

## EXECUTIVE

**Monday, 21 August 2023**

**6.00 pm**

**Committee Rooms 1 and 2,  
City Hall, Beaumont Fee,  
Lincoln, LN1 1DD**

Membership: Councillors Ric Metcalfe (Chair), Donald Nannestad (Vice-Chair), Sue Burke, Bob Bushell, Rebecca Longbottom and Naomi Tweddle

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

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## A G E N D A

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SECTION A	Page(s)
1. Confirmation of Minutes - 24 July 2023	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.

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### QUALITY HOUSING

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### 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.

**X.** 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.

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## **SECTION B**

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### **OUR PEOPLE AND RESOURCES**

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|-----|---|----------------------------------|------------------|
| 9.  | Strategic Register Quarterly Review                           | <b>[Exempt Para 3]</b>           | <b>123 - 138</b> |
| 10. | Management of Change-Corporate Policy and Transformation Team | <b>[Exempt Para's 1 &amp; 2]</b> | <b>139 - 154</b> |

**Present:** Councillor Ric Metcalfe (*in the Chair*),  
Councillor Donald Nannestad, Councillor Sue Burke,  
Councillor Bob Bushell, Councillor Rebecca Longbottom  
and Councillor Naomi Twedde

**Apologies for Absence:** None.

**16. Confirmation of Minutes - 5 June 2023**

RESOLVED that the minutes of the meeting held on 5 June 2023 be confirmed.

**17. Declarations of Interest**

No declarations of interest were received.

**18. Performance Scrutiny Committee - Purchase Orders**

Purpose of the Report

To consider the comments and concerns raised at Performance Scrutiny Committee in relation to purchase orders.

Decision

1. That Performance Scrutiny Committees comments and concerns be noted.
2. The actions taken by Corporate Management Team to address the concerns be noted as satisfactory and the response be referred to Performance Scrutiny Committee for information.

Alternative Options Considered and Rejected

None

Reason for Decision

Corporate Management Team had considered the concerns raised by Performance Scrutiny Committee regarding the performance indicator “percentage of invoices that had a purchase order complete” . A number of actions had been put in place to improve performance. This included reminding Managers that purchase orders needed raising for the majority of purchases, training would be provided and monitoring would take place. Whilst it was not possible to achieve a performance level of 100% due to procurement cards, utilities and contracts being included in the performance indicator it was hoped that performance would improve to around 75%.

**19. Lincoln City Profile 2022/23**

Purpose of Report

To present to the Executive the Lincoln City Profile 2022/23, attached as '**Appendix A**' to the report, and to request that approval be given to publish the City Profile and to brief all Members on its content.

#### Decision

- (1) That the findings of the Lincoln City Profile – 2022/23, as detailed at Appendix A to the report, be noted.
- (2) That the Lincoln City Profile – 2022/23 be approved for publication and be disseminated to all Councillors.

#### Alternative Options Considered and Rejected

None.

#### Reasons for the Decision

The annual Lincoln City Profile 2022/23 was a key corporate document that provided vital insight into aspects of the Council's external environment. Each year, the Profile offered up to date information on the key demographic and socioeconomic characteristics of, and the challenges facing, Lincoln's population. The Profile provided an evidence base that informed the continued development and implementation of City of Lincoln Council's Vision 2025 corporate plan, would support development of its next corporate plan 'Vision 2030', and assisted the council with other evidence-based decision making so that it may make the most effective use of its resources.

The Profile also had applications beyond the City of Lincoln Council, and was used by external partners to support their decision making.

The document was also used as a source of reliable business intelligence to support funding bids by both the Council and its partner organisations.

## **20. Hermit Street - 11 x New Build Units**

#### Purpose of Report

1. To provide an update on the Hermit Street remodelling project.
2. To request approval to develop 11 X New Build Units on the Hermit Street garage site.
3. Subject to planning consent:
  - To seek approval in principle to enter into a delivery agreement for the development of new build homes on land owned by the Council at Hermit Street garage site.
  - To seek agreement to delegate the final approval of the delivery agreement, revenue and funding to the Section 151 Officer and the Director of Housing and Investment in consultation with the Housing Portfolio Holder.

#### Decision



1. The development of 11 X New Build Homes on the Hermit Street garage site subject to planning consent be approved.
2. Final approval of the rent type (social/affordable), revenue estimates and costs associated with the development be delegated to the Section 151 Officer and the Director of Housing and Investment in consultation with the Housing Portfolio Member provided that the final total scheme cost was considered financially viable.

#### Alternative Options Considered and Rejected

To continue as a garage site - The Hermit Street garage site could continue as a garage site, however this provided limited income and often needed cleansing due to rubbish dumping and ongoing maintenance due to the age of the garages. There was a high level of ASB and crime in this area and it was believed that the existing garage area did not help this matter. The council was working with garage tenants regarding options available given that whilst the Council had no obligation to provide garages, there was a pressure on parking in that area which the council needed to address.

#### Reasons for the Decision

Hermit Street was originally built as an older persons' housing scheme but was now general needs housing. Hermit Street comprised of 127 dwellings, 20 of which had been sold through Right to Buy. Of the dwellings remaining in Council ownership, the mix comprised of 88% one-bedroom flats and 11% two-bedroom flats.

Due to its location, design, and composition, the estate had suffered from anti-social behaviour over recent years. Measures had been put in place to try and improve the ASB including the introduction of piloting a crime stopper zone during 2023. However, it was also evident that the current scheme was failing to meet local housing need and limited suitable family accommodation.

As part of the wider Sincil Bank intervention and regeneration scheme in October 2019, the Council appointed architects to undertake a community-led concept plan re-design of the Hermit Street estate, to result in a scheme which better met local housing need and reduced anti-social behaviour. The re-design sought to provide both new build and to remodel several one-bedroom flats to provide greater numbers of two-bedroom accommodation and provide three-bedroom accommodation to better meet local housing need.

## **21. Performance Management Policy**

### Purpose of Report

To provide Executive with an overview of the proposed changes to the Councils Performance Management Policy (formally known as The Capability Policy), and to request that the reviewed policy be formally approved by Executive.

### Decision

1. The proposed policy changes be approved.
2. The appeal time period be changed from 5 to 10 working days.

## Alternative Options Considered and Rejected

None.

### Reason for Decision

The Performance Management Policy was to help and encourage all employees to achieve and maintain acceptable standards of performance in their work. To achieve this, this procedure had been developed to deal with circumstances where an employee was failing to carry out the duties of their job to an acceptable standard, for reasons related to capability.

This policy had been completely reviewed and re-written to bring it in line with best practice and also to make it more user friendly, by breaking it down into separate appendices for each stage.

This policy had also been reviewed following responses/feedback from the staff survey which outlined that performance could be managed better, and had therefore been reviewed to ensure that it was user friendly for managers to manage performance issues.

Unions outlined that they wished for the appeal time to be extended from 5 days to 10 days (within Appendix 5). Unions felt this would ensure that employees had more time to consider if they wished to appeal or not.

HR's view was that this should remain at 5 days, and where necessary a presiding officer could consider a change of the appeal timescales on a case-by-case basis (taking into account the circumstances) at that time.

The Joint Consultative Committees' view was that having the Presiding Officer to determine appeal times could be subjective and felt that an agreed appeal time was essential to enable due process to be followed. In addition, it was felt that an extended appeal time of 10 days would enable trade union representatives sufficient time to consider if there were grounds for an appeal.

It was therefore recommended that the report proceeded to Executive with the recommendation from JCC that the appeal time be extended from 5 days to 10 days. If this was agreed the enclosed policy would be implemented with the appeal time period extended to 10 days (as opposed to 5 days).

## **22. Cornhill Market**

### Purpose of Report

To provide an update on the delivery of the new Cornhill Market, including the arrangements for the management, marketing and lettings process.

To review and approve the proposed schedule of rents in respect of the market stalls, which would allow for the formal lettings process.

### Decision

1. That the proposed Rent Schedule, to allow for the formal letting of the stalls within the new Cornhill Market be approved.

2. That the Marketing Prospectus and Lettings Policy Framework be approved and Officers be authorised to proceed to prepare the final suite of documents required for the purpose of the marketing and lettings process.
3. Approval of the final suite of documents in connection with the marketing and lettings process be delegated to the Director of Major Developments, in consultation with the Leader of the Council and Portfolio Holder for Economic Growth.

#### Alternative Options Considered and Rejected

None.

#### Reason for Decision

The regeneration of the building formerly known as 'Central Market' was a key project within the Town Deal Programme. The project would make an important contribution to the long-term vibrancy of the City Centre by providing a new and differentiated market offer, which would combine retail, food & beverage and communal dining, all within a restored and attractive heritage asset.

Over £7 million funding was being invested to upgrade the building (and adjacent City Square) so that it was fit for purpose for a modern market offer. This followed the approval of the Full Business Case for the project in July 2021. The schedule of works included:

- Opening of the principal facades to the north and east elevations through the removal of the "blind" arches and the insertion of new full height glazing, providing sight lines into the building.
- Comprehensive refurbishment of the external built fabric and the interior of the building.
- Replacement roofing and glazed lanterns.
- New heating and lighting.
- Refurbished perimeter stalls and new, free-standing island stalls (35 stalls, including 22 island stalls)
- Installation of extraction to ensure suitability for hot food and beverage stalls.
- Mezzanine floor, allowing for an additional food and beverage unit with communal seating areas.
- Glazed, self-contained food retailing space under the mezzanine level.
- A new self-contained restaurant unit, with balcony, accessed from Sincil Street.
- Public realm improvements to City Square, providing a flexible space for the public to enjoy and for market-related activities and events.

The construction work was now approaching completion and arrangements were being made for the operational phase. The report provided an update on the work carried out to date to successfully secure an anchor tenant for the restaurant unit. The report further set out the proposals for managing the main market operation through the final fit out, marketing, and lettings phase.

## **23. Exclusion of the Press and Public**

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

The following 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.

**24. Western Growth Corridor Scheme Delivery Update - Eastern Access**

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.

**25. Hermit Street - 11 x New Build Units**

The report provided further information of a commercially sensitive nature, further to Minute 20

Purpose of Report

As set out in Minute 20 above.

Decision

As set out in Minute 20 above.

Alternative Options Considered and Rejected

As set out in Minute 20 above.

Reasons for the Decision

As set out in Minute 20 above.

**SUBJECT:                ELLIE’S MEMORIAL GARDEN**

**DIRECTORATE:        HOUSING & INVESTMENT**

**REPORT AUTHOR:    PAULA BURTON, HOUSING STRATEGY & INVESTMENT  
MANAGER**

## **1.        Purpose of Report**

- 1.1        To request authorisation to proceed to lease the land to the side of Tower Flats to Green Synergy for them to manage and maintain as a community garden in memory of Ellie Bradford who was a former member of staff in Directorate of Housing & Investment.

## **2.        Background**

- 2.1        The land to the side of Tower Flats on Tower Crescent in Lincoln is land owned by the Housing Revenue Account. The piece of land is indicated in yellow on the attached Appendix A and is 242m<sup>2</sup>.
- 2.2        Due to historical anti-social behaviour, this land (and other land in the vicinity) was fenced off to prevent fly tipping, vandalism and people gathering and causing a nuisance to the neighbours and residents in the community.
- 2.3        In 2013 Green Synergy approached the City of Lincoln Council along with Tower Action Group and requested use of the land to create a community garden for public use in the city. Green Synergy have continued to maintain the land since 2013 under an informal agreement made with Tenancy Services.

## **3.        Green Synergy**

- 3.1        Green Synergy is a gardening and horticulture charity situated in Lincoln that supports people of all ages to socialise, learn and thrive. The charity enables people to learn skills for life, for work and encourages people to care for themselves, each other and the environment. These services are delivered using community gardening, therapeutic horticulture, city farming, and broader environmental initiatives to enable and enhance sustainable socio-economic and environmental well-being and development whilst also improving people’s mental and physical wellbeing and supporting people that are living in under-served communities in Lincolnshire.
- 3.2        Green Synergy currently hold community engagement events and activities in two community gardens in the heart of Lincoln and these areas include socially isolated and under-served communities. One of these gardens is Ellie’s Memorial Garden.

#### **4. Ellie's Memorial Garden Project**

- 4.1 The Council and Green Synergy entered into an informal agreement in 2013 when Green Synergy expressed an interest in creating a community garden with the Tower Action Group on the Tower Estate.
- 4.2 The informal agreement was made for the use of the land to the right of Tower Flats on Tower Crescent. Green Synergy have been maintaining the land for ten years with no funding being provided by the Council for this service. A number of Green Synergy volunteers and Lincolnshire Probation Service's Community Payback Team have continued to maintain the land on the Council's behalf and have been harvesting fruit from the garden and giving it back to the local residents on the estate and in neighbouring areas for free.
- 4.3 The garden is no longer open to the public and is awaiting a formal lease agreement to be in place before the public will be able to access it.
- 4.4 Green Synergy's vision for the garden is to secure a formal lease for the land to enable them to bid for available funding to encourage community participation in looking after the garden, develop the planting and increase the biodiversity in the garden. Green Synergy would also like to use the garden for pop up events for the local community including young children's activities, teddy bear picnics, family picnics, birdbox making workshops, arts and craft activity sessions, coffee and chat sessions, planting sessions, harvesting sessions and give the fruit from the garden.
- 4.5 The charity also seek to support sustainability by developing compost bays on the garden and maintaining a beautiful community green space which it is hoped will contribute to the Lincoln Climate Commission challenges by increasing the native species on the garden to increase the biodiversity in the garden.
- 4.6 The garden has been named in memoriam of Ellie Bradford who was a member of council staff in the Housing department and died whilst still in service. Ellie was a Housing Officer and Area Housing Manager.

#### **5. Strategic Priorities**

##### **5.1 Let's drive inclusive economic growth**

The establishment of a new community garden that is open to the public and maintained by members of the community and voluntary agencies will support jobs and training opportunities in the local voluntary sector.

##### **5.2 Let's reduce inequality**

The provision of the community garden promotes equality of opportunity and seeks to tackle deprivation by providing access to outdoor spaces to the local residents. Ellie's Memorial Garden will also provide much needed opportunities for the public to be able to enjoy the space, participating in gardening and provide opportunities to support and promote mental health.

### 5.3 Let's deliver quality housing

The land being proposed for lease is not of a sufficient size for development of additional homes but will provide public outdoor space that the local residents will be able to access and use.

### 5.4 Let's enhance our remarkable place

The development and the greenspace enhances the community, creating a sense of belonging and pride in the local area.

### 5.5 Let's address the challenge of climate change

The proposal of Green Synergy looking to introduce new habitats and wildlife provision in the local area along with introducing and maintaining plants will contribute to biodiversity and the public's awareness of how the community can work together to achieve a reduced amount of carbon emissions.

## 6. **Organisational Impacts**

### 6.1 **Finance**

6.1.1 There are no foreseen financial expenditure costs connected to the granting of a lease for the garden as Green Synergy will continue to be responsible for the maintenance costs for the garden. No commercial potential for income has been identified for the piece of land.

6.1.2 Failure to grant permission for the lease will result in the Council having to fund ongoing costs to maintain the land as and when required.

### 6.2 **Legal Implications including Procurement Rules**

Legal implications have been explored and it is recommended that a formal lease be granted to Green Synergy for clarity of responsibilities for the maintenance and upkeep of the land.

### 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

The proposal to grant a lease to Green Synergy for the land requested for Ellie's Memorial Garden advances equality of opportunity by enabling members of the public to gain experience of volunteering roles and gives them work experience

and also confidence to work with others. Good relations between people and communities will also be encouraged and fostered as part of the ethos for the Green Synergy work.

#### **6.4 Human Resources**

This project will be managed by existing staff within the Corporate Property Team and Tenancy Services Team.

#### **6.5 Land, Property and Accommodation**

6.5.1 This programme will improve the use of formerly unused land owned by the Housing Revenue Account and will encourage community engagement and accountability for local community land.

6.5.2 A transfer of land, including a lease for more than seven years, is a disposal for the purposes of S123 LGA 1972.

6.5.3 For such disposal, local authorities are generally required to obtain best consideration meaning, in the case of a lease, best rental consideration.

6.5.4 However, the Local Government Act: General Disposal Consent (England) 2003 gives consent for disposals at an undervalue where the local authority considers that the purpose for which the property is to be disposed is likely to contribute to the achievement of any one or more of the promotion or improvement of economic, social or environmental well-being in its area.

6.5.5 In determining such disposal, it is expected that authorities will have regard to their community strategies whilst also being concerned to fulfil their general fiduciary duty in a way that is accountable to local people.

6.5.6 Rental value of the land has not been market-tested in this case but the subject land is not considered to have any commercial rental value compatible with its setting in a residential area. More compatible uses, say for local off-street parking or as garden land, would be expected to attract little interest and, in any case, would be at a low rental value anticipated to be in region of less than £250 per annum. The proposed lease at a rental undervalue can be considered in this context.

6.5.7 This report proposes the grant of a lease at a nominal rent for purposes that are considered would contribute to the social or environmental well-being of the area for reasons set out in the report.

#### **6.6 Significant Community Impact**

Long term, the community impact will be positive with the improvement in the biodiversity in the area.

#### **6.7 Corporate Health and Safety implications**

It is not envisaged that there are any Health and Safety implications should the lease be granted.



## **7. Risk Implications**

### **7.1 i) Options explored:**

7.1.1 Granting of the lease – The benefits of this are detailed within this report.

7.1.2 Decision to not grant the lease – This will trigger a piece of work to bring maintenance of the land back within the Housing Revenue Account responsibilities. This will incur a cost to the HRA and inclusion within the current DCE contract will be required.

### **7.2 ii) Key Risks Associated with the Preferred Approach:**

#### **7.2.1 Management of the lease:**

Risk: Green Synergy do not maintain and use the land for the reason the lease is granted.

Mitigation: Action can be taken to end the lease using the conditions contained within the lease.

## **8. Recommendation**

### **8.1 For Executive to consider the contents of this report and approve:**

- The granting of a lease for the land near Tower Flats to Green Synergy at nil cost or at a peppercorn rent level for a period of 25 years with a break clause included at 5 yearly intervals.

**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?** One

**List of Background Papers:** None

**Lead Officer:** Paula Burton, Housing Strategy and Investment Manager  
[Paula.burton@lincoln.gov.uk](mailto:Paula.burton@lincoln.gov.uk)

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## Appendix. A



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<b>SUBJECT:</b>	<b>QUARTER 1 2023/24 OPERATIONAL PERFORMANCE REPORT</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>GRAHAM ROSE, SENIOR STRATEGIC POLICY OFFICER SCOTT LEA, POLICY OFFICER</b>

## 1. Purpose of Report

- 1.1 To present to Executive an outturn summary of the council's performance in quarter 1 of 2023/24.

## 2. Executive Summary

- 2.1 At the end of quarter 1 2023/24 of the **77** performance measures across the directorates of Chief Executive's, Communities & Environment and Housing & Investment:

- **17** measures (**22.1%**) were Red (below lower target boundary)
- **24** measures (**31.2%**) were Blue (within target boundaries – acceptable)
- **19** measures (**24.7%**) were Green (meeting or exceeding the higher target)
- **17** measures (**22.1%**) were recorded as volumetric
- **0** measures (**0%**) were recorded as data not being available for this quarter

Out of the 77 performance measures monitored during the quarter **60** had targets allocated to them. Of these targeted measures **43 (71.7%)** were within or exceeding the targets set.

## 3. Background

- 3.1 Regular monitoring of the council's performance is a key component of the Local Performance Management Framework. This report covers the key strategic performance measures identified by members and CMT as of strategic importance.

- 3.2 Each targeted measure is monitored against a target boundary range.

If a performance measure outturn status is Blue (acceptable), the measure is seen as performing on track. If a performance measure outturn status is green, the measure is seen to be achieving or exceeding the aspirational target. If a performance measure outturn status is red, the measure is seen to be performing below target and should be an area of focus.

## 4. Performance Measures Performing Above / Below Target – Quarter 1 2023/24

- 4.1 The Quarter 1 2023/24 Operational Performance Report can be found at Appendix A. The report details those targeted measures with performance above or below target by directorate at the end of the first quarter of 2023/24 and the reasonings behind the performance outturns.

- 4.2 A count of the performance measure outturn statuses by directorate at quarter 1 2023/24 can be found on page 4 of Appendix A.
- 4.3 In addition to the directorate performance measures, the report also details the performance outturns for those corporate performance measures. These measures focus on the areas of resources, health & wellbeing, sickness, complaints (including Ombudsman rulings) and compliments.
- 4.4 To support the full operational performance report, a full list of all performance measure outturns and supporting performance commentary is provided at Appendix B. Within this supporting appendix, in addition to those measures performing above / below target, Appendix B also contains –
- those performance measures performing within target boundary at the end of the quarter (acceptable performance)
  - the outturns for all performance measures recorded as volumetric (untargeted)

## **5. Strategic Priorities**

5.1 The City of Lincoln Council's Vision 2025 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.

The performance measures under each directorate predominantly link directly into one Vision 2025 strategic priority. These links are as follows:

- Chief Executive's Directorate – Let's reduce all kinds of inequality
- Directorate for Communities and Environment – Let's enhance our remarkable place
- Directorate for Housing and Investment - Let's deliver quality housing
- Directorate for Major Developments – Let's drive inclusive economic growth and Let's address the challenge of climate change

## **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 quarterly financial performance report.

6.2 Legal Implications including Procurement Rules

There are no direct legal implications as a result of 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

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

## 7. Risk Implications

### 7.1 (i) Options Explored

N/A

### 7.2 (ii) Key Risks Associated with the Preferred Approach

N/A

## 8. Recommendations

8.1 Executive is asked to review and comment on the contents of the Quarter 1 2023/24 Operational Performance Report found at Appendix A.

8.2 Executive is asked to confirm that the format of the performance report continues to meet their requirements.

**Is this a key decision?**

No

**Do the exempt information categories apply?**

No

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

No

**How many appendices does the report contain?**

Two (A and B)

**List of Background Papers:**

None

**Lead Officers:**

Graham Rose, Senior Strategic Policy Officer  
Scott Lea, Policy Officer

[Graham.rose@lincoln.gov.uk](mailto:Graham.rose@lincoln.gov.uk)

[Scott.lea@lincoln.gov.uk](mailto:Scott.lea@lincoln.gov.uk)





# Operational Performance Report – Quarter 1 2023/24



Graham Rose - Senior Strategic Policy Officer

Scott Lea - Policy Officer

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## How to read this report

The performance measures within this report are split into two key areas:

- Performance measures specific to each directorate
- Corporate performance measures focusing on the whole authority

### Directorate performance measures








Presented in this report are the quarter 1 2023/24 performance measure outturns for those performance measures under each council directorate.

The performance measures under each directorate predominantly link directly into one Vision 2025 strategic priority. These links are as follows;

- **Chief Executive's Directorate Measures** – predominantly covering “Reducing all kinds of inequality”
- **Directorate for Communities and Environment Measures** - predominantly covering “Lets enhance our remarkable place”
- **Directorate for Housing and Investment Measures** - predominantly covering “Lets deliver quality housing”

The Directorate for Major Developments (DMD) does not monitor performance through strategic measures. Instead performance is managed by the progress of the various projects DMD is responsible for under the priorities "Driving Inclusive Economic Growth" and “Lets Address the Challenge of Climate Change”.

For all directorate performance measures, outturn data is presented using the following indicators:

	At or above target
	Acceptable performance - results are within target boundaries
	Below target
	Volumetric / contextual measures that support targeted measures
	Performance has improved since last quarter / year
	Performance has stayed the same since last quarter / year
	Performance has deteriorated since last quarter / year

### Corporate performance measures

For the corporate performance measures the data is not specific to service area performance but focuses on the council's performance overall. These corporate performance measures are split into the following categories:

- Resource information
- Appraisals
- Health & wellbeing
- Sickness
- Corporate complaints including Ombudsman rulings
- Compliments

## Executive summary

Within this quarter 1 2023-24 Operational Performance Report for the City of Lincoln Council, we are reporting on **77** quarterly performance measures and **0** annual performance measure. The **77** measures are split across the directorates of Chief Executive's (CX), Community and Environment (DCE) and Housing and Investment (DHI). Currently there are no performance measures for the Directorate for Major Developments.

The main format of this report is split into five parts -

1. Executive Summary
2. Chief Executive's Directorate performance
3. Directorate for Communities and Environment performance
4. Directorate for Housing and Investment performance
5. Corporate performance measures

The 2023/24 targets for each targeted performance measure were agreed with Performance Scrutiny Committee and Executive in March 2023.

Below provides a summary of the performance measure outturns by status and by direction of travel for each directorate as at the end of quarter 1 2023/24.

	Performance measure outturns by status					
Directorate	Below target	Acceptable	Above target	Volumetric	Data not available	Total
<b>CX</b>	3 (13.0%)	6 (26.1%)	8 (34.8%)	6 (26.1%)	0 (0.0%)	23
<b>DCE</b>	6 (16.7%)	14 (38.9%)	8 (22.2%)	8 (22.2%)	0 (0.0%)	36
<b>DHI</b>	8 (44.4%)	4 (22.2%)	3 (16.7%)	3 (16.7%)	0 (0.0%)	18
<b>Total</b>	<b>17 (22.1%)</b>	<b>24 (31.2%)</b>	<b>19 (24.7%)</b>	<b>17 (22.1%)</b>	<b>0 (0.0%)</b>	<b>77</b>

	Performance measures outturns by direction of travel					
Directorate	Deteriorating	No change	Improving	Volumetric	Data not available	Total
<b>CX</b>	8 (34.8%)	2 (8.7%)	7 (30.4%)	6 (26.1%)	0 (0.0%)	23
<b>DCE</b>	12 (33.3%)	3 (8.3%)	13 (36.1%)	8 (22.2%)	0 (0.0%)	36
<b>DHI</b>	12 (66.7%)	0 (0.0%)	3 (16.7%)	3 (16.7%)	0 (0.0%)	18
<b>Total</b>	<b>32 (41.6%)</b>	<b>5 (6.5%)</b>	<b>23 (29.9%)</b>	<b>17 (22.1%)</b>	<b>0 (0.0%)</b>	<b>77</b>

It is important to note that factors such as resource pressures, recruitment challenges and the cost of living crisis have continued to have an impact on performance in quarter 1 2023/24.





# Chief Executive's Directorate

## Chief Executive's Directorate – Performance Measures

### Quarterly Measures

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	%	High is good	95.00	100.00	50.00	R	▼
Work Based Learning	WBL 2	Percentage of apprentices moving into Education, Employment or Training	%	High is good	90.00	95.00	100.00	G	—
Communications	COM 1	Percentage of media enquiries responded to within four working hours or within requested response time	%	High is good	78.00	90.00	86.00	A	▲
Customer Services	CS 1	Number of face to face enquiries in customer services	Number	N/A	Volumetric	Volumetric	22	V	
Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	Number	N/A	Volumetric	Volumetric	27,860	V	
Customer Services	CS 3	Average time taken to answer a call to customer services	Seconds	Low is good	600.00	300.00	457.67	A	▲
Customer Services	CS 4	Average customer feedback score (telephone, face to face and e-mail enquiries)	%	High is good	75.00	90.00	87.60	A	▼
IT	ICT 1	Number of calls logged to IT helpdesk	Number	N/A	Volumetric	Volumetric	869	V	
IT	ICT 2	Percentage of first time fixes	%	N/A	Volumetric	Volumetric	66.10	V	
Accountancy	ACC 1	Average return on investment portfolio	%	High is good	1.50	2.75	4.32	G	▲
Accountancy	ACC 2	Average interest rate on external borrowing	%	Low is good	5.25	3.75	3.10	G	▼
Debtors & Creditors	DCT 1	Percentage of invoices paid within 30 days	%	High is good	95.00	97.00	96.61	A	▼

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
Debtors & Creditors	DCT 2	Percentage of invoices that have a Purchase Order completed	%	High is good	50.00	60.00	57.00	A	▼
Debtors & Creditors	DCT 3	Average number of days to pay invoices	Days	Low is good	20.00	15.00	19.00	A	▬
Housing Benefit Administration	BE 1	Average days to process new housing benefit claims from date received (cumulative)	Days	Low is good	20.00	18.00	16.55	G	▲
Housing Benefit Administration	BE 2	Average days to process housing benefit claim changes of circumstances from date received (cumulative)	Days	Low is good	9.50	7.00	5.97	G	▲
Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Low is good	2,400	1,900	2,622	R	▼
Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where benefit entitlement is correct (cumulative)	%	High is good	88.00	91.00	87.85	R	▼
Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits / Council Tax Support)	Number	N/A	Volumetric	Volumetric	1,130	V	
Revenues Administration	REV 1	Council Tax – in year collection rate for Lincoln (cumulative)	%	High is good	25.00	26.00	26.30	G	▲
Revenues Administration	REV 2	Business Rates – in year collection rate for Lincoln (cumulative)	%	High is good	29.00	32.00	35.61	G	▼
Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues Team	Number	Low is good	1,300	1,200	1,114	G	▲
Revenues Administration	REV 4	Number of accounts created for the My Lincoln Accounts system (to date)	Number	N/A	Volumetric	Volumetric	2,149	V	



## Chief Executive's Directorate measures performing at or above target

G

### Work Based Learning

#### WBL 2 - Percentage of apprentices moving into Education, Employment or Training

In quarter 1 2023/24 100% of apprentices due to complete their apprenticeship within the quarter moved into Education, Employment or Training (2 out of 2). This measure has continued to perform above target since the second quarter of 2022/23.

### Accountancy

#### ACC 1 – Average return on investment portfolio

The average return on investment portfolio during quarter 1 2023/24 was 4.32%. This latest outturn was above the high target for the measure of 2.75%. The performance of this measure has continued to improve since quarter 4 of 2021/22, with this latest quarter being the 6<sup>th</sup> consecutive quarter this measure has performed above target. Ongoing rises in the Bank of England base rate have continued to result in higher rates of return on investments.

#### ACC 2 – Average interest rate on external borrowing

During the first quarter of 2023/24 the average interest rate on external borrowing increased by 0.02% on the previous quarter's outturn rising to 3.10%. This latest outturn was lower than the high target for the quarter of 3.75% (low is good) showing positive performance. The average interest rate on borrowing in the first quarter remained stable due to the council following its strategy of using internal funds to let loans mature rather than refinancing at current increased rates.

### Housing Benefit Administration

#### BE 1 – Average days to process new housing benefit claims from date received (cumulative)

The average number of days to process new housing benefit claims from date received within the first quarter of 2023/24 was 16.55 days. This latest outturn outperformed the high target for the quarter of 18 days (low is good). High levels of outstanding work within the quarter resulted in longer processing times, however, the team continued to prioritise claims to ensure customers received help with their rent where required. When compared to the same quarter in 2022/23 this latest outturn was a decrease of 1.18 days to process new housing benefit claims.

#### BE 2 – Average days to process housing benefit claim changes of circumstances from date received (cumulative)

In quarter 1 2023/24 the average number of days to process housing benefit claim changes of circumstances from date received was 5.97 days, which outperformed the measure's high target for the first quarter of 2023/24 of 7 days (low is good). Annual up ratings resulted in a higher level of outstanding work during the quarter, which contributed to longer processing times. However, when compared to the same quarter in 2022/23, this latest outturn was a slight improvement of 0.55 processing days. This measure has continued to outperform its high target since quarter 4 of 2018/19.



## Revenues Administration

### REV 1 – Council Tax – in year collection rate for Lincoln (cumulative)

The council tax in year collection rate for Lincoln at the end of the first quarter of 2023/24 stood at 26.30%. This latest outturn was slightly above the high target for the quarter of 26% and was an increase of 0.31% when compared to the quarter 1 2022/23 outturn. During the quarter the Revenues Team continued to administer a number of additional support schemes, including the Council Tax Support Fund. These additional support schemes have required further resource input from the team at a time when the team is already facing increased workloads with limited increased officer capacity. Given these additional pressures, the latest performance outturn for this measure is extremely encouraging.

### REV 2 - Business Rates – in year collection rate for Lincoln (cumulative)

The business rates in year collection rate for Lincoln at the end of the first quarter of 2023/24 was 35.61%. Whilst this is a slight reduction of 0.99% when compared to the same quarter last year, this latest outturn outperformed its high target for the quarter of 32% and was the 5th consecutive quarter the measure had performed above its high target. In terms of actual accounts, there were 227 accounts which were in arrears with their business rates at the end of June 23. The top 10 of these companies in arrears have unpaid instalments for almost £459k. Reminders have been issued and recovery action will be taken where appropriate.

### REV 3 – Number of outstanding customer changes in the Revenues Team

At the end of the first quarter of 2023/24 there were 1,114 outstanding customer changes in the Revenues Team. This latest outturn was below the high target for this measure of 1,200 (low is good) showing positive performance. Of the outstanding changes at the end of the quarter, 815 were documents within Enterprise (document management system) that relate to changes for City of Lincoln Council customers. In addition to documents, the team receive a large number of changes via e-mail each quarter. E-mails that come into the team's in tray can be either for City of Lincoln or North Kesteven Council Tax and in some cases not linked to Council Tax at all. At the end of the quarter there were 598 emails outstanding. Generally these are split on a 50/50 ratio as a best estimate for each authority (815 documents plus 299 e-mails outstanding for City of Lincoln). Until the team have worked through each of these e-mails it is not possible to report the definitive number of e-mails outstanding for City of Lincoln Council at the end of the quarter 1. However, at the time of writing this report the team is making good progress towards working through the outstanding changes received up to the end of the quarter.

**Chief Executive's Directorate measures performing below target**

**R**

## Work Based Learning

### WBL 1 – Percentage of apprentices completing their qualification on time

In the first quarter of 2023/24, 50% of apprentices completed their qualification on time (2 out of 4). This latest outturn was below the low target of 95%. It is important to note that due to the number of apprentices expected to complete during the quarter being very low, the impact of 2 not completing

not completing on time is much larger. The individuals not completing on time did not wish to continue on the apprenticeship scheme due to personal circumstances.

### **Housing Benefit Administration**

#### **BE 3 - Number of Housing Benefits / Council Tax support customers awaiting assessment**

The number of Housing Benefit / Council Tax support customers awaiting assessment at the end of quarter 1 2023/24 was 2,622. This latest outturn was greater than the low target for the quarter of 2,400 (low is good) and an increase when compared to the same quarter in 2022/23. Of the 2,622 customers awaiting assessment at the end of quarter 1, 2,434 were awaiting a first contact from the council. Annual uprating of income and rent contributed to levels of outstanding work during the quarter being higher. Additionally, during the period March to May 2023 the council received 7,274 documents compared to 5,144 in the preceding 3 months.

#### **BE 4 - Percentage of risk-based quality checks made where benefit entitlement is correct (cumulative)**

The percentage of risk-based quality checks made where benefit entitlement is correct at the end of quarter 1 2023/24 was 87.85%. This latest outturn was just below the low target for this measure of 88%. Despite being just below target it is important to note that during the first quarter of 2023/24 the Housing Benefits Administration Team undertook significantly more checks than in the same quarter of 2022/23, with 461 checks being undertaken in quarter 1 of 2023/24 compared to 263 checks in quarter 1 of 2022/23. Due to less experienced officers being part of the team, 100% of claims have been checked during the quarter, which can also mean more (small) errors are identified and then corrected. Of the 461 checks undertaken in this latest quarter the team made 405 correct decisions. Additionally, the Subsidy Team also carried out considerably more checks through the council's Final Subsidy claim, which has also resulted in errors being reported.







## Directorate for Communities and Environment – Performance Measures

### Quarterly Measures

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
Affordable Housing	AH 1	Number of affordable homes delivered (cumulative)	Number	High is good	5	25	13	A	▲
Development Management (Planning)	DM 1	Number of applications in the quarter	Number	N/A	Volumetric	Volumetric	195	V	
Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Days	Low is good	85.00	65.00	64.19	G	▲
Development Management (Planning)	DM 3	Number of live planning applications open	Number	Low is good	180	120	127	A	▲
Development Management (Planning)	DM 4	Percentage of applications approved	%	High is good	85.00	97.00	95.00	A	▲
Development Management (Planning)	DM 5	Percentage of total decisions made in the quarter that have subsequently been overturned at appeal	%	Low is good	10.00	5.00	1.44	G	▼
Development Management (Planning)	DM 5a	Number of decisions appealed in the quarter	Number	Low is good	5	1	4	A	▼
Development Management (Planning)	DM 5b	Number of appealed decisions in the quarter overturned by the inspectorate	Number	Low is good	5	1	2	A	▼
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 excluding extensions of time	%	High is good	70.00	90.00	84.73	A	▼
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	78.05	A	▲

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
		excluding extensions of time							
Parking Services	PS 1	Overall percentage utilisation of all car parks	%	High is good	50.00	60.00	48.00	R	▲
Parking Services	PS 2	Pay and display car parking income as a percentage of budget requirement	%	High is good	91.00	96.00	102.59	G	■
Food and Health & Safety Enforcement	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	%	High is good	95.00	97.00	99.99	G	▲
Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Days	Low is good	20.00	10.00	10.06	A	▲
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	58.91	R	▼
Licensing	LIC 1	Percentage of premises licences issued within 28 days of grant	%	High is good	80.00	100.00	97.85	A	▼
Licensing	LIC 2	Total number of active premises licences	Number	N/A	Volumetric	Volumetric	409	V	
Licensing	LIC 3	Total number of active private hire / hackney carriage licences (operators, vehicles and drivers)	Number	N/A	Volumetric	Volumetric	794	V	
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)	Weeks	Low is good	26.00	19.00	27.00	R	▲
Private Housing	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	Weeks	Low is good	20.00	12.00	21.20	R	▼
Private Housing	PH 3	Number of empty homes brought back into use (cumulative)	Number	High is good	1	8	8	G	▲

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
Public Protection and Anti-Social Behaviour Team	PPASB 1	Number of cases received in the quarter (ASB cases only)	Number	N/A	Volumetric	Volumetric	115	V	
Public Protection and Anti-Social Behaviour Team	PPASB 2	Number of cases closed in the quarter (across full PPASB service)	Number	N/A	Volumetric	Volumetric	1,003	V	
Public Protection and Anti-Social Behaviour Team	PPASB 3	Number of live cases open at the end of the quarter (across full PPASB service)	Number	Low is good	240	200	211	A	▼
Public Protection and Anti-Social Behaviour Team	PPASB 4	Satisfaction of complainants relating to how the complaint was handled (across full PPASB service)	%	High is good	75.00	85.00	100.00	G	▲
Sport & Leisure	SP 1a	Quarterly visitor numbers to Birchwood Leisure Centre	Number	N/A	Volumetric	Volumetric	38,209	V	
Sport & Leisure	SP 1b	Quarterly visitor numbers to Yarborough Leisure Centre	Number	N/A	Volumetric	Volumetric	99,520	V	
Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	Hours	High is good	520.00	700.00	760.50	G	▲
Sport & Leisure	SP 3a	Birchwood Leisure Centre - Number of net promoter score points above or below the average Net Promoter Score for England	Number	High is good	0	2	30	G	—
Sport & Leisure	SP 3b	Yarborough Leisure Centre - Number of net promoter score points above or below the average Net Promoter Score for England	Number	High is good	0	2	-31	R	—
Allotments	AM 1	Percentage occupancy of allotment plots	%	High is good	86.00	94.00	91.00	A	▼
CCTV	CCTV 1	Total number of incidents handled by CCTV operators	Number	N/A	Volumetric	Volumetric	2,661	V	

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
Grounds Maintenance	GM 1	Contractor points recorded against target standards specified in contract - Grounds Maintenance	Number	Low is good	150	50	55	A	▼
Street Cleansing	SC 1	Contractor points recorded against target standards specified in contract - Street Cleansing	Number	Low is good	150	50	170	R	▼
Waste & Recycling	WM 1	Percentage of waste recycled or composted (seasonal)	%	High is good	26.00	30.00	28.00	A	▼
Waste & Recycling	WM 2	Contractor points recorded against target standards specified in contract - Waste Management	Number	Low is good	150	50	95	A	▲

## Directorate for Communities and Environment measures performing at or above target

G

### Development Management (Planning)

#### DM 2 – End to end time to determine a planning application (Days)

The end to end time to determine a planning application in quarter 1 2023/24 was 64.19 days. This latest outturn was an improvement on the previous quarter 4 2022/23 figure of 81.46 days and outperformed the high target of 65 days (low is good). During the quarter there was only 1 major planning application live. The Development Management Team have continued to experience a constant volume of work, however, the complexity of cases has reduced.

#### DM 5 – Percentage of total decisions made in the quarter that have subsequently been overturned at appeal

In quarter 1 2023/24 the percentage of total decisions made in the quarter that were subsequently overturned at appeal was 1.44%. This latest outturn was an increase of 0.44% on the previous quarter, however still reported comfortably below the high target of 5% (low is good). This figure demonstrates the low number of appeals received by the Development Management Team in the quarter, and of those, how few were overturned, whilst also signifies the robustness of the decisions made.

### Parking Services

#### PS 2 – Pay and display car park income as a percentage of budget requirement

In quarter 1 2023/24 the pay and display car parking income as a percentage of budget requirement was 102.59%, which in actual income for the quarter was £1,514,414.84 against the budget of £1,475,161. This latest outturn reported above the high target for this measure of 96%. Although income targets have slightly been exceeded for pay and display, the year will continue to be challenging due to cost of living pressures. Income is therefore likely to plateau throughout the year. The Parking Services Team is currently undertaking a full review of the Parking Strategy.

### Food Health & Safety

#### FHS 1 – Percentage of premises fully or broadly compliant with Food Health & Safety inspection

The percentage of premises fully or broadly compliant with Food Health & Safety inspection in quarter 1 2023/24 was 99.99%. This latest outturn reported above the high target for this measure of 97% and was a 1.26% increase on the previous quarter 4 2022/23 outturn of 98.73%. It is important to note that the Food Standard Agency (FSA) Recovery Plan was withdrawn at the end of March 2023 and the team has since been operating under the Food Law Code of Practice for scheduled interventions for food businesses. The number of registered food businesses in the city at the time of writing this report was 1,061, however this continues to fluctuate on a regular basis. The team's focus has remained on the less compliant businesses as well as new businesses registered in the city. At the end of the quarter there were 14 businesses which were non-compliant.



This was a reduction of 1 from the previous quarter. The team continues to work with these non-compliant businesses to ensure that they are achieving a level which is at least broadly compliant.

## **Private Housing**

### PH 3 – Number of empty homes brought back into use (cumulative)

In quarter 1 2023/24 the number of empty homes brought back into use was 8. This latest outturn was an increase of 3 homes when compared to the same quarter in 2022/23 and reported on the high target for this measure. The Empty Home Officers have been successful this quarter in bringing a property back into use which had been empty for almost 20 years, with the team working hard to convince the owner to let go of the property, which held significant emotional attachment. Due to the 400% Council Tax increase and continuous communications to the owner from the team, the property was eventually sold to an investor who has brought the home back into use as a family residence after 8 months of renovation work.

## **Public Protection and Anti-Social Behaviour (PPASB)**

### PPASB 4 - Satisfaction of complainants relating to how the complaint was handled (across full PPASB service)

The satisfaction of complainants relating to how their complainant was handled across the full PPASB service reported at 100% in quarter 1 2023/24, with 2 responses received out of 16 surveys distributed. Of the 2 responses received one customer answered, 'very satisfied' and one customer answered 'fairly satisfied' with how their complaint was handled. Due to the system being new there has been some issues identified, which has resulted in fewer surveys being sent out than required. The team is currently looking into these issues and it is expected the number of surveys issued will be greater from quarter 2.

## **Sport & Leisure**

### SP 2 – Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre

The combined Artificial Grass Pitch usage at Yarborough and Birchwood Leisure Centres in quarter 1 2023/24 was 760.5 hours, with 520 hours used at Birchwood and 240.5 hours used at Yarborough. This latest outturn was an increase on the previous quarter 4 2022/23 outturn of 728 hours and performed above the high target for the quarter of 700 hours. To provide context, Birchwood equated to 54% of available hours used with 7,059 people using the pitches and Yarborough equated to 25% of available hours used with 8,345 people using the pitches.

## **Net Promoter Score**

The Net Promoter Score (NPS) is used by millions of businesses to measure and track how they're perceived by their customers. It measures customer perception based on one simple question: "How likely is it that you would recommend this organisation / product / service to a friend or colleague?" Feedback is collected from customers on a scale of 0 to 10. Those customers selecting 9 and 10 are likely to promote the service to other users (seen as promoters), customers selecting 7 and 8 are seen as satisfied with the service but unlikely to promote this to others (seen as passives), whilst customers scoring 0 to 6 are unlikely to promote the service to others (seen as

detractors). The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The NPS score can be between -100 and +100.

For performance measures SP 3a and 3b we take the national NPS benchmark score across all similar facilities. This is used as a zero point and our NPS score is the variation from that point.

For example for SP3, if the national Benchmark Score is 20 and our NPS is 30 then SP3 is  $30 - 20 = 10$ .

The number of surveys which can be sent out each month is set nationally, which subsequently means we are unable to survey every user of the leisure centres. The average score for England is set according to the actual number of returns received for the surveys.

#### SP 3a – Birchwood Leisure Centre – Number of net promoter score points above or below the Net Promoter Score for England

During the first quarter of 2023/24 the Net Promoter Score for Birchwood Leisure Centre of 56 was 30 points above the average Net Promoter Score for England of 26. This outturn is extremely positive when compared to the national average. A summary of the positives comments received during the first quarter are as follows –

- Friendly safe atmosphere
- Helpful staff
- Highly trained gym staff
- Clean and great facilities
- Value for money

### **Directorate for Communities and Environment measures performing below target**

**R**

#### **Parking Services**

##### PS 1 – Overall percentage utilisation of all car parks

In quarter 1 2023/24 the overall percentage utilisation of all council owned car parks was 48%. Although still reporting below the low target of 50% for this measure, this latest outturn was an increase of 2% on the previous quarter 4 2022/23 outturn of 46%. Utilisation figures have generally recovered since the pandemic although there have been some changes in commuter work patterns. It is anticipated that utilisation figures will improve further as changes within the parking service come into effect. It is important to note that car parking utilisation during this quarter was positively impacted by the Easter school holidays.

## Food Health & Safety

### FHS 3 – Percentage of food inspections that should have been completed and have been in that time period

In quarter 1 2023/24 the percentage of food inspections that should have been completed and have been within the period was 58.91%. This latest outturn reported significantly below the low target for this measure of 85%. This below target performance was mainly as a result of the withdrawal of the Food Standards Agency (FSA) Recovery Plan. As the team is now operating in accordance with the Food Law Code of Practice, this has resulted in those categorised as low priority businesses during the Covid-19 pandemic being brought back into the inspection programme. The number of inspections carried out during the quarter was 162, with 113 still outstanding. Of the 113 outstanding businesses, 103 were categorised as low risk fully compliant businesses. It is important to note the team is using an Alternative Enforcement Strategy (AES) which permits the team to alternate between physical inspections and remote inspections of the low risk businesses. This strategy is anticipated to bring down the number of outstanding inspections throughout the year. The remaining 10 businesses of the 113 were at least broadly compliant. Of these 2 businesses were closed when the team tried to inspect. A further 5 were allocated to agency workers to undertake inspections and 3 were new businesses. Alongside the withdrawal of the FSA Recovery Plan, it is important to note that the team has continued to carry staff vacancies, which has also impacted the performance of this measure in the first quarter.

## 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)

The average time in weeks from occupational therapy notification to completion of works on site for a Disabled Facilities Grant (DFG) in quarter 1 2023/24 was 27 weeks. This latest outturn was slightly above the low target for this measure of 26 weeks (low is good). It is important to note this measure is calculated from when the first occupational therapist notification was received. A total of 14 DFG grant adaptations were completed in quarter 1 2023/24 and although a slight improvement on the previous quarter, the performance of this measure continues to be impacted by a Technical Officer vacancy within the team. Interviews for this post are to be carried out in August 23 with the anticipation that the post will be filled by the end of quarter 2 2023/24. In order to improve the end to end time, the Private Housing Team have reprioritised the limited resources available to manage and deliver DFG applications. Subsequently this has had an impact on the performance of measure PH 2.

### PH 2 – Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level

The average time from date of inspection of accommodation to removing a severe hazard to an acceptable level in quarter 1 2023/24 was 21.2 weeks. This latest outturn was slightly greater than the low target for this measure of 20 weeks (low is good). During the quarter the Private Housing Team resolved and closed 45 housing disrepair / condition cases. The performance of this measure has continued to be impacted by a Technical Officer vacancy within the team. Additionally, staff

resource has been prioritised towards the DFG grant programme this quarter and this has subsequently also impacted on the outturn for this measure. It is important to note that Park and Abbey wards continue to have the highest private rented accommodation complaints in the city with over 50% of complaints received being linked to these two wards.

## **Sport & Leisure**

### SP 3b – Yarborough Leisure Centre – Number of net promoter score points above or below the average Net Promoter Score for England

During the first quarter of 2023/24 the Net Promoter Score for Yarborough Leisure Centre of -5 was 31 points below the average Net Promoter Score for England of 26. The service has reported that out of the three months covered, April 2023 was the only negative month with 6 out of the 7 responses received being negative. Subsequently this resulted in the outturn for the quarter being low. Causes of the negative reviews were for the following key reasons –

- Withdrawal of a specific class
- Issue with the booking app
- Issues with the gym not always being directly staffed

Using this feedback, the following activity has taken place to address the issues raised -

- The class which was withdrawn is part of a licenced branded product and was withdrawn by the provider, however, is being replaced with a similar product.
- The issue with the booking app has now been fixed.
- Active Nation has taken action to increase staff in the gym.

Information on how the Net Promoter Score is calculated is provided above on pages 17 and 18 above.

## **Street Cleansing**

### SC 1 – Contractor points recorded against target standards specified in contract – Street Cleansing

Contractor points are recorded against a contractor where scheduled work has not been completed to the required standard or within the required timeframe. In quarter 1 2023/24 170 contractor points were recorded against the Street Cleansing contract. Of these points 25 points were recorded in April 2023, 130 points were recorded in May 2023 and 15 points recorded in June 2023. The majority of points recorded related to overflowing bins. During this quarter the contractor's responsible officer was absent from work, which had a negative impact on the number of points recorded against this contract. Additionally the replacement officer had minimal knowledge and training of the street cleansing service area. The Street Cleansing Team continue to work with the contractor to rectify these issues.





**Directorate for Housing and Investment**

## Directorate for Housing and Investment – Performance Measures

### Quarterly Measures

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
Housing Investment	HI 1	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	Low is good	1.20	1.00	1.35	R	▼
Housing Investment	HI 2	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	Number	N/A	Volumetric	Volumetric	232	V	
Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	%	High is good	98.60	99.00	98.50	R	▼
Housing Maintenance	HM 1a	Percentage of reactive repairs completed within target time (priority 1 day only)	%	High is good	98.50	99.50	99.55	G	▲
Housing Maintenance	HM 1b	Percentage of reactive repairs completed within target time (urgent 3 day repairs only)	%	High is good	95.00	97.50	90.11	R	▼
Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	%	High is good	90.00	92.00	91.52	A	▼
Housing Maintenance	HM 3	Percentage of tenants satisfied with repairs and maintenance	%	High is good	90.00	95.00	71.43	R	▼
Housing Maintenance	HM 4	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	%	High is good	95.00	97.00	97.32	G	▼
Control Centre	CC 1	Percentage of customers satisfied with their new Lincare Housing Assistance service connection to the control centre	%	High is good	90.00	95.00	94.74%	A	▼
Control Centre	CC 2	Percentage of Lincare Housing Assistance	%	High is good	97.50	98.00	97.63	A	▼

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Q1 2023/24 outturn	Status	
		calls answered within 60 seconds							
Housing Solutions	HS 1	The number of people currently on the Housing Register	Number	N/A	Volumetric	Volumetric	1,786	V	
Housing Solutions	HS 2	The number of people approaching the council as homeless	Number	N/A	Volumetric	Volumetric	329	V	
Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	%	High is good	45.00	50.00	38.12	R	▼
Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	%	Low is good	1.10	1.00	1.29	R	▲
Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Days	Low is good	34.00	32.00	43.70	R	▼
Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Days	Low is good	40.00	38.00	48.06	R	▲
Rent Collection	RC 1	Rent collected as a proportion of rent owed	%	High is good	96.50	97.50	96.81	A	▼
Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	%	Low is good	4.15	4.00	3.83	G	▼

### Housing Maintenance

#### HM1a – Percentage of reactive repairs completed within target time (priority 1 day cases only)

During quarter 1 2023/24 the percentage of reactive repairs completed within target time, focusing on priority 1 day cases only, was 95.55%. This latest outturn was slightly above the high target for the measure of 99.5%. Following an increase in the number of priority repairs being reported, during the quarter the service increased the number of operatives carrying out priority and urgent repairs. It is hoped the increase in resource will help to maintain the positive performance of this measure.

#### HM 4 – Appointments kept as a percentage of appointments made (priority and urgent repairs) - Housing Repairs Service only

Focusing on the Housing Repairs Service only, during the first quarter of 2023/24 the appointments kept as a percentage of appointments made (priority and urgent repairs) was 97.32%. This latest outturn was 0.32% above the high target for the quarter of 97%. The service has reported that it generally manages to keep appointments for priority and urgent repairs. In those instances where staff illness or leave arises, appointments are reallocated to other operatives. Both help to ensure repairs are undertaken as quickly as possible and the customer receives a positive experience.

### Rent Collection

#### RC 2 – Current tenant arrears as a percentage of the annual rent debit

At the end of the first quarter tenant arrears as a percentage of the annual rent debit stood at 3.83%. This latest outturn was below the high target for this measure of 4% (low is good) and a decrease of 0.33% when compared to the same quarter in 2022/23. In monetary terms, at the end of the quarter the arrears owed was £1,249,578, which was an increase of just £869 when compared to the arrears owed at the end of quarter 1 2022/23. Taking into consideration the cost of living challenges residents are facing, the team has reported that this increase is more conservative than expected. The team will continue to closely monitor rent collection over the coming months.



### Housing Investment

#### HI 1 – Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)

At the end of the first quarter the percentage of council properties that were not at the 'Decent Homes' standard (excluding refusals) stood at 1.35%. This outturn was greater than the low target for this measure of 1.2% (low is good). The increase in properties not at the required standard during the quarter was as a result of additional stock surveys and referrals being undertaken by the Housing Repairs Services, resulting in the number of failures at the end of the quarter being higher at 105 properties. Following identification, these additional failures have been placed onto the appropriate programmes for remedial works. The service has raised that these additional works may take several months to deliver. In addition, a contract to survey a further 20% of council stock has now been procured and subsequently it is expected that further failures will be identified as a result of this contract. Failures at the end of the quarter 1 2023/24 were due to the following reasons: Doors – 35, Windows – 33, Electrics – 32, Chimneys – 6 (note 1 property failed on both doors and windows).

#### HI 3 – Percentage of dwellings with a valid gas safety certificate

The percentage of dwellings with a valid gas safety certificate at the end of quarter 1 2023/24 was 98.5%, which was just below the low target for the quarter of 98.6%. The council's annual gas servicing programme continually runs throughout the year. The service has reported that each month there are a small number of tenants who do not allow access to the gas engineer prior to the required deadline date for the service to take place. During quarter 1 2023/24 gas engineers were unable to gain access to 23 properties as a result of this reason. The service continues to work hard to resolve these access issues in accordance with the council's gas servicing procedures. The service has reported that the number of properties recorded as 'no access' has increased since the pandemic.

### Housing Maintenance

#### HM 1b – Percentage of reactive repairs completed within target time (urgent 3 day repairs only)

Focusing on urgent 3 day repairs only, the percentage of reactive repairs completed within target time during quarter 1 2023/24 was 90.11%. This latest outturn was 4.89% below the low target for the measure of 95%. Whilst the service has increased the number of operatives carrying out priority and urgent repairs, which has helped the service to undertake priority 1 day repairs on time (see HM 1a), the service has struggled to meet demand for undertaking urgent 3 day repairs. Following investigation the service has determined a large percentage of repairs recorded as urgent are being incorrectly recorded as this or raised at the point of call. To help resolve this issue the service is currently arranging a rota, which will see a customer services staff member working weekly from Hamilton House with the Housing Repairs Service Planning Team. This will be in addition to a team leader or Resource Planner being available to assist staff based at City Hall. This support will help

to ensure urgent repairs are recorded correctly. The service has reported the rota commenced in mid-July and will be reviewed within 6 weeks. The service expects this action will result in the performance of this measure improving during the second quarter of 2023/24. In addition to the error in recording repairs correctly, the service has also reported that they are below the required establishment figures for key trades, including qualified electricians, which has also impacted on performance. The service continues to try and recruit across all trades, but applications are low.

### HM 3 – Percentage of tenants satisfied with repairs and maintenance

During the first quarter of 2023/24 the percentage of tenants satisfied with the repairs and maintenance undertaken on their council property was 71.43%, which was below the low target for this measure of 90%. Within the quarter 56 responses were received to the satisfaction survey. Of these, 40 customers were satisfied and 16 were dissatisfied. Using this feedback the service has identified issues with some of the back office processes and communications linked to return appointment dates. As a result the service has issued a departmental guidance document for resource planning to team leaders. This helps to clarify the processes required to improve performance in this area. It is important to note that these are interim measures until the Housing IT Replacement Project (HITREP) is delivered. Until this project is delivered, the service is required to carry out a number of manual interventions and processes. The performance of this measure will continue to be closely monitored over the coming quarters.

## **Housing Solutions**

### HS 3 – Successful preventions and relief of homelessness against total number of homelessness approaches

In quarter 1 2023/24 successful preventions and relief of homelessness against total number of homelessness approaches was 38.12%. This latest outturn was below the low target of 45%. The housing market is extremely competitive, expensive and challenging at present and this has resulted in the number of preventions being low. The Housing Solutions Team has reported that in the first quarter they saw a high number of cases go through to Relief Duty. Where the council is satisfied that an applicant is homeless and eligible for assistance, the Relief Duty requires the council to take reasonable steps to help the applicant to secure that suitable accommodation becomes available for the applicant's occupation for at least six months. The team continues to look into the number of approaches with the aim of improving the performance of this measure moving forward where possible.

## **Housing Voids**

### HV 1 – Percentage of rent lost through a dwelling being vacant

The percentage of rent lost through a dwelling being vacant in quarter 1 2023/24 was 1.29%. This outturn was slightly higher than the low target for this measure of 1.1% (low is good). When compared to the previous quarter, this latest outturn is a slight improvement in performance of 0.03%. The Housing Voids Team is continuing to identify efficiencies throughout the process in order to achieve target, however, it is important to note that annual rent increase will make this target more challenging to achieve moving forward.

## HV 2 – Average re-let time calendar days for all dwelling – standard re-lets

The average re-let time in calendar days for all dwellings focusing on standard relets was 43.7 days during the first quarter. This latest outturn was greater than the low target of 34 days (low is good), however, has remained stable when compared to the previous quarter's outturn of 43.58 days. The Housing Repairs Service has significantly reduced the awaiting allocation time of properties and is continuing to work with contractors to ensure this measure meets its targets moving forwards. In order to reduce the number of properties coming into voids requiring cleansing, the council is in consultation with the Lincoln Tenants Panel and the Finance Team to see whether it will be possible to recharge tenants for the costs of cleansing works where this is required.

## HV 3 – Average re-let time in calendar days for all dwellings (including major works)

During quarter 1 2023/24 the average re-let time in calendar days for all dwellings including major works was 48.06 days, which was 8.06 days above the low target for this measure of 40 days (low is good). When compared to the previous quarter this latest outturn is an improvement in performance of 7.67 days and represents a number of efficiencies that have been made across the void process. The team will continue to work to ensure properties are ready to let as quickly as possible.





# Corporate Performance Measures

## Resource Information

There were 20 leavers in quarter 1 2023/24, which equated to a turnover figure of 3.3% (based upon employee headcount at the end of June 2023). When compared to the previous quarter, this latest figure was a decrease of 2%.

The vacancy figure as at the end of quarter 1 2023/24 stood at 69 FTE. Please note that any posts with less than 37 hours per week vacant have been removed when calculating this figure. As at the end of June 2023, the council was actively recruiting to 40.4 FTE vacancies.

Directorate	CX	DCE	DMD	DHI	Total (Excluding Apprentices)
Number of FTE employees	181.38	122.31	13.93	207.15	524.77
Average number of apprentices (as at quarter end)	Authority Wide				7.38
Percentage of staff turnover	Authority Wide				3.3%
Active vacancies which are being recruited (FTE)	Authority Wide				40.4

### Appraisals completed up to the end of quarter 1 2023/24 as recorded in ITrent

Directorate	Appraisals due in quarter 1 2023/24	Appraisals completed in quarter 1 2023/24	% of appraisals completed
CX	49	16	32.7%
DCE	35	7	20.0%
DMD	0	0	N/A
DHI	51	2	3.9%
Authority Wide	135	25	18.5%

The council has recently changed how appraisals will be completed, whereby appraisals will no longer be completed between April – June annually and will now be completed on the anniversary of the employees start date. This is to effectively spread more evenly the demand on staff time to prepare, undertake and write up appraisals, whilst still ensuring everyone gets an annual review.

During quarter 1, 135 appraisals were due for completion. Of these 25 appraisals were recorded as being completed within the ITrent system (18.5%).

It should be noted that as part of the transitional arrangements, managers have been given more time from the employees anniversary date to complete the appraisals, therefore the completion rate will be lower than expected within the first quarter. Of course, staff will still be receiving job chats and objectives will still be set for them at the start of the financial year, pending their full appraisal upon their anniversary date.

It should also be noted that the outturn above is based on those appraisals that have been formally recorded within the ITrent system. It is likely that additional appraisals were completed in the quarter, which have not formally been uploaded to the ITrent system at the time of writing this report.



## Health and Wellbeing

During quarter 1 2023/24 the Human Resources Team raised awareness of Mental Health Awareness Week (15 – 21 May) on the Hub, via Posters and In Brief. This included notification that our Mindful Employer Charter had been successfully renewed.

The Menopause Café was relaunched during the quarter at the request of participants to the Health and Wellbeing Café (women's health through the ages) to widen scope for discussion.

There was also a focused promotion of household savings and wellness savings through our Employee Discounts platform during May to support financial wellbeing.

## Sickness performance

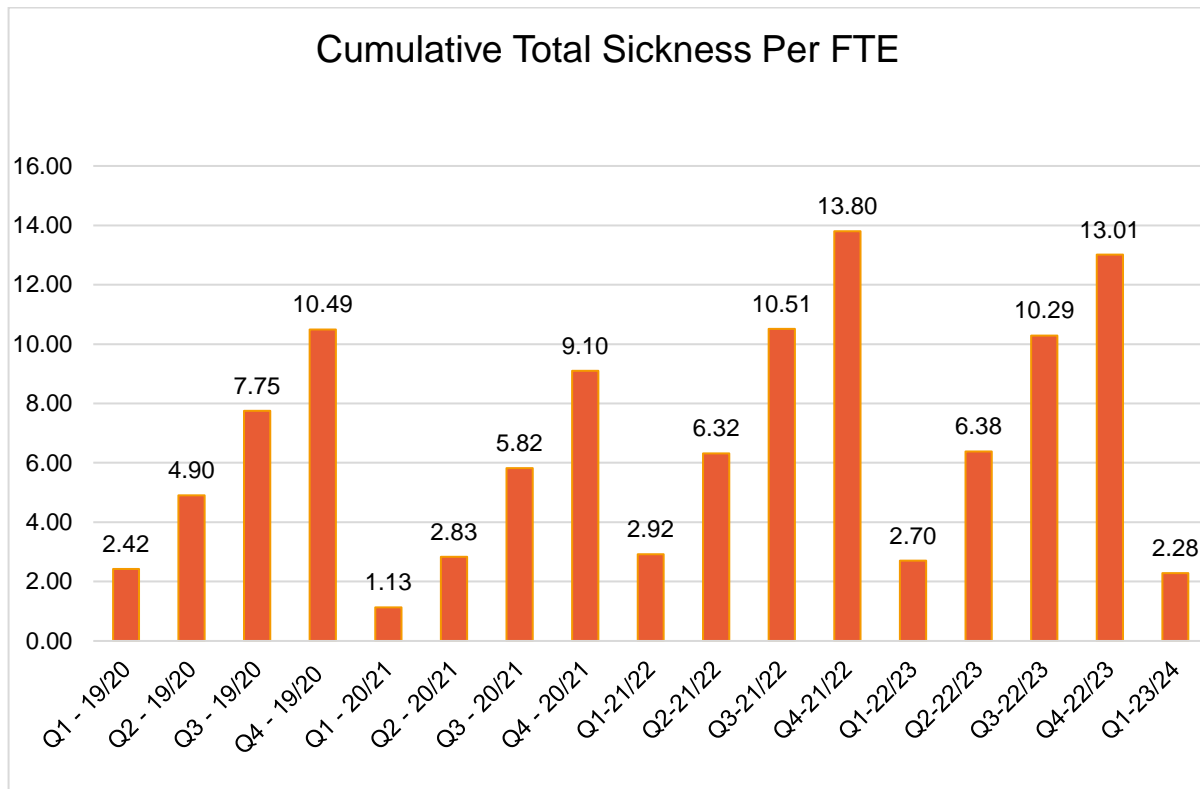
During quarter 1 2023/24 the total sickness levels for the council stood at 2.28 days lost per FTE. When compared to the previous quarter sickness levels have decreased (quarter 4 2022/23 figure stood at 2.72 days lost per FTE). In addition, this latest outturn is also lower than when compared the same quarter last year where the total sickness stood at 2.7 days lost per FTE.

During quarter 1 2023/24 the highest number of days lost due to short term absence was as a result of Covid-19 and the highest number of days lost due to long term absence was as a result of stress and depression.

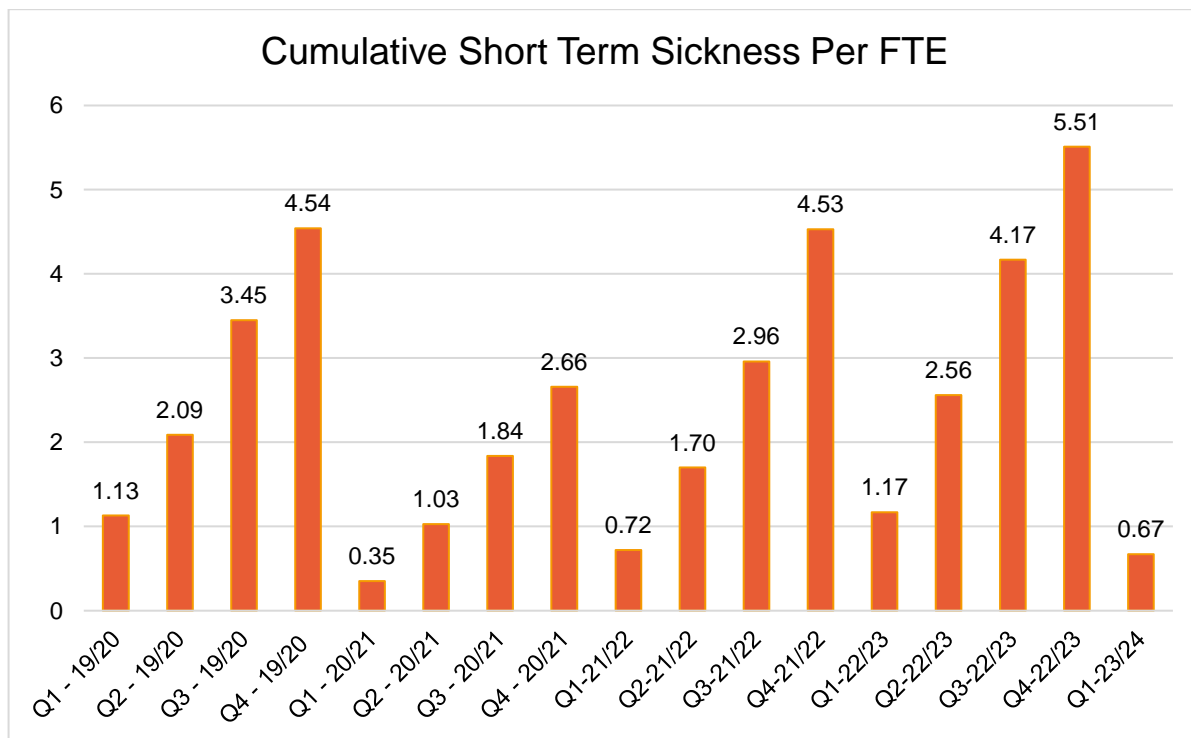
### Quarter 1 2023/24 ONLY

Directorate	CX	DCE	DMD	DHI	Total (Excluding Apprentices)	Apprentice sickness
Short term days lost	189	73	0	91.5	353.5	16
Long term days lost	410	111.5	0	321.5	843	76
Total days lost	599	184.5	0	413	1,196.5	92
Number of FTE	181.38	122.31	13.93	207.15	524.77	7.38
Average short-term days lost per FTE	1.04	0.60	0.00	0.44	0.67	2.17
Average long-term days lost per FTE	2.26	0.91	0.00	1.55	1.61	10.30
Average total days lost per FTE	3.30	1.51	0.00	1.99	2.28	12.47

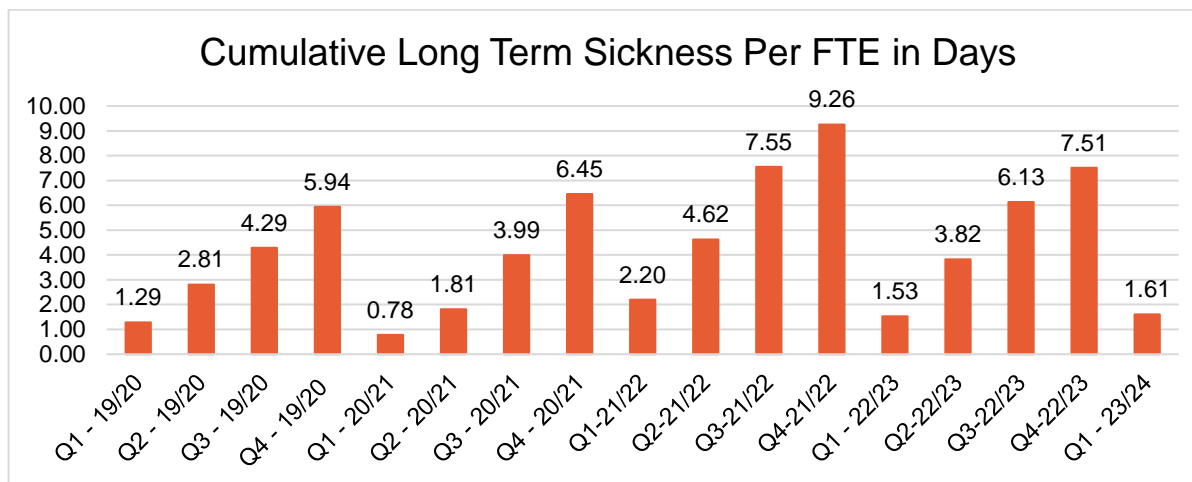
### Cumulative total sickness per FTE in days (excluding apprentices)



### Cumulative short-term sickness per FTE in days (excluding apprentices)



## Cumulative long-term sickness per FTE in days (excluding apprentices)



## Complaints performance

In quarter 1 2023/24 there were 116 complaints dealt with across the council, which was the same as the number dealt with in quarter 4 2022/23.

It is important to note that the timeframe for providing a response to Stage 1 and Stage 2 complaints is as follows –

- Stage 1 - to be completed within 10 days.
- Stage 2 - to be completed within 20 days.

At the end of the quarter the percentage of formal complaints which were responded to within their target time across all directorates year to date was 62% (72). In quarter 1 2023/24, there were 4 Local Government Ombudsman (LGO) complaints decided and no Local Housing Ombudsman (LHO) complaints decided.

### Quarter 1 2023/24

	CX	DCE	DHI	DMD	TOTAL
<b>Number of formal complaints dealt with this quarter (Q1)</b>	12	44	60	0	116
<b>Number of formal complaints Upheld this quarter (Q1)</b>	5 (42%)	13 (29%)	32 (53%)	0 (0%)	50 (43%)
<b>YTD total number of complaints decided. Cumulative</b>	12	44	60	0	116
<b>YTD Number of formal complaints Upheld</b>	5 (42%)	13 (30%)	32 (53%)	0 (0%)	50 (43%)
<b>% of responses within target time this quarter (Q1)</b>	11 (92%)	43 (98%)	18 (30%)	0 (0%)	72 (62%)
<b>% of responses within target time YTD</b>	11 (92%)	43 (98%)	18 (30%)	0 (0%)	72 (62%)
<b>LGO complaints decided (Q1)</b>	0	3	1	0	4
<b>LHO complaints decided (Q1)</b>	0	0	0	0	0



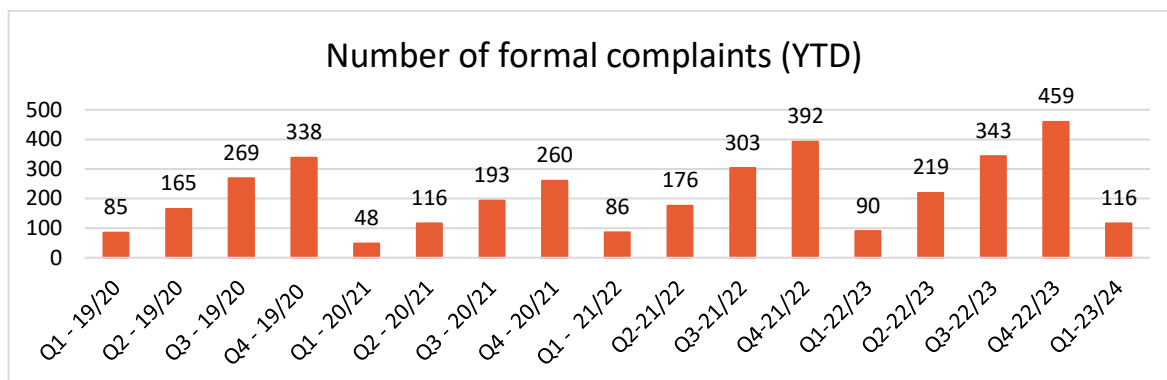
In quarter 1 2023/24 the number of complaints dealt with by the Chief Executive's Directorate doubled compared to the previous quarter, to 12. The majority of the complaints were not upheld, those that were mainly related to Council Tax. Only 1 complaint to the Chief Executive's Directorate was outside of the target response time.

The Directorate for Communities and Environment dealt with exactly the same number of complaints in quarter 1 of this year as they did in the previous quarter at 44. 43 or 98% of these were responded to within the target response time. Notable repeat complaints were 9 complaints about bin collections or garden waste, 5 complaints about the poor standard of cleanliness at the bus station and 3 complaints about the funfair.

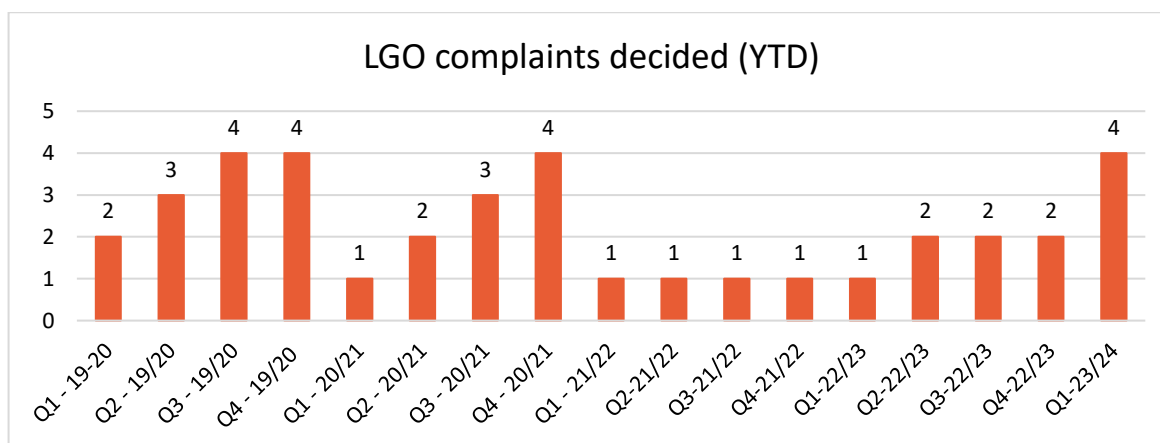
Complaints received in the Directorate of Housing and Investment reduced again to 60 in this first quarter of the year. Half of the complaints in the directorate were about repairs and conditions at tenant properties. The rest of the complaints were spread equally around housing allocations & waiting lists, investment decisions and issues with tenancy services. The time taken to respond to complaints in this directorate has remained high with 70% of complaints taking longer to answer than the published target response times.

There were no complaints received during the quarter within the Directorate for Major Developments.

#### Number of formal complaints decided (YTD)



#### Local Government Ombudsman complaints decided (YTD)



## Compliments performance

In quarter 1 2023/24 there were 16 compliments recorded across the council.

	CX	DCE	DHI	DMD	TOTAL
<b>Number of compliments received</b>	4	4	8	0	16

The table below shows the key areas the compliments were in relation to during the quarter for each directorate.

<b>CX</b>	House purchase support, excellent customer service, benefits support
<b>DCE</b>	Support for refunding a payment, providing parking permit checking provision at Lincoln Grand Prix, a helpful and sympathetic staff member at Lincoln Crematorium.
<b>DHI</b>	Emergency repairs support, professional workmanship, staff support for arranging council accommodation.

For each compliment received in DHI a letter is sent to the individual from the director to thank them for taking the time to send in the compliment. From quarter 2 2023/24, CX, DCE and DMD will also thank customers for sending in compliments to ensure the approach is consistent across all directorates.

Some examples of the compliments received during the quarter are provided below:

### CX

#### **House purchase support**

'I have just had a telephone conversation with one of your employees regarding a future house purchase. I would like to pass on my thanks, as his responses to my enquiries was extremely helpful and nothing was too much trouble. He is a credit to the department. Once again, many thanks.'

#### **Benefits support**

'We wanted to thank the Benefits Team for their kindness and support with taking us through the process of applying for benefits and their support with filling out the forms. Many thanks.'

### DCE

#### **Crematorium**

'Member of staff was great, fantastic and sympathetic. Very grateful.'

### DHI

#### **Emergency Repairs**

'The workers did a very good job, they were very polite, they were on time, they were very helpful and put things back where they found them and cleaned up after themselves.'

### **Council accommodation**

'Thank you for all your support. I would like to say that communication was outstanding, and how quickly this was arranged for me.'

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Performance measure outturns Quarter 1 2023/24

Key

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 / year

Performance has stayed the same since last quarter / year

Performance has deteriorated since last quarter / year

Performance  
Information  
Management  
System

Quarterly measures

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
57	Carolyn Wheater – City Solicitor	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	%	High is good	95.00	100.00	Q4 - 22/23	100.00	Q1 - 23/24	50.00	%	R	▼ In Q1 23/24 the number of apprentices completing their apprenticeship on time was 50% (2/4). The individuals not completing on time for this quarter did not wish to continue on the apprenticeship scheme due to personal circumstances. It is important to note that due to the low numbers of apprentices due to complete during the quarter, the impact on performance of 2 apprentices not completing on time was much larger.
		Work Based Learning	WBL 2	Percentage of apprentices moving into Education, Employment or Training	%	High is good	90.00	95.00	Q4 - 22/23	100.00	Q1 - 23/24	100.00	%	G	→ In Q1 2023/24 100% (2/2) of apprentices on programme moved into Employment, Education or Training.
	Emily Holmes - Assistant Director Transformation & Strategic Development	Communications	COM 1	Percentage of media enquiries responded to within four working hours or within requested response time	%	High is good	78.00	90.00	Q4 - 22/23	84.00	Q1 - 23/24	86.00	%	A	▲ There were slightly fewer media enquiries than usual this quarter. This was mainly due to the first part of the quarter falling in the pre-election period. However, right at the end of June, the Events in Lincoln announcement was made and this resulted in interviews being given to all local media (bar ITV), allowing us the opportunity to highlight the events' dates and what people will be able to see and experience. The expected upturn in enquiries focused on the forthcoming use of Voter ID in the May election didn't materialise, thanks, no doubt, to a well-co-ordinated information campaign done in partnership with other Lincolnshire authorities in the weeks running up to polling day. However, following the election, we received four national media enquiries which sought our figures for those turned away from polling stations for not possessing the correct ID (57) and those who returned with the correct ID (25). Outside of these, the main focus of enquiries related to seeking updates or asking new questions related to key council projects (Western Growth Corridor and Cornhill Market being the main ones), along with usual one-off enquires we receive on a regular basis.
		Customer Services	CS 1	Number of face to face enquiries in customer services	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	36	Q1 - 23/24	22	Number	V	There were 22 face to face appointments booked with Customer Service Advisors during Quarter 1 of 23/24. The quarter also saw the lowest amount of pre-booked appointments for customer services. There were 142 pre-booked appointments across all services in total - the

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
58															majority were with the Welfare Team who saw 82 customers. There were 326 customers who came to main reception where an officer came to see them without an appointment.
		Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	30,819	Q1 - 23/24	27,860	Number	V	Slightly lower than the same quarter last year. There was a high number of bank holidays in this quarter. We have answered 3,945 refuse/environmental calls, 3,687 for housing solutions/homelessness, 11,416 for housing calls, 7,091 for council tax/benefits and 1,721 other calls mainly for garden waste payments. In addition to the above focusing on the channel shift areas, we also answered 18,215 switchboard calls during this quarter.
		Customer Services	CS 3	Average time taken to answer a call to customer services	Seconds	Low is good	600.00	300.00	Q4 - 22/23	469.00	Q1 - 23/24	457.67	Seconds	A	▲ This is the average for contact centre calls excluding switchboard, as our previous phone system did not report wait times for switchboard. If we include switchboard calls the average wait drops to 302.13. Longest a customer waited for the call to be answered during the quarter was 4,536 seconds and longest wait before a customer hung up was 4,394 seconds. Long waits of this length are rare and tend to occur when an agent is supporting a customer with a particularly complicated query. After waiting 300 seconds in the queue, customers can choose to remain in the queue or request a call back.
		Customer Services	CS 4	Average customer feedback score (telephone, face to face and e-mail enquiries)	%	High is good	75.00	90.00	Q4 - 22/23	93.30	Q1 - 23/24	87.60	%	A	▼ We have had 55 responses mainly from e-mail interactions. We have started to send texts following a phone call to customer services to gain further feedback from our customers, however, this data will be received too late to show in quarter 1. Comments from customers this quarter ranged from "A slightly faster and more specific answer giving a timeline for resolution would be better" to "Prompt response, collection arranged for following week. Never had a problem." In addition, three mentions of named staff were also received giving praise for their response and professionalism.
		IT	ICT 1	Number of calls logged to IT helpdesk	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	1,084	Q1 - 23/24	869	Number	V	There has been a reduction in the number of calls logged to the IT helpdesk in quarter 1 2023/24. This reduction was due to fewer calls being received in the quarter in relation to the new telephony system which went live during quarter 4 2022/23.
		IT	ICT 2	Percentage of first time fixes	%	N/A	Volumetric	Volumetric	Q4 - 22/23	60.20	Q1 - 23/24	66.10	%	V	In the quarter 574 out of 869 calls logged to the IT Helpdesk were fixed first time (66.1%). During the quarter the total number of first time fixes was lower, which was due to a reduction in overall calls and the nature of calls received. An increase in the number of emails quarantined and released also contributed to a lower number of calls logged in the quarter and actual first time fixes made. Calls that are not able to be completed on a first fix include orders for new equipment, requests for new/changes to access, incidents which need to be investigated etc.
	Jaclyn Gibson - Chief Finance Officer	Accountancy	ACC 1	Average return on investment portfolio	%	High is good	1.50	2.75	Q4 - 22/23	3.72	Q1 - 23/24	4.32	%	G	▲ Increases in Bank of England base rate continue the trend of higher rates of return on investments.
		Accountancy	ACC 2	Average interest rate on external borrowing	%	Low is good	5.25	3.75	Q4 - 22/23	3.08	Q1 - 23/24	3.10	%	G	▼ Average interest rate on borrowing in quarter 1 remained stable due to strategy of using internal funds to let loans mature rather than refinancing at current increased rates.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
59		Debtors & Creditors	DCT 1	Percentage of invoices paid within 30 days	%	High is good	95.00	97.00	Q4 - 22/23	98.45	Q1 - 23/24	96.61	%	A	<p>Figures are calculated on all supplier invoices and credit notes (not refunds or grants) paid 01/04/2023 - 30/06/2023. Figures are adjusted based on certain assumptions as below:</p> <ul style="list-style-type: none"> <li>-</li> <li>1) No invoice collected for payment by supplier by direct debit or paid by standing order is assumed to be late.</li> <li>2) No credit note taken by COLC outside of 30 days classified as late</li> <li>3) 0.5% of those invoices paid over 30 days assumed to be in dispute at some point and hence paid late after dispute was resolved, therefore not classified as late</li> <li>4) 1% of those invoices paid after 30 days assumed were held back from payment because the overall balance with the supplier was in credit.</li> </ul>
		Debtors & Creditors	DCT 2	Percentage of invoices that have a Purchase Order completed	%	High is good	50.00	60.00	Q4 - 22/23	61.00	Q1 - 23/24	57.00	%	A	<p>Based on supplier expenditure only (all invoices dated between 01/04/2023 and 30/06/2023). Excluded: None supplier expenditure (lines deleted) Gas, Water and Electricity bills where purchase orders are not required.</p> <p>Number of invoices included - 3,191 of which 1,828 were linked to either an Agresso or Universal Housing order number.</p> <p>This performance measure was referred through to the Executive by the Performance Scrutiny Committee following quarter 4 2022/23 reporting. In response the Corporate Management Team have endorsed action to seek to improve the level of purchase orders raised.</p>
		Debtors & Creditors	DCT 3	Average number of days to pay invoices	Days	Low is good	20.00	15.00	Q4 - 22/23	19.00	Q1 - 23/24	19.00	Days	A	Figures calculated on all supplier invoices and credit notes paid between 01/04/2023 - 30/06/2023.
	Martin Walmsley - Assistant Director of Shared Revenues and Benefits	Housing Benefit Administration	BE 1	Average days to process new housing benefit claims from date received (cumulative)	Days	Low is good	20.00	18.00	Q1 - 22/23	17.73	Q1 - 23/24	16.55	Days	G	In quarter 1 2023/24 high levels of outstanding work resulted in longer processing times. However, the team continued to prioritise claims to ensure people received help with their rent where appropriate. This measure continued to outperform its high target of 18 days.
		Housing Benefit Administration	BE 2	Average days to process housing benefit claim changes of circumstances from date received (cumulative)	Days	Low is good	9.50	7.00	Q1 - 22/23	6.52	Q1 - 23/24	5.97	Days	G	In quarter 1 2023/24 annual up ratings resulted in a higher level of outstanding work within the quarter, which contributed to longer processing times. However, when compared to the same quarter in 2022/23 this latest outturn of 5.97 days was an improvement in processing days of 0.55 days and continued to outperform the high target for the quarter of 7 days.
		Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Low is good	2400.00	1,900	Q1 - 22/23	2,544	Q1 - 23/24	2,622	Number	R	At end of quarter 1 there were 2,622 housing benefit / council tax support customers awaiting assessment of which 2,434 were awaiting a first contact from the council. Annual uprating of income and rent contributed to levels of outstanding work during the quarter, which can be seen in the first quarter of each year. To provide some further context, during the period March to May the council received 7,274 documents compared to 5,144 in the preceding 3 months.



	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status		Commentary
		Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where benefit entitlement is correct (cumulative)	%	High is good	88.00	91.00	Q1 - 22/23	94.32	Q1 - 23/24	87.85	%	R	▼	<p>The team carried out over 200 more checks during the quarter than in the same quarter last year – Of the 461 checks undertaken in the first quarter the team has made 405 correct decisions. Compared to last year, the team had only carried out 263 checks at the end of the first quarter.</p> <p>Also, due to less experienced officers being part of the team, 100% of claims are being checked, which can also mean more (small) errors being identified – and then corrected.</p> <p>The Subsidy Team have carried out considerably more checks through our Final Subsidy claim, which has also resulted in errors being reported.</p>
		Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	4,606	Q1 - 23/24	1,130	Number	V		So far this year we have processed 286 claims for Housing Benefit and 844 claims for Council Tax Reduction.
		Revenues Administration	REV 1	Council Tax – in year collection rate for Lincoln (cumulative)	%	High is good	25.00	26.00	Q1 - 22/23	25.99	Q1 - 23/24	26.30	%	G	▲	This is a small increase of 0.31% on the figures for the end of June 2022. In February/March 2023, the Government provided an additional Council Tax Support Fund (CTSF) for customers in receipt of Council Tax Support (CTS) on 1st April 2023. These customers qualified for up to £25 from the CTSF under the mandatory scheme. The Council used their discretion and awarded up to a further £25 from the CTSF where customers still had a council tax balance to pay. A total of £116,667.29 was awarded to 3,026 different customers in receipt of CTS on 1st April 2023. Awards made from the CTSF should not exceed the remaining liability for council tax, and the maximum payment for any of our customers was £50.00. This resulted in awards of between £0.01 and £50.00. A total of 2,189 customers received the full £50.00 award. The remaining funding, £105,635.71, is part of a discretionary scheme for customers who begin claiming CTS after 1st April 2023, and we should soon start making awards to these council tax payers.
		Revenues Administration	REV 2	Business Rates – in year collection rate for Lincoln (cumulative)	%	High is good	29.00	32.00	Q1 - 22/23	36.60	Q1 - 23/24	35.61	%	G	▼	This is down by 0.99% compared to last year. There are 227 accounts that are in arrears with their Business Rates at the end of June. The top 10 of these companies in arrears have unpaid instalments for almost £459k. Reminders have been issued and recovery action will be taken where appropriate.
		Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues Team	Number	Low is good	1,300	1,200	Q1 - 22/23	2,137	Q1 - 23/24	1,114	Number	G	▲	There are 815 documents outstanding in Enterprise (document management system) that relate to changes for City of Lincoln Council customers. Emails which are received are actioned and then indexed as completed items. Emails that come into the Council Tax in tray can be either for Lincoln or North Kesteven Council Tax, and at times not for Council Tax at all, in which case they are forwarded to the relevant department/section. There were 598 emails outstanding at 30.6.2023. These are split on a 50/50 ratio as a best estimate for each authority giving an estimate of a total of 1,114 outstanding changes for Lincoln customers.
		Revenues Administration	REV 4	Number of accounts created for the My Lincoln	Number	N/A	Volumetric	Volumetric	-	-	Q1 - 23/24	2,149	Number	V		Customers will know this system as My Lincoln Accounts, although the software behind this is called Citizens Advice – Revenues (CA-R)

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
				Accounts system (to date)											<p>Customers can use the service to view their council tax and to activate paperless billing. These functions require the customer to register for an account.</p> <p>In order to register securely, customers must provide the following -</p> <ul style="list-style-type: none"> <li>• forename and surname as shown on their council tax bill.</li> <li>• Council Tax reference number from their bill</li> </ul> <p>And 2 of the following</p> <ul style="list-style-type: none"> <li>• Postcode</li> <li>• The last 3 digits of their bank account if they pay council tax by direct debit</li> <li>• The last 3 digits of their phone number if we hold this on file.</li> <li>• Online Key which is a unique reference number that they will find on their council tax account.</li> </ul> <p>Without registering for an account, a customer can still set up direct debits, report a move to us and/or apply for a single person discount.</p> <p>Other forms are available on line and from the My Lincoln Accounts page, a customer can be linked to other forms such as for general enquiries, student landlord submissions, council tax support forms and refund applications etc</p> <p>The number of customers who had registered on My Lincoln Accounts at the 30.6.2023 was 2,149.</p>
DCE	Kieron Manning - Assistant Director Development Management	Affordable Housing	AH 1	Number of affordable homes delivered (cumulative)	Number	High is good	5	25	Q1 - 22/23	0	Q1 - 23/24	13	Number	A	<p>▲ The final 10 affordable homes on the Rookery Lane site were completed and signed off during this quarter together with 3 affordable homes completed on the Romangate site.</p>
		Development Management (Planning)	DM 1	Number of applications in the quarter	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	201	Q1 - 23/24	195	Number	V	<p>This figure has remained almost unchanged from last quarter showing the service is receiving a consistent number of applications so far this year. Whilst the number of applications is almost identical to the same quarter last year income is significantly lower which reflects the nature of the work attracting lower fees in comparison. There is no direct correlation with volume of work and income due to the huge variation in the fee structure for different forms of development.</p>
		Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Days	Low is good	85.00	65.00	Q4 - 22/23	81.46	Q1 - 23/24	64.19	Days	G	<p>▲ The improvement here is not due to available resource but is reflective of the fact that there is currently only 1 major application live, so the volume of work is constant but the complexity of the cases at present has reduced.</p>
		Development Management (Planning)	DM 3	Number of live planning applications open	Number	Low is good	180	120	Q4 - 22/23	132	Q1 - 23/24	127	Number	A	<p>▲ This figure has also remained constant and tracks DM1.</p>
		Development Management (Planning)	DM 4	Percentage of applications approved	%	High is good	85.00	97.00	Q4 - 22/23	90.00	Q1 - 23/24	95.00	%	A	<p>▲ Maintaining this high percentage is due to the positive and proactive approach of officers negotiating good quality outcomes.</p>

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status		Commentary
		Development Management (Planning)	DM 5	Percentage of total decisions made in the quarter that have subsequently been overturned at appeal	%	Low is good	10.00	5.00	Q4 - 22/23	1.00	Q1 - 23/24	1.44	%	G	▼	This figure demonstrates how few appeals we receive and of those how few are overturned by The Inspectorate signifying the robustness of our decision making.
		Development Management (Planning)	DM 5a	Number of decisions appealed in the quarter	Number	Low is good	5	1	Q4 - 22/23	2	Q1 - 23/24	4	Number	A	▼	We have seen an increase in the number of appeals this quarter. The reasons are varied but still not at a level that should warrant concern and is still a normal fluctuation in the decision making process.
		Development Management (Planning)	DM 5b	Number of appealed decisions in the quarter overturned by the inspectorate	Number	Low is good	5	1	Q4 - 22/23	1	Q1 - 23/24	2	Number	A	▼	2 of the 4 appeals upheld by the Inspectorate which isn't statistically significant and highlights some fluctuation in the normal process.
		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 excluding extensions of time	%	High is good	70.00	90.00	Q4 - 22/23	85.00	Q1 - 23/24	84.73	%	A	▼	These figures remain high showing the team are currently able to perform despite the short term resource pressure which is still in the process of being resolved via recruitment.
		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 excluding extensions of time	%	High is good	60.00	90.00	Q4 - 22/23	67.00	Q1 - 23/24	78.05	%	A	▲	These figures remain high showing the team are currently able to perform despite the short term resource pressure which is still in the process of being resolved via recruitment.
		Parking Services	PS 1	Overall percentage utilisation of all car parks	%	High is good	50.00	60.00	Q4 - 22/23	46.00	Q1 - 23/24	48.00	%	R	▲	Solid start to the new financial year. Easter school holidays fall in this period, so these weeks always do well. Utilisation has generally recovered post-covid, although there are some changes with commuter work patterns. It is anticipated that the utilisation levels will begin to improve as changes within the parking service come into effect.
		Parking Services	PS 2	Pay and display car parking income as a percentage of budget requirement	%	High is good	91.00	96.00			Q1 - 23/24	102.59	%	G	—	Income for the quarter is £1,514,414.84 against the budget of £1,475,161 so currently on track to meet the yearly budget. We have slightly exceeded income targets for pay and display, but the year will remain challenging due to cost of living etc. so income is expected to plateau. Officers are currently in full review of the parking strategy.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status		Commentary
	Simon Colburn - Assistant Director of Health & Environmental Services	Food and Health & Safety Enforcement	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	%	High is good	95.00	97.00	Q4 - 22/23	98.73	Q1 - 23/24	99.99	%	G	▲	This is the first quarter since before the pandemic when we have been operating to the requirements of the Food Law Code of Practice in terms of scheduled interventions for food businesses. The FSA Recovery Plan was withdrawn at the end of March 2023. The number of businesses that are registered in the city is 1,061 although this fluctuates daily. We can report that we are still prioritising less compliant businesses in the city as well as inspections of new businesses- currently there are 14 businesses that are non-compliant, which is a slight reduction from the last quarter. We work with non-compliant businesses to get them to a level where they are at least broadly compliant and so protecting the public health of our residents and visitors.
		Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Days	Low is good	20.00	10.00	Q4 - 22/23	11.42	Q1 - 23/24	10.06	Days	A	▲	There were 162 businesses inspected during quarter 1, which was an improvement on the previous quarter. An agency worker was employed during this quarter to cover current vacancies.
		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	Q4 - 22/23	100.00	Q1 - 23/24	58.91	%	R	▼	Although there has been a significant drop in the percentage of inspections done, this is mainly due to the FSA Recovery Plan being withdrawn. As stated in FS1, we are now operating in accordance with the Food Law Code of Practice, which has brought back into the inspection programme those low risk businesses that were given a low priority during the pandemic.  The number of inspections carried out during quarter 1 was 162. The number of inspections that haven't been done is 113, this is made up of:  103 of our lowest risk, fully compliant (green priority) businesses, such as home caterers, businesses selling only confectionary and wet sales pubs. We are currently dealing with these businesses using an Alternative Enforcement Strategy (AES), which will bring down the number of outstanding inspections over the coming year. The AES is detailed in the Food Law Code of Practice and permits us to alternate between physical inspections and remote assessments of these low risk businesses. Remote assessments will be carried out of these 103 businesses but if they fail to complete the questionnaire that we send them or we are concerned about the answers given, then physical inspections will be carried out to ensure compliance.  The remaining 10 businesses were all at least broadly compliant. Of these 2 businesses have been open and closed intermittently and have been closed when we tried to inspect. A further 5 were allocated to agency workers and 3 were new businesses.  It is important to note that the team has continued to carry staff vacancies, which has also impacted on the performance of this measure in the quarter.
		Licensing	LIC 1	Percentage of premises licences issued	%	High is good	80.00	100.00	Q4 - 22/23	100.00	Q1 - 23/24	97.85	%	A	▼	One licence issued outside the selected timeframe during this quarter. Reason for this was due to a further amendment to licence being received in the interim, therefore issue of

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
64				within 28 days of grant											licence was put on hold. The figure for the current outturn includes any new applications, variations, transfers and other changes affecting the licences which would lead to a new premises licence being produced (physically). Depending on the type of application there are different timeframes as to when the licence can be produced.
		Licensing	LIC 2	Total number of active premises licences	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	405	Q1 - 23/24	409	Number	V	The total number of 'active' premises licences at end of Q1 is 409. This is a slight increase from previous quarter due to an increase in the number of new licences.
		Licensing	LIC 3	Total number of active private hire / hackney carriage licences (operators, vehicles and drivers)	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	785	Q1 - 23/24	794	Number	V	The total number of active private hire/hackney carriage licences at the end of the quarter was 794. The breakdown was as follows: Private Hire Drivers - 416 Private Hire Vehicles - 293 Private Hire Operators - 21 Hackney Carriage Drivers - 33 Hackney Carriage Vehicles - 31
		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)	Weeks	Low is good	26.00	19.00	Q4 - 22/23	31.00	Q1 - 23/24	27.00	Weeks	R	▲ 14 grant adaptations were completed between April 2023 and end of June 2023. This is an improvement on previous quarters. The team are still carrying a Technical Officer vacancy and the recruitment into the post is continuing. Unfortunately, this has continued to have an impact on the performance of this measure. Interviews for this vacant post are to be carried out in August 23 with the anticipation that the post will be filled in quarter 2. In order to improve the end to end time we have been reprioritising the limited team resources and we have now upskilled all officers to process, manage and deliver these DFG applications. We will continue to focus on this work to ensure that the best likelihood is that there will be an improvement in this measure. This will however have a potential knock-on effect on PH2 measure below.
		Private Housing	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	Weeks	Low is good	20.00	12.00	Q4 - 22/23	17.50	Q1 - 23/24	21.20	Weeks	R	▼ During this quarter 45 housing disrepair/condition cases were resolved closed. Park and Abbey wards continued to have the highest private rented accommodation complaints in the city with over 50% recorded into these 2 wards. The team are still carrying a Technical Officer vacancy and the recruitment into the post is continuing. The staff within the Private Housing Team has been prioritised towards the DFG grant programme during quarter 1 and subsequently this has impacted on the outturn for this measure.
		Private Housing	PH 3	Number of empty homes brought back into use (cumulative)	Number	High is good	1	8	Q1 - 22/23	5	Q1 - 23/24	8	Number	G	▲ 8 owners have been assisted with returning their empty properties to use. One of the best successes has been a property which had been empty for nearly 20 years and had been worked on tirelessly by successive Empty Homes Officers, trying to convince the owner to let go of the property for which there was a significant emotional attachment. With the 400% charge for council tax being applied and the continued communications from us regarding selling and linking the owner up with interested parties the property was sold to an investor via a property auction who has brought the house back to use as a family residence after 8 months of renovation work.
		Public Protection and Anti-Social Behaviour Team	PPASB 1	Number of cases received in the quarter	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	115	Q1 - 23/24	115	Number	V	This latest outturn is equal to the amount of ASB cases that were received in Q4 of 22/23 and a 10.2% decrease when compared with the outturn for Q1 of 22/23.



	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
65				(ASB cases only)											
		Public Protection and Anti-Social Behaviour Team	PPASB 2	Number of cases closed in the quarter (across full PPASB service)	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	833	Q1 - 23/24	1,003	Number	V	This latest outturn is a 20.4% increase when compared with Q4 of 22/23 and a 5.2% increase when compared with Q1 of 22/23. 966 cases were received in Q1 of 23/24, which demonstrates that the team closed more cases than it received this quarter.
		Public Protection and Anti-Social Behaviour Team	PPASB 3	Number of live cases open at the end of the quarter (across full PPASB service)	Number	Low is good	240.00	200.00	Q4 - 22/23	163	Q1 - 23/24	211	Number	A	▼ This is a 25.2% decrease when compared with the data for Q1 of 22/23. The outturn for this quarter falls between the high and low target for this measure.
		Public Protection and Anti-Social Behaviour Team	PPASB 4	Satisfaction of complainants relating to how the complaint was handled (across full PPASB service)	%	High is good	75.00	85.00	Q4 - 22/23	71.43	Q1 - 23/24	100.00	%	G	▲ In quarter 1, 16 satisfaction surveys were sent out. Two responses were received back. One customer answered, 'very satisfied' and one customer 'fairly satisfied' in response to how their complaint was handled. Due to the system being new there has been some issues identified, which has resulted in fewer surveys being sent out than required. The team is currently looking into these issues and it is expected the number of surveys issued will be greater from quarter 2.
		Sport & Leisure	SP 1a	Quarterly visitor numbers to Birchwood Leisure Centre	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	35,483	Q1 - 23/24	38,209	Number	V	Q1 23/24 38,209 - approx. 66% of pre pandemic levels and up 14% on the previous year. Q1 22/23 33,468 - approx. 58% of pre pandemic levels and up 65% on the previous year. Q1 21/22 20,230 - approx. 35% of pre covid levels. Q1 20/21 - 0 Closed due to covid. Q1 19/20 - 57,774 Pre pandemic year.  The leisure sector is slowly recovering from the pandemic, however with household budgets currently being under pressure, this is having an effect on membership uptake as well as casual use.
		Sport & Leisure	SP 1b	Quarterly visitor numbers to Yarborough Leisure Centre	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	73,612	Q1 - 23/24	99,520	Number	V	Q1 23/24 99,520 - approx. 52% of pre pandemic levels and up 47,562 on the previous year now that the main pool has reopened. Q1 22/23 51,958 - approx. 27% of pre pandemic levels and up 30% on the previous year although the main pool is closed. Q1 21/22 39,879 - approx. 21% of pre covid levels. Q1 20/21 - 0 Closed due to covid. Q1 19/20 - 188,529 Pre pandemic year.  The leisure sector is slowly recovering from the pandemic, however with household budgets currently being under pressure, this is having an effect on membership uptake and casual use.
		Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	Hours	High is good	520.00	700.00	Q4 - 22/23	728.00	Q1 - 23/24	760.50	Hours	G	▲ Quarter 1 2023/24 saw usage of the AGP's at:  Birchwood Leisure Centre equates to 520 hours used. This is up 13 hours on the last quarter, which is 54% of all the available hours with 7,059 persons playing.  Yarborough Leisure Centre equates to 240.5 hours used. This is up 19.5 hours on the last quarter, which is 25% of all

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
66															available hours with 8,345 persons playing.
		Sport & Leisure	SP 3a	Birchwood Leisure Centre - Number of net promoter score points above or below the average Net Promoter Score for England	Number	High is good	0	2	-	-	Q1 - 23/24	30	Number	G	<p>National Bench marking score is 26, Birchwood is 56 which is very good in comparison to the national Average.</p> <p>The Average score across the Active Nation organisation is 27 also above the National Average.</p> <p>A summary of the positives comments, friendly safe atmosphere, helpful staff, highly trained gym staff, clean and great facilities, value for money.</p> <p>A summary of the negative comments, request for longer opening hours, specific equipment requests.</p> <p>Active Nation supplied the specific equipment where appropriate, opening hours are reviewed regularly and at this point demand is not at a threshold level to make extended hours viable.</p>
		Sport & Leisure	SP 3b	Yarborough Leisure Centre - Number of net promoter score points above or below the average Net Promoter Score for England	Number	High is good	0	2	-	-	Q1 - 23/24	-31.00	Number	R	<p>For Q1 Yarborough's net promotor score is low at -5, this is 31 below the National Benchmark score and 32 below the Active Nation average score.</p> <p>Out of the three months covered, April was the only negative month with 86% of the 7 responses being negative, causing the quarter to be low.</p> <p>Causes of the negative review were related to a withdrawal of a specific class, issue with the booking app, and issues with the gym not always being directly staffed.</p> <p>Active Nation have taken action to increase staff in the gym, for training and cleaning. The app issue has been fixed with the app technicians. The class is part of a licenced branded product and was withdrawn by the provider but is being replaced with a similar product.</p>
	Steve Bird - Assistant Director of Communities and Street Scene	Allotments	AM 1	Percentage occupancy of allotment plots	%	High is good	86.00	94.00	Q4 - 22/23	95.00	Q1 - 23/24	91.00	%	A	<p>As at the end of June 2023, 1,028 plots of a total 1,177 were let. Of the 1,177 total plots, 1,124 plots are currently lettable. 1,028 occupied lettable plots equates to 91% occupancy rate, with the remaining being 'under offer' to prospective tenants on the waiting list. There continues to be a steady demand for allotment tenancies. All of the 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.</p> <p>Our part-time Allotments Officer was off work for nearly 3 months recently and plots were not offered to people on the waiting list during that time due to lack of resources, but a large number of people were added to the waiting list. The Allotment Officer returned to work in late June 2023 and is now in the process of offering plots to people on the waiting list. Hopefully, as plots are offered, these will soon get re-allocated and occupancy rates should increase (and waiting list numbers should hopefully decrease).</p>
		CCTV	CCTV 1	Total number of incidents	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	2,584	Q1 - 23/24	2,661	Number	V	Incidents are up slightly on Q4 in the previous year. Due to an increased amount of drugs being seen to be offered in the City. Drug related incidents are up by 58% in this quarter and



	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status	Commentary
				handled by CCTV operators											a probable knock-on effect to this is a rise of 14% in Public Order incidents. Begging incidents are down 23%. 2 new cameras have been installed, one on the Clasketgate/Flaxengate junction which can be problematic area, especially for the night-time economy with the clubs, taxi rank, and late-night food takeaways in that area. The second one on Newland by Europcar allows us to provide a continuous link from the City Centre to the recently installed Safer Streets Cameras in the West End of the city. We have recently started public visits again to the Control Room and in the last 2 months we have had 2 scout groups visit.
		Grounds Maintenance	GM 1	Contractor points recorded against target standards specified in contract - Grounds Maintenance	Number	Low is good	150	50	Q4 - 22/23	50	Q1 - 23/24	55	Number	A	▼ The collective points for the quarter totalled 55. This has been broken down into 0 in April 2023, 30 in May 2023 and 25 in June 2023. The majority of points in the quarter were recorded for delays in grass cuttings.
		Street Cleansing	SC 1	Contractor points recorded against target standards specified in contract - Street Cleansing	Number	Low is good	150	50	Q4 - 22/23	95	Q1 - 23/24	170	Number	R	▼ 170 points were recorded against the contractor in quarter 1. Of these points, 25 points were recorded in April 2023, 130 points recorded in May 2023 and 15 points recorded in June 2023. The majority of points recorded during the quarter were for overflowing bins with the contractor's responsible officer being absent from work and the replacement officer having minimal knowledge and training. The Street Cleansing Team continue to work with the contractor to rectify these issues.
		Waste & Recycling	WM 1	Percentage of waste recycled or composted (seasonal)	%	High is good	26.00	30.00	Q1 - 22/23	30.32	Q1 - 23/24	28.00	%	A	▼ This figure relates to quarter 4 (January 2023 - March 2023) as data received from Lincolnshire County Council is lagged. 18.95% has been recorded as waste being recycled, whereas 9.05% was recorded as waste being composted, equating to 28% being composted or recycled. In 2022/23 there has been a 4% reduction in subscriptions to the Garden Waste Service when compared to 2021/22.
		Waste & Recycling	WM 2	Contractor points recorded against target standards specified in contract - Waste Management	Number	Low is good	150	50	Q4 - 22/23	110	Q1 - 23/24	95	Number	A	▲ 95 points were recorded against the contractor during quarter 1. Of these points, 15 points were recorded in April 2023, 30 points recorded in May 2023 and 50 points recorded in June 2023. The most points were recorded during June due to an increase in missed refuse collections in the third week, but overall this still remains a very low figure given the high numbers of collections made successfully.
DHI	Matt Hillman - Assistant Director Investment	Housing Investment	HI 1	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	Low is good	1.20	1.00	Q4 - 22/23	0.81	Q1 - 23/24	1.35	%	R	▼ As a result of additional stock surveys and referrals from HRS, the overall number of failures at the end of the quarter is 105 properties. These additional failures have been placed onto the appropriate programmes for remedial works but it may take several months to deliver these additional works. A contract to survey a further 20% of our stock has been procured and it should be expected that this exercise will identify further failures. Failures are due to 35 doors, 33 Windows, 32 Electrics, 6 Chimneys (1 property fails both door and windows).
		Housing Investment	HI 2	Number of properties 'not decent' as a result of tenants refusal to allow	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	227	Q1 - 23/24	232	Number	V	The level of refusals is recorded but cannot be controlled by the Council. We have had a increase of 5 since the end of the previous quarter.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status		Commentary
				work (excluding referrals)												
		Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	%	High is good	98.60	99.00	Q4 - 22/23	99.02	Q1 - 23/24	98.50	%	R	▼	Performance is 98.50% for the quarter with 23 properties not accessed within the target time. Our annual gas servicing programme continually runs 12 months a year. Each month we have a small number of tenants who do not allow access to the gas engineer prior to the deadline date of the service. We continue to work hard to resolve these access issues in accordance with our gas servicing procedures. We have seen the number of properties recorded as 'no access' increase since the covid pandemic.
		Housing Maintenance	HM 1a	Percentage of reactive repairs completed within target time (priority 1 day only)	%	High is good	98.50	99.50	Q4 - 22/23	99.51	Q1 - 23/24	99.55	%	G	▲	We have remained above target for priority repairs completed within target time. We have increased the number of operatives we have carrying out our Priority and Urgent repairs to help maintain this performance due to an increase in priority repairs being reported. This is reviewed as part of our repairs board.
		Housing Maintenance	HM 1b	Percentage of reactive repairs completed within target time (urgent 3 day repairs only)	%	High is good	95.00	97.50	Q4 - 22/23	93.67	Q1 - 23/24	90.11	%	R	▼	This area has fallen below the lower target this quarter. Although we have increased the number of operatives carrying out the priority and urgent repairs we have struggled to meet demand. We have determined a large percentage of repairs reported as urgent are incorrectly reported as so or raised at the point of call. We are currently arranging a rota, which will see a customer services member working weekly from Hamilton House with our Planning Team, as well as a team leader or Resource Planner being available for those still based at City Hall to provide additional support and guidance to ensure urgent repairs are reported correctly. The rota is due to start week commencing 17/07/2023 and will be reviewed within 6 weeks and we hope this will see a positive impact on these figures. In addition to those changes, we are below our require establishment figures for key trades, including qualified electricians. We continue to try and recruit across all trades, but applications are low.
		Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	%	High is good	90.00	92.00	Q4 - 22/23	93.24	Q1 - 23/24	91.52	%	A	▼	Performance remains above the low target but is not as high as we would like it to be for first time fixes. We are in the process of rolling out the Avail JPS app w/c 10/07/2023 that will provide an automated restock for vehicle impress stock items. This should improve the availability of materials to operatives on site enabling them to complete as they will already have the items on the vehicle saving having to order and then return at a later date.
		Housing Maintenance	HM 3	Percentage of tenants satisfied with repairs and maintenance	%	High is good	90.00	95.00	Q4 - 22/23	79.35	Q1 - 23/24	71.43	%	R	▼	During the quarter we received 56 responses (40 satisfied and 16 dissatisfied). We have identified issues with some of our back office processes and communication on return appointment dates not being as good as it should be. A departmental guidance document for resource planning and team leaders has now been issued to clarify the processes required to improve this area. These are interim measures until the HITREP project is delivered. Until this project is delivered, we are required to carry out a number of manual interventions and processes.
		Housing Maintenance	HM 4	Appointments kept as a percentage of appointments made (priority	%	High is good	95.00	97.00	Q4 - 22/23	98.46	Q1 - 23/24	97.32	%	G	▼	Performance in this area remains above target and appointments made generally are kept or reallocated to other operatives or work teams if issues such as sickness or leave arises.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status		Commentary
				and urgent repairs) - HRS only												
	Yvonne Fox - Assistant Director of Housing	Control Centre	CC 1	Percentage of customers satisfied with their new Lincare Housing Assistance service connection to the control centre	%	High is good	90.00	95.00	Q4 - 22/23	100.00	Q1 - 23/24	94.74%	%	A	▼	38 surveys were completed in quarter one, with 36 satisfied returns and 2 dissatisfied. The two negative surveys have been sent to the manager for review.
		Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	%	High is good	97.50	98.00	Q4 - 22/23	97.68	Q1 - 23/24	97.63	%	A	▼	Performance remains above the Telecare Accredited Body target of 97.5%. Although performance is slightly down compared to the same period last year, we received over double the alarm calls in Q1 this year compared to last with over 21,000 alarm calls received.
		Housing Solutions	HS 1	The number of people currently on the Housing Register	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	1,730	Q1 - 23/24	1,786	Number	V		This is steadily increasing with a further 370 applications being processed. We should see a decline in this figure later in the year, when the renewal process is implemented.
		Housing Solutions	HS 2	The number of people approaching the council as homeless	Number	N/A	Volumetric	Volumetric	Q4 - 22/23	1,220	Q1 - 23/24	329	Number	V		We are seeing an increase in homeless presentations. The Rough Sleeping Officers are maintaining 80 cases and Housing Solutions varying between 250/270 cases.
		Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	%	High is good	45.00	50.00	Q4 - 22/23	41.46	Q1 - 23/24	38.12	%	R	▼	We are seeing a high number of cases going through to relief duty, meaning the number of preventions is quite low. This is something we are looking into and trying to rectify, but we are managing to relieve a high percentage of cases but some are going through to main duty.
		Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	%	Low is good	1.10	1.00	Q4 - 22/23	1.32	Q1 - 23/24	1.29	%	R	▲	Quarter one has seen a reduction in percentage of rent lost through vacant dwellings compared to quarter 4. The Voids Team are continuing to identify efficiencies throughout the process in order to achieve target. The annual rent increase will make this target more challenging to achieve.
		Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Days	Low is good	34.00	32.00	Q4 - 22/23	43.58	Q1 - 23/24	43.70	Days	R	▼	Quarter one has seen the average relet time for standard dwellings remain stable with a minor increase of 0.12 days. Repairs have significantly reduced the awaiting allocation time and are working with contractors to deliver on target. In order to reduce the number of properties coming into voids requiring cleansing, we are in consultation with LTP and Finance to recharge tenants for the costs of the full cleansing works.
		Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Days	Low is good	40.00	38.00	Q4 - 22/23	55.73	Q1 - 23/24	48.06	Days	R	▲	Quarter one has seen a reduction in the number of void days from 55.73 at quarter 4, to 48.06 for end of 23/24 quarter one. This represents a number of efficiencies that have been made across the void process. The team will continue to work to ensure properties are ready to let as efficiently as possible.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous value	Current quarter	Current value	Unit	Status		Commentary
		Rent Collection	RC 1	Rent collected as a proportion of rent owed	%	High is good	96.50	97.50	Q4 - 22/23	99.91	Q1 - 23/24	96.81	%	A	▼	In year collection as of the end of quarter one stands at 96.81% compared to 98.60% in quarter one last year. The rent increase has made collection more challenging but over the course of the financial year, this target should be achieved as we work to reduce arrears.
		Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	%	Low is good	4.15	4.00	Q4 - 22/23	3.40	Q1 - 23/24	3.83	%	G	▼	As of the end of quarter one, current arrears owed stood at £1,249,578 compared to £1,248,709 for quarter one last year, an increase of £869. Considering the increase in the cost of living, this increase is more conservative than expected. Arrears as percentage of the debit as of the end of quarter one is 3.83%, compared to 4.14% in quarter one last year. This is an improvement of 0.31%.

**EXECUTIVE****21 AUGUST 2023**

**SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: LAURA SHIPLEY, FINANCIAL SERVICES MANAGER**

**1. Purpose of Report**

1.1. To present to the Executive the first quarter's performance (up to 30<sup>th</sup> June), on the Council's:

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

And to seek approval for changes to the 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. Whilst there are still a number of variables which are subject to a level of uncertainty, based on the latest set of assumptions as at the end of the first quarter (up to 30<sup>th</sup> June) the forecast financial position of the Council for 2023/24 is:

Revenue Accounts	2023/24		
	Budget	Forecast @	Variance
	£'000	Q1 £'000	@ Q1 £'000
General Fund – Contribution (to)/from balances	191	34	(157)
Housing Revenue Account (HRA) – Contribution (to)/from balances	59	39	(20)
Housing Repairs Service – (surplus)/deficit	0	829	829*

\*any HRS variance is repatriated to the HRA and as such included within the HRA balances above

<b>Capital Programmes</b>	<b>2023/24</b>		
	<b>Budget following outturn report £'000</b>	<b>Revised Budget @ Q1 £'000</b>	<b>Movement @ Q1 £'000</b>
General Investment Programme	21,252	24,688	3,436
Housing Investment Programme	22,174	17,969	(4,205)

<b>Balances</b>	<b>2023/24</b>		
	<b>Budgeted Balance @ 31/03/24 £'000</b>	<b>Forecast Balance @ 31/03/24 £'000</b>	<b>Forecast Movement £'000</b>
General Fund Balances	(2,229)	(2,386)	(157)
Housing Revenue Account Balances	(1,126)	(1,146)	(20)
Housing Repairs Service Balances	0	0	0

<b>Reserves</b>	<b>2023/24</b>		
	<b>Opening Balance @ 01/04/23 £'000</b>	<b>Forecast Balance @ 31/03/24 £'000</b>	<b>Forecast Movement £'000</b>
General Fund Earmarked Reserves	(7,040)	(6,784)	256
HRA Earmarked Reserves	(3,510)	(3,284)	226

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

### **3. General Fund Revenue Account**

- 3.1. For 2023/24 the Council's net General Fund revenue budget was set at £14,402,660 including a planned contribution from balances of £191,110 resulting in an estimated level of general balances at the year-end of £2,228,739 (after allowing for the 2022/23 outturn position).
- 3.2. The General Fund Summary is currently projecting a forecast underspend of £157,137 (appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,385,876.
- 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:



<b>General Fund</b>	<b>Forecast</b>
<b>Forecast year-end key variances:</b>	<b>£'000</b>
National proposed pay award settlement	576
Increased pressure from non-recoverable temporary accommodation costs	234
Reduction in Housing Benefits overpayments & reduction in costs attracting 100% subsidy	139
Building Regulations & Development Control income pressures	178
Less:	
Release of Inflation Volatility reserve	(466)
Interest on Investments	(362)
Additional funding for Land Drainage Levies	(142)
Net other variances	(314)
<b>Overall forecast budget deficit/(surplus)</b>	<b>(157)</b>

3.4. The key variances are predominately driven by the ongoing impact of high levels of inflation and the impact of external economic factors, which far exceed the assumptions underpinning the MTFS.

3.5. The main variances, both positive and negative cover:

- Temporary Accommodation costs - increased demand for temporary accommodation due to rising cases presenting, coupled with a shortage in the supply of suitable accommodation, has continued to increase the use, and cost, of bed and breakfast accommodation. Whilst the Council can reclaim an element of these costs through the housing subsidy system, the amount that can be reclaimed is limited to the local housing allowance (LHA) rate of £91.15 per week, regardless of the cost of the accommodation. LHA rates have been frozen since 2020, and are based on rents from 2018/19, therefore the gap between actual rents and the LHA rates is becoming wider and less reflective each year and leaves the Council in the position of having to 'make up' significant shortfalls between housing benefit subsidy and the cost of temporary accommodation. Combined together, this widening shortfall and increase in demand for temporary accommodation creates an increasing cost pressure for the Council.
- Proposed pay award inflation pressure - the 2023/24 pay offer, made by the National Employers for Local Government Services earlier this year, was rejected by the Trade Unions. The current pay deal offers, the higher of either, a flat rate increase of £1,925, or 3.5-3.8% to all employees, equivalent to a 9.4% increase for the lowest paid members of staff and with the majority of officers set to receive pay rises above 5% for the second consecutive year. Until an agreement with the National Unions is reached the Q1 forecast has been based on the current offer, and as such is subject to change and at risk of increase.
- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 5%, the level of interest earned on the Council's cash balances has increased significantly. At present there has been a limited

consequential impact on the cost of borrowing as all debt is at fixed rates and no new borrowing has been undertaken.

- Reduced fees and charges income – 2023/24 continues to see a reduction in income from planning applications and building control linked to pressures in the construction and housing market as the ongoing economic climate and cost-of-living crisis continue to impact on development within the city.
- Release of inflation volatility reserve – in order to partially mitigate the budget pressure created by the proposed national pay award, the inflation volatility reserve will be released in full.

3.6. Whilst the level of uncertainty around inflation pressures is significantly reduced this year due to actions taken in the latest MTFS, there remains uncertainty surrounding pay assumptions and other budgets, particularly in terms of service demands and income forecasts. At quarter one, the potential for further variances during the year remains high, and as such the final outturn position for the year is still subject to further change. At this stage though there are no further mitigations recommended, however, as always, there will continue to be a need for strong budgetary control in this financial year to ensure expenditure and income remain balanced within the budget.

### 3.7. **Earmarked Reserves**

Further details of the General Fund Earmarked Reserves are set out in paragraph 6 and Appendix G.

### 3.8. **Towards Financial Sustainability Programme**

The savings target included in the MTFS for 2023/24 was £185,210.

Progress against this target, based on quarter 1 performance, shows that secured savings total £115,510 for the General Fund, with a further £69,700 identified, achieving the in year target in full.

A summary of the specific reviews that have contributed to this delivery are shown in Appendix K.

## 4. **Housing Revenue Account**

- 4.1. For 2023/24 the Council's Housing Revenue Account (HRA) net revenue budget was set with a planned contribution from balances of £58,930, resulting in an estimated level of general balances at the year-end of £1,125,517, after allowing for the 2022/23 outturn position.
- 4.2. The HRA is currently projecting a forecast underspend of £20,346, which would result in HRA balances of £1,145,863 as at the end of 2023/24, Appendix C of this report provides a forecast Housing Revenue Account Summary. This position maintains balances above the prudent minimum of c.£1m.

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

<b>Housing Revenue Account Forecast year-end key variances:</b>	<b>Forecast £'000</b>
National proposed pay award settlement	254
Less:	
Increased Investment Interest	(661)
Additional Rental Income	(188)
<u>HRS Recharges:</u>	
Housing Repairs Service Overall Deficit Repatriation	829
Repairs and Maintenance works net reduction	(293)
Net Other Variances	39
<b>Overall forecast deficit/(surplus)</b>	<b>(20)</b>

- 4.4. In line with the General Fund, many of the key variances are predominately driven by the continuing high levels of inflation and the impact of external economic factors, which far exceed the assumptions underpinning the MTFS. In addition, the HRA and HRS continue to experience a number of other variances due to demand pressures and the ongoing recruitment and retention challenges.

- 4.5. The main variances, both positive and negative, cover:

- Proposed pay award inflation pressure - the 2023/24 pay offer, made by the National Employers for Local Government Services earlier this year, was rejected by the Trade Unions. The current pay deal offers, the higher of either, a flat rate increase of £1,925, or 3.5-3.8% to all employees, equivalent to a 9.4% increase for the lowest paid members of staff and with the majority of officers set to receive pay rises above 5% for the second consecutive year. Until an agreement with the National Unions is reached the Q1 forecast has been based on the current offer, and as such is subject to change and at risk of increase.
- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 5%, the level of interest earned on the HRA's cash balances has increased significantly. At present there has been limited consequent impact on the cost of borrowing as all debt is at fixed rates and no new borrowing has been undertaken.
- Rental income – income levels are higher than anticipated due to a higher than budgeted opening Housing stock at the start of the financial year, coupled with higher than expected occupancy, and rent levels, at the new Rookery Lane development.

- Housing Repairs Services (HRS) – the service is currently reporting a forecast deficit, which is consequentially repatriated to the HRA, as a result of the issues set out in Section 5 below. This is partially offset by a net reduction in repairs recharges from the HRS to the HRA.

4.6. As outlined throughout this report, there still remains a number of variables in the forecast assumptions, and as such the final outturn position for the year is still subject to further change. At this stage no additional mitigations, other than those currently being implemented in response to the issues faced by the HRS and in response to void levels, are recommended. Strong budgetary control should continue to be a focus in this financial year to ensure expenditure and income remain balanced within budget.

#### 4.7. HRA Earmarked Reserves

Details of the HRA Earmarked Reserves are set out in paragraph 6 and Appendix G.

### 5. Housing Repairs Service

5.1. For 2023/24 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2. At Quarter 1 the HRS are forecasting a deficit of £828,671 in 2023/24, Appendix E provides a forecast HRS Summary. Full details of the main variances are provided within Appendix F of this report, while the key variances are summarised below:

<b>Housing Repairs Service Forecast year-end key variances:</b>	<b>Forecast £'000</b>
Increased use of sub-contractors and increases in sub-contractor prices	999
Increase in materials usage and price	271
National proposed pay award settlement	125
Reduced income for HRS jobs	77
Less:	
Staff vacancies due to recruitment and retention challenges	(661)
Net other variances	18
<b>Overall forecast deficit/(surplus)</b>	<b>829</b>

5.3. The main contributory factor to the deficit is the ongoing recruitment and retention challenges, which is being felt not just by the council but across the construction industry as a whole. This inability to attract and retain staff results in a greater reliance on the use of sub-contractors to ensure that service demands are met. The cost of using subcontractors is however more expensive than the HRS's own workforce, due to the ongoing impact of Covid19, the current inflationary crisis and a reduced pool of contractors from which to secure services. These additional costs

are therefore not fully offset by the vacancy savings achieved by not carrying out the work internally.

- 5.4. As the increased subcontractor costs are not reflected in the service hourly rate and overhead recovery is not recouped on sub-contractors this results in an under recovery of full costs from the HRA.
- 5.5. Whilst last year high vacancy levels, and the use of sub-contractors rather than our own workforce, resulted in an underspend on materials for the Council, this year higher than anticipated inflation levels, an industry wide issue, and an expected increase in repairs jobs has resulted an overspend on materials further compounding the HRS forecast position.
- 5.6. The forecast deficit also includes the impact of the proposed national pay award, which is significantly over and above the assumptions included within the MTFS as outlined in both the General Fund and HRA variances.
- 5.7. It should be noted that due to the interconnection of the HRS and HRA the consequential costs in the HRA are ordinarily reduced, and therefore offset any repatriated deficit. However due to the increased usage of more expensive sub-contractors and materials, and an increased volume of works, this is not the case this financial year, as detailed above, and there is a significant additional cost for repairs and maintenance of the housing stock that is being incurred by the HRA. This additional cost is currently being offset against the overall HRA position as set out in section 4 above.

## 6. Earmarked Reserves

- 6.1. The Council holds a number of earmarked revenue reserves over both the General Fund and HRA. These reserves are sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. Key reserves include income volatility, business rates volatility, IT investment fund, asset sinking funds for future refurbishment etc. A number of these reserves are budgeted for use over the period of the MTFS.
- 6.2. The details of all the earmarked reserves and their forecast balance as at 31<sup>st</sup> March 2024 are attached in Appendix G, with further details in the MTFS 2023-2028. In summary:

<b>Earmarked Reserves</b>	<b>Opening Balance 01/04/23 £'000</b>	<b>Increase £'000</b>	<b>Decrease £'000</b>	<b>Closing Balance 31/03/24 £'000</b>
<b>General Fund</b>	7,040	1,908	(2,145)	6,803
<b>Housing Revenue Account</b>	3,510	55	(281)	3,283

## 7. Capital Programme

### 7.1. General Investment Programme

- 7.2. The original General Investment Programme for 2023/24 in the MTFS 2023-28 amounted to £14.1m which was increased to £21.3m following quarter 4 approvals and year end re-profiles from 2022/23. At quarter 1 the programme has been increased by £3.4m to £24.7m, as shown below:

<b>General Investment Programme</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
Budget following outturn report	21,252	10,280	6,236	1,052	1,052
Budget changes for approval – Quarter 1	3,436	(40)	0	0	0
<b>Revised Budget</b>	<b>24,688</b>	<b>10,240</b>	<b>6,236</b>	<b>1,052</b>	<b>1,052</b>

- 7.3. All changes over the approved limit require approval by the Executive. There are no changes requiring Executive approval for the first quarter.
- 7.4. All new projects are subject to Executive approval. The following schemes have been added to the GIP, having been considered recently by the Executive or by delegated Portfolio Holder approval:

<b>Approved by the Executive / Delegated Portfolio Holder</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
Western Growth Corridor Phase 1b Bridges funded by Levelling Up Fund Grant (Executive 24/07/23)	3,552	0	0	0	0
<b>Total Schemes already considered by the Executive</b>	<b>3,552</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 7.5. 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 during Quarter 1:



<b>GIP Movements Approved by the Chief Finance Officer:</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
LAD 3 – Green Homes Grant – movement to HUG	4	0	0	0	0
HUG – Home Upgrade Grant – scheme complete, excess grant received to be repaid	(86)	0	0	0	0
New Telephony System – revised costs	(34)	0	0	0	0
St Mary's Guildhall (HAZ) - match funding from Housing Renewal Area	60	0	0	0	0
Housing Renewal Area Unallocated – agreed match funding for the HAZ scheme in the Sincil Bank area	(60)	0	0	0	0
Planned Capitalised Work contribution to Greyfriars project, after loss of other external funding.	0	(40)	0	0	0
<b>Total GIP Movements Approved by the CFO</b>	<b>(116)</b>	<b>(40)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total GIP Delegated Approvals and Approvals by/for Executive</b>	<b>3,436</b>	<b>(40)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>General Investment Programme - Projected Outturn</b>	<b>2023/24</b>			
	<b>Budget - Reported at Outturn May 2023</b>	<b>Revised Budget Q1</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Active Programme</b>				
Housing and Investment	358	298	298	0
Communities and Environment	2,937	2,997	2,997	0
Chief Executive	1,930	1,896	1,896	0
Major Developments	10,404	13,873	13,873	0
<b>Total Active Schemes</b>	<b>15,629</b>	<b>19,065</b>	<b>19,065</b>	<b>0</b>
Schemes on Hold/Contingencies	308	308	308	0
Externally Delivered Town Deal Schemes	5,316	5,316	5,316	0
<b>Total Capital Programme</b>	<b>21,252</b>	<b>24,688</b>	<b>24,688</b>	<b>0</b>

- 7.7. The overall spending on the General Investment Programme for the first quarter of 23/24 is £1.9m, which is 7.3% of the 2022/23 active programme (excluding externally delivered schemes). This is detailed further at Appendix I.

Although this is a low percentage of expenditure at this stage of the financial year, further expenditure is expected in quarter 2 on Better Care Fund (DFG's), Western Growth Corridor, Central Market, Town's Deal Schemes, and various capitalised maintenance schemes.

## 7.8. Housing Investment Programme

- 7.9. The revised Housing Investment Programme for 2023/24 amounted to £22.174m following the 2022/23 Outturn report. At quarter 1 the programme has been decreased by £4.205m to £17.969m, as shown below:

<b>Housing Investment Programme</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
Original budget	22,174	15,691	11,083	11,512	12,027
Budget changes for approval – Quarter 1	(4,205)	3,877	7,874	1,960	1,716
<b>Revised Budget</b>	<b>17,969</b>	<b>19,568</b>	<b>18,957</b>	<b>13,472</b>	<b>13,743</b>

- 7.10. All changes over the approved limit require approval by the Executive. Following an extensive review of the stock condition survey and existing new build and acquisition budgets a number of changes have been made to the Housing Investment Programme. These changes form part of the ongoing work on the 30-year business plan and will align the budgets to reflect planned acquisitions and scheduled works on the existing housing stock for the length of the MTFS. The following changes require Executive approval for the first quarter:

<b>Changes requiring Executive Approval:</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
<b>Stock Condition Survey:</b>					
Bathrooms & WC's	(209)	68	55	89	102
CCTV	0	20	0	0	0
Common Internal Finishes	0	0	50	0	0
Communal Electrics	0	(91)	(67)	(71)	(75)
Communal TV Aerials	(33)	(11)	(11)	(12)	(13)
DH Central Heating Upgrades	0	360	(271)	(374)	(632)
Door Replacement	221	(563)	(727)	(41)	(289)
Fire Alarms	0	0	0	50	50
Garages	(82)	(48)	(52)	(56)	(61)
Kitchen Improvements	(262)	768	597	(238)	959
Landscaping & Boundaries	0	1,453	952	313	682
Lifts	0	1,050	0	250	0
Lincoln Standard Windows Replacement	0	28	698	361	199
New services	0	(7)	(10)	(13)	(16)
Over bath showers (10 year programme)	(225)	0	0	0	0
Renew stair structure	0	(17)	(19)	(21)	(23)
Replacement Door Entry Systems	0	99	96	94	91
Re-roofing	(480)	829	1,180	(134)	(227)
Rewiring	(153)	526	905	1,761	1,026
Sprinkler System	0	0	0	10	10
Structural Defects	0	36	(47)	(61)	(64)
Thermal Comfort Works	0	39	34	28	22
<b>Other:</b>					
Acquisitions	1,650	0	0	0	0
Contingency Reserve	(1,301)	(1,074)	(250)	(250)	(263)
Environmental Works	0	144	310	275	239
Hermit Street Regeneration	(138)	0	0	0	0
New Build Programme	(3,056)	0	0	0	0
New Build Programme (141 eligible)	(793)	(342)	1,781	0	0
New Build Programme (Borrowing for 141 eligible)	(1,189)	(513)	2,672	0	0
New Build Site - Queen Elizabeth Road	(27)	0	0	0	0
New Build Site - Searby Road	(62)	0	0	0	0
<b>Total changes requiring Executive Approval</b>	<b>(6,139)</b>	<b>2,754</b>	<b>7,874</b>	<b>1,959</b>	<b>1,715</b>

- 7.11. All new projects are subject to Executive approval. There has been one new project approved at Executive, on 24<sup>th</sup> July:

<b>Changes Approved at Executive:</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
New Build - Hermit Street	1,968	1,123	0	0	0
<b>Total changes approved by Executive</b>	<b>1,968</b>	<b>1,123</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 7.12. 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 during Quarter 1:

<b>Changes approved by the Chief Finance Officer:</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
New Telephony System – revised costs	(37)	0	0	0	0
<b>Total Changes Approved by the Chief Finance Officer</b>	<b>(37)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Total HIP Delegated Approvals and Approvals by/for Executive</b>	<b>(4,205)</b>	<b>4,807</b>	<b>7,815</b>	<b>1,934</b>	<b>1,727</b>
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- 7.13. The table below provides a summary of the projected outturn position for the Housing Investment Programme:

<b>Housing Investment Programme - Projected Outturn</b>	<b>2023/24</b>			
	<b>Budget</b>	<b>Revised Budget Q1</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Decent Homes / Lincoln Standard	9,577	8,469	8,469	0
Health and Safety	523	523	523	0
Contingent Major Repairs / Works	1,301	0	0	0
New Build Programme	8,882	7,235	7,235	0
Other Schemes	1,352	1,237	1,237	0
Computer Fund / IT Schemes	540	506	506	0
<b>Total Capital Programme</b>	<b>22,174</b>	<b>17,970</b>	<b>17,970</b>	<b>0</b>

- 7.14. The overall expenditure on the Housing Investment Programme for the first quarter of 23/24 is £1.222m, which is 6.80% of the 2023/24 revised programme. This is detailed further at Appendix J. A further £1.203m has been spent as at the end of July 2023.

Although this is a low percentage of expenditure at this stage of the financial year, works have been constrained by the availability of contractors and materials however new contracts are in place and spend is expected to increase in future periods. In addition, schemes such as Hermit Street and Western Growth Corridor have not yet

commenced and a number of the LAHF acquisitions are currently in progress but not yet complete.

## **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 2023/24 in order that we can continue to deliver services in support of Vision 2025.

## **9. Resource Implications**

- 9.1. The financial implications are contained throughout the report.

Under the Local Government Act 2003 the Chief Finance Officer (S151 Officer) is required to give Council an opinion on the robustness of the budget estimates and the adequacy of reserves. Although there remains some uncertainty around the latest budget estimates based on the information to date on income and expenditure, both the General Fund and HRA are forecasted to maintain balanced budget positions in the current financial year.

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 the level of balances in 2023/24 are estimated to be maintained within these ranges. The close monitoring of the Council's overall financial position will remain critical over the course of this financial year, and as ever strong budgetary control will be required.

Although the primary focus of this report has been to set out the financial variances being faced in the current financial year, beyond 2023/24 the Council is set to face ongoing pressures as a result of increasing baseline costs due to the ongoing inflation impacts and escalating service demands arising from the cost-of-living crisis. The Council will continue to face further financial challenges as it responds to these issues as well as ensuring that it delivers the ongoing reductions in the net cost base that are assumed within the MTFS 2023-28.

- 9.2. Legal implications including Procurement Rules

There are no legal implications arising from this report.

- 9.3. Equality, Diversity and Human Rights

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

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

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

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

## **10. Risk Implications**

A full financial risk assessment is included in the MTFS, this is continually reviewed in light of changes in the underlying financial assumptions. There are currently a significant number of critical risk factors to the budget and MTFS, further details will be provided within the new MTFS 2024-29.

## **11. Recommendations**

Executive are recommended to:

- 11.1. Note the financial performance for the period 1<sup>st</sup> April to 30th June 2023, and projected outturns for 2023/24.
- 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. Review the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.5 and 7.12.
- 11.4. Approve the changes to the Housing Investment programme, as detailed in paragraph 7.10.



<b>Key Decision</b>	Yes
<b>Do the exempt information categories apply?</b>	No
<b>Call in and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
<b>Does the report contain appendices?</b>	Yes
<b>List of Background Papers:</b>	Medium Term Financial Strategy 2023-2028
<b>Lead Officer:</b>	Laura Shipley, Financial Services Manager <a href="mailto:Lara.shipley@lincoln.gov.uk">Lara.shipley@lincoln.gov.uk</a>

**GENERAL FUND SUMMARY – AS AT 30 JUNE 2023**

<b>Service Area</b>	<b>Ref</b>	<b>Revised Budget £'000</b>	<b>Projected Outturn £'000</b>	<b>Variance £'000</b>
Strategic Development	A	2,194	2,155	(39)
Chief Finance Officer (S151)	B	(252)	(613)	(360)
City Solicitor	C	1,891	1,900	9
Revenues & Benefits	D	520	766	246
Housing	E	(6)	144	150
Director of Major Developments	F	779	74	(25)
Communities and Street Scene	G	8,329	8,375	46
Health and Environmental Services	H	1,272	1,126	(146)
Planning	I	(2,960)	(2,769)	191
		<b>11,767</b>	<b>11,839</b>	<b>72</b>
Corporate Expenditure	J	1,287	1,145	(142)
<b>TOTAL SERVICE EXPENDITURE</b>		<b>13,054</b>	<b>12,984</b>	<b>(70)</b>
Capital Accounting Adjustment	K	2,210	2,409	199
Specific Grants	L	(700)	(700)	0
Contingencies	M	(102)	522	624
Savings Targets	N	(70)	(70)	0
Earmarked Reserves	O	654	(256)	(910)
Insurance Reserve	P	(453)	(453)	0
<b>TOTAL EXPENDITURE</b>		<b>14,594</b>	<b>14,437</b>	<b>(157)</b>
<b>CONTRIBUTION FROM BALANCES</b>		<b>(191)</b>	<b>(34)</b>	<b>157</b>
<b>NET REQUIREMENT</b>		<b>14,403</b>	<b>14,403</b>	<b>0</b>
Retained Business Rates Income	Q	6,125	6,125	0
Collection Fund Surplus/(Deficit)	R	546	546	0
Revenue Support Grant	S	175	175	0
Council Tax	T	7,556	7,556	0
<b>TOTAL RESOURCES</b>		<b>14,403</b>	<b>14,403</b>	<b>0</b>

### **General Fund Forecast Variances – Quarter 1**

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
	<b><u>Increased Expenditure</u></b>		
B	Property Services	76,240	Local Government as a whole is experiencing a recruitment and retention crisis, this is being felt within a number of service areas in the Council. In these instances, and where it is not possible to absorb/stop the work of the vacant posts, overtime or agency staff have been procured or work has been externalised. This has resulted in cost pressures due to a higher cost of 'buying in' services.
E	Control Centre	35,330	
E	Control Centre	42,860	Increase in annual maintenance contract, telephony and subscription costs.
E	Homeless Bed & Breakfast	84,080	Forecast increase in B&B expenditure as a result of rising demand on service due to cost of living crisis.
F	Waste	32,180	Additional contract pressures over and above the MTFS inflation assumptions.
H	Car Parks	118,760	Additional card payment fees due to a system upgrade (£38k), additional suicide prevention works (£15k) & additional utilities pressures over and above MTFS assumptions (£36k), partially offset by increased income below (net car parking deficit £45.4k).
M	Pay Award	575,650	Impact of proposed National Employers pay award offer over and above budget assumptions.
M	Annual Vacancy Savings Target	44,420	YTD Vacancy savings target, offset by savings in service areas.
	<b><u>Reduced Income</u></b>		
D	Housing Benefits	150,000	Un-recoverable housing benefit costs, including increased B&B costs as a result of disparity between Local Housing Allowance rates and rising demand and costs of accommodation.
D	Housing Benefits	62,000	Forecast reduction in housing benefits income as a result of change in subsidy allocation.

<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
D	Housing Benefits	77,200	Reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears (£50k), plus a funding allocation shortfall (£27.2k).
F	Garden Waste	36,830	Forecasted shortfall in Green Waste income.
G	Crematorium	48,040	Reduced income as a result of lower than budgeted cremation levels, offset by savings on utilities and business rate costs below.
H	Building Regulations	45,260	Anticipated reduction in income as a result of current economic conditions.
H	Development Control	133,020	Anticipated reduction in income as a result of current economic conditions.
<b><u>Reduced Expenditure</u></b>			
A	Corporate Policy	(37,780)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
G	Housing Regeneration	(60,170)	Vacancy savings offset against Corporate vacancy savings target.
G	Crematorium	(115,280)	Forecast underspend on utilities and business rates as a result of transitional discounts.
H	Development Control	(40,870)	Vacancy savings offset against corporate vacancy savings target.
N	Earmarked Reserves	(466,190)	Release of Inflation Volatility reserve to offset increased expenditure as a result of proposed pay award.
<b><u>Increased Income</u></b>			
E	Housing Solutions Management	(25,000)	New Burdens grant income relating to staff time attributable to work on the Ukrainian Resettlement.
B	Lincoln Properties	(60,910)	Tenant profit share as agreed in arrangements related to CVA agreed during covid19 pandemic.
B	Other Interest	(362,180)	Increased investment income as a result of higher interest rates and additional dividend income.
H	Car Parks	(73,360)	Increase in season ticket income & forecast increase in pay and display income (net car parking deficit £45.4k).

Ref		£	Reason for variance
J	Land Drainage Levies	(141,930)	Additional government grant received to offset the increased cost of Internal Drainage Board Levies.

## HOUSING REVENUE ACCOUNT FUND SUMMARY – AS AT 30 JUNE 2023

	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Gross Rental Income	A	(32,643)	(32,830)	(187)
Charges for Services & Facilities	B	(554)	(630)	(76)
Contribution towards Expenditure	C	(50)	(20)	30
Repairs Account – Income	D1	0	(68)	(68)
Supervision & Management – General	D2	(664)	(641)	23
Supervision & Management – Special	D3	(66)	(81)	(15)
Repairs & Maintenance	E	10,834	10,528	(306)
Supervision & Management – General	F1	6,976	7,211	235
Supervision & Management – Special	F2	1,991	2,024	33
Rents, Rates and Other Premises	G	846	784	38
Increase in Bad Debt Provisions	H	250	250	0
Insurance Claims Contingency	I	174	330	156
Contingencies	J	114	407	294
Depreciation	K	7,750	7,750	0
Impairments	L	0	0	0
Debt Management Expenses	M	16	16	0
HRS Trading (Surplus) / Deficit	N	0	829	829
<b>Net Cost of Service</b>	<b>O</b>	<b>(5,027)</b>	<b>(4,041)</b>	<b>985</b>
Loan Charges Interest	P	2,356	2,356	0
Investment/Mortgage Interest	Q	(308)	(969)	(661)
<b>Net Operating Inc/Exp</b>	<b>R</b>	<b>(2,980)</b>	<b>(2,655)</b>	<b>325</b>
Major Repairs Reserve Adjustment	T	3,000	3,000	0
Transfers to/from reserves	U	39	(306)	(345)
<b>(Surplus)/Deficit in Year</b>	<b>V</b>	<b>59</b>	<b>39</b>	<b>(20)</b>

### **Housing Revenue Account Variances – Quarter 1**

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.

<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
<b><u>Reduced Income</u></b>			
C	Court Costs	30,000	Reduction in recovered income from court costs as less cases in year than anticipated.
<b><u>Increased Income</u></b>			
Q	Investment Interest	(660,680)	Increased investment income as a result of higher interest rates.
A	Gross Rental Income	(134,140)	Additional rental income as a result of reduced voids and higher rent levels at Rookery Lane development, plus higher than budgeted opening housing stock levels.
D1	Repairs Account	(67,860)	Additional income from rechargeable void works.
<b><u>Reduced Expenditure</u></b>			
E	Repairs & Maintenance - HRS	(638,720)	Reduced HRS expenditure on Responsive Repairs, Voids and Cleansing offset by increases on Aids & Adaptations below (net underspend £293.2k).
F	Supervision & Management	(323,560)	Reduced expenditure on Employee Costs due to staff vacancies, offset by agency costs below.
<b><u>Increased Expenditure</u></b>			
N	HRS Surplus/Deficit	828,670	Estimated HRS deficit position (refer to HRS variances – Appendix F).
F1	Supervision & Management – General	349,560	Cost of agency staff to cover staff vacancies within Supervision & Management, offset by Vacancy savings above.
E	Repairs & Maintenance - HRS	345,560	Increased HRS expenditure on Aids & Adaptations wholly offset by reduced cost on Responsive Repairs above.



Ref		£	Reason for variance
J	Contingencies	253,780	Impact of proposed National Employers pay award offer over and above budgeted assumptions.
U	Transfers to/from Reserves	226,180	Additional contributions to reserves (further detail in appendix G).
F1	Supervision & Management – General	190,000	Increased expenditure due to consultancy costs on HRA Business Plan schemes (£106k), additional training requirements (£40k), Housing Needs Survey (£25k), caretakers tipping (£19k), offset by increased call on reserves.
I	Insurance Claims Contingency	156,000	Anticipated increase in disrepair claims, offset by increased call on Insurance reserve.
J	Contingencies	39,790	Release of vacancy factor (offset by savings in service areas).

**HOUSING REPAIRS SERVICE SUMMARY – AS AT 30 JUNE 2023**

	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Employees	3,852	3,316	(536)
Premises	171	191	20
Transport	432	403	(30)
Materials	1,519	1,791	271
Sub-Contractors	2,154	3,153	999
Supplies & Services	333	360	28
Central Support Charges	586	586	0
Capital Charges	0	0	0
<b>Total Expenditure</b>	<b>9,047</b>	<b>9,799</b>	<b>752</b>
Income	(9,047)	(8,971)	77
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>829</b>	<b>829</b>

### **Housing Repairs Service Variances – Quarter 1**

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.

	<b>£</b>	<b>Reason for Variance</b>
<b><u>Reduced Expenditure</u></b>		
Employee Costs	(661,490)	Vacancies within the Operative staff.
Fleet Charges	(29,740)	Reduction in lease costs due to delay in receiving new vehicles from supplier.
<b><u>Increased Expenditure</u></b>		
Employee Costs	125,230	Impact of nationally proposed pay award above budgeted assumptions.
Sub-Contractors	998,950	Increased use of sub-contractors to meet demand and cover vacancies within the operative team.
Direct Materials	271,340	Increased usage and rising material prices following end of fixed-term contract prices.
<b><u>Reduced Income</u></b>		
Income	76,770	Reduced levels of income due to impact of sub-contractor costs on overhead recovery, compounded by older SOR rates, due to be updated to latest rates in second quarter.

**EARMARKED RESERVES – Q1 MONITORING 2023/24**

	Revised Opening Balance	In Year Increase	In Year Decrease	Forecast Closing Balance
	01/04/2023 £'000	£'000	£'000	31/03/2024 £'000
<b>General Fund</b>				
Budget Carry Forwards	483	-	(144)	340
Grants & Contributions	1,445	104	(206)	1,343
Active Nation Bond	180	-	-	180
AGP Sinking Fund	52	50	-	102
Air Quality Initiatives	22	-	-	22
Birchwood Leisure Centre	86	20	-	106
Business Rates Volatility	434	1,163	(681)	916
Christmas Decorations	14	-	-	14
City Hall Improvement Works	50	-	-	50
City Hall Sinking Fund	60	-	-	60
Commons Parking	13	12	-	25
Corporate Maintenance	100	-	-	100
Corporate Training	60	-	-	60
Council Tax Hardship Fund	-	-	-	-
Covid19 Recovery	1,047	-	-	1,047
Covid19 Response	354	-	-	354
CX Capacity	100	-	-	100
Electric Van replacement	27	4	-	31
HiMO CPN Appeals	169	-	(72)	96
Income Volatility Reserve	320	-	-	320
Inflation Volatility Reserve	466	-	(466)	-
Invest to Save (GF)	37	400	(88)	349
IT Reserve	284	65	-	349
Lincoln Lottery	9	-	-	9
Mayoral Car	7	-	-	7
MSCP & Bus Station Sinking Fund	149	46	-	195
Private Sector Stock Condition Survey	51	-	(48)	3
Professional Trainee Scheme	90	-	-	90
Revenue & Benefits Community Fund	25	-	-	25
Section 106 Interest	32	-	-	32
Staff Wellbeing	28	-	-	28
Tank Memorial	10	-	-	10
Tree Risk Assessment	102	-	(33)	69
Unused DRF	199	-	(199)	-
Vision 2025	533	25	(209)	350
	<b>7,040</b>	<b>1,890</b>	<b>(2,145)</b>	<b>6,785</b>

**HRA**

Capital Fees Equalisation	110	-	-	110
De Wint Court	73	-	-	83
De Wint Court Sinking Fund	10	11	-	21
Disrepairs Management	300	-	-	300
Housing Business Plan	177	-	(167)	10
Housing Repairs Service	137	-	-	137
HRA IT	135	35	-	170
HRA Repairs Account	1,351	-	-	1,351
Housing Strategic Priority	764	-	-	764
Invest to Save (HRA)	416	-	(92)	324
RSAP/NSAP Sinking Fund	9	9	-	18
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	22	-	(22)	-
	<b>3,510</b>	<b>55</b>	<b>(281)</b>	<b>3,283</b>
<b>Total Earmarked Reserves</b>	<b>10,550</b>	<b>1,945</b>	<b>(2,426)</b>	<b>10,069</b>

**CAPITAL RESOURCES – Q1 MONITORING 2023/24**

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/24
	£'000	£'000	£'000	£'000
Capital Grants/Contributions General Fund	1,432	19,319	(18,213)	2,538
Capital Grants/Contributions HRA	0	727	(727)	0
Capital receipts General Fund	13	0	0	13
Capital receipts HRA	2,660	750	(1,000)	2,410
Capital receipts 1-41	4,274	0	(971)	3,303
Major Repairs Reserve	12,432	7,750	(8,498)	11,684
GENF DRF	164	75	(165)	74
HRA DRF	10,200	3,000	(4,353)	8,847
<b>Total Capital Resources</b>	<b>31,175</b>	<b>31,621</b>	<b>(33,927)</b>	<b>28,869</b>

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 23/24.

**General Investment Programme – Summary of Expenditure as at 30<sup>th</sup> June 2023**

GENERAL INVESTMENT PROGRAMME	2023/24 Budget - Reported at Outturn May 2023	Q1 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Q1 Total Spend	2023/24 % Spend to Revised Budget
<b><u>Housing and Investment</u></b>					
Housing Renewal Area Unallocated	358,152	(60,000)	298,152	0	0.00%
<b>Housing and Investment Total</b>	<b>358,152</b>	<b>(60,000)</b>	<b>298,152</b>	<b>0</b>	<b>0.00%</b>
<b><u>DCE - Community and Environment</u></b>					
Better Care Fund (was Disabled Facilities Grant)	2,284,012		2,284,012	68,482	3.00%
<b>DCE - Community and Environment Total</b>	<b>2,284,012</b>		<b>2,284,012</b>	<b>68,482</b>	<b>3.00%</b>
<b><u>DCE - Community Services</u></b>					
Boultham Park Lake Restoration	8,658		8,658	(2,401)	(27.73%)
Flood Alleviation Scheme - Hartsholme Park	4,530		4,530	(3,140)	(69.32%)
Hope Wood	35,553		35,553	1,015	2.85%
Traveller deterrent	6,200		6,200	0	0.00%
<b>DCE - Community Services Total</b>	<b>54,941</b>		<b>54,941</b>	<b>(4,526)</b>	<b>(8.24%)</b>
<b><u>DCE - Planning</u></b>					
Car Parking Software	34,850		34,850	9,975	28.62%
HAZ - Shopfronts on a Framework	107,330		107,330	0	0.00%
St Mary le Wigford (HAZ)	10,000		10,000	(45)	(0.45%)
St Mary's Guildhall (HAZ)	7,000	60,000	67,000	2,406	3.59%
Windmill View	439,339		439,339	33,825	7.70%
<b>DCE - Planning Total</b>	<b>598,519</b>	<b>60,000</b>	<b>658,519</b>	<b>46,161</b>	<b>7.01%</b>
<b><u>Chief Executive Corporate Policy</u></b>					
New Telephony System	42,716	(33,958)	8,758	0	0.00%
<b>Chief Executive Corporate Policy Total</b>	<b>42,716</b>	<b>(33,958)</b>	<b>8,758</b>	<b>0</b>	<b>0.00%</b>



GENERAL INVESTMENT PROGRAMME	2023/24 Budget - Reported at Outturn May 2023	Q1 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Q1 Total Spend	2023/24 % Spend to Revised Budget
<b>Chief Executive Chief Finance Officer</b>					
Allotments Asbestos Sheds	33,795		33,795	0	0.00%
City Hall Lightning Protection	6,104		6,104	0	0.00%
Greyfriars - Phase 2 Delivery	1,232,410		1,232,410	25,254	2.05%
Greyfriars Roof Improvements	4,050		4,050	0	0.00%
Guildhall Works	17,630		17,630	0	0.00%
High Bridge Café	50,000		50,000	0	0.00%
Planned Capitalised Works	542,806		542,806	(2,720)	(0.50%)
<b>Chief Executive Chief Finance Officer Total</b>	<b>1,886,795</b>		<b>1,886,795</b>	<b>22,534</b>	<b>1.19%</b>
<b>Major Developments</b>					
Central Markets	2,000		2,000	0	0.00%
Central Markets (All Funding Streams)	3,604,271		3,604,271	978,190	27.14%
Electric Vehicle Charge Points - Phase 2	237,000		237,000	0	0.00%
HUG - Home Upgrade Grant	92,911	(86,270)	6,641	6,641	100.00%
LAD 3 - Green Homes Grant Local Authority Delivery Scheme BEIS	1,719,791	3,664	1,723,455	116,292	6.75%
TD Tentercroft Street	290,000		290,000	0	0.00%
The Terrace Heat Mitigation Works	246,547		246,547	0	0.00%
Towns Deal Programme Management	75,260		75,260	1,540	2.05%
UKSPF (Shared Prosperity Fund)	122,801		122,801	0	0.00%
WGC Housing Delivery	2,034,010		2,034,010	50,931	2.50%
WGC Phase 1b Bridges	110,500	3,552,340	3,662,840	16,920	0.46%
WGC Shared Infrastructure	1,868,599		1,868,599	144,989	7.76%
<b>Major Developments Total</b>	<b>10,403,690</b>	<b>3,469,734</b>	<b>13,873,424</b>	<b>1,259,307</b>	<b>9.08%</b>
<b>TOTAL ACTIVE SCHEMES</b>	<b>15,628,825</b>	<b>3,435,776</b>	<b>19,064,601</b>	<b>1,391,957</b>	<b>7.30%</b>

GENERAL INVESTMENT PROGRAMME	2023/24 Budget - Reported at Outturn May 2023	Q1 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Q1 Total Spend	2023/24 % Spend to Revised Budget
<b><u>Schemes Currently Under Review</u></b>					
Compulsory Purchase Orders	151,254		151,254	0	0.00%
Compulsory Purchase Orders	82,227		82,227	0	0.00%
IT Reserve	74,334		74,334	0	0.00%
<b>Schemes Currently Under Review Total</b>	<b>307,815</b>		<b>307,815</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES</b>	<b>15,936,640</b>	<b>3,435,776</b>	<b>19,372,416</b>	<b>1,391,957</b>	<b>7.19%</b>
<b><u>Externally Delivered Town's Deal Schemes</u></b>					
TD Barbican Production & Maker Hub	1,700,000		1,700,000	0	0.00%
TD Hospitality & Events & Tourism Institute	209,954		209,954	0	0.00%
TD Lincoln City FC and Foundation	814,122		814,122	487,000	59.82%
TD Lincoln Connected	462,108		462,108	35,865	7.76%
TD LSIP	420,000		420,000	0	0.00%
TD Sincil Bank	1,457,952		1,457,952	0	0.00%
TD Wigford Way	251,500		251,500	0	0.00%
<b>Externally Delivered Town's Deal Schemes Total</b>	<b>5,315,636</b>		<b>5,315,636</b>	<b>522,865</b>	<b>9.84%</b>
<b>Grand Total</b>	<b>21,252,276</b>	<b>3,435,776</b>	<b>24,688,052</b>	<b>1,914,822</b>	<b>7.76%</b>

### **Housing Investment Programme – Summary of Expenditure as at 30<sup>th</sup> June 2023**

<b><u>HOUSING INVESTMENT PROGRAMME</u></b>	<b>2023/24 Budget Reported at Outturn May 2023</b>	<b>2023/24 Budget Changes Q1</b>	<b>2023/24 Budget Reprofiling Q1</b>	<b>2023/24 Revised Budget</b>	<b>2023/24 Total Spend to Date</b>	<b>2023/24 % Spend</b>
<b><u>Contingency Schemes</u></b>						
Contingency Reserve	1,300,690	(1,300,690)	0	0	0	0.00%
<b>Contingency Schemes Total</b>	<b>1,300,690</b>	<b>(1,300,690)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b><u>Decent Homes</u></b>						
Bathrooms & WC's	609,346	(209,346)	0	400,000	0	0.00%
DH Central Heating Upgrades	2,253,948	0	0	2,253,948	521,592	23.14%
Door Replacement	1,561,572	220,919	0	1,782,491	40,567	22.76%
Fire Compartment works	10,000	0	0	10,000	0	0.00%
Fire Doors	120,919	0	0	120,919	0	0.00%
Kitchen Improvements	1,361,893	(261,893)	0	1,100,000	0	0.00%
Lincoln Standard Windows Replacement	789,732	0	0	789,732	26,620	33.71%
New services	55,000	0	0	55,000	10,402	18.91%
Re-roofing	500,000	(480,000)	0	20,000	0	0.00%
Rewiring	202,500	(152,500)	0	50,000	0	0.00%
Structural Defects	85,448	0	0	85,448	0	0.00%
Thermal Comfort Works	181,250	0	0	181,250	0	0.00%
Void Capitalised Works	1,570,320	0	0	1,570,320	0	0.00%
<b>Decent Homes Total</b>	<b>9,301,928</b>	<b>(882,820)</b>	<b>0</b>	<b>8,419,108</b>	<b>599,181</b>	<b>7.12%</b>
<b><u>Health and Safety</u></b>						
Asbestos Removal	190,000	0	0	190,000	0	0.00%
Asbestos Surveys	129,000	0	0	129,000	12,834	9.95%
Fire Alarms	0	0	0	0	0	0.00%

<b><u>HOUSING INVESTMENT PROGRAMME</u></b>	<b>2023/24 Budget Reported at Outturn May 2023</b>	<b>2023/24 Budget Changes Q1</b>	<b>2023/24 Budget Reprofiling Q1</b>	<b>2023/24 Revised Budget</b>	<b>2023/24 Total Spend to Date</b>	<b>2023/24 % Spend</b>
Renew stair structure	40,000	0	0	40,000	0	0.00%
Replacement Door Entry Systems	163,757	0	0	163,757	30,280	18.49%
<b>Health and Safety Total</b>	<b>522,757</b>	<b>0</b>	<b>0</b>	<b>522,757</b>	<b>43,114</b>	<b>8.25%</b>
<b><u>IT/Infrastructure</u></b>						
Housing Support Services Computer Fund	319,743	0	0	319,743	94,707	29.62%
Infrastructure Upgrade	166,383	0	0	166,383	0	0.00%
Operation Rose	10,903	0	0	10,903	0	0.00%
Telephony	42,716	(33,958)	0	8,758	0	0.00%
<b>IT/Infrastructure Total</b>	<b>539,744</b>	<b>(33,958)</b>	<b>0</b>	<b>505,786</b>	<b>94,707</b>	<b>18.72%</b>
<b><u>Lincoln Standard</u></b>						
Over bath showers (10 year programme)	275,000	(225,000)	0	50,000	0	0.00%
<b>Lincoln Standard Total</b>	<b>275,000</b>	<b>(225,000)</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>0.00%</b>
<b><u>Other Current Developments</u></b>						
CCTV	0	0	0	0	0	0.00%
Communal Electrics	119,063	0	0	119,063	1,849	1.55%
Communal TV Aerials	72,795	(32,795)	0	40,000	1,284	3.21%
Environmental works	710,827	0	0	710,827	529	0.00%
Garages	132,363	(82,363)	0	50,000	0	0.00%
Hiab and Mule	122,330	0	0	122,330	0	0.00%
HRA Buildings	115,805	0	0	115,805	0	0.00%
Landscaping & Boundaries	0	0	0	0	0	0.00%
Thurlby Crescent	78,583	0	0	78,583	2,250	2.86%
<b>Other Current Developments Total</b>	<b>1,351,766</b>	<b>(115,158)</b>	<b>0</b>	<b>1,236,608</b>	<b>5,912</b>	<b>0.48%</b>
<b>HOUSING INVESTMENT TOTAL</b>	<b>13,291,885</b>	<b>(2,557,626)</b>	<b>0</b>	<b>10,734,259</b>	<b>742,913</b>	<b>6.92%</b>

<b><u>HOUSING INVESTMENT PROGRAMME</u></b>	<b>2023/24 Budget Reported at Outturn May 2023</b>	<b>2023/24 Budget Changes Q1</b>	<b>2023/24 Budget Reprofiling Q1</b>	<b>2023/24 Revised Budget</b>	<b>2023/24 Total Spend to Date</b>	<b>2023/24 % Spend</b>
<b><u>HOUSING STRATEGY AND INVESTMENT</u></b>						
<b><u>New Build Programme</u></b>						
Property Acquisitions	290,788	1,649,840	0	1,940,628	470,902	24.27%
Hermit Street Regeneration	146,319	(138,316)	0	8,003	8,003	100.00%
New Build Capital Salaries	46,032	0	0	46,032	0	0.00%
New Build- De Wint Court	0	0	0	0	0	0.00%
New Build Programme	3,642,529	(3,055,515)	0	587,014	0	0.00%
New Build Programme (141 eligible)	792,934	(792,934)	0	0	0	0.00%
New Build Programme (Borrowing for 141 eligible)	1,189,402	(1,189,402)	0	0	0	0.00%
New Build Site – Hermit Street	0	1,968,464	0	1,968,464	0	0.00%
New Build Site - Queen Elizabeth Road	26,761	(26,761)	0	0	0	0.00%
New Build Site - Rookery Lane	40,804	0	0	40,804	0	0.00%
New Build Site - Searby Road	62,497	(62,497)	0	0	0	0.00%
Western Growth Corridor	2,644,051	0	0	2,644,051	0	0.00%
<b>New Build Programme Total</b>	<b>8,882,117</b>	<b>(1,647,121)</b>	<b>0</b>	<b>7,234,996</b>	<b>478,905</b>	<b>6.62%</b>
<b>HOUSING STRATEGY AND INVESTMENT TOTAL</b>	<b>8,882,117</b>	<b>(1,647,121)</b>	<b>0</b>	<b>7,234,996</b>	<b>478,905</b>	<b>6.62%</b>
<b>TOTAL HOUSING INVESTMENT PROGRAMME</b>	<b>22,174,002</b>	<b>(4,204,747)</b>	<b>0</b>	<b>17,969,255</b>	<b>1,221,819</b>	<b>6.80%</b>

**TFS Phase7 programme: progress at Q1 - 2023/2024**

<b>Service</b>	<b>Summary of project</b>	<b>Dir.</b>	<b>Total savings in 2023/24</b>	<b>GF savings in 2023/24</b>	<b>HRA savings in 2023/24</b>	<b>Comments</b>
			<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	
<b>ACTIONS COMPLETED AS OF END Q1 2023/24</b>						
Major Developments	Capitalisation of salaries for WGC	DMD	56	56	-	Exec 20/02/23
Waste/Street Cleansing	Waste/Street Cleansing Standards	DCE	60	60	-	Complete
<b>TOTAL</b>			<b>116</b>	<b>116</b>	<b>-</b>	

**SUBJECT: TREASURY MANAGEMENT AND PRUDENTIAL CODE – QUARTERLY UPDATE**

**DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK**

**REPORT AUTHOR: LAURA SHIPLEY, FINANCIAL SERVICES MANAGER**

## **1. Purpose of Report**

- 1.1 The purpose of this report is to summarise and review the Council's treasury management activity and the prudential indicators at 30<sup>th</sup> June 2023.
- 1.2 CIPFA's new edition of the Code of Practice for Treasury Management (2021) recommends that Councillors should be informed of Treasury Management activities quarterly (previously twice a year). This report, therefore, ensures this Council is embracing best practice for the scrutiny of capital and investment activity in accordance with the Code of Practice (CIPFA).

## **2. Executive Summary**

- 2.1 The Treasury Management position and performance results for the 3 months ended 30<sup>th</sup> June 2023 are set out in the body of the report & Appendix A (Prudential Indicators).
- 2.2 Approved limits - Officers can confirm that the approved limits within the Annual Treasury Management Strategy were not breached during the quarter ended 30<sup>th</sup> June 2023.

## **3. Background**

- 3.1 The prudential system for capital expenditure is well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 30<sup>th</sup> June 2023. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 28<sup>th</sup> February 2023.
- 3.2 This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.
- 3.3 This report highlights the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporates any new or revised schemes previously reported to Members. Changes required to the



residual prudential indicators and other related treasury management issues are also included.

## 4. Treasury Management Update

### 4.1 Investment Portfolio

- 4.1.1 The Council held £34.8m of investments as at 30th June 2023 achieving an average interest rate of 4.66% (2.10% 22/23). Actual interest earned in the 3 months period to 30th June 2023 totalled £0.43m.
- 4.1.2 Due to increases in the Bank of England base rate since budget setting, forecast interest income for the year is £1.494m (£0.525m General Fund & £0.969m HRA), exceeding the £0.475m budget set.
- 4.1.3 Of this investment portfolio 100% was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments. During the 3 month period to 30 June 2023, on average 100% of the portfolio was held in low risk specified investments and an average of 0% of the portfolio was held in non-specified investments (with other local authorities).
- 4.1.4 Where possible the council seeks sustainable investments and are working with our advisors on the best way to score banks and funds ESG ratings, whilst balancing this against generating returns that are in the best interest of the tax payer.
- 4.1.5 Liquidity – The Council seeks to maintain liquid short-term deposits of at least £5m available with a week's notice. At 30<sup>th</sup> June 2023 the Council held liquid short term deposits of £8.8m.
- 4.1.6 Security - The Council's maximum security risk benchmark for the portfolio as at 30<sup>th</sup> June 2023 was 0.009%, based on the historic risk of default of the counterparties and types of accounts in which the council's funds are place – this equates to a potential loss of £0.003m on an investment portfolio of £34.8m. This represents a very low risk investment portfolio.
- 4.1.7 Yield – The Council achieved an average return of 4.32% on its investment portfolio for the 3 months ended 30<sup>th</sup> June 2023. This is comparable to the average SONIA rate for the quarter, of 4.37%.
- 4.1.8 The table below highlights the level of investment activity and the rates obtained as at 30<sup>th</sup> June 2023. Investments were made in line with Link's approved counterparty list.

INVESTMENTS	PRINCIPAL £	RATE	%	PERIOD DAYS
Goldman Sachs	3,000,000	4.22		181
Lloyds Bank Corporate Market - NRFB	2,000,000	4.25		181
SMBC Bank International Plc	2,000,000	4.20		181
Lloyds Bank Corporate Market - NRFB	3,000,000	4.31		181
Standard Chartered Bank Sustainable	3,000,000	4.35		181
London Borough of Barking and Dagenham	3,000,000	4.65		184

Lloyds Bank Corporate Market - NRFB	2,000,000	4.95	182
Close Brothers	2,000,000	4.90	186
Standard Chartered Bank Sustainable	2,000,000	5.23	183
SMBC Bank International Plc	2,000,000	5.22	183
Standard Chartered Bank Sustainable	2,000,000	5.40	182
<b>Total Fixed Short Term Investments</b>	<b>26,000,000</b>		
Aberdeen Liquidity Fund	1,800,000	4.43	Call
BNP Paribas	7,000,000	4.53	Call
<b>Total Money Market Fund Investments</b>	<b>8,800,000</b>		
<b>Total Investments / Current Average Rate</b>	<b>34,800,000</b>	<b>4.66</b>	

## 4.2 Borrowing

4.2.1 In accordance with the Local Government Act 2003, the Council has a statutory duty to determine and keep under review how much it can afford to borrow. Therefore, the Council establishes 'Affordable Borrowing Limits' (or Authorised Limit) as part of the Prudential Indicators within the approved treasury management strategy.

4.2.2 The 'authorised limit' and 'operational boundary' indicators govern the maximum level of external borrowing to fund the capital programme and short-term cash flow. See Appendix A.

4.2.3 At 30<sup>th</sup> June 2023 the Council held £114.35 million of external borrowing, of which 100% were fixed rate loans (See table below).

Borrowing Type	Lender	No of Loans	Outstanding Borrowing at 30.06.23 £	Ave Rate %
PWLB	PWLB	24	91,353,123	3.36
LA Borrowing	North Kesteven District Council	1	2,000,000	2.05
	South Yorks Mayoral	1	5,000,000	0.50
Market Loans	Barclays	4	10,000,000	4.24
	Commerzbank	1	4,500,000	5.05
	DEPFA	1	1,500,000	4.45
<b>Total/ Ave Rate</b>		32	114,353,123	3.42

## 4.3 Treasury Indicators

Maturity structure of fixed rate borrowing - upper and lower limits	Upper Limit %	Lower Limit %	Actual Limit %	Estimated position 31/03/24 £'000
Under 12 months	40%	0%	2%	2,225
12 months to 2 years	40%	0%	1%	1,128
2 years to 5 years	60%	0%	5%	5,723
5 years to 10 years	80%	0%	12%	13,184
10 years +	100%	10%	80%	86,983

Total				109,243
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#### Limits for long-term treasury management investments

£7m

- 4.3.2 As at 30<sup>th</sup> June 2023, the average rate of interest paid during quarter 1 on external borrowing was 3.10%.
- 4.3.3 As part of the Treasury Management Strategy, the Council established a range of Prudential Indicators (in accordance with professional practice) to monitor both Treasury and Capital as the two are intrinsically linked. Details of the performance against the Prudential Indicators can be found at Appendix A. See comments below.
- Capital Expenditure – Appendix A shows the revised estimates for capital expenditure that have been approved by or are subject to approval since the Council approved the original budget in February 2023.
  - The Capital Financing Requirement (CFR) – Appendix A shows the Capital Financing Requirement, which is the Council's underlying need to borrow for a capital purpose. It also shows the expected debt position over the period (Operational Boundary).
  - Financing Costs to Net Revenue Stream – improved position anticipated due to increased interest rates generating higher returns.
- 4.3.4 The Council is currently under-borrowed against the CFR, as, whilst the Council has adequate cash balances and employs internal resources until cash flow forecasts indicates the need for additional borrowing or rates are available that reduce the cost of carrying debt. PWLB borrowing rates have increased and forecasts show that they will remain elevated for some while. Over £12.7m of borrowing is maturing in 2023/24 with a view to not being replaced in the current climate whilst interest rates remain high.
- 4.3.5 The HRA borrowing requirement is considered independently from that of the General Fund. Further borrowing is anticipated and will be reported as part of the MTFS and Treasury Management Strategy.

## 4.4 Economic Update

The current economic update from the Council's treasury advisors (LINK) can be found in Appendix B.

## 5. Strategic Priorities

### 5.1 One Council

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

## 6. Organisational Impacts

### 6.1 Finance

The financial implications are covered 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 DLUCH 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, there are no direct equality, diversity, or human rights implications.

## 7. Risk Implications

- 7.1 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. Recommendation

- 8.1 Executive are asked to note the Prudential and Treasury Indicators and the actual performance against the Treasury Management Strategy 2023/24 for the quarter ended 30<sup>th</sup> June 2023.

<b>Is this a key decision?</b>	No
<b>Do the exempt information categories apply?</b>	No
<b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b>	No
<b>How many appendices does the report contain?</b>	Two
<b>List of Background Papers:</b>	Treasury Management Strategy 2023/24 (Approved by Council February 2023)
<b>Lead Officer:</b>	Laura Shipley, Financial Services Manager, <a href="mailto:laura.shipley@lincoln.gov.uk">laura.shipley@lincoln.gov.uk</a>

**PRUDENTIAL INDICATORS**

Indicator No.	Indicator	2023/24 Original Estimate (OE) £'000	2023/24 OE inc. Year End Adj 's £'000	2023/24 Q1 Revised Estimate £'000
1 & 2	Capital Expenditure - General Fund	14,114	21,252	24,688
1 & 2	Capital Expenditure - HRA	16,462	22,174	17,969
3 & 4	Capital Financing Requirement (CFR) - General Fund	74,148	74,308	74,324
3 & 4	Capital Financing Requirement (CFR) - HRA	78,803	78,803	79,642
5	Actual External Debt	109,897	109,897	109,897
6	Gross Debt and the CFR – Under Borrowing	43,055	43,214	44,069
7	Operational Boundary for External Debt	121,097	121,097	121,097
8	Authorised Limit for External Debt	125,642	125,530	125,530
9&10	Financing Costs to Net Revenue Stream - General Fund	14.35%		15.39%
9&10	Financing Costs to Net Revenue Stream - HRA	28.33%		30.78%
11&12	Net Income from Commercial and Service Investments to Net Revenue Stream	10.82%		10.82%

**Glossary Of Terms**

**The Authorised Limit** – This represents the limit beyond which borrowing is prohibited and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

**The Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. CIPFA anticipate that this should act as an indicator to ensure the authorised limit is not breached.

### **Economic Update from LINK (the Council's treasury advisors)**

The first quarter of 2023/24 saw:

- A 0.2% m/m rise in real GDP in April, partly due to fewer strikes;
- CPI inflation falling from 10.1% to 8.7% in April, before remaining at 8.7% in May. This was the highest reading in the G7;
- Core CPI inflation rise in both April and May, reaching a new 31-year high of 7.1%;
- A tighter labour market in April, as the 3myy growth of average earnings rose from 6.1% to 6.5%;
- Interest rates rise by a further 75bps over the quarter, taking Bank Rate from 4.25% to 5.00%;
- 10-year gilt yields nearing the “mini-Budget” peaks, as inflation surprised to the upside.

The economy has weathered the drag from higher inflation better than was widely expected. The 0.2% m/m rise in real GDP in April, following March's 0.3% m/m contraction will further raise hopes that the economy will escape a recession this year. Some of the strength in April was due to fewer strikes by train workers and teachers in that month. Moreover, some of the falls in activity in other areas in April were probably temporary too. Strikes by junior doctors and civil servants contributed to the fall in health output (0.9% m/m) and the meagre 0.1% m/m increase in public administration.

The fall in the composite Purchasing Managers Index (PMI) from 54.0 in May to a three-month low of 52.8 in June (>50 points to expansion in the economy, <50 points to contraction) was worse than the consensus forecast of 53.6. Both the services and manufacturing PMIs fell. The decline in the services PMI was bigger (from 55.2 to 53.7), but it remains consistent with services activity expanding by an annualised 2%. The fall in the manufacturing PMI was smaller (from 47.1 to 46.2), but it is consistent with the annual rate of manufacturing output falling from -0.8% in April to around -5.0%. At face value, the composite PMI points to the 0.1% q/q rise in GDP in Q1 2023 being followed by a 0.2% q/q gain in Q2 2023.

Meanwhile, the 0.3% m/m rise in retail sales volumes in May was far better than the consensus forecast of a 0.2% m/m decline and followed the robust 0.5% m/m rise in April. Some of the rise was due to the warmer weather. Indeed, the largest move was a 2.7% m/m jump in non-store sales, due to people stocking up on outdoor-related goods. But department stores also managed to squeeze out a 0.6% m/m rise in sales and the household goods sub-sector enjoyed a reasonable performance too. Overall, the figures were far better than analysts had expected. In addition, the GfK measure of consumer confidence rebounded from -27 to a 17-month high of -24 in June.

The recent resilience of the economy has been due to a confluence of factors including the continued rebound in activity after the pandemic, households spending some of their pandemic savings, and the tight labour market and government handouts both supporting household incomes. That said, as government support fades, real household incomes are unlikely to grow rapidly. Furthermore, higher interest rates will mean GDP is likely to contract later this year. Our central assumption is that inflation will drop to the 2.0% target only if the Bank triggers a recession by raising rates from 5.00% now to at least 5.5% and keeps rates



there until at least mid-2024. Our colleagues at Capital Economics estimate that around 60% of the drag on real activity from the rise in rates has yet to bite, and the drag on the quarterly rate of real GDP growth over the next year may be about 0.2ppts bigger than over the past year.

The labour market became tighter over the quarter and wage growth reaccelerated. Labour demand was stronger than the consensus had expected. The three-month change in employment rose from +182,000 in March to +250,000 in April. Meanwhile, labour supply continued to recover as the size of the labour force grew by 303,000 in the three months to April. That was supported by a further 140,000 decline in inactivity as people returned to work from retirement and caring responsibilities (while inactivity due to long-term sick continued to rise). But it was not enough to offset the big rise in employment, which meant the unemployment rate fell from 3.9% to 3.8%

The tighter labour market supported wage growth in April, although the 9.7% rise in the National Living Wage on 1st April (compared to the 6.6% increase in April last year) probably had a lot to do with it too. The 3myy rate of average earnings growth reaccelerated from 6.1% to 6.5% (consensus 6.1%) and UK wage growth remains much faster than in the US and the Euro-zone. In addition, regular private sector wage growth increased from 7.1% 3myy to 7.6%, which left it well above the Bank's forecast for it to fall below 7.0%. Overall, the loosening in the labour market appears to have stalled in April and regular private sector wage growth was well above the Bank's forecast.

CPI inflation stayed at 8.7% in May (consensus 8.4%) and, perhaps more worryingly, core CPI inflation rose again, from 6.8% to a new 31-year high of 7.1%. The rise in core inflation built on the leap from 6.2% in March to 6.8% and means it is accelerating in the UK while it is slowing in the US and the Euro-zone (both fell to 5.3%). A further decline in fuel inflation, from -8.9% to -13.1%, and the second fall in food inflation in as many months, from 19.3% to 18.7%, explained why overall CPI inflation didn't rise. And the scheduled fall in the average annual utility price from £2,500 to £2,074 on 1st July means overall CPI inflation will probably ease in the coming months. But the problem is that the recent surge in core inflation and the reacceleration in wage growth shows that domestic inflationary pressures are still strengthening.

This suggests the Bank may have more work to do than the Fed or ECB. Indeed, the Bank of England sounded somewhat hawkish in the June meeting. This came through most in the MPC's decision to step up the pace of hiking from the 25bps at the previous two meetings. The 7-2 vote, with only two members voting to leave rates unchanged at 4.50%, revealed support for stepping up the fight against high inflation.

That said, the Bank has not committed to raising rates again or suggested that 50bps rises are now the norm. What it did say was that "the scale of the recent upside surprises in official estimates of wage growth and services CPI inflation suggested a 0.5 percentage point increase in interest rates was required at this particular meeting". Moreover, the Committee did not strengthen its forward guidance that any further rate hikes would be conditional on the data. However, it looks highly probable, given the on-going strength of inflation and employment data, that the Bank will need to raise rates to at least 5.5% and to keep rates at their peak until the mid-point of 2024. We still think it is only a matter of time before the rise in rates weakens the economy sufficiently to push it into recession. That is why instead of rising to between 6.00%-6.25%, as is currently priced in by markets, we think rates are more likely to peak between 5.50-6.00%. Our forecast is also for rates to be cut in the second half of 2024, and we expect rates to then fall further than markets are pricing in.

Growing evidence that UK price pressures are becoming increasingly domestically generated has driven up market interest rate expectations and at one point pushed the 10-year gilt yield up to 4.49% in late June, very close to its peak seen after the “mini-budget”. Yields have since fallen slightly back to 4.38%. But growing expectations that rates in the UK will remain higher for longer than in the US mean they are still more than 70 bps above US yields. While higher interest rates are priced into the markets, the likely dent to the real economy from the high level of interest rates is not. That’s why we think there is scope for market rate expectations to fall back in 2024 and why we expect the 10-year PWLB Certainty Rate to drop back from c5.20% to 5.00% by the end of this year and to 4.20% by the end of 2024.

The pound strengthened from \$1.24 at the start of April to a one-year high at \$1.26 in early May, which was partly due to the risks from the global banking issues being seen as a bigger problem for the US than the UK. The pound then fell back to \$1.23 at the end of May, before rising again to \$1.28 in the middle of June as the strong core CPI inflation data released in June suggested the Bank of England was going to have to raise rates more than the Fed or ECB in order to tame domestic inflation. However, sterling’s strong run may falter because more hikes in the near term to combat high inflation are likely to weaken growth (and, hopefully, at some point inflation too) to such a degree that the policy rate will probably be brought back down, potentially quite quickly, as the economic cycle trends downwards decisively. This suggests that additional rate hikes are unlikely to do much to boost the pound.

In early April, investors turned more optimistic about global GDP growth, pushing up UK equity prices. But this period of optimism appears to have been short-lived. The FTSE 100 has fallen by 4.8% since 21<sup>st</sup> April, from around 7,914 to 7,553, reversing part of the 7.9% rise since 17<sup>th</sup> March. Despite the recent resilience of economic activity, expectations for equity earnings have become a bit more downbeat. Nonetheless, further down the track, more rate cuts than markets anticipate should help the FTSE 100 rally.

### **MPC meetings 11<sup>th</sup> May and 22<sup>nd</sup> June 2023**

- On 11<sup>th</sup> May, the Bank of England’s Monetary Policy Committee (MPC) increased Bank Rate by 25 basis points to 4.50%, and on 22<sup>nd</sup> June moved rates up a further 50 basis points to 5.00%. Both increases reflected a split vote – seven members voting for an increase and two for none.
- Nonetheless, with UK inflation significantly higher than in other G7 countries, the MPC will have a difficult task in convincing investors that they will be able to dampen inflation pressures anytime soon. Talk of the Bank’s inflation models being “broken” is perhaps another reason why gilt investors are demanding a premium relative to US and Euro-zone bonds, for example.
- Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has already hiked short-term rates to a range of 5.00%-5.25%, but a further increase is pencilled in for July, whilst the ECB looks likely to raise its Deposit rate at least once more to a peak of 3.75%, with upside risk of higher to come.

### **Interest rate forecasts**

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1<sup>st</sup> November 2012.

The latest forecast, made on 26<sup>th</sup> June, sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, against a backdrop of a stubbornly robust economy and a tight labour market.

Forecasts have steadily increased during the quarter as the data continued to spring upside surprises, and the Bank of England continued to under-estimate how prevalent inflation is, and how tight the labour market is. The Government has also noted that despite immigration increasing markedly, high levels of ill-health amongst the workforce has led to wage demands remaining strong until such time as there is a loosening in demand for business services.

Our current and previous PWLB rate forecasts below are based on the Certainty Rate.

Link Group Interest Rate View	26.06.23												
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
<b>BANK RATE</b>	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

- LIBOR and LIBID rates ceased at the end of 2021. In a continuation of previous views, money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- The Link forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

### **A summary overview of the future path of bank rate**

- Our central forecast for interest rates was previously updated on 25<sup>th</sup> May and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened to a degree, especially as it moved to a more aggressive 0.5% hike in June but, with inflation remaining elevated, we anticipate that Bank Rate will need to increase to at least 5.5%, if not higher, to sufficiently slow the UK economy and loosen the labour market.
- Moreover, we also still anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but timing on this will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged. Our current judgment is that rates will have to increase and stay at their peak until the second quarter of 2024 as a minimum.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine and whether there are any further implications for Russia itself following the recent aborted mutiny by the Wagner group.
- On the positive side, consumers are still estimated to be sitting on excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of

the economic cycle than may have been expected. However, most of those excess savings are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy, and rent/mortgage payments.

### **PWLB Rates**

- Gilt yield curve movements have shifted upwards, especially at the shorter end of the yield curve since our previous forecast but remain relatively volatile. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.90% to 5.60%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

### **The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is to the downside.

### **Downside risks to current forecasts for UK gilt yields and PWLB rates include: -**

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, the rising gilt yields we have seen of late).
- The Bank of England increases Bank Rate too fast and too far over the coming months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Geopolitical risks, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea, and Middle Eastern countries, which could lead to increasing safe-haven flows.
- A broadening of banking sector fragilities, which have been successfully addressed in the near-term by central banks and the market generally, but which may require further intervention if short-term interest rates stay elevated for longer than is anticipated.

### **Upside risks to current forecasts for UK gilt yields and PWLB rates: -**

- Despite the recent tightening by 0.5%, the Bank of England proves too timid in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The pound weakens because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term US treasury yields rise strongly if inflation remains more stubborn than the market currently anticipates, pulling gilt yields up higher consequently.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

**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 Members with a status report of the revised Strategic Risk Register as at the end of the first quarter 2023/24.

## **2. Background**

- 2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to Members in June 2023 and contained twelve strategic risks.
- 2.2 Since reporting to Members in June, the Strategic Risk Register has been refreshed and updated by the Risk Owners and Corporate Leadership Team for the financial year 2023/24. This assessment has reviewed each risk in terms of the level of assessed risk (likelihood and impact), target risk scores, control measures in place and mitigating actions required in order to; avoid, seek, modify, transfer, or retain the risks. It has also considered whether each of the risks remains relevant or needs refocusing and whether there are new risks that need to be assessed.
- 2.3 The outcome of this work has resulted in a refreshed Strategic Risk Register for 2023/24, which reflects the changing circumstances in which the Council is operating and the different challenges and opportunities it faces. This refreshed register, contained in Part B of the agenda, will be performance monitored on a quarterly basis, reported to both Performance Scrutiny Committee and Executive.

## **3. Strategic Risks**

- 3.1 The Strategic Risk Register contains fourteen risks, as follows:
- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against e.g., Council's Vision 2025.
  - 2) Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025).
  - 3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.
  - 4) Failure to ensure compliance with existing and new statutory duties/functions.

- 5) Failure to protect the local authority's long term vision 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, transformational journey to one Council approach and service delivery.
- 7) Insufficient levels of resilience, capability 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 protect the vulnerable in relation to the Council's PREVENT and compliance with safeguarding and domestic abuse duties.
- 12) Failure to mitigate against the risk of a successful cyber-attack against the council.
- 13) Impacts of the uncertainty of Government's migration policy on the Council's service delivery, capacity and MTFS as well as the impacts for the City as a whole
- 14) Failure to deliver critical services in an emergency situation.

3.2 The assessed level of each of these fourteen risks is as follows:

<b>Risk No.</b>	<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
2, 7, 8, 10 & 13	Red/High	Almost Certain	Critical
12	Red/High	Probable	Critical
11.	Amber/Medium	Possible	Critical
3, 4, 5, 9 & 14	Amber/Medium	Probable	Major
6	Amber/Medium	Possible	Major
1	Amber/Medium	Possible	Minor

Control actions continue to be implemented and risks managed accordingly.

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

#### **4. Strategic Priorities**

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

## **5. Organisational Impacts**

- 5.1 Finance - There are no direct financial implications arising as a result of this report. The Council's Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme, the risk registers that support these are also being reviewed in light of the current financial challenges the Council is facing.
- 5.2 Legal Implications including Procurement Rules - The Council is required under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance of a Strategic Risk Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.
- 5.3 Equality, Diversity and Human Rights

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

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

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

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

## **6. Risk Implications**

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

## **7. Recommendation**

- 7.1 Members are asked to note and comment on the Council's strategic risks as at the end quarter 1 2023/24.

**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  
[Jaclyn.gibson@lincoln.gov.uk](mailto:Jaclyn.gibson@lincoln.gov.uk)



<b>SUBJECT:</b>	<b>EXCLUSION OF THE PRESS AND PUBLIC</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>CAROLYN WHEATER, MONITORING OFFICER</b>

**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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