

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

Apologies for Absence: None.

71. Confirmation of Minutes - 3 January 2023

RESOLVED that the minutes of the meeting held on 3 January 2023 be confirmed and signed by the Leader as a correct record.

72. Declarations of Interest

No declarations of interest were received.

73. Draft Medium Term Financial Strategy 2023-28

Purpose of Report

To consider the draft Medium-Term Financial Strategy for the period 2023-2028; the draft budget and council tax proposal for 2023-24; and the draft Capital Strategy 2023-2028.

Decision

- (1) That the Draft Medium Term Financial Strategy 2023-2028, and the Draft Capital Strategy 2023-2028 be approved for consultation and scrutiny.
- (2) That it be noted that the Draft Medium Term Financial Strategy 2023-2028, and the Draft Capital Strategy 2023-2028 included the following specific elements:
 - (a) a proposed council tax Increase of 2.9% for 2023/24;
 - (b) a proposed housing rent increase of 6.5% for 2023/24;
 - (c) the Council's membership of the Lincolnshire Business Rates Pool in 2023/24;
 - (d) the draft General Fund Revenue Forecast 2023/24 - 2027/28, detailed in Appendix 1 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 2023/24 - 2027/28, detailed in Appendix 2 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 2023/24 -2027/28, detailed in Appendix 3 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 2023/24- 2027/28, as detailed in Appendix 4 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 2023 and ending 31 March 2024 and submission of the base (via the NNDR1 return) to the Department of Levelling Up, Communities and Housing by 31 January 2023, with changes to the base estimated in the Draft Medium Term Financial Strategy 2023/28 being reported to the Executive as part of the Final MTFs 2023-28 on 20 February 2023.

Alternative Options Considered and Rejected

As detailed throughout the report.

Reasons for the Decision

Much had changed since the Council approved the previous MTFs, with spiralling inflation, soaring energy prices and nationally agreed pay proposals set to add significant cost pressures to its budgets. These were in the main caused by national issues, which were beyond the Council's control and impacting all Councils.

In addition, the Council faced growing demands for some of its key services for those more vulnerable in the city, a client group that was impacted the hardest during Covid19, and looked to the council for support as the cost-of-living crisis hit household incomes.

Alongside these cost and demand pressures, there still remained uncertainty around the level of funding for local government beyond the current Spending Review period and the implementation of the planned national funding reforms. These reforms, together, had the ability to fundamentally alter the course of the MTFs. Although it had now been confirmed that these fundamental reforms would not be implemented until 2025/26 at the earliest, and the Autumn Statement announced some much-needed additional funding for local authorities for the next two years (providing some limited and short-term stability), there could be no certainty beyond 2024/25.

As a result of these factors, the financial landscape for local government continued to pose an unprecedented challenge to the Council and was set in the context of this significant, inherent uncertainty.

Prior to submission of the MTFs 2023-2028 and budget and council tax proposal for 2023/24 to Full Council, on 21st February 2023, this initial draft would be subject to public consultation and member scrutiny.

74. Collection Fund Surplus./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 2022/23.

Decision

- (1) That the action of the Chief Finance Officer in declaring a business rates deficit of £2,908,114 for 2022/23 be confirmed, subject to the confirmation of the business rates base by 31 January 2023, with any amendments to the declared deficit being notified to the relevant preceptors and being included in the Final Medium Term Financial Strategy 2023-28, to be presented to the Executive 20 February 2023.
- (2) That the spreading adjustment of a £1,202,848 deficit to be distributed in 2023/24 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 surplus on the Business Rates Collection Fund of £2,908,114 for 2022/23 subject to the confirmation of the Business Rates base by 31st January 2023, of which its share was £1,163,246.

Whilst this was a significant surplus, £1,637,799 (£655,120 City Council share) of the surplus was offset by Government grants provided to compensate local authorities in respect of the business rate reliefs awarded to business in 2022/23. The remaining balance of £1,207,315 surplus, of which the Council's share was £508,126, had arisen due to the final year end position on the 2021/22 Collection Fund, which was more positive than previously estimated.

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 2023/24.

75. Pay Policy Statement 2023/24

Purpose of Report

To request that Executive recommend to the Council that the Pay Policy Statement, drafted in compliance of section 38 (1) of the Localism Act 2011, be approved.

Decision

That Council be recommended to approve the Pay Policy Statement for 2023/23.

Alternative Options Considered and Rejected

None. Section 38 (1) of the Localism Act 2011 required local authorities to produce a Pay Policy Statement for each financial year. This must be approved by the Council by 31 March of each year, for it to be effective in the following financial year.

Reasons for the Decision

Each council's pay policy statement was required to detail the council's own policies on the pay of its workforce, particularly its senior staff and its lowest paid employees. The determination of the pay policy statement was reserved for the Council.

The Government also considered that decisions on pay policies should be taken by elected members, as those directly accountable to local communities. The Act therefore required the pay policy statement and any amendments to be considered by a meeting of full Council and could not be delegated to any committee.

The pay policy statement must detail 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; and specific aspects of chief officers' remuneration, including at appointment, increases, termination and any other payments.

76. Council House and Garage Rents 2022/23

Purpose of Report

To propose that the Council be requested to approve an increase to council house rents of 6.5% within the terms of the Government's Rent Policy for social housing (April 2020 updated 15 November 2021) and approve the introduction of revised rents from Monday 3 April 2023.

To propose that the Council be requested to approve an increase of 5% on Council garage rents for 2023/24, in line with other fees and charges revisions by the Council.

Decision

- (1) That the Council be recommended to approve the basis of rent calculation for changes to individual Council house rents, as set out in paragraph 6 of the report, which represented an increase in the average calculated 52-week council house net rent in 2023/24 of 6.5% for social housing rents (an average increase of £4.71 per week) and for affordable rents (an average increase £7.58 per week), per property, which was in accordance with Government policy.
- (2) That the Council be recommended to increase garage rents for 2023/24, as set out in paragraph 6.1 of the report, by 5%.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

In October 2017, the government announced its intention to set a long-term rent deal, with annual rent increases on both social and affordable rent properties of up to the level of Consumer Price Index, plus 1% from 1 April 2020 for a period of at least 5 years.

In keeping with the current Housing Business Plan approved by Council and the Governments Rent Guidelines, the formula rent rise for 2023/24 should be based on CPI in the previous September (September 2022 = 10.1%) plus 1.0% as stated above.

Following a national consultation due to the national economic situation, Government had stated that the rent increase in social housing would be capped at 7% for the year 2023/24. Thereby stepping away from the previously agreed CPI plus 1%.

After consideration of the impact on the Council's tenants and other pressures that household incomes were facing, particularly the most vulnerable in our community, and at the same time recognising the economic and financial pressures it had in delivering services to its customers, it was proposed to apply a lower level of rental increase than 7% as stated above.

The level of rent increase with effect from Monday 3 April 2023 was proposed at 6.5%. As a result, the budgeted rental income for 2022/23 would be £32,231,610, subject to approval.

An increase in garage rents of 5% was proposed, which aligned with the Council's fees and charges increase for 2023/24. This would result in an average increase in the rent charged to £8.67 per week for 2023/24 (based on a calculated 52 week charge period), an average increase of £0.43 per week.

The proposed changes had been considered and were generally supported by the Lincoln Tenants Panel.

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/loss created from this was compounded by the fact that Local Authorities would have been increasing rents in line with guidance, IE CPI plus 1% over the period, not reducing by 1%.

The impact on the City of Lincoln's HRA was an estimated rent loss of £17,000,000 over that four-year period. This income would have been spent on improving existing stock and adding homes to our stock which were desperately needed by our community.

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 approximately £9 per week more.

77. County Homelessness Strategy 2022-2027

Purpose of Report

To consider the Lincolnshire Homelessness Strategy 2017-2021 review document, together with the consultation summary document and to seek approval for the new Lincolnshire Homelessness Strategy 2022-2027.

Decision

1. That the Lincolnshire Homelessness Strategy 2022-2027 be approved.

2. That officers provide an update report on the current position in relation to rough-sleepers in the City of Lincoln.

Alternative Options Considered

To develop a City of Lincoln Homelessness Strategy. Whilst City of Lincoln Council would adopt its own individual homelessness action plan, which would take additional time to develop, there was an established and effective partnership in place in the Lincolnshire Homelessness Strategy with positive outcomes achieved to date.

Reasons for the Decision

The Homelessness Act 2002 required all Local Authorities to carry out a review of homelessness in their areas, formulate and publish a strategy based on the findings of this review, keep the strategy under review and consult with other local or public authorities and voluntary organisations before modifying or adopting a strategy.

An extensive consultation with stakeholders (attached at Appendix 3 of the officer's report) collated the achievements of the last strategy and shaped the strategic direction of this document. A series of focus groups, one-to-one meetings and a survey collated vital feedback, which would enable this strategy to meet the aims of not only the seven district councils but our partners.

The Rough Sleeper Strategy had been incorporated into this document, to allow us to form a collective and robust approach to homelessness, as opposed to having a separate document.

This strategy informed of the current position and challenges for homelessness across the County, set out the priorities and actions that together aimed to prevent homelessness and reduce rough sleeping across the County.