

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

Apologies for Absence: Councillor Sue Burke

42. Confirmation of Minutes - 18 September 2023

RESOLVED that the minutes of the meeting held on 18 September 2023 be confirmed and signed by the Chair as a true record.

43. Declarations of Interest

No declarations of interest were received.

44. Setting the 2024/25 Budget & Medium Term Financial Strategy 2024/25-2028/29

Purpose of Report

To update Executive on the latest Medium Term Financial Strategy (MTFS) position for the Council, including the challenges in preparing for the 2024/25 and future years budget, setting out the parameters within which the Council would prepare these budgets and confirm the Council's approach to development of the budget and Medium Term Financial Strategy.

The report included an update on the current economic position and developments in national policy, specifically the high level of uncertainty surrounding local government financing and national funding reforms. This, along with the unavoidable and escalating cost pressures, cost of living crisis and rising demand for Council services, would inform the development of the MTFS. Further details in respect of key budget assumptions for 2024-29, together with budget and financial planning preparation timetables for 2024/25 were outlined at Appendices A and B of the report.

Decision

1. That the significant financial challenges and risks faced by the Council, particularly the unplanned, and unavoidable increasing cost pressures be noted.
2. That the projected budget parameters for 2024/25 and future years and the planning assumptions, as set out in Appendix A of the report be noted.
3. That the budget, strategic and service planning preparation programme, as set out in Appendix B of the report, be noted.

Alternative Options Considered and Rejected

There were significant, unprecedented risks to the Council's budget strategy, particularly in the short-term as detailed within the officer's report.

Due to the level of uncertainty it was difficult to make a full, definitive and comprehensive assessment of the ongoing financial impact of these issues. As such, the figures in this report were based upon best estimates and forecasts and would therefore be subject to change as the budget process developed.

Reason for Decision

The Council's Vision 2025 and five strategic priorities drove the medium-term financial planning process, with changes in resource allocation determined in accordance with policies and priorities. The MTFS provided the framework for the development of annual budgets in line with the aims of the Council's strategy and priorities.

The refreshed MTFS would include financial projections for the five-year financial planning period through to 2028/29. It would set out the financial parameters within which the Council was required to work and the recommended approach to addressing the financial challenges the Council faced to develop a balanced, sustainable budget and set Council Tax and Housing Rents for 2024/25.

The refresh of the MTFS needed to be seen in the context of significant financial uncertainty for the Council. Exceptional economic factors such as the continued and sustained impact of rising inflation on the Council's pay bill and the cost of goods and services, rising interest rates increasing the cost of borrowing, and the increasing demand for key services as those more vulnerable in the city looked to the Council for support as the cost-of-living crises impacted on households, continued to add significant cost pressures to the Council's budgets.

These pressures were on top of the continued reduction in core government funding over recent years and increased reliance on council tax for income, which created a particular problem for places like Lincoln, with a predominantly low tax base.

Furthermore, there still remained uncertainty around the level of funding for local government beyond the current Spending Review period, with significant reforms to funding mechanisms due to be implemented, along with likely reductions in public sector expenditure post the next General Election.

As a result of these factors, the Council, and local government as a whole, was yet again having to update their medium-term financial strategies in a very uncertain environment. It was a long time since the Council had any certainty during budget setting and 2024/25 looked set to continue this tradition, which made financial planning, and the subsequent impact on service delivery, in this climate extremely challenging.

Against this backdrop of significant uncertainty and volatility, this report set out the current financial planning assumptions that would form the basis of the MTFS refresh. This medium-term financial planning process was critical to ensuring that the Council had an understanding of the likely level of available resources and the potential costs of delivering services, identifying budget shortfalls at the earliest opportunity to ensure appropriate action could be taken in advance.

Based on the current financial planning assumptions it was estimated that the Council would need to make reductions in the annual net cost base of the General Fund of c£2m by 2026/27, if it was to remain sustainable in the medium

term. The Council had a strong track record of managing its finances, having delivered annual revenue reductions of over £10m over the last 10 years. However, this was a significant amount in comparison to the General Fund budget and with each year the challenge became much more difficult.

Now more than ever, careful and prudent financial management would be required to ensure that the Council maintained a robust and sustainable financial position and was able to respond to the impact of volatile external events and increased financial risks that it faced. The MTFS needed to remain flexible, the council's reserves resilient and the sound track record of delivering savings needed to be sustained, whilst ensuring that resources were directed towards Vision 2025.

45. Waste Collection & Street Cleansing Specifications(For New Contracts From 01/09/2026)

Purpose of Report

To provide an update on the specification for the waste collection and street cleansing contract prior to commencing procurement, with specific reference to comments received from the All-Member workshops held between September 2022 and January 2023.

Decision

That the specification for new Waste Collection and Street Cleansing contracts from 01/09/2026 be confirmed by Executive.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Council currently held two contracts for street scene services: street cleansing and grounds maintenance, and waste collections. Both of these contracts ended on 31 August 2026. Work had commenced on procuring new contracts which would commence on 1 September 2026. They would be realigned and packaged as two separate contracts: waste (which included recycling and other domestic waste streams) and street cleansing, and a separate grounds maintenance contract.

The work involved was extensive, and included review and update of all the specifications for the full range of works that would be delivered as part of the new contracts.

This had involved consultation with all Members, as well as reviewing the specifications against changes in law, changes in best practice, environmental awareness and 'lessons learned', trying also to avoid significant increases in costs.

A summary of the draft waste/cleansing specifications was detailed as Appendix A of the officer's report, which matched the new specifications to feedback received from Members in the All-Member workshops held in late 2022/early 2023. The review had considered and rewritten every requirement within the

current specifications. The changes in Appendix A reflected just those material changes which may be noticeable to service users. Many other changes had been made in the interests of cost control, clarity, ease of navigation, ease of operational use and understanding.

The grounds maintenance specification was still in development, programmed to go out to tender in mid-2024. That specification would be brought before Members in a separate report.

The report also drew attention to the fact that the Council would require its contractors to pay their staff in accordance with the Real Living Wage as a minimum (currently £10.90 per hour). This would relate to both the waste/cleansing and the grounds maintenance contracts.

Appendix A was reported to Policy Scrutiny Committee on 3 October 2023. This resulted in one specific change, which was to strengthen the wording on single use plastics relating to the provision of refuse sacks, so as to ensure refuse sacks were not delivered within another bag that could not be used as a refuse sack. The replacement of plastic sacks with alternative compostable materials was already a requirement of the contract at the first viable opportunity.

Following the required procurement processes and determination of a final price, cost management for the waste collection and street cleansing contract would be factored into the Council's overall medium term financial plan to be finalised and presented to Members for approval in the new year.

46. 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 items were considered in private as they were 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 these items in private.

47. Housing Management Structural Review

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.

48. Safer Streets Round 5 Bid Submission & Beyond

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.