/lender

Lloyds Commercial Banking online Authorisation Levels

Post	**Lloyds Commercial Banking online Level ***
Chief Finance Officer	Authorisation
City Solicitor	Authorisation
Financial Services Manager	Authorisation
Principal Finance Business Partners	Authorisation
Finance Business Partner(s)	Set up, verify and first level of approval
Assistant Finance Business Partner	Setup
Banking Officer	Set up, verify and first level of approval
Exchequer Officer	Set up, verify and first level of approval

Lloyds Commercial Banking online is the electronic banking system of the Council's bank, Lloyds.

- ***Documentation requirements* –** Money market deals are confirmed using either the Institutional Cash Distributors (ICD) treasury portal, this is an online independent trading platform, or verbally with the money market fund, counterparty or broker. All the Money market funds currently in use by the Council are registered with ICD. All deals are followed by written confirmation of the transaction from the borrower/lender i.e. amount, interest rate, period, bank account details, proceeds or liability on maturity. Deposit accounts require an email/fax instruction when placing or withdrawing funds and this must be signed by one the Council's Authorised signatories. The Debt Management Office requires all deposits and withdrawals to be agreed verbally. In the event of the Council having temporary borrowing, the Council will confirm in writing the transaction. In addition, for those deals carried out via a broker, the broker will send their own confirmation of the transaction.

TREASURY MANAGEMENT PRACTICE 6
REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

- ***Content and frequency of board/committee reporting requirements* –** the annual Treasury Management Strategy sets out the expected treasury activities for the forthcoming financial year. This Strategy is submitted to the Audit Committee for review and scrutiny then onto the Executive who in turn recommends it to full Council, before the beginning of each financial year. The formation of the annual Strategy involves determining the appropriate treasury management decisions in light of the anticipated movement in both fixed and shorter-term variable interest rates. The Strategy is concerned with the following elements:

  - Debt and Investment Projections
  - Council's estimates and limits on future debt levels
  - The Expected Movement in Interest Rates
  - The Council's Borrowing Strategy
  - The Council's Investment Strategy
  - Treasury Performance Indicators and limits on activity
  - Local Treasury Issues

  In addition an annual report is presented to the Executive and Full Council at the earliest practicable meeting after the end of the financial year. The report details the performance against the Prudential and local indicators and treasury management activities carried out during the year (i.e. borrowing and investment levels).

  If any breach of the Policy occurs it will be reported to the Executive and Full Council i.e. breach of Prudential Indicators or Counterparty limits as soon as possible after they are identified.

  Any breaches of indicators and limits will be verbally reported to the Financial Services Manager and the Chief Finance Officer as soon as they are identified.

- ***Content and frequency of management information reports* -** The Chief Finance Officer reports on a mid year basis to the Performance Scrutiny Committee on the performance against the Prudential Indicators and summarises the treasury management activities over the previous six months. In addition the Council sets budgetary targets for investment interest and interest payable on borrowing, both on the General Fund and Housing Revenue Accounts. These budget targets are included in the Council's 5-year Financial Strategy and are monitored on a regular basis to ensure there are no material variances. In the event of material variances, these would be reported to the Council's Performance Scrutiny Committee and Executive as part of the quarterly budget monitoring reports. As soon as any variances are identified they will be reported to the Financial Services Manager and then to the Chief Finance Officer.

TREASURY MANAGEMENT PRACTICE 7
BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

- ***Accounting practices and standards* –** in accordance with the Accounting Code of Practice issued by CIPFA, the Council will bring together for budgeting and management control purposes all the costs associated with treasury management activities. These costs and income will be included in the respective revenue accounts included in the Councils 5-Year Financial Strategy.

- ***Sample budgets/accounts* –** the budgets/accounts arising from treasury management activities are as follows:

  - Investment interest (HRA, GF and other balances)
  - Interest payable on borrowing (HRA and GF)
  - Debt management expenses (HRA and GF)

  These budget targets are included in the Council's 5-year Financial Strategy and are monitored on a regular basis to ensure there are no material variances. In the event of material variances, these would be reported to the Council's Performance Scrutiny Committee and Executive as part of the quarterly budget monitoring reports.

- ***List of information requirements of external auditors* –** external auditors will have access to all papers supporting and explaining the operation and activities of the treasury management function. It is expected that the auditor will enquire whether the CIPFA Code on Treasury Management has been adopted and adhered to.

TREASURY MANAGEMENT PRACTICE 8
CASH AND CASH FLOW MANAGEMENT

- ***Arrangements for preparing/submitting cash flow statements*** – An up to date cash flow estimate will be maintained in order to effectively manage cash balances. The regular review and updating of the cash flow will be submitted to each internal treasury management meeting and will influence the treasury management decision-making and analysis processes detailed in TMP3.

- ***Content and frequency of cash flow budgets*** – An annual cash flow forecast is produced prior to the beginning of the financial year. This is reconciled to the closing ledger balance of the Council's Summary a/c bank statement on a daily basis. Cash flow forecasts are continually updated and revised in line with information received from a variety of sources.

  The annual cash flow forecast consists of an estimate of the total income, total expenditure and Treasury Management transactions in the financial year. Income receipts can be broken down into the following types:

  - NNDR, Council Tax and Council House Rents
  - Grants and Subsidy (including adjustments from previous years)
  - Capital Receipts from sale of assets
  - VAT
  - Debtor bills and other miscellaneous income from services provided by the Council
  - Interest from maturing investments, Money Market Funds and Bank accounts

  Expenditure can be broken down as follows:

  - NNDR to DLUHC and Lincolnshire County Council
  - Precepts to Lincolnshire County Council and Police Authority
  - Pooling of Housing Capital Receipts to DLUHC
  - General creditor payments for goods and services received
  - Payment of Benefit to claimants
  - Capital programme spend
  - Monthly salary payments
  - Income Tax and other deductions from salary (to HM Revenue and Customs)
  - Grants
  - Levies
  - Insurance premiums

Treasury Management can be broken down as follows:

- Interest payments on the Council's outstanding long-term debt
- Investments (deposits to borrowers) and investment maturities
- Repayment of maturing debt including debt restructuring
- Receipt and repayment of short and longer-term loans

▪ ***Listing of sources of information*** – the sources of information used to initially compile and regularly up date the cash flow are as follows:

Income:

- DLUHC grant schedules (i.e. RSG)
- Other grant schedules (i.e. Home Office, DWP,)
- Internal Systems (i.e. Council Tax, Council House Rents, Capital Receipts, VAT, Debtors, Short and longer-term loans, Investment maturities and interest.)

Expenditure:

- DLUHC and Lincolnshire County Council payment schedules (i.e. NNDR payable)
- Lincolnshire County Council and Lincolnshire Police precept schedules
- Drainage Board schedules (Levies)
- Grant Forms (i.e. DLUHC pooling of Right To Buy capital receipts)
- Internal Systems (Housing Benefit Payments, Revenue and Capital Creditors, Payroll, Insurance premiums, Interest payments on the Council's outstanding debt, Investments, Maturing Debt)
- The Council's 5-year Financial Strategy to calculate the creditor payments for goods and services received (capital and revenue)

▪ ***Bank statements procedures*** – Bank statements are available to be downloaded electronically on a daily basis from the Lloyds Commercial Banking online system.

▪ ***Payment scheduling and agreed terms of trade with creditors*** – Creditor payment runs are currently scheduled twice weekly. The majority of these payments (approximately 95% by total value) are paid by electronic means (primarily by BACS). The City Council aims to pay 100% its creditors within their agreed payment terms or if no terms are quoted within 30 days of receipt of their demand for payment.

▪ ***Arrangements for monitoring debtor/creditor levels*** – the raising of debtors is currently carried out within departments, but centrally controlled by the Exchequer Section. The recovery of outstanding Debtor invoices is undertaken by the Recovery Team within the Revenue and Benefits Shared Service, who follow strict recovery procedures.

- ***Procedures for banking of funds*** – See Banking Officer for further detail.

TREASURY MANAGEMENT PRACTICE 9
MONEY LAUNDERING

- ***Procedures For Establishing Identity / Authenticity Of Lenders***

The City of Lincoln Council will not accept loans from individuals. All loans are obtained from the Public Works Loan Board, other local authorities, or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA web site on www.fca.gov.uk. When repaying loans, the procedures below will be followed to check the bank details of the recipient.

- ***Methodology For Identifying Sources Of Deposit***

In the course of its treasury activities, the Council will only lend money to, or invest with, those counterparties that are on its approved lending list and meet minimum criteria (TMP schedule 1). The Council only places deposits with counterparties which have been credit checked by the Rating Agencies Fitch, Moody's or Standard and Poor's. All transactions will be carried out by Direct Debit, BACS or CHAPS for making deposits or repaying loans.

- ***Anti-Money Laundering Reporting Officer***

The Council has appointed the City Solicitor to be the responsible officer to whom any suspicions that transactions involving the Council may involve the processing of criminal proceedings, should be reported. The City Solicitor will investigate the suspicion and will report the findings to the Chief Executive (the Disclosure Officer) if deemed necessary. Suspicious transactions will be investigated, as far as the Council is in a position to do so, or it is appropriate for the Council to do so and, if doubts remain, these transactions will then be reported to the National Criminal Investigation Service.

TREASURY MANAGEMENT PRACTICE 10
STAFF TRAINING AND QUALIFICATIONS

- ***Details of approved training courses*** – In addition to extensive on the job training, all staff involved in Treasury Management are given the opportunity/encouraged to attend courses that are both specific to relevant issues and developmental in nature, to provide a wider context of the treasury management function e.g. to provide updates on the implications of new regulations/legislation/codes of practice or to obtain the latest economic forecasts for the economy and interest rates. Staff keep a record of courses and seminars they have attended.

- ***Approved qualifications for treasury staff***

  - Chartered Institute of Public Finance and Accountancy (CIPFA)
  - Other CCAB qualifications i.e.
    - Institute of Chartered Accountants in England and Wales (ICAEW),
    - Chartered Institute of Management Accountants (CIMA)
    - and Association of Certified Chartered Accountants (ACCA).
  - Association of Accounting Technicians (AAT).

  Those staff that are CIPFA members are required by their Institute to act in accordance with CIPFA's Standard of Professional Practice on Treasury Management and the Chief Finance Officer also has a responsibility to ensure that the relevant staff are appropriately trained.

TREASURY MANAGEMENT PRACTICE 11
USE OF EXTERNAL SERVICE PROVIDERS

- ***Details of contracts with service providers, including bankers, brokers, consultants and advisors*** –

  - Lloyds Bank provides the primary Banking services.
  - Allpay provide services for the collection of Council Tax, Rent and sundry debtors through Post Office and Paypoint facilities.
  - BGC Brokers, King and Shaxson, Tradition and Link Group provide money brokering services to the Authority. The City Council does not have a formal written contract with any of these organisations, therefore the Council is not restricted to using these brokers.
  - The Council contracts with an external consultant to provide expert independent advice on all aspects of Treasury Management services from a complete analysis of the Council's financial position with regard to its strategy and objectives, technical advice on all aspects of capital finance through to interest rate forecasting and economic advice. The current external consultant is Link Group.
  - The Council makes use of a number of money market funds (MMFs), all of which are AAA rated, to place cash deposits. These MMFs have no fees and are used when their interest rates are competitive. The amount deposited with any MMF is restricted in line with the limits detailed in TMP1. The use of MMFs has the benefit of providing a liquid source of cash for cashflow management as funds can be withdrawn at any time with no notice.
  - The Council makes use of a number of Call Accounts operated by UK banks to place cash deposits. These accounts have no fees and are used when interest rates are competitive. The amounts deposited with Call Accounts are restricted in line with the counterparty limits detailed in TMP1. The funds deposited in call accounts require notice before they can be withdrawn.

- ***Procedures and frequency for tendering services*** – The Council's main banking services are subject to tender.

- The Allpay contract was renewed for two years from February 2020 with an option to extend for a further two years utilising a framework agreement.

TREASURY MANAGEMENT PRACTICE 12
CORPORATE GOVERNANCE

- ***List of documents to be made available for public inspection*** – The Council is committed to openness and transparency in its treasury management activities as demonstrated by the production of these TMP's and the adoption of the Treasury Management Code of Practice. In addition information about the Council's treasury management activities is freely accessible and contained in public documents;

    - 5-Year Medium Term Financial Strategy (Executive and Full Council)
    - Annual Prudential Indicator and Treasury Management Strategy (Audit Committee, Executive and Full Council)
    - Treasury Management Outturn Report (Performance Scrutiny Committee and Executive and Full Council)
    - Half Yearly Treasury Management Performance Report (Performance Scrutiny Committee and Executive)

- The procedures set out in these TMP's for reporting and audit of treasury management activities (both by internal and external audit) are designed to ensure the integrity and accountability of the function and these will be rigorously enforced. Furthermore the use of performance indicators should ensure continued best value in the allocation of treasury management resources.

EXTRACT FROM COMMITTEE

Audit Committee **1 February 2022**

53. Declarations of Interest

Councillor Vaughan declared a Personal Interest in minute 54 as Grand Daughter worked in the Finance Section at City of Lincoln Council.

54. Prudential Indicators 21-22 - 2024/25 and Treasury Management Strategy 2022/23

Sarah Hardy, Principal Finance Business Partner:

a) presented a report for Audit Committee to scrutinise and recommend to the Executive for approval the adoption of the 15 statutory prudential indicators and 8 local indicators for the period 2021/22 to 2024/25, together with the 2022/23 Treasury Management Strategy, prior to being reported to Council for final approval

b) referred to training undertaken prior to the start of this meeting in relation to Treasury Management in order to help members take an informed view on the contents of this report

c) summarised the key prudential indicators which had been incorporated into the 2022/23 strategy; the projected capital expenditure would determine the capital financing or borrowing requirement, which would in turn determine the actual level of external borrowing taken and hence, cash balances available for investment

d) reported on the methodology employed for selecting investment counterparties as detailed at paragraph 2.2 of the report

e) advised that the strategy for 2022/23 had been prepared taking into account changes in the Prudential Code and Treasury Management Code as detailed at paragraph 2.3 of the report.

f) outlined the operation of the Council's prudential indicators, its treasury function and its likely activities for the forthcoming year, incorporating the four key Council reporting requirements as follows:

- Prudential and Treasury Indicators
- Minimum Revenue Provision (MRP) Statement
- Treasury Management Strategy
- Investment Strategy

g) referred to information provided at paragraph number 4.1.2 of the report in relation to Capital Expenditure and Financing, which would be broken down further between the General Fund and Housing Revenue Account as requested by members

h) requested that Audit Committee review the content of the report and its associated appendices and recommend to Executive and Council for approval.

i) invited questions and comments

The committee discussed in detail the arrangements that had been put in place for the Treasury Management training and suggestions were made to hold virtual training at a time that was not immediately before Audit Committee. Officers responded that consideration would be given to when and how training sessions could be delivered in future.

The Chair referred to North Kesteven District Councils Treasury Management Strategy which included a paragraph in relation to investing in Environmental, Social and Governance (ESG) and asked if something similar could be included in the City of Lincoln Council Treasury Management Strategy. Officers responded that whilst the Council would like to make this statement, in practice it would be difficult to achieve. A balance was needed between investing in ESG and the Councils finances. The committee further commented that it was important to recognise ESG and should be considered going forward. Officers agreed that this would be investigated and to find out how it could be implemented and evidenced and to understand the affect that this would have on the Councils finances. This would be considered and options would be proposed in next year’s Treasury Management Strategy.

RESOLVED that:

1. The prudential indicators detailed in Section 4.1 and Appendix 1 of the report be recommended to Executive and Council for approval.

2. The Treasury Management Strategy (including the Treasury Management Prudential Indicators and the Investment Strategy) as set out in Section 4 and Appendix 3 of the report be recommended to Executive and Council for approval.

3. The revised MRP policy detailed in Appendix 2 of the report be recommended to Executive and Council for approval.

Item No. 8

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**PAY POLICY STATEMENT 2022/23**
DIRECTORATE:	**CHIEF EXECUTIVE**
REPORT AUTHOR:	**CLAIRE BURROUGHS, HR AND WORKED BASED LEARNING MANAGER**

1. Purpose of Report

1.1 To request that Executive recommend to Council the attached Pay Policy Statement, drafted in compliance of section 38 (1) of the Localism Act 2011.

2. Background

2.1 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year. This must be approved by Council by the end of March.

2.2 The Government requires local authorities to produce pay policy statements which articulate an authority’s own policies towards a range of issues relating to pay of its workforce, particularly its senior staff and its lowest paid employees.

2.3 The Government also considers that decisions on pay policies should be taken by elected members, as those directly accountable to local communities. The Act therefore requires the pay policy statement and any amendments to be considered by a meeting of full Council and cannot be delegated to any committee.

3. Pay Policy 2022/23

3.1 In order to comply with the Act, the pay policy statement must include the Council’s policy on:

- The level and elements of remuneration for chief officers
- The remuneration of the lowest paid employee, and the definition of ‘lowest paid employee’
- The relationship between the remuneration of chief officers and other officers
- Specific aspects of chief officers’ remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

3.2 The Pay Policy Statement must be:-

- approved formally at full Council by the end of March each year but can be amended at any time during the year

- published on the Council’s website
- complied with when the council sets its terms and conditions for chief officers

The City of Lincoln Pay Policy Statement is attached at **Appendix 1.**

4. Strategic Priorities

4.1 Let’s reduce inequality

By producing the pay policy statement, the Council ensures, in relation to any remuneration that it is being transparent and accountable.

5. Organisational Impacts

5.1 Finance

As identified in the attached statement.

5.2 Legal Implications including Procurement Rules

The legal considerations are set out in the body of the report and therefore there are no additional legal implications arising. The pay policy statement complies with the statutory requirements.

5.3 Equality, Diversity and Human Rights

The requirements of the Equality Act are considered as part of the recruitment, selection and pay structure processes.

6. Recommendation

6.1 That the Pay Policy Statement be forwarded to Council with a recommendation to approve.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	One
List of Background Papers:	None
Lead Officer:	Claire Burroughs, HR and WBL Manager Telephone (01522) 873856

City of Lincoln Council Pay Policy Statement 2022/23

1. Introduction

The City of Lincoln Council recognises the need to manage scarce public resources while balancing the need for remuneration at all levels to be adequate to secure and retain high quality employees who are dedicated to public service.

It is important that the City of Lincoln Council is able to determine its own senior pay structures in order to address local priorities and compete in the local labour market.

It is recognised that senior management roles in local government are complex and diverse functions which operate in a political environment where national and local pressures may conflict. The City Council's ability to attract and retain high calibre leaders capable of delivering a complex agenda during times of financial pressure is crucial especially when the numbers of senior management roles are reducing.

2. Legislation

Section 38 (1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The Act provides details on matters that must be included in the policy and guidance from DCLG, JNC for Chief Officers of Local Authorities and ALACE have been used in preparing this statement.

The Pay Policy Statement must be:

- approved formally at full Council by the end of March each year but can be amended at any time during the year
- published on the Council's website
- complied with when the Council sets its terms and conditions for Chief Officers

3. Context

The Council, like all other local authorities, continues to face unprecedented and uncertain times as it copes with the challenge of delivering public services with a much lower level of financial resources than previously.

The Council continues to do all that it can to minimise the effects arising from annually reduced resources on the public sector and those employed by the Council and will prioritise those services that are needed the most.

It has taken sensible steps to comprehensively review the services it delivers, and the way that it delivers them, so that its limited resources are used to maximum effect, and it will continue to build on its record of delivering new and better ways of doing things.

4. Scope

In order to comply with the Act, the pay policy will include the Council's policy on:

- The level and elements of remuneration for Chief Officers
- The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
- The relationship between the remuneration of Chief Officers and other officers
- Specific aspects of Chief Officers' remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

5. Senior Pay

In this Policy the senior pay group covers the top five tiers of the organisation. These are the Chief Executive, Strategic Directors, Assistant Directors and Heads of Service.

The Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities and the Joint Negotiating Committee (JNC) for Chief Executives adopted a modified version of the HAY job evaluation scheme for authorities to use to facilitate a review of senior posts.

In 2003 the Employers Organisation was engaged by the City Council to evaluate senior management posts using the HAY Job Evaluation Scheme. This exercise was repeated in 2005.

In early 2015 a restructure of the Council took place which saw the introduction of two Statutory Officer posts and they, together with the Assistant Directors, were given a wider remit in terms of strategic service delivery. As a result of the restructure, a further salary evaluation was undertaken, and the following salary ranges were agreed.

Chief Executive	-	£109,422	-	£123,588
Strategic Directors	-	£83,541	-	£97,515
Statutory Officers	-	£71,130	-	£76,578
Assistant Directors	-	£61,896	-	£68,256
Head of Joint Service	-	£54,501	-	£60,861

The percentage differentials between grades is between 76 and 79% of the Chief Executives bandings for Strategic Directors, 62 and 65% Chief Executives bandings for Statutory Officers, 70 to 74% Strategic Directors bandings for Assistant Directors and 62 to 65% Strategic Directors for Head of Joint Service.

Since this date salary increases will be in line with the negotiated settlements as agreed by the JNC for Chief Officers and Chief Executives.

5.1 Current Salary Levels for Chief Officers

Chief Executive annual salary bands

CX01 £109422
CX02 £113469
CX03 £117507
CX04 £121577
CX05 £123588

Strategic Directors' annual salary bands (76 to 79% of Chief Executives pay bandings)

CD01 £83541
CD02 £87669
CD03 £91791
CD04 £95919
CD05 £97515

Statutory Officers annual bands (62 to 65% of Chief Executives pay bandings)

SO01 £71130
SO02 £72492
SO03 £73854
SO04 £75213
SO05 £76578

Assistant Directors annual bands (70 to 74% of Strategic Directors pay bandings and 55 – 56% of Chief Executive pay bandings)

C001 £61896
C002 £63486
C003 £65076
C004 £66672
C005 £68256

Head of Joint Service annual bands (62 to 65% of Strategic Directors pay bandings and 49% of Chief Executive pay bandings)

JS01 £54501
JS02 £56085
JS03 £57675
JS04 £59271
JS05 £60861

Any national pay award, once agreed, would be applied.

The bands are in place to recognise and reward long service and loyalty, and also to allow some discretion in terms of starting salaries based on:

- Salary levels in a previous role
- Qualifications, skills and knowledge which are desirable within the role but if already held by the individual would diminish the need for training and development.

5.2 Allowances and benefits for the Chief Executive and Chief Officers

There are no other additional elements of remuneration in respect of overtime, bank holiday working, stand-by payments, enhanced payments for evening or weekend working paid to senior staff, as they are expected to undertake duties outside their contractual hours and working patterns without additional payment. In line with this we do not operate an 'earn back' scheme and do not consider this would be appropriate at this time.

5.3 Severance of Chief Officers contracts

There is no severance package for Chief officers, outside of those relating to entitlements under the JNC Terms and Conditions, the polices of City of Lincoln Council and the Local Government Regulations which relate to all employees on termination or dismissal.

5.4 Publication of information relating to Chief Officer Pay

Rates of pay are published in accordance with the Localism Act**.**

5.5 Additional Fees

The Chief Executive is the Returning Officer for the City of Lincoln Council. The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983, although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. The Returning Officer is personally responsible for:

- the nomination process for candidates and political parties;
- provision and notification of polling stations;
- appointment of presiding officers and polling clerks;
- appropriate administration and security of polling stations;
- preparation of all ballot papers;
- the actual Count and Declaration of Results;
- issue, receipt and counting of postal ballot papers;
- all candidates' election expenses return

6. Pay Structure

The pay structure for employees who are covered by the National Joint Council for local Government Services (Green Book) are calculated using the Greater London Provincial Council Job Evaluation Scheme. Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. Employees can move up a spinal column point within their grade after each year of service until the highest spinal column point is reached.

The Salaries for employees covered by the Joint Negotiating Committee for Local authority Craft and Associated Employees (Red Book) are within the Craft Development scheme which was agreed under the terms of a local agreement in 2006. Employees under the Craft Development Scheme are paid according to their skills and ability linked to their specific craft.

Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. A pay award with effect from 1st April 2021 has not been agreed to date.

The Council does not have a policy that would allow any employee to minimise tax payments.

7. Living Wage

The Council became an accredited member of the Living Wage Foundation in October 2013.

The Council has previously implemented the living wage increases. Depending on the outcome of the pay award negotiations for 2020/21 will determine whether the Council would progress to seek approval to implement the latest living wage rate. The Council implemented the living wage increase of £9.50 in April 2021.

8. Relationship between pay rates

The lowest paid employee within the Council is on a scale S1B and is paid £17,988. The hourly rate for this lowest scale is currently above the living wage rate (£9.3237).

The highest graded post is that of Chief Executive of £123,588 per annum.

Therefore, the ratio between the Chief Executives pay and the lowest paid employees is 6.9:1. This is the same as last year and considered to be acceptable at this time.

9. Pension contributions

All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table.

Local Government Pension Scheme – contribution bands with effect from the 1 April 2021.

Band	Salary Range	Contribution Rate
1	£0 - £14600	5.5%
2	£14601 - £22900	5.8%
3	£22901 - £37200	6.5%
4	£37201 - £47100	6.8%
5	£47101 - £65900	8.5%
6	£65901 - £93400	9.9%
7	£93401 - £110000	10.5%
8	£110001 - £165000	11.4%
9	More than £165000	12.5%

Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.

10. Travel

Essential car user allowance has been removed from all employees except where it is provided as a reasonable adjustment in relation to disability. Mileage is paid at the prevailing HMRC rate for all employees.

11. Professional fees

Professional fees are only paid to practising Solicitors who require membership in order that they can lawfully act as a Solicitor.

12. Market Supplements

No market supplements are paid.

13. Discretionary Payments

The Council has an approved Change Management Policy which includes an Early Retirement and Redundancy policy, and this will be applied equally to all members of staff. The Council has a flexible retirement policy.

14. Decision Making

Decisions on remuneration are made by Executive.

15. Disclosure

This Pay Policy Statement will be published on the Council's Website. In addition, details of employees paid above £50,000 are disclosed.

16. Review

This Pay Policy will be reviewed annually in line with the Localism Act and any guidance issued by the DCLG.

December 2021

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Item No. 9

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**ACCREDITED LIVING WAGE INCREASE NOVEMBER 2021**
DIRECTORATE:	**CHIEF EXECUTIVE**
REPORT AUTHOR:	**CAROLYN WHEATER, CITY SOLICITOR**

1. Purpose of Report

1.1 To recommend to Executive the proposed increase to the living wage announced by the Living Wage Foundation in November 2021.

2. Background

2.1 The Council is committed to maintaining its Living Wage accreditation and to do so the Council has six months to implement the accredited living wage following an increase.

2.2 In November 2021 it was announced that the accredited living wage would increase from £9.50 an hour to £9.90 an hour.

3. Implementation

3.1 The aim of implementing the accredited living wage is to ensure that no employees are paid below the accredited living wage hourly rate.

Since achieving accreditation, the Council has taken an active role externally to encourage Lincoln businesses to also pay the accredited living wage.

In November 2020 the government introduced a higher minimum wage rate for all staff over 23 years of age and by law all employers must pay at least £9.50 per hour with effect from April 2022. This calculation is through a percentage of median earnings currently at 55%. The calculation for the living wage is made through the cost of living, based on a basket of household goods and services.

Currently there are 61 employees who are paid less than the proposed accredited living wage rate of £9.90. 53 employees are on Scale 4 and below with the remaining on different terms and conditions through TUPE transfers.

4. Strategic Priorities

4.1 <u>Let's drive economic growth</u>

Provision of the accredited living wage to employees supplies them with a higher disposable income which is likely to be spent locally.

4.2 <u>Let's reduce inequality</u>

Provision of the accredited living wage protects the poorest people in Lincoln by providing a wage which is considered to be at a level to provide a living, in contrast to the minimum wage.

5. Organisational Impacts

5.1 Finance

Current Position

The draft MTFS 2022-2027 assumes a pay award of 1.75% for 2022/23, which is in addition to the pay award for 2021/22 that is currently under negotiation (1.75% for 2021/22 is also assumed in the draft MTFS).

A pay award of a minimum of 1.5% for 2021/22 would bring those on scale points 3 and 4 (39 employees) to over £9.90 per hour, their hourly pay would be further increased by any agreed pay award for 2022/23.

Those employees on scale points below 3 (22 employees) would still be below the hourly rate of £9.90 should the pay award be agreed at 1.75% in both 2021/22 and 2022/23. The additional cost to the Council to implement the accredited living wage for these employees would be c£600 p.a.

5.2 Equality, Diversity and Human Rights

There are currently 61 employees who are paid under the accredited living wage rate of £9.90.

The breakdown of these is 25 male and 36 females.

6. Recommendation

6.1 To recommend to Executive implementation of the latest accredited living wage uplift during April 2022.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	None
List of Background Papers:	None
Lead Officer:	Carolyn Wheater, City Solicitor Telephone (01522) 873323

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**HR POLICIES** • ***MISCARRIAGE AND STILLBIRTH POLICY*** • ***MATERNITY/PATERNITY/ADOPTION LEAVE POLICY UPDATE***
DIRECTORATE:	**CHIEF EXECUTIVE**
REPORT AUTHOR:	**ALI THACKER (HR AND PAYROLL TEAM LEADER)**

1. Purpose of Report

1.1 To request that Executive approve the proposed introduction of a Miscarriage and Stillbirth Policy and an update to the Maternity/Paternity/Adoption Leave policy in order to become a Foster Friendly Employer.

2. Background

2.1 The HR team are required to continually review the Council's policies and procedures as and when required to ensure they are clear, cohesive, fit for purpose, and legally compliant.

2.2 The HR team propose to introduce a Miscarriage and Stillbirth Policy. In addition, the HR team propose to add provisions to the Maternity/Paternity/Adoption Leave Policy in order to become a Foster Friendly Employer.

These policies have previously been discussed with the Trade unions and were taken through JCC on 18th January 2022.

3. Main Changes

<u>Miscarriage and Stillbirth Policy</u>

3.1 This proposed policy sets out the rights of employees affected by a miscarriage or stillbirth and explains the emotional and practical support that we can provide as an employer.

We recognise that the effects of a miscarriage or stillbirth can be extremely distressing and that many employees will regard a miscarriage as the loss of a baby, regardless of how early in pregnancy it occurs.

A miscarriage or stillbirth can have significant physical and emotional consequences, which may affect an employee's attendance or performance at work.

We are committed to supporting employees who are affected by a miscarriage or stillbirth, and we encourage employees to discuss their situation with us.

This policy specifically outlines how a miscarriage or stillbirth may affect an employee at work and encourages employees to tell the Council if they have had a miscarriage or stillbirth. The policy also sets out what time off employees will be entitled to if they have had a miscarriage or stillbirth and provides an overview of the types of support which we as a Council can offer to employees.

In addition to this the policy also sets out the roles of other employees where a colleague is experiencing a miscarriage whilst at work.

3.2 **Foster Friendly – Policy Amendments**

In order to become a Foster Friendly Employer, the Council would need to:

'Agree to implement a fostering friendly HR policy for all foster carers in their employment and to promote Foster Care Fortnight.'

In summary our policy would need to show that:
1. It applies to all employees who are foster carers
2. Foster carers in employment with our organisation are entitled to an additional five days paid leave per annum to allow for the process of becoming a foster carer, settling in a new child, training courses, support groups, meetings and emergencies
3. We promote Foster Care Fortnight during the annual campaign

Based upon the above we propose to insert section 14 into the Maternity/Paternity/ Adoption Policy.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)

There would not be any significant costs associated with this proposal.

4.2 Legal Implications including Procurement Rules

There are no legal implications arising from this report.

4.3 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

These policy changes are aimed at improving provisions and support to employees who are affected by a miscarriage or stillbirth, and to employees who are foster carers/ becoming foster carers.

4.4 Human Resources

The joint HR and Trade Union meetings have been used to consult with the Trade Unions so that their views can be taken into account prior to JCC.

There were no concerns or issues raised during JCC, and the Unions outlined that they were in full support of these proposed changes.

4.5 Land, Property and Accommodation

Not applicable.

4.6 Significant Community Impact

Not applicable

4.7 Corporate Health and Safety implications

Not applicable.

5. Risk Implications

5.1 (i) Options Explored

Not applicable.

5.2 (ii) Key Risks Associated with the Preferred Approach

Not applicable.

6. Recommendation

6.1 That Executive approve the proposed introduction of the Miscarriage and Stillbirth Policy and the proposed changes to the Maternity/ Paternity/ Adoption Leave policy in terms of becoming a foster friendly employer.

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?	2
List of Background Papers:	2 Policies **Miscarriage and Stillbirth Policy** **Maternity/Paternity/ Adoption Policy.**
Lead Officer:	Ali Thacker HR and Payroll Team Leader 3801

City of Lincoln Council

Miscarriage and Stillbirth Policy

Introduction

This policy sets out the rights of employees affected by a miscarriage or stillbirth and explains the emotional and practical support that we can provide.

We recognise that the effects of a miscarriage or stillbirth can be extremely distressing and that many employees will regard a miscarriage as the loss of a baby, regardless of how early in pregnancy it occurs.

A miscarriage or stillbirth can have significant physical and emotional consequences, which may affect an employee's attendance or performance at work.

We are committed to supporting employees who are affected by a miscarriage or stillbirth and we encourage you to discuss your situation with us if you are comfortable doing so.

Definitions

The following definitions are used in this policy:

"Miscarriage" means the loss of a baby before the end of the 24th week of pregnancy.

"Stillbirth" means the loss of a baby after 24 complete weeks of pregnancy.

"Ectopic pregnancy" means a pregnancy that develops outside the uterus, most often in the fallopian tubes.

"Molar pregnancy" is where a fertilised egg implants in the uterus but cannot develop because it does not contain the correct genetic material.

References to a miscarriage in this policy include an ectopic pregnancy and a molar pregnancy.

How a miscarriage or stillbirth may affect an employee at work

Having a miscarriage or stillbirth can affect an employee in several different ways, which can in turn affect their work or performance. These include:

- physical symptoms, such as pain, bleeding, lactation, tiredness, or a loss of appetite;
- difficulty sleeping or concentrating;
- loss of motivation;
- finding social interaction more difficult;
- mood swings, irritability, or tearfulness; and
- mental health problems, such as depression or anxiety.

Telling us about your miscarriage

You do not have to tell us that you have had a miscarriage.

However, if you would like to do so, we encourage you to tell your line manager and/or Human Resources (HR) at an early stage, so that we can provide any necessary support. You will not be treated unfavourably because you tell us about a miscarriage.

Any information given to line managers and HR is confidential. Colleagues will only be told about the miscarriage if this is what you want. Your line manager/HR will discuss your wishes with you.

If you do not want to tell your line manager or the HR department about your miscarriage, you can access support by approaching the Councils Employee Assistance Programme.

Telling us about your stillbirth

We encourage you to tell your line manager and/or the HR department about your stillbirth at an early stage, so that we can provide any necessary support. You will not be treated unfavourably because you tell us about a stillbirth.

Any information given to line managers and HR is confidential. Colleagues will only be told about the stillbirth if this is what you want. Your line manager and/or HR will discuss your wishes with you.

Time off

Employees who have had a miscarriage may need time off work to recover from the physical and emotional consequences.

Employees who have had a stillbirth are likely to require time off to recover from the physical effects of giving birth.

In either case, the amount of time off that is needed will vary from individual to individual.

Your right to time off and the type of leave that you can take depends on whether you have had a miscarriage or a stillbirth (see definitions above).

Miscarriage

If you are unwell and unable to attend work following a miscarriage, we will handle this under the Councils Sickness Policy. You will need to self-certify absences of up to seven days or provide a GP's fit note for longer periods of absence in accordance with the policy.

Your certificate or fit note should confirm that the absence is pregnancy related. Your right to sick pay is also covered by your terms and conditions of employment.

You may want to consider taking a period of annual leave if you do not qualify for paid sick leave. You should request this in the usual way. We will consider any request sympathetically. We are also willing to consider requests for periods of unpaid leave. You should discuss this with your line manager.

Under our Leave Entitlement Policy, employees are also entitled to reasonable time off for compassionate leave. Further information about how to request compassionate leave is contained in the policy.

Stillbirth

Employees who have had a stillbirth can take statutory maternity leave and (if eligible) receive statutory maternity pay. Maternity leave starts on the day after a stillbirth.

If you would like to take maternity leave, you should tell us about the stillbirth as soon as possible and provide a copy of your MATB1 certificate if you have not already done so. Further information can be found in our Maternity/Paternity/Adoption Leave Policy.

Employees can also take up to two weeks' statutory parental bereavement leave after their statutory maternity leave, and (if eligible) receive statutory parental bereavement pay.

Practical and emotional support

We offer a variety of practical and emotional support that may be relevant to employees who have had a miscarriage or stillbirth. These include the following:

Employee Assistance Programme

Occupational Health

Mental Health First Aiders

The following are external sources of help and support:

- The Miscarriage Association, which provides support and information to those affected by miscarriage, ectopic pregnancy or molar pregnancy and offers a pregnancy loss helpline;
- Sands, which provides support to anyone who has been affected by stillbirth or neonatal death;
- Tommy's, a charity that carries out research and supports those who have lost babies;
- the Mariposa Trust, a charity that provides support to those affected by baby loss and bereavement;
- Antenatal Results and Choices (ARC), a charity providing support to those who decide to terminate a pregnancy for medical reasons; and
- Mind, which provides support and information to those experiencing mental health issues for any reason.

Returning to work

Your line manager will keep in touch with you during any period of leave after a miscarriage or stillbirth to discuss:

- what information, if any, you want to share with colleagues before you return to work and how that information should be provided;
- any additional support you need to return to work, such as a phased return/temporary changes to your duties, hours, or location of work/a period of homeworking/additional breaks; and
- any adjustments recommended by a health and safety risk assessment.

Your line manager will arrange a meeting with you to discuss these issues before your return to work if you would find that useful.

Your line manager will also have regular meetings with you after your return to work so that we can continue to provide adequate support.

Rights of partners and fathers/parents

We recognise that the loss of a baby is a distressing experience for both parents. Therefore, an employee whose partner has a miscarriage or stillbirth, or the father or parent of the baby who has passed away, may also need support or be eligible for time off.

The sources of practical and emotional support listed above are also open to fathers and partners and we encourage employees to access these. The Miscarriage Association has published guidance Partners Too, which they may find helpful. They should discuss any additional support that they need with their line manager.

The right to time off for partners and fathers/parents depends on how long the pregnancy lasted.

Miscarriage

Employees can take a reasonable amount of unpaid time off, also known as time off for dependants, to provide assistance if their spouse or civil partner falls ill. Employees should tell the organisation the reason for their absence as soon as possible and say how long they expect to be off work. Further details are set out within the Leave Policy.

Stillbirth

Employees can take a reasonable amount of unpaid time off, also known as time off for dependants, to provide assistance if their spouse or civil partner falls ill. Employees should tell the organisation the reason for their absence as soon as possible and say how long they expect to be off work. Further details are set out within the Leave Policy.

In addition to unpaid time off, the partner of an employee who has a stillbirth, or the father/parent of the baby who has passed away, may be eligible for:

- either one or two weeks' statutory paternity leave and pay. Further information is set out in our Maternity/Paternity/Adoption Leave Policy;
- up to two weeks' statutory parental bereavement leave and pay, which can be taken as two separate weeks or a single period of leave. Further information is set out in our Maternity/Paternity/Adoption Leave Policy; and
- compassionate leave under our Leave Policy.

The role of other employees

If a colleague is experiencing a miscarriage while they are at work, employees should respond sympathetically and supportively.

Practical steps that you can take include:

- ensuring that they have privacy and access to a toilet;
- providing a wrap or covering if they are bleeding heavily;
- arranging transport home or to a hospital as appropriate (including calling an ambulance if this is necessary and arranging for someone to accompany them);
- calling their partner or a friend to notify them of the situation, if this is what they want; and
- reassuring them not to worry about work and that arrangements to cover their work will be made.

We recognise that an employee whose partner is having a miscarriage or stillbirth may need to leave work at short notice and arrangements will be made to accommodate this.

If a colleague has chosen to share information about a miscarriage or stillbirth, when they return to work employees should offer them sympathy and support and acknowledge their loss. The Miscarriage Association has published Supporting someone you know, which contains guidance on how to talk sensitively about miscarriage in the workplace.

Data protection

We will process any personal data collected in accordance within the Councils Data Protection Policy. Data collected from the point at which we become aware of the issue is held securely and accessed by and disclosed to individuals only for the purposes of providing the necessary support.

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Maternity/Paternity/Adoption Leave Policy

1. Introduction

The City of Lincoln Council is fully committed to supporting employees with children. There are various entitlements that are available to our employees at different stages of their parental journey. These entitlements come from statute, national terms and conditions and the discretion of the Council.

2. Scope of this policy

This policy applies to all eligible staff employed by the Council.

3. Aims of the Policy

This policy explains the leave entitlements for employees. It sets out the qualifying criteria, leave entitlement and pay and conditions relating to:

- Maternity leave
- Maternity support leave
- Shared Parental Leave
- Paternity leave
- Parental leave
- Adoption leave
- Adoption support leave
- Childcare Financial Support
- Foster Carer leave

4. Glossary

AML – Additional Maternity Leave

AAL – Additional Adoption Leave

EWC – Expected week of confinement

OAL – Ordinary Adoption Leave

OAP – Occupational Adoption Pay

OML – Ordinary Maternity Leave

OMP – Occupational Maternity Pay

OPP – Occupational Paternity Pay

SAP – Statutory Adoption Pay

SMP – Statutory Maternity Pay

SPP – Statutory Paternity Pay

SPL – Shared Parental Leave

5. Maternity Leave

5.1 Rights and qualification Criteria

To qualify for maternity leave you must be a pregnant employee. You are entitled to take the leave regardless of whether you are on a permanent, fixed, temporary, full or part-time contract and regardless of your length of service.

You are entitled to 52 weeks maternity leave, which is made up of:
- 26 weeks ordinary maternity leave - OML
- 26 weeks additional maternity leave - AML

During both the OML and AML the employee benefits from and is bound by all terms and conditions relating to employment except those relating to remuneration.

You do not have to take all of your maternity leave entitlement but you must take 2 weeks compulsory maternity leave directly after the birth of your baby.

To qualify for maternity leave you must tell us in writing, at least 28 days before leave begins or as soon as reasonably practical that:
- you are pregnant
- the week you are expecting your baby to be born (EWC)
- the date you intend to start your maternity leave

5.2 Leave

You can start your leave any time from 11 weeks before the beginning of the week when your baby is due. If you are off work because of a pregnancy related illness at any point during the four weeks before the expected birth date, your maternity leave will automatically start the next calendar day. The pregnancy related illness is likely to trigger this happening if the likely duration of the illness means you will not return to work before your intended return date or you are likely to return for less than a week before starting the leave.

You are entitled to take reasonable paid time off to attend antenatal appointments while you are pregnant, providing you produce evidence of the appointments. These appointments will include:

- Medical examinations
- Medical scans
- Relaxation classes
- Parent craft classes

Once you have notified your Line Manager a risk assessment must also be undertaken by your manager and Health and Safety to assess your working environment etc. This usually takes place between weeks 12 –16 but can be done before this time, but ideally should not be done any later. This can be done confidentially. HR and Payroll will answer any queries you may have in relation to your options and entitlements.

5.3 Keeping in touch days

During your leave it is useful for us to keep in contact. We will be able to make reasonable contact with you during your maternity leave, this may be to update you on changes in the workplace, or ask about arrangements for your return.

To help you keep up to date with work and in contact with colleagues you can request to work up to ten days during your maternity leave without losing your statutory maternity pay or bringing your leave to an end. These keeping in touch days may only be worked if both you and your line manager agree. On these days you will receive your normal days pay.

These days cannot be taken during the 2 weeks compulsory maternity leave immediately following the birth of the baby.

If an employee takes a keeping in touch day it is the manager’s responsibility to inform the payroll department.

5.4 Still birth and Premature Delivery

Provided you meet the criteria for maternity leave, you can still take ordinary and additional maternity leave if your baby is:
- still born after 24 weeks of pregnancy
- born alive at any point of the pregnancy

Premature Birth Leave

If a baby is born prematurely (before 37 weeks), the mother will be entitled to receive extra leave and full pay for the number of days covering from when their baby was born to the original expected due date of birth.

This leave and pay entitlement will be added to the end of the employee’s leave period.

If a baby is born prematurely (before 37 weeks), partners of employees who have given birth to premature babies will be entitled to receive two weeks additional leave and full pay. This leave entitlement will be added to the end of the employee’s leave period.

5.5 Payment and terms and conditions

Payment during Maternity Leave is made up of 2 elements, Statutory Maternity Pay and Occupational Maternity Pay.

5.6 Statutory Maternity Pay

To qualify for statutory maternity pay you must:

- have at least 26 weeks continuous service at the 15th week before the baby is due.
- earn more than the lower earnings limit for National Insurance contributions.

If you do not meet the qualifying criteria you may be entitled to maternity allowance.

The payments for SMP are as follows:

Week 1 – 6	90% of your average weekly earnings
Week 7 – 39	Paid at the standard weekly rate of SMP or 90% of gross average weekly earnings if less than the standard rate. For current rates please speak to Payroll/HR or they can be found online at www.hmrc.gov.uk or www.direct.gov.uk
Week 40 – 52	Unpaid

5.7 Occupational Maternity Pay

If you have 1 years continuous local government service at the beginning of the 11th week before the expected week of confinement you will have the option of taking Occupation maternity pay. The authority will pay occupational maternity pay of 12 weeks during weeks 7 to 18 in addition to your SMP. It will be paid at 50% of your average weekly earnings.

Payments made during week 7 to 18 by the authority are on the basis that you will return to work following maternity leave for a period of at least 3 months. You will need to indicate that you intend to return to work and wish to take up Occupational Maternity Pay. If you do not return for 3 months you will be asked to refund any payments made.

You cannot earn more money from maternity pay than you would have received had you been at work.

5.8 Annual Leave

During maternity leave you will continue to accrue your contractual annual leave entitlement. If your leave spans 2 different annual leave years you are able to carry over any unused annual leave entitlement. It is permitted to use annual leave before or after the maternity leave to extend the period, with your manager's agreement. It is also possible to end your maternity leave early and then go on to annual leave to attract another paid period. Any annual leave request and approval is subject to the normal process for your department.

5.9 Returning to Work

When you return to work after taking ordinary maternity leave you have the right to the same job and terms and conditions as if you had not been absent.

This also applies when you return from additional maternity leave unless it is not reasonable practicable for you to return to your original job. If this happens you will be offered alternative work with your terms and conditions being protected permanently, unless you change job or vary your contract. Any restructure during your maternity leave will be done in accordance with the Councils Management of Change Policy.

We will assume that you intend to take your full 52 weeks entitlement. If you want to return before this you must give us at least 8 weeks notice, if you fail to give 8 weeks notice we can insist that you do not return until the eight weeks have passed.

If you wish to request to return to work on reduced hours or as part of a job share arrangement as part of our flexible working policy you must put this in writing to your line manager at least 8 weeks before you intend to return to work. Please see the flexible working policy and follow the procedure therein set out.

5.10 Expiration of Fixed Term Contracts or Redundancy during Maternity Leave

An employee who may be made redundant or have their fixed term contract ended during maternity leave will have various options available to them in terms of maternity. Broadly they can be fitted into two groups – those who wish to return to employment with City of Lincoln Council after maternity leave and those who don't.

- Those who do not wish to return:

Will receive their SMP made up to full pay for their notice period during Maternity Leave and will receive any redundancy or annual leave payment due. If any statutory maternity pay is still due after termination, this will continue to be paid by the Council at the normal rate.

- Those who would like to return:

For those who would genuinely like to return to work for the Council after their maternity leave there is an issue regarding Occupational Maternity Pay, as this can only be paid if the employee returns to work for 3 months. Obviously this is not possible if the employee's contract has been terminated or made redundant. Some employees will know before their Maternity Leave that their contract is likely to end or they will be made redundant but for others this will only transpire during their maternity leave. For those who have a genuine desire to continue employment with the Council, although not in their original post, they will be able to still claim the Occupational Maternity pay element, subject to the normal qualifying criteria. This is in the hope that they will secure suitable alternative employment with us and therefore meet the criteria of returning to us for 3 months.

All employees who are at threat of redundancy or the expiration of a fixed term contract whilst on Maternity Leave will be offered any suitable alternative employment without competition.

This right will be will be over and above the normal redeployment right. Pay protection may be necessary to make the alternative employment ‘suitable’.

If no suitable alternative employment (for example a role of a similar nature and/or grade) is found the employee will still receive the full Occupational Maternity Pay element of 12 weeks half pay and will not be expected to pay this back. This is only on the basis that the employee has not turned down any suitable alternative employment and has made a genuine effort to continue employment with us. The employee’s maternity pay will be made up to full pay for the notice period during Maternity Leave and they will receive any redundancy or annual leave payment due. If any statutory maternity pay is still due after termination, this will continue to be paid by the Council at the normal rate.

More detailed information and guidance can be sought from Human Resources. A member of HR will be happy to meet or advise.

6. Maternity Support Leave

6.1 Rights and qualification criteria

You must be nominated by the mother as their carer, which means you will assist the mother at or around the time of the birth and assist in the care of the child.

6.2 Leave

You can have 5 days leave at or around the time of the birth if you have 1 year’s service.

6.3 Payment and terms and conditions

Any employee that is requesting maternity support leave should inform their Manager in writing and must accompany the request with a letter from the mother confirming that the employee will be assisting them at or around the time of the birth and assist in the care of the child.

This time will be paid at your normal rate.

Please note: - If you are taking paternity leave you will not be eligible to take maternity support leave in addition.

7. Shared Parental Leave

7.1 Definitions under this shared parental leave policy

The following definitions are used in this policy:

"Mother" means the mother, expectant mother of the child or adopter.

"Partner" means the father of the child, or the person who, at the date of the child's birth, is married to, the civil partner of, or the partner of the mother. This includes someone, of either sex, who lives with the mother and the child in an enduring family relationship but who is not the mother's child, parent, grandchild, grandparent, sibling, aunt, uncle, niece or nephew.

"**Expected week of childbirth"** means the week, starting on a Sunday, during which the mother's doctor or midwife expects her to give birth.

7.2 Rights and qualification criteria

This policy sets out the rights of employees to shared parental leave and pay.

Shared parental leave is available to parents with babies due on or after 5 April 2015. Shared parental leave enables mothers to commit to ending their maternity leave and pay at a future date, and to share the untaken balance of leave and pay as shared parental leave and pay with their partner, or to return to work early from maternity leave and opt in to shared parental leave and pay at a later date.

This policy applies in relation to employees of the City of Lincoln Council, whether they are the mother or the partner.

The mother and the partner should ensure that they are each liaising with their own employer to ensure that requests for shared parental leave are handled as smoothly as possible.

For employees to be eligible to take shared parental leave, both parents must meet certain eligibility requirements.

The mother is eligible for shared parental leave if she:

- has at least 26 weeks' continuous employment ending with the 15th week before the expected week of childbirth and remains in continuous employment with the organisation until the week before any period of shared parental leave that she takes
- has, at the date of the child's birth, the main responsibility, apart from the partner, for the care of the child;
- is entitled to statutory maternity leave in respect of the child, and
- complies with the relevant maternity leave curtailment requirements (or has returned to work before the end of statutory maternity leave), and shared parental leave notice and evidence requirements.

In addition, for the mother to be eligible for shared parental leave, the partner must:

- have been employed or been a self-employed earner in at least 26 of the 66 weeks immediately preceding the expected week of childbirth;
- have average weekly earnings of at least the maternity allowance threshold for any 13 of those 66 weeks; and
- have, at the date of the child's birth, the main responsibility, apart from the mother, for the care of the child.

The partner is eligible for shared parental leave if he/she:

- has at least 26 weeks' continuous employment ending with the 15th week before the expected week of childbirth and remains in continuous employment with the organisation until the week before any period of shared parental leave that he/she takes;
- has, at the date of the child's birth, the main responsibility, apart from the mother, for the care of the child; and
- complies with the relevant shared parental leave notice and evidence requirements.

In addition, for the partner to be eligible for shared parental leave, the mother must:

- have been employed or been a self-employed earner during at least 26 of the 66 weeks immediately preceding the expected week of childbirth;
- have average weekly earnings of at least the maternity allowance threshold for any 13 of those 66 weeks;
- have, at the date of the child's birth, the main responsibility, apart from the partner, for the care of the child;
- be entitled to statutory maternity leave, statutory maternity pay or maternity allowance in respect of the child; and
- comply with the relevant maternity leave or pay curtailment requirements (or have returned to work before the end of statutory maternity leave).

7.3 Leave Eligibility

The amount of shared parental leave to which an individual is entitled will depend on when the mother brings her maternity leave period to an end and the amount of leave that the Partner takes in respect of the child. Shared parental leave must be taken in blocks of at least one week.

The employee can request to take shared parental leave in one continuous block, or as a number of discontinuous blocks of leave (in which case the employee needs the organisation's agreement).

A maximum of three requests for leave per pregnancy can be made by each parent.

The first two weeks following birth are the compulsory maternity leave period and are reserved for the mother. This means that the mother cannot curtail her maternity leave to take shared parental leave until two weeks after the birth and the maximum period that the parents could take as shared parental leave is 50 weeks between them.

If the mother is not entitled to maternity/adoption leave but is entitled to Statutory Maternity Pay, Statutory Adoption Pay or Maternity Allowance, they must reduce their entitlement to less than the 39 weeks. If they do this, their partner may be entitled to up to 50 weeks of SPL. This is calculated by deducting from 52 the number of weeks of SMP, SAP or MA taken by the mother.

7.4 The options:

Continuous leave notifications

A notification can be for a period of continuous leave, namely a single unbroken period.

An employee may submit up to three separate notifications for continuous periods of leave.

Discontinuous leave notifications

A single notification may also contain a request for two or more periods of discontinuous leave, namely requesting a set number of weeks of leave over a period of time, with breaks in between the leave where the employee returns to work (for example, an arrangement where an employee will take six weeks of SPL and work every other week for a period of three months).

Discussions/ Notifications regarding Shared Parental Leave

An employee considering taking Shared Parental Leave should contact their Line Manager and Human Resources who will then arrange an informal discussion as early as possible regarding their potential entitlement, to talk about their plans and to enable the Council to support the individual.

To notify the Council that you intend to take Shared Parental Leave and pay, Human Resources must receive a “Maternity Curtailment” notice and a “Notice of Entitlement and Intention” in writing as soon as possible (it is recommended that these documents are provided at least 12 weeks before the requested start date of shared parental leave). These documents must in any event be submitted before the “Period of Leave” notice is given (see below).

Maternity Curtailment notice:

There is no set format for how this information must be provided, other than the employee must provide the Mother’s declaration, in writing, confirming the following:

- Her name, address and national insurance number
- Her partners name, address and national insurance number
- Proposed start and end date for maternity leave
- The amount of Shared Parental Leave available
- Copy of the MATB1/adoption matching certificate
- That you meet the relationship eligibility conditions for Shared parental leave
- That the mother consents to us processing the information contained in the declaration.

Notice of Entitlement and Intention (Annex A):

The employee must provide the following in writing:

- Their name, address and national insurance number
- The amount of Shared Parental Leave available
- The dates in which they intend to take shared parental leave
- The total amount of shared parental leave each parent will be taking (in weeks)
- Confirmation that leave is taken to care for the child and that the relationship eligibility criteria are met.

7.5 A Period of Leave Notice (Annex B)

The employee must have provided the Maternity Curtailment Notice and Notice of Entitlement and Intention before submitting this document. This document must be submitted no later that 8 weeks before the requested start date of the shared parental leave.

The Period of Leave Notice should confirm the following:

- The employee and their partners name, address and national insurance number
- Confirmed start and end date for maternity leave
- The amount of shared parental leave available
- The dates in which they intend to take shared parental leave
- The total amount of shared parental leave each parent will be taking (in weeks)
- Confirmation that leave is taken to care for the child and that the relationship eligibility criteria are met.

Upon receiving any of the above notices the Line Manager should arrange a meeting to discuss the request with the employee. At these meetings the employee may, if they wish, be accompanied by a workplace colleague, or a trade union representative. HR may also be in attendance to advise on shared parental leave rights.

7.6 Request for period of Continuous Leave

An employee has the right to take a continuous block of leave, as long as they meet the criteria outlined above, do not exceed the total number of weeks of SPL available to them and the City Of Lincoln Council have been given 8 weeks notice.

7.7 Request for period of Discontinuous Leave

Where a request is for discontinuous leave, and the manager has concerns over accommodating the request, a meeting will take place with the employee, the manager, and Human Resources. If the Manager does not believe the request can be accommodated at this meeting, a discussion should take place as to whether a modified arrangement would be agreeable to the employee and the organisation.

At this meeting an employee has the right to be accompanied by a trade union representative or work colleague.

The organisation will reasonably consider a discontinuous leave notification but has the right to refuse it. If the leave pattern is refused, the employee can either withdraw it within 15 days of giving it, or can take the leave in a single continuous block.

Each request for discontinuous leave will be considered on a case-by-case basis. Agreeing to one request will not set a precedent or create the right for another employee to be granted a similar pattern of SPL.

The employee will be informed in writing of the decision as soon as is reasonably practicable, but no later than the 14th day after the leave notification was made.

7.8 Variations to arranged Shared Parental Leave

The employee can vary or cancel his/her proposed shared parental leave dates following the submission of a period of leave notice, provided that he/she provides his/her employer with a written notice not less than eight weeks before any period of leave varied or cancelled by the notice is due to commence. The written notice can:

- vary the start date or the end date of any period of shared parental leave or cancel a request for leave;
- request that a continuous period of leave become discontinuous periods of leave; or
- request that discontinuous periods of leave become a continuous period of leave.

7.9 Requesting further evidence of eligibility

The Council may, within 14 days of the SPL entitlement notification being given, request:

- the name and business address of the partner's employer (where the employee's partner is no longer employed or is self employed their contact details must be given instead)
- in the case of biological parents, a copy of the child's birth certificate (or, where one has not been issued, a declaration as to the time and place of the birth).
- in the case of an adopted child, documentary evidence of the name and address of the adoption agency, the date on which they were notified of having been matched with the child and the date on which the agency expects to place the child for adoption

In order to be entitled to SPL, the employee must produce this information within 14 days of the employer's request.

7.10 Payment and terms and conditions

Statutory shared parental pay is available for eligible parents to share between them while on shared parental leave. The number of weeks' statutory shared parental pay available to the parents will depend on how much statutory maternity pay or maternity allowance the mother has been paid when her maternity leave or pay period ends.

A total of 39 weeks' statutory maternity pay or maternity allowance is available to the mother. As there is a compulsory maternity leave period of two weeks, this means that a mother who ends her maternity leave at the earliest opportunity could share up to 37 weeks' statutory shared parental pay with her partner.

Any statutory shared parental pay due during shared parental leave will be paid at a rate set by the Government for the relevant tax year, or at 90% of the employee's average weekly earnings, if this figure is lower than the Government's set weekly rate.

It is up to the parents as to who is paid the statutory shared parental pay and how it is apportioned between them.

7.11 Rights during shared parental leave

During the period of Shared Parental Leave, the employee's contract of employment continues in force and they are entitled to receive all their contractual benefits, except for salary. In particular, any benefits in kind will continue and contractual annual leave entitlement will continue to accrue.

Pension contributions will continue to be made during any period when the employee is receiving Shared Parental Pay but not during any period of unpaid Shared Parental Leave.

Employee contributions will be based on actual pay, while the organisation's contributions will be based on the salary that the employee would have received had they not been taking Shared Parental Leave.

7.12 Annual Leave

SPL is granted in addition to an employee's normal annual holiday entitlement. During your leave you will continue to accrue your contractual annual leave entitlement. If your leave spans 2 different annual leave years you are able to carry over any outstanding holiday entitlement. Any annual leave request and approval is subject to the normal process for your department.

7.13 Contact during Shared Parental Leave

Before an employee's SPL begins, the employee and Line manager will discuss the arrangements for them to keep in touch during their leave. The organisation reserves the right in any event to maintain reasonable contact with the employee from time to time during their SPL. This may be to discuss the employee's plans to return to work, to ensure the individual is aware of any possible promotion opportunities, to discuss any special arrangements to be made or training to be given to ease their return to work or simply to update them on developments at work during their absence.

7.14 Shared Parental Leave in Touch (SPLIT) days

An employee can agree to work for the organisation (or attend training) for up to 20 days during SPL without bringing their period of SPL to an end or impacting on their right to claim ShPP for that week. These are known as "Shared Parental Leave In Touch" or "SPLIT" days. Any work carried out on a day or part of a day shall constitute a day's work for these purposes.

The organisation has no right to require the employee to carry out any work, and is under no obligation to offer the employee any work, during the employee's SPL. Any work undertaken is a matter for agreement between the organisation and the employee. An employee taking a SPLIT day will receive full pay for any day worked. If a SPLIT day occurs during a week when the employee is receiving ShPP, this will be effectively 'topped up' so that the individual receives full pay for the day in question. Any SPLIT days worked do not extend the period of SPL.

An employee, with the agreement of the organisation, may use SPLIT days to work part of a week during SPL. The organisation and the employee may use SPLIT days to affect a gradual return to work by the employee towards the end of a long period of SPL or to trial a possible flexible working pattern.

If an employee takes a split day it is the Manager's responsibility to inform the payroll department.

7.15 Returning to Work

The employee will have been formally advised in writing by the organisation of the end date of any period of SPL. The employee is expected to return on the next working day after this date, unless they notify the organisation otherwise. If the employee does not return on the agreed date without prior authorisation, this will be treated as unauthorised absence.

If the employee wishes to return to work earlier than the expected return date, they may provide a written notice to vary the leave and must give the organisation at least eight weeks notice of their date of early return. This will count as one of the employee's notifications. If they have already used their three notifications to book and/or vary leave then the organisation does not have to accept the notice to return early but may do if it is considered to be reasonably practicable to do so.

On returning to work after SPL, the employee is entitled to return to the same job if the employee's aggregate total statutory maternity/paternity/adoption leave and SPL amounts to 26 weeks or less, he or she will return to the same job.

If their maternity/paternity/adoption leave and SPL amounts to 26 weeks or more in aggregate, the employee is entitled to return to the same job they held before commencing the last period of leave or, if this is not reasonably practicable, to another job which is both suitable and appropriate and on terms and conditions no less favourable.

If the employee also takes a period of unpaid parental leave of 4 weeks or less this will have no effect on the employee's right to return and the employee will still be entitled to return to the same job as they occupied before taking the last period of leave if the aggregate weeks of maternity/paternity/adoption and SPL do not exceed 26 weeks.

If a parent takes a period of 5 weeks of unpaid parental leave, even if the total aggregate weeks of maternity/paternity/adoption and SPL do not exceed 26 weeks, the employee will be entitled to return to the same job they held before commencing the last period of leave or, if this is not reasonably practicable, to another job which is suitable and appropriate and on terms and conditions no less favourable.

7.16 Fraudulent claims

The organisation can, where there is a suspicion that fraudulent information may have been provided or where the organisation has been informed by the HMRC that a fraudulent claim was made, investigate the matter further in accordance with the usual company investigation and disciplinary procedures, and also without acting in a discriminatory manner in relation to any of the protected characteristics defined in the Equality Act 2010.

8. Ordinary Paternity Leave

You can take up to two weeks leave. If you have been continuously employed for at least 26 weeks:
- At the 15th week before the expected week of childbirth.
- Or at the week in which the adoptive parent is notified of being matched.

You can choose to start the leave:

- On the day the baby is born
- A number of days or weeks after the baby is born

Your leave can start on any day in the week, but not before the baby is born. Your leave must finish within 56 days of the baby being born. If your partner has a multiple birth, you're only allowed one period of paternity leave.

Where possible you must give 15 weeks' notice of the date you want to start paternity leave by writing to your Assistant Director. If you can't give the full notice period for a valid reason you should give as much notice as possible. The Council understand that this date may change and will act reasonably in accommodating this.

You may also request paid leave to attend antenatal classes. If you want to do this you must provide:

- a copy of the expectants mothers MAT B1 certificate
- written evidence of the class dates and times
- a written request to attend the classes to your Assistant Director. Your Assistant Director will consider your request but attendance will depend on the needs of the service.

8.1 Still birth and Premature Delivery

Provided you meet the criteria for paternity leave, you can still take ordinary paternity leave if your baby is:

- still born after 24 weeks of pregnancy
- born alive at any point of the pregnancy

8.2 Pay and terms and conditions

- If you have worked continuously for at least 26 weeks:
  - At the 15th week before the expected week of childbirth.
  - Or at the week in which the adoptive parent is notified of being matched.

  You will receive full pay for two weeks.

- If you have less than the above service before the expected due date you will receive statutory paternity pay, as long as you earn the lower earning limit and have 26 weeks continuous service at the 15th week prior to the expected due date.
- If you earn less than the lower earnings limit but have 26 weeks continuous service at the 15th week prior to the expected due date you have the right to unpaid paternity leave and you may be able to claim income support.

Failure to give 15 weeks notice of paternity leave may effect your entitlement to paternity pay.

You will get all your normal benefits during paternity leave. Your pay will be subject to length of service as detailed above. You will be able to return to the same job after paternity leave.

9. Time off to attend antenatal appointments

9.1 Rights and qualification criteria

An expectant father or the partner of a pregnant woman will be entitled to take time off work to accompany the woman to her ante-natal appointments. The "Partner" includes the spouse or civil partner of the pregnant woman and a person in a long term relationship with her.

9.2 Leave

Employees accompanying the expectant mother to her ante-natal appointments are entitled to accompany the women to five appointments.

9.3 Pay and terms and conditions

You must inform your line Manager as soon as possible if you need to take time off to attend an antenatal appointment. Time off to attend antenatal appointments is paid for up to 5 appointments.

10. Parental Leave

10.1 Rights and qualification criteria

Parental leave means that you can take:

- 18 weeks in total, off work for each child up to their 18th birthday
- 18 weeks in total, off work up to the 18th anniversary of the placement of an adopted child, or until their eighteenth birthday whichever comes first

You have the right to parental leave if you:

- Have been employed for one or more years in Local Government service

And you:

- Are the parent named on the child's birth certificate

Or

- Are named on a child's adoption certificate

Or

- Have legal parental responsibility for a child

Both parents have the right to parental leave. If you are separated and your ex-partner looks after the children, you have the right to parental leave if you have parental responsibility for the children.

10.2 Leave

Up to a maximum of four weeks parental leave can be taken in a year. Leave can be taken in any format as long it is agreed with your Manager and may include:

- half days
- whole days
- a week, or weeks

- a temporary reduction in hours

You must give 7 days notice when you want to take parental leave and this must be in writing to your Manager. Your Manager must respond in 7 days to your application for parental leave. Discretion may be used to allow leave with less than 7 days notice in special circumstances. Parental leave cannot be turned down if you want to take it immediately after the birth or adoption of a child.

Occasionally because of the needs of the service your Manager may not be able to agree to parental leave. If this happens your Manager will:

- meet with you
- discuss the reason
- agree alternative dates
- confirm the outcomes of the meeting in writing giving the reason for the refusal and agreed alternative dates.

Any postponement of parental leave cannot be for longer than six months, and if the postponement means that you have gone beyond your entitlement period, you will still be able to take the leave.

You can transfer any unused parental leave to a new employer.

10.3 Payment and terms and conditions

Parental leave is unpaid

You will get all your normal employment benefits, apart from wages, during your parental leave. Your pension payments will be subject to the terms of the Local Government Pension Scheme.

Following parental leave you will be entitled to return to your original post.

11. Adoption Leave

This policy explains the adoption leave entitlements for employees employed by the City of Lincoln Council. It sets out the qualifying criteria, leave entitlement and pay and conditions relating to:

- Adoption leave (including terms and conditions related to leave, reasonable time-off, compensation and return to work)
- Adoption support leave

11.1 Rights and qualification criteria

This policy applies to all staff, regardless of their length of service or marital status and their entitlement to statutory adoption benefits.

A member of staff, male or female, who adopts a child through an approved adoption agency in the UK, is entitled to 52 weeks' adoption leave irrespective of length of service

Only one of the adoptive parents is eligible to take adoption leave. The other parent, if employed by the City of Lincoln Council, is entitled to shared parental leave or paternity leave.

Statutory adoption leave, for the partner taking adoption leave, is 52 weeks which includes 26 weeks of Ordinary Adoption Leave (OAL) and 26 weeks Additional Adoption Leave (AAL).

Statutory Adoption Pay is for up to 39 weeks.

In line with Government guidance employees will not qualify for either adoption leave or pay if they:

- become a special guardian or kinship carer
- adopt a stepchild or family member
- adopt privately, for example without permission from a UK authority or adoption agency

11.2 Eligibility

To be eligible for Adoption Leave, you must use an adoption agency that is recognised under UK law. To qualify for adoption leave you must:

- Be newly matched with a child by an adoption agency
- Have continuously worked for local government for at least 26 weeks before the beginning of the week when matched with a child
- Provide a copy of the matching certificate, or other documentary proof from the adoption agency

You are, subject to meeting the terms outlined above entitled to 26 weeks Ordinary Adoption Leave and 26 weeks Additional Adoption Leave.

To be eligible for OAL and AAL you must inform your Assistant Director and line-manager in writing within seven days of being notified that you have been matched to a child. The written notification must also include:

- When you expect the child to be placed with you
- When you want your adoption leave to start

You can start your adoption leave:

- From the date the child starts living with you

or

- Up to 14 days before the date you expect the child to start living with you

The adoption leave can start from any day of the week and can be changed provided 28 days notice is given. City of Lincoln Council will assume that you are taking the full entitlement of 52 weeks leave of OAL and AAL unless informed otherwise in writing. If you want to return to work earlier you must give your Assistant Director at least eight weeks notice, failure to do so could result in the Council refusing to agree to your earlier date of return.

If the placement ends during the Adoption Leave you may take up to 8 weeks leave following the end of the placement.

11.3 Keeping in touch days

During the adoption leave it is useful for the Council to keep in contact with you. The Council will make reasonable contact for reasons including to update you on changes in the workplace, or ask about arrangements for return to work.

In addition, to enable you to keep up to date with work and in contact with colleagues, you can work up to ten days during adoption leave without losing statutory adoption pay or bringing the adoption leave to an end. These keeping in touch days may only be worked if both you and your line Manager agree. On these days you are entitled to receive your normal days pay.

If an employee takes a keeping in touch day it is the Managers responsibility to inform the payroll department.

11.4 Pay and terms and conditions

Statutory adoption pay begins from the start of adoption leave and is paid for 39 weeks.

To qualify for statutory adoption pay you must earn more than the lower earnings limit for National Insurance contributions and have worked continuously with Local government for 26 weeks before the week of placement.

If you qualify for statutory adoption pay, your entitlement for Adoption Pay (this is inclusive of your entitlement towards Statutory Adoption Pay, and an additional 'top-up contractual adoption pay' to bring in parity between the entitlement of employees going on Maternity Leave and Adoption Leave) will be as follows:

Week 1 – 6	90% of your average weekly earnings
Week 7 – 39	Paid at the standard weekly rate of SAP or 90% of gross average weekly earnings if less than the standard rate.
Week 40 – 52	Unpaid

For current rates please speak to Payroll/HR or they can be found online at www.hmrc.gov.uk or www.direct.gov.uk

If you do not qualify you may be able to claim income support.

In addition, if you have 1 year's continuous local government service at the beginning of the week of placement you will have the option of taking 12 weeks Occupation Adoption Pay also. It will be paid at 50% of your average weekly earnings.

The additional Occupational Adoption Leave Pay made by the authority is on the condition that you will return to work following adoption leave for a period of at least 3 months. You will need to indicate that you intend to return to work and wish to take up Occupational Adoption Pay. If you do not return for 3 months you will be asked to refund any payments made.

You cannot earn more money from adoption pay than you received before taking adoption leave.

During both the OAL and AAL the employee benefits form and is bound by all terms and conditions relating to employment except those relating to remuneration.

When you return to work after taking ordinary adoption leave you have the right to the same job and terms and conditions as if you hadn't been absent.
This also applies when you return from additional adoption leave unless it is not reasonable practical for you to return to your original job. If this happens you will be offered alternative work with the same terms and conditions and seniority.

11.5 Right to Reasonable Time-off for Appointments Connected to Adoption

A member of staff, regardless of length of service, is entitled to reasonable paid time off (including travel time) to attend up to 5 appointments connected with the Adoption Leave. These include pre-adoption stage meetings such as but not limited to:

- Assessment meetings including applicant interviews with the adoption agency
- Meetings with social workers or meetings with the child when appropriate.
- Screening meetings & familiarisation sessions

Request for time-off needs to be considered by your Line Manager. The Council is committed to not unreasonably refusing consent to such time-off but reserves the right to ask you to produce an official appointment card, where appropriate, showing that the appointment has been made.

No more than five days of time-off per year will usually be granted unless in exceptional circumstances and with the prior approval of an Assistant Director.

12. Adoption Support Leave

12.1 Rights and qualification criteria:
You must be nominated by the adoptive mother or father as their carer, which means you will assist them at or around the time of the placement of the child and assist in the care of the child.

12.2 Leave

You can have 5 days leave at or around the time of the placement

12.3 Payment and terms and conditions

This time will be paid at your normal rate.
If you are taking paternity leave you will not be able to take adoption support leave as well.

13. Childcare Financial Support

The legislation regarding Childcare Vouchers has changed meaning the scheme the Council offered has ceased for new applications. Those who were in the scheme before 4th October 2018 can still receive Childcare Vouchers through the Council. The rules regarding the continuation of these during Maternity or Adoption Leave are complex and could affect the amount of Pay you receive. As each case will be different dependent on circumstance you are advised to contact Payroll to get individual advice.

Tax Free Childcare is a government scheme set up to replace the Childcare Vouchers. In this scheme the government will add £2 for every £8 you pay for childcare up to a maximum of £2000 per child, per year (or £4000 per year if your child is disabled). To check for eligibility and how to apply please see www.gov.uk.

14. Foster Carer Leave

The council recognises and values the contribution that foster carers make to society and especially the lives of children in care. We understand that foster carers who do other work in addition to fostering need some flexibility in their working arrangements in order to meet the needs of their fostered child.

The council is committed to support any staff member who is a foster carer or an approved kinship carer.

We will do this, wherever possible, by creating a fostering friendly organisation that offers flexible working arrangements in line with our Flexible working policy and additional time off to support the needs of all foster carers or approved kinship carer employees.

The process of seeking approval to become foster carers is a lengthy one and places a number of reasonable but demanding expectations upon prospective carers, particularly in relation to the training, assessment and approval process.

Wherever possible we will extend the terms of this policy to prospective foster or kinship carers who have begun the formal process of seeking approval and registration as carers.

14.1 Rights and qualification criteria

This leave applies to employees who:

- are applying to become foster carers
- are approved foster carers and have a child in placement (or have had a child in placement for 75% of the previous 12 months) or are an approved kinship carer

This leave applies to all employees from the first day of employment with the council.

14.2 Leave

The council values and will support foster carers and approved kinship carers by giving up to 5 days leave in a 12 month period for reasons such as:

- assessment and initial training prior to approval as a foster carer
- attendance at panel for approval

- Child review meetings, annual foster carer review meeting and training

The employee’s line manager will approve the leave on a discretionary basis taking into account individual circumstances of each case and operational requirements of the business, however this leave will only be refused on an exceptional basis. The leave will be considered and approved on a pro rata basis for part time employees.

14.3 Pay

Leave up to 5 days will be paid. Additional leave may be requested but will be at the discretion of the manager to approve and will have to be taken as annual leave or unpaid leave.

Updated: September 2019
March 2021
Jan 2022

CITY OF Lincoln COUNCIL

Annex A

A notice of entitlement and intention
Of taking Shared Parental Leave (SPL)

Use this form to opt in to the shared parental leave scheme following the birth of a child. Please see the Shared Parental Leave Policy for more information.

If you are the child's mother you must also submit a signed curtailment notice to bring your maternity leave and pay entitlement to an end.

This is a non binding indication for the employee's manager to consider. This form must be submitted before the period of leave notice.

If you need any help with this form, in particular in working out your shared parental leave entitlement in section C, please speak to Human Resources. It may also be useful to discuss your proposed pattern of leave with your manager and/or HR before completing the form.

Section A: Basic information		
Guidance notes. Shared parental leave may be shared between a child's mother and either the child's father or the person who, at the date of the child's birth, is her partner. Both parties must expect to share the main responsibility for the child's upbringing. "Partner" means the mother's spouse, civil partner, or other person living with her in an enduring family relationship, but who is not her sibling, parent, child, grandparent, grandchild, aunt, uncle, niece or nephew.		
A1	Employee's name, address and NI number	
A2	I am the child's mother*/child's father*/mother's partner* (*delete as appropriate)	
A3	Child's expected week of birth	
A4	Child's actual date of birth (if known)	
A5	Child's place of birth (if known)	

A6	Child's name (if known)	
Section B: Maternity leave, statutory maternity pay or maternity allowance		
Guidance notes. If you are the mother, please give your maternity leave (ML) and statutory maternity pay (SMP) dates below. If you are still on ML you must also submit a maternity leave curtailment notice to bring your ML to an end. If you are the child's father or the mother's partner, please give the mother's ML dates. If she is not entitled to statutory ML (for example, because she is an agency worker, self-employed or unemployed), give the dates she started and ended (or will end) her statutory maternity pay (SMP) or maternity allowance (MA) period as applicable. She must give her employer notice to curtail her ML and/or SMP period, or give notice to the Department for Work and Pensions to curtail her MA period as appropriate. Maternity pay can only be curtailed after a whole number of weeks. For example, if the maternity pay period started on a Wednesday, it can only be curtailed on a Tuesday. These figures are needed in order to calculate your entitlement to shared parental leave and pay.		
B1	I am taking or will take maternity leave* My partner is taking or will take maternity leave* My partner is not entitled to statutory maternity leave but is receiving or will receive statutory maternity pay or maternity allowance*	☐ ☐ ☐ (*tick one only)
B2	Maternity leave start date	
B3	Maternity leave end date	
B4	Total maternity leave (weeks)	
B5	Statutory maternity pay or maternity allowance start date	
B6	Statutory maternity pay or maternity allowance end date	
B7	Total period of statutory maternity pay or maternity allowance (weeks)	

Section C: Shared parental leave		
Guidance notes. The total shared parental leave (SPL) available is 52 weeks minus the mother's Maternity leave period. If she is not entitled to Maternity Leave, it is 52 weeks minus the SMP or MA period (see section B). SPL must be taken in whole numbers of weeks. If you need help working this out please speak to HR. Your first period of shared parental leave cannot start until at least eight weeks after you submit this opt-in notice and a period of leave notice.		
C1	Total SPL available (whole weeks).	
C2	Number of whole weeks' SPL intended to be taken by you.	
C3	Number of whole weeks' SPL intended to be taken by the person you will share SPL with.	
C4	Indication of dates you would like to take shared parental leave. **Please indicate if these dates are continuous or discontinuous.**	
C5	The dates in C4 will be treated as a non-binding until you give a period of leave notice. If you want to treat this notice as a period of leave notice to take SPL on the dates given in C4 tick here.	....

Section D: Statutory shared parental pay		
Guidance notes. The total statutory shared parental pay (ShPP) available is 39 weeks minus the number of weeks SMP or MA paid (or to be paid) to the mother (see section B).		
D1	Total ShPP available (whole weeks).	

D2	Number of whole weeks' ShPP intended to be taken by child's mother.	
D3	Number of whole weeks' ShPP intended to be taken by child's father/mother's partner.	
D4	Indication of dates you would like to claim ShPP.	
D5	The dates in D4 will be treated as a non-binding until a notice to take ShPP is given. If you want to treat this notice as a notice to claim ShPP on the dates given in D4 tick here.	....

Section E: Employee's declaration
Guidance notes. "Child" means the child referred to in Section A. "Partner" means spouse, civil partner, or other person living with you in an enduring family relationship, but not a sibling, parent, child, grandparent, grandchild, aunt, uncle, niece or nephew.
I am the child's mother and I am entitled to statutory ML. I have submitted a curtailment of maternity leave notice (or will submit it before the person I am sharing SPL with takes SPL and at least eight weeks before the first date on which I intend to take SPL).* *or* I am the child's father or the child's mother's partner.* (**delete one as applicable*.) I had at least 26 weeks' continuous employment at the end of the 15th week before the expected week of childbirth (EWC) and have remained continuously employed since then. My normal weekly earnings in the eight-week period ending with the 15th week before the EWC were not less than the lower earnings limit (£111 for 2014-15). (*delete if not applicable*) I expect to share the main responsibility for the care of the child with the person who has completed the declaration in Section F.

I intend to care for the child during each week that I am on shared parental leave and receiving ShPP. I will immediately inform Human Resources if I cease to care for the child, or to otherwise satisfy the conditions for entitlement to shared parental leave or ShPP. The information I have given in this notice is accurate. **Signed ……………………………** **Date ………………………………**

Section F: Declaration by person taking shared parental leave with employee	
Guidance notes. "The employee" and "the child" are the employee and child referred to in Section A. If the employee is the child's mother, you must be the child's father or the mother's partner. If the employee is not the child's mother, you must be the child's mother. "Partner" means spouse, civil partner, or other person living with you in an enduring family relationship, but not a sibling, parent, child, grandparent, grandchild, aunt, uncle, niece or nephew.	
Name	
Address	
National Insurance number	
You employer's name and address (if employed) or your business address if self-employed.	
I am the mother of the child and I am (or was) entitled to ML, SMP or MA. I have curtailed my ML, SMP or MA, or will have done so by the time your employee starts parental leave.* *or* I am the child's father.* *or* I am the partner of the child's mother.*	

(*delete as applicable*)

I expect to share the main responsibility for the care of the child with the employee.

I have worked in an employed or self-employed capacity in at least 26 of the 66 weeks immediately before the EWC.

My average weekly earnings are at least £30, taking the 13 highest-earning weeks in the 66 weeks immediately before the EWC.

I consent to the employee taking shared parental leave and claiming ShPP as set out in this notice and will immediately inform them if I cease to satisfy any of the conditions in this declaration.

I consent to the information in this declaration being used for the purposes of administering shared parental leave and pay.

Signed ……………………………

Date ……………………………….

CITY OF Lincoln COUNCIL

Annex B

A Period of Leave Notice
for taking Shared Parental Leave (SPL)

This form should not be completed before a ‘maternity curtailment notice’ and an ‘entitlement and intention notice’ is submitted. This form must be submitted at least 8 weeks before the start date of SPL.

Employees Full Name	
Address	
National Insurance No.	
Job Title	

Partners Full Name	
Address	
National Insurance No.	
Name of Employer	

Mothers Maternity Leave Information	Start Date: End Date:
The amount of SPL Available:	
The intended dates each parent wishes to take SPL (maximum of 3 blocks of leave for each parent)	
The total amount of shared parental leave each parent will be taking (in weeks)	

I can confirm that:

- The information stated above is a true indication of the Shared Parental Leave that I wish to take.
- During the proposed dates I will be taking care for the child.
- I meet the eligibility criteria as highlighted within the leave entitlements policy.

Signed ……………………………….. Date: ………………………..

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Item No. 11

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**OPERATIONAL PERFORMANCE REPORT Q3 2021/22**
DIRECTORATE:	**CHIEF EXECUTIVE'S**
REPORT AUTHOR:	**ROBERT MARSHALL – BUSINESS INTELLIGENCE ANALYST CORPORATE POLICY**

1. Purpose of Report

1.1 To present to Executive an outturn summary of the council's performance in Q3 of 2021/22.

2. Executive Summary

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

Appendix A – Summary of Quarterly and Annual Measure Performance by Directorate
Appendix B – Quarterly Measure Performance from PIMS
Appendix C – Annual Measure Performance from PIMS

There are 64 measures included within this report;

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

Overall performance is still being heavily affected by the impact of COVID and this report covers the period of the most recent restriction period.

3. Background

3.1 City of Lincoln Council, like all other local authorities, has had to make dramatic changes because of the three national lockdowns resulting from the COVID-19 pandemic, not only to ensure that we kept our critical services functioning, but also to deliver a community leadership role for our city in a time of crisis.

3.2 Whilst formal performance reporting was limited in the first half of 2020/21, we restarted reporting in quarter four and we are now able to report performance figures for our key services and have resumed our usual performance reporting format.

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

3.3 As requested by CMT each measure is monitored against a target boundary range. If a performance measure is Blue (Acceptable) this measure is seen as performing; the higher target (Green) is seen as an aspirational target to further drive performance.

4. The Data Appendices

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

Between them this provides a narrative summary of performance for Q3 for each of the key services plus a summary table of results by directorate.

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

5. Strategic Priorities

5.1 City of Lincoln Council – Vision 2025

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

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

Directorate of the Chief Executive – Reducing all Kinds of Inequality
Directorate of Communities and Environment – Lets enhance our remarkable place
Directorate of Housing and Investment -Lets deliver quality housing

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

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

6.2 Legal Implications including Procurement Rules

There are no direct legal implications

6.3 Equality, Diversity and Human Rights

There are no direct equality implications because of this report.

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

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

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

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

6.4 City of Lincoln Council, like all other local authorities, has had to make dramatic changes because of the three national lockdowns resulting from the COVID-19 pandemic, not only to ensure that we kept our critical services functioning, but also to deliver a community leadership role for our city in a time of crisis.

7. Risk Implications

7.1 (i) Options Explored – n/a

7.2 (ii) Key Risks Associated with the Preferred Approach – n/a

8. Recommendation

8.1 Executive is asked to comment on the achievements and issues identified this quarter.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Three (A, B and C)
List of Background Papers:	None
Lead Officers:	Robert Marshall Business Intelligence Analyst, Corporate Policy Scott Lea Acting Performance & Engagement Officer

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Operational Performance Report Q3 2021/22

Robert Marshall

Business Intelligence Analyst

January 2022

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Corporate Measures

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Introduction

Within this Operational Performance Report for Q3 2021-22 we are looking at 64 performance measures across the Chief Executive, Community and Environment and Housing and Investment Directorates. As with previous reports a top line summary of overall performance for each directorate can be found on page 5 with measures then broken down per directorate across the remainder of the report.

Members will recall that several targets had been adjusted at the start of this financial year and then were re-evaluated prior to the Q2 Performance report. All targets discussed relate to the confirmed targets given in the Q2 report.

As this report is being written, Britain is once again coming out of a period of more stringent restrictions, changes in benefit entitlements, the return of forced evictions and many other factors that continue to stem from the pandemic. Prior to this additional period of restriction, many services were grappling with the need to reintroduce cyclical inspections, catch up with missed or postponed appointments whilst introducing cost cutting initiatives as part of the 'Towards Financial Sustainability' programme. The on-going impact on product supply chains internationally increasing lead times, a lack of 'human' or skilled resource coupled with a very nervous customer base, many of whom are reluctant to allow entry to homes, has created a perfect storm.

Many government agencies that first planned for an 18-month recovery plan before Business As Usual (BAU) resumes, such as Health and Safety for example, are looking at these longer term plans to understand the extended impacted.

City of Lincoln Council is working at all levels to mitigate the impact, and strategically planning in the short and long term, and where possible grow revenue. But with consumer and leisure habits changing, increasing revenue streams in a recovery period will be stretched further. Returning to BAU will bring with it the normal challenges, this quarter, it is the closure of Yarborough swimming pool which is not only a draw on expenditure to rectify but an impact on revenue income.

Performance has and will continue to be affected over the coming years as we strive to return to BAU and as the long term understanding of COVID is learnt and what the new BAU looks like, the decisions made based on the best use of revenue, resource and time will be a deciding factor on this period of recovery.

As usual the detailed reports can be found in appendix B and C and corporate related measures are at the back of this report.

CITY OF Lincoln COUNCIL

How to read this report

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

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

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

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

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

The report also includes data on our corporate measure categories:

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

G	At or above target
R	Below target
V	Volumetric/contextual measures that support targeted measures
A	Acceptable performance - results are within target boundaries

Performance has improved since last quarter/year

Performance has deteriorated since last quarter/year

Performance has stayed the same since last quarter/year

Authority Wide Performance Summary

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

G	At or above target
R	Below target
V	Volumetric/contextual measures that support targeted measures
A	Acceptable performance - results are within target boundaries

	Quarterly Strategic measure performance by status				
Directorate	**Below Target**	**Acceptable**	**Above target**	**Volumetric**	**Total**
CX	3	5	5	5	18
DCE	3	11	6	8	28
DHI	7	3	3	5	18
Total	14	19	14	18	64
	Quarterly Strategic measure performance by direction				
Directorate	**Deteriorating**	**No change**	**Improving**	**Volumetric**	**Total**
CX	2	1	10	5	18
DCE	11	2	7	8	28
DHI	7	0	6	5	18
Total	20	3	23	18	64

Chief Executives Directorate Performance

Service Area	Measure	Current Value	Status	Direction
Communications	Percentage of media enquiries responded to within four working hours	76.00	A	▼
Communications	Number of proactive communications issued that help maintain or enhance our reputation	27	A	▲
Work Based Learning	Percentage of apprentices completing their qualification on time	0.00	R	—
Work Based Learning	Number of new starters on the apprenticeship scheme	3	V	—
Work Based Learning	Percentage of apprentices moving into Education, Employment or Training	0.00	V	—
Customer Services	Number of face to face enquiries in customer services	73	V	—
Customer Services	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	29,692	V	—
Customer Services	Average time taken to answer a call to customer services	272	A	▲
Accountancy	Average return on investment portfolio	0.14	A	▲
Accountancy	Average interest rate on external borrowing	3.10	G	▲
Revenues Administration	Council Tax - in year collection rate for Lincoln	75.82	A	▲
Revenues Administration	Business Rates - in year collection rate for Lincoln	84.11	G	▲
Revenues Administration	Number of outstanding customer changes in the Revenues team	1,738	R	▲
Housing Benefit Administration	Average (YTD) days to process new housing benefit claims from date received	16.45	G	▲
Housing Benefit Administration	Average (YTD) days to process housing benefit claim changes of circumstances from date received	5.37	G	▲
Housing Benefit Administration	Number of Housing Benefits / Council Tax support customers awaiting assessment	1,643	R	▼
Housing Benefit Administration	Percentage of risk-based quality checks made where Benefit entitlement is correct	96.40	G	▲
Housing Benefit Administration	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	2,966	V	—

Annual Measures

	Service Area	Measure	Current Year	Current Value	Status
CX	Democratic Services	The number of individuals registered on the electoral register (local elections)	2021/22	**62,292**	V
	Procurement Services	Percentage spend on contracts that have been awarded to "local" contractors (as the primary contractor)	2020/21	**45.00**	G
	Procurement Services	Percentage value of the top 10 spend contracts that have been sub-contracted (wholly or partly) to "local" suppliers to deliver	2020/21	**23.60**	V
	Procurement Services	Percentage of total contract spend that is with an SME	2020/21	**42.10**	G
	Procurement Services	Percentage of total contract spend that is with an SME who meets the "local" definition	2020/21	**48.20**	G

Communications

For the 8th consecutive quarter responses to media enquiries have been within target boundaries and in Q3 76% of enquiries were responded to within the four-hour timeframe. 76% is a slight reduction from Q2 which was 78% but in line with that of Q1 at 76%.

With the return of the Christmas Market, we received 60 media requests and a total of 23 media interviews were conducted between the 30th November and 6th December 2021. The majority of media requests came from; The Lincolnite, Lincolnshire Live (Echo), BBC Radio Lincolnshire, Lincs FM, ITV Calendar, BBC Look North, Siren FM and student journalists. This spike in enquiries was the driving force to impact the response time as the department is seeking to recruit a communications officer. When this recruitment is concluded it is expected for response time to return to levels seen in the last financial year of 85%+.

As would be expected, the announcement of the Western Growth Corridor coming to the planning committee saw the second largest need for media response over Q3. Unlike in Q2 where inquiries dropped (COM 1) and therefore so did the need for pro-active communications (COM 2), we did not see the normal increase in proactive communications that would coincide with the upturn of media enquires in Q3.

The proactive communications centred around Christmas Market; if the market was going ahead due to COVID and weather, Central Market closure and support being offered to stallholders and various parking enquiries which were driven from the Bailgate parking consultation being handled by Lincolnshire County Council and not the CoLC.

Work Based Learning

Following the impact of COVID, we continue to focus on recruitment into the apprentice scheme and we continue to work with service areas to identify opportunities. Due to the work done in Q1 and Q2, we have been able to introduce 3 new apprentices in Q3 which brings the cumulative target to 9 for this financial year.

As we saw in Q2, WBL 1 – Percentage of apprentices completing their qualification on time, the measure is showing as Red (Appendix B and table above). It is worth noting that this is only because there were no apprentices due to qualify during this period and not that any apprentice failed to qualify. For the same reason you will see that WBL 3 is also reporting as 0 but again, it is not a reflection on performance. As part of the target setting for 2022-23, we are looking at reviewing indicators, to better show performance outcomes.

Customer Services

Since Q1 of this year we are seeing a slow but steady increase in total numbers of face to face appointments across all services, these include Welfare Team, Housing Officers, Homelessness and Parking, with the Welfare team seeing the most customers.

Total face to face from all services Q1 = 152, Q2 = 187 and Q3 = 198.

Within the Customer Services team, we have seen the same trend (increasing) in face-to-face customers over this period with meetings at City Hall being Q1= 53, Q2 = 72 and Q3 = 73. We continue to use the pre-booking system which is operating well for both staff and customers.

Although face to face meetings with customer service have reduced by over 4500 (per quarter) compared to pre-covid, we are seeing an approximate up-lift of calls into customer service rise of 2000 (per quarter) to approximately 30500 per quarter. In Q3 there were 35497 calls placed into customer services. If we look at the same quarter (Q3) over the previous two years we are seeing an 8% increase over this period.

The following shows a breakdown of calls for Q3 (2020-21 vs 2021-22)

	No. of Calls Q3 20-21	No. of calls Q3 21-22	YoY Comparison	% of all calls 21-22
Elections / Xmas Market	62	194	132	0.5%
Environment	792	783	-9	2.2%
Garden Waste	97	100	3	0.3%
Homeless	417	569	152	1.6%
Housing Solutions	4484	4969	485	14.0%
Housing	14305	16745	2440	47.2%
Refuse	3561	3277	-284	9.2%
Repairs	77	81	4	0.2%
Revenues	7954	8779	825	24.7%
Total	**31749**	**35497**	**3748**	**0.5%**

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

Calls in Q3 were answered on average in 272 seconds (4.5 mins) which is within the target boundaries and a reduction of 141 seconds from Q2. This measure has been affected by COVID-19 over the last 5 quarters and for comparison, the wait time for Q3 last year was 81 seconds. The improvement in waiting time performance from Q2 has been driven by a reduction in over 2000 calls, which has reduced demand slightly to allow for the improvement in call waiting times.

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

	No. of calls Q3 21-22	Average Wait Time	Average Call and Processing Time
Elections / Xmas Market	194	00:01:10	00:06:29
Environment	783	00:01:39	00:06:56
Garden Waste	100	00:01:21	00:05:47
Homeless	569	00:03:14	00:08:46
Housing Solutions	4969	00:03:23	00:08:25
Housing	16745	00:06:26	00:11:16
Refuse	3277	00:01:44	00:06:33
Repairs	81	00:05:35	00:09:54
Revenues	8779	00:03:36	00:10:24
Total	**35497**	**00:04:32**	**00:10:02**

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

Recruitment is still an ongoing process with a new part-time member of staff joining the team in February and another member currently having background checks completed and should hopefully join the team in March.

Accountancy

The average return on investment has seen the second consecutive quarter of improvement and has improved from 0.13% in Q2 to 0.14% in Q3. This means that for the last two quarters this measure has been within the target boundaries of 0.12% and 0.18%. As outlined in the last quarterly report, the Bank of England base rate has increased as we expected and is now at 0.25% and we expect this trend to continue in future quarters.

We continue to outperform on ACC 2 – Average Interest rate on external borrowing and have achieved the higher target of 3.75 for the 8th consecutive period at 3.10 for Q3 which is a 0.05% improvement on Q2 this year. Short-term borrowing and low rate Public Works Loan Board (PWLB) loans in Q3, have helped to reduce the overall loan rate in this quarter.

Revenues

For Q3 REV 1 – Council Tax in-year collection rate was 75.82% which is within target boundaries by 0.82% and brings this measure back into target boundaries following a slight dip in Q2. There is still some COVID funding to apply to the council tax accounts which we have not yet been able to apply as we are waiting for the scripts from our software supplier to add this discount to accounts. When this is applied, it will equate to 1.10% of the council tax debt which we hope to have applied in Q4. We are still seeing a large impact from COVID and we are still not returned to pre-covid levels.

The NDR collection for Q3 is 84.11% which means for the first time this year we are above both the lower and higher target boundaries of 82.5% and 83.39% respectively. This 84.11% is still however 6.31% down on the same period last year.

The previous commentary from Q2 outlined how the Expanded Retail Relief is creating an issue with the mathematics of how we calculate the collection figure. In 2020-21, the liability for the year was generally evenly distributed over the 12 months of the year. However, for 2021-22, 945 customers have nothing to pay for the first 3 months of the year which moves the sums that they are due to pay, into the last 9 months of the year. Of these 945,606 also claimed the 66% reduction for July to March meaning that these customers will only pay approximately 25% of their annual liability, in instalments from July to March. Customers without the Expanded Retail Relief still have to pay their liability from April to January/March. When calculating the collection figures, we are calculating as if the liability is spread over the 12 months when for several customers this isn't the case. This is making the comparison to last year's collection figures difficult as we are not comparing like for like and our reports cannot provide information on individual cases just on the debt and payments as a whole.

The government have announced a new rate relief - Covid Additional Relief Fund and Lincoln have received £2.7m to target the people who have been most affected by the pandemic and these monies are to be paid towards their 2021-22 liability. This has only just been announced but we are currently working with our partners in creating a scheme for applying this money to the accounts. As customers must evidence their losses, this is not likely to be applied to accounts before the end of the financial year and will therefore be backdated, which will equate to 7% of the NDR liability for 2021/22.

For the first time since Q1 2020-21, we have seen a reduction in the total number of outstanding customer changes in the revenue teams. The figure for Q3 is 1738 which is still above the lower target of 700 but is a reduction of 1999 from Q2 this year.

Resource is the main driving factor to the performance as we still have one member of the team on long term sick and after reporting in Q2 that all vacancies had been filled, we have had two members of staff leave. Therefore, the team is currently operating with 3 members of staff missing but we are continuing to recruit. To mitigate the impact of these vacancies and absence, as well as the overall increase in demand with council tax documents, we have had staff working overtime and have taken on an agency worker.

Benefits Administration

For the 8th consecutive quarter, BE 1 – Average (YTD) days to process new housing benefit claims is outperforming target boundaries and in Q3 reported 16.45 days against a seasonal higher target of 17.50 days. The main reason given for the positive performance outcomes is the weekly monitoring of housing benefit claims which was introduced last year and continues to drive performance.

Within Q3 there has been a slight improvement in the time taken to process housing claims with a change of circumstances to 5.37 days from 5.49 days in Q2. This measure, BE 2, has also been outperforming target boundaries consistently for the last eight quarters.

Although both measures (BE1 and BE2) are performing well, it is worth noting that constant changes to Universal Credit, from the ongoing impact of COVID, is meaning demand is fluctuating very erratically but every effort is being made to react as quickly as possible to minimise the impact.

For Q3, the number of housing benefit and council tax support claims awaiting assessment has risen to 1643 against 1411 in Q2. Of 1643, 1383 are waiting for first contact from the department. This does mean that in Q2 this measure was outperforming the target boundaries and has now fallen below the lower target boundary of 1500.

The third ‘Green’ measure for Q3 in Benefits Administration is BE 4 – Percentage of risk-based quality checks made where benefit entitlement is correct. For the 8th quarter, this measure has outperformed target boundaries. The definition for ‘correct, first time’ relates to a claim being out by even 1p which shows the stringent controls and checks that are undertaken to maintain this measure. In Q3 96.40% of claims were quality checked to be ‘Correct, First Time.’


wilko
wilko
wilko
H&M
next
ice
cream

Directorate for Communities and Environment - Performance

Service Area	Measure	Current Value	Status	Direction
Food and Health & Safety Enforcement	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	97.90	A	▲
Food and Health & Safety Enforcement	Average time from actual date of inspection to achieving compliance	40.30	R	▼
Food and Health & Safety Enforcement	Percentage of food inspections that should have been completed and have been in that time period	100.00	G	▲
Development Management (Planning)	Number of applications in the quarter	227	V	▬
Development Management (Planning)	End to end time to determine a planning application (Days)	68.96	A	▼
Development Management (Planning)	Number of live planning applications open	156	A	▼
Development Management (Planning)	Percentage of applications approved	95.00	A	▼
Development Management (Planning)	Percentage of decisions on planning applications that are subsequently overturned on appeal	0.00	G	▬
Development Management (Planning)	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	90.89	G	▼
Development Management (Planning)	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	82.50	A	▼
Private Housing	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	23.60	A	▲
Private Housing	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	4.90	V	▬
Private Housing	Number of empty homes brought back into use	17	A	▲
Public Protection and Anti-Social Behaviour Team	Number of cases received in the quarter (ASB)	73	V	▬
Public Protection and Anti-Social Behaviour Team	Number of cases closed in the quarter	747	V	▬
Public Protection and Anti-Social Behaviour Team	Number of live cases open at the end of the quarter	194	G	▼
Sport & Leisure	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	110,339	R	▼
Sport & Leisure	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	806.00	G	▲
CCTV	Total number of incidents handled by CCTV operators	2,181	V	▬
Waste & Recycling	Percentage of waste recycled or composted	34.82	A	▼
Waste & Recycling	Contractor points achieved against target standards specified in contract - Waste Management	95	A	▲
Street Cleansing	Contractor points achieved against target standards specified in contract - Street Cleansing	80	A	▼
Grounds Maintenance	Contractor points achieved against target standards specified in contract - Grounds Maintenance	135	A	▼
Allotments	Percentage occupancy of allotment plots	97.00	G	▬
Parking Services	Overall percentage utilisation of all car parks	48.00	R	▲

Parking Services	Number of off street charged parking spaces	3,796	V	—
Licensing	Total number of committee referrals (for all licensing functions)	9	V	—
Licensing	Total number of enforcement actions (revocations, suspensions and prosecutions)	1	V	—

Annual Measures

	Service Area	Measure	Current Value	Status
DCE	Waste & Recycling	Satisfaction with refuse service (collected via Citizens' Panel)	**97.00**	G
	Waste & Recycling	Satisfaction with recycling service (collected via Citizens' Panel)	**94.50**	A
	Food and Health & Safety Enforcement	Percentage of Citizens' Panel respondents who are satisfied with the standard of hygiene in restaurants/cafes/ shops and takeaways in Lincoln	**87.80**	G

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Food Health and Safety

In Q3, it is important to note the compliance of premises which have had a food, health and safety inspection undertaken must be treated with caution due to a continuing partial suspension of the service with only 464 business out of 1164 in total being fully or broadly compliant. It is anticipated the performance of this measure will change over the next two quarterly periods as more businesses are inspected. However, the team have been working closely with new businesses in the city and have reported a figure of 49% of these businesses achieving fully or broadly compliant status.

Full recovery of the inspection programme is not expected by the FSA until March 2023. The agreed FSA recovery plan was implemented from the 1st October 2021, focusing on new businesses, and also focusing on those businesses that present the greatest risk to public health, typically evening economy takeaways and restaurants. Premises with less risk will be incorporated into the inspections up until March 2023 As a result, 94 businesses have been inspected this quarter.

We are continuing to show red status against the measure of time taken from the inspection to achieving compliance – this is due to resource pressures within the team. However, the businesses contributing to the figure being high this quarter have consequently been reviewed, with findings that compliance was delayed due to structural works being carried out and also some businesses being forced to close, resulting in revisits unable to be undertaken.

Development Management (Planning)

Overall, Development Management has shown excellent progress in Q3, with two of their six measures above target and the other four on target.

In Q3, there were 227 planning applications submitted and although slightly lower than the figure reported in Q2 of 235, it remains relatively high and continues to show an increased level of confidence in the development sector.
It took 68.96 days on average to determine the outcome of live planning applications in Q3 and although reporting at slightly higher than the Q2 return of 61.91, it still falls within the target boundaries. This was due to more major developments being submitted which do take a little longer with specific focus on the Western Growth Corridor project as well as queries and revisions raised from statutory consultees. The number of planning applications that are still being worked on increased from 135 reported in Q2 to 156 this quarter but it remains in the acceptable range for this measure and continues to remain consistent and manageable within current resource levels available.

In Q3, performance continues to be high on applications approved, standing at 95% and although reporting slightly lower than the previous quarter when it reported at 97%, it still reflects the positive approach of the service, with once again, no appeals overturned in Q3 highlighting the quality and robustness of the decisions made.

The percentage our non-major planning applications determined within government target reported at 90.89% and although a slight reduction on the previous quarters outturn of 94%, it still falls within the national threshold of 90% and is due to a low number of applications with specific issues to resolve. There is a similar trend for major planning applications reporting at 82.5% this quarter, compared to 88% last quarter, but still falling comfortably above the required national threshold of 90%. It is important to note that major planning applications remain the focus of prioritisation for the Development Management team.

Private Housing

In Q3, we are continuing to see improved performance in the numbers of disabled facility applications that can be taken forwards with 17 adaptations progressed in Q3, completed in an average of 23.6 weeks each, which is a substantial improvement on the 30.8 weeks reported in Q2, and means the performance falls within the 19–26 week target boundary. This is anticipated to improve further as covid restrictions lift.

During Q3, 22 disrepair/condition cases were resolved. Once again Park and Abbey wards in the City had the highest disrepair reported at 60% of cases. As from the beginning of September 2021 we started to carry out more onsite visits and this is one of the reasons for the improvement in this measure reporting at an average of 4.9 weeks for this quarter.

In Q3, 5 further empty properties have been returned to use bringing the year to date total up to 17. However it is important to note that whilst we continue to assist in bringing empty homes back in to use, the impact of covid restrictions has limited inspections and face to face interactions for the Empty Homes Officer. This coupled with the increasing costs for material and labour and reductions on disposalble income brings further challenges and constraints into bringing properties back into use.

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

The number of ASB cases received in any quarter is a volumetric measure (meaning it is not something the team can influence), however in Q3, although the figure has decreased from 88 in Q2, reporting at 73 in Q3, this is still higher than Q3 last year. This has also had a significant impact on the PPASB team due to increased demand across all services and is reflected in the 276 ASB service requests received so far in 2021/22, which nearly equals the 314 received in the full year for 2020/2, and means we are anticipating this years outturn will exceed figures from the previous years.

The number of cases closed this quarter stands at 747 which although is reporting higher than the same quarter the previous year, is proportionate to this level. The number of cases still open in Q3 is 194 which is the normal amount expected and still falls well within the target of 220.

Sports and Leisure

In Q3, visitor numbers to leisure centres at Birchwood and Yarborough decreased slightly reporting at 110,339 down from 122,034 in Q2. which is anticipated at this time of year during the winter months and the approach up to the Christmas period.
The resistance to re-join and renew memberships for leisure centres is something experienced on a national scale and is partly due to the impact of the Covid Omicron variant and uncertainty of more lockdowns and the reluctance to integrate back into public places.
As a result, Birchwood has seen visitor numbers decrease by 4% (58% of pre-pandemic levels) and Yarborough has seen a 12% decrease (44% of pre-pandemic levels).

Artificial Grass Pitch (AGP) usage at Yarborough Leisure Centre & Birchwood Leisure Centre, has seen 806 hours of use over the last quarter which is a slight improvement on the previous quarter of 790 hours. It is important to note this period covers Christmas and New Year when a reduced amount of training on the pitches takes place. Birchwood saw a total of 471 bookings which is equivalent to 50% capacity and an improvement of 52 slots on the previous quarter whereas Yarborough saw 371 bookings which works out at 35% capacity and a slight reduction of 35 slots on the figure reported in Q2.

Waste and Recycling

Note that the quarterly data presented here is, as usual, lagged by one quarter and thus refers to Q2 2021/22. In Q2, 15.14% of waste was recycled and 19.68% of waste was composted equating to an overall figure of 34.82% of waste being composted or recycled resulting in a 0.57% decrease from the previous quarter. It is important to note that composting tonnages are very much related to the weather and will vary seasonally.

In Q3, contractor points given against target standards for waste management remained on target reporting at 95 and thus falling within the target boundary of 50-150; with 30 points in October, 20 points in November and 45 points in December.

Street Cleansing and Grounds Maintenance

In Q3, we have recorded 80 contractor points against the Street Cleansing team and 135 against the Grounds Maintenance team. Although this has deteriorated slightly from the previous quarter when both teams recorded 75 contractor points, this means that both teams are still within their target boundaries of between 50 and 150 maximum.

The breakdown across the quarter for contractor points awarded against the Street Cleansing team is 35 points were awarded in October, 30 points in November and 15 points in December.

The breakdown across the quarter for contractor points awarded against the Grounds Maintenance team is 105 were awarded in October, 10 points in November and 20 points in December. It is important to note the high peak in October was due to the quality of service delivered for grass verge cutting.

Allotments

As at the end of Q3, the percentage of occupancy of allotment plots is continuing to report comfortably above the target of 92% and at a consistent level with a figure of 97%.1,061 plots of a total 1,153 were let. Of the 1,153 plots, 1,099 of these are currently lettable.

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

It is anticipated that current allotment tenancies may decrease from February 2022 onwards as rent charges are being increased and the age related discount is being removed. However, it is important to note that discounts will still be offered to unemployed people and anyone who is receiving means tested benefits.

Parking

The car parks and bus station have remained open during all the lockdown periods. In Q3, we are continuing to experience an increase in demand for car parking due to increased footfall as non-essential shops have re-opened and workers have returned to the office. The team continue to ensure a clean, safe experience for customers and staff.

The overall percentage utilisation of all car parks, obviously continues to be at a much lower level in comparison to previous years, reporting at 48% over Q3, but this is an improvement on the 40% seen in Q2, due to an increase in both shoppers (especially in the Christmas period) and workers returning to the office earlier in the quarter.


ups

Directorate of Housing and Investment Performance

Service Area	Measure	Current Value	Status	Direction
Housing Investment	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	1.06	R	▲
Housing Investment	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	178	V	–
Housing Investment	Percentage of dwellings with a valid gas safety certificate	99.14	R	▼
Control Centre	Percentage of Lincare Housing Assistance calls answered within 60 seconds	98.30	A	▲
Rent Collection	Rent collected as a proportion of rent owed	100.52	G	▲
Rent Collection	Current tenant arrears as a percentage of the annual rent debit	3.68	A	▲
Housing Solutions	The number of people currently on the housing list	1,448	V	–
Housing Solutions	The number of people approaching the council as homeless	707	V	–
Housing Solutions	Successful preventions and relief of homelessness against total number of homelessness approaches	43.70	R	▼
Housing Voids	Percentage of rent lost through dwelling being vacant	1.44	R	▼
Housing Voids	Average re-let time calendar days for all dwellings - standard re-lets	51.94	R	▼
Housing Voids	Average re-let time calendar days for all dwellings (including major works)	59.88	R	▼
Housing Maintenance	Percentage of reactive repairs completed within target time (priority and urgent repairs) - HRS only	92.66	R	▲
Housing Maintenance	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	92.91	A	▲
Housing Maintenance	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	99.30	G	▼
Business Development	Number of users logged into the on-line self service system this quarter	9,026	G	▼
IT	Number of calls logged to IT helpdesk	993	V	–
IT	Percentage of first time fixes	58.60	V	–

The operating picture in Housing remains challenging. However, many of the interventions and measure we were beginning to put in place at the end of last quarter are starting to have a positive impact. The Department would hope to be back in a more positive position at year end**.**

Housing Investment

For the second quarter this year, we have seen a further reduction in the percentage of homes not at a 'Decent Homes' standard (excluding refusals), achieving 1.06% against 2.10% in Q1 and 1.50% in Q2. This means that this measure is still RED but performance is improving and now only 0.06% away from the lower target of 1.0%.

This 1.06% equates to 82 (71%) properties that do not meet the decent homes standard and of these, 58 are in the programme for a replacement door. A further 22 (27%) are recorded as electrical failures and is due to failed access to undertake the 5-year electrical inspection. The final 2 properties require a new roof.

As high-lighted in Q2 and above, we are having long term access issues to carry out electrical testing, despite attempts working across the council to gain entry. Tenants have the option to refuse improvement works, with various reasons for refusal offered such as health issues and a lack of willingness to cooperate. We currently have 178 properties which are considered 'not decent standard' as a result of tenants refusing us entry. This is still a continued improvement for the last six quarters, since its peak in Q1 20-21 of 216 and a reduction of 10 since Q2 this year.

As outlined in previous reports the Health and Safety Executive set the expectation that gas servicing must continue during the pandemic but we are still having access issues with a small number of properties. We have robust processes in place which are followed and failed access addresses are referred to legal services to obtain access. During Q3 we achieved 99.14% which is a slight drop of 0.12% from Q2.

Control Centre

For the fourth consecutive quarter, the percentage of assistance calls answered within 60 seconds to Lincare has been within target boundaries and in Q3 there has been a slight improvement from 98.25% in Q2 to 98.30% in Q3.

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

Rent Collection (Tenancy Services)

For Q3 rent collection was 100.52%, meaning that we received more rent payments than was due in this period and therefore means the additional money goes towards arrears. Compared to the same period last year which was 98.9% this is the 8th consecutive quarter when outturn has outperformed target boundaries.

Note that it was agreed with the Service Manager that we would revert this target back to the targets for 2020/21 after it was initial lowered for 2021/22 – but is comfortably achieving the goal.

After a dip in performance in Q2 of 4.88% which was below the lower target, current tenant arrears as a % of annual rent debit has improved to 3.68% in Q3 which is within target boundaries. 3.68% is also outperforming the same time last year when arrears were running at 4.00%.
This 3.68% equates to £1,052,680 and is £78,149 less than Q3 last year. Although there are positive trends in performance, rent collection has continued to be challenging with continued changes to legislation for landlords in place until October 2021. Universal Credit claims have increased by 1,028 last year with an increase of £48,796 of arrears on these cases, taking the total arrears on Universal Credit claims to £666,390.

Housing Solutions

For the second consecutive quarter, we have seen growth in the number of people currently on the housing list rising to 1448 in Q3 from its lowest point in Q1 of 1183. This figure of 1448 brings this measure back in line with pre-covid figures and is very similar to Q3 of 20-21 which was 1436. We are receiving approximately 250 applications a month at present.

During the pandemic we saw slightly lower numbers of approaches to the council about homeless, however, those we did receive tended to be extremely complex and often involved domestic abuse. Since the eviction ban was lifted, we have received much higher numbers of enquiries and applications, including higher numbers of applicants who require temporary accommodation. For Q3 we had 707 approaches compared to 461 in Q2 and we expect this situation to remain steady, or worsen, in the coming months as many eviction notices will expire meaning the landlords can legally pursue court action.

Successful preventions and relief of homelessness against the total number of homelessness approaches continue to be below target boundaries at 43.70% and has dropped from 45.93% in Q2. The team continues to work with applicants to try to prevent or relieve homelessness. This has been extremely challenging over the past 18 months as shared living arrangements have irretrievably broken down following the national lockdowns and there have been fewer properties available in both the private rented sector and within our stock. Wherever possible and following government instruction, we have continued to prioritise those facing homelessness for available accommodation.

Housing Voids

The percentage of rent lost through dwellings being vacant has continued to increase over the last seven quarters and now sits at 1.44% against 1.37% in Q2 and 1.06% for the same period last year.

The void process has faced several challenges with labour, contractors, lettings, and difficulty carrying our pre-termination inspections which have resulted in an increase in void time and consequently % of rent lost. Voids Repair Team are currently instituting a plan with the voids support team which will utilise additional contractors, maximise supplies to reduce the voids turnaround time.

The current void turn-around time for void requiring minor works is 51.94 days against the target of 32 days. Void Repairs Team have experienced increased challenges since their initial contractor went into administration in the summer, leaving significant pressure on the Direct Labour Organisations (DLO). There is a high, national demand for labour, coupled with covid restrictions and isolation within our workforce meaning that CoLC has had difficulty in securing the necessary workforce to turn around the empty properties. There have also been additional pressures on tenants when trying to move, meaning delays throughout the void process. We have experienced delays in ordering kitchens, plastering products and certain timber lines as outlined in more detail in Q2.

The Voids Support Team has seen an increase in the number of terminations through deaths meaning that pre-termination inspections cannot be completed, resulting in more difficulty when planning required works. The data shows that when we can complete a pre-termination our average time for void repairs, cleansing and overall end to end time reduces.

We have now appointed five additional contractors to carry out void works and have allocated additional staff from the DLO. Subsequently, we are seeing an increase in the properties being completed and relet so performance for the remainder of the financial year will likely increase however this is due to numerous longer-term voids now being completed. This will put us in a better position as we move into quarter one 2022/23.

The current void turnaround time for all properties is 59.88 days against the target of 38 days. This has increased by just over 6 days since the same time last. Properties requiring major works have seen increased difficulty with sourcing necessary materials and labour, increasing in the re-let time.

As with all relets, new tenants have often struggled to move due to isolation, or difficulty sourcing removals promptly resulting in further delays.

With the additional contractors that are now in place and the increase in available materials, the current voids in the system should be completed and the overall voids in the system will reduce, however, we won't see the average re-let time reduce until they are cleared. In clearing the back log we will be bringing back letting a number of properties that have been void for a long period, this will have an adverse effect on the voids measure for some time as the figure is an average and properties are not included in that average until they are let.

Contextually we review other stockholding local authority void averages, City of Lincoln's void numbers across all categories measure very favourably. This further demonstrates that these operating conditions are occurring nationally not just in the City.

We've also experienced a deterioration in the standard and condition of the properties being returned to CoLC. This is a knock-on effect due to the reduction in the repairs carried out during the national lockdowns and the limited number of inspections carried out on our properties by our officers which is also having an impact on voids.

Housing Maintenance

For the third consecutive quarter, the percentage of reactive repairs completed within target time for priority and urgent repairs are outside of target boundaries, but we have seen an improvement from 91.74% in Q2 to 92.66% in Q3. This is however down 6.52% from the same quarter last year. This underperformance is being driven by urgent repairs (3-day tickets) and not priority (1-day tickets). For this reason, we are proposing to split this measure for the next financial year to allow for clearer reporting and root cause analysis.

Taking into account the constraints and challenges the market is putting upon everyone in this sector the team are focusing on internal challenges and addressing these. This includes resource planners prioritising 1 & 3-day jobs over 100-day tickets that are already in the diaries.

The introduction of a new Repairs co-ordinator who will reinforce best practices and improve communication between the operatives and the planners. This closer management of the function will result in improved performance and ultimately see this performance improving quickly and see it reach an acceptable level.

Over the last 6 quarters, we have seen a positive trend curve for the percentage of repairs fixed first time (urgent and priority) which has taken performance in this measure from its lowest point in Q1 20-21 at 89.57%, to now sitting at 92.91% at the end of Q3 this year which is within target boundaries.

Based on some of the work mentioned above and as National stock and resource issues continue to improve, we expect to see further improvement in this measure going forward. We have also increased the number of inspections carried out in the planning stage of scheduled repairs to ensure materials are ordered and delivered before the delivery stage of scheduled repairs.

For the 8th consecutive period, the percentage of appointments kept (priority and urgent) is performing above target boundaries and was 99.3% at the end of Q3. This is a slight dip from Q2 at 99.4% and below the same period last year at 99.81% but is still a very positive performance. During the year there are only a minority of appointments that get missed, however, we continue to communicate updates to the tenant and rebook these appointments. This element is being reviewed in the scheduled repairs pilot.

Business Development

We have seen the 3rd consecutive quarterly drop in the number of users logged into the online self-service system from its peak in Q4 20-21 of 15,276 however circumstances are considerably different at present. In Q3 there were 9026 log-ins to the system which was down 1489 from Q2 and is also down Q3 last year which was 10232.

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

Since the start of this financial year calls logged with IT have been more than 900 a quarter and Q3 saw the highest amount at 993 verses 927 in Q2.

The percentage of first-time IT fixes has continued the trend of improvement over the last 5 months achieving 58.6% first-time fix versus 56.3% in Q2 and at its lowest point of 52.8% in Q3 last year. Many of the enquiries related to logging in issues meant they were resolved quickly.


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Authority Wide Measures

Health and Wellbeing

Between October and December 2021, the council made 29 Occupational Health referrals.

The HR team have raised awareness of World Mental Health day and Menopause awareness week, following this a regular Menopause Café was set up for employees to attend and have open discussions with others relating to the Menopause. The HR team also produced/circulated a briefing on Men's Health awareness month in November, which drew attention to prostate cancer, testicular cancer, mental health, and suicide prevention.

In addition, the HR team have also been meeting with Team Leaders/ Service Managers to present a Mental Health briefing to improve awareness, provide advice and guidance to managers who may be managing employees with mental health conditions and to promote the support which is available.

Sickness performance

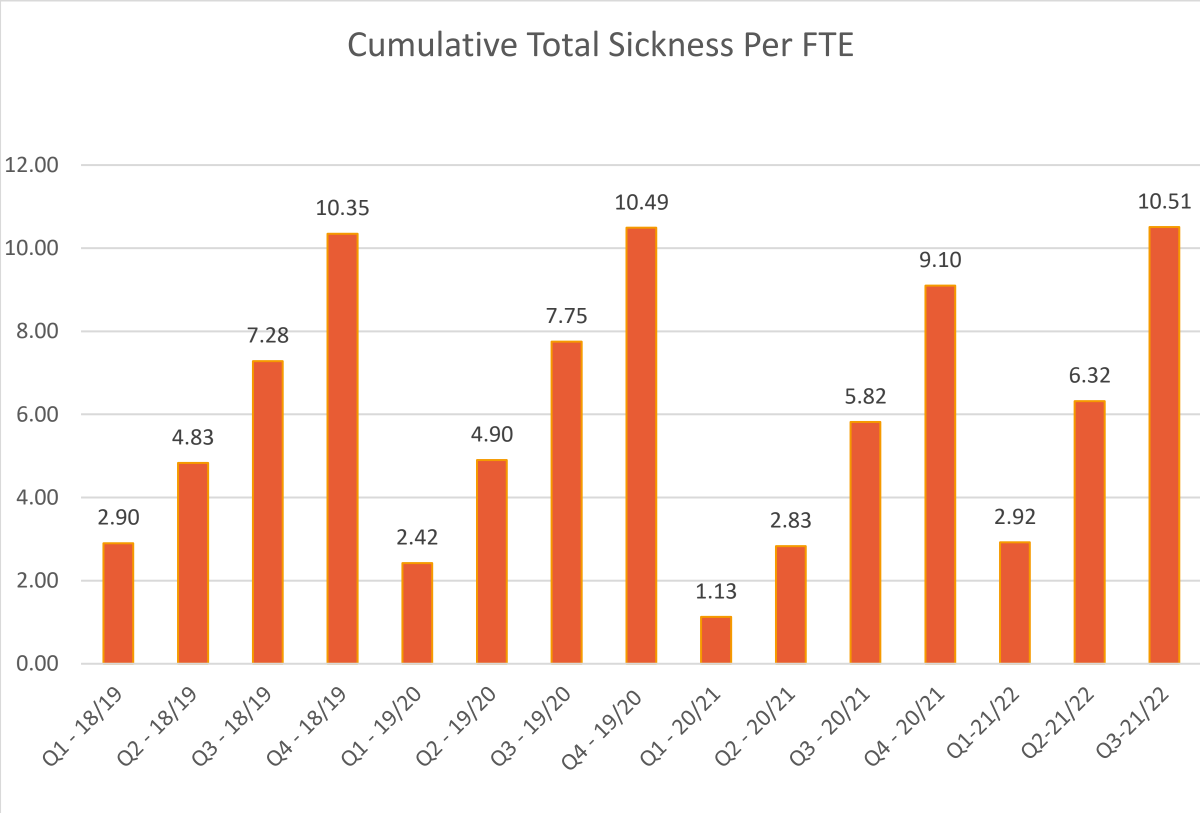
Overall average sickness absence rate of 4.19 days per FTE has risen against the same quarter in 2020/2021, where it stood at 2.99 days per FTE, and is higher than the data from the previous two years before the Covid effect.

The short term sickness level has increased by 0.45 days per FTE compared to the same quarter in 2020/2021, now reporting at 1.26 days per FTE in Q3 2021/2022. The long-term sickness level has also increased by 0.75 days per FTE compared to the same quarter in 2020/21, now reporting at 2.93 days per FTE in Q3 2021/2022.

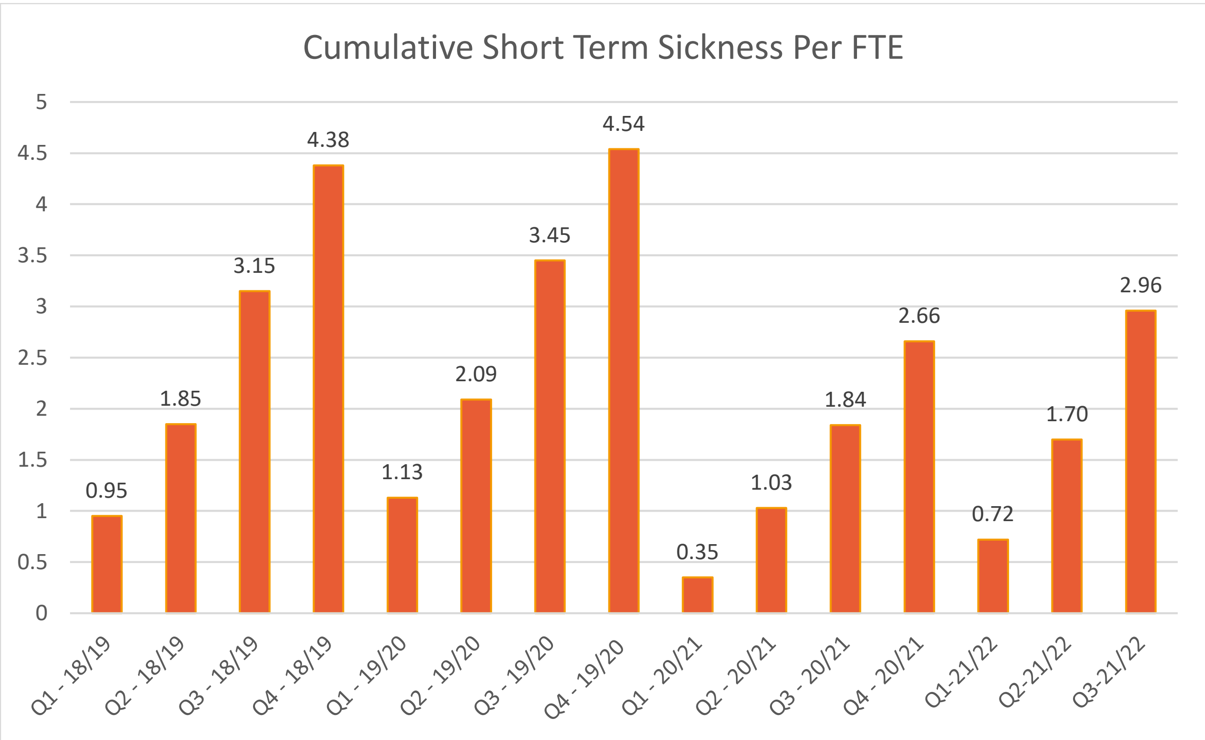
Q3 2021/22 ONLY

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)	Apprentice Sickness
Short Term Days Lost	213	100	10	350	673	18
Long Term Days Lost	407	201.5	0	951	1,559.5	0
Total days lost	620	301.5	10	1301	2,232.5	18
Number of FTE	168.89	134.65	13.81	215.8	533.15	5.25
Average Short-Term Days lost per FTE	1.26	0.74	0.72	1.62	1.26	3.43
Average Long-Term Days lost per FTE	2.41	1.50	0.00	4.41	2.93	0.00
Average Total Days lost per FTE	3.67	2.24	0.72	6.03	4.19	3.43

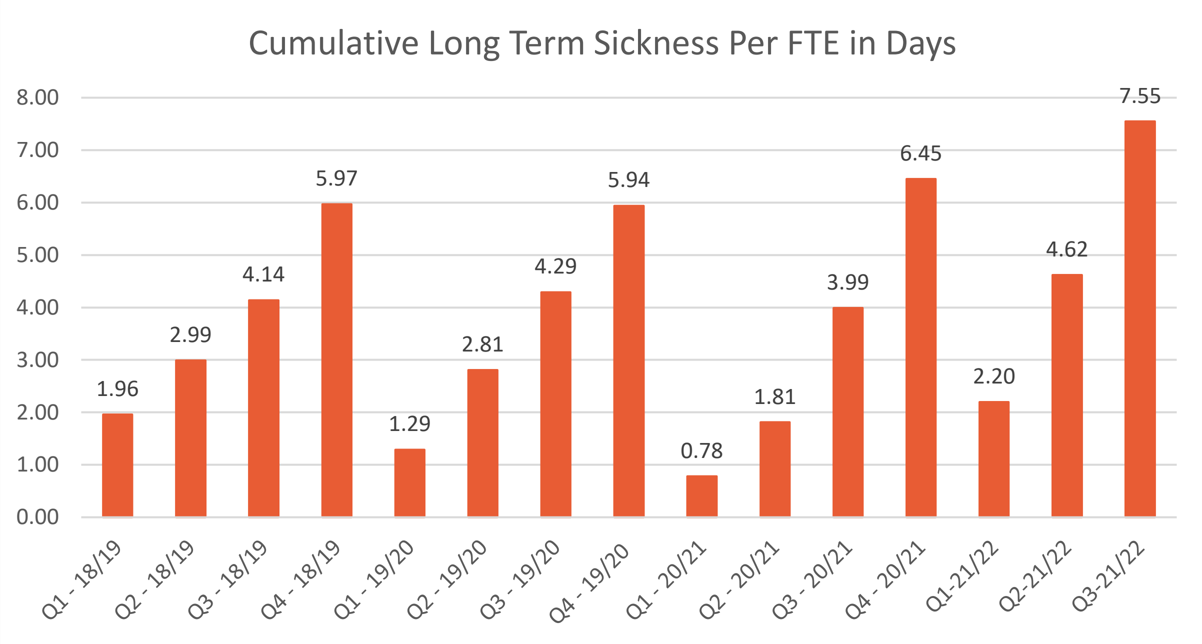
Cumulative Total Sickness Per FTE (excluding apprentices)



Cumulative Short-Term Sickness Per FTE in Days



Cumulative Long-Term Sickness Per FTE in Days

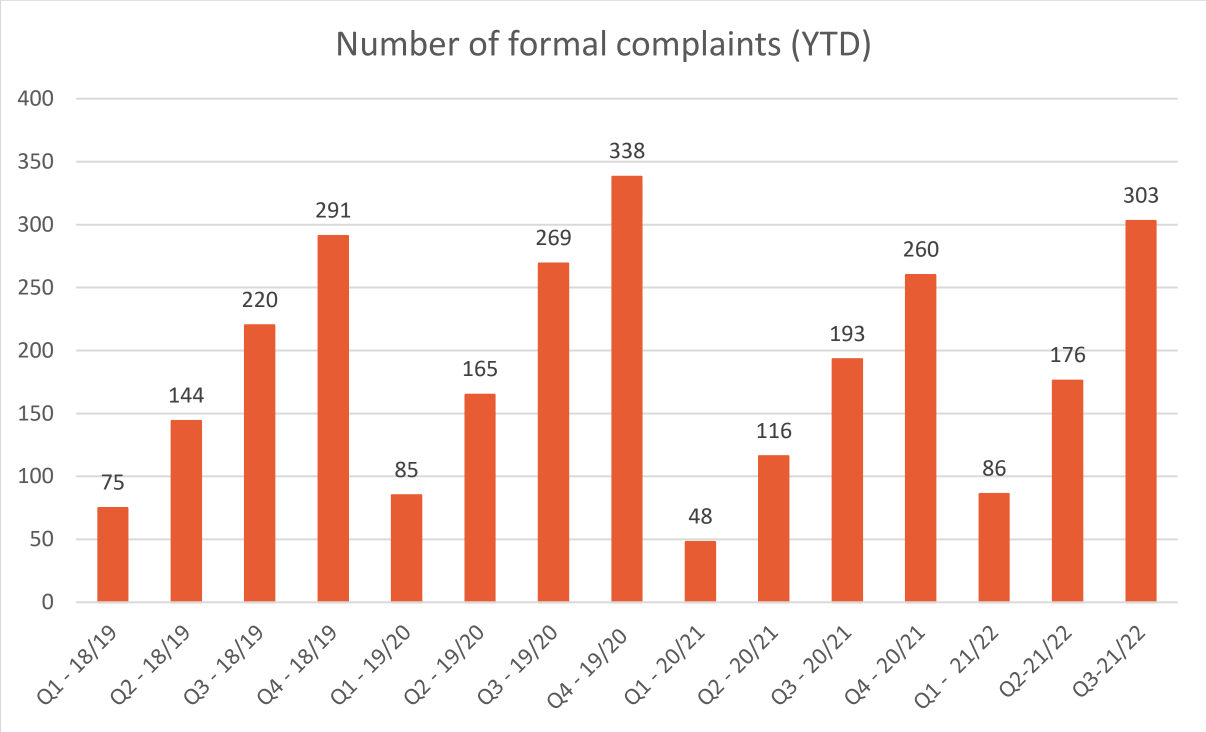


Complaints Performance

In Quarter three there were 127 dealt with. It is important to note for the two stages of complaints – Stage 1 - to be completed within 10 days and stage 2 to be completed within 20 days. The percentage of responses to formal complaints within target time across all directorates is 65% year to date. In quarter three, we had no LGO complaints decided.

	CX	DCE	DMD	DHI	TOTAL
Number of Formal complaints dealt with this quarter	10	11	0	106	127
Number of Formal complaints Upheld this quarter	6 (60%)	6 (55%)	0	53 (50%)	65 (51%)
YTD total number of complaints investigated Cumulative (Q3)	24	39	3	237	303
YTD Number of Formal complaints Upheld	13 (54%)	13 (33%)	2 (66%)	124 (52%)	152 (50%)
% of responses within target time this quarter	70%	100%	0%	74%	76%
% of responses within target time YTD	79%	95%	66%	59%	65%
LGO complaints decided	0	0	0	0	0

Number of formal complaints (YTD)



Local Government Ombudsman Complaints Decided in Q3 2021/22

Resource Information

The total number of FTE employees (excluding apprentices) at the end of Q3 was 533.15 with an average of 5.25 apprentices over the period. In terms of the level of vacancies at Q3 - budgeted establishment unfilled positions (FTE) stood at 75 FTE. It should be noted that the council are actively recruiting 23.42 FTE, with a strong focus on essential and business critical roles due to the financial environment.

The percentage of staff turnover at the end of quarter three was 3.99% (excluding apprentices).

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)
Number of FTE employees	168.89	134.65	13.81	215.80	533.15
Average number of apprentices (as at quarter end)	Authority Wide				5.25
Percentage of staff turnover	Authority Wide				3.99%
Total number of FTE vacancies (in i-Trent)	Authority Wide				75.00
Active vacancies which are being recruited (FTE)	Authority Wide				23.42

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PERFORMANCE INFORMATION MANAGEMENT SYSTEM

Quarterly Measures Dashboard | Annual Measures Dashboard (Q1 Q2 Q3 Q4) | Corporate Measures Dashboard Measures | Interactive Status Cards | Directorate Status Summary Dashboard

CITY OF Lincoln COUNCIL

QUARTERLY MEASURES

To add data, click **here**

G At or above target

A Acceptable performance - results are within target boundaries

R Below target

V Volumetric/contextual measures that support targeted measures

▲ Performance has improved since last quarter

— Performance has stayed the same since last quarter

▼ Performance has deteriorated since last quarter

Strategic Measures

	Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Quarter	Current Value	Unit	Status		Commentary
CX	Communications	COM 1	Percentage of media enquiries responded to within four working hours	High is good	70.00	85.00	Q2 - 21/22	78.00	Q3 - 21/22	76.00	%	A	▼	A very busy quarter for the team as the Christmas Market returned. We received a large number of local and regional media enquiries related to the event - many of which came in the days before and during Market. A total of 23 media interviews were conducted between 30 November and 6 December. In addition, the announcement of Western Growth Corridor planning committee generating a flurry of enquiries in the run-up to Christmas and beyond. The number of enquires, combined with the Communications Officer role becoming vacant, resulted in a slight increase in response times, however, this will be rectified for the 4th quarter as enquiries decline and team recruitment takes place.
	Communications	COM 2	Number of proactive communications issued that help maintain or enhance our reputation	High is good	25	40	Q2 - 21/22	26	Q3 - 21/22	27	Number	A	▲	Usually, the number of enquiries increasing (see COM 1) would result in a need to issue further messaging ourselves but this proved not to be the case this quarter. Some were required, however, and these were mainly centred around the Christmas Market, the Central Market and various parking issues.
	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	High is good	92.00	95.00	Q2 - 21/22	0.00	Q3 - 21/22	0.00	%	R	—	In Q3 2021/22 there were no completers. The reason being due to not having any apprentices who were expected to complete their apprenticeships within this period
	Work Based Learning	WBL 2	Number of new starters on the apprenticeship scheme	N/A	Volumetric	Volumetric	Q2 - 21/22	2	Q3 - 21/22	3	Number	V		We had 3 new starts within Q3. The cumulative figure up to Q3 is now 9
	Work Based Learning	WBL 3	Percentage of apprentices moving into Education, Employment or Training	N/A	Volumetric	Volumetric	Q2 - 21/22	0.00	Q3 - 21/22	0.00	%	V		In Q3 2021/22 there were no completers so no data available for WBL 3. *Please see notes for WBL1
	Customer Services	CS 1	Number of face to face enquiries in customer services	N/A	Volumetric	Volumetric	Q2 - 21/22	72	Q3 - 21/22	73	Number	V		Very similar to previous quarter, with other sections also mainly seeing customers by appointment 198 seen in total
	Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	N/A	Volumetric	Volumetric	Q2 - 21/22	31,960	Q3 - 21/22	29,692	Number	V		we had more calls than the same quarter last year. The breakdown is 3812 refuse/environmental calls 4985 housing solution/homeless calls, 13089 housing calls and 7806 council tax/benefit calls, plus 260 other calls, a total of 29952
	Customer Services	CS 3	Average time taken to answer a call to customer services	Low is good	300	180	Q2 - 21/22	413	Q3 - 21/22	272	Seconds	A	▲	An improvement on the previous quarter, over 3000 chasing a repair or an appointment and over 4000 calls for new repairs
	Accountancy	ACC 1	Average return on investment portfolio	High is good	0.12	0.18	Q2 - 21/22	0.13	Q3 - 21/22	0.14	%	A	▲	BoE rate increased to 0.25 - interest receivable expected to increase in future quarters
	Accountancy	ACC 2	Average interest rate on external borrowing	Low is good	4.75	3.75	Q2 - 21/22	3.15	Q3 - 21/22	3.10	%	G	▲	Shorter term borrowing and low rate PWLB loans accessed in Q3 reducing the overall rate of loans outstanding
	Revenues Administration	REV 1	Council Tax - in year collection rate for Lincoln	High is good	75.00	79.00	Q2 - 21/22	49.58	Q3 - 21/22	75.82	%	A	▲	Collection is down by 0.38%. We still have some covid funding to apply to the council tax accounts and are waiting for the scripts from our software supplier to add this discount onto the accounts. The total discount is equivalent to 1.10% of the council tax debt. The covid pandemic is still affecting the collection rates as this has not returned to pre-covid levels.
	Revenues Administration	REV 2	Business Rates - in year collection rate for Lincoln	High is good	82.50	83.39	Q2 - 21/22	55.70	Q3 - 21/22	84.11	%	G	▲	The NDR collection is still down by 6.31% when compared to last year. The mathematics of how the liability is spread over 2021-22 will still be affecting this figure as explained at the end of quarter 2. The government have announced a new rate relief - Covid Additional Relief Fund and Lincoln have received £2.7m to target the people who have been most affected by the pandemic. these monies are to be paid towards their 2021-22 liability. Unfortunately, this has only just been announced but we are currently working with our partners in creating a scheme for applying this monies to the accounts. As customers have to evidence their losses, this is not likely to be applied to accounts before the end of the financial year and will therefore be backdated. £2.7m equates to 7% of the NDR liability for 2021/22.
	Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues team	Low is good	700	550	Q2 - 21/22	3,737	Q3 - 21/22	1,738	Number	R	▲	The council tax admin team are still in the position of having one member of the team on long term sickness. In quarter 2, vacancies had been filled but since then there have been two FTE who have left the team and gone to work elsewhere, leaving the team understaffed once again. To ensure that the council tax documents are brought up to date as quickly as possible we have had some staff working overtime and have taken on an agency worker. There has certainly been a huge improvement in the documents outstanding. As some of these are in the emails and some are in Enterprise, we are reporting the number of documents and not the number of customers as we are unable to get that information.
	Housing Benefit Administration	BE 1	Average (YTD) days to process new housing benefit claims from date received	Low is good	19.50	17.50	Q2 - 21/22	17.50	Q3 - 21/22	16.45	Days	G	▲	Weekly monitoring of HB claims continues to enable prompt decision making
	Housing Benefit Administration	BE 2	Average (YTD) days to process housing benefit claim changes of circumstances from date received	Low is good	8.00	6.50	Q2 - 21/22	5.49	Q3 - 21/22	5.37	Days	G	▲	Monthly changes in UC continue as Covid cases increase again and people's circumstances alter.
	Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Low is good	1,500	1,300	Q2 - 21/22	1,411	Q3 - 21/22	1,643	Number	R	▼	1643 customers of which 1383 are awaiting a first contact from us.

	Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where Benefit entitlement is correct	High is good	88.00	91.00	Q2 - 21/22	95.26	Q3 - 21/22	96.40	%	G	▲	There has been an increase in QA completed and less errors.
	Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	N/A	Volumetric	Volumetric	Q2 - 21/22	1,995	Q3 - 21/22	2,966	Number	V		645 Housing Benefit and 2321 Council Tax Reduction
DCE	Food and Health & Safety Enforcement	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	High is good	96.00	98.00	Q2 - 21/22	0.00	Q3 - 21/22	97.90	%	A	▲	This measure must be treated with some caution as it is the first time, we are reporting on this and the number of businesses that are included is less than half (465) of the total businesses that are food registered in the City (1164). As we move through the next 2 or 3 quarters, we could see this measure change as more of the businesses are included. What we can report is that there was a high percentage of new business inspection 49% which tend to be on the first assessment to be fully or broadly compliant.
	Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Low is good	13.00	8.00	Q2 - 21/22	33.21	Q3 - 21/22	40.30	Days	R	▼	During this quarter there was a member of staff off on long term sick but who returned to full duties towards the end of the quarter. I reviewed those inspections which caused the value to increase, and compliance was delayed due to structural work that needed to be completed or the businesses had shut and so revisits could not be undertaken.
	Food and Health & Safety Enforcement	FHS 3	Percentage of food inspections that should have been completed and have been in that time period	High is good	85.00	97.00	Q2 - 21/22	0.00	Q3 - 21/22	100.00	%	G	▲	The FSA Recovery Plan was officially put in place from the 1 October; however, we had identified which of the businesses would have been included in the recovery plan before the recovery plan date. Inspections were carried from late June onwards to ensure that we used our resources as effectively as possible. This had meant that a total of 94 premises have been inspected up to the end of December.
	Development Management (Planning)	DM 1	Number of applications in the quarter	N/A	Volumetric	Volumetric	Q2 - 21/22	235	Q3 - 21/22	227	Number	V		Figure remains high shows continued confidence in the market generally
	Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Low is good	85.00	65.00	Q2 - 21/22	61.91	Q3 - 21/22	68.96	Days	A	▼	End to end times remain within our target tolerance
	Development Management (Planning)	DM 3	Number of live planning applications open	Low is good	180	120	Q2 - 21/22	135	Q3 - 21/22	156	Number	A	▼	Live applications remain constant and within manageable levels with current resource levels
	Development Management (Planning)	DM 4	Percentage of applications approved	High is good	85.00	97.00	Q2 - 21/22	97.00	Q3 - 21/22	95.00	%	A	▼	Consistently high figure which reflects the positive approach of the service
	Development Management (Planning)	DM 5	Percentage of decisions on planning applications that are subsequently overturned on appeal	Low is good	10.00	5.00	Q2 - 21/22	0.00	Q3 - 21/22	0.00	%	G	—	Shows robust decisions are made as no decisions overturned
	Development Management (Planning)	DM 6	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	High is good	70.00	90.00	Q2 - 21/22	94.00	Q3 - 21/22	90.89	%	G	▼	Slight reduction, however level is well within national threshold and is due to a few applications with specific issues to resolve
	Development Management (Planning)	DM 7	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	High is good	60.00	90.00	Q2 - 21/22	88.00	Q3 - 21/22	82.50	%	A	▼	Figure remains within national thresholds and major applications remain the focus of prioritisation for performance
	Private Housing	PH 1	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	Low is good	26.00	19.00	Q2 - 21/22	30.80	Q3 - 21/22	23.60	Weeks	A	▲	17 adaptations were completed in this quarter and there has been an improvement in the end to end time from quarter 2 which was anticipated as restrictions were being lifted.
	Private Housing	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	N/A	Volumetric	Volumetric	Q2 - 21/22	13.60	Q3 - 21/22	4.90	Weeks	V		During this quarter, 22 disrepair/condition cases were resolved. Once again Park and Abbey wards in the city had the highest disrepair reported at 60% of cases. As from the beginning of September 2021 we started to carry out more onsite visits and this could be one of the reasons why this measure has improved.
	Private Housing	PH 3	Number of empty homes brought back into use	High is good	7	25	Q2 - 21/22	12	Q3 - 21/22	17	Number	A	▲	Whilst we continue to assist owners to bring back their empty properties, the restrictions on inspections and face to face interactions with owners has severely curtailed the effectiveness of the Empty Homes Officer's role. In the last quarter a further 5 properties were returned to use which had involvement from the Empty Homes work. So far this year 17 properties have been returned to use with the project's assistance. Sincil Bank LTE numbers have started to climb back upwards with more empty properties remaining empty for more than 6 months. An increase of 12 properties in the last quarter.
	Public Protection and Anti-Social Behaviour Team	ASB 1	Number of cases received in the quarter (ASB)	N/A	Volumetric	Volumetric	Q2 - 21/22	88	Q3 - 21/22	73	Number	V		this is slightly higher than q3 of 2020/21 and shows the continued increase in demand which is currently across all PPASB services. so far in 2021/22 we have received a total of 276 ASB Service requests. in 2020/21 full year we received 314 and the current projection is that this we be exceeded.
	Public Protection and Anti-Social Behaviour Team	ASB 2	Number of cases closed in the quarter	N/A	Volumetric	Volumetric	Q2 - 21/22	849	Q3 - 21/22	747	Number	V		this remains higher than Q3 last year but is relative compared to requests for services which remains higher for 2021/22 than 2020/21
	Public Protection and Anti-Social Behaviour Team	ASB 3	Number of live cases open at the end of the quarter	Low is good	260	220	Q2 - 21/22	189	Q3 - 21/22	194	Number	G	▼	this is a little higher than normal but currently isn't of concern, the monthly data shows that in October the cases open were 192, November 177 and December 194.
	Sport & Leisure	SP 1	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	High is good	213,355	213,991	Q2 - 21/22	122,034	Q3 - 21/22	110,339	Number	R	▼	Quarter 3 with being the winter months and the approach to Christmas is usually lower than Quarter 2 which is the summer and the lighter months, this is a drop of 4% visits for Birchwood and 12% for Yarborough. Yarborough is 44% of pre-pandemic levels (Q3 19/20) Birchwood is 58% of pre-pandemic levels (Q3 19/20) Resistance to re-join fitness gyms is industry wide (nationally), this could be due to the surge in Omicron numbers on the lead up to Christmas with the possibility of a lock down, new members

														were low, with the fear regarding the transmissibility of Omicron there is still a resistant to going back into public places.
	Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	High is good	520.00	650.00	Q2 - 21/22	790.00	Q3 - 21/22	806.00	Hours	G	▲	Q3 Total slots used 806 Birchwood 471 bookings which is approx. 50% capacity and is up on Q2 by 52 slots. Yarborough 371 which is 35% capacity and is slightly down on Q2 by 35 slots. The 12 week period includes the Christmas and New Year period when a reduced amount of training takes place.
	CCTV	CCTV 1	Total number of incidents handled by CCTV operators	N/A	Volumetric	Volumetric	Q2 - 21/22	2,665	Q3 - 21/22	2,181	Number	V		Numbers fell slightly during this period possibly as a result of a reduction in staffing numbers. Public order incidents specifically drunken behaviour increased as venues began to open.
	Waste & Recycling	WM 1	Percentage of waste recycled or composted	High is good	33.50	39.00	Q2 - 21/22	35.39	Q3 - 21/22	34.82	%	A	▼	This figure relates to Quarter 2 (July - September 2021). 15.14% has been recorded as waste being recycled, whereas 19.68% was recorded of waste being composted, equating to 34.82% being composted or recycled.
	Waste & Recycling	WM 2	Contractor points achieved against target standards specified in contract - Waste Management	Low is good	150	50	Q2 - 21/22	125	Q3 - 21/22	95	Number	A	▲	95 points were recorded in Q3. This has been broken down into 30 points in October, 20 points in November, and 45 points in December.
	Street Cleansing	SC 1	Contractor points achieved against target standards specified in contract - Street Cleansing	Low is good	150	50	Q2 - 21/22	75	Q3 - 21/22	80	Number	A	▼	Points were recorded as 80 collectively. This has been broken down into 35 points in October, 30 points in November and 15 points in December.
	Grounds Maintenance	GM 1	Contractor points achieved against target standards specified in contract - Grounds Maintenance	Low is good	150	50	Q2 - 21/22	75	Q3 - 21/22	135	Number	A	▼	Points were recorded as 135 collectively, broken down into 105 in October 10 in November and 20 in December. The large peak in October was due to Verge grass cutting.
	Allotments	AM 1	Percentage occupancy of allotment plots	High is good	84.00	92.00	Q2 - 21/22	97.00	Q3 - 21/22	97.00	%	G	—	As at the end of December 2021, 1061, plots of a total 1153 were let. Of the 1153 total plots, 1099 plots are currently lettable. 1061 occupied lettable plots equates to 97% occupancy rate. There continues to be a steady demand for allotment tenancies. All allotment sites currently have waiting lists for plots now and when plots become available , we try to re-let the plots to those on the waiting lists as quickly as possible. We are also mindful that allotment tenancies may decrease from February 2022, as allotment rent charges are being increased significantly (and the age-related discount is being removed; discounts are still available for anyone on unemployment and means-tested benefits). This will undoubtedly have an impact on whether tenants decide to continue with their plots or not.
	Parking Services	PS 1	Overall percentage utilisation of all car parks	High is good	50.00	60.00	Q2 - 21/22	40.00	Q3 - 21/22	48.00	%	R	▲	Good figure reflecting the Christmas period and no Covid restrictions re shops closing this year
	Parking Services	PS 2	Number of off street charged parking spaces	N/A	Volumetric	Volumetric	Q2 - 21/22	3,796	Q3 - 21/22	3,796	Number	V		No change
	Licensing	LIC 1	Total number of committee referrals (for all licensing functions)	N/A	Volumetric	Volumetric	Q2 - 21/22	6	Q3 - 21/22	9	Number	V		1 PH Vehicle revocation, 1 LA2003 contested variation, 7 PH drivers due to points/convictions.
	Licensing	LIC 2	Total number of enforcement actions (revocations, suspensions and prosecutions)	N/A	Volumetric	Volumetric	Q2 - 21/22		Q3 - 21/22	1	Number	V		1 PH Driver suspended with immediate effect following allegations of sexual assault.
DHI	Housing Investment	HI 1	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	Low is good	1.00	0.00	Q2 - 21/22	1.50	Q3 - 21/22	1.06	%	R	▲	We currently have 82 properties that do not currently meet the decent homes standard. A majority of these (58) are in programme for a replacement door. A further 22 are recorded as electrical failures, this is due to encountering failed access to undertake the 5 year electrical inspection of the property. 2 properties require a replacement roof.
	Housing Investment	HI 2	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	N/A	Volumetric	Volumetric	Q2 - 21/22	188	Q3 - 21/22	178	Number	V		The level or refusals is recorded but cannot be controlled by the Council. We have had a slight drop in the number of refusals during the current reporting year. A vast majority of these refusals relate to the declining of boiler replacement work.
	Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	High is good	99.80	99.96	Q2 - 21/22	99.26	Q3 - 21/22	99.14	%	R	▼	We continue to encounter a small number of properties each month, which do not allow access for the annual gas service/safety inspection. Our robust processes are followed, and these failed access addresses are referred to legal services to obtain access.
	Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	High is good	97.50	98.75	Q2 - 21/22	98.25	Q3 - 21/22	98.30	%	A	▲	Although with staff shortages and continuing covid disruption we have maintained the target at above 97.5% for this quarter
	Rent Collection	RC 1	Rent collected as a proportion of rent owed	High is good	96.50	98.00	Q2 - 21/22	97.61	Q3 - 21/22	100.52	%	G	▲	The in-year collection rate achieved at the end of Q3 was 100.52%, compared to 98.9% for the same point last financial year. This is a positive improvement in collection, resulting in a decrease in arrears from last year.
	Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	Low is good	4.50	3.50	Q2 - 21/22	4.88	Q3 - 21/22	3.68	%	A	▲	Current rent arrears as of the end Q3 are £1,052,680. This is £78,149 less than Q3 for the 2020/21 financial year. Arrears as a % of the debit stands at 3.68% compared to 4% for the comparative quarter last year. Rent collection has continued to be challenging with continued changes to legislation for landlords in place until October 2021. Universal Credit claims have increased by 1,028 claims on last year with an increase of £48,796 of arrears on these cases, taking the total arrears on Universal Credit claims to £666,390. Despite these challenges, the arrears have reduced, and thein year collection achieved was 100.52%, compared to 98.9% at the same point last year. Tenancy have placed significant emphasis on contact through calls and visits, with new targets in place for staff.
	Housing Solutions	HS 1	The number of people currently on the housing list	N/A	Volumetric	Volumetric	Q2 - 21/22	1,338	Q3 - 21/22	1,448	Number	V		During the first two months of the Covid pandemic we saw a small decrease in the number of Housing Register applications submitted, however since that time we have continued to receive significant numbers. On average in 21-22 we have received around 250 applications each month, compared to an average of around 190 during the same period in 20-21.
	Housing Solutions	HS 2	The number of people approaching the council as homeless	N/A	Volumetric	Volumetric	Q2 - 21/22	461	Q3 - 21/22	707	Number	V		During the pandemic we saw slightly lower numbers of approaches, however those we did receive tended to be extremely complex and often involved domestic abuse. Since the eviction ban was lifted, we have received much higher numbers of enquiries and applications, including higher numbers of applicants who require temporary accommodation. We expect this situation to remain steady, or worsen, in the coming months as many eviction notices will expire meaning the landlords can legally pursue court action.
	Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	High is good	50.00	55.00	Q2 - 21/22	45.93	Q3 - 21/22	43.70	%	R	▼	The team continues to work with applicants to try to prevent or relieve homelessness. This has been extremely challenging over the past 18 months as shared living arrangements have irretrievably broken down following the national lockdowns and there have been fewer properties

													available in both the private rented sector, and within our own stock. Wherever possible and in accordance with government instruction, we have continued to prioritise those facing homelessness for available accommodation.
Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	Low is good	0.80	0.90	Q2 - 21/22	1.37	Q3 - 21/22	1.44	%	R	▼	Current rent lost through vacant dwellings is 1.44% against the target of 0.9% and has increased by 0.07% compared to last quarter. The void process has faced several challenges with labour, contractors, lettings, and difficulty carrying our pre-termination inspections which has resulted in an increase in void time and consequently % of rent lost. Voids Repair Team are currently instituting a plan with the voids support team which will utilise additional contractors, maximise supplies in order to reduce the voids turnaround time.
Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Low is good	32.00	29.00	Q2 - 21/22	44.83	Q3 - 21/22	51.94	Days	R	▼	The current void turn-around time for void requiring minor works is 51.94 days against the target of 32 days. Void Repairs Team have experienced increased challenges since their initial contractor went into administration in the summer, leaving significant pressure on the DLO. There is a high, national demand for labour, coupled with covid restrictions and isolation within our workforce meaning that COLC has had difficulty in securing the necessary workforce to turnaround the empty properties to achieve the target of 32 days. There have also been additional pressures on tenants when trying to move, meaning delays throughout the void process. We have experienced delays in ordering kitchens, plastering products and certain timber lines. The Voids Support Team has seen an increase in the number of terminations through deaths meaning that pre-termination inspections cannot be completed, resulting in more difficulty when planning required works. The data shows that when we can complete a pre-termination our average time for void repairs, cleansing and overall end to end time reduces. We have now appointed five additional contractors to carry out void works and have allocated additional staff from the DLO. Subsequently, we are seeing an increase in the properties being completed and relet so performance for the remainder of the financial year will likely increase however this is due to numerous longer-term voids now being completed. This will put us in a better position as we move into quarter one 2022/23.
Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Low is good	38.00	35.00	Q2 - 21/22	53.09	Q3 - 21/22	59.88	Days	R	▼	The current void turnaround time for all properties is 59.98 days against the target of 38 days. This has increased by just over 6 days since last financial year. Properties requiring major works have seen increased difficulty with sourcing necessary materials and labour, resulting in an increase in the re-let time. As with all relets, new tenants have often struggled to move due to isolation, or difficulty sourcing removals in a timely manner resulting in further delays. With the additional contractors that are now in place and the increase in available materials, the current voids in the system should be completed and the overall voids in the system will reduce, however we won't see the average re-let time reduce until they are cleared. We've also experienced a deterioration in the standard and condition of the properties being returned to COLC. This is a knock-on effect due to the reduction in the repairs carried out during the national lockdowns and the limited amount of inspections carried out on our properties by our officers.
Housing Maintenance	HM 1	Percentage of reactive repairs completed within target time (priority and urgent repairs) - HRS only	High is good	97.00	99.00	Q2 - 21/22	91.74	Q3 - 21/22	92.66	%	R	▲	Performance is still below target and not where we aspire to be, this mainly down to the urgent repairs (3 days) tickets. This has prompted further investigation into the reasons why. The conclusions are materials/ supplier/ limited resources issues are still in play however this is not exclusive to ourselves and benchmarking will confirm this. More to the point the issues we can fix ourselves are to be addressed, this includes resource planners prioritising 1- & 3-day jobs over 100 day tickets that are already in the diaries, any reluctance to follow this guideline, resource planners will escalate to Team Leaders for action. The introduction of a new Repairs co-ordinator who will reinforce best practice and improve communication between the operatives and the planners. This closer management of the function will result in improved performance and ultimately see this performance improving quickly and see it reach an acceptable level.
Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	High is good	90.00	93.00	Q2 - 21/22	91.95	Q3 - 21/22	92.91	%	A	▲	Performance is within target; however, we aspire to improve further on this measure by reviewing our stock and increasing the stock in time for our new fleet provision in August 2022. We have also increased the amount of inspections carried out in the planning stage of scheduled repairs to ensure materials are ordered and delivered prior to the delivery stage of scheduled repairs.
Housing Maintenance	HM 4	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	High is good	94.00	97.00	Q2 - 21/22	99.40	Q3 - 21/22	99.30	%	G	▼	Performance is in line with previous quarters. During the year there are only a minority of appointments that get missed, however we continue to communicate updates to the tenant and rebook these appointments. This element is being reviewed in the scheduled repairs pilot.
Business Development	D 1	Number of users logged into the on-line self service system this quarter	High is good	8,409	8,700	Q2 - 21/22	10,515	Q3 - 21/22	9,026	Number	G	▼	Reduction in numbers. May possibly be affected by performance issues in aging system. Staff are working to resolve and look at options for replacement
IT	ICT 1	Number of calls logged to IT helpdesk	N/A	Volumetric	Volumetric	Q2 - 21/22	927	Q3 - 21/22	993	Number	V		General variation in call numbers. More incidents recorded due to some recurring issues
IT	ICT 2	Percentage of first time fixes	N/A	Volumetric	Volumetric	Q2 - 21/22	56.30	Q3 - 21/22	58.60	%	V		General variation in issues - log on issues meaning can be resolved quickly

PERFORMANCE INFORMATION MANAGEMENT SYSTEM

Quarterly Measures Dashboard | Annual Measures Dashboard (Q1 Q2 Q3 Q4) | Corporate Measures Dashboard Measures | Interactive Status Cards | Directorate Status Summary Dashboard

CITY OF Lincoln COUNCIL

ANNUAL MEASURES - Q3

To add data, click **here**

G At or above target
A Acceptable performance - results are within target boundaries
R Below target
V Volumetric/contextual measures that support targeted measures

Strategic Measures

	Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Year	Current Value	Unit	Status	Commentary
CX	Democratic Services	DEM 1	The number of individuals registered on the electoral register (local elections)	N/A	Volumetric	Volumetric	2020/21	68,203	2021/22	**62,292**	Number	V	Registration is expected to increase through monthly updates throughout the year, with more application expected around the May Elections.
	Procurement Services	PRO 1	Percentage spend on contracts that have been awarded to "local" contractors (as the primary contractor)	High is good	20.00	45.00	2019/20	35.00	2020/21	**45.00**	%	G	£14,544,085 awarded to local suppliers out of total spend of £32,305,683.
	Procurement Services	PRO 2	Percentage value of the top 10 spend contracts that have been sub-contracted (wholly or partly) to "local" suppliers to deliver	N/A	Volumetric	Volumetric	2019/20	24.00	2020/21	**23.60**	%	V	Total contract spend was £21,269,767 with £5,105,677 sub contracted to local suppliers.
	Procurement Services	PRO 3	Percentage of total contract spend that is with an SME	High is good	20.00	40.00	2019/20	40.00	2020/21	**42.10**	%	G	total contract spend of £32,305,683 with £13,616,818 spent with SME's.
	Procurement Services	PRO 4	Percentage of total contract spend that is with an SME who meets the "local" definition	High is good	20.00	40.00	2019/20	46.00	2020/21	**48.20**	%	G	total spend with SME's of £13,616,818 of which £6,565837.27 is with local SME's.
DCE	Waste & Recycling	WM 3	Satisfaction with refuse service (collected via Citizens' Panel)	High is good	90.00	96.00	2020/21	96.30	2021/22	**97.00**	%	G	Citizen Panel respondents were recorded as 97% being satisfied or very satisfied with the refuse collection service.
	Waste & Recycling	WM 4	Satisfaction with recycling service (collected via Citizens' Panel)	High is good	90.00	96.00	2020/21	94.80	2021/22	**94.50**	%	A	94.5% of Citizen Panel respondents reported being satisfied or very satisfied with the recycling collection service overall.
	Food and Health & Safety Enforcement	FHS 4	Percentage of Citizens' Panel respondents who are satisfied with the standard of hygiene in restaurants/cafes/ shops and takeaways in Lincoln	High is good	80.00	85.00	2020/21	91.00	2021/22	**87.80**	%	G	87.8% of Citizen Panel respondents reported being satisfied or very satisfied with the standard of hygiene in restaurants/cafes/shops/takeaways in Lincoln.

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Item No. 12

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**STRATEGIC RISK REGISTER – QUARTERLY REVIEW**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**JACLYN GIBSON, CHIEF FINANCE OFFICER**

1. Purpose of Report

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

2. Background

2.1 An update of the Strategic Risk Register was developed under the risk management approach of ‘risk appetite’, was last presented Members in November 2021 and contained thirteen strategic risks.

2.2 Since reporting to Members in August, the Strategic Risk Register has been refreshed and updated by the Corporate Leadership Team. The Strategic Risk Register reflects the significant change in circumstances in which the Council has been operating since the onset of Covid19 and the different challenges and opportunities it now faces. This review has identified that there have been some positive movements in the register.

2.3 The updated Register is contained with Part B of this agenda, it contains thirteen strategic risks which are listed below, along with details of relevant mitigations.

3. Strategic Risks

3.1 The Strategic Risk Register now contains thirteen existing risks, as follows:

1) Failure to engage & influence effectively the Council’s strategic partners, council staff and all stakeholders to deliver against the Council’s Vision 2025

2) Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025).

3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.

4) Failure to ensure compliance with statutory duties/functions and appropriate governance arrangements are in place.

5) Failure to protect the local authority's vision 2025 due to changing structures and relationships in local government and impact on size, scale and scope of the Council.

6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020/2025 and the transformational journey to one Council approach.

7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.

8) Decline in the economic prosperity within the City Centre.

9) Failure to deliver key strategic projects.

10) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money

11) Failure to put in place safe working practices and social distancing measures to protect officers and service users.

12) Failure to protect the vulnerable in relation to the Council's PREVENT and safeguarding duties.

13) Failure to mitigate against the risk of a successful cyber-attack against the council

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

- Risk No 1. Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the Council's Vision 2025 – The work to review Vision 2025 following the Covid19 pandemic has been completed and a draft Interim Review document and 3 year delivery plan has been prepared. These contain a greater focus on health inequalities. Consultation and scrutiny of the Interim Review are now scheduled for early 2022 with the final document being considered by Full Council in March 2022.

- Risk No 2. Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025) – following the announcement of the Spending Round 2021 and the Provisional Local Government Financial Settlement in quarter 3, the draft MTFS has now been prepared which presents a balanced and sustainable, over the medium term, budget proposal. Consultation and scrutiny of the MTFS are now scheduled for early 2022 with the final proposals being considered by Full Council in March 2022.

- Risk No 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council – considerable progress has been made in achieving the current year target with over 90% of savings now secured. In light of additional one-off resources in the draft MTFS it is proposed that the level of savings targets in future years are lowered, with significant progress already in place to achieving these targets.

- Risk No 6. Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020/2025 and the transformational journey to one Council approach – new Ways of Working has been in place since the Autumn, although temporarily paused during new national restrictions. This has been supported by a new 'how to guide' along with FAQ's and support to managers. In addition, the Chief Executive has met with every team in the Council as part of a series of reconnection events. The Lincoln Charter has now also been embedded in the annual appraisal process, this sets out the behaviours and expectations of the way we all work together to realise Vision 2025. In terms of the rollout of M365, this is now substantially complete with only two teams remaining.

- Risk No 7. Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council – linked into the Interim Review of Vision 2025 a revised 3-year delivery plan has been developed, which includes the allocation of additional resources in the draft MTFS to support some of the key projects.

- Risk No 8. Decline in the economic prosperity of the City Centre – a number of further schemes, to be delivered externally, have been approved through the Towns Fund Board. Work is progressing well to deliver a range of events and initiatives with Lincoln BIG and Visit Lincoln as part of the Welcome Back Fund. Work is also progressing well with the implementation of the Safer Streets funding including new CCTV cameras and app, designed to support the night-time economy. Unfortunately, though the Council's bid for Levelling Up funding for the redevelopment of Wigford Way was unsuccessful. Work continues though, through the Towns Fund, to develop the feasibility study for this scheme.

- Risk No 13. Failure to mitigate against the risk of a successful cyber-attack against the council with significant / critical impact – work continues to deliver improvements, with enhanced malware protection implemented and improvements to vulnerabilities with internal scanning now implemented. Joint working is also ongoing with the East Midlands Warning, Advice and Reporting Point (WRAP).

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

- Risk 3 has been decreased from Red: Critical/Probable to Amber: Major/Probable

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

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

11	Green/Low	Hardly Ever	Minor

Control actions continue to be implemented and risks managed accordingly.

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

4. Strategic Priorities

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

5. Organisational Impacts

5.1 Finance - There are no direct financial implications arising as a result of this report. The Council's Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme, the risk registers that support these are also being reviewed in light of the current financial challenges the Council is facing.

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

5.3 Equality, Diversity and Human Rights

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

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

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

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

6. Risk Implications

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

7. Recommendation

7.1 Executive are asked to note and comment on the Council's strategic risks as at the end quarter 3 2021/22.

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

Item No. 13

EXECUTIVE **21 FBRUARY 2022**

SUBJECT:	**COUNCIL HOUSE AND GARAGE RENTS 2022/23**
DIRECTORATE:	**HOUSING AND INVESTMENT**
REPORT AUTHOR:	**FRANCES JELLY , HOUSING BUSINESS SUPPORT MANAGER**

1. Purpose of Report

1.1 To propose an increase in council house rents within the terms of the Government's Rent Policy for social housing (April 2020 updated 15 November 2021) and to seek approval for the introduction of revised rents from Monday 4th April 2022.

1.2 To seek members approval for an increase of 3% on Council garage rents for 2022/23 in line with other fees and charges revisions by the Council.

2. Executive Summary

2.1 In October 2017, the government announced its intention to set a long-term rent deal. This would permit annual rent increases on both social and affordable rent properties of up to Consumer Price Index (CPI) plus 1% from 1 April 2020 for a period of at least five years.

2.2 In keeping with the current Housing Business Plan approved by Council and the Governments Rent Guidelines, the formula rent rise for 2022/23 should be based on CPI in the previous September (September 2021 = 3.1%) plus 1.0%.
As an authority, having considered the impact on our tenants, other pressures that household incomes are facing, and recognising wider economic issues it is proposed to apply a lower level of rental increase whilst also recognising that the council were required by government policy to reduce rents by 1% year on year between 2016/17 – 2019/20.

Therefore, a reduction in the advised rental change, to an average rent increase with effect from Monday 4 April 2022 is proposed and the budgeted rental income will be £29,996,080, this being based on a 3.6% increase.

2.3 During the last nine months we have continued to add to our housing stock via the buy-back programme using the Purchase and Repair Scheme and the NSAP/RSAP process as follows: -

2.4 01 April 2021 to 13 December 2021 – total of 15 properties have been purchased.

Bedrooms	Total No of properties purchased 01.4.21 to date	Number Purchase & Repair funding	Number NSAP/RSAP Funded
1	5	3	2
2	7	1	6
3	2	2	0
4	1	1	0
Total	**15**	7	8

2.5 The Government's Right to Buy (RTB) programme sales have negatively impacted on the council's current stock and therefore rental income. To date (April to December 2021) the Council have received 72 RTB applications (50 RTB applications in the same period last year); of these 28 properties have been sold**: -**

2.6

RTB Applications -2021.22	RTB Applications -2020.21
received April to Dec 2021 - 70	received April to Dec 2020 -50
Sold to date -28	Sold to date - 19
1 bed - 3	1bed - 3
2 bed – 9	2 bed - 7
3 bed -15	3 bed - 9
4 bed – 1	4 bed - 0

[Note: the loss of 3+-bedroom homes has a significant impact on our ability to provide family homes]

2.7 The average weekly social housing rent for the City of Lincoln Council based on data on 13 December 2021, for net social housing rent (calculated over 52 weeks) will increase from £70.87 to an average £73.44 for 2022/23. This will equate to an average equivalent increase of income per property of £2.57 per week over 52 weeks.

The 50-week average rent would be charged at £76.37.

2.8 There are currently 292 properties charged at an Affordable Rent which is higher than social housing rent. Based on data on 13 December 2021 the increase, on the average weekly net rent (calculated over 52 weeks) will result in rents moving from an average £112.85. to £116.91. per week for 2022/23, equating to an average equivalent increase of £4.06 per week over 52 weeks.

Please note that affordable rent properties, when they become void have a new market rent valuation completed each time and the rent is charged at 80% of the market rent.

2.9 Council Garage Rents 2022--23

An increase in garage rents of 3% is proposed in line with the Authority's Fees and Charges increase. This would result in an average increase in the rent charged to £8.24 per week for 2022/23 (based on a calculated 52-week charge period), an increase of £0.24 per week.

Research has shown that the garage rents in Lincoln are mid-range when compared to similar locations in the East Midlands

The Lincoln Tenants' Panel (LTP) is due to consider this report at their meeting on 18 February 2022 Their comments and observations will be reported verbally during the Executive Committee meeting.

Report to be referred to Full Council for approval to ensure that rent notices can be sent to tenants prior to the start of the new financial year and providing them with the requisite 28-day notice period required by law.

3. Background

3.1 The national Rent Convergence Policy and Social Rent Guidance was introduced in April 2002, the aim of which was those rents in the social housing sector (local authority rents and those charged by housing associations) should be brought onto a common system based on a formula set by Government. The formula creates a "formula rent" for each individual property which is calculated based on:

- The relative value of the property
- Relative local income levels; and
- The size of the property.

The formula rent is often also referred to as the "target rent". The City Council and other social landlords are expected to move the actual rent of a property (which may be lower or higher than the formula rent) to the formula rent over time.

3.2 Members will be aware that the financing for council housing was changed in April 2012 – the 'Self-financing Regime' was introduced under which local authorities were required to buy themselves out of the national housing subsidy regime in return for the keeping of future rental income at local level. The valuation of the housing stock and the Council's Housing Revenue Account (HRA) Business Plan was based on rental income rising in line with the Government's rent convergence policy and rent guidelines in place at that time.

3.3 On 15 November 2021, the Department for Levelling Up, Housing and Communities (DLUHC) formerly Ministry of Housing, Communities & Local Government (MHCLG) updated the Rent Standard guidance that registered providers of social housing must stay within, to update the limit on annual rent increases for 2022 to 2023.

The Rent Standard is one of three economic standards that the Regulator of Social Housing (RSH) expects private registered providers of social housing to comply with and applies to local authority providers of social housing. It sets the requirements around how registered providers set and increase rents for social housing in line with government policy as set out in DLUHC's Policy Statement on Rents for Social Housing.

In September each year the annual Consumer Price Index (CPI) figure is set which is used to establish the limit on annual rent increases for social housing. The limit on annual rent increases for the financial year 2022/23 should be CPI (September 2021 set at 3.1%) plus 1% (4.1% increase).
As an authority, having considered the impact on our tenants, other pressures that household incomes are facing and recognising wider economic issues, it is intended

to apply a lower level of rental increase and propose to increase by 3.6% (CPI + 0.5%).

3.4 As at week commencing 13 December 2021 there are currently 7846 council housing rent properties of those that have a current active tenancy: -

- 27% are in receipt of full housing benefit payment
- 12% are in receipt of partial housing benefit payment
- 32% are in receipt of Universal Credit
- 29% do not receive any of the above

Councils continue to increase rents on those housing properties that are currently below the ‘formula rent’ (or convergence amount) on re-letting to new tenants before applying the 3.6% increase. For the City of Lincoln Council at the date of this report, 774 properties (that are 10 pence or more below target rent) were not at formula rent and thus when these properties become available for re-letting the rent can be increased to the formula amount plus 3.6% for 2022/23.

4. Impact of the Rent Reduction on the Housing Revenue Account (HRA)

4.1 Contextually it should be noted that in July 2015 the Government announced that Social Housing rents would be reduced by 1% year on year from 2016 for four years. The impact on the HRA has incurred a compound financial loss of circa £17,000,000 over that four-year period.
Had this rent reduction not been imposed and the rents were increased as per the HRA Business Plan (CPI+1%) the average weekly rent for social housing rent would now be at £84.58 against £73.44 as of 13 December 2021.

Appendix 1.
Shows impact on weekly rents of the 1% reduction against CPI +1%.

5. Strategic Priorities

5.1 **<u>Let’s reduce all kinds of inequality</u>**
The Government policy is primarily about reducing the welfare benefits bill**,** but it does help those just above benefit thresholds. Council house rents remain significantly lower than the rent levels in the private rented sector in the city.

5.2 **<u>Let’s deliver quality housing</u>**
The new rent policy recognises the need for a stable financial environment to support the delivery of new homes and to increase resources available to maintain current homes.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

Council Housing Rents 2022/23

The impact of this change as of 13 December 2021 will be an increase to the current average calculated 52-week net social housing rent, from £70.87 per week to £73.44 per week – an average increase of £2.57 per week, and an increase on affordable rent from £112.85 per week to £116.91 an average increase of £4.06 per week.

Appendix 2.
Impact of increases on rent per bedroom size of property.

Council Garage Rents 2022—23

An increase in garage rents of 3% is proposed in line with the Authority's Fees and Charges increase. This would bring the charge to £8.24 for 2022/23 (based on a calculated 52-week charge period), an increase of £0.24 per week. Research has shown that the garage rents in Lincoln are mid-range when compared to similar locations in the East Midlands.

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

When proposals of rent chargeable on social housing are recommended, they are applied across the board to all properties irrespective of any equality characteristic of the tenant.
There are policies that allow tenants to claim monetary assistance to pay their rent, for example Housing Benefit and Universal Credit for such things as age and disability. Thus**,** there are no direct equality, diversity, or human rights implications in this report"

7. Risk Implications

7.1 (i) Options Explored

Options explored; to calculate the rent at rates between 3.1 to 4.1% and the impact on the HRA.

7.2 (ii) Key Risks Associated with the Preferred Approach

The main risks are**: -**

- that the Government make further changes to the Rent Guidelines which will undermine the Business Plan,
- that future CPI levels are lower than those assumed in the MTFS and HRA Business Plan**.**

8. Recommendation

8.1 Agree the basis of rent calculation for changes to individual Council house rents as set out in paragraph 6 of this report, which represents an increase in the average calculated 52-week council house net rent in 2022/23 of 3.6% for social housing rents (£2.57 p/w) and affordable rents (£4.06 p/w) increase per property.
This is in accordance with Government policy.

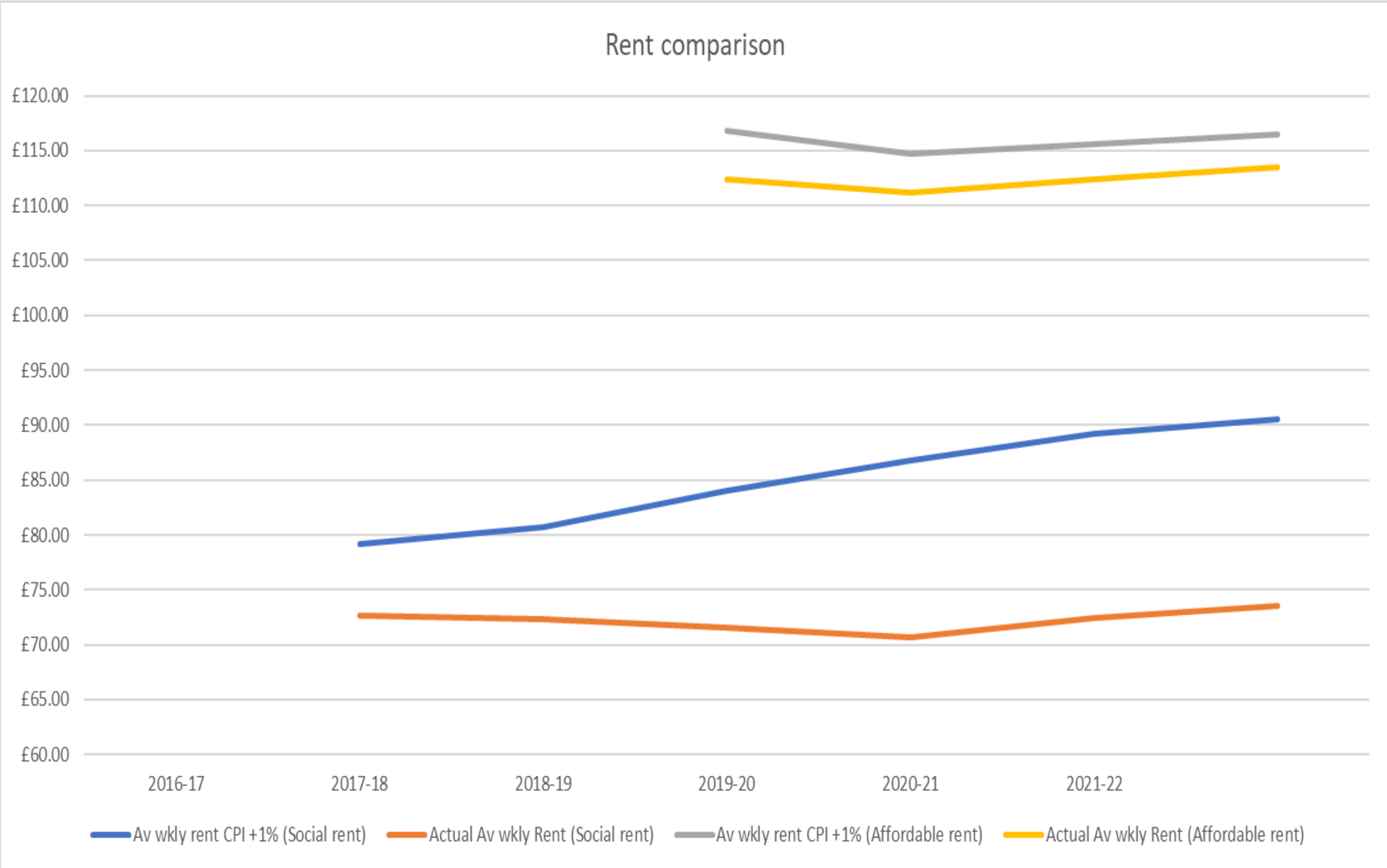
8.2 Increase Council garage rents for 2022/23 in accordance with the proposal in paragraph 6.1 above by 3%.

8.3 Refer this report and recommendations to Full Council on 22 February 2022.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	2
List of Background Papers:	Welfare Reform and Work Act 2016 Policy statement on rents for social housing
Lead Officer:	Frances Jelly – Housing Business Support Manager Telephone (01522) 873229 Email address: **frances.jelly@lincoln.gov.uk**

APPENDIX 1

Social Housing and Affordable Rent – showing impact on weekly rents of the 1% reduction against CPI +1%



APPENDIX 2

IMPACT OF INCREASES ON ALL TENANTS – APRIL 2022
(Based on an average 52 week rent year 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 *

***** No affordable rents for 5 or 6 + bed properties

Item No. 14

EXECUTIVE **21 FEBRUARY 2022**

SUBJECT:	**HOUSING REVENUE ACCOUNT BUSINESS PLAN 2022/23**
DIRECTORATE:	**HOUSING AND INVESTMENT**
REPORT AUTHOR:	**PAUL HOPKINSON, SENIOR HOUSING STRATEGY OFFICER**

1. Purpose of Report

1.1 This report presents the Housing Revenue Account (HRA) Business Plan for 2022/23. In addition, it sets out proposals to undertake a thorough review of the HRA during 2022 with the goal of developing an updated 30-year business plan to cover the period 2023 to 2053.

Executive is asked to approve the HRA Business Plan for 2022/23 and to endorse the development of an updated 30-year business plan during 2022.

2. Background

2.1 All Councils with 200 or more council houses are required to have a Housing Revenue Account. City of Lincoln Council (CoLC) has approximately 7,800 council properties.

The HRA covers revenue income and expenditure relating to the Council's own housing stock. It is an account that is ring-fenced from the Council's general fund as required by the local government Act 1989 which specifies the items that can be charged and credited to it.

The Council must include all costs and income relating to the Council's landlord role (except in respect of leased accommodation, for households owed a homeless duty, and in respect of accommodation provided other than under Housing Act powers).

The council has a legal duty to ensure the account remains solvent and to review the account throughout the year,

2.2 The HRA Business Plan sets out our income and expenditure plans for the delivery of council housing in Lincoln, The Plan and associated budgets are reviewed and monitored annually. The long-term 30-year plan was formally approved in 2012 and reviewed in 2016, In the normal course of events the 30-year plan would have been reviewed again in 2020, however, the normal cycle has been disrupted by the Covid pandemic and to a lesser extent the Brexit withdrawal and the long-term plan needs to be reviewed and updated.

2.3 Things are now returning to a more stable situation and our goal is to refresh the business plan for the 2022/23 financial year and undertake a fundamental review during the latter part of 2022/23, with the aim of having a reviewed and updated HRA Business Plan developed and approved for the start of the 2023/24 financial year.

3. The HRA Business Plan 2022/23

3.1 The HRA Business Plan is set out in seven sections

1. **Introduction**
   The introduction sets out the purpose of the HRA Business Plan, it explains the documents scope and helps the reader to build an understanding the information contained in the Business Plan document.

2. **Background**
   The background outlines the regulatory requirements that force local authorities to set up a Housing Revenue Account. It identifies the main features that a HRA must contain. It also provides the dates (2012 and 2016) when previous HRA Business Plans were produced and describes the recommendation to refresh the business plan for the 2022/23 financial year and undertake a fundamental review during the latter part of 2022/23, with the aim of having a reviewed and updated HRA Business Plan written and approved for the start of the 2023/24 financial year.

3. **The HRA Business Plan Environment**
   Strategic business planning for a HRA is never easy, but it has gotten much harder with the Coronavirus pandemic, withdrawal from the EU and the Grenfell tragedy

   The previous three years have seen an unprecedented amount of change and uncertainty and this has had a marked impact on our ability to manage and deliver housing services. This section describes the complex and fast-moving environment that surrounds the HRA.

   Effective business planning is essential in turbulent times and this section describes the various challenges and opportunities that we need to be aware of and plan and prepare for.

4. **City of Lincoln Corporate Vision – The Golden Thread**
   The "Golden Thread" is a performance framework that describes how an organisation's goals, values and visions are aligned and woven into the organisations culture and way of working.

   This section describes the links between CoLC's corporate vision (VISION 2025), The Housing Strategy and the HRA Business Plan. It explains how the HRA Business Plan aligns with and supports the Housing Strategy, which in turn aligns with and supports Lincoln's five overarching strategic objectives.

5. **Resident Involvement**
   We know that we need to design and deliver housing services in partnership with tenants if we want successful and vibrant neighbourhoods. We have been doing this through our Lincoln Tenants Panel (LTP) which represents the diverse group of residents that live in HRA properties. The LTP plays a crucial role in guiding and shaping housing services in Lincoln and we have fully consulted with them during the development of this Business Plan.

Please see below a quotation from the Chairman of the Lincoln Tenants Panel

“The Lincoln Tenants Panel have been consulted and involved in the development of the council’s business plan for housing. We have been involved in all aspects of the plan and spent a lot of time meeting with officers to learn how the business plan is put together and what it means for us as tenants. Resources available for maintenance and investment in our homes now and in the future are set out in the plan and deciding how this money is spent is very important. The Council has been clear about what this means to us and difficult decisions have to be taken about what can be achieved”.

Mick Barber – December 2021

6. Delivering A Great Housing Service in Lincoln

This is the largest and most detailed section in the Business Plan. Lincoln has approximately 7,800 HRA properties and this section sets out how the HRA Business Plan supports the delivery of services to Lincoln’s tenants, it covers three overarching areas:

1. **Delivering an excellent housing management service** – including a wide range of housing, estate management and tenancy services, responsive repairs and maintenance, lettings and void property management. It also includes property acquisitions and disposals, right to buy applications, supported housing and tenant participation.

2. **Providing quality housing which meets tenants needs and aspirations** – this section looks at how we manage and maintain our property assets to ensure they continue to provide high quality accommodation for tenants. This includes how we collect and maintain asset and stock condition data, how we manage the strategic property options appraisal process, our approach to climate change, together with our short and medium-term investment plans.

3. **Delivering affordable housing to meet housing needs** – Historic and on-going Right to Buy sales have place a strain on our ability to provide good quality housing to meet the needs and aspirations of our residents. This section considers how CoLC will provide sufficient homes to meet increasing demand for housing in the city. It reviews previous successes and considers proposals to regenerate estates and neighbourhoods, as well as the on-going property acquisition and new build development plans across the city.

7. Financial Planning

The HRA Business Plan is above all else a financial planning document and this section sets out the income and expenditure plans for 2022/23.

All of the financial details have been taken from the Councils overarching General Fund budget proposals for F/Y 2022/23.

This section is split into two area, the first relates to the revenue budgets for 2022/23 and this includes data on where the income comes from, together with a summary of where the monies are spent. Specific details of spend on individual services or projects is shown in the budget summaries included in the Business Plan.

In 2022/23 the HRA revenue account has a projected total income from rents, service charges and various other income streams of £31.78million. With a projected income of £29.99m rents contribute 94.35% of the total income.

The income stream is spent across a number of budgets, with the main items of expenditure being; Repairs Account £10.02m, Debt management expenses £7.45m, Staffing costs £6,80m, HRA debt provision £2.58m.and Major Repairs Reserve £2.55m.

For 2022/23 we estimate that the HRA revenue account will make a small surplus of £.

The second area relates to capital budgets for 2022/23, this is broken down into two distinct areas:-

1. **Housing Investment -** this includes the Decent Homes and Lincoln Standard planned maintenance and component replacement programmes, and essential Health and Safety works. We are planning to spend a total of £5.494m on these works in 2022/23.

2. **Housing Strategy and Investment -** this includes projects that will deliver new and/or additional social housing in Lincoln. We are planning to spend £14,173m delivering additional housing in 2022/23

In total we are budgeting to spend £19,667m on capital works in 2022/23.

4. Proposed Timetable/Next Steps

4.1 Corporate Management Team – 18th January
Strategic Review Group – 31st January
Executive – 21st February

5. Strategic Priorities

5.1 Let's drive inclusive economic growth
The Housing Revenue Account invests approximately £30million in Lincoln's economy each year, with much of this spend going to local businesses and residents. These partnerships with local businesses help to support the growth of a vibrant and resilient economy in the city.

We directly employ approximately 400 people and enable many more jobs in our suppliers and sub-contractors. We support local businesses and residents by putting social value at a key component in our contracts with suppliers and contractors to maximise delivery of training and employment opportunities for local resident.

The provision of good quality accommodation and pleasant neighbourhoods makes the city an attractive destination for people and businesses who may be considering investing in or moving to the area.

5.2 Let's reduce all kinds of inequality
The provision of good quality housing is a fundamental human need. Providing quality accommodation will improve the quality of life for thousands of people across the city, minimise deprivation and inequality.

We are working with residents and partners in key neighbourhoods such as Sincil Bank to develop strong communities where people feel safe and welcome.

We are working with partners to support vulnerable residents by delivering a Housing First solution to assist rough sleepers to move to safe accommodation.

We are improving the quality and energy efficiency of our homes to provide attractive, comfortable homes and to reduce fuel poverty for our tenants.

5.3 Let’s deliver quality housing

The business plan contains proposals to maintain and improve almost 8,000 homes whilst also regenerating neighbourhoods and delivering much needed new and refurbished additional homes.

We are driving up the quality and standards of our homes by the introduction of our New Build Standard to provide quality accommodation such as the De Wint Court Extra Care scheme which will provide 70 purpose-built apartments.

We are continuing to further improve our existing properties and estates through the Decent Homes and Estate regeneration programmes. These programmes will provide good quality homes in attractive, appealing neighbourhoods.

5.4 Let’s enhance our remarkable place

We are working to deliver a range of improvements in the Sincil Bank area. These include a proposal to provide high quality modern housing and improved street scene at Hermit Street and the regeneration of old and outdated car park areas.

Repairing, maintaining and improving homes and neighbourhoods is essential if we are to enhance our beautiful city. We continue to improve our homes and neighbourhoods to ensure that residents can enjoy their homes and the surrounding environment.

5.5 Let’s address the challenge of climate change

We are working to make our council housing as energy efficient as possible. Our asset investment plan includes the fitting of additional insulation, high-quality double-glazed windows and efficient heating systems. This is lowering the carbon emissions from our homes as well as reducing fuel poverty for our tenants.

We are also using the HRA to drive down our carbon footprint my introducing a modern efficient fleet of vehicles, using “batched” scheduled repairs where possible and by specifying sustainable building materials.

In 2022 we will undertake a major project to review the use of alternative forms of carbon zero forms of heating in our homes to delver clean heating solutions at a cost that our tenants can afford.

6. Organisational Impacts

6.1 Finance

The provision of housing accommodation is set out in Part II of the Housing Act 1985. Statutory requirements regarding keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 (“Act”). The provisions contain a duty under section 76 of the Act, to budget to prevent a debit balance on the HRA and to implement and review the budget. The Act places a duty on local housing authorities to: (i) to produce and make available for public inspection, an annual budget for their HRA, which avoids a deficit; (ii) to review and if necessary, revise that budget from time to time and (iii) to take all reasonably practical steps to avoid an end of year deficit.

6.2 Legal
The expenditure referred to in this report will be spent pursuant to the Council's powers and duties and the Council has a duty to disclose information as set out in the Housing Revenue Account (Accounting Practices) Directions 2016

6.3 Equality, Diversity and Human Rights
The Equalities Act 2010 introduced a single public sector equality duty. This duty requires the Council to have due regard in its decision-making processes to the need to:

a) Eliminate discrimination, harassment, victimisation or other prohibited conduct.
b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it, and.
c) Foster good relationships between those who share a relevant characteristic and those that do not share it.

The relevant protected shared characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The Council is required to act in accordance with the equality duty and to have due regard to the duty when carrying out its functions, which includes making new decisions in the current context and in relation to the new strategy.

It should be noted in respect of the Council's public sector equalities duties where the setting of the capital, revenue and HRA budget results in new policies or policy change the relevant service department will carry out an equality impact assessment to secure delivery of that duty including consultation as may be required.

In addition, any estate regeneration schemes are subject to an Equalities Impact Assessment to ensure any arising issues are addressed. DDA works and disabled adaptations are included as essential works within the capital programme. Further Equalities Impact Assessments and/or consultation may be necessary if significant changes are envisaged to Housing Management Services or Schemes.

7. Risk Implications

7.1 Failure to approve the HRA Business Plan and associated income and expenditure proposals would have a detrimental impact on the delivery of housing services in Lincoln.

8. Recommendation

8.1 Executive is asked to approve the HRA Business Plan for 2022/23 and to endorse the development of an updated 30-year business plan during 2022.

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?	2
Lead Officer:	Paul Hopkinson, Senior Housing Strategy Officer

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City of Lincoln

Housing Revenue Account Business Plan

2022/23

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1. Introduction

The Housing Revenue Account (HRA) is the financial account used to manage local authority social landlord activities. It is funded through rents and service charges from council tenants and leaseholders. It is ring-fenced in law and can only be used to provide services to council housing tenants or leaseholders or to fund the development or acquisition of new council homes or other related capital projects.

This Business Plan sets out how the City of Lincoln Council will manage its HRA resources, to ensure the delivery of quality council housing in Lincoln. The HRA is reviewed and updated regularly to set budgets and charges for the year ahead. It also provides an updated plan for the capital investment programme.

The HRA has been self-financing since 2012, although there had been restrictions on both the rents that can be charged and the amount that can be borrowed. The Government removed the borrowing cap in 2018 and the HRA is now subject to the similar prudential guidelines as the General Fund.

Recent changes in the Right to Buy regulations extended the period that receipts can be retained from three years to five years. At the same time the level of receipts that can be used to support development spend has increased from 30% to 40%.

These changes are welcomed and provide opportunities for the council to increase the supply of affordable housing.

2. Background

All local authorities that own more than 200 social dwellings are required to account for them inside a Housing Revenue Account. The HRA is intended to record expenditure and income on running a council's own housing stock and closely related services or facilities, which are provided primarily for the benefit of the council's own tenants.

With approximately 7,800 dwellings the City of Lincoln Council is required to have an HRA. The main features of a HRA are:

- It is a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities
- It is not a separate fund but a ring-fenced account of certain defined transactions, relating to local authority housing within the General Fund
- The main items of expenditure included in the account are management and maintenance costs, major repairs, loan charges and depreciation costs
- The main sources of income are from tenants in the form of rent and service charges
- The HRA should be based on accruals in accordance with proper accounting practices, rather than cash accounting.

The HRA Business Plan was approved in 2012 and reviewed in 2016. In normal circumstances it would have been reviewed again in 2020. However, Brexit and the Covid pandemic have interrupted normal business planning processes. Things are now returning to a more stable situation and our goal is to refresh the business plan for the 2022/23 financial year and undertake a fundamental review during the latter part of 2022/23, with the aim of having a reviewed and updated HRA Business Plan written and approved for the start of the 2023/24 financial year.

3. The HRA Business Plan Environment

The HRA Business Plan is a living and vibrant plan that sets out how Lincoln's housing services will be delivered and accounted for, and as such it exists in an uncertain and evolving environment. The period from 2016 (the most recent review of the HRA Business Plan) has seen the country face many challenged as it strives to cope with; fall out from Brexit vote and the Covid pandemic, the tragic fire at Grenfell Tower and the transition to Carbon Net Zero. The following section describes some of the major factors that influence Lincoln's HRA Business Plan.

National Policy Framework

Over the last few years, the HRA has had to weather a number of challenges that have affected the HRA Business Plan, these have ranged from changes (or proposed changes) in governmental housing, planning and environmental policies to the impact of the Brexit and the Covid pandemic.

Planning Policy

In 2020 the Government published proposals to update the planning system to increase the number of properties built by speeding up the planning process, with the Planning for the Future White Paper and the consultation on Changes to the Current Planning System. In addition, a number of other proposals have been made these include extending permitted development rights, changes to the National Planning Policy Framework and a new draft National Model Design Code. A forthcoming Planning Bill was announced in the Queens Speech on May 11th 2021.

Help to Buy

The Government introduced a new Help to Buy scheme in April 2021, the scheme will be restricted to first-time buyers and included a property price cap for each region. The scheme will run from April 2021 to March 2023. The risk for CoLC is that the scheme will encourage tenants to buy their council properties (especially modern or new build properties) at a time when the Council is looking to increase the number of Council homes.

Prudential Borrowing

HRA's became self-financing in 2012, with restrictions placed on the level of external borrowing. The government removed the debt cap in 2018 and HRA borrowing became subject to similar prudential borrowing guidelines as the General Fund. This change provides an opportunity for Lincoln to increase the supply of affordable housing, however, it needs to ensure that the investment represents value for money and that it can meet the costs of the borrowing.

Welfare Reform

Two recent governmental policies have affected the HRA.

The Welfare Reform and Work Act 2016 required social landlords to reduce rents by 1% each year for four years from April 2016. From April 2020 social landlords could increase rents by the Consumer Price Index (CPI) plus 1% for at least five years. The overall effect of these changes has been to reduce the revenue available to the HRA. The Business Plan assumes that rents will increase by CPI plus 1% until 2027.

The roll out of Universal Credit commenced in 2013 for new benefit claimants. The migration of new and existing claimants is complete, and claimants now migrate to UC as their circumstances change. These changes to the welfare system represent a major change and we will continue to monitor the impact of these changes on rent collection and associated bad debts.

Coronavirus (COVID-19) Pandemic

The Coronavirus pandemic has caused major disruption to all areas of society and business in the UK and across the world and has led government to introduce a range of lock down measures to tackle the spread of the virus. These restrictions have changed the ways in which we operate and have limited our ability to interact with and serve customers. This is especially noticeable for services where tenants visit one of our offices or where we have to enter tenants' properties to carry out repairs or mandatory safety checks to gas and electrical systems. Tenants are obviously reluctant to have visitors in their homes and we have developed a range of protocols to overcome these concerns and continue to deliver essential services.

Many of our contractor and supply chain partners have been affected and this has let do delays in many projects and programmes of work. We continue to monitor and respond to the situation. However, it is unlikely that we will return to the 'old normal' and will need to develop new and better ways to deliver housing services.

Building and Fire Safety

Following the tragic events of the Grenfell fire in 2017, Government introduced several measures to improve fire and building safety especially in high rise blocks and buildings of multiple occupancy.

The Hackett report was published in 2018 and set out over 50 recommendations for the delivery of a robust regulatory system. In response to this Government introduced the 'Building a Safer Future (BSF) initiative as a framework to address the shortcomings identified by the Hackett enquiry.

Two key pieces of legislation support this initiative – the Building Safety Bill and the Fire Safety Act. The Fire Safety Act received royal ascent in April 2021, although it isn't yet in force. The Building Safety Bill has not yet received royal ascent, this is anticipated in 2022 and is likely to come into force in 2023.

Following consultation and formal introduction of the Bills it is likely that there will be additional requirements to further improve building and fire safety. In Lincoln we have recruited specialist fire safety expertise to run the Safety Assurance Team within the housing directorate. This was an approach taken following the Grenfell Tower disaster and in reaction to new and changing regulations and legislation, around building safety.

High rise blocks have been prioritised and surveyed to determine fire safety provisions within the infrastructure. The management of these buildings as been improved and work has been carried out to ensure fire safety issues are escalated. Housing Officers and caretakers can escalate issues and have the Housing Repair Service react appropriately to concerns around building safety. The works carried out in Shuttleworth House has exponentially improved the fire safety provision, and together with on-going resident engagement activity has collectively ensured that the building has very high safety standard.

Works are planned and resident engagement activity has increased to ensure residents are able to appreciate the nature of the fire risk. The tower blocks are all regarded as lower risk due to the construction methods and additional control measures and rectification works, carried out over the last few years. All tower blocks have dedicated fire strategies and we will have competed Type 4, intrusive Fire Risk Assessments by the end of 2021. This will be critical in developing the building licence, required under the upcoming Building Safety Bill. The other property architypes with communal areas, are being assessed on a rolling programme. This is being managed by a specialist in-house team. The processes created has seen an increase of fire safety works across this stock and an improved level of management of risk.

Brexit – Leaving the EU

The UK left the European Union on the 31 January 2020. It is difficult to quantify the consequences of Brexit because the impact of the move is being overshadowed by the COVID pandemic. However, there are several areas where we are noticing the effects of Brexit: on the HRA:

- Imports from the EU have been disrupted by the new border formalities and this has led to shortages of goods and materials.
- Brexit has led large numbers of EU workers to leave the UK, and this has led to shortages of skilled labour in the construction and maintenance sectors, HGV drivers etc.
- It is difficult to recruit staff with more job vacancies
- Increased costs for goods and services

The Social Housing White Paper – A Charter for Social Housing Residents

The Social Housing White Paper – The Charter of Social Housing Residents was published on 17 November 2020 and is based upon the proposals set out in the Social Housing Green Paper - A New Deal for Council Housing that was published in 2018. The main thrust of the White paper is – treating residents with respect, listening to their concerns, and putting in place a fairer and safer system for all those living in social housing.

The Charter sets out what every social housing resident should be able to expect:

- **To be safe in your home,** we will work with industry and landlords to ensure every home is safe and secure
- **To know your landlord is performing,** including on repairs, complaints, and safety and how it spends its money, so tenants can hold it to account
- **To have complaints dealt with promptly and fairly,** with access to a strong ombudsman who will give tenants swift and fair redress when needed.
- **To be treated with respect,** backed by a strong consumer regulator, and improved consumer standards for tenants
- **To have your voice heard by your landlord,** for example through regular meetings, scrutiny panels of being on its board. The government will provide access to help tenants to learn new skills if needed, to ensure landlords listen
- **To have a good quality home and neighbourhood to live in,** with landlords keeping homes in good repair
- **To be supported to take your first step to ownership,** so it is a ladder to other opportunities, should your circumstances allow

We are committed to all seven commitments set out above and will work with tenants to ensure that the homes, neighbourhoods, and services we offer comply with the Charter. In addition, we will ensure that the seven themes are included in our Resident Engagement Strategy and the Lincoln Tenants Panel(LTP) constitution.

4. City of Lincoln Corporate Vision - The Golden Thread

Lincoln's Vision 2025 sets out what we want to achieve by 2025 and how we will achieve it. It focuses on five key priorities to deliver Lincoln's ambitious future, they are:

1. **Let's drive inclusive economic growth**
2. **Let's reduce all kinds of inequality**
3. **Let's deliver quality housing**
4. **Let's enhance our remarkable place**
5. **Let's address the challenge of climate change**

In 2020 The council agreed a new Housing Strategy to deliver "*quality affordable homes in which people can feel safe and thrive"* This strategy supports Lincoln's corporate vision and sets out a plan to deliver quality housing through three key objectives:

- **Provide housing which meets the varied needs of our residents**
- **Building sustainable communities**
- **Improve housing standards for all**

The HRA Business Plan supports and compliments VISION 2025 and the Housing Strategy by setting out the financial assumptions and planning that underpin the Housing Strategy. The HRA Business Plan sets out the income and expenditure plans to:

- Ensure the housing services funded through the HRA are efficient and effective
- Maintain the quality and safety of the existing supply of council housing
- Deliver major repair and component replacement programmes
- Invest in new homes for vulnerable people
- Increase the supply of housing to tackle homelessness
- Invest in the delivery of new affordable homes for rent
- Improve the quality of neighbourhoods
- Supporting the Council's goal to achieve net zero carbon by 2030

The HRA Business Plan provides a framework that sets out how we will deliver the objectives included in the Housing Strategy, the strategy contains 44 individual goals each of which are specifically designed to support the goals set out in VISION 2025 and the Housing Strategy. The Housing Strategy Action Plan is included as Appendix 1.

5. Resident Involvement

We understand the importance of working in partnership with our resident to design and deliver housing services and have been doing this by consulting and working with our Lincoln Tenants Panel (LTP). The LTP is for everyone who has a role as tenant of the City of Lincoln and representatives include:

- Council tenants
- Sheltered housing tenants
- Resident leaseholders
- Private tenants of leaseholders

The panel is independent of CoLC and plays a vital role in ensuring that tenants are fully involved as we shape housing policy. CoLC is committed to working with LTP to:

- Ensure meaningful resident engagement in decision making
- Work collaboratively with tenants to implement mechanisms for scrutiny and oversight
- Support tenants to hold CoLC to account
- Be open to the challenges that all of this brings

The Tenant Involvement Strategy covers the period 2018- 2021. We are actively working in partnership with our tenants and to review and update the strategy using the formal constitutional processes and we will produce an updated strategy early in 2022.

6. Delivering a Great Housing Service in Lincoln

Social housing is about much more than just buildings, it includes homes, neighbourhoods and communities and is ultimately focussed on helping residents to fulfil their potential and live happy lives. Our goal is to 'Deliver Quality Housing' in Lincoln and this section sets out how the HRA Business Plan supports the delivery of services to its tenants, it covers three areas:

1. Delivering an excellent housing management service
2. Providing quality housing which meets tenants needs and aspirations
3. Delivering affordable housing to meet housing needs

The second and third themes inform the Business Plan's Asset Management Plan.

6.1 Delivering an excellent housing management service

The Social housing management function in Lincoln consists of a comprehensive range of services including:

- lettings and nominations
- void management
- estate management
- tenancy management
- responsive repairs
- void repairs
- planned repairs and cyclical maintenance
- safety assurance activity
- rent collection and arrears recovery
- financial management
- decommissioning, remodelling and demolition
- acquisition and disposal
- tenant participation
- supported housing management
- leasehold management; and
- Right to Buy management

The rented housing stock of just under 7,800 dwellings comprises almost 7,400 general needs dwellings, with the remainder being sheltered housing. Most of the stock is of traditional build; however, the portfolio includes prefabricated housing built in the 1940s, along with sheltered housing schemes and high-rise flats built in the 1960s. 46% of the general needs housing stock comprise houses; 45% flats and maisonettes; and 9% bungalows and bedsits.

General needs stock on 1 April 2021

	Bedrooms				
	1	**2**	**3**	**4+**	**Totals**
Bungalow	324	159	62		**545**
Flat	2,396	602	16		**3,014**
House	15	1,740	1,658	152	**3,565**
Maisonette		250	16		**266**
Totals	**2,735**	**2,751**	**1,752**	**152**	**7,390**

There are just under 400 sheltered housing properties based in seven sheltered schemes which are a mixture of categories 1 and 2. Two category 2 schemes comprise bedsitter accommodation, where although the bedsits are ensuite, there is no separate living area to the bedroom. Most of the sheltered accommodation are flats and there are less than 40 sheltered bungalows. At present the Council's portfolio does not contain any extra care sheltered housing (category 2.5), however, a scheme is currently under construction at the site of the former De Wint Court sheltered housing scheme. This comprises 50 one-bedroom flats and 20 two-bedroom flats and is scheduled for completion in February 2022.

Sheltered housing stock on 1 April 2021

	Bedrooms			
	0	**1**	**2**	**Totals**
Bedsit	104			**104**
Bungalow		16	20	**36**
Flat		231	16	**247**
Totals	**104**	**247**	**36**	**387**

In addition to sheltered housing, the HRA contains supported housing move-on accommodation for rough sleepers and those at risk of rough sleeping.

It should also be noted that a number of vulnerable and disabled people will reside in general needs stock. Examples include people fleeing domestic violence and vulnerable young people. Any support and care provision received by these tenants is person centred and does not link to the property, this has led to a greater reliance on rental income to fund increased levels of intensive housing management.

There is a need for temporary housing to accommodate people who are homeless, whether this is whilst investigations are being undertaken or whilst a household owed the full homelessness duty is awaiting an allocation of housing. In order to minimise bed and breakfast and other temporary housing costs, the Council utilises general needs HRA stock as a form of temporary accommodation.

Much of the housing stock has been sold through the Right to Buy, with historic sales of around 50 dwellings a year. Since 2012 the Council has sought to both compensate for the Right to Buy and meet housing need through the delivery of new build housing and the acquisition or new build and existing housing stock.

The following table shows that since 2014 Lincoln has sold a total of 350 under the Right to Buy legislation. Whilst over the same period it has developed or acquired a total of 336, a net loss of 14 properties. Our goal is to grow the number of affordable homes in Lincoln to meet growing demand.

Right to Buy sales and additional dwelling stock

Year	RTB sales	New / acquired dwellings
2014-15	36	10
2015-16	53	20
2016-17	62	0
2017-18	67	35
2018-19	48	176
2019-20	52	34
2020-21	32	61
Totals	**350**	**336**

The HRA owns and manages 1,113 garages and leases 61 garage plots. These are let to both council tenants and private residents. As funding for development opportunities arise it has become prudent to consider the demolition of garages and the potential to develop affordable housing on garage sites, however, due to access issues and limited economies of scale, these sites will only deliver a relatively small numbers of dwellings.

The Council has a dedicated tenant involvement team which works with the Lincoln Tenants Panel (LTP). The Panel is involved in the development of a range of policies and new initiatives. A revised tenant involvement strategy is to be developed which seeks to build resilience and encourage financial and digital inclusion.

During 2020-21, not including the use of HRA housing as temporary accommodation, the annual turnover of council housing was around 6% of stock; nearly 60% of lettings were to homeless households. This means that the Housing Solutions team allocates approximately 500 properties each year to new applicants and transferring tenants.

The average turnaround time for a void property during 2020-21 was 44 days (excluding properties with major works), resulting in rent lost through voids of £301k. Void time relates to the extent of works required to reach the lettable standard and the demand for a property. At the end of March 2021 void properties (management and non-management) comprised just under 1% of the Council's housing stock. However, this void property turnaround performance worsened in the second half of 2021, primarily due to the impact of the Coronavirus and a subsequent lack of sub-contractor labour, we initiated an improvement plan and are confident that performance will be back on target by April 2022.

In order to streamline the activity of responsive repairs a "scheduled repairs" approach has been introduced which batches non-urgent repairs to localities.

During 2020-21 the ratio of responsive to planned maintenance was 24.3% planned to 75.7% reactive, however the ration was severely disrupted due the cancellation of a number of planned maintenance projects as a result of Covid. It is important that we increase the proportion of spending on planned work to achieve economies of scale and provide efficiency savings to reinvest,

Council tenants requiring major adaptation to their home due to physical, learning, or sensory disabilities are also assessed to establish whether more suitable accommodation might be more appropriate. For example, a single person living in a family sized property with difficulty accessing the upstairs will be encouraged a move to level access accommodation rather than spending public funds on costly adaptations.

Since April 2020 the Council has been required to demonstrate compliance with the rent standard set by the Regulator of Social Housing. Therefore, both social and affordable rents currently increase at CPI plus 1% each financial year. Social rents are set at formula rent when the property is re-let. In addition, affordable rents are re-calculated each time a property is re-let. For 2022/23 the Governments rent policy would see rents rise by 4.1%, however Council members are concerned that this may not be affordable to some tenants therefore the Council proposes that rents will rise by 3.6%.

In addition to rent charges, tenants of supported housing schemes, tenants of schemes with communal areas, and leaseholders are liable for service charges.

The Council promotes the use of direct debit to collect rent, especially given the impact of Universal Credit, but understands that it must recognise the needs of tenants, especially those on fluctuating incomes who prefer not to pay using direct debit or standing order. Rent arrears are a combination of current and former tenant debt, the latter can be more difficult to pursue and recover. The Council has both a preventative and a proactive approach to rent arrears – the sustainable tenancy team within Tenancy Services aims to prevent tenants falling into arrears, whilst officers seek to recover as much outstanding debt as possible through robust debt collection processes. At the end of March 2021 current tenant arrears were 4.28%% of gross debit and former tenant arrears stood at 3.29%% of gross debit.

The delivery of an excellent housing service requires high levels of performance, value for money and tenant satisfaction. In terms of general tenant satisfaction, the Council performs well – in 2018 (the year the latest STAR Survey was undertaken) 86% of tenants reported that they were either very or fairly satisfied with the overall service received. Since the abolition of national performance indicators, it is difficult to compare the performance of the housing management service with other social housing providers, however, to identify areas of high cost, poor performance, inappropriate resourcing and so make effective value for money judgements, we carryout benchmarking of costs (staff and non-staff), performance and satisfaction through *Housemark*.

We closely manage performance across the range of service we deliver and actively measure our Key Performance Indicators (KPI) on a regular basis. The table in Appendix 3 summarises these KPI’s together with the targets that have been set for each measure.

In 2022/23 our priorities for action are:

- **Monitor and review the Allocations Policy**
- **Review and update the Resident Involvement Strategy**
- **Undertake process mapping of void procedure with a view to reducing void times**
- **Monitor and review the scheduled repairs initiative**
- **Move towards undertaking a greater proportion of planned maintenance as compared to responsive repairs**
- **Encourage a greater number of tenants to pay their rent using direct debit**
- **Ensure value for money across all elements of housing management**
- **Undertake a STAR tenant and resident satisfaction survey**
- **Undertake a Housing Needs survey**

6.2 Providing quality housing which meets tenants needs and aspirations

The Council's housing stock is well maintained and has been the subject of a structured programme of maintenance. The Asset Management Plan discussed below, sets out how the Council is moving forward in terms of investing in the housing stock.

The Council’s 2020 Stock Condition Survey found that less that one per cent of local authority housing stock was not compliant with the Decent Homes Standard, this being dwellings where the tenants had refused improvement works. The average SAP rating of the council housing stock in April 2021 was 70.

The Climate Change Challenge

We fully support the Council's objective to make Lincoln a socially responsible and sustainable city and are actively looking at a range of options to make our council housing more energy efficient in order to reduce greenhouse gas emissions from our homes.

The average Energy Performance Certificate rating of Council dwellings in March 2021 was 70. Carbon emissions from housing are significant although the greatest challenge in term of numbers and quality is in the private sector. Nonetheless, the Council is committed to improving the energy efficiency of Council housing, reducing energy costs, and improving thermal comfort for tenants.

The Council is exploring opportunities for levering in external funding to improve HRA stock. In addition, the Council will seek to attract external funding for renewable technologies, for example air source heat pumps and biomass boilers. On the 23rd of July 2019 Full Council passed a Motion to declare a climate and environmental emergency, resolving to work with our partners across the city to deliver a net zero carbon target for Lincoln by 2030. In December 2021 the Council published its Decarbonisation Strategy and action Plan which identifies eight decarbonisation pathways, includes Carbon data along with key challenges and opportunities for each pathway to ensure we deliver our net zero carbon commitment. All homes in Lincoln currently contribute 39% of the city's carbon emissions, therefore how we heat and power our homes will require extensive changes to meet our net zero target.

The Councils existing social housing stock directly contribute towards citywide carbon emissions as a result of heating and power consumption; therefore, the Council's priorities are to improve the energy efficiency of homes, reducing carbon as well as fuel poverty across the city. The Council are currently working with our partners to identify the required infrastructure improvements within the city and County to ensure we meet our changing energy demand as we transition from fossil fuel to renewable electricity as a main source or heating and power in the near future. Our focus in 22/23 is to complete various energy studies across the city to identify renewable energy generation opportunities for new and existing homes in the city as well as deliver a retrofit programme to continue to improve the energy efficiency of existing homes. The Council has a strong record of providing good quality, energy efficient homes for its tenants and is at the forefront of standards in the wider housing industry.

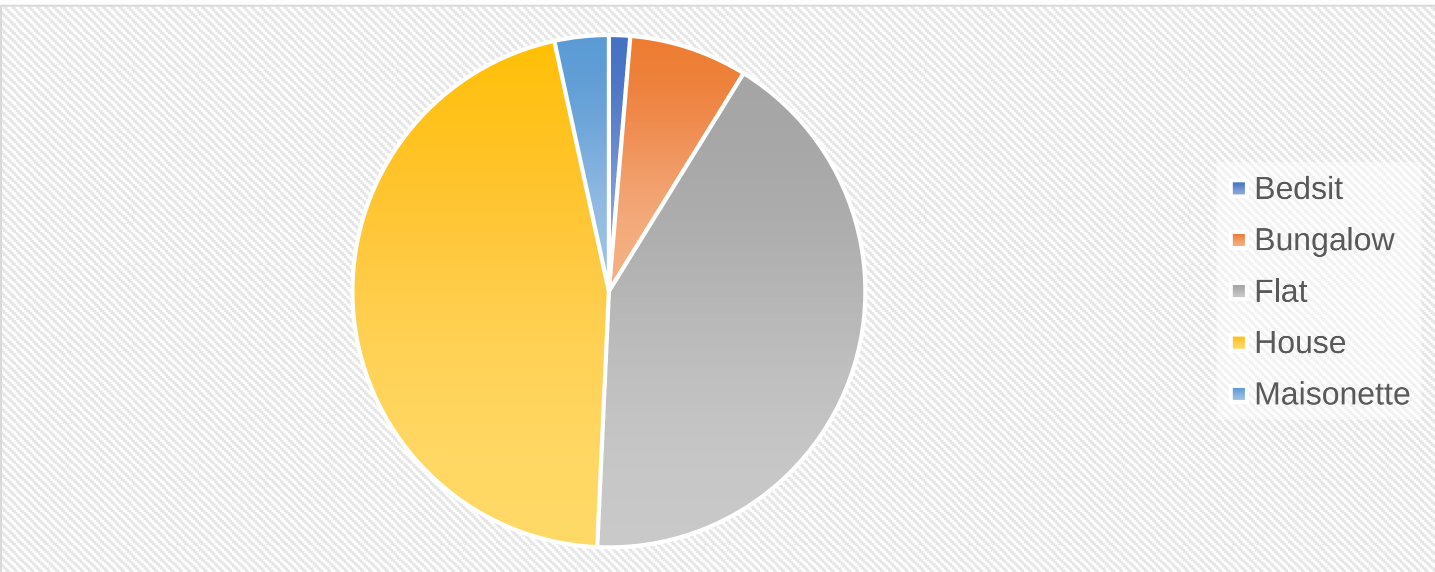
Asset Management Plan

The Asset Management Plan is a key component of the HRA Business Plan as it sets out the component replacement and improvement requirements of the housing stock and related housing assets, using stock condition and lifecycle information to inform how investment decisions will be made.

Council housing stock profile

The following graph shows the council's housing stock by property type.

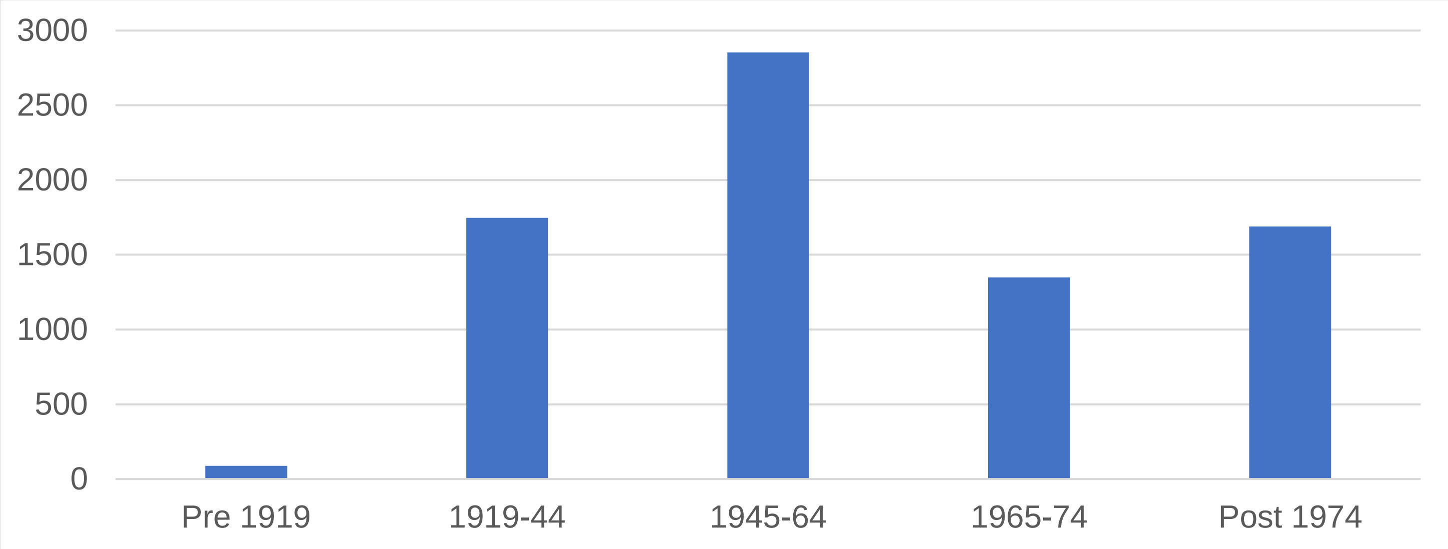
Stock by Type



Houses are the single largest property type with 3,548 units (45.7%), closely followed by Flats with 3,260 units (42.2%). Bungalows are the third largest property type with 582 units (7.5%), with 258 (3.3%) maisonettes and 103 (1.3%) Bedsits.

Stock by Age Band

The following graph shows the council's housing stock by construction date.



This table clearly illustrates the age profile of the housing stock with 6,034 properties (77.8%) being built between 1900 and 1974, with a further 1,718 properties (22.2%) being constructed after 1974. This age profile is common amongst councils with retained housing stock and demonstrates the need for and importance of continuous investment in maintenance and improvement works to ensure properties continue to be attractive to residents and achieve the Decent Homes Standard.

Repairs, Maintenance, and Investment

The Council's housing stock is well maintained and has been the subject of continued and sustainable investment over many years with a structured programme of maintenance and improvements through both capital and revenue investment.

As at end March 2021, there were 329 dwellings considered to be non-decent, tenants of 264 of these dwellings had refused improvement works.

At the end of 2020-21 the average energy Standard Assessment Procedure (SAP) rating of the housing stock was 70. In terms of energy efficiency ratings, in April 2021 0.4% (31) of dwellings had a B rating, over 70% of dwellings had a C rating; almost 28% of dwellings had a D rating and 0.15% (11) of dwellings had an E or F rating.

There are just over 300 non-traditional build homes.

The Council has an annual capital investment programme to make improvements to its stock. Over the next 5 years we will invest over £45m in the stock.

In addition, we estimate that we will invest £35m on ongoing revenue repairs over the next five years.

In 2020-21 the Council carried out over 17,000 responsive repairs.

The average unit cost per void property during 2020-21 was £1,659.

In a self-financing environment, understanding the asset base and associated future investment requirements to maintain the asset base in a desirable condition is key to ensuring the financial viability of the business plan.

It is therefore essential to maintain assets to maximise their value in the future and to ensure sufficient resources have been allocated for the long-term maintenance of the stock. A strategic approach to asset management ensures the long-term strategic vision for the authority is underpinned by a thorough understanding of current and future needs.

The 2020 stock condition survey, which is based on the results of a stratified sample of architypes, and subsequent cloning, identified the following investment levels to ensure compliance with the Decent Homes Standard.

Investment needs identified by 2020 stock condition survey

Component	Years 1-10	Years 11-20	Years 21-30	Total
Kitchens	£27,683,700	£8,148,500	£27,683,700	**£63,515,900**
Bathrooms	£3,082,600	£14,464,300	£9,264,400	**£26,811,300**
Electrics	£5,851,525	£16,581,300	£5,719,900	**£28,152,725**
Heating	£14,980,350	£16,214,600	£12,523,050	**£43,718,000**
Roofs & Rainwater Goods	£3,602,737	£6,995,071	£5,946,564	**£16,544,372**
Walls	£2,776,663	£3,075,589	£1,308,172	**£7,160,424**
Windows / Doors	£3,315,580	£4,418,600	£3,516,690	**£11,250,870**
External Areas	£5,447,791	£5,208,244	£4,177,182	**£14,833,217**
Communal Areas	£1,887,168	£777,842	£597,560	**£3,262,570**
Outbuildings	£845,543	£508,874	£605,379	**£1,959,796**
Total	**£69,473,657**	**£76,392,920**	**£71,342,597**	**£217,209,174**

This table shows that kitchens are the most expensive component replacement item with a total planned spend of £63m, followed by heating systems (£43m), Electrical systems (£28m) and Bathrooms (£26m). The cost to replace heating and electrical systems is under review as it is likely that these will change once we agree strategy for achieving Net Carbon Neutral.

Investment Programme 2022/23

Component	No Units	£ Cost
Bathrooms/W.C.	**309**	**531,103**
Electrical Installations	**447**	**763,051**
Heating Boilers	**672**	**1,503,936**
Heating Systems	**212**	**339,200**
Kitchens	**179**	**601,576**
Landscaping/Boundaries	**869**	**1,177,291**
Roofs	**132**	**69,200**
Doors	**595***	**505,750***
Windows	**608**	**1,106,809**
Total	**4,026**	**6,597,916**

**The data for Doors reflects the total number of doors replaced and not the number of properties where all of the doors have been replaced.*

We are committed to maintaining and improving the housing stock year on year, and this table shows the range and number of components that are scheduled to be replaced in 2022/23. Just over four thousand components are scheduled for replacement at an average cost of £1,638.

The stock condition data, along with lifecycle costing, has been analysed to identify the level of investment required to deal with the backlog of repairs, planned maintenance and to ensure the authority continues to achieve and maintain the decent homes standard and tenant aspirations.

In respect of gas and electrical heating and appliances, biomass boilers, water hygiene, fire alarms and emergency lighting, these are the subject of 100% annual testing under a cyclical programme and the associated costs have been extrapolated to indicate the level of annual investment required with account taken of whole life costing.

We have identified areas where data gathering is insufficient is in respect of estate improvements, an estimate of future investment has been made in the financial planning model in anticipation of more detailed information being available. Estate improvements may include improving the public realm and the provision of communal gardens, allotments and play areas, therefore, taking into consideration the quality of the wider neighbourhood in terms of environmental improvement.

Although the Social Housing White Paper refers to a new Decent Homes Standard, the Council is working to introduce a local Decent Homes Standard which will go beyond the current national standard through the inclusion of more demanding energy efficiency standards.

Strategic Options Appraisal Process

When determining investment in council housing, it is essential to ensure that the type of investment is appropriate to meeting housing need in the longer term. In the main there is high demand for most of the council's housing, and it will be maintained to the local Decent Homes Standard. However, where existing housing is potentially seen as unsustainable due to low demand, failing to meet aspirations or prohibitive investment costs, then the Council will undertake options appraisals which will consider remodelling, decommissioning, repurposing, regeneration or to continue to invest. These appraisals are undertaken on individual dwellings when they become void and on schemes and estates where the architype is recognised as unsustainable in the longer term.

Housing churn and long-term empty local authority dwellings evidence the difficulty in letting bedsit[1] schemes for older people and general needs maisonettes and some flats, notably those in high rise blocks, but also some low rise. Although this form of accommodation is still potentially attractive to some prospective tenants and marketing can promote this, it does not meet with modern design principles, for example, HAPPI (Housing our Aging Population Panel for Innovation), nor the aspirations of many older people.

A former older persons' housing scheme, but now let as general needs, the flats and garages at Hermit Street have been a target for crime and anti-social behaviour. Community-led design proposals to remodel the flats and replace the garages with family houses have been undertaken. This is the first step towards seeking to regenerate the city centre estate and to better meet housing need.

Two tower blocks require substantial investment for them to comply with forthcoming health and safety legislation, however, it needs to be established whether it is more sustainable to invest or instead decommission this housing.

In addition, there are a number of prefabricated bungalows in the City which although are in demand (due to the shortage of bungalows in the HRA) are not energy efficient, nor sustainable in the longer term.

We have a number of garage sites across the City and during 2022/23 we will undertake an options appraisal of the sites to ensure that we are getting the maximum benefit from the sites. We will review the potential usage options for these sites where the garages are not being used or where there are excessive asset management costs.

Demand for Council housing remains high. At the end of March 2021 there were just over 1,100 active applicants on the Council's housing register. When considering turnover of local authority housing stock, the 2019 housing needs survey, homelessness statistics and the impact of the Right to Buy, over the next five years there is an indicative need for the Council and its housing association partners to deliver over 300 bungalows[2] (or alternative retirement housing) and around 700 general needs houses.

[1] The definition of bedsit is a self-contained dwelling without a separate bedroom.
[2] To have three "liveable" rooms two-bedroom dwellings are promoted.

To ensure sustainability, new build schemes seek to meet the Lifetime Homes Standard, utilise renewables, embrace Modern Methods of Construction, minimise carbon emissions and achieve high levels of energy efficiency.

In 2022/23 our priorities for action are:

- **Undertake audit of external underused communal areas and work with tenants and leaseholders**
- **Develop an estate improvement investment strategy**
- **Revise and update the Lincoln Decent Homes Investment Programme**
- **Develop a plan to deliver estate regeneration at Hermit Street, including the provision of additional housing to meet local need**
- **Undertake an options appraisal of sheltered housing bedsit schemes**
- **Undertake an options appraisal of two high rise schemes**
- **Undertake an options appraisal of prefabricated bungalows**
- **Undertake an appraisal of garage sites and other potential infill development sites**

6.3 Delivering affordable housing to meet housing needs

We are utilising a range of channels to increase the supply of affordable homes in Lincoln:

Under the 2016 - 21 Shared Ownership and Affordable Homes Programme (SOAHP), the Council has Homes England funding to deliver a 70-unit extra care scheme at De Wint Court; the scheme is due to open early 2022. The Council has also received MHCLG Next Steps Accommodation Programme funding to deliver 15 units of dispersed move-on accommodation for former rough sleepers.

The reinvigoration of Right to Buy by relaxing maximum discounts (and gathering net receipts for reinvestment into new homes) could potentially have a large impact on the HRA Business Plan. If Right to Buy policy changes nationally again or levels of sales further increase in the long term, this has the potential to undermine the Business Plan by taking assets out at a low receipt rate.

In 2012 the Council signed an agreement with the then DCLG whereby the Council agreed to retain the capital receipts from Right to Buy sales over and above the number of sales assumed under self-financing. Receipts can fund up to 40%[3] of the cost of a new affordable home; any receipts not used within five years must be repaid to the Government with compound interest of 4% above the base rate, therefore it is vital the Council utilise this element of receipts received. In 2019-20 the Council acquired 34 existing dwellings (mostly former council houses) using retained Right to Buy receipts. In 2020-21, the Council acquired 32 dwellings and built a further five dwellings using contributions from retained receipts. In 2020-21 the Council also acquired 15 new build dwellings from a housing association, taking on the Homes England grant liability with this purchase.

We will continue to review the option to form a Local Authority Controlled Company (LACC) to develop additional council properties, however, any new Council house will become liable to the Right to Buy (the only exception relates to supported housing). Therefore, the Council will ensure that any new build / acquisition and associated works and land costs (the cost floor) are always below or in line with the valuation.

Neither retained Right to Buy receipts, nor grant provided under the 2021-26 Affordable Homes Programme can be used for regeneration. This means that if social housing is demolished because it is no longer fit for purpose with the intention of replacing it with housing to meet need, only the net increase in affordable housing will be eligible for retained Right to Buy receipts or Homes England grant.

The Business Plan provides the Council with the prospect to deliver non-grant funded housing, for example, the replacement of outmoded social housing or the conversion of HRA empty shops. In addition, opportunities may arise for the Council to purchase affordable homes provided through Section 106 agreements on private developments (known as planning gain). This involves the Council raising a loan on the predicted rental income from these homes and using this money to purchase them from the developer. However, the Council will continue to seek every opportunity to access grant.

Estate Regeneration

During 2020/21 we have put fire safety as our number one priority and have focussed on implementing the recommendations of the annual Fire Risk Assessments. At the same time, we have continued with the initiative to undertake joint Estate Walks with residents to monitor the look and feel of our neighbourhoods and to identify improvement opportunities. These have been invaluable in helping to get a better understanding of the things that residents see as important and has enabled the introduction of a range of local improvement initiatives. We have also identified a number of neighbourhoods where larger interventions are needed.

As part of the Council’s community intervention at Sincil Bank, regeneration of an area of the estate which attracts high antisocial behaviour and has low demand is being investigated. Regeneration of Hermit Street could deliver additional new homes, a more diverse demographic by introducing family homes and reduce antisocial behaviour. Approval for a regeneration project will be sought early in 2022.

Estate regeneration is also required in areas of the city where housing now falls below the standard expected or has reached its end of life. During 2022/23 we will review the long-term viability of our estates and will undertake option appraisals of any that indicate they may not continue to meet the Council’s housing standards.

[3] Increased from 30% to 40% in 21/22

Other area's requiring regeneration include sheltered bedsit accommodation. Sheltered bedsits are undesirable, have a high "churn" of residents and are difficult to let. An options appraisal for two bedsit schemes will be completed 2022.

During 2022 we will undertake a survey of tenants and residents (STAR survey) to understand the specific needs and views of residents in our homes. This will identify key issues and improvement areas and will provide a road map to develop and implement small- and large-scale improvement plans across our estates and neighbourhoods.

New Build Programme

The Council continues to deliver new build homes within the strategic priority of "Lets Deliver Quality Housing".

Within the vision 2020 period, over 400 new build homes were added to the Council's housing stock. The delivery of further quality new build homes for affordable rent continues to be the Council's ambition within vision 2025.

Currently, the Council is delivering 42 new homes of mixed architype to meet general needs demand on the Rookery Lane site to the south of the city. This £7.14m project will complete in 2022 and all homes will be available for affordable rent. £1.98m of this project has been funded by Homes England.

The Council is also delivering its first Extra Care housing scheme within our housing stock. De Wint Court will provide 70 apartments for affordable rent and a full cost recovery service charge. The Council is working with Lincolnshire County Council for nominations and care support at the scheme. Lincolnshire County Council and Homes England have provided some capital funding to the project, £2.8m and £3.24m respectively. The overall project budget is £14.5m. De Wint Court is due to complete in February 2022.

A key priority within the "Lets Deliver Quality Housing" is to provide homes to meet the need of working age adults with learning or physical disabilities. Work is ongoing with Lincolnshire County Council to assess the full extent of need for this demographic before the Council look to accommodate a scheme.

We continue to work with other partners to meet specific housing needs, for example, we are currently working with the Barnardo's Charity to identify potential sites to build GAP supported housing on two sites in the City.

The City of Lincoln Council's HRA has a number of pipeline sites for housing delivery across the city. The largest being a site which straddles City of Lincoln and West Lindsey districts. The City is seeking a delivery partner for this site, to deliver around 350 new homes.

The table in Appendix 4 summarises the HRA development programme for the five-year period from 2020/21 to 2024/25. This ambitious programme aims to deliver a total of 413 properties across a range of user and property types.

The City's pipeline is regularly discussed with Homes England and funding has been provided for feasibility work for some sites within Lincoln. Lincoln, Homes England, and the Greater Lincolnshire Affordable Homes Partnership are working together to batch sites for feasibility funding across the county.

Acquisitions Programme

We continue to acquire properties from the open market, via right for first refusal and new build properties from developers within the strategic priority of "Lets Deliver Quality Housing".

Properties are acquired by the Council by utilising 30% of the cost through retained capital receipts from right to buy sales and the remaining 70% from prudential borrowing. All properties are let on affordable rent levels.

We acquired 34 properties during 2019-20 and a further 32 properties during 2020-21. In addition, we also built a further four dwellings during 20-21 utilising funding from right to buy capital receipts. We are actively working with local agents and developers to acquire additional properties and aim to acquire a further 20 properties in 2022/23

The acquisition of further properties continues to be part of the Council's priorities within Vision 2025. During the period 2021-2026 we will aim to acquire a further 100 properties at an average rate of 20 per year using right to buy receipts.

We continue to seek alternative funding streams to acquire additional properties. During 20/21 we acquired 15 properties as a result of funding from MHCLG for the Next Steps Accommodation Programme. This has delivered dispersed move-on accommodation for former rough sleepers which can continue to be utilised to deliver temporary move on accommodation. Its success has led to further funding being granted for an additional 15 units for 21/22 to provide much needed move on accommodation to meet demand for rough sleepers.

In 2022/23 our priorities for action are:

- **Deliver the De Wint Court extra care sheltered housing scheme**
- **Continue to increase the local authority housing stock through the purchase and repair programme**
- **Deliver move-on accommodation for former homeless households**
- **Deliver a temporary accommodation scheme for single homeless persons**
- **Deliver affordable housing at Rookery Lane**
- **Develop a plan to regeneration Hermit Street, including the provision of additional housing to meet local need**
- **Undertake option appraisals of various sites in the north of Lincoln**
- **Deliver additional and replacement general needs, older persons' and specialist housing to meet identified housing need**

7. Financial Planning

We take a long-term view of the management of the councils housing stock and plan over a thirty-year period. This enables the development of complex strategies to achieve our long-term goals and objectives. In addition, we also develop rolling multi-year budgets to; enable prudent financial planning and management, support the delivery of medium-term projects and the provision of a wide range of operational services.

As stated earlier our intention is to undertake a fundamental review of the HRA during 2022, with the aim of delivering an updated 30-year HRA Business Plan commencing in April 2024. Therefore, we have produced an interim Business Plan to cover the period 2022/25. This will facilitate the continued delivery of revenue and capital housing services whilst the long-term plan is being developed.

The following HRA budgets are congruent to the 2022/23 General Fund budgets that have been submitted for approval.

Revenue Budgets

The following table provides a summary of the HRA revenue budgets for the period 2022/23 to 2026/27. These budgets pay for all the operational day to day housing services (repairs and maintenance, housing management, estate services) as well as depreciation costs and transfers to the major repair reserve.

	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)	(33,387,330)
- 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	-	-	-	-	-
- General	(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:					
- General	6,804,780	6,928,180	7,042,130	7,120,980	7,227,400
- Special	1,531,840	1,556,670	1,582,110	1,607,690	1,633,460
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
Debt Management Expenses	14,850	11,990	11,980	11,890	11,860
- Council Dwellings	7,450,000	7,450,000	7,450,000	7,450,000	7,450,000
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 (per Authority's I/E Account)	**(5,096,480)**	**(5,888,770)**	**(6,441,690)**	**(7,045,490)**	**(7,631,550)**
NET COST OF SERVICE	**(5,096,480)**	**(5,888,770)**	**(6,441,690)**	**(7,045,490)**	**(7,631,550)**
NET COSTS OF SERVICE b/f	**(5,096,480)**	**(5,888,770)**	**(6,441,690)**	**(7,045,490)**	**(7,631,550)**
Gains/Losses on disposal	-	-	-	-	-
Loan Charges Interest	2,580,000	2,650,000	2,665,000	2,660,000	2,650,000
Pension Interest Cost & expected return on Pension Asset	-	-	-	-	-
- Investment Interest	(66,220)	(65,610)	(72,150)	(84,530)	(98,390)
- Mortgages Interest	-	-	-	-	-
SURPLUS ON HRA FOR YEAR	**(2,582,700)**	**(3,304,380)**	**(3,848,840)**	**(4,470,020)**	**(5,079,940)**

Adjusts on Statement of Movement on HRA Bal To/(from) Major Repairs Res (DRF)	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
- Strategic Priority Reserve	(16,940)	-	-	-	-
- Invest To Save	(79,050)	-	-	-	-
(SURPLUS)/DEFICIT in year	**(38,670)**	**(69,320)**	**8,080**	**(118,480)**	**(733,940)**
Balance b/f at 1 April	(1,059,743)	(1,098,413)	(1,167,733)	(1,159,653)	(1,278,133)
Balance c/f at 31 March	**(1,098,413)**	**(1,167,733)**	**(1,159,653)**	**(1,278,133)**	**(2,012,073)**

In 2022/23 the HRA revenue account has a projected total income from rents, service charges and various other income streams of £31.78million. With a projected income of £29.99m rents contribute 94.35% of the total income.

The income stream is spent across several budgets, with the main items of expenditure being; Repairs Account £10.02m, Debt management expenses £7.45m, Staffing £6,84m, HRA debt provision £2.58m and Major Repairs Reserve £2.55m.

For 2022/23 we estimate that the HRA revenue account will make a small surplus of £36,670.

At the end of the 2022/23 financial year we estimate the HRA will have a positive balance of £1,098,413..

Capital Budgets

The following table provides a summary of the HRA capital budgets for the period 2022/23. The capital budgets are made up of two main categories.

1. Housing Investment - this includes the Decent Homes and Lincoln Standard, planned maintenance, component replacement programmes, and essential Health and Safety works. We are planning to spend a total of £5,494m on these works in 2022/23.

2. Housing Strategy and Investment - this includes projects that will deliver new and/or additional social housing in Lincoln. We are planning to spend £14,173,450m in 2022/23

In total we are budgeting to spend £19,667m on capital works in 2022/23.

Project Name	Classification for Quarterly Report	Budget
		£
Housing Investment		
Decent Homes	-	
Bathrooms & WC's	Decent Homes	15,000
DH Central Heating Upgrades	Decent Homes	2,060,491
Kitchen Improvements	Decent Homes	15,000
Rewiring	Decent Homes	35,000
Re-roofing	Decent Homes	10,000
Lincoln Standard Windows Replacement	Decent Homes	295,159
Door Replacement	Decent Homes	600,000
New services	Decent Homes	25,000
Void Capitalised Works	Decent Homes	1,500,000
Fire Doors	Decent Homes	5,000
Decent Homes		**4,560,650**
Lincoln Standard		
Over bath showers (10 year programme)	Lincoln Standard	5,000
Lincoln Standard		**5,000**
Health & Safety	-	-
Asbestos Removal	Health and Safety	195,850
Asbestos Surveys	Health and Safety	167,640
Replacement Door Entry Systems	Health and Safety	25,000

Renew stair structure	Health and Safety	10,000
Fire Alarms	Health and Safety	40,000
Health & Safety		**438,490**
Other	-	-
Environmental works	Environmental Improvements	50,000
Communal Electrics	Other Current Developments	10,000
Garages	Other Current Developments	25,000
CCTV	Other Current Developments	46,685
Communal TV Aerials	Other Current Developments	5,000
Other		**136,685**
Contingency Schemes Contingency Reserve	- Contingent Major Repairs/Works	- 217,896
Contingency Schemes		**217,896**
Other Schemes	-	-
Housing Support Services Computer Fund	Computer Fund	50,000
Telephony	Computer Fund	4,000
Operation Rose	Computer Fund	81,769
Other Schemes		**135,769**
Total Housing Investment		**5,494,489**
		714
Housing Strategy & Investment		
New Build Programme		
New Build Site - Searby Road	New build programme	62,497
New Build Site - Rookery Lane	New build	3,369,420
New Build Site - Queen Elizabeth Road	New build programme	26,761
New Build Capital Salaries	Land Acquisition Fund	42,416
New Build- De Wint Court	Land Acquisition Fund	7,126,588
Western Growth Corridor	Land Acquisition Fund	259,766
Acquisition - 52 Stamp End 19/20	Land Acquisition Fund	100,989
Acquisition - 20 Aylesby Close	Land Acquisition Fund	6,200
Acquisition - 196 Woodfield Avenue	Land Acquisition Fund	166,754
Acquisition - 105 Princess Street	Land Acquisition Fund	75,350
Acquisition - 28 Barkston Gardens	Land Acquisition Fund	158,250
Acquisition - 116 St Botolphs Crescent	Land Acquisition Fund	88,777
Acquisition - 99 Tower Crescent	Land Acquisition Fund	179,250
Acquisition - 33 Marham Close	Land Acquisition Fund	106,250
Acquisition - 3 Welbourn Gardens	Land Acquisition Fund	163,319
Acquisition - 17 Bawtry Close	Land Acquisition Fund	142,900
Acquisition - 49 Trent View	Land Acquisition Fund	59,900
Acquisition - 1 Sedgebrook House	Land Acquisition Fund	90,800
Acquisition - 21 Breedon Drive	Land Acquisition Fund	163,900
Acquisition - 111 Cannon Street	Land Acquisition Fund	106,650
Acquisition - 5 Apley Close	Land Acquisition Fund	169,150
Acquisition - 12 Goldsmith Walk	Land Acquisition Fund	179,650
Acquisition - 25 Anzio Crescent	Land Acquisition Fund	216,400
Acquisition - 28 Thurlby Crescent	Land Acquisition Fund	164,200
Acquisition - 39 Nene Road	Land Acquisition Fund	75,750
Acquisition - NSAP properties	New build programme	591,105
Acquisition - RSAP properties	New build programme	280,457
New Build Programme		**14,173,450**
		0
Land Acquisition		
Land Acquisition		**0**

Total Housing Strategy & Investment		**14,173,450**
GRAND TOTALS		**19,667,939**

Appendix 1

Housing Strategy Action Plan

https://lincolngovuk.sharepoint.com/:x:/s/HousingStrategyWorkingGroup/ETIRArnfomZCrdd5fR5BIZYBY39BvCwwQIsE8ezQAEXPzw?e=hVnmNw

Appendix 2

Housing and Investment Risk Register

Note - Link to Risk Register to be inserted once updated

***Appendix* 3**

High Level Key Performance Indicators

PI	Description	21/22 Target
Rents		
125B	% of rent collected as a percentage of rent due	**96.5%**
126	Arrears as a % of rent debit	**4.65%**
Voids		
69	% of rent lost due to vacant dwellings	**0.90%**
58	Average re-let period – General needs (excluding major works) – (days)	**32 days**
	Average re-let period – General needs (major works only) – (days)	**45 days**
61	Average re-let period – All dwellings (including major works) – (days)	**38 days**
Allocations		
85A	% of offers accepted first time	**85%**
Repairs (Housing Repairs Service only)		
29A	% of all priority repairs carried out within time limits (1 day tickets) – HRS only	**99.5%**
32	% of all repairs carried out within time limits (Priority / Urgent tickets)	**97.5%**
34	Complete repairs right on first visit. (Priority / Urgent tickets)	**90%**
37	Repair appointments kept against appointments made (%) (Priority / Urgent tickets)	**99.5%**
Decent Homes		
29B	% of all Priority repairs carried out within time limits (1 day tickets) – Aaron Services only)	**99.5%**
50	% of non-decent homes	**0% (year-end target)**
48	% of homes with valid gas safety certificate	**99.96%**
Complaints		
22	% of complaints replied to within Housing Code Timescales	**95%**
ASB		
89	% of ASB cases closed that were resolved	**94%**
90	Average days to resolve ASB cases	**70 days**

Appendix 4

HRA Development Programme

	2020/21		2021/22		2022/23		2023/24		2024/25	
	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC
LN6 Development	6									
Markham House		5								
Rookery Lane						42				
De Wint Court				70						
Gaunt Street	9									
Boultham Dairy site	18									
Riseholme Road Waterloo Housing	20	15								
Naval Court										
Former Council properties (buy backs)		36		16		5		5		5
Former Council properties (NSAP / RSAP)				18						
Hermit Street						11				
Jasmine Green							25		24	
Gap Homes							6			
Carholme Road							20			
Palmer Street										10
Garage Sites						10				20
Longhurst Flats							17			
TOTALS	**53**	**56**		**104**		**68**	**68**	**5**	**24**	**35**
										413

KEY	
Complete	109
Likely to proceed	158
Ongoing	146
Total	**413**

Appendix 5

Glossary:

Affordable Rent	Up to 80% of open market rent.
AHP	Affordable Homes Programme
Allocations Policy	The Council's policy setting out how Council housing is allocated
Category 1 sheltered housing	Properties are grouped together, usually with a common room, with a site warden.
Category 2 sheltered housing	Flats / bedsits "all under one roof" with facilities such as a common room, guest room and communal kitchen with a site warden.
Category 2.5 sheltered housing or extra care sheltered housing	Flats / bedsits "all under one roof" with on-site care provision, a scheme manager, and a range of communal facilities such as a restaurant, hair salon and treatment rooms.
Cost floor	Section 131 of the Housing Act 1985 (the cost floor) limits the Right to Buy discount to ensure that the purchase price of the property does not fall below what has been spent on building, buying, repairing, or maintaining it over a certain period. For new homes the cost floor covers the first 15 years. However, where the cost floor is above the valuation the sale price will equal that valuation.
CPI	Consumer Price Index
Decent Homes Standard	Homes that are warm, weatherproof and have reasonably modern facilities.
Depreciation charge	Annual amounts representing the long-term needs of the existing stock to be moved from the HRA to the Major Repairs Reserve.
EPC	Energy Performance Certificate
Formula Rent	Social rent which has reached the target under rent restructuring.
General needs housing	Housing which is not designated for people with specific housing needs. However, general needs bungalows are usually only allocated to older people and people with disabilities.
HAPPI	Housing our Ageing Population: Panel for Innovation
Housing Association	A not-for-profit organisation which provides affordable housing. A housing association registered with the Regulator of Social Housing is a private registered provider.
HRA	Housing Revenue Account. This is ring-fenced, landlord account which records expenditure and income arising from the provision of housing accommodation by local housing authorities.
Leasehold properties	When HRA properties are sold through the Right to Buy the former tenant of a bedsit, flat or maisonette becomes a leaseholder.
Lettable standard	Standard of property which each Council home is required to reach before it is let.
Net zero	Net zero refers to achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.
Rent Standard	Sets out the rent increases local authorities and housing associations are expected to levy on social and affordable rented housing.
Retained Right to Buy receipts	Often referred to as 1-4-1 receipts, these are receipts received by the Council for Righto to Buy sales over and above the assumed level of sales agreed under self-financing settlement payment. The receipts can fund up to 30% of the total scheme cost of replacement social housing.
SAP	Standard Assessment Procedure.
Statutory homeless	A household is homeless, eligible for assistance, in priority need, unintentionally homeless and has a local connection.
Social Rent	Formula set by the Government which reflects valuation, average earnings, and the size of a property.
Supported housing	Housing which should only allocated to people with specific housing needs, this includes sheltered housing.
Tenancy Policy	Sets out the types of tenancies which the Council offers and in what circumstance.
Void	Empty council house.

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Equality with Human Rights Analysis Toolkit

The Equality Act 2010 and Human Rights Act 1998 require us to consider the impact of our policies and practices in respect of equality and human rights.

We should consider potential impact before any decisions are made or policies or practices are implemented. This analysis toolkit provides the template to ensure you consider all aspects and have a written record that you have done this.

If you need any guidance or assistance completing your Equality and Human Rights Analysis contact:
Heather Grover, Principal Policy Officer on (87)3326; email: heather.grover@lincoln.gov.uk . Alternatively contact Legal Services on (87)3840

A diagram of the process you should follow is on page 2, and glossary and guidance to help you complete the toolkit can be found on pages 6-9.

Even after your policy, project or service has been implemented; it is recommended that analysis is undertaken every three years, and that this analysis is updated at any significant points in between. The purpose of any update is that the actual effects will only be known after the implementation of your policy, project or service. Additionally, area demographics could change, leading to different needs, alternative provision can become available, or new options to reduce an adverse effect could become apparent.

<u>Useful questions to consider when completing this toolkit</u>

1. What is the current situation?
2. What are the drivers for change?
3. What difference will the proposal make?
4. What are the assumptions about the benefits?
5. How are you testing your assumptions about the benefits?
6. What are the assumptions about any adverse impacts?
7. How are you testing your assumptions about adverse impacts?
8. Who are the stakeholders and how will they be affected?
9. How are you assessing the risks and minimising the adverse impacts?
10. What changes will the Council need to make as a result of introducing this policy / project / service / change?
11. How will you undertake evaluation once the changes have been implemented?

STEP BY STEP GUIDE TO EQUALITY ANALYSIS

STEP 1

In Section A identify

STEP 2

In Section B highlight any

STEP 3

In Section C record your

STEP 4

The responsible officer

STEP 5

Publish the analysis (e.g.

STEP 6

Monitor and review your

*** Evidence could include information from consultations:**

SECTION A

Name of policy / project / service	Housing Revenue Account Business Plan 2022/23
Background and aims of policy / project / service at outset	The HRA Business Plan is the financial account used to manage the City of Lincoln Council's (CoLC) landlord activities for council housing. The Business Plan sets out the annual income and expenditure budgets for the forthcoming financial year. The HRA Business Plan supports the objectives of the Housing Strategy and the Goals set out in VISION2025 The HRA Business Plan and the associated income and expenditure plans underpins the delivery of the council's housing services in Lincoln. The approval of the Business Plan will have positive effects for al groups
Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis	Daren Turner – Director of Housing and Investment Paul Hopkinson – Strategic Housing Advisor
Key people involved *i.e. decision-makers, staff implementing it*	Director Housing and Investment, CoLC Executive, Council Members, Housing Directorate Staff.

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	X			The HRA provides a range of suitable accommodation for all ages. It also includes specific accommodation for older persons.		
Disability including carers (see Glossary)	X			The HRA includes substantial investment to adapt and convert council homes to meet the needs of residents with disabilities		
Gender re-assignment	X					
Pregnancy and maternity	X			Providing good quality housing will benefit pregnant women and new mothers and babies		
Race	X					
Religion or belief	X					
Sex	X					
Sexual orientation	X					
Marriage/civil partnership	X					
Human Rights (see page 8)	X			Being safe and protected from harm is an essential human right and a stable home		

				helps to protect the iright.		

**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?**
	Y	We will undertake a STAR survey and Housing Needs Survey during 2022/23

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 [x]
- **Adverse Impact but continue** (record objective justification for continuing despite the impact)-complete sections below [ ]
- **Adjust the policy** (Change the proposal to mitigate potential effect) -progress below only AFTER changes made [ ]
- **Put Policy on hold** (seek advice from the Policy Unit as adverse effects can't be justified or mitigated) -STOP progress [ ]

Conclusion of Equality Analysis (describe objective justification for continuing)	This does not disproportionately affect any protected group and complies with legislation to have regard for Human Rights in the delivery of housing services

When and how will you review and measure the impact after implementation?*	The HRA Business Plan and EIA will be reviewed on a regular basis.

Checked and approved by	Paul Hopkinson	Date	11th January 2022

responsible officer(s) (Sign and Print Name)			
Checked and approved by Assistant Director (Sign and Print Name)	Daren Turner	Date	12th January 2022

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. 15

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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